European railroads see climate change as an opportunity



Posted by Bill Stephens
on Thursday, December 19, 2019
8

Railroads across the pond see a huge opportunity to gain freight and passenger volume as part of a European Green Deal that aims to significantly reduce greenhouse gas emissions.



Viewed from an Italian high speed train running from Florence to Venice, an Italian freight train heads north in 2016. Bill Stephens photo.

Last month the Community of European Railway and Infrastructure Companies, their version of our Association of American Railroads, argued that boosting rail's share of the freight market to 30% by 2030, up from 17% today, would go a long way toward making transportation carbon-free by 2050.

Already, the CER points out, 90% of rail ton-miles in Europe are powered by electric locomotives, with an increasing amount of electricity generated by renewable sources such as wind and solar.

With proper incentives and various carbon pollution penalties, the railway lobby group says, more freight could be diverted to rail intermodal as well as the carload network. Better integration between national

passenger systems could support higher passenger loads on trips of up to 620 miles, particularly when those journeys are across borders.

Transportation is the only sector of the European economy that has not decreased its greenhouse gas emissions since 1990, they note. And they say the European Union and its member states should prioritize investments in rail if the continent wants to meet its ambitious goal of reducing transportation's carbon footprint to zero as a way to fight climate change.

If such a proposal for public investment were floated in the U.S. it would be dead on arrival.

With my railroad skeptic's hat on, I reached out to Christian Kuhn, a Berlin-based European rail consultant who is a former chief operating officer of Deutsche Bahn's freight business, to get a sense of whether this plan has a snowball's chance in hell of becoming reality.

The short answer is yes, in some form. The political climate in Europe is vastly different than in the U.S., and the Green Party is gaining ground, which makes the rail proposals fall into the realm of the possible.

"Climate change is massively moving voters here, and people who claim that there is no such thing as man-made climate change are looked at a bit like those who believe that the Earth is flat and babies are being brought by storks," Kuhn says.

The German government alone plans to spend 156 billion Euros – the equivalent of $176 billion U.S. dollars based on current exchange rates – on rail improvements over the next decade. And this is in a country that's half the size of Texas. "This is massive and absolutely unprecedented," Kuhn says.

Some of those billions will be spent to make long-distance passenger trains operate more frequently, with departures every 30 minutes instead of the current 60 minutes, to better connect cities in the core network across the country, Kuhn says. It's part of a goal to double rail passenger ridership in the next decade.

Imagine how that kind of financial support could help Amtrak, Virgin Rail, or Texas Central further develop regional passenger markets in the U.S.

On the freight side, CER sees rail as the backbone of a seamless intermodal system that should be improved to handle longer trains and heavier axle loadings. Truck trailers would be built so they can all ride in intermodal service.

European truckers, of course, would object to all of this. "True, but voters don't like trucks," Kuhn says.

And what about the potential for electric trucks powered by renewable energy sources? "Railroads need funding just as the road sector does in order to maintain their ecological advantage," Kuhn says. "Please don't forget that 90+% of railroad freight in Europe (by ton-miles) already moves electric. So it's the truck catching up, not us."

European rail systems are geared toward passengers, not freight. Wouldn't there have to be massive investment in new freight infrastructure, none of which is carbon-free? "In some cases yes. But there are also large chunks of infrastructure with spare capacity (especially in the East), and roads also require investment," Kuhn explains. "What CER wants is to get funding for these investments, as any good lobbying organization would."

Supply chain trends in Europe are the same as those in North America: Shipments are moving shorter distances in smaller sizes, which favors trucking instead of rail.

“True, but competition always occurs at the margins between modes,” Kuhn says. “There is a lot that rail can take there, and for the environment it is also OK if the truckload of scrap switches to rail and parcels stay on the road.”

The green argument has not been lost on the rail industry on this side of the Atlantic. North American freight railroads tout their energy efficiency, noting that they can haul a ton of freight nearly 500 miles on one gallon of diesel fuel.

Steel wheels rolling on steel rails are more environmentally friendly than roads, no matter what continent you’re on. But the Europeans, thanks to widespread electrification, are way ahead of the U.S. on the greenhouse emissions front. They also have a greater desire to reduce emissions.

Oddly enough the CER’s Green Deal report, Rail’s priorities for the European Green Deal, was issued just weeks before the Atlantic magazine reported that the four big U.S. railroads and the AAR for three decades funded efforts to deny climate science. This should surprise no one, given the industry’s historic reliance on revenue from coal traffic.

The AAR says it hasn’t supported climate-change denial groups in two decades. “Railroads stand as the cleanest way by far to move freight over land. Despite moving a third of freight volumes, railroads represent just 0.6% of total U.S. greenhouse gas (GHG) emissions and only 2.0% of transportation-related GHGs,” the AAR says.

True enough. But in the U.S. and Canada, being environmentally friendly doesn’t translate into public support the way it does in Europe.

You can reach Bill Stephens at bybillstephens@gmail.com and follow him on Twitter @bybillstephens