

The 4th railway package

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Background

The 4th railway package, tabled by the European Commission in January 2013, aims to improve the competitiveness of the rail sector and quality of rail services by removing administrative costs, introducing more competition in domestic passenger services and ensuring a level playing field for operators.

A three-way agreement on the “technical” files was reached by Parliament, the Council and the Commission in June 2015 and approved in Parliament’s Transport Committee in March 2016. Parliament and Council negotiators then reached a provisional agreement on the “market” pillar of the railway package on 19 April.

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Background

Technical pillar

The so-called “technical” pillar of the 4th railway reform package consists of proposals to amend the [interoperability](#) and [safety](#) directives and a [regulation on the European Railway Agency](#).

The overall aim of the changes is to save rail operators time and resources when submitting applications for required safety certifications and equally for rolling stock manufacturers when submitting applications for authorisations to place a vehicle on the market. Rail operators wishing to operate in more than one member state, would be able submit applications to the European Railway Agency instead of several member states’ authorities, as they must do at present.

Operators and manufacturers wishing to operate in only one member state would be able to decide whether to submit the required applications to the authorities of that member state or to the European Railway Agency.

According to the European Commission, with 11,000 different national and EU rules, procedures to authorise new rail vehicles can take up to two years and procedural costs can account for up to 10% of the cost of a locomotive. Similar timeframes and high costs reported for rail companies’ safety certification procedures.

Background

Market pillar

The “market pillar” consists of proposals to amend a directive on [governance and market opening](#), a regulation on [awarding public service contracts](#) and a proposal to repeal a regulation on [normalisation of accounts of railway undertakings](#).

The [provisional agreement](#) reached between Council and Parliament negotiators on 19 April 2016 aims to introduce the following changes:

- ensure impartiality of railway infrastructure managers to guarantee non-discriminatory access to tracks for new railway companies and ensure better use of rail infrastructure and improve financial transparency in order to remove the risk of cross-subsidisation between infrastructure managers and transport operators,
- open domestic rail passenger markets from 2020, so that railway operators can provide services across the EU. More competitive pressures should lead to better quality services, better in tune with customer needs and more frequent trains, and
- more competition and performance targets for public service contracts so as to improve cost-efficiency and get better value for money for taxpayers. Competitive bidding would become the norm for awarding public service contracts from 2023 to provide passenger rail services, which currently make up a large share of all rail services. Any contract awarded directly would need to meet performance targets (punctuality, quality of service etc.).

(Sources: [European Commission](#), [EPRS background briefing](#))