



European Commission

# Presentation of the body of Community railway legislation

## Market and infrastructure access

Screening Croatia and Turkey  
Chapter 14 - Transport  
Brussels, 27 June 2006





# The EU approach

## Creating a common European railway area

➤ The visionary objective for the EU rail system of the future is:

« *Creation of an integrated European railway area to allow **cross border services under a single responsibility** in order to guarantee the quality of services to the customer* »



# The EU approach

## Creating a common European railway area

- The cornerstones of the EU approach to improve the performance of rail transport are:
- Open access in rail transport to favour competition and create incentives for product innovation and service quality
  - Fostering the interoperability of the national networks (and hence international services) through technical harmonisation
  - Develop a common rail safety approach to facilitate market access while maintaining a reasonably high level of safety
  - Set up a European Railway Agency to implement the EU interoperability and safety legislation and to act as a network integrator at EU level
  - Develop the trans-European Network for rail





# Directives on rail network access

## ➤ Directives of the “rail infrastructure package” of 26 February 2001:

- 2001/12/EC amending 91/440/EEC on the development of the Community’s railways
- 2001/13/EC amending 95/18/EC on railway licensing
- 2001/14/EC on the allocation of capacity and levying of rail infrastructure charges and safety certification

## ➤ 2nd railway package:

- Directive 2004/51/EC of 29 April 2004



# Subjects Network access

1. Network access
2. Institutional framework: Independent functions, Monitoring mechanism
3. Financing and accounting rules
4. Licensing
5. Infrastructure charging
6. Allocation process
7. Allocation priorities
8. Regulatory body

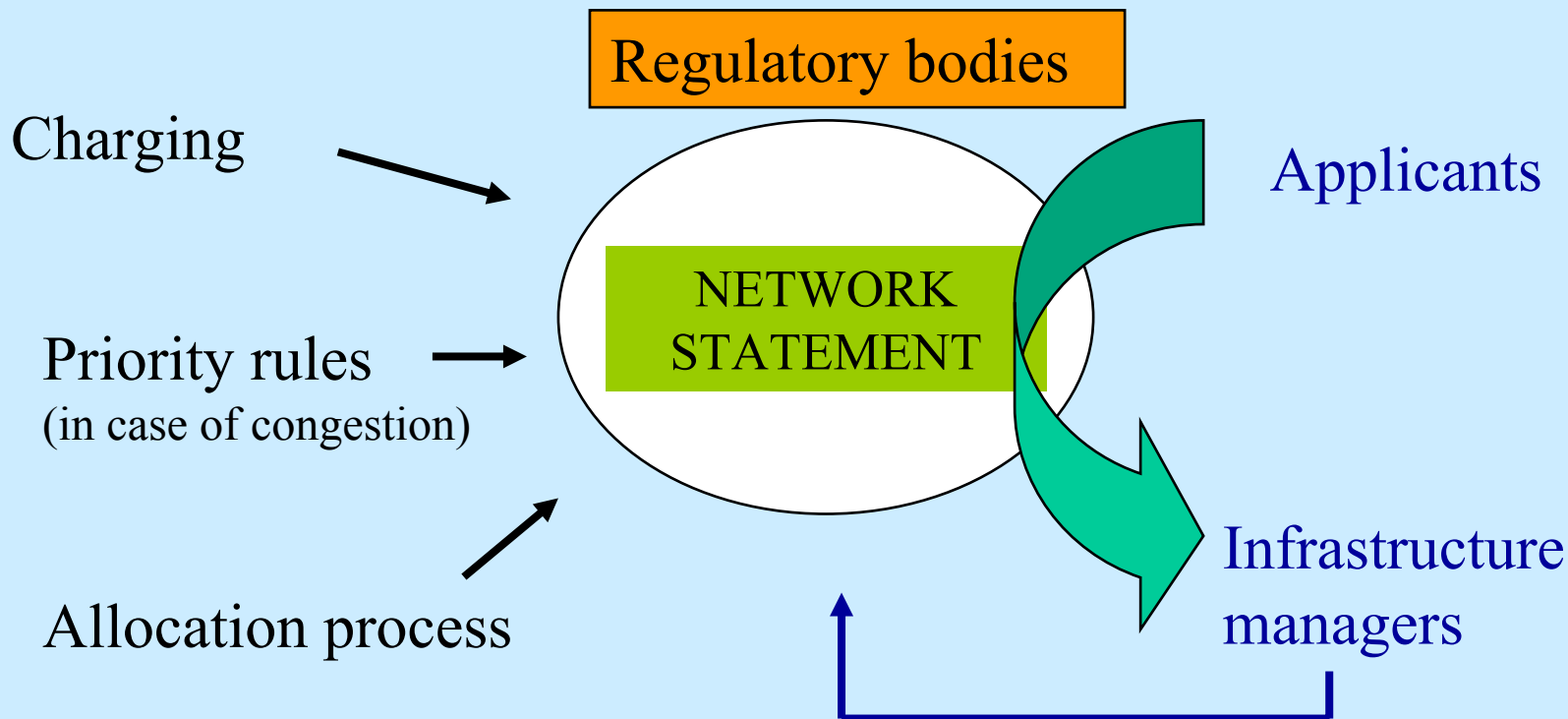




# EU regulatory framework for rail network access

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## The general framework in the “Infrastructure Package” Directives





# Directive 2001/12/EC

## Development of Communities Railways



## 2001/12 Scope of Directive

- Covers all infrastructure management as well as rail transport activities of railway undertakings in the EU
- Railway undertakings providing solely urban, suburban or regional services are excluded





# **Access rights**

DIRECTIVE 2001/12/EC



# Directives 2001/12 and 2004/51 Access rights

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- Directive 91/440 gave open track access for:
  - international groupings for international and transit services as well as for combined transport services

- Directive 2001/12/EC gave additional access for:
  - international freight transport on Trans European Rail Freight Network (TERFN) from 15 March 2003 including feeder lines and ports

- Directive 2004/51 accelerates rail freight opening;  
Open access for:
- All international rail freight transport from 1 January 2006
  - All rail freight transport by 1 January 2007





# Directives 2001/12 and Directive 2001/14 Access rights

- Non-discriminatory track access to and supply of services in terminals and ports linked to rail activities
  - Requests by railway undertakings may be subject to restrictions only if viable alternatives by rail under market conditions exist
  
- Non-discriminatory access to minimum access package (e.g. use of train control system, use of track points) and to service facilities (marshalling yards, refuelling facilities, electrical supply, etc.) according to 2001/14 Art. 5 and Annex II



**The institutional framework  
for railways**

DIRECTIVE 2001/12/EC



# Directive 2001/12 Independence of essential functions

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- Directive 2001/12/EC
  - requires that essential functions of infrastructure management are performed independently from railway undertakings





## WHAT functions ?

- *‘Member States shall take the measures necessary to ensure that the functions determining equitable and non-discriminatory access to infrastructure, listed in Annex II, are entrusted to bodies or firms that do not themselves provide any rail transport services. Regardless of the organisational structures, this objective must be shown to have been achieved.’ (2001/12 art 6.3)*
- Annex II functions are **licensing, capacity allocation, infrastructure charging and monitoring of public service obligations**
- **Safety rules** shall be set independent from the railway undertakings



# Directive 2001/12 Separation of Infrastructure Management and railway operations

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- Directive 91/440

- required separation and management independence between railway undertaking and the state

- Directive 2001/12/EC

- requires **also** that the Infrastructure Manager is independent as regards internal management, administration and control from the state





# Directive 2001/12 Separation of accounting

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- Directive 91/440 required separation of accounts between infrastructure and railway operations

- Directive 2001/12/EC requires in addition separation of accounts between freight and passenger activities
- Money paid for public service provision shall not be transferred to freight operations







# Directive 91/440 Financial restructuring

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- Member States to set up appropriate mechanism
  - to help reduce the indebtedness of publicly owned or controlled railway undertakings and
  - to improve their financial situation





# **Rail market monitoring**

DIRECTIVE 2001/12/EC



# Rail market monitoring Directive 2001/12/EC

- Monitoring economic and technical conditions and market developments of European rail transport
- Member States and actors in the sector including users are closely involved
- Enables an assessment of adopted measures and measures prepared by the Commission



# Rail market monitoring Directive 2001/12/EC

- The Commission will monitor:
  - use of the network;
  - evolution of the framework conditions in the rail sector (e.g. infrastructure charging, capacity allocation, safety regulation, licensing);
  - degree of harmonisation of framework conditions.



# Directive 2001/13/EC

## Licensing of Railway Undertakings



# Directive 2001/13 on railway licensing

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- Licence for all railway undertakings
- Licence is valid throughout the Community
- Member States have to notify Commission on licenses





# Directive 2001/13 on railway licensing

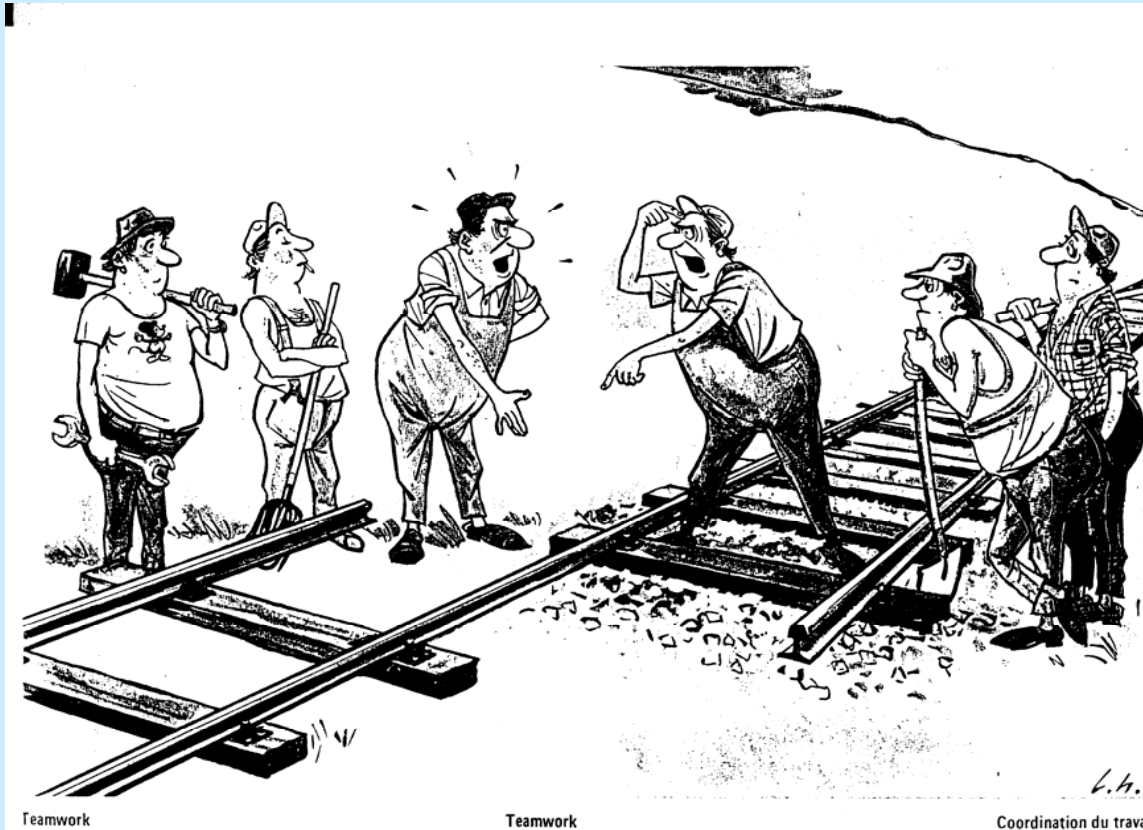
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- Railway undertaking has to meet conditions to obtain licence:
  - Good repute
  - Financial fitness
  - Professional competence
  - Adequate insurance
- Licence remains valid as long as conditions are met





# The work on the common European railway area is ongoing...



**Thank you for your attention!**

