

High Level Freight Meeting
Vienna - 24 April 2009
Declaration

We, the CEOs of European rail freight companies, have today collectively reviewed the situation of our companies and of the rail sector in general in the context of the current economic crisis. With this declaration, we want to express our deep concerns on the development of the European rail freight market and to propose possible ways to avoid long-term damage to our industry.

On the basis of economic data collected by the Community of European Railway and Infrastructure Companies (CER), we have assessed how the current economic crisis is affecting rail freight transport in particular since the last quarter of 2008. In December 2008, rail freight transport has declined in Central and Eastern European countries by 22% - a dramatic figure that even worsened to 34% in January 2009 compared to the same months in the previous year. In the western EU member states, the same data shows a decrease of respectively 18% in December 2008 and 36% in January 2009. As a consequence of this decline in our business, European rail freight companies expect a decrease of revenues of close to 20% in 2009 as compared to 2008.

The dramatic slowdown of the rail transport economy is mainly linked to a sharp decline in its main markets across Europe:

- building sector / building material,
- car manufacturers,
- other manufactured goods,
- chemical industry,
- steel and aluminium industry,
- forest-based industries...

All market categories have been forced to slacken their activities. Therefore, the number of goods to transport has decreased overall. In particular, the single wagonload and intermodal business is first and foremost affected, as these are the rail services which are most subject to road competition.

We, as CEOs of the European rail freight companies, are already taking a number of measures to tackle the crisis. Where possible, some of us have had to increase the use of **part-time staff** and **lay off** a considerable amount of workers

We have been implementing more **flexible tariff policies** to attract new clients.

We are also reducing our costs and increasing our revenues as much as we can, for instance by:

- **cutting investment on rolling stock,**
- **shrinking the capacity of our production systems,**
- **selling non-operational assets,**
- **identifying new financing sources (and developing new products.**

In addition to our own efforts within the sector, we feel that political action is urgently needed to avoid long-term damage to our industry. In the same way as the

European Commission convened on 20 April representatives of European road haulage associations to discuss the impact of the economic recession on the road transport sector, and in the same way as the French transport ministry has recently announced a zero percent credit for long-term investments granted to airline companies, we believe that adequate initiatives would be needed in the rail freight business.

Contrary to other industries, rail freight companies do not ask public authorities to provide punctual stimulus for short term balance sheet results (short view actions). We, as the railways, favour sustainable actions which will allow our business to restart quicker and in optimal conditions once the crisis is over.

Proposal from the European Rail Freight CEOs


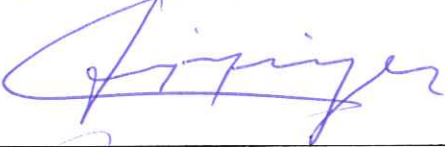
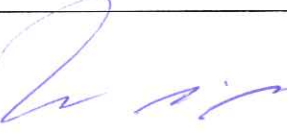
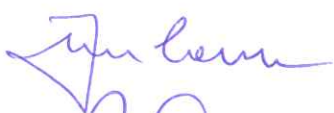
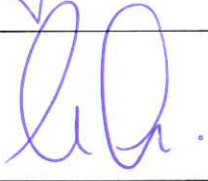



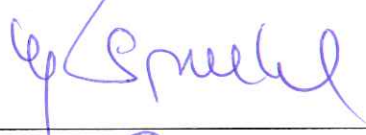

In this respect, rail freight CEOs appeal to the European and national authorities to introduce sustainable emergency measures to support the European rail freight companies' own efforts. Such measures may include, in order of urgency:


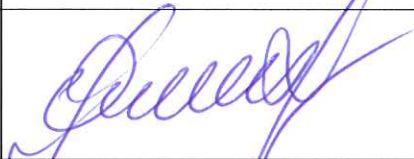
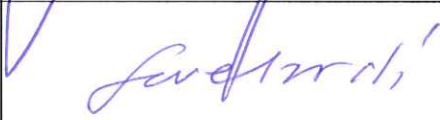


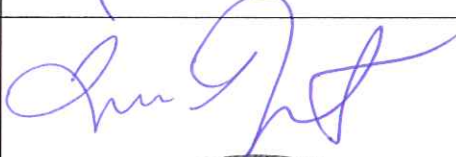
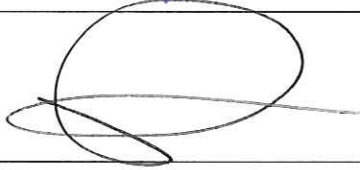
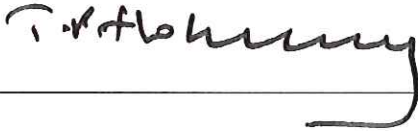
1. **Moratorium on any planned increase of energy prices** (e.g. via tax cuts) and of **track access charges** (to, at maximum, the level of 2008). Furthermore **emergency reductions of track access charges and energy prices** for rail freight services (especially for intermodal trains and for feeder or system trains used on single wagonload services). These should be coupled with stronger state financing of infrastructure to compensate for infrastructure managers' revenue losses. (*→ This will help rebalance the difference in infrastructure charging between road and rail, following the Swedish model.*)
2. **Open the possibility to resort to part-time work for railway workers**, with unemployment benefit allocated to part-time workers on non-worked hours. (*→ This should allow for the expertise to remain inside companies, and for it to be ready to be re-mobilised, once the crisis is over*)
3. **Infrastructure investment measures** to speed up the removal of infrastructure bottlenecks and to enhance infrastructure capacity for freight (*→ So that infrastructure is ready to accommodate post-crisis demand pick-up*)
4. **Incentive systems** to allow for an accelerated renewal of aged assets, e.g. **zero-percent credit** for securing long-term investment in locomotives, wagons, ERTMS, TAF TSI and other crucial business-enhancing components. (*→ This should help that orders for long-term assets are not cancelled*). Furthermore **public support to noise reduction**, meaning full compensation of costs for retrofitting of freight wagons.
5. **Moratorium (of at least one year) on the implementation of some existing EU legislations:** e.g. ERTMS, noise, TAF TSI (as far as individual rail freight operators' migration plans are concerned)... And/or stronger public financial support to such activities, like the one relating to TAF TSI common components.
6. **More flexibility on path cancellation** (e.g. reduced penalties) and on **ad hoc path requests** for rail freight operators (*→ to allow them to adapt to erratic changes in market demand*).
7. **Moratorium (of at least one year) on any new EU legislation** which may increase costs for the rail freight industry.

With this declaration, the European rail freight CEOs trust that European and national authorities will have a suitable base to take appropriate emergency steps.

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Signatories: the European Rail Freight CEO (gathered in Vienna)

Name & Company	Signature
Geert Louwels b-Cargo	
Ferdinand Ripinger CFL cargo	
TX NOLANSEN	
IGOR HRIBAR SZ	
Wojciech Balczun PKP CARGO	
Dirk Steidl BLS Cargo	
K. Kumpert DB Schenker Rail	
F. SCHMIDT RAIL CARGO AUSTRIA	
RODAN SENEKL ČD CARGO	
D. Csaba SZEKELY BYSEV / Raebenbahn	

Name & Company	Signature
on behalf SNCF. LUC NADAL	
Virgínia Guíbe L G	
TRENITALIA ON BEHALF OF	
VR	
EVR Cargo Joannis Paas	
PE Serbian Railways Grosic Drogan	
Sören Belin Green Cargo AB	
T. Piłchucki Rail Polska Sp. z o.o.	
Jan Sundling ASTOC	