



To: Frans Timmermans  
Executive Vice-President for the European Green Deal

Cc:  
Valdis Dombrovskis  
Executive Vice President for An Economy that Works for People

Adina Vălean  
Commissioner for Transport

Mairead McGuinness  
Commissioner for Financial Stability, Finance Services and the Capital Markets Union

Brussels, 24/02/2021

**Subject: EU taxonomy – Undermining the role of rail freight for a Green economy**

Dear Executive Vice-President Mr Timmermans,

UIP, representing 50% of the European rail freight wagon fleet, would like to raise one important concern in relation to the draft Delegated Act of the above-mentioned Regulation, **which could have a significant adverse effect on rail freight and in turn on the objective of decarbonising the transport sector**. Our concern pertains to the current technical screening criteria in chapter 6.2 on freight rail transport, which only includes trains and wagons that are not dedicated to the transport of fossil fuels.

While fully understanding and agreeing with the objective to phase out fossil fuels, we would like to point out that the relevant rail freight wagons are designed and authorised to transport a large variety of other products, including alternative fuels. Given that the demand for alternative fuels is expected to increase, it will be vital to ensure the availability of suitable wagons, which meet the applicable safety, environmental (e.g., noise) and market standards (e.g., interoperability).

As wagons have a very long-life cycle and need to be fit for purpose at any given time, private and public financing are essential components for safeguarding and improving the performance and attractiveness of rail freight transports. Retrofitting and upgrading wagons is fully in line with the Taxonomy's objective of transiting towards a circular economy and is **critical to transporting goods – including alternative fuels - in the most environmentally friendly way**.

While we very much welcome the European Green Deal and the EU's commitment to achieve climate neutrality by 2050, Rail must be recognised in the EU Taxonomy as the greenest mode of transportation with only 0.4% of both transport greenhouse gas and CO<sub>2</sub> emissions, and with 2% of transport energy consumption.

The rail freight sector is ready to contribute to decarbonising the transport sector by doubling its modal share by 2050 as set out in the Sustainable and Smart Mobility Strategy. To this end, continued investments in rail, notably in rolling stock, will be crucial. Therefore, we urge the Commission to **include the retrofitting and upgrade of the existing wagon fleet in the taxonomy, independent of the type of wagons**. The proposed amendments to the Delegated Act you will find in the annex attached to this letter.

We would be pleased to discuss this issue with you or your team at your convenience. Please do not hesitate to contact us should you have any questions.



Annex: Proposed amendments for Annex 1 to the Delegated Act

**Amendments to the:** to Annex 1 to the Commission Delegated Regulation (EU).../... supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

**Amendment Nr 1:**

6.2. Freight Rail Transport	
Description of the activity	
Current text	Amendment
<p>Retrofit, upgrade or operation of freight transport on mainline rail networks as well as short line freight railroads. This activity excludes warehousing and storage, freight terminal activities, operation of railroad infrastructure as well as related activities such as switching and shunting and cargo handling.</p> <p>The activity is classified under NACE code H49.20 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. (...)</p>	<p>Retrofit, upgrade or operation of freight transport on mainline rail networks as well as short line freight railroads. <b>This activity includes the retrofitting and upgrading of locomotives and wagons.</b> This activity excludes warehousing and storage, freight terminal activities, operation of railroad infrastructure as well as related activities such as switching and shunting and cargo handling.</p> <p>The activity is classified under NACE code H49.20 <b>and H52.2.9</b> in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. (...)</p>
Justification	
<p>In parallel to the retrofitting and upgrading of lines, trains and wagons must be retrofitted and upgraded as well to meet the applicable safety, environmental and interoperability standards. This activity must be included as it is crucial to the railway system and the role of rail freight in the decarbonisation of transport.</p>	

## Amendment Nr. 2:

6.2. Freight Rail Transport	
Technical screening criteria	
Substantial contribution to climate change mitigation	
Current text	Amendment
<p>1. The activity complies with one or both of the following criteria:</p> <ul style="list-style-type: none"><li>(a) the trains and wagons have zero direct tailpipe CO2 emission;</li><li>(b) the trains and wagons have zero direct tailpipe CO2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode).</li></ul> <p>2 The trains and wagons are not dedicated to the transport of fossil fuels.</p>	<p>1. The activity complies with one or both of the following criteria:</p> <ul style="list-style-type: none"><li>(a) the trains and wagons have zero direct tailpipe CO2 emission;</li><li>(b) the trains and wagons have zero direct tailpipe CO2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode).</li></ul> <p>2 <b>As regards <del>The</del> trains and wagons placed on the market for the first time after the date of entry of this delegated act, they</b> are not dedicated to the transport of fossil fuels.</p>
Justification	
<p>Already today trains and wagons are transporting biofuels and advanced synthetic fuels for which demand is steadily increasing. It is therefore vital to ensure the availability of suitable wagons, which meet the applicable safety, environmental (e.g., noise) and market standards (e.g., interoperability). As such point 2 of the technical screening criteria shall only apply to trains and wagons which will be placed on the market after the date of entry into force of the delegated act.</p>	