

## THE EU'S POLICY FOR THE DEVELOPMENT OF RAILWAY TRANSPORT "2021 – THE EUROPEAN YEAR OF RAIL"

Svetla Tzvetkova <sup>1</sup>

Received: 31.03.2021, Accepted: 19.04.2021

---

### *Abstract*

*One of the priorities of Europe's transport policy in 2021 is to focus on the stable development of railway transport by emphasizing the benefits it provides for people, economies and the climate. For this purpose, and in order to achieve the goals of the European Green Deal in the field of transport, the European Commission proposed that 2021 be named "The European Year of Rail". A series of activities, campaigns and initiatives for encouraging the use of railway transport as a stable and innovative type of land transport for carrying passengers and cargo will be organized throughout this year. The present article surveys Europe's transport policy as a whole, more specifically – the policy aimed at the stable development of railway transport. It indicates the adopted measures which will help railway carriers overcome the crisis caused by the COVID-19 pandemic faster.*

**Keywords:** *transport policy; stable development of railway transport; the COVID-19 pandemic*

**JEL Codes:** *R41, R48, R49*

---

### **1. Introduction**

Railway transport plays a key role in European integration, market expansion, employment and the reduction of the harmful influence of transport on the environment, as well as the stable development of the all-European transport system as a whole. Its undeniable advantages, which include safety and stability, make it a preferred means of transporting passengers and cargo within the European Union and award it a key place in the creation of stable mobility for the European transport system. Furthermore, it should be underlined that this is the only type of transport to record a drop in harmful CO<sub>2</sub> emissions along with an increase in freight volume in recent years, which serves as proof of European engineering experience and is also part of European heritage and culture.

Based on the tremendous potential of this type of transport, the European Parliament's Committee on Transport and Tourism (TRAN) recently ratified the

---

<sup>1</sup> University of National and World Economy, Economics of Transport Department, Assoc. Prof., PhD, e-mail: svetlatzvetkova@abv.bg ORCID ID: <https://orcid.org/0000-0002-6499-5612>

motion for naming 2021 “The European Year of Rail”. The motion was also made in support of the goals of the Green Deal, which in particular called for expediting the transition towards more stable and intelligent mobility. Although the transport sector is responsible for producing a quarter of the greenhouse emissions in the EU, it is the EU’s goal to reduce those emissions by 90% by 2050. As part of the Green Deal, the European Commission calls for transferring a sizable volume of the 75% share of land cargo freights, which are currently carried out by road transport, to railway transport and water transport.

The European Year of Rail will be the first full year throughout which the rules negotiated within the fourth legislative package in the field of railway transport will be implemented across the entire EU. A number of events for informing citizens, businesses and public authorities about the advantages and stability of this type of transport and encouraging them to prioritize its use over motor transport, which pollutes the environment with harmful emissions, are set to be initiated throughout Europe in 2021.

The achievement of the EU’s goals for creating a Unified European Railway Area and the popularization of railway transport involve the overcoming of many more challenges and obstacles such as reducing noise, reducing costs and increasing investments; however, this will modernize railways and allow them to become a more appealing means of carrying passengers and cargo.

## **2. The EU’s Transport Policy**

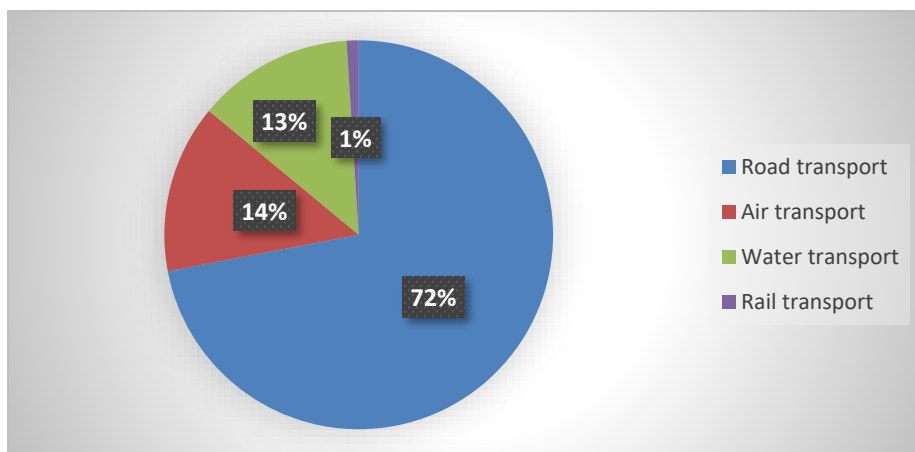
The transport policy has held a key place in the EU’s common policies since its foundation. Ever since the signing of the Treaty of Rome the member states have been emphasizing the significance of the common transport policy, dedicating a separate contractual share to it, thus making transport one of the Community’s leading policies.

The EU’s initial priorities were focused on establishing a common transport market which allows freedom of supplying services and opening transport markets. This objective was largely accomplished because even national railway markets were gradually opened to competitors. At the same time, the opening of transport markets aimed to create conditions for loyal competition for the individual types of transport, as well as the connections between them. Therefore, harmonization continued to gain significance, encompassing the legal, normative and administrative decrees of the member states, as well as the technical, social and tax framework conditions within which the respective transport services are provided. The volume of cargo and passenger freights grew as a result of the liberalization and opening of transport markets, the complete establishment of the European home market, the elimination of internal borders and the reduced prices of transport services.

Along with the opening of transport markets to competitors and the establishment of trans-European transport networks, the topic of “stable mobility” became particularly crucial in the context of the ever-increasing volume of greenhouse

emissions from the transport sector. The dynamic and economically successful transport sector still faces many challenges regarding stability, which poses a serious danger to the EU's transport policy in terms of climate change and the reduction of greenhouse emissions (see Figure 1).

*Figure 1. Greenhouse emissions according to types of transport*



*Source: NSI*

Figure 1 makes it evident that road transport is the undisputed primary pollutant of the atmosphere, producing 72% of greenhouse emissions, followed by air transport – 14%, water transport – 13% and railway transport – about 1%. It becomes clear that railway transport is the most environmentally friendly one, producing the least amount of greenhouse emissions as a result of its functioning and having a minimum negative effect on the environment.

The transport sector is responsible for about a quarter of the total amount of greenhouse emissions generated by human activity in the EU. Furthermore, the transport sector is the only one in the EU which has been showing a progressive rise in greenhouse emissions over the past 30 years. As a result, the White Paper from 2011, titled “Roadmap to a Single European Transport Area – Towards a Competitive and Resource-Efficient Transport System” (COM (2011)0144) recommends reducing emissions (excluding international sea transport) by 20% between 2008 and 2030 and at least 60% between 1990 and 2050. The White Paper from 2011 calls for achieving the use of 40% of stable low-carbon fuels in aviation by 2050 and advocates for a 50% reduction of the share of automobiles which use conventional fuels in urban transport by 2030, as well as making them completely obsolete by 2050. However, these goals are too insufficient compared to the goals established during the Paris conference on climate issues in December 2015 (also known as “COP 21”), namely – reducing greenhouse emissions by at least 20% between 2021 and 2030. Even if these goals are

achieved, that would mean that in 2030 the levels of transport emissions (excluding international water transport) will still be 4,5% higher compared to 1990, and in 2050 the levels of international water transport emissions will be only 9,5% lower than in 1990. These, along with other related elements, have influenced the plan of action proposed by the Commission (COM (2019) 0640), titled “European Green Pact” which goes beyond its basic ambitions (i.e. “intelligent and stable mobility”) and also includes common legislative objectives in the field of climate, thus turning political obligations into legal obligations.

Europe becoming the first neutral continent in the world with regard to climate by 2050 is the biggest challenge and opportunity of our time. In order to achieve these goals, a package of measures which should provide European citizens and enterprises with the opportunity to take advantage of the transition to green economy has been integrated into the “European Green Pact”. The measures, which are accompanied by an initial road map with key policies, include significant reduction of emissions, investment in vanguard scientific research and innovation and environmental protection in Europe.

The purpose of the common transport policy is to guarantee competition, as well as free provision of services. This requires harmonization of technical rules, administrative rules and safety rules, which is vital to achieving interoperability between individual national railway systems. The measures for environmental protection and consumer protection may require a certain degree of harmonization as well, more specifically, to avoid disrupting the competition and to facilitate the entry of new enterprises on the market. One of the fundamental problems which the EU needs to solve is the creation of a co-measured relation between the various types of transport. The growing inequality between motor transport and railway transport needs to be overcome. The lack of good coordination and control among the competition will lead to a monopoly of motor transport. Therefore, the development of motor transport and other types of transport needs to be controlled and, if possible, limited, in order to stimulate the development of railway transport as the most environmentally friendly type of transport, thus giving it a real opportunity to become a competitive alternative. It is the only way that the relative competitive advantages of the individual types of transport, including railways, will be able to develop and be objectively appreciated. The creation of more equal competitive conditions among the individual types of transport /intermodal competition/ is the foundation necessary for the development of competition within railways as well. It is the only possible direction along which its energy-saving, environmental and logistical advantages can be developed and demonstrated.

On June 19 2020, following the start of the COVID-19 pandemic and its effects on transport, the European Parliament passed a resolution titled “Transport and Tourism in 2020 and Beyond” (2020/2649(RSP) which calls for rapid, short-term and long-term support for the transport sector and the tourism sector in order to guarantee

their survival and competitiveness. After March 2020, the Parliament passed several legislative resolutions through an emergency procedure – resolutions aimed at combating the immediate negative effects of the pandemic on the transport sector.

The Commission’s work programmed for 2021 (COM(2020)0690) is expected to address a number of questions related to transport, including: revision of the Emissions Trading System (ETS) (including air and sea transport), the infrastructure for alternative fuels, the standards for CO2 emissions, intelligent transport systems, trans-European networks (TEN-T), the railway corridor initiative (including the revision of the Regulations regarding the European Rail Network for Competitive Freight), and the development for emissions standards beyond Euro 6/VI for passenger cars, vans, trucks and buses.

### **3. The EU’s Policy in the Field of Railway Transport**

The goal of Europe’s policy in the field of railway transport is the creation of a Unified European Railway Area. The opening of the railway sector to competitors, which began in 2001, has been the subject of three legislative products and one revision over the past ten years. The fourth package, designed to complete the creation of the unified railway area, was adopted in April 2016 (technical pillar) and December 2016 (market pillar).

In recent years the EC has been quite active in its efforts to restructure the European railway market and strengthen the position of railways in comparison to the other types of transport. The Commission’s efforts are focused on opening the domestic railway market to competitors, improving operative compatibility and safety, and developing the railway infrastructure. They are crucial to the development of a strong and competitive railway industry:

The purpose of the three legislative act packages in the field of railway transport adopted by the Commission was to open the national markets and increase the competitiveness and interoperability of railways on a EU level.

The main objectives of the first package, adopted in 2001 and designed to ensure equal reforms in the railway sector for the EU’s member states, are as follows:

- ✓ creating competition in railway transport;
- ✓ eliminating the monopoly;
- ✓ creating competitive conditions for combined transport;
- ✓ creating conditions for a European railway market by developing the activities of international groups;
- ✓ introducing a transparent and detailed framework for allocation of capacity capabilities and taxing the use of the infrastructure;
- ✓ establishment of regulatory authorities for railway transport in EU countries.

The purpose of the second railway package, adopted in 2004, is the development of what the first package achieved and solves issues related to:

- ✓ the liberalization of cargo railway services by making the market completely open since 01.01.2007;
- ✓ freight safety and establishment of safety authorities in every member state;
- ✓ operational interaction, efficiency and compatibility;
- ✓ creating a European Agency for Railways.

The third railway package regulates the further integration of the railway system in Europe and solves issues related to:

- ✓ the liberalization of passenger railway services;
- ✓ certification of locomotive engine-drivers;
- ✓ passenger rights;
- ✓ the quality of cargo railway transport services;
- ✓ improving freight contracts.

The fourth railway package was presented by the EC on 30.01.2013. It includes six legislative motions aimed at three key fields:

- ✓ renewing the rules for the structure of managing the infrastructure and transport operations;
- ✓ ensuring the further opening of the market for internal services to passenger railway freights;
- ✓ increasing the quality and effectiveness of railway services by eliminating the remaining barriers on the market and strengthening the harmonization of operative compatibility and safety in order to guarantee higher degree of harmonization of the EU's railway network.

The purpose of adopting the fourth railway package was the overall improvement of railway services provided in Europe.

In December 2019 the European Commission presented the European Green Pact for the EU and its citizens; the goal is to achieve neutrality on climate by 2050. Because transport represents a quarter of the greenhouse emissions in the EU, the sector will play a decisive role in that regard, and the goal to achieve a 90% reduction of emissions by 2050 was specified.

As part of the European Green Pact, the Commission is working on a strategy for stable and intelligent mobility which will be aimed at the emissions from all types of transport. As an issue of the highest importance, a significant part of the domestic motor carriage of goods (75%) should be redirected towards railways and domestic waterways.

The spring of 2020 and the spread of COVID-19 throughout Europe challenged multiple sectors, including railway transport. The drop in the number of journeys was observed in the first quarter of the year as a result of the multitude of limitations imposed by the authorities of EU countries.

Eurostat data shows a 37% drop in the number of people who use railway transport in Bulgaria, which is a little over 2 million for the second quarter. The

downward trend was evident in the first three months of the year, when the number of traveling people was almost 4.6 million – a 7% drop on a yearly basis.

In response to the outbreak of the COVID-19 pandemic, the European Commission's services recommended that the member states conclude public service contracts within the meaning of the procurement directives. Additionally, the common rules regarding Services of General Economic Interest (SGEI) are implemented. They set the conditions under which compensation can be provided for SGEI. Provided that all requirements are observed, notifications in accordance with the rules for state assistance are not necessary. The purpose of the proposed COM (2020) 0260 Regulation is to temporarily suspend the rules determined in Directive 2012/34/EU, thus allowing national authorities and interested parties in the railway sector to deal more easily with a number of negative consequences from the COVID-19 pandemic: suspension, reduction or deferral of track access fees for the use of the railway infrastructure, as well as exemption from reservation fees.

As a result of the severe consequences of the pandemic, transport enterprises and operators, as well as other affected parties, may not be able to fulfil the necessary formalities or procedures for observation of certain legal provisions of the EU. Regulation (EU) 2020/698 refers to the implementation of twelve legislative texts (directives and regulations) for all types of transport, including railway transport, and extends the deadlines planned for renewal or extension of certificates, licenses and permits, as well as the delay of certain periodic verifications and training. This text was passed by the Parliament in May 2020. Directive (EU) 2020/700 extends the deadline for transposition of the Regulation regarding the operative compatibility of the railway system within the EU and Directive (EU) 2016/798 regarding the safety of railway transport by three months (from June 16 to September 16), considering that in 2019 only eight member states had transposed both directives.

Following the outbreak of the pandemic, it does seem highly unlikely that the other member states will be able to finish the transposition within the predetermined deadline. Directive (EU) 2020/700 was passed by the Parliament and the Council in May 2020. In September 2020 Parliament accepted the proposal for a regulation about "helping the railway sector deal with the extreme situation created by the COVID-19 pandemic" (2020/0127(COD)), designed to complete the existing framework related to railway transport. This will make it easier for national authorities and interested parties in the railway sector to deal with a number of negative consequences from the COVID-19 pandemic and respond to the pressing needs of the railway sector as long as these consequences continue to exist.

In accordance with fulfilling the goals of the European Green Pact, the European Union declared 2021 the year of railway transport in order to work for achieving neutrality on climate by 2050. With a budget of about 8 million euro, this type of land transport will be popularized on a European level.

During the announcement of the motion, Adina Vălean, the European Commissioner of Transport made the following declaration: “There is no doubt that railway transport brings tremendous benefits in multiple aspects: stability, safety, even speed, when it is organized and designed in accordance with the principles of the 21st Century. However, there is something else, something deeper about railway transport: it connects the EU not just from a physical perspective. The creation of a coordinative and functional network in all of Europe is an expression of political cohesion. The European Year of Rail is not a random event. It has been chosen at the right moment, when the EU needs such a common initiative”.

It is an undeniable fact that the European Year of Rail will help expedite the modernization of railways as the most environmentally friendly and secure land transport, which in turn will attract more passengers and cargo consignors who will prefer it over motor transport. 2021 will be the first full year during which the rules negotiated within the fourth legislative package in the field of railway transport will be implemented across the entire EU. Furthermore, 2021 marks several important anniversaries for railway transport: the 20th anniversary of the first legislative package in the field of railway transport, the 175th anniversary of the first railway link between two EU capitals (Paris – Brussels), as well as the 40th anniversary of high-speed trains in France (TGV) and the 30th anniversary of the German railways’ Inter-City Express (ICE).

#### **4. Conclusion**

Presently, the “Transport” sector shows a considerable rise in greenhouse emissions which has prompted the European Commission (EC) to propose, as part of its plan for the Green deal, that this year additional attention be dedicated to train journeys. Railway transport is also capable of solving other pressing questions related to mobility within the community such as climate neutrality, energy efficiency, crisis resilience and freight safety. For this reason, 2021 is dedicated to the stable development of railway transport through a number of events and campaigns for attracting more people and goods to railways, as well as their popularization. In light of that, the Council of the European Union has introduced changes to the process of increasing the capacity of railway infrastructure, greater awareness, as well as the initiation of activities for popularizing goods carried by railway transport.

The stable development of railway transport will reduce traffic jams and expedite the reduction of harmful emissions in transport which pollute the air, but it requires additional stimulation in order to fulfill its mission and realize its full potential. The announcement of 2021 as “The European Year of Rail” will help expedite the modernization of railways, which is necessary for improving the quality of supplied transport services and increasing their competitiveness. This will be the



first full year throughout which the rules negotiated within the fourth legislative package in the field of railway transport will be implemented across the entire EU.

## REFERENCES

- Dobreva, Sv. (2020). EK predlozhi 2021 g. da bade obyavena za Evropeyska godina na zhelezopatnia transport. [blog post], Retrieved from <https://gradat.bg/infrastruktura/ek-predlozhi-2021-g-da-bde-obyavena-za-evropeyska-godina-na-zhelezoptniya-transport>
- Pernice, D. & Debyser, A. (2020). European parliament. Common transport policy: overview [blog post], Retrieved from <https://www.europarl.europa.eu/factsheets/bg/sheet/123>
- Pernice, D. & Debyser, A. (2020). European parliament. Rail transport. [blog post], Retrieved from <https://www.europarl.europa.eu/factsheets/bg/sheet/130>
- GreenTech (2020). 2021-va shte e godina na zheleznitsata v Evropa. [blog post], Retrieved from <https://greentech.bg/archives/79730>
- [blog post], Retrieved from <https://bg.eureporter.co/frontpage/2021/01/05/the-journey-begins-2021-is-the-european-year-of-rail/amp/>
- Valkov, St. (2020). Badeshteto e na zhelezopatnia transport. [blog post], Retrieved from <https://www.banker.bg/upravlenie-i-biznes/read/budeshteto-e-na-jelezopotniia-transport>
- ADL Ltd. (Anywhere Delivery & Logistics) [blog post], Retrieved from <https://adlbg.com>