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Ms Martine Genoux-Stawiaski
European Commission
DG TREN
TEN-T Revision
Office DM 24 7/16
Rue de Mot 24
B-1049 Brussels

Ref: UNIFE position paper
Revision of the TENs guidelines
EC on-line consultation until 1 September 2003

Brussels, 27th August, 2003

Dear Mrs Genoux-Stawiaski,

The Union of European Railway Manufacturing Industries is the industrial organisation representing its members' interest towards the European Institutions, railway operators, railway infrastructure managers and many other business relations. UNIFE members come from trend setting global industries such as the major rail system integrators, railway infrastructure builders, sub-system and component suppliers, suppliers of information technology systems and manufactures of special materials, parts and services.

UNIFE and its associated member, the European Federation of Rail Trackwork Contractors (EFRTC), welcomes Ms Loyola de Palacio's initiative to **revise the 1996 guidelines for the Trans-European network** and the recently issued **Van Miert Group Report**, identifying the priority projects for the Trans-European Network in the enlarged European Union.

UNIFE strongly believes that the European Commission's vision for a sustainable transport system described in its White Paper on the European Transport Policy should be based on a reliable inter-modal infrastructure network, having railway as one of the important modes of the total transport system.

The totality of the European railway infrastructure such as railway terminals, tunnels, bridges and tracks has to be able to cope with the predicted increased demand for rail transport services, through adequate investments in combined and dedicated passenger and freight terminals and railway lines, as well as by the operation of more frequent, longer and heavier trains influencing the performance of the system.

Investments in railway infrastructure and train management systems are therefore a prerequisite for the development of a sustainable railway system in an enlarged European Union. The magnitude of the needed investments in railways is estimated to represent 55% of the 600 billions of Euros over the time up to 2020 indicated in the Van Miert Report.

From the UNIFE perspective we can point out that the revision of the TEN should include:

1. Recognition that private sector specialist companies could bring valuable efficiencies to the design, construction and maintenance of the Trans-European Railway Networks. The application of new design and construction technologies for railway infrastructure will lead to faster and more cost effective construction of railway infrastructure such as railway stations, tunnels, bridges and tracks. The application of modern maintenance technologies for railway infrastructure will lead to high quality and cost effective maintenance procedures in the total railway infrastructure area. It is important therefore that the European Commission, in the exercise of revising the Trans-European



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Railway Networks should look for the liberalisation of the railway infrastructure market, by requiring that private-sector companies are invited to tender for the design and construction of new projects and for the renewal and maintenance of existing lines¹.

2. An operational train management system is necessary to meet the increase of traffic in the European Railways. ERTMS/ETCS, the new European railway signaling system has been developed by the European railway industry and operators and is financially supported by the European Commission, to enable interoperability of the network. ERTMS will bring benefits in terms of capacity and safety and create an open European market for railway equipment, therefore reducing costs and the technical and operational complexity of the on-board equipment. Rail transport can only reap the full benefits of ERTMS/ETCS if it is implemented without delays, within a systems approach and in a coordinated way across the European Rail Network. The Railway Industry therefore proposes to include the financing of ERTMS equipment for the infrastructure as well as for the on-board equipment of rolling stock in the new TENs financing schemes².
3. Although UNIFE is aware of the fact that the current TENs system does not allow the financing of rolling stock, we would appreciate if a balanced view on the issue of supporting investments in rolling stock through funds other than the TENs (i.e. regional funds, cohesion funds, allowable national subsidies and EIB EBRD loans) could be adopted by the European Union and its Member-States.

UNIFE together with its associated member EFRTC would welcome the opportunity to discuss those issues, with the European Commission.

Kind regards,

A handwritten signature in black ink, appearing to be "Drewin Nieuwenhuis", written over a horizontal line.

Drewin Nieuwenhuis
UNIFE General Manager

¹ For more details please see ANNEX on support information.

² For more details please see ANNEX on support information.



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ANNEX

Support Information

UNIFE position paper on the revision of the TEN Guidelines

The White Paper on the European Transport Policy and the European Rail Research Advisory Council demands from rail infrastructure increase capacity required meeting the future demands for heavier axle loads and increase traffic levels of passengers and freight. Such has to be supported by capital expenditure, optimised maintenance, improve capacity and safety.

The challenges which rail is expected to face in the year 2020 are:

- 15.000 Km of High Speed Lines and 15.000 Km of dedicated freight lines;
- Operation of at least 20 trains per hour;
- Failure free railway infrastructure;
- Decrease of the life cycle cost due to faster construction and low maintenance;
- Fully interoperable network and no more technical or operational barriers for cross border traffic;
- Intelligent Infrastructure.

In this respect, UNIFE, representing the rail supply industry and infrastructure private contractor companies, suggests to the Van Miert Group, identifying the priority projects for the Trans-European Network in the enlarged EU, and to the European Commission, revising of the TEN Guidelines, to consider the following aspects in the exercise of their work:

1 - Optimised infrastructure construction and maintenance:

To maximise the utilisation of rail infrastructure by minimizing the appropriate expenditure, the private infrastructure contractor companies, with the entrepreneurial vocation and technical capability, have developed innovative techniques for infrastructure construction and application of new strategies for maintenance. These new innovative techniques have been developed for conventional and high-speed lines and are based on application of prefabricated modules for stations, bridges, tunnels and tracks, application of new components and materials, ballast less track, technical improvement of switches and crossings enabling short construction times, cost effective maintenance while respecting the safety demands in the stations and at level crossings.

This innovative and technology based approach to infrastructure management, supported by the European Commission, focuses on the organization of maintenance and safety and increases the efficiency of the system, reduces life cycle cost and increases availability. It relies on an increase of investment in new lines and track maintenance, supported by a partnering / alliance among the infrastructure managers and private infrastructure contractor companies, with long term contracts incorporating an equitable share of risks, continuity of work, bonus incentives and optimised logistics.

The alliance between rail infrastructure managers and the rail infrastructure construction companies delivers the innovation, growth, safety and financial viability that the rail industry needs to meet the challenges set by the White Paper on the European Transport Policy.



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UNIFE brings forward the proposal to the European Commission and to the present and future EU Member States, in their exercise of revising the Trans-European Network towards an optimised sustainable rail infrastructure strategy, to adopt effective measures to open the market for rail track. Construction, renewal and maintenance and implement an effective investment plan should be taken as a condition of Community financial assistance.

2- Intelligent Infrastructure

ERTMS/ETCS, the new European railway signaling system has been designed by the European railway industry and operators, supported by the European Commission, to meet the documented needs of the European Railways. It enables interoperability of the network, brings benefits in terms of safety and capacity, creates a European market in the field of railway signaling therefore reducing prices in this area and reducing the technical and operational complexity of the on-board equipment.

The implementation phase of ERTMS/ETCS in Europe that has now started, with twenty commercial projects in twelve different countries, requires an important and coordinated investment effort. Rail Transport can only reap the full benefits of ERTMS/ETCS if it is implemented without delays and in a coordinated way across the European Rail Network.

UNIFE believes that the Trans-European Networks programme should be the way to promote the migration from the current national signalling systems to a new European signalling system based on the ERTMS/ETCS technology. The EU decision makers could propose the implementation of ERTMS/ETCS in Europe as one horizontal project, specifically European, to be included in the TEN revision.

One issue particular to ERTMS/ETCS is that most of the equipment is now on-board of the trains. The bulk of the investment required is thus to equip the trains. The Trans-European Network funding focuses on infrastructure and discussions could arise when trying to finance the part of the signalling system, which is on-board. UNIFE brings forward the following arguments to consider the ERTMS/ETCS system as an eligible infrastructure for TEN funding:

1. Signaling is an essential part of the rail transportation infrastructure: rail undertakings have to adapt their rolling stock to the system installed on the lines they want to use. The rail transport mode today works with national signalling systems, but because of the creation of an interoperable Trans-European Rail Network, the implementation of the new ERTMS/ETCS technology is needed.
2. The infrastructure as well as on-board signalling system is to be considered as an "essential facility"³ for the safe and economically viable running of modern railways. ERTMS/ETCS represents a unique protocol for signalling on a pan-European basis and guarantees the necessary capacity and the highest safety levels.

³ Essential Facility - DEFINITION (http://www.europa.eu.int/comm/competition/general_info/e_en.html#169) Facility or infrastructure which is necessary for reaching customers and/or enabling competitors to carry on their business. A facility is essential if its duplication is impossible or extremely difficult due to physical, geographical, legal or economic constraints. Take for example a national electricity power grid used by various electricity producers to reach the final consumers: Since it would not be viable for these producers to build their own distribution network, they depend on access to the existing infrastructure. Denying access to an essential facility may be considered an abuse of a dominant position by the entity controlling it, in particular where it prevents competition in a downstream market.



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3. During the deployment of ERTMS/ETCS “conversion boxes” (STM system) to interface with older systems are required on-board. Such on-board equipment, required strictly to interact with the infrastructure during the migration period to ERTMS/ETCS, represents “de-facto” an infrastructure-related cost and its nature is unavoidable. Rail operators will have to bear an additional “sunk cost” due to this progressive infrastructure changes to reach a fully interoperable European network. This can discourage investments in rail operations and infrastructure and limit competition.
4. Public authorities willing to see a modal transfer from road to rail, should consider supporting this investment effort.
5. It could be argued that financing part of on-board equipment is equivalent to guaranteeing the exploitation of an essential facility by all the railway undertakings in a competitive environment. Supporting investments for on-board equipment will reduce deployment costs that will hinder interoperability of networks and signalling, worsening system performance, foreclosing vibrant competition on the networks.

The implementation of **ERTMS/ETCS brings a specific European added value** and contributes to the achievement of a sustainable European transport system.

The Railway Industry therefore proposes that the Trans-European Network should consider, when evaluating a project, the installation of the European Signalling System. In particular, both its installation on the infrastructure and on the rolling stock that will be operational on that new line should be supported.