

Platform of Rail Infrastructure Managers in Europe
10th meeting, 12 June 2017, 12:00 – 18:10, Sopron, HU

Draft Summary Record

Nature of the meeting

PRIME holds two Plenary meetings per year, attended at high management level. The 10th meeting was hosted by Győr-Sopron-Ebenfurth Railway (GYSEV/Raaberbahn) and co-chaired by the industry (Alain Quinet, SNCF Réseau, Deputy Director General) and EC (Matthew Baldwin, DG MOVE, Deputy Director General). 27 industry members were present along with representatives of the European Union Agency for Railway (ERA) and DG MOVE.

Point 1 - Welcome

EC co-chair Matthew Baldwin (MB) welcomed the participants to the 10th Plenary meeting and highlighted that, since its creation in 2013, PRIME has grown from 7 to 31 member organisations.

Industry co-chair Alain Quinet (AQ) welcomed the new member, GYSEV, and thanked its CEO for hosting the meeting.

Point 2 and 3 - Approval of the agenda and of the summary record of previous meeting

The agenda was approved with some speakers' adjustments.

The Summary record of PRIME 9, as amended to reflect the comments received from Trafikverket, was adopted.

Point 4 - Approval of the revised Rules of Procedure

MB recalled that a temporary working group (EC, SNCF Réseau, CER, EIM, PKP PLK, RNE and Trafikverket) was in charge of revising the PRIME Working Arrangements and of guiding the conversion of PRIME into the European Network or Infrastructure Managers (ENIM) as foreseen in the 4th Railway Package.

A draft was distributed to all PRIME members and the comments received from Infrabel, Lithuanian Railways, SBB and Trasse Schweiz, were taken into account in the final draft provided for an agreement of PRIME 10.

MB highlighted that the aim was to maintain the PRIME's modus operandi while endorsing the new tasks and responsibilities of ENIM, and while adapting to the revised horizontal rules of the EC expert groups.

Given that the objectives of EC expert groups would not be in line with the main objectives of ENIM (cooperation between its members), the solution found and agreed with the EC Secretariat General was to continue with 2 groups:

- a new sui generis group – PRIME/ENIM – the core PRIME group, the principle purpose of which is cooperation between its members in line with ENIM tasks as defined in the 4th Railway Package, except the input to the EC on implementing acts.
- PRIME Commission Expert Group – the principle purpose of this group is to provide input to the EC on the implementation of the Single European Rail area, operating in line with the horizontal rules applicable to the Commission Expert Groups. This group is institutionally and legally independent, but continues to be chaired by the industry and it debriefs PRIME about its activities.

PRIME members were asked to discuss and approve only the Rules of Procedure of the new sui generis group ENIM – PRIME, while the EC is still working on the PRIME EC Expert Group rules and terms of reference.

AQ highlighted some changes in PRIME operations which were most debated:

- Membership – two types of members, derived from the rules on ENIM:
 - ✓ main IMs, who according to the EU law are determined by the MS and whose participation in ENIM is mandatory,
 - ✓ other IMs – all non-main IMs whose participation is voluntary,
 - ✓ observers - ERA and the industry associations, who can participate in discussions, but cannot vote or participate in the final stage of formulation of recommendations or advice of ENIM, because IMs are represented directly in the work of ENIM.
- Voting rights - AQ emphasised that, as a core principle, the work of PRIME is consensus-based. If it really needs to vote, there is one vote per State. And if there are differences in opinions, the opinion of the main IM counts (because they are bound by decisions). The EC has also one vote.
- Easier establishment of subgroups - to give the members more flexibility to cooperate. For instance, a subgroup can be created between only a few members to work on concrete issues or projects; in this case all members have to be invited, but are not obliged to participate.

MB added that a letter would be sent to the Member States in order to invite them to indicate who is going to be their main IM destined to participate in ENIM according to the 4th Railway Package.

Point 5 – Election of the industry co-chair

MB invited PRIME members to decide on the appointment of Alain Quinet, SNCF Réseau, as PRIME industry co-chair with the mandate until June 2019, with immediate effect.

All agreed to confirm AQ as PRIME industry co-chair.

AQ thanked for the new mandate and shared with the participants his view on PRIME's role in overcoming common challenges, coordinating with several important stakeholders and

adapting to an evolving institutional environment, which all require the sector to speak with one voice.

He underlined the need to maintain the effective operations of PRIME in a context where the number of PRIME members will continue to increase. First, he highlighted the importance of the substantial work in PRIME subgroups, while the Plenary meetings should concentrate on strategic discussions. Second, he expressed the willingness to exercise this new industry co-chairmanship working closely with an international industry advisory team (more details were provided at the end of the meeting, see below).

Point 6 - Strategic Discussion I: Trends in IM industry

AQ presented the main trends in IM industry from the view-point of SNCF Réseau (FR).

The participants highlighted that digitalisation, cost efficiency, service quality and managing security are the main challenges.

IMs need to better manage and use data (including artificial intelligence, open data, deep learning, big data), in particular for developing multimodal solutions. Managing more than one mode is an important trend among IMs. Multimodal infrastructure management facilitates also discussions with local governments on infrastructure projects and is efficient both in terms of asset management and land use. Overall, railways are expected to benefit the most from the multimodal approach.

Regarding freight transport efficiency, the “Chinese challenge” was recalled, where it takes 11 days to go from China to Duisburg in Germany, and another 7 days from there to Madrid. This example shows the need to improve the Western part of this journey, where the paths still need to be booked long in advance and infrastructure works impact the travel time. The freight corridors are the most useful approach to tackle this challenge in the future.

It was recalled that in strategic discussions the starting point should be customer expectations. In that respect, it was suggested that the TTR project (Redesign of the International Timetabling Process), a major project with a customer focus, should be regularly discussed within PRIME. RNE would be pleased to present it during the next Plenary meeting.

MB noted that diverse governance models of the railways are accepted by EU legislation. However, in such an environment it is important to ensure a consistent approach and decision-making principles of the regulators and uniform interpretation of Union railway law across Member States. Therefore the EC coordinates and supports the work of the European Network of Rail Regulatory Bodies (ENRRB) and encourages PRIME-ENRRB cooperation.

With the adoption of the 4th Railway Package the period of major legislative changes was concluded and the focus of the EC in the coming years will be on the implementation of existing legislation in order to overcome the remaining technical and national barriers and to improve efficiency. To manage the relation between the IMs and the State, the Recast Directive sets out the basic principles and parameters of the contractual agreements and the EC is keen to see that it works.

As far as security is concerned, he recalled that there is no wish from the EC to have “aviation style” security measures. A risk-based approach and proportionate measures are needed, as well as making sure that security does not create new barriers.

In conclusion AQ noted that there is a renewed interest for digitalisation, and for two important issues that are not dealt in subgroups but should be borne in mind for future: security and multimodality. Therefore we should come back to these questions in the next Plenary session.

Point 7 - Strategic Discussion II: IM Strategy on environmental issues

Lena Erixon (Trafikverket) presented the main challenges and objectives of Trafikverket when considering environmental aspects and the impact of climate change on transport infrastructure.

AQ supported the idea of introducing the presentation with the concept of accessibility in a sustainable society. Environmental issues are often secondary arguments when deciding whether to build a railway, the main priority still being time and space savings.

The ensuing discussion emphasised that optimal solutions for sustainable accessibility differ between cities and the countryside. In remote regions road remains the optimal mode, while in densely populated areas rail is more efficient. Availability of sufficient funds for ambitious infrastructure projects remains an issue and Trafikverket has not yet decided its future strategy for road electrification.

AQ added that, generally speaking, the more clients we get, the better it is for the environment because any modal shift, in essence, is good for the environment.

MB recalled the need to think about the emissions from infrastructure construction phase, which is bound to become a dominant factor in rail related transport emissions. The European Strategy for Low-Emission Mobility, adopted a year ago, foresees that by 2050, greenhouse gas emissions from transport will need to be at least 60% lower than in 1990. In addition, DG CLIMA is preparing an evaluation of the existing EU Strategy of adapting to climate change. The evaluation report should be ready by the end of this year.

The need for a road agency (like ERA for rail) was briefly evoked, since certain Member States had these already established. MB noted that the underlying reasons for wanting one were different – some expect it to focus on social or environmental aspects, while others hope it will help to ensure a level playing field between the modes. The EC currently has no plans to create a road agency. A possible case for a common land transport agency was mentioned, given that digital integration calls for tighter cooperation so as to ensure interoperability and common safety approach across road and rail. The cooperation between road/rail sector organisations is also growing in importance (e.g. between EIM and CEDR).

AQ recalled that SNCF Réseau has recently issued green bonds. On the one hand, this allowed to attract new investors and on the other hand it pushes IMs to measure and report the benefit that it generates on environmental aspects like carbon emissions.

Use of procurement methods to take into account environmental criteria and to incentivise environmentally friendly solutions was also suggested. AQ concluded that if some IMs are interested in sharing experiences in this field, they are free to set up a subgroup according to the new Rules of Procedure which facilitate and encourage such flexible cooperation.

Point 8 - Subgroups and meetings – feedback and plans

The co-chairs opened the feedback session of PRIME subgroups, recalling that PRIME has currently 6 subgroups and two cooperation platforms - with the ENRRB and the RU Dialogue (RUD).

- KPI and benchmarking subgroup

As the Subgroup chair Jan Pettersson (Trafikverket, SE) was not able to attend the meeting, Annika Kroon (DG MOVE) reported on the progress of the subgroup which, with the help of consultant financed by the EC, has concluded the pilot benchmark report. The Subgroup is now moving from a pilot phase to operations.

AQ invited PRIME members to discuss and agree on the following proposals regarding transparency, ownership and accessibility:

- PRIME IMs are owners of their own data and each IM decides what data are submitted into the system
- Dashboards are public for all PRIME members while detailed data are public only for active KPI subgroup members
- All data are only for IMs internal use and a Non-Disclosure Agreement (NDA) should be signed by the PRIME members
- For external use the data should be anonymised
- Any misuse will be reported to the PRIME chairs via the KPI subgroup chair
- The EC administers and finances the IT-tool for next year
- The PRIME KPI subgroup secretariat governs the IT-tool and database.

Trafikverket will continue to run the secretariat. AQ added that this question should be further discussed during the next Plenary in particular from the viewpoint of burden sharing.

MB noted that while it is understandable that at this stage data should be kept for internal use, over time as confidence in the quality and comparability of the data improves, PRIME should become gradually more transparent. Many indicators (e.g. length of network and safety performance) are already public. This view was supported by some members, provided the data will not be used for naming and shaming but for best practice benchmarking.

On the issue of financing the next IT development for next year, MB specified that while a request has been submitted, it is still subject for approval during the ongoing budgetary procedure.

AQ concluded that the proposals of the subgroup chair have been accepted with the following additional remarks (a) PRIME members will follow a step by step approach to transparency, as decided from the beginning (b) the concept of “active member” is clear enough and does not need to be clarified and (c) the question of the secretariat of the subgroup is open for discussion for the future.

- Financing Subgroup

Subgroup co-chairs Olivier Silla (DG MOVE) and Paul Mazataud, (SNCF Réseau, FR) presented the activities of the subgroup which is active since the beginning of 2015. As the group held its last meeting only one week before PRIME 10 (6 June), no debrief was sent to PRIME members in advance.

i) On the first meeting, 16 February 2017:

This first meeting took place only one week after the launch of the CEF Blending call. So it was perfect timing for PRIME members to discuss the characteristics of the call. Several IMs expressed their interest to participate, while others noted that they face national restrictions to raise debt on the financial markets. European Fund for Strategic Investments (EFSI) is not relevant for most rail IMs as it has mostly been designed for borrowers with a low credit quality and rail infrastructure managers often enjoy a good credit rating as they are implicitly or explicitly supported by national governments. The CEF Blending Calls may actually be a way to address the issue given that it would allow financing IMs directly (as opposed to using a Special Purpose Vehicle).

ii) On the second meeting, 6 June 2017:

The meeting was about the mid-term review of CEF 2014-2020 and the preparation of the next multi annual financing framework (MFF) 2021-2027. The main messages passed by IMs:

- even more focus in the future on renewals or projects that combine renewals and enhancements;
- most rail projects do not generate enough cash flows to be self-financeable (even though many have strong benefits for the society);
- debt instruments should be kept in 2021-2027 CEF, as opposed to transferring this product to EFSI (see argument above about the non-relevance of EFSI to rail IMS);
- past European funding programs (including CEF) had a major impact on renewal and enhancement programs in the cohesion countries and they hope that this strategy will continue after 2020;
- higher share of the future EU funding program should be devoted to ERMTS (it is only 10% in the current period), given that ERTMS is a critical component of interoperability and it supports transition towards “digital railway”.

The seven IMs who participated in this meeting thought it was very useful. The EC called on industry to reflect its needs and expectations in a discussion paper contributing to the preparation for the next EU MFF.

AQ concluded that accounting for rail needs in the design of the ongoing CEF Blending Call is the first tangible achievement of the work of PRIME Financing Subgroup. MB noted that for the November meeting he would welcome feedback on rail projects which participated in the Blending Call.

- PRIME –RUD Meeting

Paul Mazataud (SNCF Réseau, FR) gave a feedback of the first PRIME/RU Dialogue plenary meeting which took place on 28 March with about 50 participants from RUs, IMs and relevant

associations. The morning session on strategic outlook included presentations on 10 priorities of the rail freight sector declaration, on the Swedish model and infrastructure renewal. The afternoon session included operational topics: common key performance indicators, train driver language for cross border traffic and transparency and predictability of track access charges.

The intention is to have common meetings once per year. Possible topics for the next meeting include rail freight business case, safety culture, operational improvements for international passenger transport, noise and ERTMS Deployment.

Participants emphasised the need to (a) avoid overlaps and (b) to move from discussion to actions.

AQ agreed and suggested to have a specific meeting on the cross border language regime by the end of 2017, possibly in October and SNCF Réseau will put forward concrete proposals in this regard. Another concrete topic for operational cooperation with RUD is open data.

- Safety Culture subgroup

The group, under the leadership of Lynn Chamberlain-Clark from Network Rail (UK) is managing the Safety Twinning programme 'Enhancing the cooperation between Railway IMs for better safety management', which is the main activity of the group in 2017.

12 IMs have participated in the programme. The final conference will be held in London on 5 or 6. December 2017 and is open to all IMs and NSAs.

The twinning program received positive feedback from participants.

- Implementing acts subgroup

Subgroup chair Stefano Castro (RFI, IT) informed the participants about the ongoing discussions:

- on the draft implementing act on Access to rail related services and service facilities which is close to finalisation;
- on the draft implementing act on the Economic Equilibrium test, which was presented by the EC and is still open for PRIME members feedback;
- on energy metering: the conclusion of the discussions was that there is no need for additional legislation given that the MS already have a legal requirement (EU Regulation 1301/2014) to implement settlement systems.

Participants appreciated the contribution and outcome of the subgroup work.

- Digitalisation

AQ outlined a proposal on how PRIME could continue working on digitalisation: the work to be led by the Digitalisation Strategy Group, ideally composed of the EC and the Heads of Digitalisation of each IM. Its purpose would be to provide guidance to CEOs on digitalisation strategy. Mr Arjen Boersma from ProRail would lead this group. In addition a small number of

working groups (to be proposed by the Strategy Group) would focus on concrete projects, such as e.g. Open Data and BIM (Building Information Modelling). The members are welcome to contact ProRail about additional topics.

The participants recalled that Shift2Rail and UIC are already working on digitalisation, so it is important to avoid any overlap.

MB said that the EC has proposed to include BIM in the Shift2Rail 2018 Work Plan in order to allow PRIME members to participate in the calls for proposals for funding. The Work Plan is still in the process of approval. As regards Open Data and cooperation with RUD, ETA (Estimated Time of Arrival) could be an interesting project to work on (subject to the results of the ongoing discussions on how the different Sector Declaration initiatives should be governed).

The members had no objections to AQ proposal.

Point 9. Implementation of charging principles

- Feedback from PRIME-Regulatory bodies workshop on charging

The lead of this workstream Miroslaw Kanclerz (PKP PLK, PL) debriefed the participants about the PRIME-ENRRB Charging Workshop which took place on 3 February in Brussels.

Some cases provided by Miroslaw (e.g. on Polish Court of Justice decision on charges, on the German charging system, on the Italian experience in market segmentation for mark-ups) illustrated the diversity of practices among European IMs as well as regulatory bodies. In half of the Member States the revision of charging systems is currently ongoing.

- Further cooperation of IMs on implementation of the charging rules

AQ presented the idea of a new subgroup which would help IMs to get a clearer idea of how to effectively revise their charging systems and to ensure compliance with the EU legislation.

ADIF (ES) is interested in taking the lead of this subgroup underlining the strategic importance of these discussions. The first meeting can be organised in cooperation with Christine (Charging in Rail Infrastructure in Europe), an informal group on charging. However, this should not prevent Christine to continue to exist and work as it has done so far.

In the ensuing discussion it was suggested that the subgroup may work in cooperation with the financing subgroup, and that it should take into account the EU legal framework and the powers of the national regulatory bodies.

The EC emphasised that the purpose of the group is not to harmonise the charges, but to ensure compliance with EU legislation in order to reduce legal risks and avoid Court cases on the one hand, and to reduce uncertainty related to financial risks, on the other hand. The PRIME subgroup should use the expertise of the Christine group but only to the extent it relates to compliance with EU legislation.

The group intends to have its first meeting in September back to back with the Christine group. The group will be co-chaired by ADIF (María Álvarez) and the EC (Sian Prout).

The members had no objections to this proposal.

Point 10 - Follow-up on the joint sector statement on rail freight

Libor Lochman (CER) and Guus de Mol (ProRail) presented the state of play of the Sector Statement, in particular on the proposal to set up a "Sector Declaration Group" to ensure a transparent exchange of information and to report/decide on the actions undertaken/to be undertaken.

The participants asked a clarification on the role of the mentioned “caretakers” as “coordinators”, especially for projects which already have a coordinator (e.g. ERTMS coordinated by Karel Vinck). The discussions on the role of the caretakers and more generally on the governance of the Sector Statement implementation will continue in a dedicated meeting on 13 July.

Point 11 - Commission information - ERTMS deployment

MB presented the main points of the ERTMS Action Plan put forward by the EU Coordinator Karel Vinck. The plan defines the actual measures and deadlines to lead to a swift implementation of ERTMS-ETCS across the rail system. The process of adoption of the Action Plan will fully involve Member States and the sector. On June 20th it will be officially launched as draft document at the SERA conference to trigger the debate and the consultations with stakeholders will continue between June and October including in the RISC, TEN-T Committee and the ERTMS Stakeholder Platform. In November the final Action Plan is expected to be published during the ERA ERTMS conference.

Regarding the on board/track compatibility, Josef Doppelbauer drew the attention of the participants to the fact that in case of incompatibility, IMs should be aware that in general it is more efficient to adapt the tracks than on-board units, given that there are already 10,000 ERTMS equipped locos.

Point 12 – Agency information – Implementation of the 4th Railway Package

Josef Doppelbauer (ERA) presented the Agency work on the implementation of the Technical Pillar of the 4th Railway Package. He underlined that the approach to arranging transportation is at the turning point and rail should be ready to embrace new opportunities. Implementation of the 4th Railway Package will redistribute the existing roles between the national and EU authorities. The IMs will be least impacted given that they mostly operate nationally. But there are some important changes, for example as regards the procedure for Vehicle Authorisation for Placing on the Market and Route Compatibility, where IMs will have less rights and more obligations vis-à-vis the RUs.

JD recalled that the 20 June SERA conference in Brussels will be the opportunity to present the state of play of the implementation of the Technical pillar of the 4th Railway Package.

Point 13 - Information points

AQ proposed to create a PRIME industry advisory team, given that PRIME is dealing with an increasing number of subgroups and having dialogues with other platforms such as RUD and ENRRB. In this context of increasing work, AQ would be happy if a couple of IMs could engage with Paul Mazataud and Samuela Burzio from his team with the aim to regularly discuss PRIME work. He invited PRIME members to volunteer by the end of June.

MB provided information on upcoming events:

- Final SERA conference in Brussels 20 June
- Connecting Europe Conference in Tallinn– 21-22 September
- Digital Transport Days in Tallinn – 8-10 November
- ERA ERTMS Conference – 15-16 November
- Rail Freight Days, Vienna - 7 December.

Point 14 - Date and venue of next meeting

MB informed the participants that the next PRIME Plenary meeting would take place in Brussels, 16 November 2017. The precise timing could be adjusted in order to take into account the ERA ERTMS conference planned for the same date.

Agreed dates for other PRIME events:

- Christine/PRIME Charging Group in Riga – 20-21 September
- PRIME ENRRB Plenary in Warsaw – 12 October.

Point 15 – Any other business

All the presentations given during the meeting will be accessible at: https://webgate.ec.europa.eu/multisite/primeinfrastructure/events_en. The Summary Record will be sent for validation by e-mail.

Conclusions and next steps

- The following decisions regarding the work in subgroups were confirmed:
 - Digitalisation – Mr Arjen Boersma (ProRail, NL) will take the lead of the subgroup in the new format;
 - Charging – the new subgroup will be chaired by ADIF (Maria Alvares) and DG MOVE (Sian Prout)
 - KPIs – the proposals of the subgroup chair regarding transparency, ownership and accessibility of data were agreed upon.

- The Rules of procedure of the sui generis group PRIME/ENIM were adopted. Discussion of implementing acts will continue in a separate PRIME Commission Expert Group, led by Stefano Castro (RFI). This group will be institutionally independent from the PRIME/ENIM sui generis group and it will operate in line with the horizontal rules of the Commission Expert Groups.
- Possible topics for PRIME 11:
 - Rail in a multimodal context
 - Governance of the KPI subgroup
- A first PRIME-RU Dialogue technical meeting, on language requirements on cross border sections, could be held by the end of 2017, possibly in October.
- PRIME members willing to participate in the industry co-chair's advisory team should contact his office by end of June.

List of participating organisations

Members:

| | |
|------------------------|------------------------------|
| ADIF | NETWORKRAIL |
| BANEDANMARK | ÖBB INFRASTRUKTUR |
| BANE NOR | PKP |
| BLS | PRORAIL |
| CFR | RFI |
| DB NETZ | SBB |
| FTA | SNCF RÉSEAU |
| GYSEV | TRAFIVERKET |
| INFRABEL | TRASSE SCHWEIZ AG |
| INFRAESTRUTURAS PORT. | VPE |
| IRISHRAIL | EUROPEAN COMMISSION, DG MOVE |
| JSC LITHUANIAN RAILWAY | |

Observers:

ERA
CER
EIM
RNE
VDV