

Press Release

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Fourth Railway Package: A vote for freedom of choice and diversity

Europe's leading association of railway companies, the Community of European Railway and Infrastructure Companies (CER), calls on Members of the European Parliament (MEPs) to vote for freedom of choice and diversity and against the one-size-fits-all approach of the European Commission. CER brings together both separated and integrated infrastructure managers, and both state owned and private operators, in both passenger and freight, and is therefore uniquely placed to offer a balanced and realistic assessment of the proposed reforms based on the diverse views of its broad membership.

The central goal of the Fourth Railway Package is to deliver better quality and more choice in railway services in Europe by opening EU domestic passenger markets to competition on both the commercial ("open access") and public service ("PSO") market segments, supported by governance reforms and an overhaul of the technical legislation concerning the authorisation of vehicles and the safety certification of undertakings.

The Technical Pillar

The Technical Pillar is the cornerstone of the Fourth Railway Package and the top priority for the European railway sector. It will help make sure that railways remain competitive as a sustainable transport mode and as an industry in and for Europe.

CER therefore confirms its strong support for the Technical Pillar, which assigns to the European Railway Agency (ERA) the role and the authority for issuing vehicle authorisation while cooperating with the national safety authorities (NSAs). The European vehicle authorisation will be based on the vehicle's compliance with the relevant Technical Specification for Interoperability (TSIs) and sets of national rules for the selected networks indicated in the 'area of use'.

In the same context, ERA should also authorise the placing in service of trackside ERTMS subsystems whereas the NSAs should be responsible for the authorisation of energy, infrastructure and CCS subsystems (including class B train protection systems).

The sector fully supports ERA becoming the authority for the 'Single Safety Certificate' and that the safety certification clearly indicates the 'area of operation'.

Finally, it is of the utmost importance to ensure the shortest possible transition period for the new role of ERA. The railway sector should benefit from the Fourth Railway Package's Technical Pillar as soon as possible, as it will enhance the performance of the rail sector and boost mobility in Europe.

The revision of directive 2012/34/EU

COMMUNITY OF EUROPEAN RAILWAY AND INFRASTRUCTURE COMPANIES - COMMUNAUTÉ EUROPÉENNE DU RAIL ET DES COMPAGNIES D'INFRASTRUCTURE - GEMEINSCHAFT DER EUROPÄISCHEN BAHNEN UND INFRASTRUKTURGESELLSCHAFTEN



- *New Governance requirements*

With its proposal the European Commission seeks to impose strong institutional separation of infrastructure managers. Besides the fact that that approach disregards the variety of demographic, economic, social and technical conditions in the EU Member States it will cause unjustifiable spending of taxpayers' money in forcible restructuring in a number of countries already enjoying high levels of market opening.

All of this is happening just 12 months after the entry into force of the existing Recast Directive. CER is convinced that such reforms are neither necessary nor beneficial if imposed in every Member State - neither for the railway sector itself, nor for the public interest at large.

CER therefore calls for a full deletion of all the new governance requirements.

- *Regulatory bodies and the European regulatory body*

As an alternative for Member States that would prefer not to impose further restrictions on governance models CER has systematically called for new and stronger powers for regulatory bodies. Unfortunately recent discussions led to a splitting of these two issues at the European Parliament rather than a genuine mechanism leading to greater choice between governance models and greater efficiency in line with differing national conditions and experiences. CER will continue to advocate the validity of this trade-off going forward. Also, in order to support the further development of the European railway market, CER has called unconditionally for a strengthened 'Network of Regulatory Bodies' with a focus on cross-border services.

- *Integrated ticketing*

CER has serious doubts regarding the adequacy of compulsory through-ticketing schemes for services under open access, which are run by railway undertakings on a commercial basis and at their own risk, in contrast with services under public service obligation. CER reiterates a very basic fact: no such provision is in place in other transport modes, and the very logic of compulsory ticketing integration runs against the logic of commercial competition and enterprise.

- *Market opening for open access services*

CER sees the potential of the Fourth Rail Package in further domestic passenger market opening for open access services - this in strong agreement with the Commission's proposal as well as with many amendments that were tabled by MEPs.

Public Service Obligations (Regulation (EC) N° 1370/2007)

Public Service Obligations are geared towards the transport needs of all citizens, from commuters to

business travellers. They cover a diversity of services which cannot be characterised monolithically as they answer several and sometimes partly conflicting needs of the taxpayers who finance them. This is why CER believes that the ‘Competent Authorities’ are the only ones able to properly and legitimately design the provision of public transport services and to support their implementation. From transport plans to public service obligations content or size, ‘Competent Authorities’ must be free in their choices and responsible both legally and politically for the choices they make.

The objective of the revision of Regulation (EC) N° 1370/2007 should therefore be to empower rather than constrain ‘Competent Authorities’ in their search for better value-for-money from operators. Experience shows that both competitive tendering and direct negotiation can lead to positive performance. Both award mechanisms have to continue to be applied and each is compatible with domestic passenger market opening.

Moreover this has to be combined with the need to avoid social dumping and competition on social standards. At each award of a PSO, the national, local or sectorial social standards in place should firstly be duly taken into consideration and clearly communicated to the relevant parties at the beginning of the award process. Only where these standards do not already exist should a compulsory transfer of staff be needed.

CER Executive Director Libor Lochman said: *“I fully share the political objective of opening the domestic passenger rail market to competition and I strongly believe we will see an agreement reached in first reading in the European Parliament very soon. When speaking about the future of railways there is a need to take due care of the specificities of the system itself and of the geographical, demographical and historical situations in Member States.*

The opening of domestic passenger markets will require adaptation in most Member States. And not only for railways: competent authorities, passengers, all stakeholders will need to find new ways to operate and to travel.

Further rail reform should therefore be done in a very flexible manner. If not, the choices made in Brussels will never fit the needs of all citizens. Our focus is on customers’ expectations from railways: bringing people in a safe and comfortable manner wherever they want to go.”

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The Community of European Railway and Infrastructure Companies (CER) brings together more than 80 European railway undertakings and infrastructure companies. CER represents the interests of its members towards the European institutions as well as other policy makers and transport actors. CER’s main focus is promoting the strengthening of rail as essential to the creation of a sustainable transport system which is efficient, effective and environmentally sound. For more information, see www.cer.be