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Mr. Apostolos Tzitzikostas
Commissioner for Sustainable Transport and Tourism
European Commission

Cc Ms. Teresa Ribera Rodriguez
Executive Vice-President for Clean, Just and Competitive Transition

Cc Mr. Wopke Hoekstra
Commissioner for Climate, Net Zero and Clean Growth

Ms. Elissavet Vozemberg-Vrionidi
Chair of the Committee on Transport and Tourism
European Parliament

Cc Vice-Chairs & Members of the Committee on Transport and Tourism

Brussels, December 11, 2024

Open letter: Congratulations on your mandate – A call for two urgent actions

Dear Commissioner Tzitzikostas,
Dear Chair Vozemberg,

On behalf of the Association of European rail Rolling Stock Lessors (AERRL), we would like to extend our heartfelt congratulations on your recent appointments. We wish you great success in your respective roles as you lead Europe towards a more sustainable and efficient transport future.

As an association committed to realizing an innovative, sustainable, and efficient vision for rail transport, we are eager to collaborate with you and other stakeholders to achieve the ambitious goal of reducing CO2 emissions from transport by 90% by 2050. We believe that the modal shift from road to rail is a critical component of this strategy.

AERRL represents the group of rail stakeholders that currently invest the most in modern and cross-border motorized rolling stock in the European Union. By doing so, AERRL members are significantly contributing to the sustainability of the transport industry and the greening of the rail fleet. Notably, 80% of the newly ordered leased fleet are electric.

Lessors are the primary investors in locomotive procurement in Europe, with approximately €800 million spent annually over the past decade. As these investments increase, we expect to reach **€1 billion per year by 2027**. What's more, with €600 million spent each year on maintenance, the total amount we have allocated to railway rolling stock comes to €1.4 billion a year.

With extensive experience managing thousands of rolling stock operating daily for hundreds of rail operators across various geographies and European borders, we strongly urge the European authorities to act quickly and precisely in two directions.

Firstly, public funds should be mainly focused on infrastructure, where needs are enormous - for example, by reducing track access charges - and improving global efficiency of the railway system for the benefit of all operators in a fair and in a non-discriminatory manner.



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The situation is very different when it comes to railway rolling stock. As a proof of evidence, rolling stock lessors demonstrated over the past 15 years their capability to finance and deliver locomotives towards the locomotive passenger and freight market. In this capacity, we strongly recommend being careful not to design a subsidy that would disrupt the market of new rolling stock acquisition. We think that subsidies or public funding for the procurement of newly built rail rolling stock should be more strongly or explicitly forbidden in the regulation.

Subsidies related to rolling stock must be exclusively **focused on upgrading existing rolling stock with ERTMS, FRMCS and DAC**. European support could be also related to industry research and development projects likely to facilitate cross-border operations or prepare for the **end of diesel traction**.

Secondly, the European Rail Traffic Management System (ERTMS) should be deployed in a **coordinated manner from a single BL3.4 release as a foundation, with regulations that support the use of existing locomotives** without imposing new limitations.

Locomotive lessors have over the past years massively invested in modern corridor, electric, diesel and dual-mode locomotives to support the cross-border operation of numerous European Freight and passenger railway Operators. Most of these are natively equipped with ETCS BL 2 and more recently BL 3. In this context we are requesting that the **FRMCS standard must be natively compatible with existing BL3.4 standard**.

AERRL members have long been committed to ERTMS interoperability, the timely deployment of the best technologies and the regular upgrading of the vehicles they hire.

They remain committed to this but are sounding the alarm: **the abnormal instability of the regulations and the constant fragmentation must be ended**, through European coordination of deployment and European decisions based on better impact analyses.

Without decisive action on your part, the European ERTMS will remain a patchwork of increasingly expensive technologies, holding back the development of rail transport, while this technology should improve traffic safety and infrastructure capacity.

Other facts and opinions are described in the attached **AERRL Manifesto 2024-2029**. We hope you enjoy reading it.

We are confident that with **your leadership**, Europe can achieve its climate goals while enhancing the competitiveness and sustainability of its transport sector. We look forward to the opportunity to discuss these recommendations further and to contribute to the development of effective policies and initiatives.

Thank you for your attention to these important matters. We remain at your disposal for any further information or collaboration.

Yours sincerely,

Fabien Rochefort, Chair

Carole Coune, Secretary General

12/11/2024

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