



INTERNATIONAL UNION
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The General Contract for the Use of Wagons (GCU)

**Evolution of the relationships between the RUs as wagon users and
between the RUs and the wagon keepers**

UNECE Group of Experts on Unified Railway Law,

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Chairman of the UIC SG Wagon Users***

European liberalization and COTIF 99 required a change of the regime for exchange of wagons - i.e. for use - of wagons



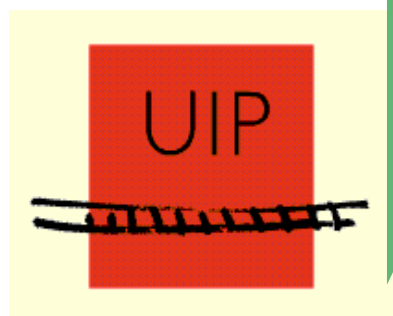
UIC, UIP and ERFA work together to develop the General Contract of Use for Freight Wagons

- The GCU has entered into force on **July 1st 2006**

- The Market players have demonstrated with the GCU that they can **organize themselves in an open market** in areas where cooperation is advantageous.

- The **Associations** are playing a key role in this process. They are the **guardian** of the GCU.

- The **EU Commission** and **ERA** attach great value to the GCU as a **vector** for the flexible and concrete implementation of **EU legislation**



The GCU provides a multilateral contractual framework for the use of wagons

The General Contract of Use for wagons (GCU)

- is a **multilateral contractual framework** based on the CUV (Appendix D of the COTIF 99) for the use of wagons
- contains all relevant mutual **rights and obligations** of **railway undertakings** and **wagon keepers** regarding the use of wagons
- saves the parties of the contract the need of negotiating numerous bilateral agreements thereby **ensuring wagon interoperability** in a liberalized European rail market
- can be **complemented flexibly** by other contractual arrangements if necessary

Commercial conditions for the use of wagons are not included !

The Chapters of the GCU cover the whole range of the relationship between RUs and Wagon Keepers

- CHAPTER I : OBJECT, SCOPE OF APPLICATION, TERMINATION, FURTHER DEVELOPMENT OF THE CONTRACT, DISCONTINUANCE OF BEING A SIGNATORY
- CHAPTER II : OBLIGATIONS AND RIGHTS OF THE WAGON KEEPER
- CHAPTER III : OBLIGATIONS AND RIGHTS OF THE RUs
- CHAPTER IV : ASCERTAINMENT AND HANDLING OF DAMAGE TO WAGONS IN THE CUSTODY OF AN RU
- CHAPTER V : LIABILITY IN THE EVENT OF LOSS OR OF DAMAGE TO A WAGON
- CHAPTER VI : LIABILITY IN THE EVENT OF DAMAGE CAUSED BY A WAGON
- CHAPTER VII : LIABILITY FOR STAFF AND OTHER PERSONS
- CHAPTER VIII : OTHER PROVISIONS

Download from website www.gcubureau.org

The 12 technical appendices of the GCU help the contractants in their day-to-day operational dealings

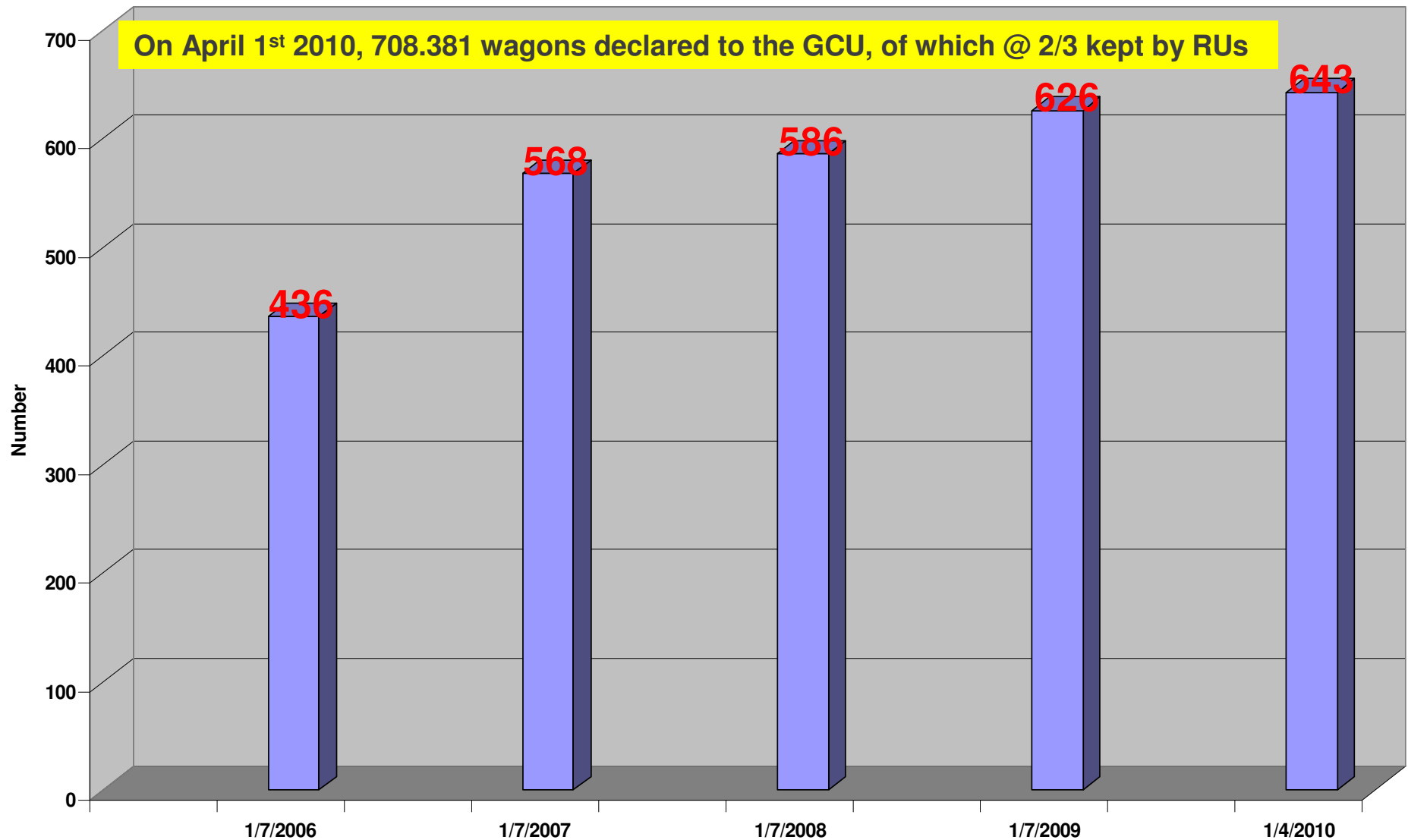
- **Appendix 1: List of signatory keepers and RUs.**
- **Appendix 2 : Definitions**
- **Appendix 3 : Wagon note.**
- **Appendix 4 : Wagon damage report**
- **Appendix 5 : Method for calculating the residual value of a wagon**
- **Appendix 6 : Compensation for loss of use**
- **Appendix 7 : Spare parts**
- **Appendix 8 : Internal Regulation for the Application and Further Development of the GCU**
- **Appendix 9 : Conditions for the technical inspections for wagon handover**
- **Appendix 10 : Corrective and preventive maintenance**
- **Appendix 11 : Inscriptions and signs on wagons**
- **Appendix 12 : Catalogue of damage to wagons**

All wagons are equal !

The General Contract of Use for wagons (GCU)

- applies the **same rules** to **privately** owned wagons and **railway** owned wagons
- no more monopoly of **immatriculation** of private wagons at railway undertakings
- the new COTIF 99 **abolishes any obligation** of railway undertakings for carrying wagons

On April 1st 2010, the GCU counted 643 signatories, bringing in more than 700.000 wagons (@ 90% of the freight wagons in Europe)



The RUs will master the change

What has changed from the perspective of the railways?

- Separation between Infrastructure and Operations: distinct Infrastructure Management (IM) and Railway Undertaking companies (RUs)
- Leaving a regulated, predictable and in some ways sheltered system
- Entering a contractual liberalized environment
- Responsabilisation of the stakeholders
- Better understanding of the logic and the economics of the constitutive elements of the transport chain, because they are not integrated anymore and involve different and sometimes new actors: ***RUs must learn the trade of the wagon keeper!***
- Complexity and fluidity of the – unfinished – legal and regulatory framework
- Learning to work as co-operating competitors : even in a liberalized environment, the railway system needs a substantial degree of co-operation to function efficiently
- and the GCU is a major vector of interoperability

Current Challenges facing the GCU signatories

- **Introducing a GCU Wagon Database:**

- amendment proposal launched end of March 2010
- introduction planned on Oct 1st 2010
- needed by the field agents, particularly to fully implement the information duties entailed by the GCU

- **Adapting the GCU to the evolution of the EU legislation**

- introducing the notion of Wagon Keeper (WK) and of Entity in Charge of Maintenance (ECM) in the GCU (recent amendment to the GCU: for the purposes of the contract: WK = ECM)
- Directive 2008/110/EC, introducing the ECM
 - o certification
 - o MoU pending full implementation of the Directive
- amended Directive 2004/49/EC: contents related to safety certification
 - o proposal of the Sector for an intermediate solution facilitating the delivery of safety certificates to the RUs
 - o self declaration by the ECM

- **For the RUs that are also WKs: learning the trade of Wagon Keeper !**

- o WP = WR
- o autonomous management of the wagon, including reloadings and empty returns # RIV !
- o different economic models possible

An unresolved challenge: the relationship with the IMs

- **Art 28 of the GCU: *the contracting parties shall be liable for their servants and other persons whose services they make use of for the performance of the contract, when these servants and other persons are acting within the scope of their functions***
- **What does that mean, with respect to the liability of the RUs for the IMs ?**
 - the wagon keepers want art 9 of the CUV transposed in art 28 of the GCU: the IM is the servant of the RU
 - the RUs have so far declined this inclusion because of their lack of leverage on the IMs
 - on the contrary, due to ***their lack of leverage on the IMs***, the RUs want art 28 of the GCU to explicitly specify that the IMs are no auxiliaries of the RUs !
 - due to the decision process regulating changes to the GCU contract, neither formulation has any chance to be adopted as such
 - art 9 CUV could be considered as applicable by default, but this could be contradicted by art 2.1 GCU: precedence of the GCU contract over the CUV Uniform Rules
- **The RUs are in the weakest position, between their customers and the IMs**
- **The future Eur GTC must enable the RUs to be compensated by the IMs for the delays, in terms of transit times, inflicted by the IMs**

Thank You for your attention !