

Subsidy to stimulate rail freight transport stopped to finance nuisance mitigation measures on diversion routes during construction of German connection to the Betuwe Route

On Friday, January 13, 2023, the State Secretary for Infrastructure and Water Management wrote to the Dutch Parliament that she is releasing 10 million euros from the budget for the rail freight sector within her budget for the so-called 'less nuisance package'. This concerns a package of measures on the hinterland railway lines in the south and east of the Netherlands to limit increasing environmental nuisance for residents caused by diverted train traffic during the blocking of the Dutch dedicated freight railway line Betuwe Route at the Dutch-German border crossing at Zevenaar due to intensified construction work on the third track between Emmerich and Oberhausen in the coming years. The forced diversion of large volumes of train traffic over the mixed rail network that runs straight through urban areas, regularly, day and night, during longer periods, inevitably leads to more environmental nuisance. That is why the railway sector advised the State Secretary in June 2022 to implement this 'less nuisance package' as an inseparable part of the 'third rail diversion company' in time. Entrepreneurs' organization RailGood and rail infra manager ProRail, as well as the interest group of rail residents, the National Platform for Nuisance Goods Trains, have lobbied for the timely implementation of this 'less nuisance package'. Of course, it is good for residents along the Brabant- and Bentheim route that budget has now been made available to reduce the increase in nuisance caused by diverted traffic in the coming years. On the other hand, it is extremely sour for rail freight transport that the State Secretary is financing the 10 million euros for the 'less nuisance package' by ending the temporary subsidy scheme for the stimulation of rail freight transport on 1 January 2023 a year earlier. A budget of 12 million euros was still available for this subsidy scheme in the budget of the Ministry of Infrastructure and Water Management for 2023. More than 83% of this budget is now used by the State Secretary for the 'less nuisance package'. While this budget for stimulating rail freight transport is very much needed to compensate rail freight transport for the excessive increases in infra charges for the use of the stabling and shunting tracks that ProRail implemented on 1 January 2023. This infra charge for most freight tracks will increase by 250% to 470% in 2023 compared to 2022. Only 25% of this excessive increase of this burden will be compensated to rail freight carriers via a recently published new subsidy scheme. The extremely expensive infra charges for stabling and shunting tracks in the Netherlands, unprecedented in the EU, seriously weaken the competitive position of rail freight transport and affect the profitability of the carriers. This while a shift of transport from road to rail is urgently needed to relieve the congested road network and to protect the climate and nature. This enormous increase in the burden is contrary with the Dutch coalition agreement and the EU Green Deal, both of which aim to stimulate the shift of goods from road to sustainable rail. This policy of the State Secretary is already causing that cargo is shifting from rail to road and shifting to ports and rail terminals outside the Netherlands. That is bad for the accessibility and earning capacity of the Netherlands, but also for the climate. In addition, it leads to more nitrogen emissions, which is an urgent problem in the Netherlands. The rail freight sector already sounded the alarm about this at the end of 2022 with the Parliament with the manifesto ['Alarm bells for rail freight transport'](#). RailGood once again urges the Minister and State Secretary for Infrastructure and Water Management to make every effort now to quickly return to the ProRail tariffs of 2022 for using the stabling and shunting tracks, which are based on the direct (instead of the integral) costs of ProRail and if that is not possible, to proceed to full compensation. This is in line with the Dutch coalition agreement and the EU Green Deal.

Rail freight carriers now duped twice

Firstly, the rail freight carriers are now missing 10 million euros in 2023 in compensation for the excessively increased infra charges by ProRail for stabling and shunting in the Netherlands. Secondly, due to the work on the third track Emmerich - Oberhausen, rail freight carriers must regularly detour over the busy Brabant Route (via the Venlo border crossing) and the Bentheim Route (via the Oldenzaal border crossing), which are also used by high frequency passenger traffic. This detour not only causes higher costs due to, among others, the kilometer charge for running trains and the extra energy consumption, but also delays and inflexibility because there is less track capacity during the work on the third track Emmerich - Oberhausen. Because passenger transport in the Netherlands legally has more priority on the combined network than freight transport in the event of a shortage of rail capacity, during twenty (not continuous) weeks between November 2024 and May 2026, when the Emmerich border crossing is completely closed due to the work on the third track, not all freight trains run. This can amount to 35 freight trains per day, the equivalent of approximately 11,000 trucks per week. This costs rail freight carriers more than 1 to 1.5 million euros per day in loss of income. On top of this will be the additional costs of approximately 300,000 euros per week in 2023, and considerably more in the years thereafter, due to the excessively increased infra charge for stabling and shunting in the Netherlands. Even after the recently published subsidy scheme of 25% in 2023 (and a rapidly decreasing percentage thereafter), these are still very expensive. It is a missed opportunity that the 10-million-

euro budget of the subsidy scheme for stimulating rail freight transport in 2023 was not used by the State Secretary for Infrastructure and Water Management for the necessary higher compensation for the excessive increase in infra charges for stabling and shunting now that this budget is reallocated to the 'less nuisance package'. Such incoherent policy choices are disastrous for attracting shippers to make more use of the sustainable and safe freight train, which also relieves the congested road network. The use of the rail infrastructure in the Netherlands is far too expensive and the market playing field has once again been seriously disrupted by the infrastructure charges policy of the Dutch government. As a result, rail freight transport is being priced out of the market. RailGood calls on the State Secretary for Infrastructure and Water Management to make every effort now to quickly return to the ProRail rates of 2022 for stabling and shunting, which are based on ProRail's direct costs and, if that is not possible, to transfer to fully compensate for the excessive increases.

What is the third track Emmerich-Oberhausen?

The 172-kilometer Betuwe Route, the artery of Dutch freight transport by train, will have a better connection to the German railway network with the 'third track'. The third track is a large construction project by the German rail infra manager DB Netze for the capacity increase of the railway line between the border at Zevenaar and Oberhausen, which will be operational around 2030. A third track will be added to the existing 70-kilometer route. Bridges, level crossings and stations will also be renewed and constructed, noise barriers will be installed, and the European Rail Traffic Management System will be installed. With the construction works on of the third track, the transit capacity of the Betuwe Route in Germany will now increase from 113 freight trains per day to 190 freight trains per day in 2030. It is forecast that 33,500 trains per year will be transported over the Betuwe Route with an operational third track.

How many freight trains must be diverted during the construction of a third track?

If single-track work is carried out on the third track in Germany, the capacity of the Betuwe Route will drop significantly. Dutch rail infrastructure manager ProRail indicates that 25 to 30 extra freight trains will have to run per day on the Brabant route (via the Venlo border crossing) and 5 to 10 extra freight trains per day on the Bentheim route (via the Oldenzaal border crossing). If double-track work is carried out on the third track, the Betuwe Route is not an option for trains via the Emmerich border crossing. ProRail indicates that 65 to 70 extra freight trains per day will then run on the Brabant route and 5 to 10 extra freight trains per day on the Bentheim route (via the Oldenzaal border crossing).

Excessive increase in infrastructure charges from ProRail: what is going on?

Since 1 January 2023, ProRail has introduced a new tariff structure for the use of its railways. In the new structure, the infra charge (kilometer charge) to be paid for running a train is reduced, but at the same time the infrastructure charges for stabling and shunting are increased excessively. Stabling and shunting of freight trains and freight wagons is necessary in the Netherlands, as the start and end point of three of Europe's most important freight corridors. The increase in infra charges for stabling and shunting amply exceeds the price reduction of the user charge for running trains on the Dutch railway network as of 1 January 2023. On balance, rail freight carriers and intermodal operators in the Netherlands will therefore have to pay significantly more infra charges to ProRail, with in the order of 14 to 17 million euros per year in 2023 to 2025. In other words, an infra charge increase of 60% to 70% in total on annual basis. This includes the new subsidy from the Ministry of Infrastructure and Water Management on the new infra charges for the stabling and shunting tracks in 2023 to 2025. Because the operating returns of rail freight carriers are limited, and these extra costs cannot be passed on commercially to customers (who have sufficient choice of other modes of transport, terminals, and ports) rail freight carriers lack the financial capacity to precisely absorb these extra burdens. This is already happening under normal circumstances, let alone in these times of high inflation and sharply increased energy costs. To entice shippers to make more use of rail, the costs of using the Dutch rail infrastructure must go down instead of up, and already in the short term. See also the manifesto '[Alarm bells for rail freight transport](#)' of the Dutch rail freight sector from 7 December 2022.

About business organization RailGood:

RailGood provides external relations management to commercial companies in the rail freight transport sector in the Netherlands. This is done purposefully, cost-consciously, independently and in close contact with the customers. RailGood stands for the entrepreneurial spirit on the railways in the Netherlands.

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