

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

The 4th Railway Package under negotiation: where do we stand?

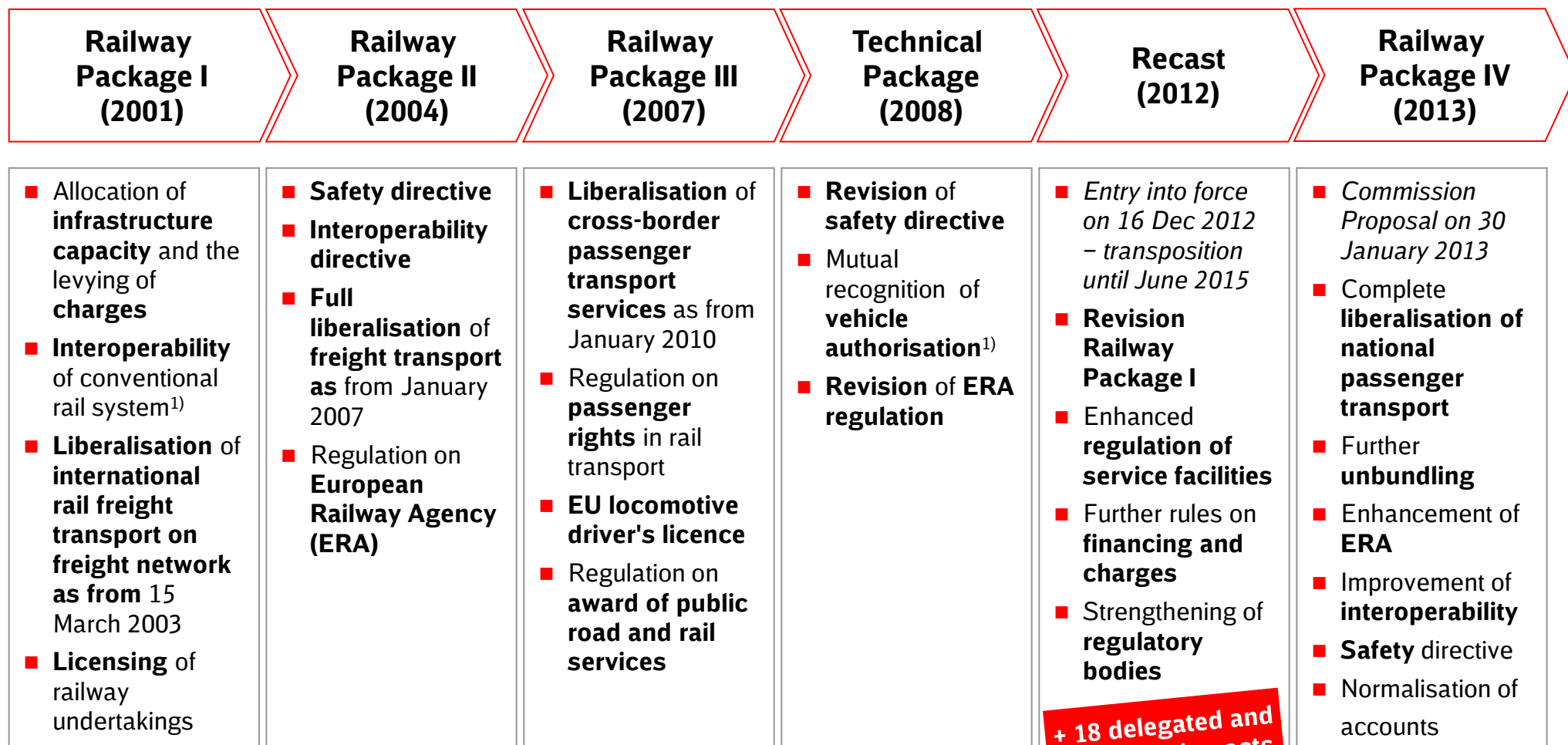
Deutsche Bahn AG

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Florence, 12 December 2014

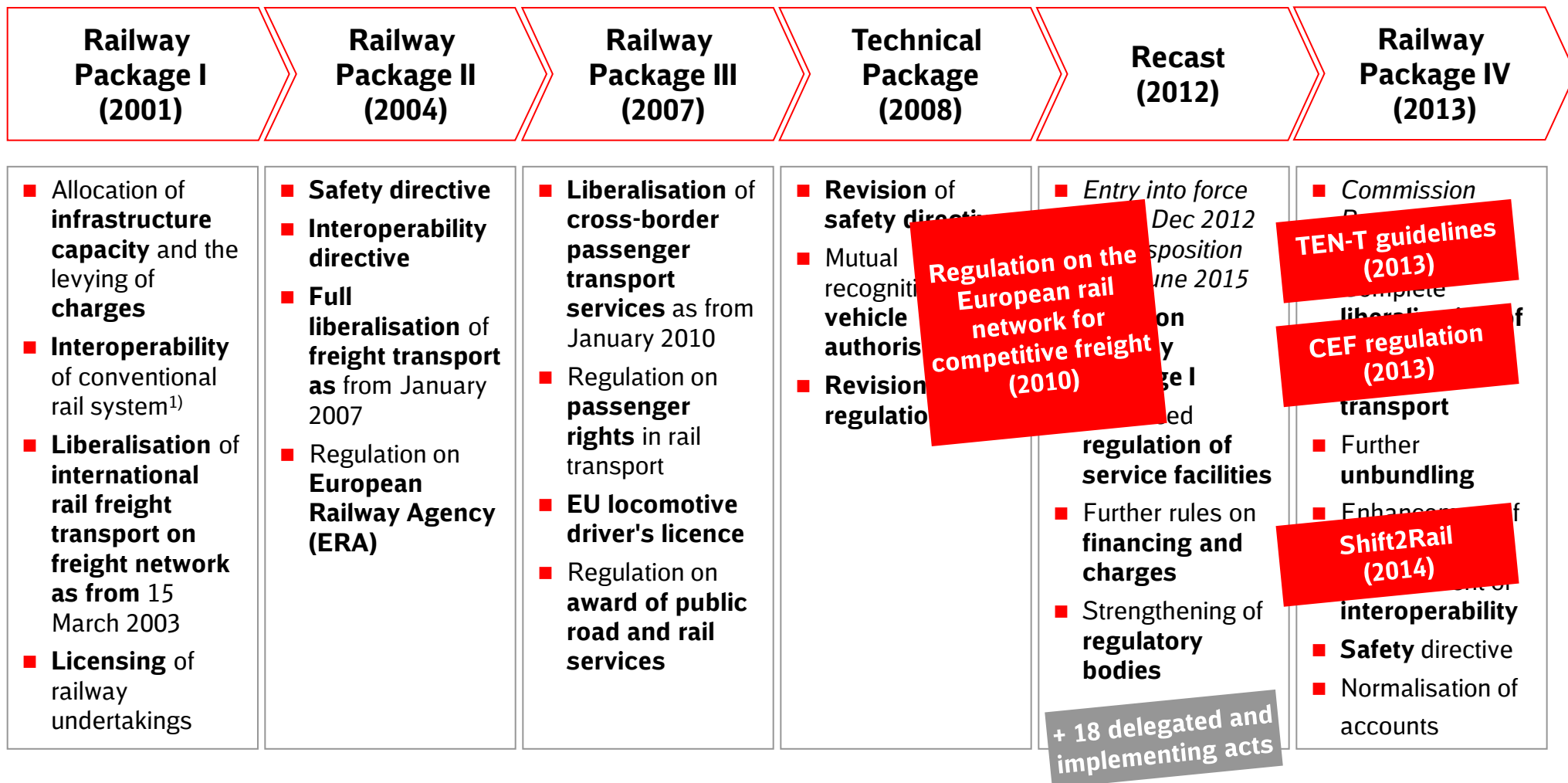
In the past years, the European institutions have taken major steps to establish a legal framework for the railway sector in Europe



+ 18 delegated and implementing acts

1) and additional legal acts on technical specifications

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4th Railway Package - technical pillar

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

4th 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**

4th 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

EP

Position in 1st reading

- 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