

# **Railway transport: infrastructure capacity and levying for their use, safety certification.**

## **Railway package**

1998/0267(COD) - 29/09/1998 - Legislative proposal

**OBJECTIVE:** the main objectives of the proposal for a Directive are as follows: - to make use of the railways infrastructure more efficient and to reduce costs; - to give full effect to existing rights of access by clarifying the rules on tariffs and path allocation; - to facilitate the supply and use of international high quality paths by harmonising the capacity allocation procedures and the charging principles; - to ensure that the charging procedures and the allocation of capacities do not form barriers to entry onto the market.

**SUBSTANCE:** this proposal forms part of a package of measures intended to ensure fair and non-discriminatory treatment of railway undertakings and efficient use of infrastructure. So far as the allocation of capacity is concerned, the proposed directive defines carefully the rights of railway undertakings and of the infrastructure manager. It also establishes a well-defined process for the preparation of timetables. Under this, different operators would be able to bid for capacity, which would be awarded according to clear rules and criteria known in advance. The process would be designed to resolve conflicts between requests for capacity and to overcome problems of scarcity, in ways that respect the rights of all the applicants. The proposal for a directive also provides that the allocation is performed by a body not providing transport services itself and that there is a right of appeal. With regard to the charging of infrastructure fees, the proposal is to base, in principle, charges on marginal cost, that is the cost which is directly incurred as the result of the operation of a train. However the directive would allow charges to be increased and modulated to attain other objectives: a higher rate of external cost recovery and the resolution of problems of scarcity. The directive would also require performance schemes to be included in charging systems with incentives for good performance and penalties for bad; this would greatly promote efficiency. In addition, the proposed directive would help ensure fair treatment, by obliging the publication of charging schemes in advance and the provision of information on how the fees are calculated. The directive creates safeguards to protect railway undertakings against the abuse of monopoly by an infrastructure manager and to prevent fixed charges and discounts working against smaller railway undertakings.