

PRESS RELEASE

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GERMANY: Monopolies Commission calls for more competition in order to achieve modal shift to rail

This month, two separate reports were published that gave powerful arguments in favour of faster rail market opening:

1. The “2019 Railway Sector Report” by the German Monopolies Commission¹. In order to address poor performance levels in German long distance rail, it **“urges the government to take action, to increase competition on the network, which will...give train operators their own incentives to improve quality”**.²

The report also recommends measures to achieve fairness for new operators, e.g.:

- Separation of incumbent operator from the infrastructure manager
- Reduction in track access charges – lost revenue balanced out by more traffic
- Transparent track allocation – no ‘grandfather rights’ for incumbent operator
- Introduction of leasing models for long distance passenger rolling stock

But, most critically, the report warns about the environmental consequences of taking no action - without measures to open the market, the **“political goal of putting more traffic on the railway is a long way off”**.²

2. Then there was also the “Integrated Interim Report for 2019” published by the German rail incumbent DB. In the report, DB states that long-distance passenger rail as a whole saw **“growth in the first quarter of +1.0%, carried by the expansion of services at (newcomer rail operator) FlixTrain³”**.

But FlixTrain only operated 0.67% of long distance rail kilometres in the first quarter – compared to over 96% by DB – so it is clear to see how newcomers grow the market.

ALLRAIL Secretary General Nick Brooks says “Imagine if FlixTrain and other newcomers were allowed to compete **fairly** on all long distance routes: **rail ridership would probably grow by at least 50%** - with zero cost to the taxpayer. We can see this on those routes where competition already happens (e.g. in Italy, Sweden & Czechia)⁴”.

Therefore, ALLRAIL’s rail operators call on EU & national politicians to make faster rail market opening a top priority. *What is Europe waiting for?* Otherwise, we worry that the EU’s ambitious decarbonisation goals will never be achieved – it will be too late.

Contact: Nick Brooks, Alliance of Passenger Rail New Entrants, ALLRAIL asbl; Email info@allrail.eu;
Twitter [@ALLRAIL_EU](https://twitter.com/ALLRAIL_EU); Tel +32 485 832 991; Rue Washington 40, 1050 Brussels, Belgium

¹ https://www.monopolkommission.de/images/PDF/SG/7sg_bahn_volltext.pdf

² <https://www.railjournal.com/regions/europe/german-monopolies-commission-calls-for-break-up-of-db/#.XTny7o1aHPU.twitter>

³ <https://zb.deutschebahn.com/zb2019/de/konzern-zwischenlagebericht-ungeprueft/entwicklung-der-geschaeftsfelder/personenverkehr/marktentwicklungen/>

⁴ See graphic from Professor Andrea Giuricin of Milan Bicocca University as featured in this LinkedIn article: <https://www.linkedin.com/pulse/find-out-how-best-way-achieve-modal-shift-rail-faster-nick-brooks/>