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Developments in the field of railway transport The European experience

**Conference on the liberalisation of the rail freight
market in Belgium**

26 April 2007, Brussels

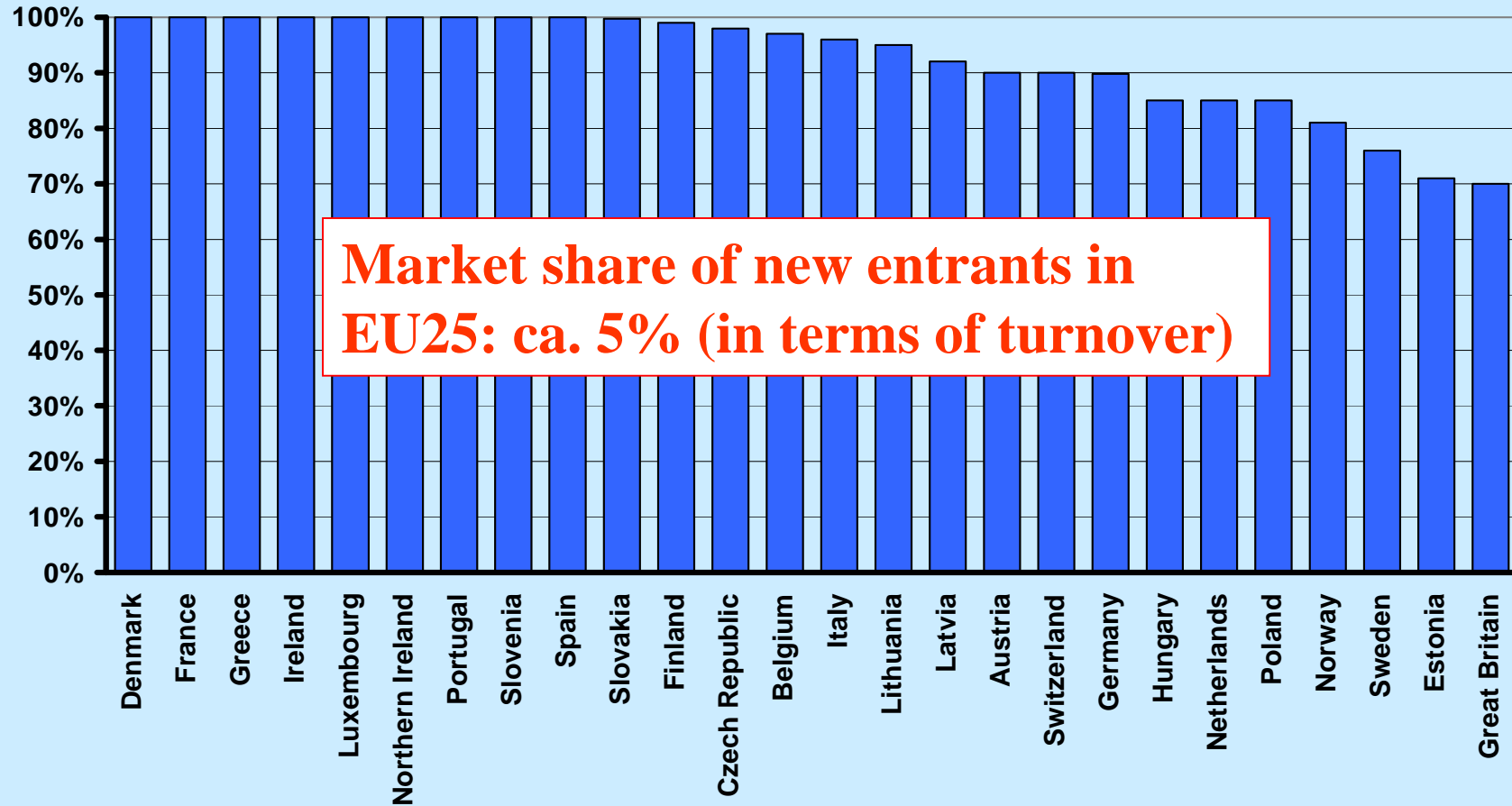
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Rail freight markets are opening but share of largest operators remains high (in terms of tkm)



Source: SDG (2005), ERFA estimation





Creating an integrated European railway area

➤ The cornerstones of the EU approach:

- Market access to favour competition and create incentives for product development and customer focus
- Promote interoperability through technical harmonisation
- Maintain and increase rail safety levels
- Support the development of an efficient and interoperable network (TEN-T network, structural funds)



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Major features of EU rail access regulation

- **Management independence from State, railway undertakings to act as business-oriented entities**
- **Separation of accounts for freight and passenger services, no cross-subsidization**
- **Licensing and safety certification by independent authorities**
- **Full opening of the rail freight market since 1 January 2007**





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Major features of EU rail access regulation

- **Information on access conditions in the Network Statement**
- **Charging: marginal costs (with possible mark-ups to cover e.g. environmental externalities and investment cost)**
- **Allocation of capacity by independent Infrastructure Managers/bodies**
- **Rail Regulatory Bodies to survey functioning of the market**





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Market access

- **The Commission Report of 3 May 2006 [COM(2006) 189] on the implementation of the 1st railway package**
- **Crucial conditions for successful market opening:**
 - **Capacity allocation and track access charging require strict neutrality**
 - **Safety Authorities and Regulatory Bodies must be independent, competent and receive sufficient resources**





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Market access

➤ **Currently, in depth assessment of implementation measures in the Member States, with focus on:**

- **Capacity allocation and track access charging**
- **Separation of accounts and management independence**
- **Performance regimes**
- **Independent and powerful Rail Regulatory Bodies**
- **International co-operation of Infrastructure Managers**





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Market access

- **Requests for complementary information about to be sent off to Member States**
- **Decision on opening infringement procedures to be taken after Summer**





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Market access

- Recast of market access Directives foreseen in 2008
- Consolidation of various Directives in a single code
- Possible minor changes based on experiences with the implementation of the 1st railway package and studies
- Consultation of stakeholders foreseen end 2007- beginning 2008





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Market access

- **Potential issues for the recast 2008:**
 - 1) **Access to services**
 - 2) **‘Authorised Applicant’**
 - 3) **Infrastructure charges**
 - 4) **Cross-border path allocation**





Market access

- **Market opening for international rail passenger services**
(part of 3rd railway package - amendment of Directive 91/440)
- **Open access for international services including cabotage by 2010**
- **Cabotage cannot be restricted, except if compromising the economic viability of public services**
 - **Regulatory Body to assess and decide**



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Passenger rights

- Proposal for regulation on passenger rights and obligations
- Information and ticketing
- Liability in case of accidents
- Compensation and assistance in case of delays
- Assistance to passengers with reduced mobility
- Controversial; scope national/international passengers or international passengers only





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Promotion of seamless international railway transport

1. Draft Directive on the certification of train crews

- **Objective: foster interoperability, safety and mobility of train crews**
- **Common criteria and procedures for certification of personal capabilities (part A) and route/rolling stock related knowledge (part B)**
- **Controversial: scope (only drivers vs. all safety related staff), reimbursement of training cost in case of early change of employer**





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Promotion of seamless international railway transport

2. Cross-acceptance proposal

- **Objective: Avoid lengthy and costly authorisation procedures recurring in each Member State**
- **Modification of the Rail Safety Directive, recast of Interoperability Directives and modification of Regulation on the European Railway Agency**
- **As long as Technical Specifications for Interoperability on locomotives are not available and not applied (expected by 2010), authorities rely on national rules**





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Promotion of seamless international railway transport

2. Cross-acceptance proposal

- **ERA to develop reference documents for requirements**
- **Authorisation of placing into service:**
 - **Part A requirements: to be mutually recognised**
 - **Part B requirements: network related**
- **Rules on vehicle maintenance: role/responsibilities of keeper**
- **Expected cost savings: more than €400 million overnext 15 years**





Other related legislative initiatives

- **Draft Regulation on public services in road and rail transport**
- **Obligatory introduction of public service contracts including adequate compensation of service obligations**
- **Common principles and requirements enhance transparency of contract attribution and compensation**
- **No mandatory tendering of public service contracts in heavy rail**

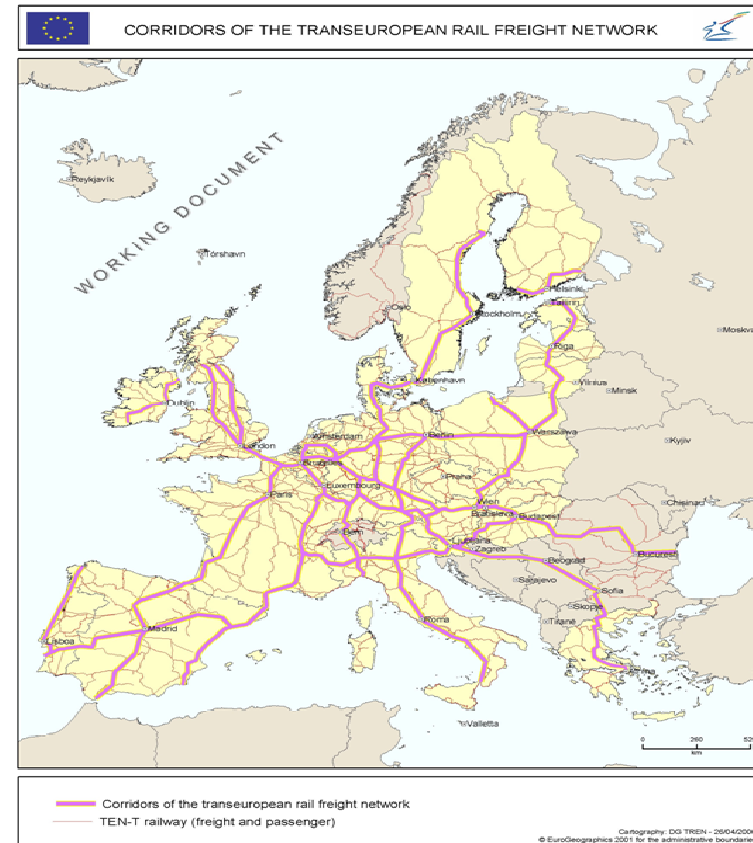


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Future initiatives

Developing a freight orientated European rail network

- Action plan October 2007
- Objective: Enhance performance of rail freight transport on core network
- Time horizon: 2010-2015, when international corridors will be equipped with ERTMS
- Measures: enhancing coordination of corridor management, charges etc.





Conclusions

- **The basic EU regulatory framework for rail network access in place in all EU Member States.**
- **Effective implementation across the Community vital.**
- **Fine-tuning of market access regulation envisaged.**
- **Rules to favour rail freight traffic on European corridors.**
- **International rail passenger opening expected by 2010.**
- **Work on technical specifications for interoperability - to be continued.**



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Thank you for your attention

For further information:

http://ec.europa.eu/transport/rail/index_en.html

