



Transport Community – 1st meeting of the WG on Railways

EU expertise to support the reform of the rail sector in the Western Balkan region

Presentation by DG MOVE, Unit C3, 23.5.2019



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Contextual background

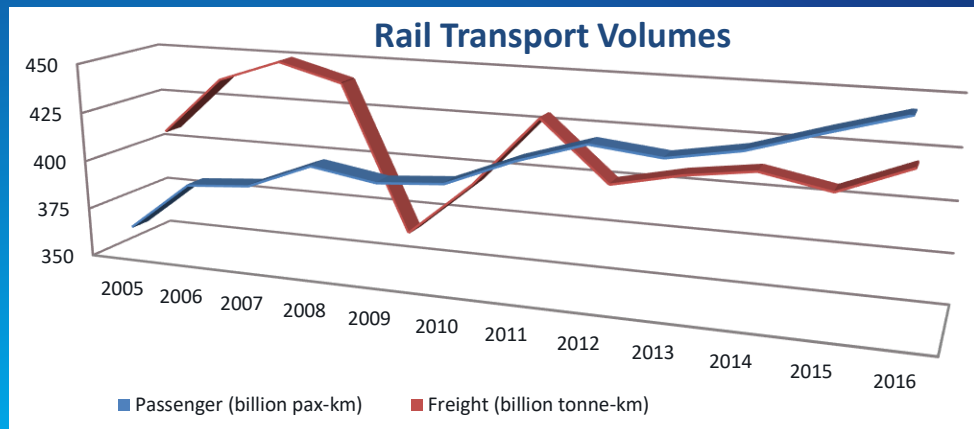
Rail transport in the European Union

- is a vector of **economic and social cohesion** and **connectivity** for 500 million EU citizens
- contributes to the **decarbonisation** strategy, as one of the more environmentally friendly transport modes
- makes a substantial contribution to the EU economy, directly **employing 900,000 people...**
- is a major component of the **Trans-European Transport Network**
- is a key element of the European **multimodal transport** strategy



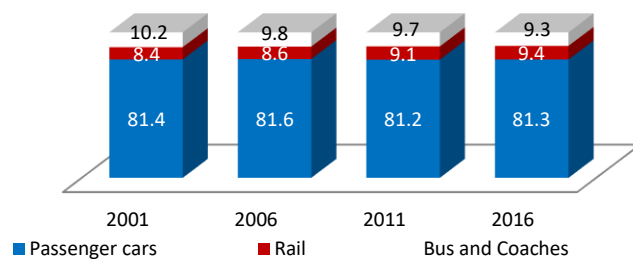
Contextual background

Overall, passenger transport has been increasing since 2005, whereas freight is still recovering from 2009 crisis

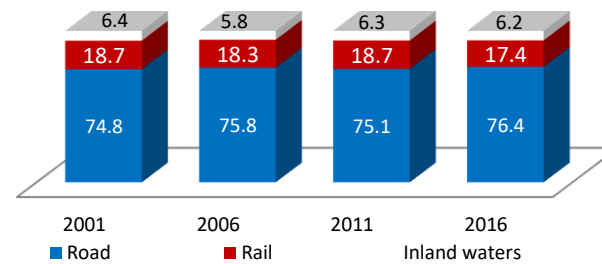


...however modal share only slightly increased for passengers and remained stagnant and slightly declined for freight since 2004

Modal share - passengers



Modal share - freight



Challenges for the rail sector in the EU

Where we were...

fully integrated State railways

monopolies

stagnating modal share

lack of market orientation

*increasing costs and
indebtedness*

outdated technologies

Policy actions

Where we want to be

**Single European
Railway Area**

*high quality, customer oriented
transport services*

a level playing field

*cost efficient operations, lower
need for public funding*

market driven innovation



Competitive, attractive railways



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Main policy areas

Enabling competition

- Opening markets to competition
- Independence of infrastructure manager from railway undertakings
- Independence of railways from the State
- Rules on track access charges and capacity allocation
- Sustainable funding of infrastructure
- Equal access to service facilities
- Independent rail regulatory bodies
- Transparency of financial flows
- Competitive tendering of public service contracts

Facilitating international freight

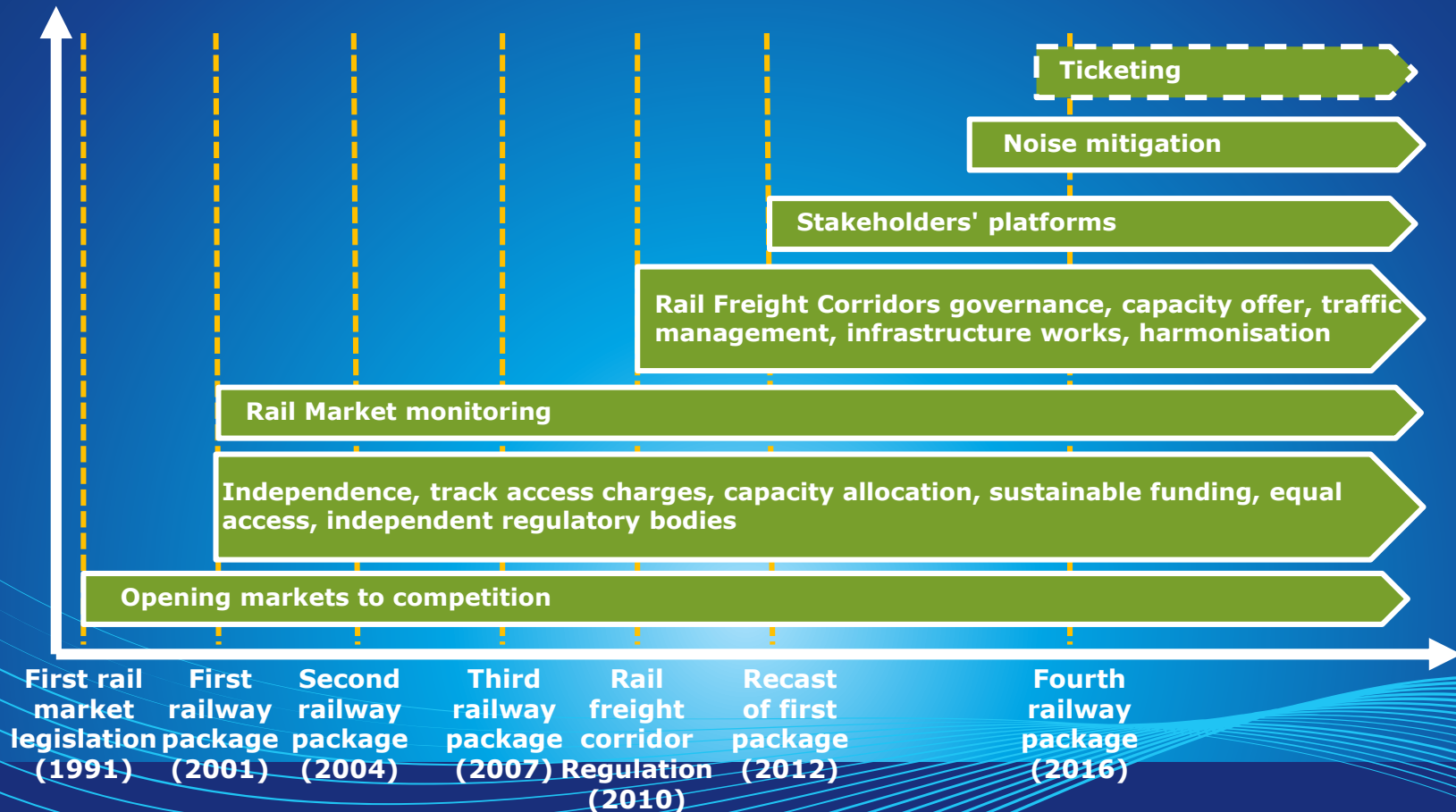
- Rail Freight Corridors governance structure to tackle rail freight issues
- Coordination of capacity offer, traffic management, infrastructure works
- Harmonisation of processes and procedures

Framework activities

- Rail market monitoring
- Ticketing
- Noise mitigation
- Stakeholder platforms to facilitate cooperation

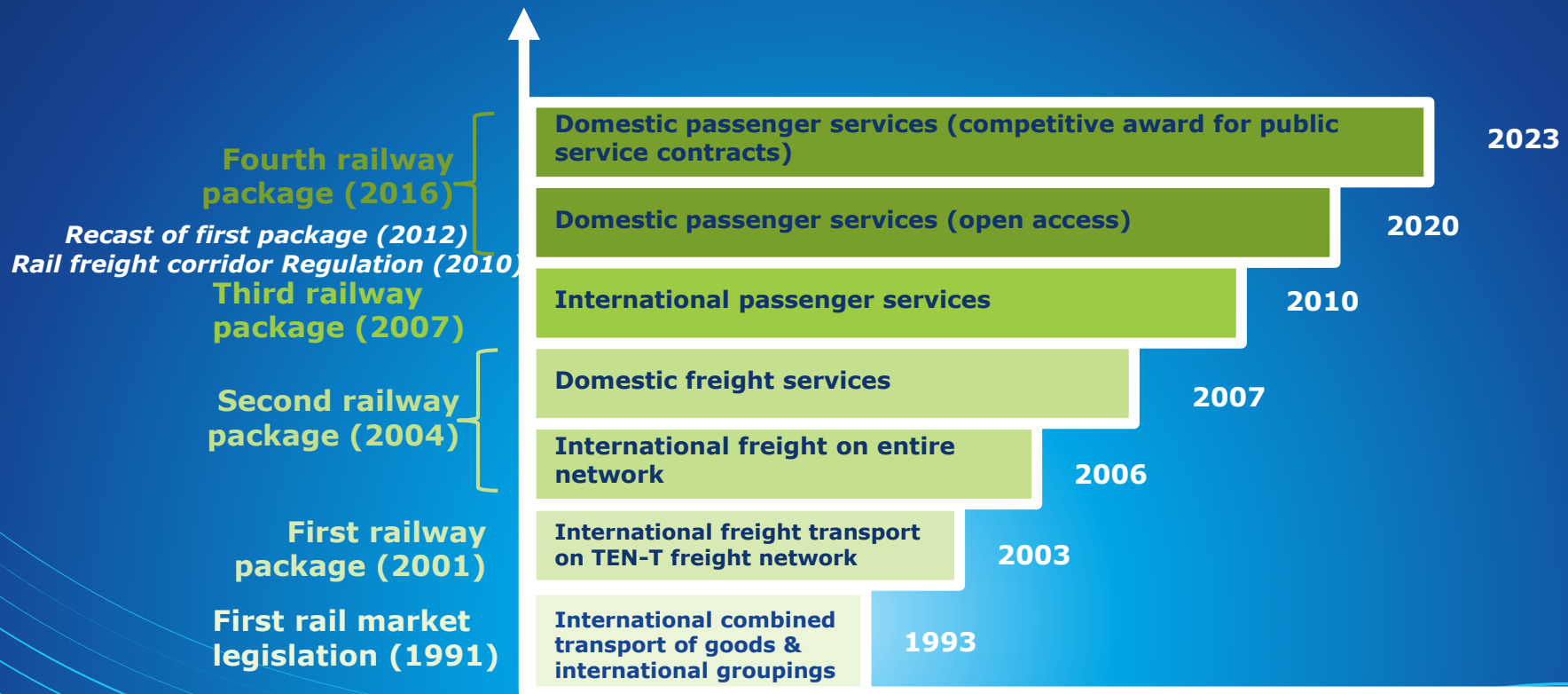


Timeframe of policy actions





Focus: opening up of markets to competition





Legislative framework – economic regulation

- **Regulation (EU) 913/2010 (European rail network for competitive freight)**
- **Directive 2012/34/EU (Single European Railway Area – Recast) and related implementing acts**
- **Fourth Railway package adopted in 2016**
 - **"Market" pillar**
 - **"Technical" pillar**



Fourth railway package – market pillar

Aims to deliver **more choice and better quality of rail services** for European citizens by:

- 1) Completing the process of gradual market opening by establishing the general right for railway undertakings established in one Member State to operate all types of passenger services everywhere in the EU
- 2) Laying down rules aimed at improving impartiality in the governance of railway infrastructure and preventing discrimination
- 3) Introducing the principle of mandatory tendering for public service contracts in rail



Fourth railway package – market pillar

Legislation adopted in 2016

- **Regulation (EU) 2016/2338** amending Regulation (EU) 1370/2007, which deals with the award of public service contracts for domestic passenger transport services by rail ('PSO Regulation')
- **Directive 2016/2370/EU** amending Directive 2012/34/EU, which deals with the opening of the market of domestic passenger transport services by rail and the governance of the railway infrastructure ('Governance Directive')



Rail Freight Corridors

The rail freight backbone of the multimodal Core Network Corridor of the EU

A key initiative of the Commission to achieve a truly Single European Rail Area for rail freight

Co-operation across borders both at the level of Member States and rail infrastructure managers

The involvement of users in the development of the European rail freight system

Capacity of good quality for international freight trains by co-ordinating capacity planning, traffic and infrastructure management

Setting up Corridor One-Stop-Shops as single contact points for the customers



New Alpine-Western Balkans RFC (n°10)



Secondary legislation in place based on the Recast (Directive 2012/34/EU)

- ☐ Modalities for calculation of direct cost
- ☐ Framework agreements
- ☐ Licensing
- ☐ Criteria for applicants
- ☐ Principle purpose and economic equilibrium test
- ☐ Coordination of works under Annex VII
- ☐ Noise differentiated TAC
- ☐ Data collection with a view to rail market monitoring
- ☐ Access to service facilities
- ☐ Economic equilibrium

Better oversight of the market

More reliable and accessible market data through:

- Web tool Transport Monitoring System – Rail (TRAMOS - Rail) for data gathering



The screenshot shows the TRAMOS Questionnaires interface. It includes a header with the European Commission logo and the text 'TRAMOS Questionnaires'. Below the header, there is a breadcrumb trail: 'Commission > Transport > TEN-T > TRAMOS > Questionnaires'. A table is displayed with columns for 'Year', 'Questionnaire status', 'CI', 'S1', 'S2', 'S3', 'S4', 'S5', 'S6', 'S7', 'S8', 'S9', 'S10', 'S11', and a final column with a bell icon. The table shows data for the year 2015, with the status 'IN_PROGRESS (10/11)' and various checkmarks in the S1-S11 columns.

Year	Questionnaire status	CI	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11	
2015	IN_PROGRESS (10/11)		✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	🔔

- RMMS Report, adopted and published every 2 years:
 - ❑ **6th RMMS Report to be adopted beginning of 2019**
- https://ec.europa.eu/transport/modes/rail/market/market_monitoring_en

Committees and stakeholder platforms (1/2)

Committees established by the EU rail legislation to prepare and adopt the necessary executive legal measures at EU level (e.g. implementing and delegated acts, specific decisions and exemptions)

- Composed of Member States representatives and chaired by a representative of the Commission
 - Formal rules of procedures, including quorum and voting procedures
1. **SERAC** - Single European Rail Area Committee, established on the basis of Article 62 of Directive 2012/34/EC (+ subgroups)
 2. **RISC** – Railway Safety and Interoperability Committee, established on the basis of Article 21 of Directive 96/48/EC

Committees and stakeholder platforms (2/2)

Stakeholder platforms and expert groups to share expertise, information, best practices, discuss implementation issues, monitor the application of the legislation and the functioning of the markets, tackle cross-cutting issues...

- **ENRB** – European Network of Regulatory Bodies
- **PRIME** – European Network of Infrastructure Managers (+subgroups)
- **GERM** – Group of Experts on Rail Market access
- **RUD** – Dialogue with Railway Undertakings (+subgroups)

Options for sharing relevant information and expertise within the framework of the TCT

TCT Working Group on Railways should be the main forum to bring and share expertise deriving from the activities of the EU rail committees and stakeholder platforms

1. Representative of the Commission in the WG on Railways could report consolidated information on relevant developments and activities at each meeting, on a systematic basis (standing item)
2. Participation of individual SEE parties and/or of rail expert of the TCT Secretariat could be envisaged in certain platforms, on an ad hoc basis, in accordance with the RoP of the relevant groups
3. Railway undertakings from the Western Balkans region may directly or indirectly (through CER) take part in the RUD activities

Conclusions and orientations

- The Declaration on the **Regional Rail Strategy** endorsed by representatives of the Western Balkans in December 2018 is a decisive tool to achieve the objectives of the TCT for rail transport
- **EU and Member States expertise** may help and support the development of the action plan
- The **Commission will provide policy guidance and validation** in accordance with the terms and objectives set out in the TCT.
- **Ownership of the reform process** – at regional and national level in the Western Balkans – is key to delivering concrete results



Thank you for your attention!



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