

EN

EN

EN



COMMISSION DES COMMUNAUTÉS EUROPÉENNES,

Brussels,
(2005)

Memorandum of Understanding (MOU) between the European Commission and the European Railway Associations (CER – UIC – UNIFE – EIM) establishing the basic principles for the definition of an EU deployment strategy for ERTMS

PREAMBLE (THE WHEREAS)

- (1) Rail transport has the potential to play a pivotal role in the trans-European transportation system. However, to convert such an objective into a tangible outcome it is necessary for the sector to pursue re-engineering of current business, operational and technical practices moving from a national-based into a European-wide viewpoint. The latter should enable the sector to compete more successfully in a number of growing market segments, notably international passenger and freight transport. These are the objectives of the Commission's white paper¹.
- (2) The development of efficient European corridors tailored to deliver quality and competitive services for international traffic is a crucial element for the implementation of such a growth strategy. Interoperability will be a core issue in such a corridor-development perspective.
- (3) In addition to the need to plan and develop new infrastructures as proposed in the TEN-guidelines of April 2004, there is a need to improve the competitive profile of the railway sector in the short term. This will require soft measures that can, on one hand, enable a more extended use of the existing capacity and, on the other hand, provide a step-change improvement in customer service through better information management. ERTMS through its components of command/control (ETCS) and telecommunications (GSM-R) is indeed an enabler to succeed in such an endeavour.
- (4) Essential to this strategy will be the development of a European-wide network of ETCS and GSM-R rooted on major trans-European passenger and freight corridors with the objective of ensuring an end-to-end continuity of signalling and information services in order to fully reap the benefits of such incisive technological change (hereafter referred to as ETCS-Net) .
- (5) Such corridor-based ERTMS deployment rationale is now embodied in the Technical Specifications of Interoperability (hereafter referred to as the TSI) for command/control and signalling called for by the Directives 96/48 and 2001/16 on the Interoperability of the trans-European rail system, respectively, for high-speed and conventional rail.
- (6) The TSI for the conventional rail system as approved by the Committee Article 21 on November 23rd, 2004 builds upon a four-fold approach as follows:
 - The concept of a mandatory Inception Kernel serving to “kick start” the implementation of the ETCS-Net.
 - A set of national ERTMS implementation plans evolving from the reference baseline of achieving the implementation of ETCS-Net in an indicative time horizon of 10 to 12 years. The aim of such plans will be to analyse the national components of the ETCS-Net within the framework of a corridor-by-corridor perspective in order to capture the whole of the business case in what international transport is concerned. National ERTMS implementation plans are to be notified by Member States within one-year of the date of application of the TSI.

¹ White Paper European transport policy for 2010: time to decide COM(2001) 370 final.

- The development of an EU Master Plan defining a coherent European-wide strategy for the delivery of the ETCS-Net from concept-to-delivery. The EU Master plan is to aggregate and reconcile the national ERTMS implementation plans with a view to replace the existing funding-driven criteria of the projects included in the Inception Kernel by a coherent target and timing blueprint for the implementation of the ETCS-Net.
 - The set-up of an ERTMS System Authority for purposes of both system configuration management and control of its long term evolution. This role is committed to the European Railway Agency (ERA) established by the EC Regulation 881/2004.
- (7) In parallel, on July 14th, 2004 the Commission approved a proposal for a new Regulation of the European Parliament and of the Council laying down general rules for the granting of Community financial aid in the field of trans-European transport and energy networks (COM (2004)475). This proposal expressly addresses the provision of appropriate financial backing to promote the deployment of traffic management systems for rail and notably of ERTMS. Moreover, it embodies the concept of traffic management as an integrated system, i.e. encompassing its trackside and on-board components.
- (8) The “Parties” to this Memorandum of Understanding (MOU), - the European railway associations (CER, EIM, UIC), railway supply industry (UNIFE) and the European Commission (the EC)- share the vision of implementing a single European system of train control with the objective of improving the viability, performance and competitiveness of the rail sector and recognise that the realisation of this common objective requires a high level of cooperation and partnership between the EC, RUs, IMs and Suppliers. The Member States will be fully informed and involved in the development of the initiative.

THE GOALS OF THE MOU

- (9) This MOU aims at defining the contributions under the responsibility of each of the parties to pursue the implementation of an EU-wide network of interoperable rail corridors. An inception phase with shorter-term objectives is foreseen aiming at the implementation of the four-fold strategy of the TSI. This phase builds into the implementation of the ETCS-Net within the 10-12 years indicative timeframe (hereafter coined as *the common objective*).
- (10) Whilst larger in scope, the MOU details mainly the bulk of activities for an inception period of 18 months from the date of signature with a view to ensure the progressive concretisation of *the common objective*.

COMMITMENT OF THE PARTIES FOR THE ACHIEVEMENT OF THE COMMON OBJECTIVE

- (11) All parties agree to work together to assist the Member States in the preparation of the national ERTMS implementation plans required by the TSI, to assist the EC in the preparation of the EU Master Plan and to facilitate the implementation of the plan by the RUs IMs and suppliers. In view of contributing to the achievement of the common objective each of the parties undertakes the following commitments:

The Railway Industry²

- (12) To assist the Member States and the Commission services in the preparation of the national implementation ERTMS plans as well as the EU Master Plan as called for by the TSI. This encompasses the following main tasks:

- (1) The elaboration of a generic methodology, terminology and set of assumptions for corridor analyses that will enable the aggregation of the results for individual corridors within a network-wide perspective. Such generic methodology should encompass the following aspects:
 - Traffic forecasts/trends and market segmentation;
 - Identification of a potential “core business” including business plans for a corridor in terms of transportation services and logistics operations;
 - Identification of the infrastructure upgrades (viz. track works, power supply, operational and information management systems) necessary for the implementation of the “core business”;
 - Definition of these upgrades in terms of signalling and telecommunication systems (functionality and performance requirements);
 - Preliminary design leading to a cost estimation of these upgrades;
 - Definition of a strategy and timing for implementation (installation and migration requirements for trackside and rolling-stock);
 - Establishment of a generic template for Call for Tenders for ERTMS/ETCS installations.
- (2) The performance of corridor-by-corridor analyses on the basis of this generic methodology for the set of ETCS-Net corridors as defined in the Annex H of the TSI. This work is to be completed within 18 months from the date of signature of this MOU.
- (3) The provision of assistance to Member States authorities for the elaboration of their national ERTMS implementation plans. This is to be ensured by making available the outcome of the corridor-by-corridor analyses carried out

² The Railway Industry is to be understood in its broad sense including railway undertakings, infrastructure managers, signalling and rolling stock industries and telecommunications industry.

in the previous item as well as the technical assistance deemed necessary by Member States authorities for the establishment of the national plans.

- (4) The provision of assistance to the Commission services for the consolidation of the national ERTMS implementation plans within an EU Master Plan, which shall constitute the strategic blueprint for the subsequent deployment of the ETCS-Net.
- (13) To assist the ERA in its role of ERTMS System Authority by structuring its representation on the basis of unique interface for each of the stakeholders – such as railway undertakings, infrastructure managers, signalling industry and telecommunications industry. In this context it is expected that:
- Railway undertakings and infrastructure managers will play the centre role in the specification of functional and operational interoperability requirements;
 - Industrial groupings such as UNISIG and the GSM-R Industry Group will be pivotal in the definition of technical standards including those assuring technical interoperability for ERTMS/ETCS and GSM-R;
 - The Railway Industry will nominate senior representatives to the Change Control Board (CCB) foreseen in the TSI with sufficient decision power in order to enable a timely and effective handling of the management of Change Requests in accordance with the procedures adopted in the TSI.
- (14) To develop proposals for funding mechanisms of ERTMS deployment projects that encompass both trackside and on-board components. It should consider the potential role of national authorities and infrastructure managers to act as recipients of Community support whilst ensuring in a non-discriminatory way the granting financial assistance to the concerned railway undertakings for the on-board fitment of ERTMS equipment.

The Commission

- (15) The Commission is ready, subject to the appropriate requirements of the financial regulations, to support the initiatives of the railway industry for purpose of carrying out the “corridor-by-corridor” analyses mentioned in paragraph 12.2 above. In particular, in the framework of its non-multi-annual programme³ of the TEN-T the Commission will give special attention to the financing of those studies/projects aimed at the implementation of the provisions of this MOU in particular when they have a multi national approach.
- (16) According to its workprogramme for 2005, the Commission will present a Communication to the Council and to the European Parliament on the EU-wide deployment of ERTMS. In particular, the Communication will delineate a financial engineering approach capable of supporting the implementation of the ETCS-Net baseline in the indicative timeframe foreseen in the TSI building upon the proposed new financial regulation for the TEN-T referred to in paragraph 7.

³ The so-called non-MIP programme.

- (17) The Commission will nominate the ERTMS and rail corridor coordinator to act as a facilitator, in particular for the MOU implementation. Where it is deemed relevant for the performance of his mission the ERTMS coordinator will relate with the corridor coordinators foreseen under EC decision 884/2004. In particular he should aim at ensuring:
- The performance of the corridor-by-corridor analyses in due time;
 - The overview of the elaboration of national ERTMS implementation plans;
 - The guidance and the promotion of synergies for the establishment of the deployment strategy that is to underpin the EU Master Plan.

GOVERNANCE OF THE MOU

- (18) The parties to this MOU will appoint a Steering Committee for the follow-up of the activities foreseen within the MOU. This Steering Committee is to be composed by two representatives of each of the parties, the coordinator and the director of the European Railway Agency. The Steering Committee will ensure full visibility of the process and maintain close relationships with the Member States, as required.
- (19) The activities foreseen by this MoU are without prejudice to the legal rights and obligations, including the right of initiative of the Commission and the rules related to public procurement.
- (20) This MOU is valid from the date of its signature and for as long as the parties require it. This MOU will be reviewed after the 18-month inception period in order to better reflect the status of the work at that time. This includes appropriate gap-filling or other mitigation measures that might be deemed appropriate for best pursuing the achievement of the common objective.