EUROPEAN COURT OF AUDITORS

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Press Release

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EU high-speed rail: an ineffective patchwork of lines without realistic long-term plan, say Auditors

The EU's current long-term plan for high-speed rail is unlikely to be achieved and there is no solid EU-wide strategic approach, according to a new report from the European Court of Auditors. The European high-speed rail network, say the auditors, is only a patchwork of national lines without proper coordination across borders, planned and built by Member States in isolation, resulting in poor connections. The European Commission has no legal tools and no powers in the decision making to ensure that Member States make rapid progress towards completing the core network.

Since 2000, the EU has provided €23.7 billion of co-funding to support investments in high-speed rail lines. The auditors visited six Member States (France, Spain, Italy, Germany, Portugal and Austria) and analysed spending on more than 5,000 km of high-speed lines, covering around 50% of the EU total. They found that although the length of national high-speed rail networks is growing, the EU target of tripling the length of high-speed rail lines (to 30,000 km) by 2030 will not be reached.

"*An ineffective patchwork of poorly connected national lines has been constructed*", **said Oskar Herics, the Member of the European Court of Auditors responsible for the report**. "*High-speed lines crossing national borders do not rank among national priorities for construction and the Commission has no power to enforce them. This means the added value of EU co-funding is low*".

The decision to build high-speed lines is often based on political considerations, and cost-benefit analyses are not generally used to support cost-efficient decision-making. In many cases, trains are running on very high-speed lines at far lower average speeds (of only 45% of maximum speed) than the lines are designed to handle. Average speeds so far below design speeds raise questions as to sound financial management, say the auditors.

High-speed rail infrastructure is expensive: on average, the lines audited cost €25 million per km. Four of the ten lines will cost more than €100 million per minute of saved travel time. The highest figure is on the Stuttgart to Munich line, which will cost €369 million per minute saved. On the other hand, giving due consideration to the alternative solution of upgrading existing conventional lines could save billions of euros.

The purpose of this press release is to convey the main messages of the European Court of Auditors' special report.
The full report is available at www.eca.europa.eu.

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Cost overruns and delays were the norm instead of the exception. The cost overruns for high speed rail investments do not affect the EU budget as the co-financing is capped and these are borne by national budgets. Aggregate cost overruns for the examined projects and lines were €5.7 billion at project level, and €25.1 billion at line level. Eight of the thirty projects we examined had been delayed for at least one year, and five out of ten lines had experienced delays of more than a decade.

A high-speed line should ideally carry nine million passengers per year to be successful, say the auditors, according to the relevant benchmarks. However, on three of the seven completed lines audited, the number of passengers carried was far lower. This means there is a high risk of ineffective spending of €2.7 billion EU co-funding on these lines. In addition, 9 of the 14 audited lines and cross-border connections did not have a sufficiently high number of potential passengers in their catchment areas to be successful.

In 2010, the auditors already called for urgent action to lift technical, administrative and other barriers to rail interoperability. However, they found that these barriers still persist in 2018, which prevents truly seamless and competitive EU-cross-border high speed rail operations. The rail passenger market is not yet open in France and Spain. In Italy and, to a limited extent, in Austria, where there is on-track competition, services were more frequent and of higher quality, while ticket prices were lower. The overall effectiveness of high-speed services would be increased by integrated ticketing systems and better accessibility to stations and improved connections.

The auditors recommend that the European Commission should:

- carry out realistic long-term planning;
- agree with Member States which key strategic stretches to implement first, with an assessment of the need for very high speed lines, close monitoring and enforceable powers to ensure that commitments to complete the core EU high-speed rail network are respected;
- link EU co-funding to earmarked strategic priority projects, effective on-track competition and achievement of results;
- simplify cross-border tendering procedures, use “one-stop-shops” for the various formalities, and lift all remaining administrative and regulatory barriers to interoperability;
- improve seamless high-speed rail operations for passengers, by, for example, e-ticketing and simplification of track access charges;

Notes to Editors

The ECA presents its special reports to the European Parliament and Council of the EU, as well as to other interested parties such as national parliaments, industry stakeholders and representatives of civil society. The vast majority of the recommendations we make in our reports are put into practice. This high level of take-up underlines the benefit of our work to EU citizens.

Special report 19/2018 “A European high-speed rail network: not a reality but an ineffective patchwork” is available on the ECA website (eca.europa.eu) in English; other languages will be added in due course.