

PRESS RELEASE

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Germany: More competition to Deutsche Bahn is the solution and not the problem:

This past week, the general public has found out about a leaked crisis letter from executives of the German rail incumbent Deutsche Bahn (DB), stating that:

- Efficiency is low; even the earnings target of €2.1bn (for 2018) is at risk.
- Long distance delays and customer satisfaction are getting worse

Some of the media even blame a new competitor, FlixBus, for the earnings shortfall¹. In order to rectify the situation, CEO Richard Lutz advocates that DB should have more central control and hints that his company will also need additional taxpayer funding.

ALLRAIL's new entrant rail operator members dispute both the analysis and the remedy.

More Competition to DB is the solution and not the problem! After all elsewhere in Europe competition between long distance operators on the same tracks has led to:

(1) Improved quality, (2) 'Can-do' attitude to performance (3) Much reduced fares, and (4) More people taking the train.

For example, in Italy, **long distance passenger rail competition has grown demand by 101%** - even the former monopolist Italian State Railways now states that it has been "a positive thing. We are not afraid of it and it pushes us to perform better"².

Nick Brooks, Secretary General of ALLRAIL, says: "Through more competition on the same tracks, new efficiency can be achieved without additional taxpayer funding".

Now it is time for the German government to create the right conditions that will attract more new entrant operators to the domestic passenger rail system:

(1) Fair track access (2) Equal access to rolling stock & financing, and (3) Opening of DB sales channels and full data sharing.

Brooks states further: "The current crisis must not be used as an excuse to justify more centralised control. This would remove any hope of a vibrant, competitive rail market in the future. If more centralisation occurs, then DB's internal crises will just keep on reoccurring".

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¹ <http://www.spiegel.de/wirtschaft/unternehmen/deutsche-bahn-brandbrief-von-richard-lutz-an-den-vorstand-a-1227262.html>

² <https://www.railwaygazette.com/analysis/single-news/view/competition-is-key-as-high-speed-rail-keeps-growing.html>