

Railway transport of passengers: opening to international competition, Rail Market Access.

3rd package

2004/0047(COD) - 28/09/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the report by Georg **JARZEMBOWSKI** (EPP-ED, DE) amending the Commission's proposal. (Please see the summary of 19/04/2005.) Parliament called for the complete opening of rail services to competition from 2012, rejected the European Commission's proposal on the quality of rail freight services, and significantly extended the scope of the proposal on passengers' rights. These are the most notable provisions in reports on the third European rail package. (The package consists of four legislative proposals. Please see COD20040048, and COD20040049.)

Parliament decided not to block the decision-making process, having secured guarantees from the British Presidency that the EU Council of Ministers will consider the package as a whole. Parliament had considered not adopting a resolution, since it was concerned at the package was being broken up by the Council as a means of burying the Directive on the liberalisation of passenger services.

This resolution provides for the liberalisation of international passenger transport from January 1, 2008 at the latest, and the liberalisation of domestic passenger services from January 1, 2012. This is more ambitious than the Commission's proposal which called for the opening of international passenger transport to competition by 2010. In addition:

-Member States should remain free to anticipate the grant of access rights to railway undertakings and international groupings for national and international passenger transport services. The use of such rights may temporarily be confined to railway undertakings, and their directly and indirectly controlled subsidiaries, that hold a licence in the Member States where analogous conditions for access to the railway infrastructure apply. This reciprocal clause would prevent rail enterprises that continue to operate as monopolies in their own country from benefiting from open markets in other member states.

-In order to create specialised infrastructure, such as high-speed railway lines, railway undertakings require planning and legal certainty commensurate with the substantial long-term investment involved. It should therefore be possible for such undertakings normally to conclude framework agreements with a term of 10 years. Directive 2001/14/EC must be amended accordingly. Framework agreements will in principle be of duration of five years and shall be renewable for periods equal to their original duration. The infrastructure manager may agree to a shorter or longer period in specific cases. Periods longer than five years must be justified by reference to the existence of commercial contracts, specialised investments or risks. For services using specialised infrastructure and which require substantial and long-term investment, framework agreements may be of 10 years' duration. Any period longer than 10 years shall be permissible only in exceptional cases, in particular where there is large-scale, long-term investment, and particularly where such investment is covered by contractual commitments including a multi-annual amortisation plan

-The application of the Directive will be evaluated on the basis of two reports to be presented by the Commission two years after the dates of opening up the market in international and national passenger services, respectively. These reports will include first evaluations by the Commission of the impact of the first and second railway packages on public service quality standards, social standards of employees and environmental performance. Furthermore the Commission must present an impact assessment on the opening of the networks for national passenger services by 31 December 2005.

