

## PRESS COVERAGE

Source : *Europolitics* 11/02/2014 – Isabelle Smets

### Tension over fourth rail package running high

The atmosphere is once again extremely tense in connection with the EU's fourth railway package and the first-reading vote in the European Parliament, scheduled for the plenary session running from 24 to 27 February. Some are even suggesting the possibility of postponing the vote. The focus of all the tension is the political aspect of the package, in particular the report by Saïd El Khadraoui (S&D, Belgium) on relations between infrastructure managers and railway companies. The incumbent rail companies – especially the powerful Deutsche Bahn – are on edge over this component and pressure is building to try to make more palatable to them the report by El Khadraoui, adopted by the Committee on Transport (TRAN) on 17 December 2013. How? By trying to get amendments adopted in plenary that would upset the balance struck in TRAN.

A number of MEPs have received draft amendments that renege on the compromises adopted by the committee and it is suggested that they table them for the plenary session (they have until 19 February). "These amendments are not signed, but everyone knows that they come from the CER [Community of European Railway and Infrastructure Companies - Ed]," said Pierre Tonon, secretary-general of the European Rail Freight Association (ERFA). TRAN Chair Brian Simpson (S&D, UK) already rapped the CER's knuckles before the December vote, asking it to show more restraint in its lobbying.

"This is extremely harmful and underhanded. The CER has made small adjustments that combine to pose a real threat to the independence of infrastructure managers," complains Tonon. Yet infrastructure managers are at the heart of the fourth package. Their independence from the incumbent rail companies – particularly in holding companies in which the infrastructure manager and rail operator are under the same umbrella – is seen as a guarantee of non-discriminatory access for new companies that wish to compete with incumbents on national networks. The amendments disparaged today - seen by *Europolitics* – weaken this guarantee of independence and of oversight of financial flows in holding companies. Such oversight is meant to keep public funds from being used to subsidise commercial activities.

The question of the functions exercised by infrastructure managers is also put back on the table. "This is a real step backwards because it was agreed that the tasks of infrastructure managers would be expanded," fumes Tonon. This, too, is a very important subject for new entrants. Basically, today's rail



legislation recognises two essential functions for managers: track allocation and pricing. One of the challenges of the fourth package is to give them a number of other responsibilities - decisions on track maintenance, daily traffic management, development of infrastructure, etc – so that they hold all the cards they need to manage their network. This represents a sea change, because today these tasks can still be carried out by the incumbent rail companies or their affiliated undertakings, which are not necessarily concerned about making sure that all goes well for competing operators. The disputed amendments call everything into question.

In short, the new entrants are seriously concerned that all the advances achieved so far may be unravelled. The ERFA is not the only organisation troubled by this turn of events. The European Association for forwarding, transport, logistics and customs services (CLECAT) and the European Shippers' Council (ESC) joined it in asking MEPs, in an open letter <sup>(1)</sup>, not to give in to the pressure.