



European University Institute – Florence School of Regulation
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*The technical pillar of the 4th Railway Package:
Challenges for Standardisation and Interoperability*

Implications of the proposed interoperability measures for Railway Undertakings and Infrastructure Managers

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Agenda/Topics

1. **ÖBB & Interoperability**
2. **4th RP-Technical Pillar
Expectations and Principles**
3. **4th RP-Technical Pillar
Major Implications of
Proposed Measures**
4. **Conclusions**



ÖBB Group - Facts & Figures (1/2)

We care about the rail system

≈ 470 million
passengers per year (incl. bus)
96.5%
punctuality

113 million tons
freight transport volume
≈ 28,000
freight wagons

6.27 bn. EUR
total revenue

39,833
workforce

2.3 bn. EUR
investment in tracks, stations, trains and busses

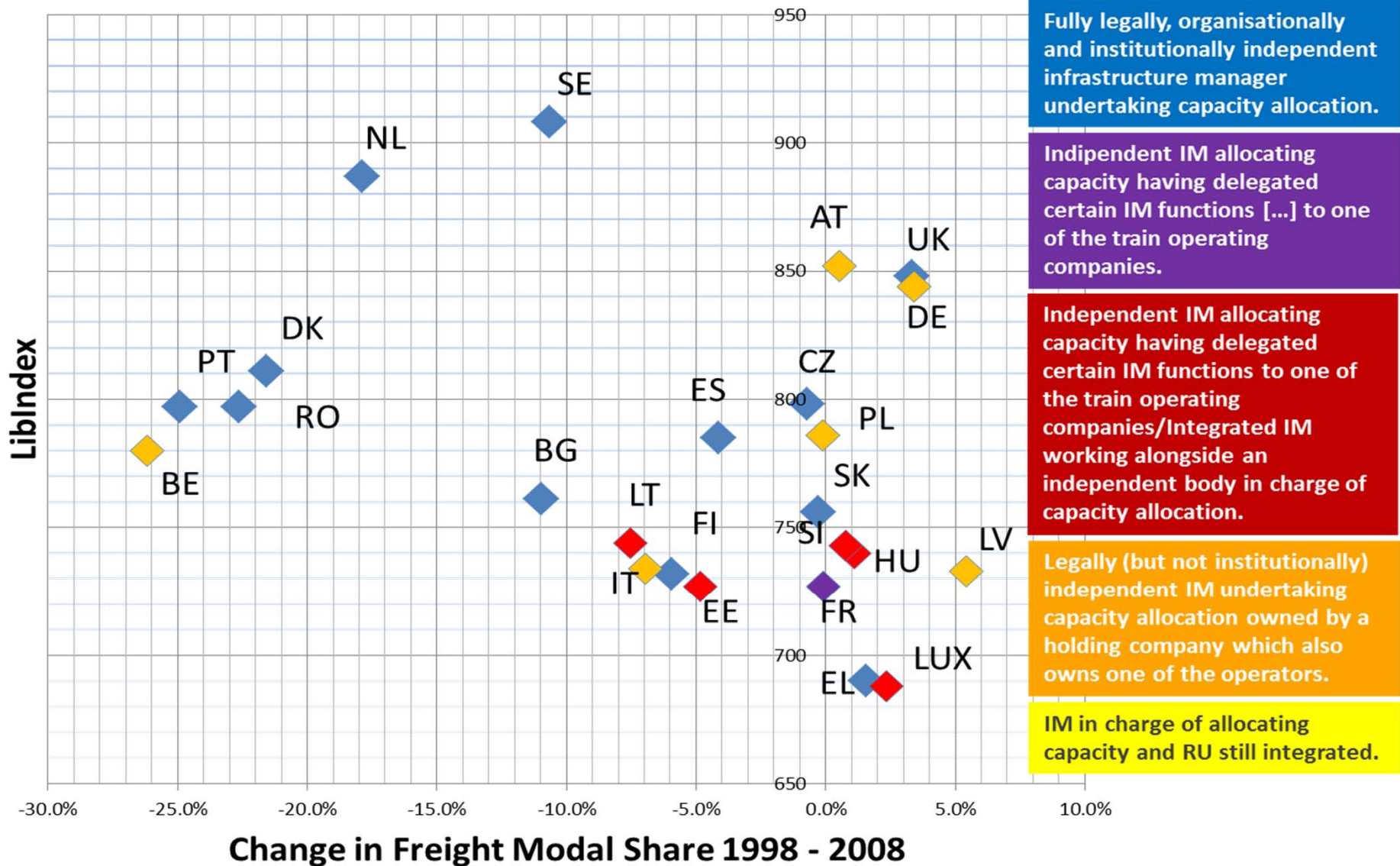
4,894 km
rail network (3,468 km electrified)

92%
renewable energy

14,618 switches
25,009 signals
6,207 bridges
247 tunnels
3,633 level crossings
106 shunting yards
811 km noise protection walls

ÖBB Group Facts & Figures (2/2)

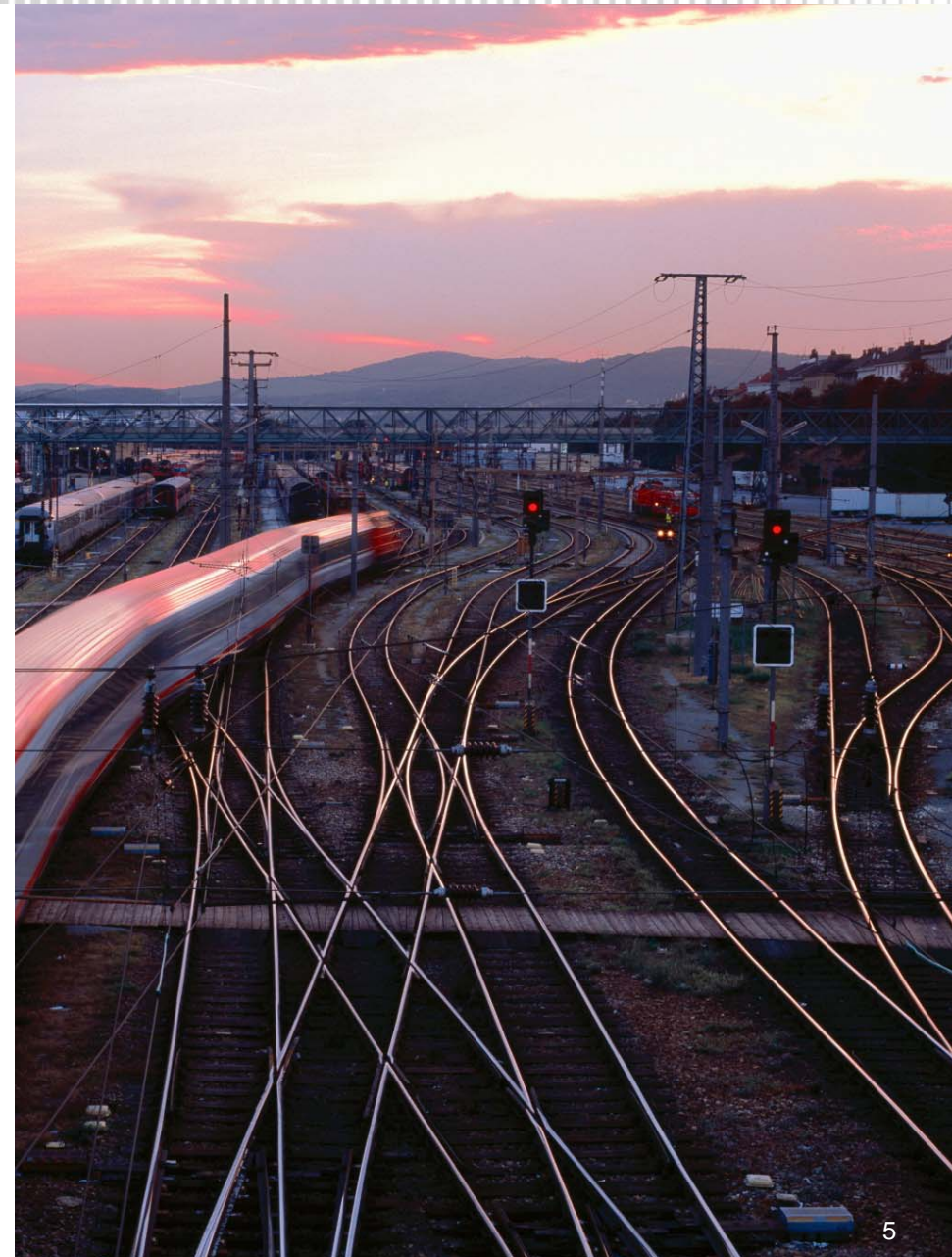
Liberalisation Index AT - 2010



source: LibIndex by IBM; RMMS 2010 by DG MOVE

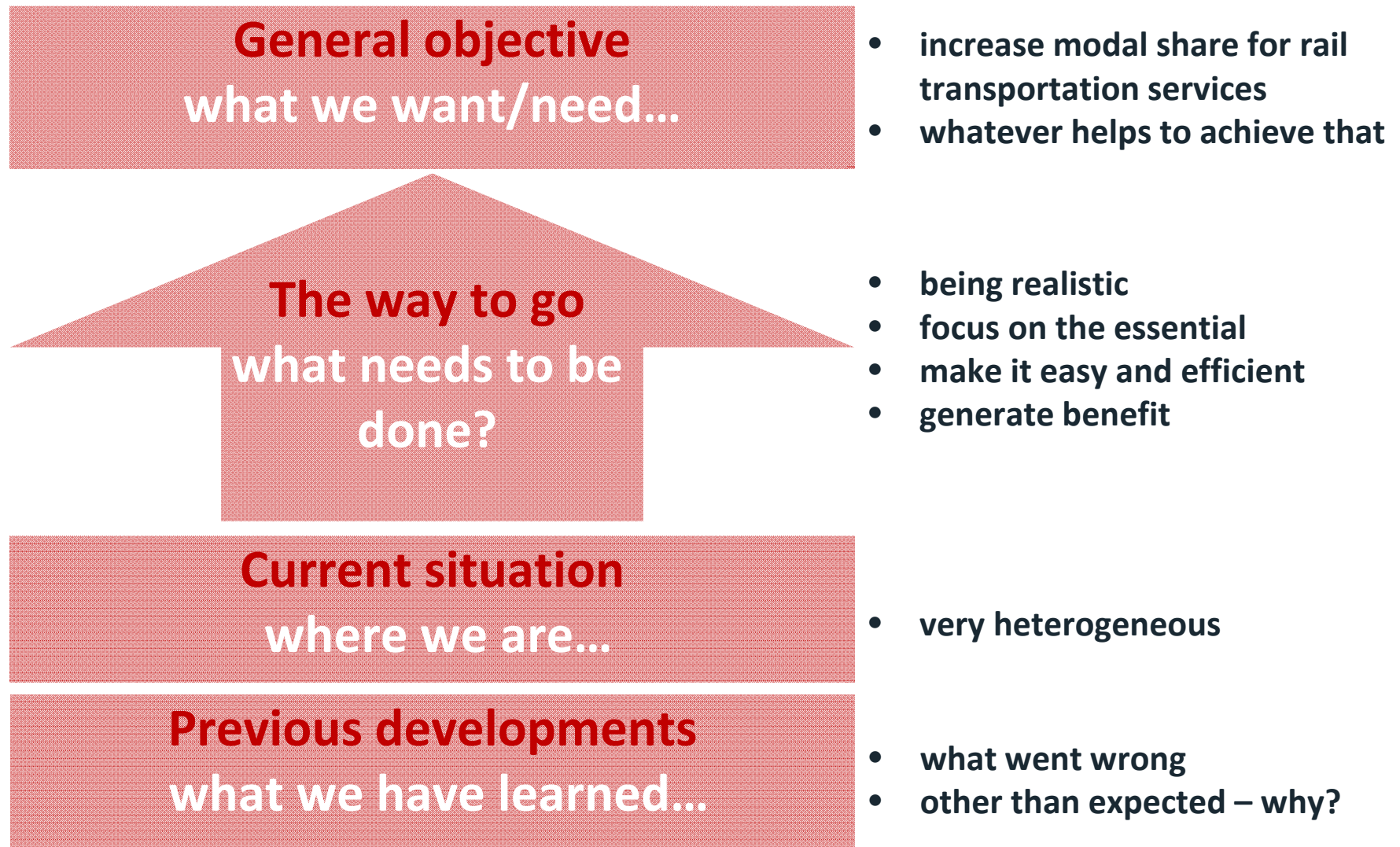
ÖBB & Interoperability

- **Follow system-view-approach**
- **Focus on the benefit for the sector**
- (Try to) understand the full picture (the idea behind it)
- Understand that it will always be a consensus
- Work together with others to improve it
- Take care about “real implications” when applying it
- Insist on improvements based on lessons learned
- Think positive
- Be adaptive



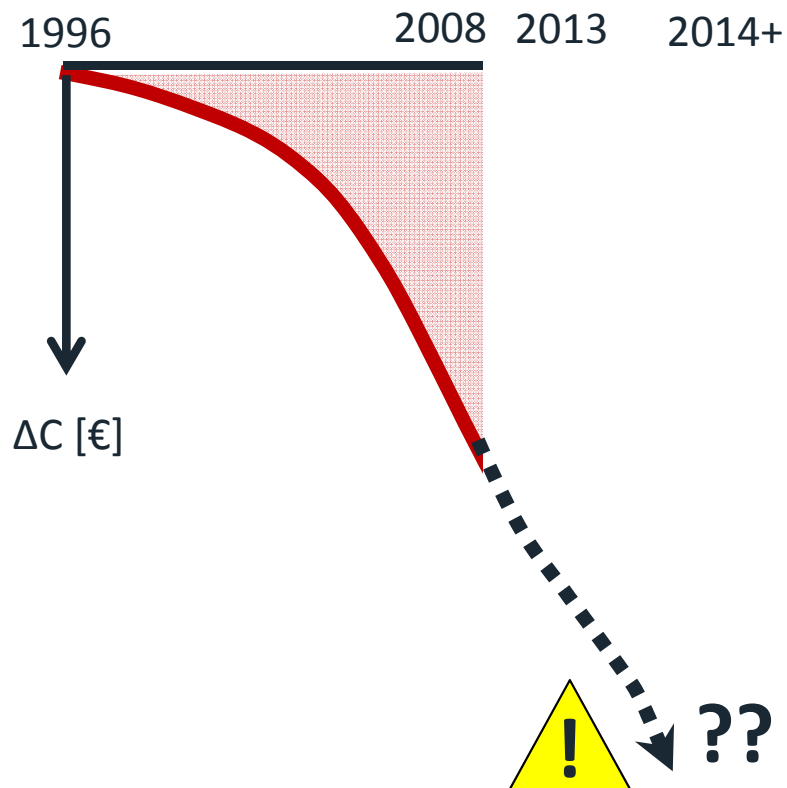
4th RP-Technical Pillar – Expectations and Principles (1/4)

Analytic approach



4th RP-Technical Pillar – Expectations and Principles (2/4)

Applying Interoperability costs and benefits (rail system)



administrative costs

national & European
procedures in parallel

**more specifications
& higher values**

“lowest common multiple”
& subsystem optimization

2008

scope extension

from TEN-HS to Union rail system

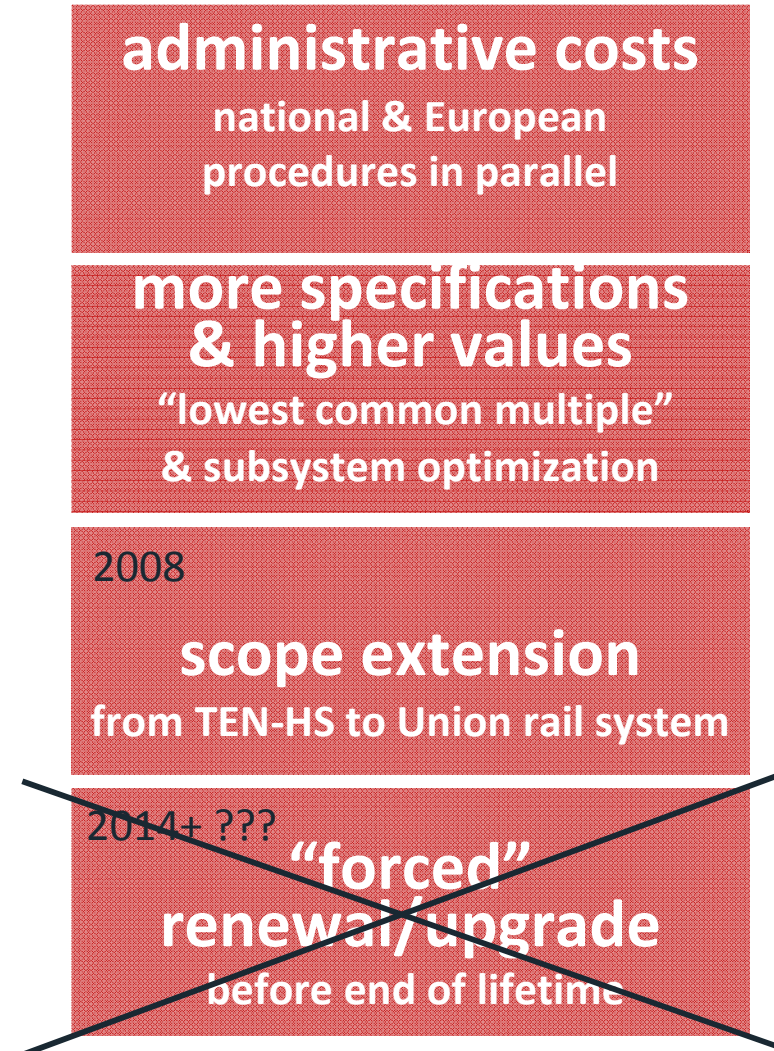
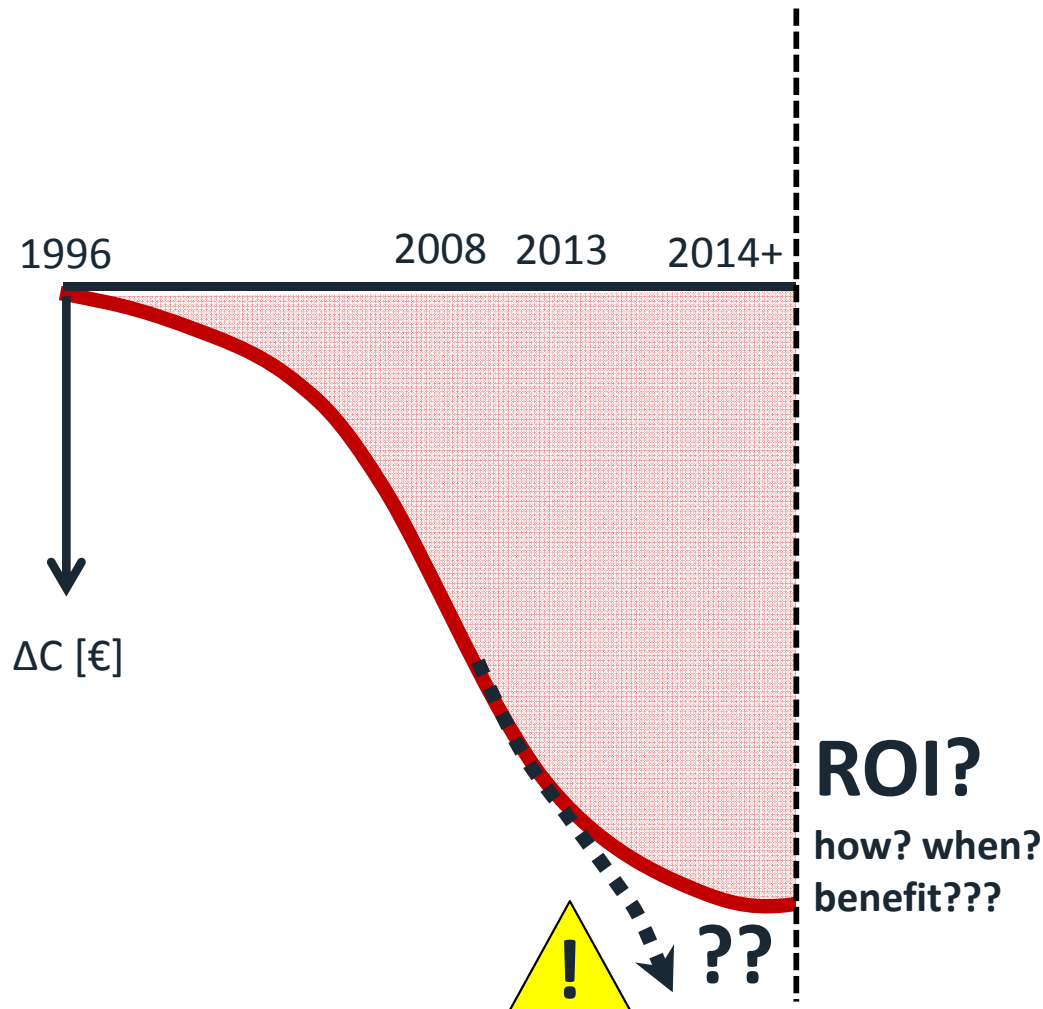
2014+ ???

**“forced”
renewal/upgrade**

before end of lifetime

4th RP-Technical Pillar – Expectations and Principles (2/4)

Applying Interoperability costs and benefits (rail system)



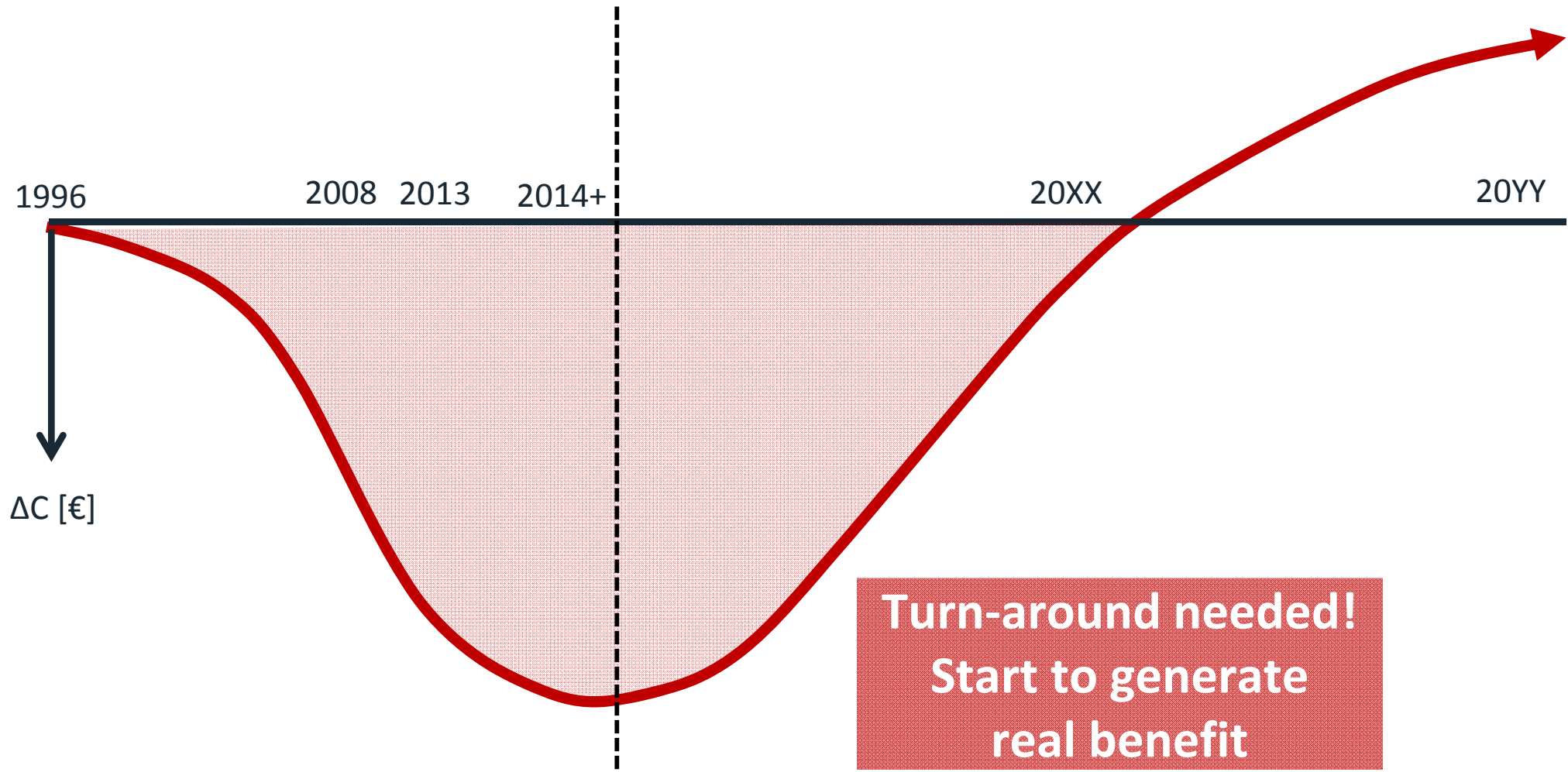
4th RP-Technical Pillar – Expectations and Principles (3/4)

Applying Interoperability costs and benefits (rail system)

- Interoperability “started” approx. 20 years ago
 - We have seen so far
 - additional costs
 - complex procedures (assessment, approvals etc.)
 - difficulties for applicants, etc.
 - **We finally need to generate benefits**
 - **improvements in the area of**
 - Vehicle authorisation, Single safety certificate
 - National rules
 - Decrease of complexity (make it easy to apply!)
 - Focus on the essential parameters
 - Avoid over/double-regulation
 - Focus on **reasonable migration strategies**
- (the system is already existing! target system discussion is minor priority!)**

4th RP-Technical Pillar – Expectations and Principles (4/4)

Applying Interoperability costs and benefits (rail system)



Major implication of proposed measures (1/4)

- **Authorization procedures...**
 - efficient, effective
 - “easy to manage”

- **Transition periods /migration phases...**
 - realistic
 - efficient
 - avoid additional costs based on “forced” renewal and upgrade

- **Financial Impact...**
 - cost benefit analysis for all changes
 - competitiveness of sector

Major implication of proposed measures (2/4)

Authorization procedures



Principles to be followed (from the applicant point of view)

- Authorization procedures should be designed having in mind
 - **safety**
 - **efficiency (easy and quick)**
 - **a one-stop-shop policy**
 - **elimination of “hidden protectionism”**
- Duplication of authorization procedures should be avoided in any case
- Responsibilities regarding authorization procedures should be clearly defined
- Authority procedure should take into account the fact:
National rules and network specific conformity checks are still needed, as long as TSI + other European rules do not fully cover all specifications in relation to essential requirements (eg. EMC, aerodynamics etc.)

Extract of major implication of proposed measures & new proposal by RU & IM

- ID Art 18 & ER Art 18: Different authorities (ERA and national) will be involved for different subsystems
Proposal: Each national safety authority shall act as a one-stop-shop for all fixed installations. For trackside ERTMS, the NSA shall consult ERA
- ID Art. 20 and 21: The proposed procedure “placing on the market” is of no real benefit for RUs
Proposal: Art 20 shall integrate the full vehicle authorization procedure and shall cover the compliance with the relevant TSIs and remaining national rules for the selected networks or lines (one-stop-shop) including the demonstration of the technical compatibility
- SD Art 4: No clear description of responsibilities of all actors
Proposal: It is to define more precisely the role and responsibilities of each railway actor
- SD Art 14 (4): ECM certification - Avoid Double certification and additional costs
Proposal: In case the ECM is a RU: certification together with single safety certificate procedures

Major implication of proposed measures (3/4)

Transition periods



Principles to be followed (from the applicant point of view)

- Transition periods, implementation and migration plans should
 - be realistic
 - include deadlines being decided on a national level based on the characteristics of the existing national rail systems
 - Grandfather rights need to be respected
 - be efficient and avoid additional costs based on “forced” renewal and upgrade

Extract of major implications of proposed measures & new proposal by RU & IM

- ID Art 4: TSI shall not set deadlines or time-scales for conformity, which result in additional costs.
Proposal:
Follow the idea that after renewal (or upgrade) of the longest lasting part of the infrastructure or vehicle, conformity can be expected.
Additional costs based on forced renewal and upgrade works will further endanger the competitiveness of the rail sector.

Major implication of proposed measures (4/4)

Financial impact / CBA



Principles to be followed (from the applicant point of view)

Cost-benefit analysis shall be

- in any case the basis for all further amendments of the existing legal and regulatory framework
- separately analyzed from the system, the IM and the RU point of view
- guarantee the competitiveness of railways compared to other modes of transport.
- It needs to be ensured that within any new legislation cost-benefit-analysis are still carried out and carefully evaluated before implementing any new rules.

Extract of major implications of proposed measures & new proposal by RU & IM

- ID Art 2 and 3: TSI will have to be applied for any kind of work after “major” works has been deleted. This will lead to additional costs with 0 benefit.
Proposal:
Reinstate “major” works definition for renewal and upgrade
- ID Art 5 (4) – article has been deleted!
Proposal:
Reinstate: The drafting, adoption of each TSI shall take account of the estimated costs and benefits of all the technical solutions considered.
- ER Art 15(2) – ERA task and objective should focus on efficiency
Proposal:
Add: the Agency shall ensure that the TSIs and the specifications for registers are adapted on the basis of improving efficiency of the railway system.
- Same for registers (ER Art 33 (1)):
The Agency shall define European registers in a practical, efficient and user-friendly format to support business and operational needs.

Technical Pillar of 4th Railway Package Conclusion (1/4)



ÖBB welcomes in principle

- the proposal for a 4th railway package
- the understanding that **interoperability and safety are at the heart** of a single European railway market
- the efforts to strengthen railways and push for a **modal shift in transport**
- to follow an approach that focuses on the **competitiveness of railways**
- full competition, **but only** if and once a level playing field is achieved and the full system cost will be taken into account
- the enforcement of the European Railway Agency (ERA) which should help to harmonize, accelerate and ease the process of vehicle authorization



Technical Pillar of 4th Railway Package Conclusion (2/4)

>>> but there are different ways to go “from Southampton to New York”

**“European Rail System”
leaving Southampton**



**“Lack of cost efficiency”
swimming in the north atlantic**



- We spend **money** on Interoperability
- For now: no **benefit** detectable
- Legal framework & a lot of studies/analysis **diverge from reality/** from what we see in our daily business
- We need to **learn** and do better in the future
- Language and lack of understanding is still a problem → inconsistent implementation

Principles for the 4th (or maybe 5th) Railway Package”:

- harmonisation of EU rail system where needed:
“as much as necessary and as little as possible”
- Following the principle:
develop-implement-apply-learn/ analyse-revise
- make it easy to apply
- take care about financial implications
- **focus on real benefit (KPIs)**

Questions?

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...see also full list of requested amendments of European Railways (CER)