

SIIM KALLAS

VICE-PRESIDENT OF THE EUROPEAN COMMISSION

JOAQUIN ALMUNIA

VICE-PRESIDENT OF THE EUROPEAN COMMISSION

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CAB A/1888 - D(2010)1011

Mr Laszlo Horvath
Chairman of the Board of CER
CER Hungary Central-European Railway
H-1097 Budapest
Konives Kalman krt. 16

Dear Mr Horvath,

We would like to thank you for your letter of 16 September 2010. Your letter raises concerns about competition in the rail freight sector and highlights practises of state-owned operators which may be discriminating against private freight operators.

Greater competition makes for a more efficient and customer-responsive industry and EU rail market legislation has consistently encouraged competitiveness and market opening. Rail freight not only contributes to better ensuring the free movement of goods within the EU, but is crucial in realising the decarbonisation of transport, a key priority of the European Commission's transport policy.

The Commission is aware that today, while the rail freight market has been fully open to competition for almost four years and the number of new entrants on the market has continued to increase, the market may not be operating as fairly and effectively as it should be. The Commission is addressing this in a number of ways.

First, full implementation of existing rail market legislation is an important prerequisite for a competitive rail freight market and therefore the Commission has launched infringement procedures against non-compliant Member States.

Second, the Commission has very recently tabled a proposal for a recast of existing rail market legislation which will increase competition on the railway market; strengthen the power of national regulators; and improve the framework for investment in rail.

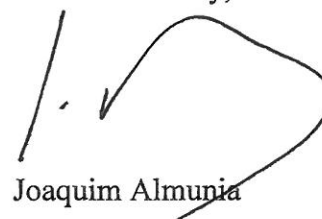
Third, through the application of the European Union rules on State aid, mergers and antitrust, the European Commission has the power to investigate and apply sanctions where anti-competitive behaviour or other market distortions are proved.

Finally, we would like to emphasise that the European Commission takes very seriously all complaints and will investigate them on the basis of detailed and concrete information provided by the complainant. You may therefore consider the opportunity to further inform us on any specific circumstance which in your view result in discriminatory practices.



Siim Kallas

Yours sincerely,



Joaquim Almunia