



22.1.2018

WORKING DOCUMENT

on ECA Special Report 13/2017 (Discharge 2016): A single European rail traffic management system: will the political choice ever become reality?

Committee on Budgetary Control

Rapporteur: Claudia Schmidt

Summary

The European Rail Traffic Management System (ERTMS) is designed to replace the diverse railway signalling systems around Europe with a single system that enables trains to travel uninterrupted across different countries and facilitates rail competitiveness. However, it entails costly investments with no immediate benefit in general for those who have to bear the cost.

To help the Member States deploy the system, approximately €1.2 billion was allocated from the EU budget between 2007 and 2013. 645 million euro came from the Trans-European Network for Transport Programme (TEN-T) and 570 million euro from the European Regional Development Fund and the Cohesion Fund. During 2014-2020, the estimated total is 2.7 billion euro.

The Court launched a performance audit to assess whether the system had been properly planned, deployed and managed, and whether there was an individual business case.

The conclusion was that, so far, deployment the EU is at low level and represents a patchwork, despite the fact that ERTMS concept and vision to enhance interoperability is not generally questioned by the rail sector. There is a reluctance by many infrastructure managers and railway undertakings to invest in the necessary equipment due to the expense entailed and the lack of an individual business case for many of them. EU funding, even if better managed and targeted, can only cover a limited amount of the overall cost of deployment.

This puts not only the achievement of the deployment targets set for 2030 and investments made so far at risk, but also the realisation of a single railway area as one of the major Commission's policy objectives. It may also adversely affect the competitiveness of rail transport as compared with road haulage.

Despite the strategic political decision to deploy a single signalling system in the whole EU, no overall cost estimate was performed to establish the necessary funding and its sources. The legal obligations introduced did not imply the decommissioning of national systems, nor are they always aligned with the deadlines and priorities included in EU transport policy. As of today, the level of ERTMS deployment across the EU is low.

Problems with compatibility of the different versions installed as well as the lengthy certification procedures also adversely affect the individual business case for infrastructure managers and railway undertakings. Despite the new European Deployment Plan, major challenges of successful deployment remain. In addition, not all EU funding available for ERTMS was finally allocated to the system projects and it was not always well targeted.

Based on these conclusions, the Court recommends: the assessment of ERTMS deployment costs; decommissioning of national signalling systems; individual business case for infrastructure managers and railway undertakings; compatibility and stability of the system; role and resources of European Union Agency for Railways (ERA); alignment of national deployment plans, monitoring and enforcement; absorption of EU funds for ERTMS projects and better targeting of EU funding.

Recommendations by the rapporteur

The European Parliament:

1. Welcomes the Court's report, and endorses its remarks and recommendations;
2. Notes that the Commission did not assess properly the impact of the legislative packages that it has launched since 2000 on the rail sector; regrets that the EU funds invested in the several projects cannot be considered cost-effective;
3. Notes that railway sector is generally very corporative which may affect the perception of the market liberalisation more as a threat than as an advantage;
4. Notes that the interest of Member States to enhance interoperability is not accompanied by a necessary estimation of costs and required funding; encourages Member States to set realistic targets when allocating EU financial support to the system ERTM and advises the Commission to set deadlines for implementation that can be met;
5. Considers that the costly investments required by this system accompanied by the non-immediate benefit for those that bear the costs demand a strategic assessment of priorities setting within the Council/Member States; encourages Member States to focus on better coordination of the European deployment plan and make sure EU commitments are considered within their national priorities;
6. Is concerned with the high rate of decommitment related to TEN-T support for ERTMS projects mainly motivated by the fact that EU financial provisions are not aligned with the national implementation strategies; calls on the Commission to take the necessary measures to overcome these shortcomings;
7. Regrets that EU funding for on-board units is mostly taken up by domestic traffic and that freight transport cannot be supported by Cohesion funds; reminds that the rail freight transport is one key aspects of the single market;
8. Calls on the Commission to ensure that shortcomings related to incompatibilities of the system are effectively overcome within the next programming period;
9. Considers that the single rail market to be operational will require the full involvement of the market operators concerned prior to the allocation of EU funding; is of the opinion that the EU policy on the rail sector require a totally shift of strategy.