Common rules for the normalisation of the accounts of railway undertakings: repeal. 4th Railway Package

2013/0013(COD) - 30/01/2013 - Legislative proposal

PURPOSE: to repeal Regulation (EEC) No 1192/69 of the Council on common rules for the normalisation of the accounts of railway undertakings.

PROPOSED ACT: Regulation of the European Parliament and of the Council (new proposal).

PARLIAMENT'S ROLE: Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Regulation (EEC) No 1192/69 allows Member States to compensate 36 enumerated railway undertakings for the payment of obligations which undertakings of other transport modes do not have to support, such as special family allowances and pensions. When the rules for normalisation are correctly applied, such State support is considered compatible with the internal market and Member States are exempted from State aid notification obligations,

Regulation (EEC) No 1192/69 was adopted before the rail market was liberalised and when rail transport in Europe was developing primarily within national borders, with integrated companies both operating rail services and managing rail infrastructure. Today, this **Regulation is inconsistent and incompatible with legislative measures currently in force**, as well as with the fundamental principles laid down in Directive 2012/34/EU of the European Parliament and of the Council establishing a single European railway area which include that: (i) railway undertakings shall be managed according to principles that apply to commercial companies; (ii) entities responsible for the allocation of capacity and charging for rail infrastructure shall be separate from entities which operate rail services; (iii) there shall be a separation of accounts; (iv) any railway undertaking licensed in accordance with EU criteria should have access to railway infrastructure on fair, non-discriminatory terms; and (v) that infrastructure managers may benefit from State financing.

Regulation (EEC)

In the context of a liberalised market where railway undertakings compete directly with the traditional monopolies listed in the Regulation, the Commission considers that it is not appropriate to discriminate between these two groups of undertakings.

IMPACT ASSESSMENT: the Commission did not undertake an impact assessment. However, it requested information from Member States about application of the Regulation in May 2010 and in June 2011. Responses revealed that, between 2007 and 2010, a majority of Member States had not received applications from railway undertakings and had not made payments of compensation under the Regulation. A majority of Member States indicated they saw no ongoing need for the Regulation and some explicitly expressed their support for repeal or their opinion that the Regulation is obsolete or out of date.

On the basis of the data provided by Member States, it was concluded that the impact of a repeal of the Regulation would be very minimal.

LEGAL BASIS: Articles 91 and 109 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposed Regulation seeks to repeal Regulation (EEC) No 1192/69 to eliminate inconsistencies in the EU legal order and will contribute to simplification by eliminating a legal act which is now obsolete.

BUDGETARY IMPLICATIONS: there are no implications for the Union budget.