



Procedure file

Basic information		
INI - Own-initiative procedure	2006/2213(INI)	Procedure completed
Railway transport: implementation of the first railway package		
Subject 3.20.02 Rail transport: passengers and freight		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	TRAN Transport and Tourism		20/06/2006
		Vers/ALE CRAMER Michael	
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
European Commission	Commission DG	Commissioner	
	Energy and Transport	BARROT Jacques	

Key events			
03/05/2006	Non-legislative basic document published	COM(2006)0189	Summary
07/09/2006	Committee referral announced in Parliament		
05/06/2007	Vote in committee		Summary
11/06/2007	Committee report tabled for plenary	A6-0219/2007	
10/07/2007	Debate in Parliament		
12/07/2007	Results of vote in Parliament		
12/07/2007	Decision by Parliament	T6-0344/2007	Summary
12/07/2007	End of procedure in Parliament		

Technical information	
Procedure reference	2006/2213(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	TRAN/6/39866

Documentation gateway				

Non-legislative basic document	COM(2006)0189	03/05/2006	EC	Summary
Committee draft report	PE384.409	07/02/2007	EP	
Amendments tabled in committee	PE386.534	22/03/2007	EP	
Amendments tabled in committee	PE388.625	09/05/2007	EP	
Committee report tabled for plenary, single reading	A6-0219/2007	11/06/2007	EP	
Text adopted by Parliament, single reading	T6-0344/2007	12/07/2007	EP	Summary
Commission response to text adopted in plenary	SP(2007)4170	29/08/2007	EC	
Commission response to text adopted in plenary	SP(2007)4733	24/09/2007	EC	

Railway transport: implementation of the first railway package

PURPOSE: to report on the implementation of the first railway package.

CONTENT: this report is concerned solely with the implementation of the first railway package. It considers the impact the railway package has had on stakeholders as well as its effect on the market. The Report is based on information available to the Commission, discussions held with the Member States and a number of studies which have been commissioned on this matter.

Comprising of three Directives, the first railway package enables any railway undertaking, licensed in accordance with Community criteria, access to railway infrastructure on fair, non-discriminatory terms and to offer pan-European services (starting with international freight services) access to the trans-European rail freight network.

The Report finds that on 1 January 2006, 24 of the 25 Member States had formally transposed the three Directives of the first railway package into their national legislation. The Directives, though, are still having an unequal effect and are yet to lead to the arrival of new entrants in all of the Member States. The Commission gives warning that it will, if necessary and where appropriate, launch infringement procedures if transposition is incomplete or has not been done properly.

As far as the development of the market is concerned, the Report notes that freight transport has displayed a new-found dynamic thanks in large to the gradual opening up of the market. However, the overall market share of freight transport remains low. Taking all transport modes together, including maritime transport, the share of the railways was 10% in 2004 compared to 12.1% in 1995. In the meantime the figures for roads have increased during the same period as has that of the maritime sector. The share, per transport mode for inland transport, shows that the use of railways has fallen from 19.5% in 1995 to 16.4% in 2004, while the figure for roads has increased from 68.1% to 72.3%.

On the matter of safety, the Commission concludes that the EU is in a very favourable situation. Figures show that the number of passengers killed or injured in railway accidents is constantly falling while traffic accidents continue to increase. The opening up of the freight market has not had any impact on the safety of the railway system. Those Member States which have opened their markets most up to competition have not seen any deterioration in their safety levels.

The Report also analyses the development of working conditions and employment in the railway sector. The number of jobs in the railway industry for the EU-25 accounted for just under 1.2 million jobs. One effect of the on-going regulatory reform has been to distribute employment in different ways rather than concentrating jobs in a single overall entity, as was previously the case. As far as working conditions are concerned the restructuring of the railway industry has led to some painful results. The Report points out that the sector is still being restructured, which could result in further negative consequences. Incumbents have reduced the number of apprenticeships in an effort to reduce costs, while the qualifications required are not provided by vocational training. It is, therefore, necessary to develop training networks at a European level for employment in the railway industry. This could help create a genuine employment market for railway companies and infrastructure managers.

The Report concludes by noting that the railway industry, which has been in permanent decline since 1970, has managed to stabilise the volumes transported and in some Member States, to recover market shares from the roads. The fall in employment has also been halted.

The Report notes that the implementation of the first railway package by the Member States is well under way but that more needs to be done with regard to several aspects in order to guarantee its full completion. The Commission, therefore believes that the Member States should:

- complete the restructuring of incumbents whilst ensuring the separation of account and essential tasks;
- establish principles for rail infrastructure charging;
- create the administrative capability required for the proper operation of the regulatory body and the national safety authority whilst at the same time ensuring that these bodies are genuinely independent;
- contract out the State's financial relations with the infrastructure manager for the funding maintenance and modernisation jobs on the railway infrastructure;
- clarify the financial ties between the national and regional transport authorities and the railway undertakings by concluding public service contracts;
- prohibiting cross-subsidies between freight and passenger transport operations;
- create transparent requirements for access to training centres and safety certificates.

The Commission also recommends that infrastructure managers:

- improve the content and visibility of the network statement, which must be clear and complete and cover all the services;
- set charges based on real costs
- co-operate at a European level on the granting of international paths and establish harmonised conditions for infrastructure access based on standard contracts.

The Commission will continue to place rail at the centre of its transport policy and will closely observe the market situation. If necessary, it will take action to correct undesired situations, by starting infringement procedures or proposing amendments to existing Directives. In line with the commitment given by the Commission in 2005, guidelines on State aid in the railway sector are being prepared in a bid to increase transparency.

Railway transport: implementation of the first railway package

The Committee on Transport and Tourism adopted the initiative report by Michael CRAMER (Greens/ EFA, D) on the implementation of the first railway package. The salient issues of the report are as follows:

Conditions for intermodal competition: given growing traffic volumes, rising emissions and limited energy resources, as well as thousands of road accident victims, MEPs state that reviving rail transport is a key objective of EU transport policy. The Commission is called upon to take account of this fact in implementing the first rail package. They consider that the 'Eurovignette 2' directive is an initial step towards fair intermodal competition. The Commission is also called upon to submit a directive by 2008 (in which the Eurovignette is adjusted in line with the rail route pricing system, tolls are made mandatory for all lorries over 3.5 tonnes on all roads in the EU without loopholes, and external costs are internalised. The Commission should also translate the principles of the transport protocols of the agreement with Switzerland, and of the Alpine Convention, into corresponding measures for the shift to rail of trans-Alpine freight transport.

Noting that competition between rail and air transport is distorted, MEPs consider that exemption from kerosene tax and from VAT on international air tickets should be placed on the agenda as a matter of urgency at international and EU level. They emphasise that the lack of network interoperability is still the main obstacle to creation of an integrated European railway area, and welcomes the Commission's decision to put forward a new initiative on this aspect and they consider that liberalisation should have gone hand-in-hand with the progress on interoperability and regrets that the two processes have proceeded at very different speeds. The Commission is called on to modernise and develop intermodal infrastructures, particularly junctions with port infrastructures.

The committee stresses that the interoperability of rail traffic must be further improved so as to enhance the competitiveness of the railway. It calls for ERTMS to be installed rapidly and without gaps on the six corridors on which the EU has reached agreement with the railway undertakings and the Member States (A: Rotterdam-Genoa; B: Naples-Berlin-Stockholm; C: Antwerp-Basle/Lyon; D: Seville-Lyon-Turin-Trieste-Ljubljana; E: Dresden-Prague-Brno-Vienna-Budapest; F: Duisburg-Berlin-Warsaw).

The report urges the Commission to extend the good example set by state aid for rolling stock, made possible in connection with the installation/improvement of ERTMS in trains, to noise reduction in goods trucks, as this will enable savings to be made in infrastructure investments. The Commission should take action against subsidy practice whereby EU transport aid flows into Member States which use it almost exclusively to fund their road networks while neglecting the railways. It is considered that, in the event of co-financing, at least 40% of the appropriations should be allocated to the railway.

The Commission is called upon to look into the possibility of introducing better transparency and predictability of route prices, establishing the principle of a minimum of harmonisation of prices on international corridors which are the subject of investment by railway undertakings to improve interoperability.

Regulation of the separation between network and operation: MEPs consider the separation of railway infrastructure and operation to be a key issue of rail policy, given the central role of infrastructure operators for the rail industry, and in this connection regards it as absolutely essential to create an independent and transparent regulating body with adequate funding. The Commission is invited to adapt the rail systems currently confined within national borders in such a way that each rail undertaking which meets the necessary legal and technical requirements in a Member State is permitted to operate across the whole European network (cross-acceptance), thus promoting not only trans-European but also regional cross-border traffic.

The report states that the railways' share of the freight market has been stabilizing since 2001 in EU-25 and the best performance, disregarding the Baltic States which benefit from their very special geographical location and the kind of goods transported, can be seen in Member States which were first to start reforming their railway industry in anticipation of the Community Directives and the opening up of the market. In this context, developing competitiveness of the sector through market opening means supporting future investment. In addition, by contributing to the development of environmentally friendly transport, the Community deliberately opts for the development of sustainable transport. MEPs underline the importance of the European social dialogue in preventing the process of liberalisation from clearing the way for social dumping.

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MEPs consider that the 'Eurovignette 2' directive is an initial step towards fair intermodal competition. The Commission is also called upon to submit a directive by 2008 (in which the Eurovignette is adjusted in line with the rail route pricing system, tolls are made mandatory for all lorries over 3.5 tonnes on all roads in the EU without loopholes, and external costs are internalised.

Noting that competition between rail and air transport is distorted, MEPs consider that exemption from kerosene tax and from VAT on

international air tickets should be placed on the agenda as a matter of urgency at international and EU level.

The report underlines that the lack of network interoperability is still the main obstacle to creation of an integrated European railway area. It invites the Commission is called on to modernise and develop intermodal infrastructures, particularly junctions with port infrastructures.

The Parliament also stresses that the interoperability of rail traffic must be further improved so as to enhance the competitiveness of the railway. It calls for ERTMS to be installed rapidly and without gaps on the six corridors on which the EU has reached agreement with the railway undertakings and the Member States (A: Rotterdam-Genoa; B: Naples-Berlin-Stockholm; C: Antwerp-Basle/Lyon; D: Seville-Lyon-Turin-Trieste-Ljubljana; E: Dresden-Prague-Brno-Vienna-Budapest; F: Duisburg-Berlin-Warsaw).

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The Commission is invited to adapt the rail systems currently confined within national borders in such a way that each rail undertaking which meets the necessary legal and technical requirements in a Member State is permitted to operate across the whole European network (cross-acceptance), thus promoting not only trans-European but also regional cross-border traffic.

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Lastly, the Commission is called upon to initiate legal proceedings without delay against those Member States which have not implemented the first and/or second railway package by the specified date.