

As a multimodal transport operator active in the passenger rail sector and operating in several EU member states, **Transdev welcomes the opportunity to provide the European Commission with insights drawn from its experiences across various recently liberalized markets within the EU.**

The Transdev Group commends the European Commission's initiative to submit for consultation its roadmap for revising the Land and Multimodal Transport Guidelines (LMTG, formerly the State Aid Guidelines) and the Transport Block-Exemption Regulation (TBER). This revision, which is expected to apply to the least distortive forms of aid, aims to promote a modal shift towards sustainable land transport, allowing Member States to grant such aid without prior notification.

Transdev fully supports the objectives outlined by the European Commission in its roadmap, which include reducing entry barriers for new operators, ensuring the modernisation of rolling stock, preventing cross-subsidisation between commercial activities and those subject to public service obligations—particularly in the case of vertically integrated companies—and actively contributing to the implementation of greener mobility solutions. **However, we would like to draw attention to two key elements that are of particular importance for new entrants.**

THE « NEW ENTRANT » DEFINITION

Transdev believes that the definition proposed in the draft TBER should be amended to exclude undertakings that benefit from a historic advantage in the railway sector and their subsidiaries.

The draft definition is indeed too narrow and might exclude companies that do not benefit from such an advantage. This could be avoided by referring to several criteria to be considered individually or cumulatively.

We are not fully aware of the negative consequences or side effects that could be induced by the setting of thresholds or firm dates, but to exclude incumbent operators from the notion of “new entrant”, **the following criteria must be taken into consideration:**

- **Their presence on a relevant market segment for X years, based on the purchase of infrastructure capacity on this segment (geographical criterion)**
- **The size and nature of the group to which the company in question belongs, with potential reference to the fact that it has held a rail operator's license for X years**

AID TO LAUNCH NEW COMMERCIAL CONNECTIONS

In the draft TBER (art. 11 §2 (b)) and the draft LMTG (§107 b)), the aid to launch new commercial connections may only be provided to “railway undertakings organising scheduled passenger services between transport terminals located either in different Member States (‘cross-border rail passenger services’) or more than 400 kilometres from one another (‘long-distance rail passenger services’).”

Transdev proposes that the 400 kilometres to define a long-distance rail passenger service to be lowered to **150km**.

The draft TBER (art. 11 §5) and the draft LMTG (§116) allow an aid intensity for this category of aid of 80% in the first year, down to 40% in the fifth and last year. Transdev believes that these intensities are too high and could allow to give an aid to a commercially non-viable connection, distorting competition more than necessary.

Article 11 §5 of TBER should then read as:

*For the purposes of this Article, operating losses means a negative difference between the revenues and the operating costs incurred in respect of the connection concerned, as well as the operating costs of the works related to and preceding the launch of the new commercial connection. The aid intensity shall not exceed **30%** of the eligible costs in the first year, **20%** of the eligible costs in the second year, **10%** of the eligible costs in the third year.*

Mutatis mutandis, the same amendment should be made in the draft LMTG, §116.

ABOUT TRANSDEV

Present in 19 countries, including 9 EU Member States, Transdev is a global zero-emission mobility operator and integrator. A trusted partner of local authorities, Transdev supports them by offering safe, innovative and low-carbon mobility solutions to the 12 million passengers it carries every day. Transdev is a European and global player co-owned by the Caisse des Dépôts (France) and the Rethmann Group (Germany). In 2023, Transdev Group employed 102,000 people and recorded a turnover of 9.3 billion euros.

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