

BACK ON TRACK CONFERENCE 18TH OCTOBER 2019

OUR VISION FOR NIGHT TRAINS

Night trains won't succeed in intermodal competition (e.g. vs low cost airlines) unless they experience intramodal competition first

SUMMARY:

ALLRAIL, the Alliance of Passenger Rail New Entrants, is an EU rail recognised body, a non-profit association that was founded in the first half of 2017. It brings together mostly non-incumbent passenger operators.

We call for faster rail market opening among in passenger rail operators– more innovation & efficiency from long distance competition has led to **better quality & choice, lower prices, higher demand, more jobs & reduced taxpayer subsidy**. Last but not least modal shift towards most sustainable form of transport will also greatly benefit the environment, which is why many EU Green Party politicians support market opening.

Taxpayers should not subsidise more than they have to: it is already an enormous financial struggle to pay for new infrastructure and we need more of this in order to boost cross-border links. Governments should only be funding operators in most efficient way. If no need for subsidy then operations should be commercial. By the way this is also European law - EU 1370/2007 article 2e. Let private investment also take a role

How is this relevant to night trains: Back On Track has the right goal!- **more night trains**. ALLRAIL does not like Air or cars either. Indeed, data from our members who run long distances buses show there is large demand at night that the rail system is currently not meeting, especially for EU cross-border long distance.

- **Especially with flight shaming**, there is rising interest – which should result in modal shift & profitability.
- **There is no need for one dominant operator across Europe** that builds itself up through preferential taxpayer funding. After 2023, ÖBB Nightjet will have an established market position while competitors need to start at zero -> not just unfair but threatens to delay or cancel benefits from rail market opening.

Besides other operators bring new ideas: to declare that a night service will not cover its costs because ÖBB Nightjet says so assumes that ÖBB's pricing & product define the market. Fact: new entrants are not ÖBB.

If governments want to encourage new night trains, they should do so in a manner that is fair to all operators old & new, namely:

1. Subsidising track access and station stop fees instead.
2. Facilitating integrated ticketing with other trains, to ensure a broad feeder network.
3. Providing equal financing opportunities to lease or purchase rolling stock.
4. If public subsidy is still necessary, then there should be competitive tenders -> work well elsewhere.

To conclude:

- One dominant operator (or collaboration of state-owned night operators) is not the right way.
- Understandable there's a lot of admiration for ÖBB Nightjet, but competition will help it improve too.
- ***You can't effectively do intermodal competition unless you can do intramodal competition first.***
- Other modes have this & are more innovative because of it – **& this is a problem for night trains.**