

Single European railway area. Recast

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The Council discussed **ongoing work** on a proposal for a directive establishing a single European railway area, intended to simplify, clarify and modernise the regulatory framework for Europe's railway sector so as to improve conditions for investments, increase competition and strengthen market supervision in that sector.

Ministers were invited to give guidance for further examination of the proposal by the Council's preparatory bodies, which have begun work on the provisions on the financing of and charging for railway infrastructure. The ministerial debate, based on questions submitted by the presidency, showed that:

- **the publication of national rail infrastructure development strategies** is generally seen as an appropriate instrument to stimulate sustainable investments in the sector. Some delegations, however, emphasized that member states' competence for financing rail infrastructure had to be respected. Moreover, due regard should be paid to the principle of annual budgetary decisions when establishing multi-annual plans;
- **differentiation of track access charges based on noise performances** could provide an incentive for retrofitting noisy wagons and thereby diminishing noise emissions. Several member states, however, underlined the need to ensure equal treatment of rail and road transport and advocated a voluntary application of noise-differentiated charges. It was also mentioned that this measure should primarily focus on heavily populated areas;
- **temporary reduction of track access charges for trains equipped with the European train control system (ETCS)** could encourage railway undertakings to install this system. Several delegations, though, stressed that they want to keep the right to levy new charges or increase the existing ones in order to compensate for loss of revenue caused by such a reduction.

Other outstanding issues:

- **adoption of a business plan:** several delegations questioned the proposed obligation to consult interested parties before approving the business plan. Delegations considered this requirement too complex and bureaucratic, which would create difficulties for the infrastructure managers to define all parties to be consulted. Instead, a number of delegations would prefer to inform interested parties and not to establish a legal obligation for consultation. In addition, some Member States stressed that this provision would be too far reaching in particular to infrastructure managers acting on local infrastructure;
- **conclusion of multi-annual contracts:** delegations raised the same concern over the consequences the five years period would have on the "annual budgetary principle". Furthermore, delegations expressed the same view concerning the obligation to consult interested parties. Some delegations also disagreed with the deletion of the use of appropriate regulatory measures as an alternative to the conclusion of contractual agreements;
- **coordinated methods for charging of railway infrastructure on international train paths:** some delegations expressed doubts as to how and to what extent infrastructure managers should cooperate to coordinate charging at international level. Some delegations indicated that specific criteria for international coordination should be defined. In response, the Commission indicated that, according to its proposal, the definition of such criteria would be left to Member States but that additional guidance could be envisaged;
- **role of the regulatory body:** several delegations argued during the examination of the proposed provisions regarding financing and charging of the railway infrastructure that, through the recast proposal, the role of the regulatory body would be expanded to cover also non-binding opinions and

recommendations in the financial field (e.g. business plan, performance targets). Moreover, several delegations reserved their positions on the proposed requirement for prior approval by the regulatory body on the establishment of the list of market segments, which constitutes the basis for the approval of the levy of "mark-ups", as well as on the main parameters of the performance scheme for the improvement of the performance of the railway network;

- **the use of delegated acts:** the proposal lays down that the basic principles and parameters of the multi-annual agreements set out in Annex VII of the proposal may be amended by the use of delegated acts. The same method would apply to the criteria for the requirements for costs and charges related to railway infrastructure, as laid down in Annex VIII of the proposal. A majority of delegations expressed a strong reservation on the use of delegated acts for the above purpose.