

## **P6\_TA(2007)0344**

### **First railway package**

#### **European Parliament resolution of 12 July 2007 on the implementation of the first railway package (2006/2213(INI))**

*The European Parliament,*

- having regard to the report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation of the first railway package (COM(2006)0189) and the accompanying Commission staff working paper (SEC(2006)0530),
  - having regard to Directive 2001/12/EC of the European Parliament and of the Council of 26 February 2001 amending Council Directive 91/440/EEC on the development of the Community's railways<sup>1</sup>,
  - having regard to Directive 2001/13/EC of the European Parliament and of the Council of 26 February 2001 amending Council Directive 95/18/EC on the licensing of railway undertakings<sup>2</sup>,
  - having regard to Directive 2001/14/EC of the European Parliament and of the Council of 26 February 2001 on the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure and safety certification<sup>3</sup>,
  - having regard to its resolution of 15 June 2006 on the deployment of the European rail signalling system ERTMS/ETCS<sup>4</sup>,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Transport and Tourism (A6-0219/2007),
- A. whereas the first railway package is intended to revive the rail industry, by acting as a first step towards the creation of an integrated European railway area, and to expedite progress in the modal shift of freight traffic from road to rail,
- B. whereas Parliament, at first reading on the third railway package, requested the Commission to submit reports on the impact of the first and second railway packages,
- C. whereas the transport sector is responsible for between 15 and 30 % of all the EU's CO<sub>2</sub> emissions, and whereas, accordingly, there is a need to boost the shift of traffic from road transport to the railways and inland waterways, which have a less negative impact on the climate,
- D. whereas moves towards a modal shift, and to optimising intermodal chains, have as yet proved unsatisfactory, and whereas the first railway package has not yet delivered the

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<sup>1</sup> OJ L 75, 15.3.2001, p.1.

<sup>2</sup> OJ L 75, 15.3.2001, p.26.

<sup>3</sup> OJ L 75, 15.3.2001, p.29.

<sup>4</sup> OJ C 300 E, 9.12.2006, p. 499.

desired results,

- E. whereas the underlying conditions for competition and cooperation between rail, road, air and maritime transport are inevitably bound to have an impact on the performance of each mode of transport, and whereas any debate on the efficiency and competitiveness within each mode must begin with the issue of fair competition between them,
- F. whereas environmentally harmful road transport is given preferential treatment because an EU-wide system of tolls, with their fixed maximum limit, is levied on a voluntary basis, mostly only on motorways and only for lorries, with no internalisation of external costs,
- G. whereas tolls have shown remarkable success in generating a shift of traffic from road to rail – for example in Switzerland - and are an example of the greatest interest for EU transport policy, particularly since the improved efficiency of freight transport by road has increased costs for the consumer by only 0,5%,
- H. whereas the EU, in its agreement with Switzerland and in the Alpine Convention, has signed transport protocols, thus ensuring that the shift of more trans-Alpine freight traffic towards the railways will form part of the EU's future transport policy,
- I. whereas experience has shown that the degree of market opening and the number of firms entering the market has been very varied, both within and outside Europe, in smaller and larger, old and new Member States; whereas competition has proved its worth in those areas in which it has been introduced and smaller rail undertakings have often successfully filled niches which larger firms regarded as unprofitable,
- J. whereas enlargement from 15 to 25, and now to 27, Member States has brought countries into the EU whose rail structures in some cases differ markedly from those in the “old” Member States, which entails different types of opportunity and risk for the rail sector; whereas EU enlargement and the EU Neighbourhood Policy are presenting new challenges for the EU as regards shaping an appropriately differentiated rail policy,
- K. whereas, in some new Member States, notably the Baltic States, freight traffic to and from third countries constitutes almost half of total turnover; whereas the liberalisation of the rail sector is hindered by the different legal frameworks found in the EU's neighbouring countries and a lack of active dialogue between the EU and those states; whereas traditional rail companies, as a result, have a dominant market position when cooperating with non-EU rail operators,
- L. whereas the opening up of the networks is one of the factors that has led to an increase of 60% in rail freight traffic in the UK, of 42,5 % in the Netherlands, of more than 30% in Poland and of 25% in Germany, while in France, where the national railways for the moment practically face no competition, it has fallen by 28%; whereas this also has an impact on jobs and on the quality of the service offered, not to mention the climate, since the freight lost to the railways is now transported by road,
- M. whereas this is particularly connected with the fact that on the rail network in Germany, where the scheduled date for the opening up of the market to competition has been anticipated, there are 274 licensed freight operators; and whereas there are 60 operators in Poland, while there are only five in France, where the dates for the opening up of the

market were strictly applied, not to mention countries such as Finland and Slovenia, where the state monopoly still faces no competition at all,

- N. whereas fair and transparent charging on the rail infrastructure is an essential precondition for any competition in this sector; whereas Directive 2001/14/EC, while it makes marginal cost the underlying principle of charging, allows for discretion in the levying of charges, which leads in effect to widely differing charging systems and levels of charge in the Member States; whereas the differing levels of investment by the Member States in the rail sector are passed on as differences in charging by infrastructure operators,
- O. whereas past experience and the current intensity of competition show that the rail system works even if the network and operations are separated in a regulated manner,
- P. whereas single wagonload traffic, with a share of over 50%, is an important component of European rail freight traffic on which many of the rail companies' customers rely,
- Q. whereas the available statistics on rail accidents, while still incomplete, show a positive trend in rail safety even since the opening of the freight transport market; whereas in Member States which have opened up their markets to the greatest extent there has been no worsening in the level of safety; whereas it has become too difficult to obtain safety certificates in practice as a result of implementation problems, a lack of transparency and organisational and administrative restrictions,

#### ***Conditions for intermodal competition***

1. Recalls that – given growing traffic volumes, rising emissions and limited energy resources, as well as thousands of road accident victims – reviving rail transport is a key objective of EU transport policy, and calls on the Commission to take account of this fact when implementing the first rail package;
2. Considers that the “Eurovignette 2” Directive is an initial step towards fair intermodal competition: fair competition is not possible when the levying of charges is mandatory throughout the EU for all trains on all rail routes, while road tolls in the EU have an upper limit, are charged only on a voluntary basis without an internalisation of external costs, mostly only on motorways and only for lorries; calls, therefore, on the Commission to submit a proposal for a directive by 2008 (cf. Article 1(9) of Directive 2006/38/EC of the European Parliament and of the Council of 17 May 2006 amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures<sup>1</sup>) 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;
3. Calls on the Commission to 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;
4. Notes that competition between rail and air transport is distorted; considers that an exemption from kerosene tax and from VAT on international air tickets should be placed on the agenda as a matter of urgency, both at international and EU levels;

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<sup>1</sup> OJ L 157, 9.6.2006, p. 8.

5. Considers it incompatible with the objective of European transport policy that Member States charge high route prices on the rail freight network, while, at the same, charging no tolls for lorries on the roads;
6. Emphasises that the lack of network interoperability is still the main obstacle to the creation of an integrated European railway area, and welcomes the Commission's decision to put forward a new initiative on this issue; considers that liberalisation should have gone hand-in-hand with the progress made on interoperability and regrets that the two processes have proceeded at very different speeds; points out that opening up the networks to competition will bear fruit only if there is a real integrated trans-European network; calls for this question to be treated as a priority in future;
7. Calls on the Commission to modernise and develop intermodal infrastructures, particularly junctions with port infrastructures;

### ***Conditions for intramodal competition***

8. Stresses that the interoperability of rail traffic must be further improved so as to enhance the competitiveness of the railways; calls in this connection for ERTMS to be installed rapidly and without gaps in the six corridors on which the EU, through its coordinator Karel Vinck, 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);
9. Urges the Commission to extend the good example set within the field of state aid for rolling stock, made possible in connection with the installation/improvement of ERTMS in trains and to noise reduction in goods trucks, as this will enable savings to be made in infrastructure investments;
10. Recognises that the option of giving preference to passenger rail transport at the expense of rail freight transport through very high route pricing is a factor which negatively affects the competitiveness of rail freight transport; notes that such action by rail undertakings is a direct result of the under-funding of these undertakings by the Member States; calls, therefore, on the Commission to take all legal steps to prevent this practice;
11. Calls on the Commission to take action against the practice whereby EU transport aid flows into Member States which use it almost exclusively to subsidise their road networks while neglecting the railways; considers that, in the event of co-financing, at least 40% of the appropriations should be allocated to the railways;
12. Notes that the three Baltic Member States have implemented EU legislation and are liberalising their markets while this is not the case in their neighbouring country, Russia. This special situation should have been acknowledged in the European Commission report;
13. Supports the Commission in its efforts to promote the trans-European rail freight network still further and expects support to be given in particular to the priority Trans-European Network projects;
14. Requests the Commission to put forward recommendations for the sustainable reform of

the railways' financial structure (see Article 9 of Council Directive 91/440/EEC);

15. Calls on the Commission to draw up a plan for promoting the restoration of rail connections to industrial undertakings and to ensure that links are no longer destroyed;
16. Calls on the Commission to look into the possibility of making route prices more transparent and predictable, establishing the principle of a minimum of harmonisation of prices on international corridors in which railway undertakings are investing in order to improve interoperability;

### ***Regulation of the separation between network and operation***

17. Considers the separation of railway infrastructure and operations to be a key issue of rail policy, given the central role of infrastructure operators within the rail industry, and in this connection regards it as absolutely essential to create an independent and transparent regulatory body with adequate funding;
18. Considers both the separation and the integration models to be compatible with Community law, provided that the independence of the essential functions is safeguarded in accordance with Directive 2001/14/EC; considers that this is not fully the case, as is shown by the numerous complaints made by undertakings entering the market which are in competition with incumbent state railway undertakings; highlights that their complaints include or have included the following:
  - access to the network or to a favourable route could not be granted because this route had already been allocated to a rail undertaking belonging to the dominant group;
  - their wishes could not be met since points had previously been extended and/or passing loops dismantled;
  - low-speed stretches of route (speed limits) had been ordered – for no good reason – in order to undermine competitors' security of connections;
  - it was not possible to purchase second-hand locomotives because they had already been scrapped, or because potential buyers were prevented from doing so by national rail undertakings;
  - route prices were drastically increased after a former state railway undertaking was purchased;
  - route prices were raised at such short notice that it was not possible to take them into account in pricing, while the railway undertaking belonging to the dominant group was notified in advance;
  - cross-subsidisation within dominant groups was not prevented, because parts of the route prices they paid flowed into the holding company instead of being used to benefit the infrastructure, which not only improved their results but also enabled them to provide their service more cheaply on the market;
  - non-state undertakings often pay higher energy prices than group subsidiaries, even if energy supply is integrated into the holding company, and this distortion of competition has even been ruled permissible by the Frankfurt Regional Court ;

- licensing, particularly of locomotives, is regulated differently from one country to another and each Member State requires a separate licence for its own network, which is not only very time-consuming but also prohibitively expensive;
- 19. Notes that the entry into the market of new service providers in the single wagonload traffic sector is dependent on the efficient operation of marshalling yards; regards it as necessary for marshalling yards to be neutrally operated in order to ensure that all undertakings are treated in a non-discriminatory manner, and calls on the Commission to consider amending EU law to this effect;
- 20. Calls on the Commission 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 be permitted to operate across the whole European network (cross-acceptance), thus promoting not only trans-European but also regional cross-border traffic; emphasises that this will also eliminate the advantages of road and air transport where these have existed for many years;
- 21. Calls on the Commission 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;
- 22. Notes that absolute priority must be given to the full implementation of the First Railway Package, including the test criteria laid down by the Commission in the Annexes to its report on the implementation of the First Railway Package;
- 23. Highlights that the railways' share of the freight market has been stabilising since 2001 in the 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 that were first to commence with a reform of their railway industry in anticipation of the promulgation of the Community Directives and the opening up of the market;
- 24. Notes that capacity shortages on the railways in Europe have a negative effect on the operation of the railways in relation to other modes of transport; calls on the Commission, before the end of 2007, to study the effects of Articles 22, 25 and 26 of Directive 2001/14/EC with reference to the capacity analysis and capacity enhancement plan prescribed therein in the event of infrastructure congestion;
- 25. Emphasises that improving the competitiveness of the sector through market opening will encourage future investment, thus ensuring growth and employment, two objectives that the Lisbon Strategy aims to attain; notes that, in addition, by contributing to the development of environmentally friendly transport, the Community thus opts for the development of sustainable transport;
- 26. Stresses the importance of an independent role for railway undertakings, as enshrined, inter alia, in Article 5 of Directive 91/440/EEC with regard to technical, organisational and financial management, and notes the positive effects of such a role on the development of rail as a mode of transport;
- 27. Highlights the importance of European social dialogue in preventing the process of liberalisation from facilitating social dumping;

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28. Instructs its President to forward this resolution to the Council and the Commission.