

# COMMISSION OF THE EUROPEAN COMMUNITIES

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## COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

on an action programme for international railway cooperation

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EXPLANATORY NOTE

In its Resolution of 15 December 1981, the Council, after setting out the broad lines of Community Railway Policy, called upon the Commission to submit to it, if possible by 1 July 1982, a report on a number of measures designed to promote cooperation.

The Commission immediately set about the work entailed and now considers that it is in a position to submit an Action Programme to the Council for approval.

INTRODUCTION

1. In its Resolution (1) of 15 December 1981, the Council, after setting out the broad lines of Community Railway Policy, called upon the Commission to submit to it, if possible by 1 July 1982, a report on a number of measures designed to promote cooperation.
  
2. The Commission shares the Council's interest in greater cooperation between the Railways. It has undertaken the work involved and has, in particular, examined a paper entitled "Cooperation between the Railways : Progress since 1970 and Future Prospects" and a list of priority measures, both of which were prepared by the Group of Ten Railways of the European Communities and are the subject of a separate Communication to the Council.

In addition, the Commission has consulted representatives of the Group of Ten (on 22 February and 3 March 1982) and governments experts (on 25 March 1982).

3. The Commission now considers that it is in a position to submit to the Council an Action Programme on the seven topics listed in the abovementioned Resolution. The Programme contains measures to be taken by the Governments and by the railways.

The Council Decision of 20 May 1975 on the improvement of the situation of railway undertakings and the harmonization of rules governing financial relations between such undertakings and States (2) established the principle that the Railways should have adequate managerial independence.

The Commission will bear this in mind when deciding upon the legal form of its proposals. It will also consult the parties concerned when preparing these proposals.

In the light of the above considerations, the Commission will prepare appropriate proposals concerning each of the subjects examined in this paper and will submit them by the dates given.

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(1) Annex II PV/CONS 61 - TRANS 190 of 15.12.1981.  
 (2) OJ No L 152 of 12.6.1975.

I. BARRIERS TO CLOSER COOPERATION

A. General External Barriers

Action to be taken by the Governments

4. Certain provisions contained in the Railways' Statutes or the general rules concerning transport may constitute barriers to cooperation.

The Commission will analyse these provisions in conjunction with the Railways and will consider in what way they might be amended. Particular attention will be paid to the barriers to the acquisition by the Railways of holdings in other businesses or in ancillary activities (cf. Article 10 of the 1975 Decision).

Date scheduled for Commission proposal : first half of 1983.

5. The role assigned to the Railways differs from one country to another. This inconsistency constitutes a considerable handicap affecting all action by the Railways.

A fundamental prerequisite for more effective cooperation is for the Member States and the Railways to come to an agreement on the tasks to be performed by the Railways where international traffic is concerned, in order to establish the types of passenger and goods services which should be operated in accordance with commercial principles, and to instruct the Railways to take whatever action is needed, in particular in order :

- (a) to concentrate their efforts on profit-making services,
- (b) to expand their marketing efforts in order to cover all markets likely to offer prospects for them,

- (c) to introduce the principle of sectoral management responsibility for these activities,
- (d) to set up machinery, in respect of both staff and equipment, with a view to the efficient, coordinated direction of all the departments and services concerned by international traffic, and
- (e) to implement a transparent planning system covering the short, medium and long term.

Scheduled date : end of the first half of 1983 (on the basis of an examination of the findings of studies which will be available by the end of the year).

#### B. General Internal Barriers

##### Action to be taken by the Railways

- 6. In certain cases better staff motivation and preparation might have a beneficial effect on railway cooperation.

There would seem to be a need to step up staff exchanges between railway networks, to put greater emphasis on the study of foreign languages and to make staff more aware of the various problems involved.

Schedule date : end of 1982.

#### C. External Barriers to the Crossing of Frontiers

##### Action to be taken by the Governments

- 7. The inspections carried out by the customs, and by the veterinary, public-health, plant-health and quality inspection departments, the inspections relating to polluting substances and the organization of inspections and activities by the various parties involved in a transport operation sometimes take a considerable amount of time because the activities of the various authorities at the border are poorly organized.

Action should therefore be taken to ensure that :

- (a) inspections are carried out simultaneously in one place, preferably the place of departure and/or destination of the goods,
- (b) goods and means of transport are not inspected systematically,
- (c) the findings of inspections are mutually recognized,
- (d) there is adequate cooperation between the various authorities which carry out inspections,
- (e) business hours and staff members are fixed in relation to the volume of traffic, and
- (f) information and notification procedures are improved.

The Commission has submitted to the Council a proposal for a Directive on the facilitation of formalities and inspections in respect of the carriage of goods between Member States. (1)

#### D. Internal Barriers to the Crossing of Frontiers

##### Action to be taken by the Railways

8. There would seem to be operating difficulties concerning the following operations :
- (a) exchange of wagons,
  - (b) inspection of wagons,
  - (c) exchange of tractive units at the border,
  - (d) marshalling and train formation,
  - (e) labelling of wagons,
  - (f) issue of brake records,
  - (g) routing of accompanying documents, and
  - (h) inspection of freight documents.

To be sure, the measures to be taken in this connection are within the Railways' sphere of responsibility, and a number of them are on the Group of Ten's list, so the Commission's role could simply be to give guidance and set deadlines.

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Scheduled date : first half of 1983.

9. Where infrastructure is concerned, it can be stated that the formation of international trains and customs clearance operations necessitate an increase in the capacity of certain marshalling yards close to the border on routes carrying a considerable amount of international traffic.

Steps should be taken to reduce the congestion arising from the inadequacy of these marshalling yards.

The Commission will examine the sort of investment which should be programmed for this purpose, but is not yet in a position to indicate any deadline for this measure.

## II. PASSENGER SERVICES

### A. Technical Matters concerning Operation

#### Measures to be taken by the Railways : TEE Grouping and new Inter-City Concept

10. The Railways have adopted UIC Leaflet 140.0 which specifies the characteristics of inter-city trains. The services to be provided should be specified for each inter-city link, on the lines of the TEE services, the aim being to arrive at a new definition of quality trains based on speed and comfort and a general framework for inter-city trains. The railways should take advantage of the TEE image and project it in relation to all their quality services.

Scheduled date : end of 1982.

#### Measures to be taken by the Governments and by the Railways : Establishment of a Network of High-speed International Lines

11. A number of railway networks have developed or are experimenting with high-speed trains or, at least, programmes to increase speeds. These efforts should be combined and a network of high-speed international lines should be established.

The ultimate aim would be to have an overall policy covering market developments and the service to be provided. Government action is essential to the extent that infrastructure is involved.

Scheduled date : first half of 1983.

B. Commercial Management

Action to be taken by the Governments

12. In order to implement the terms of reference to be given to the Railways by the State, as the owner, they must be sufficiently independent where the commercial management of international passenger transport is concerned, in order to help attain the objectives of the 1975 Decision.

This means in particular :

- (a) that the Governments, in their capacity as Supervisory Authorities, should refrain from intervention in the day-to-day management of the railways ;
- (b) the Railways should be completely independent where all activities in this sector are concerned, in particular as regards marketing and pricing policy ;
- (c) the Railways should assume responsibility, vis-à-vis their owners for the financial results of their managerial activity ; and
- (d) the Railways should be free to take all necessary action in order to strengthen international cooperation, taking the common interest into account.

Scheduled date : Before the end of 1982 the Commission will submit a proposal similar to that concerning the fixing of rates for goods traffic mentioned in Section 16 below.

Special reduced fares

13. The difference from country to country between the special reduced fares, which also affect international traffic, are incomprehensible for users and detract from the Railways' image. Harmonization should consist in

approximating the measures adopted by each Member State, with special attention being paid to the repercussions on international traffic.

Scheduled date : On the basis of an examination of the present situation, the completion date for which cannot be specified at present, the Commission will make a proposal.

Action to be taken by the Railways :

14. In order to improve the image and the commercial efficiency of the Railways where international passenger traffic is concerned, it is important that they should make further progress by bringing their services and their sales forces into line with the market situation.

The following measures might be envisaged :

- (a) development of a proper joint-marketing and advertising service, and creation of appropriate bilateral or multilateral structures ;
- (b) establishment of an international charging system (TEV) which is independent of the domestic charging systems, is based on costs and is in line with requirements concerning rational and efficient sales ;
- (c) harmonization of commercial tariff measures, taking into account the competitive situation, with powers being delegated on a reciprocal basis ;
- (d) development of package trips in conjunction with travel agencies and tourist boards, relying on the distribution networks which the travel agencies and the tourist boards have at their disposal ;
- (e) creation of a permanent body for the coordination of joint activities concerning international passenger traffic.

Scheduled date : end of first half of 1983.

III. FREIGHT SERVICES

A. Technical Matters concerning Operation

15. Action to be taken by the Railways

A number of measures should be taken by the Railways in order to develop or revive certain projects.

The main aspects concerned are as follows :

- (a) ways of improving the European Wagon Pool ; creation of new specialized-wagon pools ;
- (b) increasing the commercial speed to 90 km/h on the main routes ;
- (c) developing inter-network trains finishing up in marshalling yards situated far from the border ;
- (d) increasing the speed with which consignments are forwarded, on well-equipped routes ;
- (e) extending the improved programming of the forwarding of consignments for heavy traffic and perishable goods, so as to include as many goods as possible,
- (f) stepping up and diversifying whole train-load services ; and
- (g) monitoring trains in order to provide the best possible quality of service.

Scheduled date : end of the first half of 1983.

B. Commercial Measures

16. Action to be taken by the Governments

The Railways need to have sufficient control over their rates and the services which they provide, in order to be able to cope with the various situations arising on the international transport markets.

In return for this, they would be required to cover the costs assignable to the transport operations in question and make a positive contribution towards covering joint costs.

If progress is to be made in this area, it is essential that the Council adopts the Decision concerning the fixing of rates for the international carriage of goods (on which nine Governments have agreed).

17. Action to be taken by the Railways

Better coordinated commercial measures, thanks to the implementation (where services and sales are concerned) of bilateral or multilateral strategies based on the "community of interests" concept would make it possible to strengthen the position of the Railways on the various international freight transport markets.

The following measures might be selected :

- (a) setting-up joint marketing services with a view to developing sales strategies geared specifically to international traffic and to implementing, on an international scale, action plans based on the railway networks' common interests ;
- (b) sales promotion campaigns in which the sales and operating departments would take part ;
- (c) better mutual information :
  - (i) on the general situation of the Railways,
  - (ii) on the priority to be given to certain types of traffic in view of their profitability,
  - (iii) on the cost situation of the types of traffic in question.

- (d) Where logistics are concerned, developing package services in close cooperation with the freight forwarders and in conjunction with the other modes of transport ;
- (e) establishing an adequate complement of properly trained commercial staff aware of the need to provide a service to their customers ;
- (f) establishing an international charging system for part-load traffic ;
- (g) bringing into force international tariffs with common scales and a structure which is separate from the various domestic tariffs, taking into account the respective cost and market situations ;
- (h) taking into account the common interest, i.e. the criterion of the profitability of the transport operation as a whole, from beginning to end, and not the individual sections of the journey on each of the railway networks involved ;
- (i) reciprocal delegation of adequate powers in order to cope with competitive situations necessitating the adoption of special or tailor-made tariff measures ;
- (j) concluding agreements to create revenue pools, with specific formulas for the overall distribution ; and
- (k) setting up a permanent joint body to coordinate activities concerning international freight traffic.

Scheduled date : end of the first half of 1983.

IV. COMBINED TRANSPORT

A. Piggyback Transport

18. Action to be taken by the Governments

In order to get this new technique off the ground, it quickly proved necessary to bring the various parties face to face.

After setting up a Temporary Joint Committee, the groups concerned set up a Standing Coordinating Committee.

The objectives are :

- (a) to prepare an International Agreement on Piggyback Transport governing the relations between railway networks and piggyback companies, in particular with regard to rail haulage charges ;
- (b) to standardize the railway rolling stock and lay down certain common rules of conduct for the railway networks and the piggyback companies with regard to investment.

In order to attain these objectives, the setting up of an International Piggyback Company has been envisaged.

Initially it will focus its attention on examination of the problems specific to piggyback transport, but could fairly quickly become a company for the coordination of investment and the management of specialized piggyback equipment.

Scheduled date : end of the first half of 1983.

B. Container Traffic

19. Action to be taken by Railways

Intercontainer is encountering certain difficulties, mainly concerning certain tariff levels, inadequate infrastructure, and administrative inflexibility.

In order to remove these barriers to the development of container traffic and cooperation between the Railways in this area, it is necessary :

- (a) to set a tariff level which in all cases takes greater account of the special conditions relating to the international transport market ;
- (b) to harmonize the tariff conditions relating to the various methods of combined transport, containers, swap bodies and piggyback transport, taking into account their respective costs ; and
- (c) to improve the monitoring of the international transport of large containers, and information relating to technical incidents affecting the routing of wagons. To this end, the International Information Centre planned by the Group of Ten should be set up as soon as possible

Scheduled date : end of the first half of 1983.

C. System of Rail Links and Transfer Centres

It is necessary to make provision for certain rail links carrying a considerable amount of combined transport and, to this end, to identify the weak points, particularly where transfer centres are concerned, and to determine what action should be taken as regards investment. The deadline for this, which is conditioned by contingent factors, cannot be specified at present.

20. This action Programme does not by any means exhaust all the possibilities for cooperation, but the Commission considers that it answers the wishes expressed by the Council in its Resolution of 15 December 1981. It will be followed by other initiatives in the course of 1983 on the basis of the findings of the studies now being carried out concerning general obstacles, the commercial structure of the Railways and possible action concerning joint purchasing and research. Beyond this, there is a need to explore, or examine in greater detail, a number of areas on a continuing basis in order, where possible, to achieve some degree of integration.

The Commission takes the view that overall action of this kind is a long-term task calling for permanent follow-up and a certain amount of coordination where the Railways, Governments and Community Authorities are concerned. The Commission would suggest that a Tripartite Committee for Railway Cooperation should be set up in order to carry out this task. This Committee would examine the difficulties encountered in the implementation of this and future Programmes, seek ways of overcoming these difficulties and propose subsequent action.

21. In addition, while the Council is justified in expecting a great deal from progress concerning cooperation, it is necessary to realise that this is only part of the European Community's Railway Policy.

Other, parallel activities designed to implement the general measures provided for by the 1975 Decision, and in particular the business and financial programmes, are indispensable adjuncts.

In connection with these parallel activities, mention should be made of the work on the development of infrastructure of Community interest which takes into account, in particular, the special situation of the Railways.

In addition, the Commission is aware that the efforts being made to achieve greater harmonization of the conditions of competition must be pursued in particular in the sphere of social and technical provisions and infrastructure charging.

It goes without saying that the Railways will be all the more willing to engage in cooperation if they feel that they have support for their efforts.

In order to implement all these measures, the Commission would suggest that the Railways report to their Supervisory Authorities on the measures taken pursuant to the various Community provisions. Once the Commission is in possession of this information it will be in a position to report to the Council on the results of its efforts.

22. In conclusion, the Commission would ask the Council to state its position on this Action Programme.