
VDV response to the public consultation on the draft Guidelines on State Aid for Railway Undertakings and Transport Block-Exemption Regulation

VDV welcomes the Commission's decision to extend the scope of the current Guidelines on State Aid for Railway Undertakings ("Railway Guidelines") to include other land modes that are less polluting than road-only transport, such as inland waterway transport and multimodal transport. Combined transport with rail as its basis can contribute to modal shift by combining the advantages of each transport mode. The complementing Transport Block-Exemption Regulation (TBER) will contribute to the Commission's overarching goal of reducing bureaucratic burden. By skipping the current extensive process for prior notification and approval by the Commission, Member States can grant state aid more swiftly and, therefore, more closely in line with the sector's most pressing needs.

The proposed increased intensities for aid exemption and compatibility are significant and positive developments. Notably, the possibility of increased intensities for aid granted to combined transport operations under the TBER is a step in the right direction. Another encouraging point is the interoperability aid of up to 80 % of retrofitting costs for onboard ETCS and DAC equipment. It sends a clear signal that ERTMS is one of the European financing priorities in the transport sector. VDV welcomes that the construction, upgrade and renewal of private sidings has been included in the drafts, as we have been drawing attention to this issue via our [Private Siding Charter](#).

With these notable improvements in mind, VDV nevertheless considers several provisions too restrictive. For one, we question the limitation of aid to reduce the external costs of transport to 800 km for multimodal transport and 350 km for rail-only transport. The specific distances appear to be arbitrary limitations to an otherwise positive mechanism. With rail being a highly resource-efficient mode over long distances, longer distances for rail-only transport and multimodal transport including rail are not unusual.

VDV is concerned about the potentially discriminatory nature of parts of the guidelines. Limiting support for vehicle acquisitions to SMEs and new market entrants risks being discriminatory. High upfront investments, low profitability and difficulty accessing financing are issues that concern all railway undertakings, irrespective of whether they are established market participants or new entrants. The guidelines should, therefore, ensure fair and equal opportunities for all. Lastly, regarding passenger rail services, VDV wishes to highlight that limiting support only to newly launched passenger rail services over 400 km discourages the development of shorter routes, which make up a large share of passenger services.