

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 848 final.

Brussels, 14 December 1982.

PROGRESS REPORT FROM THE COMMISSION TO THE COUNCIL

ON THE COMMISSION'S WORK IN THE FIELD OF  
INTERNATIONAL RAILWAY COOPERATION

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COM(82) 848 final.

1. The Council, at its meeting of 10 June 1982, took note of the Commission Action Programme for international railway cooperation (1). The Council invited the Commission to continue with its work and present, as soon as possible, definitive proposals to promote closer international railway cooperation.

A) Measures announced for the end of 1982

2. Actions have been undertaken in the following areas:

- 2.1. Improved training and motivation of railway staff

A programme on training and sensibilization of railway staff (language courses, specialized seminars, staff exchanges) will be elaborated with railway and trade union experts.

It is envisaged to lay down this programme before the end of 1983.

- 2.2. Frontier Controls

On 16 April 1982, the Commission transmitted to the Council a proposal on facilitation of formalities and controls for freight transport between Member States(2). The provisions of this proposal dealt with the organisation of physical controls and the administrative formalities for all transport modes, including railways. The proposal is on the Transport Council's Agenda for 16 December 1982.

- 2.3. Establishment of a high quality passenger transport network

The Commission will adopt in the near future a **recommendation to the railway undertakings that they prepare a report on this subject by May 1983.** Member States are invited to support, through their national railway undertakings, the Commission's initiative.

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(1) Doc. COM(82) 237-Final of 7 May, 1982.

(2) O.J. C 127 of 18 May, 1982.

2.4. Commercial Autonomy of Railway Undertakings in the Management of

International Passenger and Luggage Transport

3. The Commission will, before the end of 1982, propose a Council Decision for the commercial management of railways, particularly for pricing. The proposal shall also provide that Railways will be obliged to attain optimal financial results for international passenger traffic.

This Decision will permit the extension of commercial practices to international passenger services, practices which they already apply to their international freight traffic.

B) Measures envisaged for the first six months of 1983

3. The Commission has already taken certain initiatives in the following areas:-

3.1. Legal obstacles to cooperation

The Commission will present a report to the Council on the basis of work undertaken by the Group of Ten and a study carried out on the Commission's behalf.

3.2. Harmonisation of tariff reductions given on social grounds

On 19 October 1982, the Commission addressed to National Governments a résumé (drawn up by the railways) of reductions, both social and commercial, given to certain categories of user.

A multilateral meeting was held on 3 December 1982, during which there was a first exchange of views on the possibilities for harmonizing and simplifying reductions given to certain categories of user in intra-Community traffic.

3.3. Internal obstacles to frontier crossings

The Commission has undertaken preparatory work in this area (working documents have been prepared). A Commission recommendation will be made to railway undertakings in due course.

3.4. Technical conditions of freight operation

A meeting with railway experts is envisaged for March 1983.

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### 3.5. Commercial Management of International Freight and Passenger Traffic

The Commission's Services drew up at the beginning of October, two working papers for discussion with the railways with the objective to promote measures for:-

- common marketing services,
- international pricing systems, for both freight and passengers, independent of national tariff systems.

Two draft recommendations, addressed to the railways, will be presented to the Council before July 1983.

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### 3.6. Combined Transport

#### 3.6.1. Interunit

An international Company for transport by road/rail (INTERUNIT) was established on 14 October 1982. This development had been envisaged in the Commission's Action Programme on railway cooperation.

INTERUNIT has submitted its statute for the Commission's opinion as to its conformity with Community rules on competition. The Statute is currently under examination by Commission officials. As soon as this examination is finished and providing the opinion is favourable the Commission will transmit proposals to the Council for the Company's activities to pass rapidly from a study to an operational phase.

#### 3.6.2. Combined Transport Tariffs

The Commission has started studies on preparing specific measures to better adapt Combined Transport Tariffs to the international transport market.

Proposals will be submitted in the first six months of 1983.

#### 3.6.3. International Information Centre

The Action Programme only provides for a centralized computer system for container movements. Preliminary studies reveal the possibilities and benefits of such a system for all freight movements. The proposals to be submitted will therefore incorporate all freight rail movements.

#### 3.6.4. Network of links between railways and transshipment centres

Studies are underway. INTERUNIT will probably be consulted to provide the information available.

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IMPLEMENTATION OF COUNCIL DECISIONS

4. Council Decision of 19 July 1982<sup>(1)</sup> on the fixing of prices for  
International Transport of Goods by Rail

By its letter of 29.10.1982, the Commission drew the attention of the Governments to the provisions of Article 9 of the Decision under reference which stipulates that "the Member States adopt before 1 January 1983, and after consultation of the Commission, the necessary measures for the execution of the present Decision".

By 26 November, 1982, the Commission had received only one request for consultation -

The Commission considers that the elimination of possible legal obstacles in the pricing field and authorisation for railways to pursue their common interest (Article 5 of the Decision) are prerequisites on other commercial measures in the development of the railways.

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(1) Official Journal of the European Communities No. L 234/5 of 9.8.1982.

D) OTHER WORK

5. Opinion of the Committee (Art. 83) on the possibilities for a more commercial management of railways

The Commission, on 19 March, 1979, charged the Consultative Committee on Transport to examine the possibility of making the management of railways more commercial.

The draft opinion drawn up by the Group DE HAECK has already been examined twice by the Plenary Committee, the last occasion 20 October, 1982, but has not yet been adopted because of the divergent positions of certain experts (governmental, hauliers and unions).

Its adoption by the normal written procedure is currently underway but but the outcome is uncertain.

6. Study of commercial structures of railways for the international transport of goods

On 25 November, 1982 the Commission's services received a study, carried out by private consultants (SEMA). The report provides a critical analysis of the current commercial structures of railways.

In the third part, a certain number of general actions which concern both governments and railways are proposed. In particular, attention is drawn to the fact that railways, controlled by States performing activities which are in competition with other modes of transport, "are nearly all, to some degree or other, disadvantaged by their institutional framework, which is characterized by a lack of clarity as to their responsibility.

The Commission envisages to diffuse this study to governments and railways in January. The Commission will certainly prepare certain actions based on the conclusions of this study.

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7. Study on obstacles to the development of railway cooperation

The Commission requested a private consultant (University of Paris IX-Dauphine) to examine legal obstacles, outside the commercial field, to closer cooperation, as well as other possibilities of action.

The final report was received on 25 November 1982.

The report concluded that the State as owner exercised control over the railways' actions and any legal obstacles arising from this de facto situation would only be overcome by a close collaboration and agreement between the undertakings and the States.

The possibility for closer cooperation on joint purchasing appears limited. The report does however see opportunities for development of common research programmes.

The report's conclusions, which will be taken into account in future proposals on cooperation, will be communicated to the railways and Member Governments.

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8. Study on energy conservation in railways

Following the European Parliament's Resolution of October 1981, the Commission invited the Group of Ten Railways to examine the problems of energy conservation by railways.

A report has now been prepared. The report examines the possibility of energy conservation, the railways' potential to conserve energy as well as research into development and demonstration of the railways rational use of energy.

This report, together with those carried out for road and inland waterways, should provide the Commission with the basic elements to prepare a Communication to the Council on measures to be undertaken for a rational use of energy in transport.

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E) Concluding Remarks

9. It can be seen from this intermediary report that the Commission is continuously attempting to achieve a marked improvement in international railway cooperation.

It is only beginning to implement the action programme envisaged : the measures taken this year represent only the first step.

The most important parts of the programme will be implemented next year. For this action to be effective it is indispensable that the Council and the Member States support the joint actions of the Commission and the railways.

This support should include both the adoption of all necessary measures to promote cooperation and a political appreciation of this issue and required solutions.