



Brussels, 28 March 2017
CCAB

1ST JOINT PLENARY MEETING OF PRIME AND THE RU DIALOGUE

DRAFT SUMMARY RECORD

Herald Ruijters, Director for Investment, Innovative and Sustainable Transport in DG MOVE, opened the meeting and underlined the importance of the joint meeting and cooperation between IMs and RUs.

Presentation of Michail Stahlhut, CEO SBB CARGO International AG

Michail Stahlhut (CEO SBB CARGO International AG) presented briefly on the Rotterdam declaration.

RU Dialogue and TEN-T Day Sector declaration promised work on quick wins. So far not much has happened, so we need to focus on the 10 priorities of the sector declaration:

- Following the TTR project
- ETA for all stakeholders
- ETCS implementation
- use of PCS (Path Coordination System)
- KPIs, 5 easy KPIs would be enough
- Harmonisation of Processes at the borders, use one language
- Monitoring and supporting roll out of TENT requirements
- Improve capacity offer given by the corridor, better coordination of works
- Improving coordination on TCR
- Harmonisation of the corridor information corridor

Herald Ruijters noted that the first scrutiny of progress against the 10 priorities will take place at the SERAC working group on rail freight corridors day on 17 May, and more progress is needed by the end of the year, to be reported to the Rail Freight Day of 7 December in Vienna.

RNE explained that the 10 actions were chosen out of a list of 100. There are many initiatives that have been started and which should continue to be fostered. Those wanting to join the volunteer group should contact CER or EIM.

Michail Stahlhut underlined that his customers want more flexibility (TTR), want to know where their goods are (ETA), and better interoperability (fewer stops at borders).

He emphasised the need to push for ETA in particular. In response, RNE emphasised the importance of focussing on delivering/implementing existing projects, such as ETA. This was supported by BLS, who asked participants to be active in the volunteer group.

There were a number of comments underlining the importance of making fast progress on digitalisation, the need for harmonisation of operating procedures, and a single operational language (also discussed later in the meeting).

Michail Stahlhut proposed setting up a pilot between DE and NL on single operational language to see what can be learned, as well as working on a card with simple vocabulary for use by cross border train drivers.

Presentation of Bjoern Westerberg, CEO of the Association of Swedish Train Operating Companies (ASTOC)

Bjoern Westerberg explained that the number of actors has multiplied in SE since deregulation, leading to a renewed need for cooperation, which has led to the establishment of the Railway Sector Cooperation Forum (IM, RUs, Rolling Stock owners, manufacturers...). The representative from Rail Freight Group UK added that the UK has had a similar experience. Contractual litigation does not work well, so they have set up the Rail Delivery Group.

The Swedish government is working on a rail freight package. Despite an open market, SJ had its most profitable year last year. SE plans to double freight and triple passenger volumes by 2050, and it will be necessary to find the right business models for digitalisation.

Regarding the Fourth Railway Package, Mr Westerberg underlined that separation and market opening works, and that balanced track access charges are key (companies are competing and have to be careful about costs, some companies are going bankrupt.). He warned the Commission that an increasing level of regulation might imply non-optimised solutions and increasing costs.

Open Data - Asked if Sweden has access to open data from IMs, ASTOC replied that the incumbent had a monopoly of data, in particular of passenger data. The incumbent sold most of the data to Silverrail. Travikverket added that IM data is open in Sweden (and for other modes), which is also the case for FI. Regional transport companies are multi-modal and this is where growth has been biggest.

Presentation of Alain Quinet, PRIME Industry Co-chair, Deputy Director General SNCF Réseau

The assets of IMs are ageing, and IMs are conscious of the need to renew, according to Alain Quinet. Renewals have risen by 30% for 2015-2020 compared to 2011-2014. There is therefore a need to prioritise and understand where the traffic will be. This dialogue with RUs needs to be better organised.

Temporary Capacity Restrictions – Mr Quinet argued that a better understanding of the time periods required to improve the network is needed. Temporary capacity restrictions last for several years, and these restrictions can have a dramatic impact, in particular if there is no alternative line, as is sometimes the case for freight in FR.

Mr Quinet explained that he did not believe new regulation or initiatives are needed for TCRs, since renewal works are planned and predictable. There is also the TTR project,

which allows consultation between RUs and aligning works, Annex VII of Directive 2012/34, and PRIME/RUD workshops.

Financial tools for infrastructure renewal - Green bonds have been used to attract investors. A blending call launched by European Commission could help IMs fund enhancement programmes. One example of an opportunity that could be taken: SNCF Réseau is considering applying for a blending call on ERTMS. Joint applications from IMs and RUs to a call on the same line could be submitted.

Herald Ruijters explained that the Commission would welcome close cooperation between IMs and RUs, since there has been a lot of investment in new infrastructure, but there is quite a backlog in renewal and maintenance. He noted that an overview of rail infrastructure maintenance requirements in MS is needed.

Several comments were made to the effect that when it is possible to maintain traffic on one track whilst working on another, it should be done. ERTMS level 2 allows bi-directional signalling, which helps when it is necessary to switch to single track use during maintenance.

DG MOVE reminded delegates that the consultation on Annex VII is open until 14 April. The asset register is integrated in Article 30 of the Directive. The idea is to record past maintenance and last renewal, and on this basis forecast upcoming needs. Smaller IMs have not yet implemented the obligation to set up an asset register. IMs should be able to indicate their needs on the basis of their asset conditions.

The chair closed the session by reiterating that the sector statement of Rotterdam defined important steps. SERAC working group on RFCs will take place on 17 May, Rail Freight Days at the end of the year. We have to send out a clear message on where we want to go.

Presentation on KPIs delivered by Jan Pettersson, Strategy Director Trafikverket, PRIME KPI subgroup chair, and Alfred Pitnik, Head of International Affairs, Rail Cargo Austria, Chair of the RUD subgroup on international freight transport

Five important principles for work in PRIME KPI group:

1. Keep it simple, don't reinvent the wheel, pick the most important
2. Crystal clear definitions (don't compare apples and pears)
3. Re-use existing KPIs
4. Focus on business development
5. Never forget the customer

The group has gathered all the KPIs in a catalogue, categorised into different levels: 12 high level industry KPIs, 36 benchmarking KPIs, and others, all available on PRIME website.

In the RU dialogue subgroup it was decided to have a very practical approach, with a handful of effective KPIs focussed on the performance of Rail Freight Corridors that will help the sector move forward. Based on the RNE proposal, the group came up with a set of KPIs divided into 4 categories. First tangible results will come next year.

Next steps- start implementation of freight KPIs along with RFCs from 2017. There will be a more intense exchange with RNE.

Open Data – the representative from Rail Freight Group suggested that the working between the two subgroups should cover open data, since there is a need for open source data. Trafikverket pointed out that there needs to be a level of trust that the data will not be misused. There are KPIs that can be public and others which are internal for improving your own business. Internal KPIs should be put in place first.

The representative from Network Rail pointed out that one size might not fit all in terms of KPIs, using the example of metro frequency trains, where reliability might be more relevant than punctuality. For freight, punctuality may be more important.

The chair expressed his hope for results by the end of the year in Vienna.

ERA practical arrangements for derogations to train driver language requirements

Olaf Mette (ERA) explained that ERA produced technical advice to the Commission which recommended a harmonised assessment procedure; one application form, and harmonised application guidance. Annexes 1 – 3 are practical tools. He argued that it is important that the second language use is not a case of derogation, and that for established measures, there is no need to have the fully fledged assessment.

Monika Heiming (EIM) explained that IMs are not obliged to grant a derogation when one is requested.

EIM recommended that the granting of language derogations to RUs should remain an option, and also proposed a harmonised assessment procedure at EU level. They recommend that future derogations should not conflict with a possible future common operational language.

Some IMs expressed scepticism in view of possible liability issues, i.e. in case of accidents on the cross-border section where an exemption from B1 level has been granted.

DG MOVE maintained that Directive 2016/882/EU does not include any provisions stating that granting derogations is optional for IMs. RUs are entitled to make a request, and IMs are obliged to look into it, but there has to be an assessment, on which the decision to grant or not a derogation has to be based. Also, limiting the scope of application of Directive 2016/882/EU to rubberstamping existing bilateral agreements, as suggested by EIM, would be discriminatory and against the basic principles of EU legislation.

Further, DG MOVE explained that the Commission has heard the signals from IMs that we need harmonisation of assessment procedure, which is why COM has requested colleagues from ERA for recommendations on how to handle derogation requests. On single operational language, 50% of respondents to the public consultation considered that it would be beneficial to a limited extent. If a single operational language was introduced, then it should be based on sound cost benefit analysis. In the framework of a possible future revision of train driver directive, the single operational language could be one of the options considered during impact assessment.

Timelines – The aim is to publish interpretative guidelines before the summer, but there are still some internal procedures to be launched and finalised. The Commission is

assessing pros and cons of individual driver vs company derogation. The evaluation report of the train driver directive will be published in the coming months as COM staff working document. Then based on conclusions of that report, a decision will be made at political level as to whether to proceed with the revision. If so, there would probably be a COM proposal beginning 2019, followed by co-decision, but that would coincide with parliamentary elections (which will slow it down).

There was wide support from Trafikverket, UIRR, ERA and others for developing a common card with set phrases, subject to support from regulators. The lesson from aviation is it's not about English, it's about *clear* English, with set phrases. DG MOVE therefore proposed establishing a first operational subgroup of PRIME and RU Dialogue to work up operational card or phrases to be used, building on work already ongoing elsewhere.

Transparency and predictability of track access charges

Presentation by ERFA on track access charges: RUs want more transparency on charges, more itemisation of costs, and mark-ups not exceeding what the market can bear. There is a need for more consistency in order to help compete with road transport. ERFA are happy with the implementing act on modulation of direct costs and the provisions of the recast directive.

The latest RMMS shows very large differences between TAC in different MS. Some RUs highlighted the role for Member States, and suggested better coordination between RUs and IMs to jointly advocate more rail funding.

ASTOC highlighted the quite different policy framework in different countries regulating road and rail freight. In Sweden there has been a quadrupling of TACs.

Conclusions drawn in closing session

- This was a very useful first meeting, one worth repeating once per year in this setting.
- We need to follow up on 10 priorities on rail freight from the sector declaration. Should stick to these priorities and not deviate.
- Need clear progress on TTR. RNE is almost ready and the delegated act will follow soon.
- On ETA more remains to be done. Groups should take this forward and put clear proposals on the table in Vienna in 2017.
- KPIs: For the freight corridors first subset in 2017 and a second one in 2018.
- On Language regime:
 - Guidelines are to be applied with derogations in place.
 - For medium term, could work on a "card" with standard messages.
 - Longer term could look at single operational language beyond the card.
- Open data:

- There are currently two subgroups on digital under PRIME: Prorail could start work on open data and then invite RU Dialogue to join discussions in September.
- Digital Asset Management - PRIME subgroup to work on this topic
- 8-10 November Digital transport days in Tallinn. Rail needs to be active and present.
- We need a stepped approach towards delivery of these points. We need to set ourselves deadlines as to what is delivered when.
- We lack an overview of maintenance costs in MS. Would be relevant for the discussion on MFF. There are tools like blending or innovative financing available, so we need to understand what the costs are.

Possible topics for next meetings

- Safety culture
- Operational improvements for international passenger transport
- Noise
- ERTMS deployment

Whilst some companies highlighted the benefits of CEO presence for the next meeting, several companies underlined the usefulness of meetings at technical level. At the following day's RU dialogue meeting it was further underlined that inviting CEOs would be very difficult given their tight schedules and the current need to discuss issues at a more technical level before elevating topics higher.

Presentations have been circulated and made available on the PRIME website (https://webgate.ec.europa.eu/multisite/primeinfrastructure/content/cooperation-platforms-1_en), as well as RU Dialogue's space on CIRCABC.