

SHIFT2RAIL DIALOGUE ON
THE FUTURE OF RAIL RESEARCH AND INNOVATION
EVENT SUMMARY
19 JUNE 2018

OPENING REMARKS

In his opening remarks, Shift2Rail Executive Director Carlo Borghini addressed the audience of industry representatives, associations, EU officials, and consumer protection organisations pointing out the importance of the intermodal shift towards rail and the vital role that Shift2Rail and its successor programmes may play in incentivising, directing and boosting cooperation within the European Railway sector.

In support of Shift2Rail's proactive agenda, Vice-President of the European Commission Maroš Šefčovič reminded and encouraged the multi-stakeholder audience in a video message to utilise the market-friendly opportunities of the Fourth Railway Package **to turn 'legislation into investment'**, thus setting the narrative frame for the Future of Rail Research and Innovation event.

In this respect, Vice-President Šefčovič announced the great impact that the new framework programme Horizon Europe will unfold in supporting innovation, especially in the railway sector which the Commission views as a **'centre of a sustainable society'**. The Commissioner noted that railways will obtain a central role in future decades by providing the means to tackle challenges of urbanism, centralisation and the transformation of Europe's urban areas into smart cities. Supporting R&I in the railway sector is furthermore one of the central pillars of the Commission's decarbonisation strategy. To achieve this ambitious goal, Vice-President Šefčovič emphasised the need for 'flexible, reliable and cheap' rail transport to guarantee the intermodal competitiveness for the future. Finally, he invited the audience to make the best use of EU funding to **achieve 'real and good outcome'** and to understand the event as a 'brainstorming exercise' on the importance of a Shift2Rail2 programme and the synergies a future S2R2 could create to push the success of the sector.

KEYNOTE SPEECHES

Matthew Baldwin European Commission's Deputy Director-General for Mobility and Transport (DG MOVE) noted the perfect timing of the Shift2Rail Dialogue, as negotiations are currently ongoing on the next EU Multiannual Financial Framework and the 2018 Year of Multimodality. Considering the long way that the railway sector still has to go in the areas of electrification, digitalisation and automation, Mr Baldwin called for **'unlocking the hidden and untapped potential' of rail transport**.

Clara de la Torre, Director for Transport at European Commission's Directorate-General for Research & Innovation, agreed with the timely setting of the Dialogue and emphasised the findings of the Shift2Rail interim evaluation, including the need for a continuous evolution of Shift2Rail. She also pointed at the Commission's proposal of 50 percent increase of the research budget despite Brexit. While describing the state of negotiations on the Horizon Europe programme, Ms de la Torre assured the audience of the **continued existence of public-private partnerships** in the next programme, although specific decisions have not yet been made. The European Commission wishes to restructure the EU's R&I funding around five thematic priority clusters and to organise the JUs accordingly in order to avoid single set-ups.

She furthermore highlighted the **need to adapt an ‘innovation-friendly regulatory framework’** and the **need for the EU to support continued dissemination** of funded projects.

Member of the European Parliament’s Transport Committee, Michael Cramer, closely related his subsequent speech to the Commission’s sustainability approach by remarking that **the railway sector is of central importance to ‘fight climate change’**. He strongly condemned the current practice of kilometre tolls charged for the use of the track infrastructure which would demote the competitiveness of rail compared to less sustainable modes of transport. In addition, MEP Cramer added that EU research funding should **not only encompass long-term projects but also achieve short-term results**, thereby supporting the Shift2Rail approach of coupling strategic long-term R&I funding with the pursuit of Quick-Wins.

The final keynote was delivered by the Transport, Innovation and Technology Attaché to the Permanent Representation of Austria, Herbert Pribitzer. Against the background of the Austrian Council Presidency, he described the successful domestic efforts of Austria to shift traffic from road to rail and expressed **Austria’s strong support for a continuation of the Shift2Rail programme** within the future Horizon Europe framework.

PANEL 1 ON THE RESEARCH COMMUNITY’S EXPECTATIONS

During the first panel discussion with the academic community, the moderator Clara de la Torre asked panellists how to integrate multiple disciplines into EU research funding and how to translate objectives into results. Ms Muriel Attané (EARTO) supported DG RTD’s approach of building up thematic clusters to **encourage interdisciplinary cooperation among researchers** and pointed out the need for central innovation funding instruments like Shift2Rail considering the already fierce and growing high-technology competition from China and the United States.

UIC’s Mr Simon Fletcher picked up this notion and called for a comprehensive and holistic approach and the need to go ‘from A to B to C’, that is, the EU should not only support the research and development but also **ensure the eventual implementation of projects into the railway market**. To achieve this, Mr Fletcher proposed a user-friendly and business-oriented ‘Shift2Rail 2030’.

ERRAC Chairman Mr Alberto Parrondo agreed on the notion and underlined that the **European ‘railway sector progressed significantly’ due to the ‘right decision to establish Shift2Rail in 2015’**, since no single stakeholder in railway research could have achieved that progress alone. He continued to call **railway ‘the backbone of future transport’** and **Shift2Rail’s ‘great successes in unifying the sector**, although improvements regarding a better demonstration of results are necessary. ERRAC welcomed the decrease of administrative burden and increase of efficiency that is to be expected from Shift2Rail’s **pioneering introduction of lump sums**.

Mr Armando Carrillo Zanuy (EURNEX), speaking on behalf of university research in the railway sector, appreciated the venue that Shift2Rail’s Open Calls offer for academic research to collaborate with private enterprises and encourages for more funding to be made available for Open Calls. He closed the panel with the notion that Shift2Rail is the ‘locomotive’ pulling the wagons of innovation in the railway sector – now ‘we have to fill the train with goods and passengers’.

PANEL 2 ON THE SECTOR’S RESPONSE AND EXPECTATIONS

Moderated by Ms Elisabeth Werner, Director for Land Transport of DG MOVE, the second panel focused specifically on the added value provided by Shift2Rail to the railway sector. Ms

Werner highlighted the relevance of this session as an opportunity for stakeholders to ‘put the good arguments on the table, what we want to achieve’.

Mr Josef Doppelbauer, Executive Director of the European Railway Agency (ERA), opened the panel by recognising Shift2Rail as a success and noting that ‘**Shift2Rail is the needed framework that enables innovation collaboration**’ in the European railway sector.

Ms Cristina Hernández (UITP), supported the Commission’s approach to integrate transport policy in the coming programme period in order to develop a comprehensive, ‘door-to-door’ policy approach including the first and last miles – in other words the urban transport modes. In that sense she also highlighted the need to match urban rail needs and expectations with the S2R 2.0 opportunities to ensure enhanced results.

Mr Nik Delmeire (European Shippers’ Council) called for the rail sector not to ‘stay in its silo’ but to understand itself as part of an integrated, multi-modal process in the economy. Rail freight should be more customer focussed and serve the supply chains of rail freight better.

Ms Sabine Trier (European Transport Workers’ Federation) and Mr Christopher Irwin (European Passengers Federation) both added to this holistic view by urging future projects to consider the impact of innovation on workers and passengers respectively.

Mr Irwin indicated that to prosper in the future synchro-mobility market, rail would need to raise its game significantly. It needs to refashion itself as the mode of choice; it couldn’t continue to rely on remaining what economists term as ‘a distress purchase’. This means that the industry and sector must both listen more carefully to the needs and aspirations of end users, as Shift2Rail JU has started doing. The next step is to recognise that successful passage of the ‘valley of death’ between innovation and implementation almost always depends on understanding demand. S2R 2 can be instrumental in this respect. Priorities for users are known – affordability, dependability, availability of capacity at times that it is needed.

Mr Johan Jonsson (European Infrastructure Managers) suggested that the infrastructure itself should become a more important element in Shift2Rail’s innovation framework.

In addition, CER Executive Director Mr Libor Lochman noted that a future Shift2Rail programme should be more balanced towards the ‘smaller players’ in the market. UNIFE’s Director General Mr Philippe Citroën called Shift2Rail a ‘great adventure’ and stated UNIFE’s clear commitment to a Shift2Rail2 to keep the ‘**impressive**’ range of actors involved in S2R unified. According to UNIFE, urban transport in particular should receive a stronger focus in the programme. Mr Citroën noted that in the face of growing international and intermodal competition, collaboration among the European actors is more important than ever.

Mr Josef Doppelbauer closed the panel by reminding the audience that considering the long innovation cycles and geographic fragmentation of the European rail sector ‘**Shift2Rail is critical to allow interoperability**’, since Shift2Rail is the only institution providing a framework for the collaboration of the whole range of actors in the sector.

During the final round of questions from the audience, Ms Werner, supported by DG RTD’s Clara de la Torre, referred one of the most pressing questions to the panellists: ‘what would happen without a future Shift2Rail?’ The panellists firmly recommended the continuation of a partnership such as Shift2Rail and indicated that even if the sector would somehow ultimately continue cooperating, the price would be a slower pace and not meeting the transformation challenge of the transportation system, nor the expectations of passengers and freight business. It would in the long-run affect the European industry competitiveness. All panellists agreed, that considering the centrifugal competitive pressures within the sector and the risk-averse

nature of the business, a Shift2Rail2 will be the only way to guarantee an effective, efficient and ambitious enough coordination towards the common goal of ensuring Europe's continued success in sustainable mobility technologies and services.

Ms Werner concluded the panel with a pointed summary of the panellists' positions, emphasizing the multiplying function of Shift2Rail's innovation funding and the programme's unique ability to incorporate the most comprehensive set of stakeholders. She urged the audience to build on these strengths in the coming programme period and to expand Shift2Rail's impact by progressively including more SMEs from more Member States and also by following the Commission's notion of a more intermodal and holistic 'door-to-door' policy understanding.

CONCLUDING REMARKS

European Commission Director-General for Mobility and Transport, Mr Henrik Hololei, also expressed his support for backing a new edition of Shift2Rail beyond 2020 as he offered the concluding remarks for the event.

Mr Hololei outlined the challenges Shift2Rail will face in the new period: 'We have the chance to create a new system that is safer, more flexible, more reliable but also cheaper to maintain', he said.

He noted that the railway sector is a prime candidate to benefit from technological progress in automation: 'Railways should move towards a fully automated system, seeking further reliability, flexibility, and more frequent services. It should be supported by seamless ticketing, regardless of the transport modes used'.

Mr Hololei also explained that an accelerated deployment of the European Rail Traffic Management System (ERTMS) and the full integration of rail as a component of the logistic chain are key for developing the rail systems of the future.

He confirmed the Commission's commitment to supporting EU-wide standardisation to allow increased interoperability and decrease costs in the sector. Otherwise trains 'will lose market share'. Innovations and technology advances within Shift2Rail can increase this share according to Mr Hololei. 'Our plan is also to foster sustainability, related to the success of the rail sector to take a bigger share from the roads.'

Finally, he remarked that 'Shift2Rail demonstrated the added-value of Public-Private Partnerships' and told the gathered audience of stakeholders that the question should be 'not if, but how to do Shift2Rail2'.