

9<sup>th</sup> Florence Rail Forum Discussing the 4<sup>th</sup> Railway Package: Which role for markets in domestic rail passenger transport?

# The 4<sup>th</sup> Railway Package under negotiation: where do we stand?

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## In the past years, the European institutions have taken major steps to establish a legal framework for the railway sector in Europe

Railway Package I (2001)	Railway Package II (2004)	Railway Package III (2007)	Technical Package (2008)	Recast (2012)	Railway Package IV (2013)
<ul> <li>Allocation of infrastructure capacity and the levying of charges</li> <li>Interoperability of conventional rail system<sup>1</sup>)</li> <li>Liberalisation of international rail freight transport on freight network as from 15 March 2003</li> <li>Licensing of railway undertakings</li> </ul>	<ul> <li>Safety directive</li> <li>Interoperability directive</li> <li>Full liberalisation of freight transport as from January 2007</li> <li>Regulation on European Railway Agency (ERA)</li> </ul>	<ul> <li>Liberalisation of cross-border passenger transport services as from January 2010</li> <li>Regulation on passenger rights in rail transport</li> <li>EU locomotive driver's licence</li> <li>Regulation on award of public road and rail services</li> </ul>	<ul> <li>Revision of safety directive</li> <li>Mutual recognition of vehicle authorisation<sup>1)</sup></li> <li>Revision of ERA regulation</li> </ul>	<ul> <li>Entry into force on 16 Dec 2012         <ul> <li>transposition until June 2015</li> </ul> </li> <li>Revision Railway Package I</li> <li>Enhanced regulation of service facilities</li> <li>Further rules on financing and charges</li> <li>Strengthening of regulatory bodies</li> <li>+ 18 delegated and implementing acts</li> </ul>	<ul> <li>Commission Proposal on 30 January 2013</li> <li>Complete liberalisation of national passenger transport</li> <li>Further unbundling</li> <li>Enhancement of ERA</li> <li>Improvement of interoperability</li> <li>Safety directive</li> <li>Normalisation of accounts</li> </ul>



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#### Key issues

**Removal of technical market entry barriers** key element for single European Railway Area and important to **reduce cost and raise competitiveness** of railways

- Efficient **authorization procedures** for rail vehicles
- Stronger role for ERA, decision-making competence e.g. for authorisation of rail vehicles
- Stronger coordination of work between ERA and NSAs, homogenous procedures across Europe
- Appeal body
- Stepwise decrease of national safety rules
- Single Safety Certificate

#### Outlook

Priority for the Latvian Presidency should be the finalisation of the technical pillar in the first half of 2015





## 4<sup>th</sup> Railway Package: political pillar – domestic rail passenger market opening

#### Key issues

#### Amendment of Regulation 1370/2007

- Compulsory competitive tendering of PSO contracts (with limited exceptions) as of 2019 is positive
- Limiting the size of contracts positive
- **Transport plans** too detailed (legal uncertainty)
- Rolling stock access provisions market oriented solutions preferable

#### Amendment of Directive 2012/34

- Open access as of 2019 positive
- Restrictions to protect the economic equilibrium of PSO may limit the attractiveness of the market
- Common ticketing and information schemes should be kept voluntary

#### Outlook

- Political pillar should be split from the technical pillar
- With regard to the controversial debate on the political pillar the adoption of the technical pillar risks to be delayed

## 4<sup>th</sup> Railway Package: political pillar – governance



#### Commission

Commission proposal of 30 January 2013

- Separated model should be the rule
- Partially integrated models shall only exist if far-reaching Chinese walls are in place (e.g. no shared services, full financial unbundling)
- Extension of essential functions
- Verification clause

#### Position in 1<sup>st</sup> reading

EP

- Equality of models
- No extension of essential functions
- No verification clause
- Financial transparency: IM can pay a dividend to the MS, earmarked to reinvest in the infrastructure
- Strengthening of the regulator

#### Council

#### Progress report adopted under Italian presidency

- Equality of models
- No extension of essential functions
- No verification clause
- One regulatory framework for all models
- Decision on the governance model upon MS