Opening of the market for domestic passenger transport services by rail: award of public service contracts. 4th Railway Package

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The Council held a public **policy debate** on two proposals to improve rail services in the EU (fourth railway package). The proposals aim to liberalise passenger services and strengthen the governance of railway infrastructure.

Under the **market pillar**, two Commission proposals are under discussion at the Council:

- the proposal for a Directive 2012/34/EU establishing a Single European Railway Area, as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure (draft Governance Directive);

- the proposal for a Regulation (EC) No 1370/2007 concerning the opening of the market for domestic passenger transport services by rail (**draft Public Service Obligation Regulation**).

Ministers were requested to express their views on the level of requirements applying to the various functions of infrastructure managers, the role of regulatory bodies and access to rolling stock (trains).

As regards the draft Public Service Obligation Regulation, the debate focused on the following issues:

Liberalisation of the rail market: a large number of ministers stressed that a "one size fits all" approach would not bring appropriate answers to the proposed liberalisation of the rail market. An important factor to be taken into account was the size of the market.

Several Member States argued that there was no evidence that market opening would be beneficial to small markets. On the contrary, they said, it could have negative social and budgetary consequences. Direct award should thus continue for small markets.

Access to rolling stock: Member States thought that any European rules established to ensure effective and non-discriminatory access to rolling stock should neither be too detailed nor too strict. It should be up to each Member State and its authorities to select appropriate measures taking into account their national situation. The presidency asked the question as to what Member States or their competent authorities should do in order to ensure effective and non-discriminatory access to rolling stock while limiting the impact on national budgets.

The presidency stated that it was committed to reaching an agreement with the European Parliament on the technical pillar, while preparing for a **general approach on both market pillar proposals at the June 2015 Transport Council**.