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# **EU Railway Policy**

**Rail Passengers Market opening  
Brussels, 24 April 2008**

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- 2 – Market opening and fostering of competition**
- 3 – Promotion of seamless international transport**
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## The objective of the European Railway Policy

*Creation of an integrated European railway area to allow cross border services under a single responsibility in order to guarantee a high quality of services to the customer...*

*...Ultimately, the aim is to increase the competitiveness of rail transport in Europe*





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## The cornerstones of the EU approach to improve the performance of rail transport

- **Market opening and fostering of competition (including application of EU state aid rules and EU competition law)**
- **Transport White Paper (2001): railway sector requires fundamental revitalisation through market integration; revision in July 2006**
- **Fostering seamless cross-border traffic (interoperability, common safety approach, European Railway Agency as a network integrator)**
- **Supporting the development of a Trans-European Network for rail transport**





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## The 1st rail package ("rail infrastructure package")

### ➤ Directives:

- 2001/12 amending 91/440 on the development of the Community's railways
- 2001/13 amending 95/18 on railway licensing
- 2001/14 on the allocation of capacity and levying of rail infrastructure charges and safety certification
- adopted on 26 February 2001 published on 15 March 2001
- To be transposed by Member States into national law by 15 March 2003
- Obligation by MS to notify transposition measures to the Commission





## Critical issues of implementation

- **Independence of essential functions (charging, capacity allocation, railway licensing, safety certification)**
- **Common non-discriminatory and transparent principals and procedures for capacity allocation and charging**
- **Access rights to and charging in service facilities/terminals**
- **Accounting separation and management independence**
- **Network statement published**
- **Independent and powerful regulatory body (appeal body)**



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## The 2nd rail package

- **Adopted on 30 April 2004 Published 21 June 2004**
- **Accelerated opening of rail freight markets (Dir. 2004/51/EC): intern. Services by Jan. 2006, domestic services by Jan. 2007**
- **Developing a European rail safety approach (Dir. 2004/49/EC)**
- **Enlarging the scope of the interoperability Directives (Dir. 2004/50/EC)**
- **Setting up a European railway Agency (Regulation N°881/2004)**





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## Enforcing EU rail law Rail access legislation

- **The Commission as the guardian of the Treaty supervises the transposition of Community law in the Member States**
- **Communication COM(2006) 189 of 3 May 2006 assessed the implementation of 1st railway packages and concluded:**
  - **Law legally transposed in all Member States**
  - **Further efforts needed to fully comply with Directives “on the ground”**
- **Commission investigates in depth and has sent questionnaires to Member States in May and November 2007 to complement analysis**

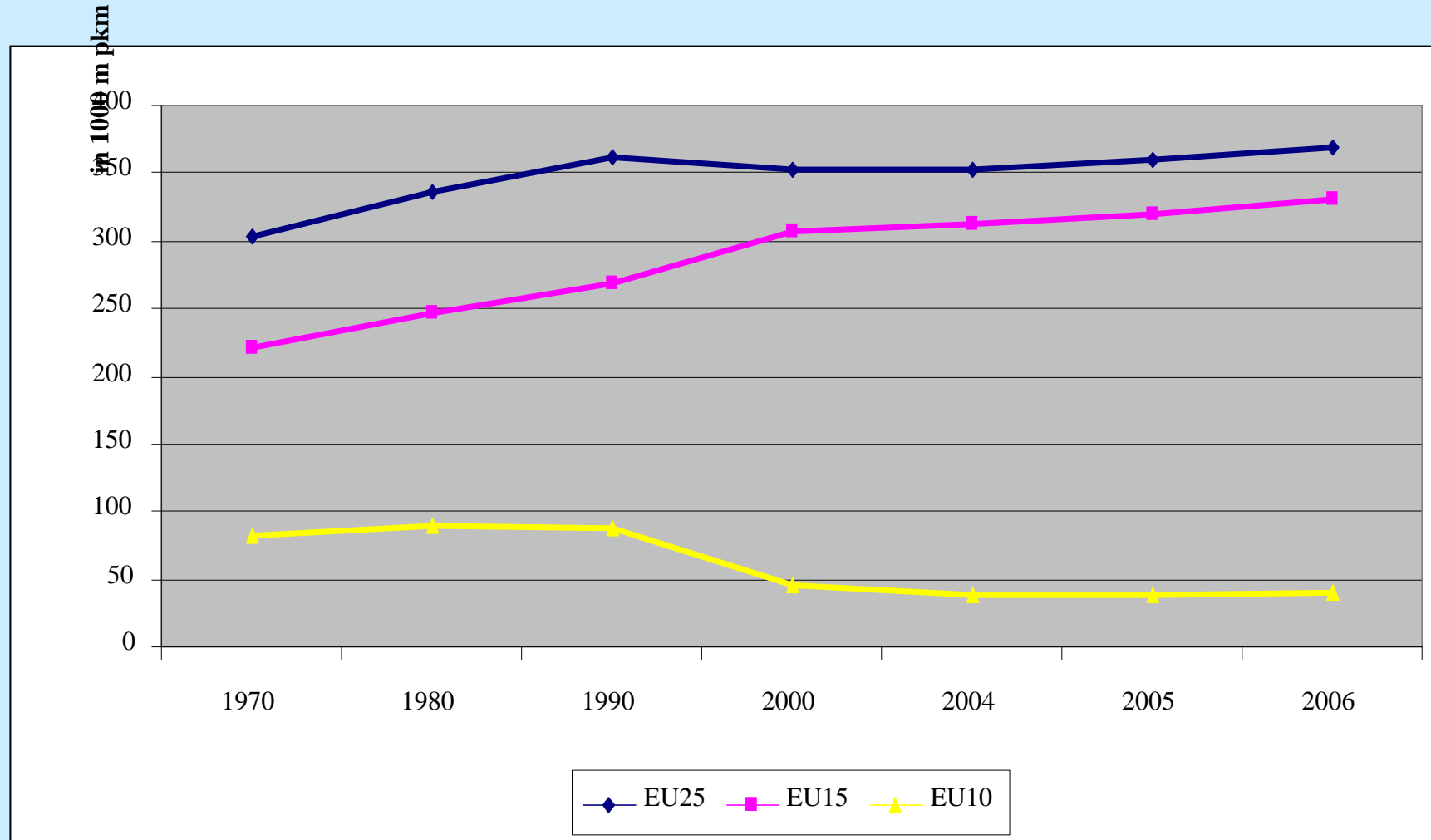






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## Evolution of rail passenger transport performance in EU-25, EU-15 and EU-10



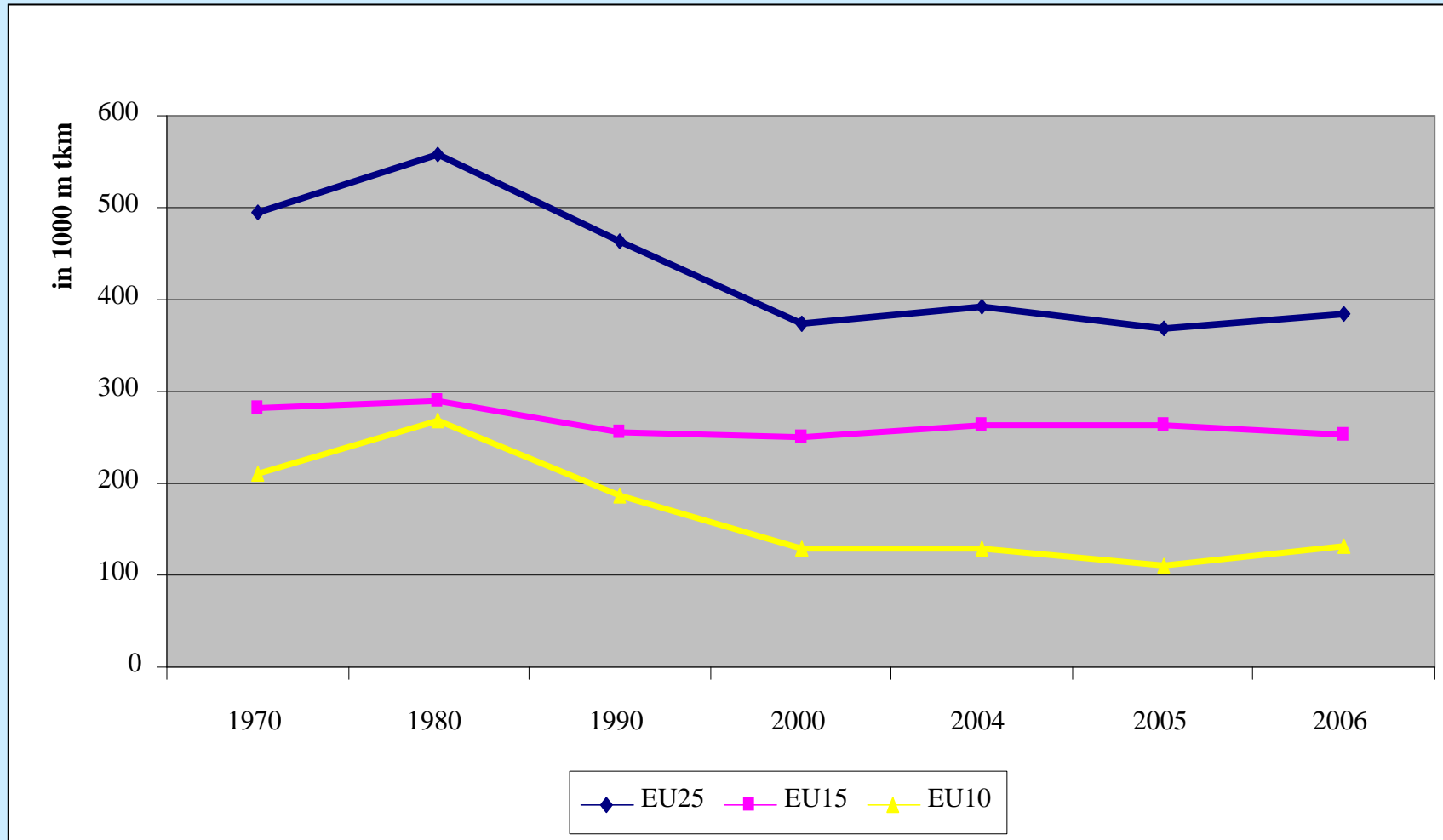
Source: European Commission (2007)





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## Evolution of rail freight transport performance in EU-25, EU-15 and EU-10



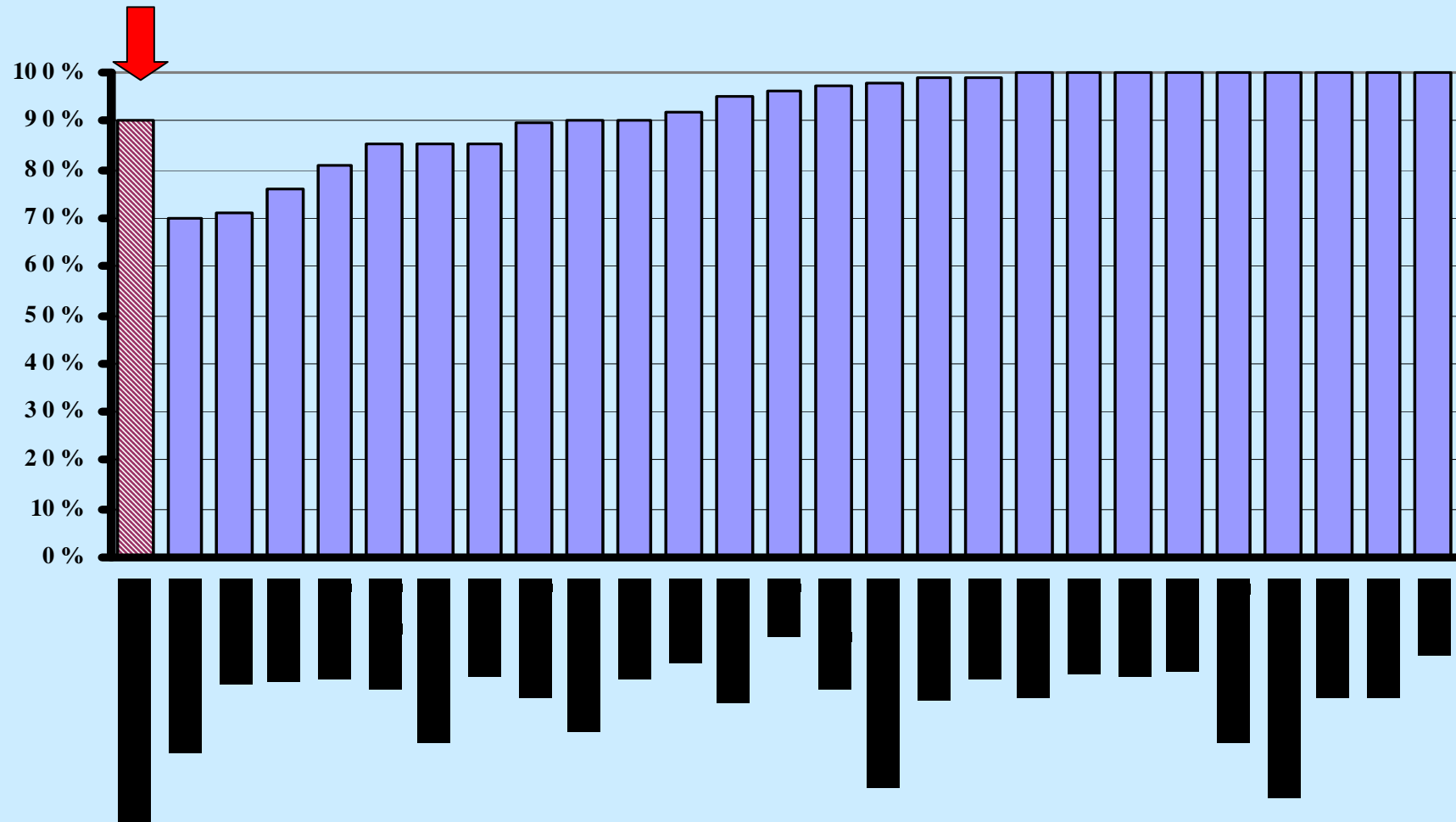
Source: European Commission (2007)





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



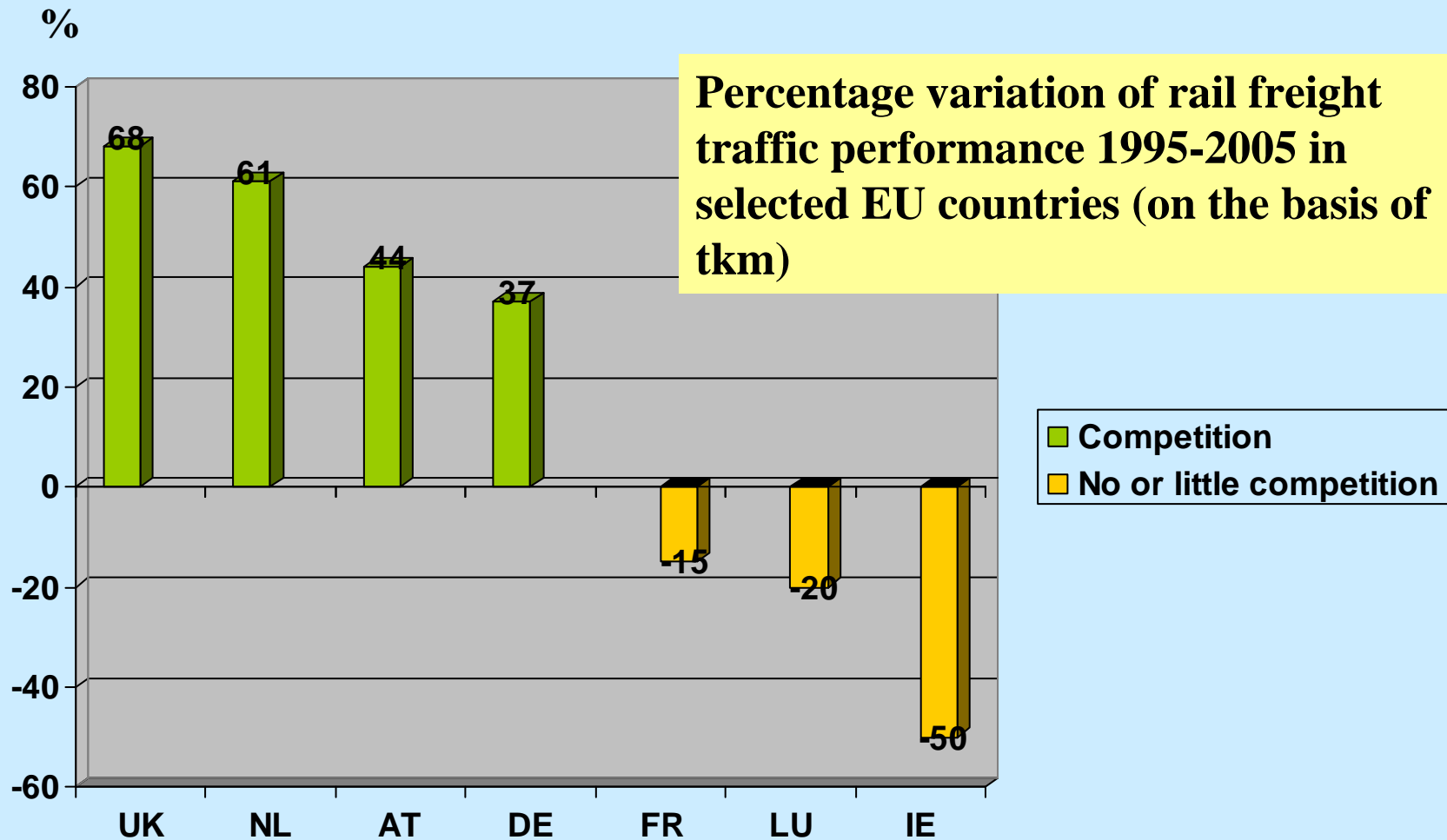
Source: SDG (2005), ERFA estimation





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## Early market opening fosters better traffic performance



Source: European Commission





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## For passenger rail transport : third package

- **Adopted on 23th October 2007 published on 3 December 2007; to be implemented before 4 June 2009**
- **Open access including the right of cabotage from 2010**
- **The Public Service Regulation foresees more transparency in public service contracts (PSC) but no obligatory tendering in the case of rail transport**
- **Tendering of PSC is generally successful in enhancing quality and reducing costs in Member States where it is practiced**





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## The cost of providing seamless cross-border rail services must be brought down

- High market entry costs discourage investment in the rail sector
- The adoption of the Directive on a European train driver licence will allow more flexible use and mobility of staff in international traffic (October 2007) :
  - EU recognition of drivers qualifications and health
  - Licence by NSA, complemented by certificate of the RU (line and rolling stock)
- Introduction of cross-acceptance of rolling stock (Commission proposal in December 2006) is expected to lead to savings of about €400 million over next 15 years





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## European rail freight will become competitive, if modern key technologies are implemented

### ➤ Examples:

- Capacity enhancing, interoperable signalling and traffic management through implementation of ERTMS/ETCS
  - Implementation of TAF TSI – Technical Specifications for ‘Telematics Applications Freight’ will allow efficient electronic data exchange at European scale
- Governments, infrastructure managers and railway undertakings need to invest to deploy modern technologies
- Significant EU funds available in new Member States





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## Railway undertakings must define a business strategy on the EU rail market

- **EU rail freight market is in a phase of transition from fragmented national markets to an Internal Market**
- **Railway undertakings need to define a medium to long term business strategy to position themselves on the Internal Market and to sustain their existence.**
- **RUs to compete or co-operate in view of chosen business strategy**





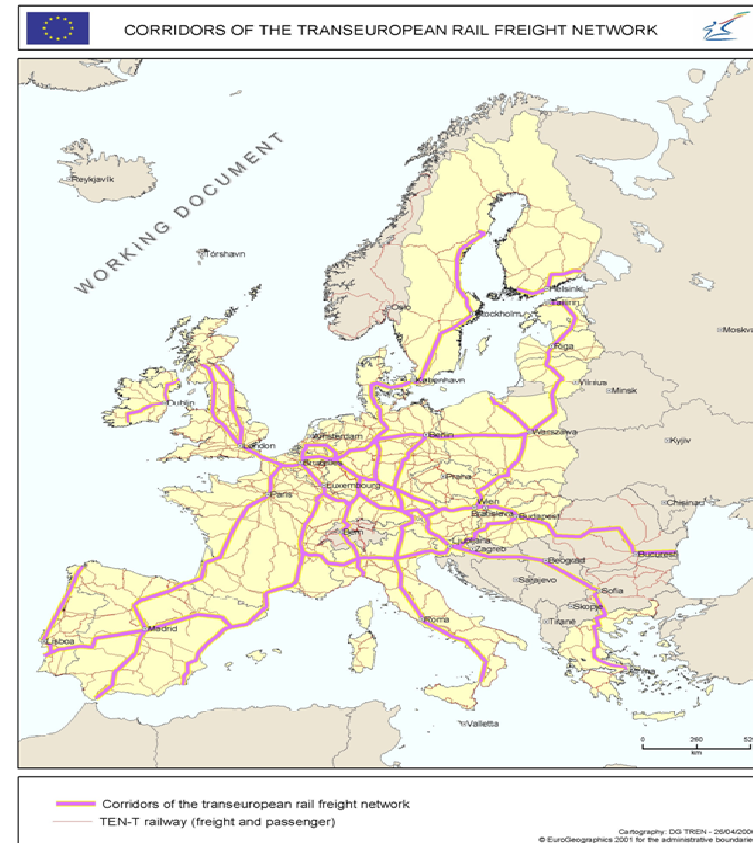


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## On going EU initiatives

### Developping a freight oriented European railway network

- **Presentation of an action plan in 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, of regulatory bodies, eliminate bottlenecks, etc (October 2008).**





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## On going EU initiatives

- **Communication on multi-annual contracts between the state and infrastructure managers on maintenance and renewal (February 2008)**
- **Communication on noise abatement measures in the railway sector (June 2008) and legal measures (mainly freight...)**
- **State aid guidelines for the railway sector (2008)**
- **Legal measures to promote a Rail freight oriented network (October 2008)**





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## Key conclusions

- **Commission enforces an effective and coherent implementation of EU law across the Community.**
- **International rail passenger market opening by 2010. Little harmonisation for public rail passenger services, yet.**
- **Rail system costs to be brought down**
- **Need for clear strategic orientation of rail sector**
- **Sustained financial restructuring of incumbents required**
- **Railway undertakings to choose appropriate business strategy to position themselves on EU rail market**
- **International cooperation in freight corridors.**





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**Thank you for your attention.**



For further information:

**[http://ec.europa.eu/transport/rail/index\\_en.html](http://ec.europa.eu/transport/rail/index_en.html)**

