

14 February 2014

Resolution of the *Bundesrat*

Proposal for a Council Regulation establishing the Shift2Rail Joint Undertaking

COM(2013) 922 final

At its 919th meeting on 14 February 2014, pursuant to Sections 3 and 5 of the Act on Cooperation between the Federation and the *Länder* in European Union Affairs (EUZBLG), the *Bundesrat* adopted the following opinion:

1. The *Bundesrat* welcomes the Commission's initiative promoting research and innovation in the rail sector.
2. Improving alignment by concentrating rail research and development/innovation efforts and accelerated market take-up of innovative solutions can do much to complete the Single European Railway Area and to increase the competitiveness of the EU rail sector in relation to other modes of transport and competitors from third countries.
3. A joint venture between the EU and research undertakings in the railway industry may be of great assistance in this regard.
4. While the *Bundesrat* considers the planned establishment of the Shift2Rail Joint Undertaking as part of the Joint Technology Initiative to be a possible way of achieving the described objectives, it regards such a venture as acceptable only if all opportunities for maximum transparency and Member State intervention are exploited.
5. The *Bundesrat* notes that the Shift2Rail Joint Undertaking is to have a strong focus on the implementation and application of innovative railway technologies. It would therefore ask the Commission to ensure that both the EU (Commission, ERA) and the Member States have sufficient control facilities and instruments, in particular to make efficient use of public research funding and to dovetail with existing railway legislation.
6. In the interests of free competition, new system components should be developed in such a way as to provide open access, where possible not impeded by patents, to the technologies developed by the Shift2Rail Joint Undertaking.
7. The *Bundesrat* would refer in this connection to its resolutions regarding the proposals for Regulations establishing joint undertakings (BR documents 589/13 (Resolution) and 590/13 (Resolution)) previously submitted as part of the technology initiative and ask the German Government to call in the subsequent discussions for greater transparency and a strengthening of rights of participation and scrutiny, in particular so as:
 - to maximise the scope for Member States to exert their influence;

- to agree on a set of commitments to make the Shift2Rail Joint Undertaking fully transparent to Member States and the general public by way of the Shift2Rail work programme, the use of public funds and the co-funding agreed with industry;
- to ensure that the European Court of Auditors gives a positive statement of assurance for funding of the Shift2Rail Joint Undertaking.

8. The *Bundesrat* asks the German Government where appropriate to involve the *Länder* in drawing up the S2R master plan and to support the S2R Joint Undertaking in forming a 'noise reduction technology' working group according to clause 14 of Annex 1 to the proposed Regulation including a *Länder* and an NGO representative. An 'introduction of innovative freight wagons' working group will also be set up to reinforce the shift in freight transport from road to rail. The group should be tasked with reducing the production technology gap in order to make rail a more attractive mode of transport throughout Europe, in particular in the carriage of goods by individual and grouped wagons. This will include the abolition of antiquated screw couplings and the introduction across Europe of a harmonised, standardised back-up system which is compatible with existing vehicles. Both working groups should cooperate closely to achieve their shared aim of strategically developing rail freight services so as to gain their market acceptance.

The *Bundesrat* considers it expedient to combine all rail research and innovation activities in an S2R master plan. However, the proposed Regulation does not, as it stands, allow the *Länder* directly to exert their influence. They have to go through the German Government as a member of the 'States Representative Group' (clause 13 of Annex 1 to the proposed Regulation). According to point 6 of that clause, the Group is to issue recommendations - in particular on matters affecting national and regional interests. The working groups to be set up by the S2R Joint Undertaking (clause 14 of Annex 1 to the proposed Regulation) are also the appropriate channel to voice the interests of the *Länder*.

9. The *Bundesrat* is sending this opinion directly to the Commission.