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Activities of the European Commission in rail transport

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Submitted by the European Union

I. Commission adopts new rules for access to rail infrastructure

In April 2016, the Commission adopted rules to create fair conditions for new train services making better use of the available rail infrastructure.

Throughout the EU, rail service markets are characterised by dominant operators, which in some cases have close ties with infrastructure managers. Railway undertakings can block infrastructure for many years by way of framework agreements with infrastructure managers. In such a situation, the new rules will give better chances to operators that provide new services to get access to particular important lines thereby creating new opportunities for employment and investment. In consequence, this will render the rail market more competitive allowing business to better adapt to the changing needs of shippers and passengers.

Interested companies will be informed about the remaining capacity and the opportunity to conclude such contracts. The Commission's implementing regulation provides common criteria for concluding and modifying such agreements in case of conflicting capacity requests. Infrastructure managers should regularly see with their clients if they still need a specific capacity, whereas the duration of such agreements can be as long as five years or more. Where more than one manager is concerned with a train run, they are supposed to remain in contact to protect the value of a framework agreement for the train operator.

The rules will apply from December 2016 onwards.

II. Rail Transport: Landmark deal will deliver better rail services to passengers

The European Commission welcomed the agreement reached in April 2016 by the European Parliament and the Council of Ministers of the EU on the Fourth Railway Package. This is a series of measures to make European railways more innovative and

competitive. The agreement will in particular improve the performance of rail services in the EU to the benefit of passengers with a gradual opening of the domestic rail markets. The agreement needs to be endorsed by the Member States and the European Parliament in the coming days. Once adopted, the package will complete the single European rail area and therefore deliver on this Commission's agenda of a fairer and deeper internal market.

The Fourth Railway package will gradually open domestic passenger rail markets to competition. Gradual market opening will bring a number of benefits to passengers, public authorities and to the European economy as a whole. It will in particular:

1. **Revitalise domestic rail markets.** Over the last decades, rail traffic has experienced a steady decline, with the persistence of domestic monopolies. With the fourth railway package, all EU railway undertakings will be able to offer rail services throughout the EU. For "commercial" services, new entrants will be able to operate as of 2020. As of 2023, competent authorities should award public service rail contracts through competitive tenders opened to all EU railway undertakings, except in specific cases.

2. **Make railways more responsive to market and consumer demand.** Market-opening will favour the emergence of new business models, and offer more choice to consumers. Competitive pressure from new entrants will also force incumbents to adapt and become more consumer-oriented. Competition is however not an end in itself and Member States will still be able to directly award public service rail contracts, provided that performance targets (quality, punctuality, etc.) are met. Passengers will reap the benefits of these developments. Experience from the Member States having already opened their domestic market suggests increased frequencies, better services and lower fares.

III. Study on prices and quality of rail passenger services

DG MOVE published in June 2016 the Study on the Prices and Quality of Rail Passenger Services, which investigates how the fares and quality standards applicable to rail services in Member States are set and have evolved. The study is also looking at the impacts of liberalisation, competition and transport policy in relation to rail services, and assesses the competitiveness of rail vis-à-vis air and road travel. It differentiates between suburban, regional and long distance services and covers all Member states (except Cyprus and Malta who have no railways) as well as Norway and Switzerland.

The study concludes that fares and service quality is in large part determined by decisions taken within national, regional and local transport authorities, rather than by market conditions. In addition, demand for rail travel is, besides the fares and quality, influenced by a wide range of demographic, geographic and economic factors. As a consequence, Member States with broadly comparable fare and service quality levels can exhibit very different levels of rail demand. Rail competition has had positive effects on availability and quality of services. However, given the considerable range of products on offer in liberalised markets, it is important that passengers can access good quality information about their ticket options and that they understand applicable terms and conditions.

IV. Transport Ministers sign declaration for "action plan" on rail freight transport for the Orient/East-Med Corridor

In order to remove bottlenecks and make rail transport between their countries more efficient, transport ministers of eight EU countries located along the Orient East-Med Corridor signed on the initiative of TEN-T Coordinator Mathieu GROSCH a declaration on 21st June 2016 during the TEN-T Days conference in Rotterdam.

An important part of the "Joint ministerial declaration on effective improvements to eliminate bottlenecks and facilitate international traffic on the Orient/East-Med Rail Freight Corridor" is the "action programme" that contains concrete proposals and measurements that shall be implemented within the coming months. The declaration has been signed by all countries among the Orient/East-Med Corridor, which stretches from the North of Germany, south-eastwards through the Czech Republic, Austria, Slovak Republic, Hungary, Romania and Bulgaria, to the Southern coast of Greece.

Less waiting times at border crossings, more competitiveness

The main goals of the measurements the transport ministers agreed upon by signing the Declaration are to improve punctuality and average transit times between the countries for freight trains, as well as to increase the corridor's attractiveness, transport potential and competitiveness. To realise these aims, national action in the involved states is as important as effective cross-border coordination procedures. This requires deepened cooperation between all involved, the recognition and sharing of examples of best practice and commitments to cross-border agreements.

In concrete terms, Coordinator GROSCHE proposed the significant reduction of average border crossing times to a maximum of two hours of waiting, which is targeted within the declaration until July 2018. Therefore, an in-depth analysis on possible reasons will identify e.g. technical, operational and administrative rules causing avoidable waiting times on the border until 31st December 2016, and the results need to be implemented thereafter. This means e.g. to optimize the locomotive availability at border crossings where different technical requirements make a change of locomotive necessary, or to avoid double technical or administrative controls on both sides of the border wherever it is possible.

Within the railway undertakings, the ministers underlined that the corridor capacity needs to be protected as much as possible. Therefore, the deadline for reserve capacity should be lowered in a market-oriented way. Also possible capacity restrictions need to be planned in advance, multi-annual investment plans shall be kept transparent and delays on infrastructure works need to be avoided, they pointed out.