

Sixth INTER-Regio-Rail email newsletter

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(Mailing list: Passenger Rail Authorities in Europe)

Dear Sir/Madam,

This week an interesting event has taken place in Brussels: The European Commission has organised its conference on “the last mile towards the fourth railway package”, during which vice-president Kallas has outlined the direction of the forthcoming legislative proposal. His colleagues from DG MOVE took part in the discussions with the approximately 300 stakeholders attending the event. The results of the conference, as Director General Matthias Ruete pointed out when he closed the conference, will help the Commission to find the right mixture of measures.

INTER-Regio-Rail has attended the conference, contributed to the discussion, met numerous stakeholders and is as curious as you are about the contents of the forthcoming proposal. Read more in this newsletter!

Yours faithfully,
Susanne Henckel

General Manager, German Association of Passenger Rail Authorities

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Aims of the Commission

During his opening speech vice-president Siim Kallas pointed out that the first three railway packages and the recast of the first railway package have already considerably changed the European railway market. Yet there is still a large potential of railways to contribute to the environmentally friendly transportation of passengers and goods that these are not able to use. The Commission strongly believes that further market opening can help to make the sector more competitive, but has observed barriers that make it difficult for newcomers to enter the market. In order to remove these barriers vice-president Kallas is determined to propose the following changes in the fourth railway package:

- The European railway agency shall become a one-stop-shop for safety issues concerning the European railways. This applies especially to the certification of rolling stock.

- Competition in passenger rail transport will be enhanced by prescribing a mixture of public service contracts and open-access to the railways.
- Currently competition is hindered by conflicting interests of infrastructure managers and railway undertakings within integrated railway companies, and the existing separation requirements do not seem to work effectively. It seems necessary to improve especially the financial transparency.

The Commission has underlined its programmatic approach by a series of contributions during two subsequent plenary sessions by various actors of the railway market. There have been very liberal voices such as the Swedish Minister of transport, Ms. Catherina Elmstäter-Svard, Philippe De Backer (Belgian MEP) and representatives of railway undertakings that are operating in more or less liberalised markets (First group in the UK and NTV in Italy).

On the other hand representatives from countries still on the difficult path of restructuring their railways had the occasion to give an account of their challenges - these have been the Belgian ministry of transport and the Romanian CFR. Obviously the Commission has a clear vision of the railway policy it wants to propose, yet takes into account the different situations in the different countries of Europe.

The plenary sessions have been completed by presentations from the industry that gave the participants an idea of the innovative potential of the European transport sector in terms of waggon leasing (GATX and ticketing (Amadeus). **NTV** revealed that competition has been beneficial for the incumbent railway undertaking which has been constrained to innovate **while Amadeus** (reservation platform) insisted on the importance of price transparency and the virtues of a "multi-modal journey planner".

Discussions during the conference

Discussions with the audience have taken place during three parallel workshops on the topics of rolling stock certification, infrastructure and the links between railway and society (the conference documents are available [here](#)). These thematic workshops have revealed the stakeholders agree on the objectives of the single railway market, but not on the means to achieve it.

The latter workshop has been the least controversial, coming to the conclusion that efficient railways are essential to fight against congestion and CO2 emissions. Below are some of the notable interventions:

- **Hans Werner Franz**, the representative of the Berlin-Brandenburg transport association (VBB), and **Ton Spaargaren**, the representative of the Gelderland province in the Netherlands, underlined the advantages of competitive tendering of PSO based on quality and not on the lowest price in order to maintain competition. **Hans Werner Franz** explained that in Germany, the differences in the position of the Ministry of Transport and that of Economy, give DB an advantage to pursue its own political agenda.
- **Christopher Irwin (European Passengers Federation)** indicated that the Commission should have a holistic approach and facilitate the utilisation of public transport while at the same time taking account of interoperability, co-modality and through ticketing. He regretted that users' satisfaction was not one of the measures of the rail market monitoring scheme.

- The representative of private operators, **Michel Quidort**, insisted on the fact that market opening does not have a negative impact on safety and will not lead to social dumping. He highlighted that competitive tendering of PSO has to be the norm and that the criteria have to be defined at local level in order for the tenders to be territorially and economically consistent.
- **Tim Gilbert (European Passenger Train & Traction Operating Lessors Association)** insisted on the clear and consistent implementation of the current legislation.
- **Howard Rosen (Rail Working Group)** reminded stakeholders about the [Luxembourg Protocol](#), a new agreement which facilitates the functioning of rolling stock and eliminates certain distortions.

The session on rolling stock tackled the question of how to improve the availability of trains and wagons for passenger and for freight transport, Participants agreed on the need to reinforce the powers of the European Railway Agency and that the rules, responsibilities and procedures have to be clarified.

The most controversial workshop was the one on infrastructure which asked panellists about their points of view on the role of the “optimal” infrastructure manager. Below are some of the notable interventions during this workshop:

- On behalf of the association of European Infrastructure manager (EIM), **Hubert du Mesnil** insisted on the necessary cooperation between IMs and with their clients. According to him, the extension of the essential functions will improve performance, but will also better justify full cost charging. He concluded by saying that IMs need to have a stable legal framework.
- **Garry White** (Network Rail) recalled that transport liberalisation had been already enshrined in a Council decision from 1965(!). He gave a list of essential functions necessary for an IM:
 - Network Planning and Strategy
 - Timetabling
 - Signalling and Traffic Management
 - Investments in infrastructure, but also renewal and maintenance

For Network Rail the McNulty report has demonstrated that reinforced cooperation with RUs can only be envisaged when the IM has gained its independence.

Contribution of BAG-SPNV

BAG-SPNV was asked to present its position at the round table ([Power point](#) / [text version](#)). Although some partners of our network have agreed on this paper this is of course not an INTER-Regio-Rail position - and we have clearly stated so.

It was interesting for us to see that representatives of some incumbent operators have listened to our presentation - but did not contradict the difficulties linked to the integrated operation of the infrastructure. Instead, they rather made general comments about the synergies in integrated companies without actually proving them.

And most interestingly, some of them even backed our position: It is important that infrastructure managers do not make profit from infrastructure management (SBB), and it is necessary for infrastructure managers to take into account their customers' expectations (SNCF).

We are pleased to have initiated an intense discussion through our contribution and to have received numerous positive feedbacks from participants as well as the organisers of the conference.

Following the Commission's adoption of the 4th railway package, we would like to publish a general position that conciliates the views of the whole network of passenger rail authorities on this legislative proposal. In order to achieve this we are going to draft a paper and send it to you later during this autumn. We would be grateful if you could either agree with the position paper or tell us which modifications are necessary for you to be able to agree to it.

Further action on the Fourth railway package

Matthias Ruete, Director General of the DG MOVE has closed the conference by saying that the Commission has taken a lot of ideas from the discussions and on this basis will write the proposal for the fourth railway package that is going to be published by the end of 2012.

The main objective of the Commission is propose a railway package that will bring stability into the railway market and not be subject to changes in the near future.

As we said in the introduction to this newsletter, we are very curious about the content of the proposal - probably just as any other European railway stakeholder. We propose to discuss it within the INTER-Regio-Rail network very soon after its publication, to find a joint position on it and to publish this.

In 2013 the 4th railway package will be the subject of negotiations between the Parliament and the Council - and INTER-Regio-Rail will be one of the stakeholders to give its point of view on the important issues.

News about the network of INTER-Regio-Rail

Between 17-19 October the next partner meeting of INTER-Regio-Rail will take place in Bolzano (IT). It will consist of three parts:

1. On 17 October we are discussing the implementation and further strategy of the INTER-Regio-Rail project,
2. for 18 October EURAC has organised a conference on bicycle transport that includes strong links to regional rail transport. You find the program [here](#).
3. on 19 October a study trip will take place during which the Province of South Tyrol and EURAC present the implementation of their regional INTER-Regio-Rail pilot project that deals with the improvement of passenger satisfaction.

You are very welcome to join us for the conference and the study trip even if you are not part of the Central Europe project. If you would like to receive an official invitation please do not hesitate to contact us.



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