

“The Last Mile towards the 4th Railway Package”

24 September 2012, Brussels

Summary document of the conference

Keynote addresses

Mr Siim Kallas, Vice-President of the European Commission

Many challenges lay ahead to enable the trans-European rail sector to achieve its full potential through the creation of a single European railway area. Plenty of progress has been made with recent agreement on the recast of the First Railway Package which will stimulate investment, improve market access conditions and reinforce national rail regulators. More reform is needed for rail to compete effectively with other modes, by removing barriers, attracting more operators to the market, making the industry more efficient and raising service quality, punctuality and reliability.

EU-wide standards are required, allowing trains to be built and certified to run everywhere in the EU and saving money in the process. The European Railway Agency (ERA) should become the authority to issue safety certificates and vehicle authorisations provided there is technical compatibility.

A combination of open access to domestic rail passenger markets and of competitive tendering for public service contracts (PSCs) should be encouraged to provide competition in and for the market.

Infrastructure management functions such as charging and the allocation of rail capacity, financial transparency, maintenance, renewal, upgrade and development of the infrastructure, day-to-day traffic management and the provision of real-time information must be kept apart from the operation of transport services and be exercised independently through a separated structure.

Mr Dominique Riquet, Member of the European Parliament (PPE-FR)

The creation of an integrated transport system had proven difficult with a continued need to overcome physical and organisational barriers. The freight industry has demonstrated the benefits of opening up the markets. It is time for rail to adapt to single European market ways of thinking and embrace interoperability, transparency, create the right fare conditions and open up the infrastructure. The extension of the competences of ERA should be supported, hoping that one day a single European regulator may exist.

Plenary I: Opening a new page in European Railways

(Moderator: Mr Matthias Ruete, Director General - European Commission, DG MOVE)

Ms Catherina Elmstäter-Svard, Swedish Minister for Infrastructure

Rail restructuring in Sweden started in 1988 when despite attempts at a financial overhaul, the quality of rail transport and infrastructure could not be maintained. Railway transport was not customer driven. There was a lack of funding for investment. The incumbent had become a “state within a state” that asserted its own interests at the expense of common interests.

Infrastructure management was separated from the operation of rail transport, both in terms of organisation and decision-making. The supply of rail transport services was diversified within a competitive procurement system. In return, demand for rail transport as well as investment in railway infrastructure and rolling stock began to increase. More rail companies were established; both railway freight and passenger transport increased capacity and efficiency. A vertically separated

railway system considerably reduces the need for any detailed regulation which is neither efficient nor sufficient.

Some difficulties will remain which will need to be resolved in a way that does not damage competition. How shall we deal with the introduction of ERTMS in a neutral way without specifying the equipment to be purchased but ensuring interoperability? What incentives are needed to ensure that the infrastructure manager (IM) operates efficiently, and on the basis of the demand of rail companies for capacity so that they can offer transport services that correspond to customers' requirements? An effective and consolidated rolling stock market is urgently required.

Mr Mauro Moretti, Chairman - CER

The rail sector needs a fair and stable regulatory framework, not one that changes every two or three years. Rules must be homogenous and valid for everybody to create a sound business environment, to attract private and public investment and to create a Single European Railway Area.

We must streamline the certification and authorisation processes that constitute huge barriers for market entry and consider the efficiency gains that an enhanced ERA may benefit the sector with, such as centralising some functions currently performed by national safety authorities (NSA), speeding up the processes for rolling stock authorisation and placing on the market, safety certification of railway undertakings (RUs) and the development and application of the legal framework. Since there seems to be agreement on this point, the Commission's proposal should be "fast tracked" through the legislative procedure in the case of ERA.

Consideration must be given to the best way to open domestic markets. Open access services must not lead to the detriment of services provided under PSCs.

Studies on different organisational models on the market show mixed results and suggest that other variables (such as system costs, modal share, and State funding) have a significant impact on performance. Different structures work best in different circumstances and therefore a flexibility of structural models may be beneficial.

Mr Philippe De Backer, Member of the European Parliament (ALDE-BE)

According to Directive 91/440/EEC, Member States have to separate infrastructure and services with the final aim of increasing rail's market share. The results have been disappointing because most Member States did not want to give up their national monopolies. 3 rail packages have followed, 21 years later we are still discussing the issue. Eurostat data shows rail share of passenger and freight transport is still low for the EU27 at 6.3% and 10.2%.

A single European rail market will help to reach the 60% GHG emission reduction by 2050 as laid down in the Transport White Paper of 2011.

Member States must put interoperability into practice, allowing cross acceptance and a single process of placing vehicles into service. It's unacceptable to let years pass by before taking any action.

Trade unions claim that liberalisation leads to less safety on rail which is untrue and unproven.

ERA works well and it is accepted by all stakeholders so it should be turned into the one stop shop that is needed. In the future national technical and safety rules should no longer exist. There should be one authority that gives out licences, gives vehicles authorisation and monitors and controls the market.

It is very difficult to convince Member States of the added value an open market brings, as in most cases national passenger transport is in the hands of the State-owned incumbents. However, if carried out in a consistent manner, it will give the passenger greater choice and lead to better quality of service. Market liberalisation should be accompanied by a legal separation between IM and RU. Unbundling should be the standard. The debts many companies are bearing now are the result of the existing inefficient integrated structure. Efficiency gains are desperately needed, also for the public purse.

Mr Mark Hopwood, Managing Director - First Great Western, First Group

First Great Western is the largest train passenger operating business in the UK with over 25% of the market, winning tenders to operate long-distance, regional and commuter services.

Privatisation in the UK had been born from British Rail not delivering, with poor performance and low passenger satisfaction. Innovation came from the introduction of market competition which has been so successful that significant growth has now led to a change of political context (all UK political parties support rail investment), limited support for returning to public sector operation and a continued move to funding from the fare payer rather than the taxpayer.

In London and South East demand is already 10% above forecasts and is likely to be by 2020 33% above 2007 expectations. Twice yearly National Passenger Surveys conducted by an independent organisation provide a focus of passenger perception with a number of aspects of the service provided. This is in addition to four weekly customer services monitoring to ensure that the service provided meets the needs of passengers.

A firm framework with flexibility for innovation and partnership needs to be created to allow private companies to grow in Europe. Obstacles to new entrants must be tackled, such as direct award in some "open" markets. Without leasing companies, state/regional authorities will need to absorb financial risks or new entrants will not be able to lease or acquire stock. Through-ticketing arrangements should be managed alongside a "clearing house" mechanism run by an independent body to ensure fairness and reimburse operators quickly.

Mr Vincenzo Cannatelli, Vice President – NTV

NTV entered the Italian rail market following the advent of liberalisation but it needed 6 years from incorporation to starting its transport services.

In Italy, many constraints exist as both the IM and train operators are 100% owned by the same companies. The cost of high speed access was one of the highest in Europe at more than € 13 per train-km and the homologation process not well defined and continuously thwarted by the incumbent operator. It took 45 months from request of homologation to commercial service operation.

The Italian Government announced in January the creation of an independent Transportation Authority which will have to introduce fair competition in all railway sectors and to constrain uncompetitive situations. It may analyse the benefits of unbundling in the upcoming months.

NTV have invested over € 1 billion in 25 trains, depots, IT, training and staff. The benefits have spread to the customer as the advent of NTV has had a positive effect on the incumbents' services as well. Prices have decreased while additional services are being operated with higher frequencies. Marketplace innovation has also led to a new more efficient mix of sales channels with 70% coming from the internet. This all demonstrates the vital benefits of the liberalisation agenda.

Plenary II: Railways - an agenda for growth, innovation and employment in Europe

(Moderator: Mr Karel Vinck, ERTMS coordinator)

Mr Melchior Wathelet, Minister of Mobility – Belgium

Rail has an enviable record on safety and respect of the environment. Rail demand is continually growing. Mobility leads to growth; therefore we need to remove bottlenecks, harmonise interoperability rules and introduce ERTMS.

Today, rail is not the preferred mode of transport for most Europeans or for key businesses. To change this, we have to establish a single European rail market providing non-discriminatory access to all operators and to increase the predictability of major investments. Member States must take the responsibility to develop a corporate long term infrastructure development plan.

Mr Svend Leirvaag, Vice - President Industry Affairs - Amadeus

Connecting railways and other modes of transport will become the number 1 priority for European consumers. The integrated European transport system has to enable travellers to plan, book, pay for and collect their tickets in a seamless way. The sector needs to start preparing for deregulation and increased competition.

An efficient and competitive European railways sector will strengthen the competitiveness of Europe and their enterprises but this requires changes. Currently the dynamics of the marketplace mean that high price variation exists and sharing of technology to drive expansion and to keep costs down is not widely used. For instance, distribution channel ticketing bonds required for each and every RU could be replaced by a single European bond to cover them all.

Mr Johannes Mansbart, Chief Executive Officer - GATX

It is vital that entrants have availability of rolling stock on reasonable terms. The entities in charge of maintenance of vehicles (ECM) require solid operating data. An automated data exchange should be developed in a standardised format between workshops, keepers, RUs and customers.

New regulations such as vehicle noise emission standards have a material impact on the life cycle costs of rolling stock and as they deliver public rather than commercial benefits, manufacturers are not driven to seek the best solutions, choosing where applicable to pass the costs onto the RU.

Maintenance concepts need to be finetuned with unified rules and standards, optimised spare part logistics, shared services, component swaps, more preventive and less reactive maintenance.

ERA should be given a stronger role including the rights to enforce common rules and to bring clarity to a single information database.

Mr Stefan Roseanu, Chief Executive Officer - CFR Călători (RO)

The national railway passenger operator in Romania had been created in 1998 by splitting the former national railway in line with EC directives. Its key challenges are a very old fleet, poor infrastructure and a lack of investment funds.

Rail travel has been decreasing by 20% in train kilometres and by 60% in the number of passengers, with a corresponding increase in car usage. Acquisition of new rolling stock is essential to reverse this trend. Open access to domestic passenger markets and competitive tendering for PSCs are expected to improve the quality of services.

Workshop 1 – Rolling stock: reduced time-to-market

(Moderator: Mr Marcel Verslype, Director - European Railway Agency)

Mr Patrizio Grillo, Deputy Head of Unit B2 (Single European Railway Area) – DG MOVE

Several key problems identified in the sector relate to differing interpretations and implementation of EU law by Member States. National rules are often unclear, inappropriate, non-transparent (including incumbent staff seconded to NSAs), or they overlap with existing technical specifications of interoperability (TSIs). The authorisation process is long (up to 2 years), uncertain and expensive due to the multiplicity and unnecessary repetition of tests and verifications. The costs of safety certificates and for vehicle authorisations can be hugely variable.

On the basis of the impact assessment, the Commission suggests that ERA take the final decision on safety certification and vehicle authorisation in cooperation with NSAs. In this way, a single vehicle passport issued by ERA would be valid in all Member States.

Mr Alan Bell, Head of Railway Safety Policy - ORR UK

The length of time to get new vehicles into service leads to increased capital costs and hampers innovation. Inconsistent implementation of rules and bureaucracy delay the process further.

ERA's role should be enhanced to a 'partner' role promoting harmonisation and ensuring that the current structure works as it should by monitoring the implementation of directives and resolving disputes. The advantages of NSAs should not be lost including the knowledge base and feedback loop at a local level.

Mr Philippe Citroen, Director General – UNIFE

It takes on average 600 days to gain authorisation and the process is tying up € 1.4 billion capital that could be utilised for other benefits. There has only been a partial transposition of the Safety and Interoperability Directives, allowing a number of national processes to survive. UNIFE, CER, UIP and ERFA therefore all strongly support the enhancement of the role of ERA to become the European Railway Safety Agency. It should also become an appeal body and have decision-making powers in the event of disputes about vehicle authorisation processes and/or safety certificates. It should

identify unnecessary national rules and be able to request their removal like aviation (EASA) and maritime (EMSA) agencies do.

RUs need to review their procurement processes to support standardisation amongst manufacturers as such initiatives have the potential to reduce costs and time to enter the market.

Mr Vincenzo Cannatelli, Vice President - NTV

Liberalisation should lead to better efficiency for all stakeholders and cheaper prices for users, however changes are required in order to get private investors to invest capital in the railway. The most fundamental of such changes was the need to set non-discriminatory rules and a clear timeframe for authorisation process that should become transparent.

Mr Konstantin Skorik, European Business Development Director – Freightliner

In freight transport, manufacturers and operators are reluctant to “experiment” and bring new innovative products to the market. There are fundamental differences in complexity, timing and cost of certification between locomotives and wagons due to different Member State requirements on safety and signalling systems, the lack of cross-acceptance, requirements for repetitive tests, unclear procedures and obstructive NSAs and IMs.

ERTMS costs may burden rail freight operators making them less competitive against road; however, success stories are possible like the certification of new GE Powerhaul locomotive in the UK which was delivered in less than two years through close cooperation between the parties involved during the design and construction phases.

There should be a clear role for ERA as a facilitator of cross-acceptance or as a one-stop shop, provided NSAs fully accept ERA rulings. Both ERA and NSAs should be urged to work fast and adhere to the interoperability rules.

Mr Michael Cramer - Member of the European Parliament (Greens-DE)

Fair competition is needed between modes of transport and a cross-modal plan is required to start this process. Cross-acceptance of rolling stock must be beneficial and more efficient but a more precise framework is required. We need a register of infrastructure so that all bidders have transparent access to the necessary information.

The new Airbus plane cost € 1 million for acceptance worldwide before introduction, whereas rolling stock costs in some cases twice that amount for acceptance in just one country.

Workshop 2 – The optimal infrastructure manager for the future

(Moderator: Mr Jean-Eric Paquet, Director, DG MOVE.B)

Ms Sian Prout, Head of Unit B2 (Single European Railway Area) – DG MOVE

Problems identified in the governance of IMs relate to efficiency and equal access. Railway infrastructure is a natural monopoly and the current governance arrangements do not provide sufficient incentives to respond effectively to the needs of users. There are no incentives for European cooperation. Existing separation requirements do not prevent conflicts of interests or

discriminatory behaviour. There is a persistent risk of cross-subsidisation without complete financial transparency. It has to be ensured that all IM activities which are potential sources of conflicts of interest are subject to separation requirements which guarantee at least legal, economic and financial independence from RUs, regarding institutional independence as an objective.

The proposed approach for the creation of common rules for the governance structure of IMs will ensure that all RUs are on an equal footing. It will include economic incentives and performance indicators, promote cooperation between IMs, establish a coordination body with IMs, RUs, customers, users and public authorities.

Ms Debora Serracchiani, Member of the European Parliament (S&D-IT)

Despite the recast ensuring greater competition between rail operators and better supervision by independent regulators, the primary goals of railway legislation have not been achieved. If we want to create a single market for railways, non-discriminatory access to rail infrastructure is essential. Member States must not use a no-one-size-fits-all excuse to preserve their current model. The goal is a system where a train can access each station in Europe and circulate throughout the infrastructure. Investment in the interoperability of the network and also in rolling stock is required along with a real separation of the IM from the operator to get rid of discrimination.

The conclusion of the Advocate General appears to be that the holding system is compatible with existing law. If in the aviation sector each airline had to ask the permission of their counterparts in other countries before being able to make any flights, the market would be far less competitive. Therefore the Commission must act fast to improve existing legislation.

Mr Hubert du Mesnil, President - EIM

A key role of separated IMs is to cooperate with their neighbours to form the backbone of European transport, over and above strict modal or national interests. This is one of the main differences from IMs structurally linked to their national carriers.

The optimal IM must adapt to customer needs, be entirely above suspicion and stand above any conflict of interest. At the same time, it shall be safe and efficient. This will create value for the whole system, including users and taxpayers through control over costs, prices and capacity.

Mr Garry White, Head of European and Strategic Affairs - Network Rail

Experience from the UK showed that liberalisation opened up valuable opportunities for new and existing operators, promoted new services and investment for passengers creating a competitive market served by over 20 passenger operators. Liberalisation has led to major growth in passenger demand (over a billion more passengers each year now), high levels of safety, punctuality and passenger satisfaction. There is a five-year agreement of €43 billion to finance the UK infrastructure with over €10 billion for capacity increase.

The McNulty study published last year recommended several changes to achieve potential efficiencies of around 30% through evolution, but ruled out radical legislative reform as disruptive and distracting. The industry should determine, under transparent and regulated conditions, how to work together for the benefit passengers, freight users and taxpayers.

IMs and RUs can deliver efficiencies through better alignment of incentives, higher train utilisation, new technologies, and stronger partnerships. Progress is being made towards building these 'alliances' at local level, based on shared information to create joint objectives with shared risk and reward benefits. Alliances do not mean the creation of new joint entities, with both sides retaining legal responsibility and decision-making powers.

An independent IM becomes a natural system integrator providing information to customers, coordinating research and development with suppliers, leading innovation for the benefit of the industry in a transparent, non-discriminatory and network-oriented manner.

Mr Rafal Milczarski, Managing Director - Freightliner Poland

To achieve the objectives of the Transport White Paper of 2011, IMs should be non-discriminatory, transparent, efficient and adequately financed. Maintenance of rail and road infrastructure should be financed by Member States in a way to eliminate modal discrimination (current proportions in Poland are 70% in road and 30% in rail). Rail share in EU cohesion fund spending should be at least 40% in EU-15 and 50% in EU-12 for 2014-2020. Access to basic loading and discharging assets and sidings must no longer be restricted.

Mr Ludger Sippel - BAG-SPNV

Rail authorities have good experience of competitive tendering of regional services and have been able to reduce subsidies on rural, suburban and interregional lines by up to 15%, 23% and 47% while improving the level of quality significantly. However, infrastructure charges and costs for staff and energy are increasing, while public budgets for financing non profitable services are becoming tighter.

There are several problems linked to the operation of infrastructure by integrated railway companies. Station and infrastructure charges paid by regional rail transport are not transparent and include high overhead costs. Some package deals have led to overcompensated directly awarded PSCs.

It is necessary to fully unbundle RUs and IMs in order to solve the structural problems of the integrated railway companies including transparency concerning business planning, cash-flow management, internal funding, financial flows across the group, cross subsidisation, profit transfer agreements and discrimination in the development of infrastructure based on the needs of incumbent RUs.

Workshop 3 – Rail and the value for society

(Moderator: Mr Alain Flausch, Secretary General – UITP)

Mr Eddy Liégeois, Head of Unit A5 (Legal matters & Infringements) – DG MOVE

Problems of poor service quality and operational performance in domestic rail passenger markets are driven by low intra-rail competition, inefficient use of public funds and a variety of national approaches to the provision of access. The objective is to open domestic rail passenger markets, getting better value for money spent on public services and creating more uniform business conditions.

Open access may be limited when the economic equilibrium of a PSC is compromised. Tendering of PSC should become mandatory. Member States, competent authorities and RUs should also be encouraged to set up integrated ticketing schemes and to use existing provisions on transfer of staff if necessary.

Mr Philippe De Backer, Member of the European Parliament (ALDE-BE)

Passengers often prefer the car because rail transport has poor service, is not punctual and has limited intermodal connection. For freight, cross border transport is made difficult by Member States by different entry barriers, causing unreliability and delay so customers choose road instead, despite congestion. A move away from the one-mode approach to focus on the multimodality for goods and passenger transport is now required.

Legal separation between the IM and the RU is the best way to create a level playing field with transparency, clarity and no more cross subsidies, leading to more efficient railway companies requiring less state funding. The TEN-T network aims to create a unified transport network, removing bottlenecks, upgrading infrastructure and streamlining cross border transport operations for passengers and businesses on an intermodal basis. Railways are the backbone for these corridors.

Mr Christopher Irwin, Vice President - EPF

Consumer satisfaction with rail services in the EU is relatively poor with many passengers considering rail travel a distress purchase rather than the mode of choice. Consumer needs must be addressed using market opening and the advent of competition as a driver, measuring satisfaction and monitoring outcomes and considering end-to-end journey requirements.

Public transport and spatial planning must be considered to address congestion. Investment in capacity needs to be enabled by providing dependable services offering integrated seamless interfaces between modes. Through-ticketing and effective information systems should facilitate the use of collective transport.

Mr Michel Quidort, Director Institutional Relations - Veolia Transdev - EPTO

EPTO members (9 largest private public transport companies in Europe) support the opening of the passenger transport markets for competition.

Since market liberalisation a number of countries have seen considerable benefits: the UK (additional 450 M passenger journeys, 20 bn pkm between 1987 and 2009), the Netherlands (20–50% gains through competitive tendering efficiencies), Germany (28% increase in train km, 26% reduction in subsidies paid, 43% increase in patronage, 500 km of re-opened lines and 300 re-opened and new stations), France (Rhônexpress 55% increase in passengers in 19 months), Sweden (20–30% subsidy reductions through tendering and much higher customer satisfaction). Competition does not impact safety and employment conditions are not an issue. In the UK, train drivers earn some 50,000 EUR per year, while in Germany the drivers of private operators earn 86-94% of the wages of DB. Sustainable working conditions are required with lean management, empowerment, local responsibility and an ability to match the working time needs of local employees.

Competitive awarding procedures must become standard to provide value for society. This should be through a general obligation to tender for PSCs with a clear scope and no impairment of open access to ensure no restriction of market opportunities for new entrants. Direct award should remain an exception restricted to specific situations for limited duration. Tenders should be defined at local level and be coherent territorially and economically. Strong, independent national regulators with an adequate level of resources should co-operate through an EU network.

Mr Hans-Werner Franz, Managing Director - VBB

Competition for the regional and local rail market in Germany is still dominated by DB Regio with 76% of the market even though 91% of awards were made by competition.

Where competition exists benefits have included increases in patronage of up to 30%, improvements in quality and customer satisfaction, lower prices and cost reductions of 10-50%. Contracts should be at least 8 years with gross incentive contracts by taking risk preferred.

Interest in vehicle financing is slowly on the increase again but most banks possess little understanding of the SPNV market and therefore take a conservative approach which plays to DB's advantages of being a federal enterprise and therefore having more favourable credit conditions and low residual-value risks.

Mr Tim Gilbert, President – EPTOLA

With an asset life of 30–35 years, lessors are long-term investors in the market who provide flexible access to rolling stock throughout a competitive process. The market needs clarity, consistency and stability to allow continued growth.

Mr Ton Spaargaren – Gelderland province (NL)

When it was decided that the Dutch rail company should operate profitably, 32 train services (6 in the province of Gelderland) didn't fit the business case so, they were decentralised with competitive tendering. The province invested about € 100 M during the last 10 years, leading to a 26% increase in train km. Tenders are awarded on the basis of economic advantages rather than just the lowest price. They are net cost contracts (the operator is responsible for the industrial and commercial risks). Criteria relating to the concession include quality, sustainability, price, travel information and marketing strategy. The management of the PSC is based on output criteria such as punctuality, reliability or complaints.

An intermodal public transport network is desirable with the train as the backbone and bus transport feeding in, with transfer points such as Park and Ride facilities.

Plenary III: Presentation of Workshop findings

(Moderator: Mr Keir Fitch, Deputy Head of the Cabinet of Vice-President Kallas - European Commission)

Summaries of workshops by the moderators

Mr Verslype: There is a need for immediate action to prepare for a single certificate, but attention must be paid in the short term to better implementation of the current regime. There seems to be

general agreement on the reinforced role of ERA but there are different possible solutions such as one-stop-shop, partnership with NSAs or ERA as single authorising body. An appeal body and a procedure to settle conflicts regarding vehicle authorisation is required; transparency of rules and processes should be improved and monitored. There seems to be a genuine enthusiasm in defending a Commission proposal which does not exist yet; several participants lobbied for more ambition and faster delivery.

Mr Paguet: Unbundling is the most contentious of the issues discussed. However, there is broad consensus on the needs of a better governance for IMs containing efficiency drivers. Arguments were raised about equality, impartiality and the need for a level playing field. In this respect it is difficult to see how an incumbent RU can make fair decisions on others. The Commission has to make a proposal ensuring stability for the medium to longer term, bearing in mind the potential tensions between equal access and efficiency.

Mr Flausch: A move to mandatory competitive tendering of PSCs with open access to domestic rail passenger markets would provide improved value through a reduction in public subsidies and improvements in service quality and infrastructure use. Tendering should not only be dependent on price; barriers to cross-border tenders should be removed. Most statements about social dumping or safety problems in liberalised markets are simply untrue. Access to rolling stock is vital for market entry. Integrated ticketing and workforce integration could lead to increased productivity.

Plenary IV: Presentation of the Eurobarometer survey and Conclusions of the Conference

Mr Matthias Ruete, Director-General - European Commission, DG MOVE

After a presentation of the Eurobarometer survey which had been carried out in the framework of the consultation process, Mr Ruete underlined that the three key workshop issues discussed would be properly addressed following a robust impact assessment and in-depth stakeholders' consultation.

Despite its comparative advantages versus road, rail is not considered reliable enough, flexible enough, innovative enough and affordable enough. All stakeholders appear to realise that current regulatory arrangements are not optimal. Long and costly procedures and discriminatory access barriers have caused a lack of new market entrants across many Member States.

Stakeholders also seem to agree that a new concept of a single vehicle "passport" valid in all Member States issued by ERA would improve efficiency. ERA may also be tasked with the facilitation of the deployment of ERTMS, strengthened communication, improved economic evaluation and cost-benefit analysis, and an enhanced role in international relations and research.

Further improvement of non-discriminatory access to rail infrastructure through clarifying the relations between IMs and RUs are required to create the Single European Railway Area. The Commission is finalising proposals for the opening of domestic rail passenger markets and mandatory competitive tendering for PSCs. Market opening requires integrating ticketing schemes and access to rolling stock to enable new RUs to participate in tender procedures.

Taxpayers expect that rail infrastructure usage will be optimised rather than restricted to the benefit of specific commercial interests for historical reasons.