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Subject: Public Consultation Submission – Supporting the Upcoming EU Regulation on State Aid for the Rail Sector [CONFIDENTIAL]

To the European Commission,

I am writing on behalf of [REDACTED] a pan-European new entrant in the long-distance [REDACTED] train segment, [REDACTED] cross-border train journeys across Europe from [REDACTED] on. We want to emphasize our full support for the proposed regulation concerning State Aid for the rail sector, particularly regarding rolling stock financing, new commercial connections, and interoperability aid. This proposed regulation is crucial for fostering sustainable long-distance travel and ensuring the future competitiveness of the European rail network.

[REDACTED]

[REDACTED] we aim to leverage the market liberalization of railways and meet the growing demand for sustainable cross-border travel in Europe [REDACTED]

However, a significant barrier remains: **financing rolling stock as a new entrant**. Currently, securing the necessary funding to purchase rolling stock is extremely difficult [REDACTED] [REDACTED]. Traditional lenders often perceive new market entrants as risky due to the high capital costs involved and the longer timelines for profitability in the rail sector. This lack of financing is one of the key obstacles preventing new operators from entering the market, stifling competition and innovation.

The proposed regulation's **Article 14 on rolling stock financing** would be a game changer for [REDACTED] new entrants. By guaranteeing up to 80% of the underlying loan for new rolling stock investments, the regulation would dramatically reduce the financial barriers [REDACTED] [REDACTED]. This guarantee would not only lower the risk for lenders but also improve the terms of financing, making it possible for us to secure the capital needed to introduce modern, efficient, and sustainable trains to the European market.

[REDACTED] this aid would make the difference between being able to launch [REDACTED] [REDACTED] or not. Access to this type of financing is critical for purchasing our [REDACTED] trains, which are designed to offer a highly efficient and environmentally friendly alternative

to air travel and private car usage. The ability to secure such financing through the proposed state guarantees would enable us to meet Europe's growing demand for sustainable, long-distance, cross-border travel.

The rolling stock financing aid aligns perfectly with the EU's broader objectives under the European Green Deal to decarbonize transport. It would allow [REDACTED] offer a competitive alternative to high-emission modes of transport, contributing directly to the EU's climate goals. We strongly urge the Commission to implement this regulation as swiftly as possible to enable new operators [REDACTED] to play a pivotal role in reducing Europe's carbon footprint.

In addition to rolling stock financing, the **operating aid** outlined in **Article 11** is another critical component [REDACTED]. This provision, which compensates up to 80% of operating losses in the first year and gradually decreases over the first five years, would allow us to mitigate the financial risks of launching new cross-border and long-distance services. Launching a new commercial rail connection is capital intensive and subject to a lengthy ramp-up period before profitability is achieved. The operating aid would help us overcome these initial challenges, accelerating our ability to provide sustainable and affordable train services across Europe.

Finally, the **interoperability aid** in **Article 16** offers crucial support for investments in cross-border technologies. [REDACTED] operate across multiple regions, requiring rolling stock that is interoperable with different electrical systems [REDACTED]. The aid provided for these technological investments—compensating up to 80% of costs—would be instrumental in enabling us to ensure that our trains can operate [REDACTED] across borders. This is a key enabler for developing a truly European [REDACTED] service, contributing to the EU's objective of enhancing cross-border mobility.

In conclusion, the proposed regulation is essential to the success of new rail operators like [REDACTED] to the EU's strategic objective of creating a greener, more integrated transport network. By addressing the significant challenges of financing and launching new rail services, this regulation would not only open the door to increased competition in the rail sector but also help the EU achieve its ambitious environmental and mobility goals. We therefore urge the Commission to implement this regulation as soon as possible.

Thank you for the opportunity to contribute to this important consultation. We look forward to supporting the EU in creating a sustainable and competitive rail transport system for the future and are welcoming a future opportunity to present our company and project to the European Commission.

Sincerely,

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