

Basic information	
2013/0029(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Single European railway area: opening of the market for domestic passenger transport services by rail and governance of the railway infrastructure. 4th Railway Package Amending Directive 2012/34/EU 2010/0253(COD) See also 2013/0015(COD) See also 2013/0016(COD) See also 2013/0013(COD) See also 2013/0014(COD) See also 2013/0028(COD) Subject 2.40 Free movement of services, freedom to provide 2.40.02 Public services, of general interest, universal service 2.60 Competition 3.20.02 Rail transport: passengers and freight 3.20.10 Transport undertakings, transport industry employees 3.20.11 Trans-European transport networks	

Key players			
European Parliament	Committee responsible		Rapporteur
	TRAN Transport and Tourism		SASSOLI David Maria (S&D)
			Shadow rapporteur DELI Andor (PPE) POREBA Tomasz Piotr (ECR) RIQUET Dominique (ALDE) GONZÁLEZ PEÑAS Tania (GUE/NGL) DELLI Karima (Verts/ALE) AIUTO Daniela (EFDD)
	Former committee responsible		Former rapporteur
	TRAN Transport and Tourism		EL KHADRAOUI Saïd (S&D)
			05/03/2013
	Former committee for opinion		Former rapporteur for opinion
	EMPL Employment and Social Affairs		DAERDEN Frédéric (S&D)
			25/03/2013

	<table><tr><td>ENVI</td><td>Environment, Public Health and Food Safety</td><td>The committee decided not to give an opinion.</td><td></td></tr><tr><td>ITRE</td><td>Industry, Research and Energy</td><td>The committee decided not to give an opinion.</td><td></td></tr><tr><td>IMCO</td><td>Internal Market and Consumer Protection</td><td>The committee decided not to give an opinion.</td><td></td></tr><tr><td>REGI</td><td>Regional Development</td><td>ZELLER Joachim (PPE)</td><td>19/02/2013</td></tr></table>			ENVI	Environment, Public Health and Food Safety	The committee decided not to give an opinion.		ITRE	Industry, Research and Energy	The committee decided not to give an opinion.		IMCO	Internal Market and Consumer Protection	The committee decided not to give an opinion.		REGI	Regional Development	ZELLER Joachim (PPE)	19/02/2013		
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European Economic and Social Committee																					
European Committee of the Regions																					

Key events			
Date	Event	Reference	Summary
30/01/2013	Legislative proposal published	COM(2013)0029 	Summary
07/02/2013	Committee referral announced in Parliament, 1st reading		
17/12/2013	Vote in committee, 1st reading		
21/01/2014	Committee report tabled for plenary, 1st reading	A7-0037/2014	Summary
25/02/2014	Debate in Parliament		
26/02/2014	Decision by Parliament, 1st reading	T7-0147/2014	Summary
26/02/2014	Results of vote in Parliament		
08/10/2014	Debate in Council		Summary
	Committee decision to open interinstitutional negotiations after 1st reading in		

13/10/2014	Parliament		
03/12/2014	Debate in Council		
13/03/2015	Debate in Council		
12/07/2016	Approval in committee of the text agreed at early 2nd reading interinstitutional negotiations	PE610.791 PE612.014	
20/09/2016	Debate in Council		
18/10/2016	Council position published	11199/1/2016	Summary
27/10/2016	Committee referral announced in Parliament, 2nd reading		
05/12/2016	Vote in committee, 2nd reading		
07/12/2016	Committee recommendation tabled for plenary, 2nd reading	A8-0371/2016	Summary
12/12/2016	Debate in Parliament		
14/12/2016	Decision by Parliament, 2nd reading	T8-0498/2016	Summary
14/12/2016	Results of vote in Parliament		
14/12/2016	Final act signed		
14/12/2016	End of procedure in Parliament		
23/12/2016	Final act published in Official Journal		

Technical information	
Procedure reference	2013/0029(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 2012/34/EU 2010/0253(COD) See also 2013/0015(COD) See also 2013/0016(COD) See also 2013/0013(COD) See also 2013/0014(COD) See also 2013/0028(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 091
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	TRAN/8/04994

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE513.018	17/06/2013	
Amendments tabled in committee		PE519.538	23/09/2013	

Amendments tabled in committee		PE516.896	26/09/2013	
Committee opinion	REGI	PE514.715	28/10/2013	
Committee opinion	EMPL	PE516.642	20/11/2013	
Committee report tabled for plenary, 1st reading/single reading		A7-0037/2014	21/01/2014	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0147/2014	26/02/2014	Summary
Committee letter confirming interinstitutional agreement		PE610.791	13/07/2016	
Text agreed during interinstitutional negotiations		PE612.014	13/07/2016	
Committee draft report		PE592.232	20/10/2016	
Amendments tabled in committee		PE594.048	15/11/2016	
Committee recommendation tabled for plenary, 2nd reading		A8-0371/2016	07/12/2016	Summary
Text adopted by Parliament, 2nd reading		T8-0498/2016	14/12/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Council statement on its position	12860/2016	07/10/2016	
Council position	11199/1/2016	18/10/2016	Summary
Draft final act	00049/2016/LEX	14/12/2016	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2013)0029 	30/01/2013	Summary
Document attached to the procedure	SWD(2013)0010 	30/01/2013	
Document attached to the procedure	SWD(2013)0011 	30/01/2013	
Document attached to the procedure	SWD(2013)0012 	30/01/2013	
Document attached to the procedure	SWD(2013)0013 	30/01/2013	
Commission response to text adopted in plenary	SP(2014)446	20/05/2014	
Commission communication on Council's position	COM(2016)0691 	24/10/2016	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2013)0029	29/03/2013	

Contribution	IT_CHAMBER	COM(2013)0029	09/04/2013	
Contribution	PL_SEJM	COM(2013)0029	19/04/2013	
Contribution	CZ_SENATE	COM(2013)0029	01/07/2013	
Contribution	IT_SENATE	COM(2013)0029	08/11/2014	
Contribution	IT_SENATE	COM(2013)0029	03/12/2014	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0027/2013	08/10/2013	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

[Directive 2016/2370](#)
[OJ L 352 23.12.2016, p. 0001](#)

[Summary](#)

Single European railway area: opening of the market for domestic passenger transport services by rail and governance of the railway infrastructure. 4th Railway Package

2013/0029(COD) - 14/12/2016 - Final act

PURPOSE: to improve the quality and efficiency of rail services in Europe and intensify competitive pressure on domestic rail markets and strengthen governance of the infrastructure manager (fourth railway package).

LEGISLATIVE ACT: Directive (EU) 2016/2370 of the European Parliament and of the Council amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure.

CONTENT: this Directive amending [Directive 2012/34/EU](#) (the Governance Directive) pursues the following objectives:

- **the opening of the market for domestic passenger transport services by rail** with the objective of intensifying competitive pressure on domestic rail markets, in order to increase the quantity and improve the quality of passenger services;
- **enhancing the governance of the infrastructure manager** with the objective of ensuring equal access to the infrastructure.

The Directive is closely related to the Regulation amending [Regulation \(EC\) No 1370/2007](#) on the opening of the market for domestic passenger transport services by rail.

This amending Directive:

- strengthens the **independence and impartiality of rail infrastructure managers** in order to ensure that all railway companies have equal access to tracks and stations. Member States may limit the right of access to passenger services between a given place of departure and a given destination when one or more public service contracts cover the same route or an alternative route if the exercise of this right would **compromise the economic equilibrium** of the public service contract or contracts in question;
- leaves Member States free to **choose between different organisational models**, ranging from full structural separation to vertical integration, subject to appropriate **safeguards** to ensure the impartiality of the infrastructure manager as regards the essential functions, traffic management and maintenance planning;
- introduces more stringent rules to the **essential functions** of infrastructure management;
- lays down **strict rules on financial transparency**: the Directive contains provisions on separate accounting, as well as new rules on loans, dividends to owners of the companies, regulatory oversight, financial flows into vertically integrated undertakings. These provisions will **prevent distortion of competition on the market, in particular as a result of cross-subsidisation**;
- provides **coordination mechanisms** to ensure coordination between their main infrastructure managers and all interested railway undertakings as well as applicants;
- introduces special rules governing the access of **high-speed** passenger services to the Union rail infrastructure;
- reinforces common information and through-ticketing systems in order to facilitate more efficient multimodal and cross-border passenger transport. By 31 December 2022, the Commission shall present a report on the availability of such common information and through-ticketing systems, to be accompanied, if appropriate, by legislative proposals;
- strengthens the powers of the supervisory bodies by allowing the national supervisory bodies and the Commission to ensure effective monitoring of the application of the rules.
- **reinforces the powers of the regulatory bodies.**

ENTRY INTO FORCE: 24.12.2016.

Single European railway area: opening of the market for domestic passenger transport services by rail and governance of the railway infrastructure. 4th Railway Package

2013/0029(COD) - 18/10/2016 - Council position

The Council adopted its position at first reading with a view to the adoption of a Directive amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure.

The main objectives of the proposal are to improve the quality and efficiency of domestic rail passenger transport services and to remove any remaining legal obstacles to the completion of the Single European Railway Area.

The Council position:

- **strengthens the independence and impartiality of rail infrastructure managers** in order to ensure that all railway companies have equal access to tracks and stations. The Council considers that further opening of the domestic rail passenger market should be pursued. However, where the economic equilibrium of contracts signed for public service obligations is at stake, it should be possible for the Member States to limit access. In addition, it should be possible for Member States that have borders with third countries to establish additional conditions for fair market access;
- **authorises Member States to be free to choose between different organisational models**, ranging from full structural separation to vertical integration, subject to appropriate safeguards to ensure the impartiality of infrastructure managers, which include notably limitations on double mandates and the avoidance of conflicts of interest;
- restricts the application of the most stringent rules to the essential functions. For example, capacity allocation and determination and collection of track access charges that are critical for the non-discriminatory access to the infrastructure of new entrants. New general rules have been introduced to ensure transparency and impartiality also in traffic management and maintenance planning;
- puts in place **stringent financial transparency rules** while respecting national procedures applicable in each Member State, income from infrastructure network management activities, including public funds, may be used by the infrastructure manager only to finance its own business, including the servicing of its loans. The provisions on accounting separation, coupled with the **new rules** on intra-group loans and services, use of infrastructure managers' dividends and full regulatory oversight of financial flows within vertically integrated undertakings will ensure that neither infrastructure charges nor public funds can be diverted from their destination in order to cross-subsidise activities carried out in competition with other undertakings;
- **allows outsourcing** of certain functions of the infrastructure manager, but the infrastructure manager should maintain ultimate control of and responsibility for the operation, maintenance and renewal of its network;
- **ensures coordination and cooperation between infrastructure managers** whilst providing railway operators access to pertinent information. Exchange of information, monitoring of performance and analysis of other relevant questions on rail infrastructure should also take place between the Member States;
- introduces special provisions for the access of **high-speed passenger services** to the Union rail infrastructure;
- further enhances **IT systems and ticketing systems** to make multimodal, cross-border and door-to-door mobility options possible;
- **reinforces regulatory bodies' powers** allowing for effective enforcement by national regulatory bodies and the Commission.

Infrastructure managers should comply with the new requirements **from 1 January 2019**. Member States should ensure that railway undertakings have non-discriminatory access to the working timetable in order to launch new commercial services on 14 December 2020.

Single European railway area: opening of the market for domestic passenger transport services by rail and governance of the railway infrastructure. 4th Railway Package

2013/0029(COD) - 07/12/2016 - Committee recommendation tabled for plenary, 2nd reading

The Committee on Transport and Tourism adopted the recommendation for second reading contained in the report by David-Maria SASSOLI (EPP, IT) on the Council position at first reading with a view to the adoption of a directive of the European Parliament and of the Council amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure.

The committee recommended the European Parliament to **approve the Council position at first reading without amendment**.

As a reminder, the proposal is part of the market pillar of the Fourth Railway Package which comprises three legislative proposals.

The Commission proposal for the amendment of Directive 2012/34/EU has in particular the following objectives:

- the opening of the market for domestic passenger transport services by rail with the objective of intensifying competitive pressure on domestic rail markets, in order to increase the quantity and improve the quality of passenger services;
- enhancing the governance of the infrastructure manager with the objective of ensuring equal access to the infrastructure.

Following the adoption of Parliament's first reading position on 26 February 2014, interinstitutional negotiations (aimed at an early second reading agreement) took place, from October 2015 to April 2016, under the Luxembourg and the Dutch Presidencies of the Council. After six rounds of trilogues, Parliament's negotiating team reached an agreement with the Council Presidency on 19 April 2016.

The explanatory statement accompanying the recommendation recalled the main achievements of the European Parliament in the framework of the conclusion of the overall agreement with the Council:

- safeguards have been put in place to ensure the **impartiality and independence of the infrastructure manager**, by reinforcing the provisions on: double mandates, essential functions, traffic management and maintenance planning, outsourcing and sharing of the functions of the infrastructure manager, financial transparency;
- Member States should put in place a national framework for the assessment of **conflicts of interests**;
- special rules governing the **access of high-speed passenger services to the Union rail infrastructure** have been established, with a view to developing the market for high-speed passenger services and promoting its competitiveness for the benefit of passengers;
- on **social issues**: a railway undertaking applying for a licence, or the persons in charge of its management, must have not been convicted of serious offences resulting from obligations arising from binding collective agreements; the Commission should also assess whether legislative measures on the certification of on-board railway staff are necessary;
- **mandatory coordination mechanisms** between infrastructure managers and railway undertakings have been established;
- the role of the **European Network of Infrastructure Managers** was strengthened, including mechanisms to ensure benchmarking of their performance;
- the powers of the regulatory bodies were reinforced and a cooperation mechanism was established as regards the coordination of the decisions of two or more regulatory bodies concerning international rail services or bi-national infrastructure;
- the **market development of common information and through-ticketing systems** was put forward as a priority, in order to facilitate more efficient multimodal and cross-border passenger transport; the Commission shall monitor rail market developments concerning the introduction of such systems, and present by 2022 a report to the European Parliament and the Council, to be accompanied, if appropriate, by legislative proposals.

Single European railway area: opening of the market for domestic passenger transport services by rail and governance of the railway infrastructure. 4th Railway Package

2013/0029(COD) - 14/12/2016 - Text adopted by Parliament, 2nd reading

The European Parliament adopted at second reading following the ordinary legislative procedure, a legislative resolution on the Council position at first reading with a view to the adoption of a directive of the European Parliament and of the Council amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure.

Parliament **approved the Council position at first reading** without amendment.

The draft Directive amending Directive 2012/34/EU has in particular the following objectives:

- the opening of the market for domestic passenger transport services by rail with the objective of intensifying competitive pressure on domestic rail markets, in order to increase the quantity and improve the quality of passenger services;
- enhancing the governance of the infrastructure manager with the objective of ensuring equal access to the infrastructure.

It should be noted that a proposal to reject the Council proposal, tabled by the EFDD, Greens/EFA, ENF and GUE/NGL groups, was rejected by plenary by 250 votes to 459 with 1 abstention.

Single European railway area: opening of the market for domestic passenger transport services by rail and governance of the railway infrastructure. 4th Railway Package

2013/0029(COD) - 24/10/2016 - Commission communication on Council's position

The Commission adopted a communication on the position of the Council on the adoption of a Directive amending 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.

The general objective of the Commission proposal for a Directive of the European Parliament and of the Council amending Directive 2012/34/EU ('the Governance Directive') is to further develop the single European railway area by opening up domestic rail passenger markets to competition and to create a level playing field for all railway undertakings.

To attain this objective, the Commission proposed new rules to strengthen the independence of infrastructure managers, prevent cross-subsidies from infrastructure management to railway operations and improve coordination between different actors in the railway market.

This proposal is part of a comprehensive package of six legislative proposals to deliver better quality and more choice in rail services in Europe.

Comments on the Council position: the Commission considered that the position adopted by the Council at first reading **endorsed the main objectives of the Commission proposal**. In particular, it provides for the opening of domestic rail passenger markets to competition and for improved governance rules on the management of infrastructure.

Although the Council position does not go as far as the Commission would have wished on a number of points, it is a meaningful step forward compared to Directive 2012/34/EC for a number of reasons:

Separation requirements between infrastructure managers and other entities: the Council position provides greater flexibility of structures, and in particular the possibility to maintain (or revert to) a vertically integrated model.

While the Commission considers that vertical separation remains the most straightforward way to ensure the non-discriminatory treatment of new entrants, it appreciates that the Council position introduces a number of new safeguards. These are designed to ensure the impartiality of infrastructure managers, which include notably limitations on double mandates and the avoidance of conflicts of interest.

Protect all infrastructure management functions from undue influence: the Council position restricted the application of the most stringent rules to the essential functions. The Commission regretted that the opportunity to introduce broader and stricter safeguards applying to all infrastructure management functions, in particular as regards vertically integrated undertakings, was missed. However, it also noted that new general rules have been introduced to ensure transparency and impartiality also in traffic management and maintenance planning.

Outsourcing: the original concept of 'fully fledged infrastructure manager' handling all functions at the heart of the railway network was not taken up by the Council. Instead, the Council opted for a more flexible approach, where Member States are free to explore the possible benefits arising from outsourcing and public private partnerships for infrastructure management. The Commission can accept this more flexible approach, in the light of the provisions introduced to ensure that conflicts of interests are avoided and that infrastructure managers bear full responsibility and dispose of powers of supervision over any outsourced functions.

Financial transparency and accounting separation: the new rules shall ensure that neither infrastructure charges nor public funds can be diverted from their destination in order to cross-subsidise activities carried out in competition with other undertakings.

Mandatory cooperation: the Council position called for mandatory cooperation between infrastructure managers at European level as well as with their users. This cooperation is expected to improve infrastructure managers' performance and customer orientation.

Regulatory bodies: the further reinforcement of regulatory bodies' powers are another crucial element of the package. The new rules will allow for effective enforcement by national regulatory bodies and the Commission.

In conclusion, the Commission noted that while the Council position falls short of the wide-ranging amendment of the legislative framework proposed by the Commission in 2013, **the amended proposal remains of overriding importance** to further develop the single European railway area without further delay by ensuring that the remaining national monopolies on domestic passenger transport by rail are dismantled.

In a spirit of compromise, the Commission **accepted the position adopted by the Council** thus allowing the European Parliament to adopt the final text in a second reading.

Single European railway area: opening of the market for domestic passenger transport services by rail and governance of the railway infrastructure. 4th Railway Package

2013/0029(COD) - 30/01/2013 - Legislative proposal

PURPOSE: to intensify competitive pressure on domestic rail markets and strengthen governance of the infrastructure manager (**fourth railway package**).

PROPOSED ACT: Directive of the European Parliament and of the Council (amendment of Directive 2012/34/EU).

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

BACKGROUND: in its [White Paper on transport policy of 28 March 2011](#), the Commission announced its intention to complete the internal railway market, allowing railway undertakings of the Union to provide all types of rail transport services without unnecessary technical and administrative barriers.

In the last decade, three legislative 'railway packages' have aimed at opening up national markets and making railways more competitive and interoperable at EU level. Despite the new EU legislation, **the modal share (6%) of rail in intra-EU transport has remained modest**.

A number of problems need to be addressed:

- the difficulty in accessing national passenger transport services: in many Member States, the market for domestic passenger services is closed to competition, which limits their development. This also creates disparities between those Member States that have opened their markets, and those that have not;
- the governance of infrastructure managers: since infrastructure managers are natural monopolies, they do not always react to the needs of the market and its users;
- a number of market entry barriers result from situations where infrastructure management and transport operations are part of the same integrated structure, with infrastructure managers facing a conflict of interest;
- lastly, integrated structures make it much more difficult to enforce the separation of accounts between infrastructure management and transport operations.

This proposal to amend Directive 2012/34/EU forms part of the [Fourth Railway Package](#) the overall objective of which is to enhance the quality and efficiency of rail services by removing any remaining legal, institutional and technical obstacles, and fostering the performance of the railway sector and its competitiveness, in order to further develop the Single European Railway Area.

IMPACT ANALYSIS: based on an external study and the conclusions of a targeted consultation, the Commission carried out an [impact assessment](#) of the proposed measures, which examined options for new measures aiming to modernise the existing regulatory framework.

LEGAL BASIS: Article 91 of the Treaty on the Functioning of the European Union.

CONTENT: this proposal encompasses provisions with the following aims:

1. The opening of the market for domestic passenger transport services by rail with the objective of intensifying competitive pressure on domestic rail markets. The Commission proposes to open, from December 2019, all national passenger transport routes to new entrants and service providers.

2. Enhancing governance of the infrastructure manager with the objective of ensuring equal access to the infrastructure. To this end, the proposal seeks to:

- remove conflicts of interest affecting decisions of the infrastructure manager on market access and eliminate the potential for cross-subsidisation, which exists in integrated structures;
- ensure that all of the infrastructure manager's functions will be managed in a consistent manner;
- strengthen coordination between infrastructure managers and rail operators to better respond to market needs;
- create a forum for the cooperation of infrastructure managers across borders;
- establish information and integrated ticketing schemes common to all railway undertakings operating domestic passenger services in a way that does not distort competition.

The proposal allows **vertically integrated undertakings**, including those with a **holding structure**, to maintain ownership of the infrastructure manager on condition that there are strong and efficient safeguards protecting the infrastructure manager's independence.

Verification of compliance: Member States could limit access rights of railway operators which are part of vertically integrated undertakings, where the Commission is not in a position to confirm that safeguards to protect the independence of the infrastructure manager have been effectively implemented.

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

Single European railway area: opening of the market for domestic passenger transport services by rail and governance of the railway infrastructure. 4th Railway Package

2013/0029(COD) - 21/01/2014 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Transport and Tourism adopted the report by Saïd EL KHADRAOUI (S&D, BE) on the proposal for a directive of the European Parliament and of the Council amending Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012 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.

The parliamentary committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should be to amend the Commission's proposal as follows:

Purpose: the Directive should aim to make rail transport a **more attractive means of transport for the European public**. It would help to create workable information and integrated ticketing schemes.

Strengthening of social provisions: the objective of the Directive, which is to complete the single European railway area, would be pursued on the basis of **social dialogue** at Union level in order to ensure that railway workers are appropriately protected against the unwanted effects of the opening of the market.

Members considered that the opening of the market **should not negatively influences rail workers' working and social conditions**.

To avoid social dumping, Members proposed adding to the requirements for obtaining a licence the commitment by the undertakings to **respect the existing representative collective agreements** in the Member States the railway undertaking wants to operate in.

Independence of the vital functions of the infrastructure manager: where a complete separation between the infrastructure manager and railway undertakings exists, it would be useful to allow them to **cooperate on concrete projects** that would lead to improved management of the infrastructure and to a better service for freight and passenger transport. Such cooperation or alliance should be limited in time, be supervised by the regulatory body and should not endanger the independence of the infrastructure manager. It should serve to find practical arrangements to solve specific problems such as the improved organisation of traffic on a part of infrastructure where delays frequently occur.

Member States should also be allowed to choose in the future between a separation of the infrastructure manager from railway undertakings or an integrated structure.

In order to secure sufficient and fair competition within the European railway area, Members stressed the need not only to guarantee non-discriminatory access to infrastructure but also to **integrate national rail networks and strengthen the regulatory bodies**. Such strengthening should take the form of extending the powers of the competent regulatory bodies and developing a network of regulatory bodies which would in future be a key operator in the regulation of the rail transport market in the Union.

The infrastructure manager, in exercising all the relevant functions, should be required to use its competences to constantly improve the efficiency of the management of the rail infrastructure with a view to providing high-quality services to its users.

In order to ensure equal access to the infrastructure, **integrated structures** should be shaped in such a way that no **conflicts of interest** arise between infrastructure management and transport activities.

Combining market opening and public service contracts: each Member State should be given sufficient flexibility to organise its network in such a way that a mix of open-access services and services performed under public service contracts can be achieved in order to ensure a **high quality of services** readily accessible to all passengers.

Following selection of the public service contracts to be put out to tender, each Member State should establish on a casebycase basis which safeguard mechanisms are to be introduced for each service should the tender procedure not be successfully completed. Those mechanisms should not in any way generate additional charges for the railway undertakings managing those services.

Members considered that the economic equilibrium of the public service contract should not be the only criterion. **Effects on the quality of the service provided**, such as punctuality, maintaining connections, the number of stops and the frequency of trains therefore also need to be taken into account. Likewise, **social and cohesion policy issues** have to be compulsorily considered by the regulatory body.

Third-country undertakings: the report also deals with the question of access to the rail freight and rail passenger transport markets for third-country undertakings.

Members considered it was both necessary and fair to ensure that balanced conditions exist on the basis of reciprocity. In the absence of such conditions, no individual Member State should be required to open its market to undertakings established in third countries or to undertakings directly or indirectly controlled by persons from third countries.

Passenger rights – establishment of a through-ticketing scheme: according to the amended text, all **timetabling data** shall be deemed to constitute public data and shall be made available accordingly.

All rail stakeholders such as railway undertakings, infrastructure managers and ticket vendors would have to **use by 12 December 2019 an interoperable through-ticketing and information system** that fulfils the objective of enabling passengers to access all data needed to plan a journey and to reserve and buy their tickets within the Union.

Member States should require railway undertakings to cooperate in setting up a **common travel information and ticketing scheme** for the supply of tickets, through-tickets and reservations or should decide to empower relevant authorities to set up such a scheme.

European regulatory body: in light of the lessons learned by the network of regulatory bodies set up by Directive 2012/34/EU, the Commission should adopt, no later than 31 December 2019, draw up a legislative proposal to replace the network with a European Regulatory Body, formalising its procedures and giving it legal personality, in time for the opening of domestic passenger transport services by rail.

Single European railway area: opening of the market for domestic passenger transport services by rail and governance of the railway infrastructure. 4th Railway Package

2013/0029(COD) - 26/02/2014 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 412 votes to 146 with 106 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012 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.

The European Parliament's position at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

Opening of the market: the Parliament underlined that the completion of the opening of the Union railway market should be seen as **essential** in order to enable rail to become a credible alternative to other modes of transport in terms of price and quality. It emphasised that the development of a single European rail area is heavily dependent on the full and effective application of the relevant legislation in all the Member States within the prescribed time-limits.

Purpose: the Parliament clarifies that the Directive should aim to make rail transport a **more attractive means of transport for the European public**. It should help to create workable information and integrated ticketing schemes.

Strengthening of social provisions: the single European railway area, should be pursued on the basis of **social dialogue** at Union level in order to ensure that railway workers are appropriately protected against the unwanted effects of the opening of the market.

Members considered that the opening of the market **should not negatively influences rail workers' working and social conditions**.

To avoid social dumping, Members proposed adding to the requirements for obtaining a licence the commitment by the undertakings to **respect the existing representative collective agreements** in the Member States the railway undertaking wants to operate in.

Separation between infrastructure management and transport activity: provided that no **conflict of interest** arises and that the **confidentiality** of commercially sensitive information is guaranteed, Parliament considers that nothing in this Directive should prevent Member States from authorising the infrastructure manager to engage in **cooperation agreements**, in a transparent, non-exclusive and non-discriminatory way, with one or more applicants as regards a specific line or a local or regional part of the network, in such a way as to give financial incentives to increase the efficiency of its cooperation in relation to the part of the network concerned.

Such cooperation shall be aimed at delivering **more efficient management** of disruptions, maintenance works or congested infrastructure, or of a line or a part of the network prone to delays, or at improving safety. Its duration shall be limited to a maximum of five years (renewable). The regulatory body should give its prior approval to the cooperation agreement, demand its modification or reject it if the above conditions are not fulfilled.

The infrastructure manager should have effective decision-making powers, independent from the other legal entities within the vertically integrated undertaking, with respect to train path allocation and infrastructure charging. It must have its own management staff and sensitive information held by the infrastructure manager should be duly protected and should not be passed on to other entities.

Combining market opening and public service contracts: Members considered that the economic equilibrium of the public service contract should not be the only criterion. **Effects on the quality of the service provided**, such as punctuality, maintaining connections, the number of stops and the frequency of trains therefore also need to be taken into account. Likewise, social and cohesion policy issues have to be compulsorily considered by the regulatory body.

Each Member State should be given sufficient flexibility to organise its network in such a way that a mix of open-access services and services performed under public service contracts can be achieved in order to ensure a high quality of services readily accessible to all passengers.

Following selection of the public service contracts to be put out to tender, each Member State should establish on a casebycase basis which safeguard mechanisms are to be introduced for each service should the tender procedure not be successfully completed. Those mechanisms should not in any way generate additional charges for the railway undertakings managing those services.

Third-country undertakings: the report also deals with the question of access to the rail freight and rail passenger transport markets for third-country undertakings.

Members considered it was both necessary and fair to ensure that balanced conditions exist on the basis of reciprocity. In the absence of such conditions, no individual Member State should be required to open its market to undertakings established in third countries or to undertakings directly or indirectly controlled by persons from third countries.

Limitation of the right of access and of the right to take and drop passengers: Parliament clarified that **high-speed passenger services** should not be limited in their right of access to the railway infrastructure. All passenger services that are not part of a public service contract should be referred to as open access services.

Passenger rights – establishment of a through-ticketing scheme: according to the amended text, all **timetabling data** should be deemed to constitute public data and should be made available accordingly.

All rail stakeholders such as railway undertakings, infrastructure managers and ticket vendors would have to **use by 12 December 2019 an interoperable through-ticketing and information system** that fulfils the objective of enabling passengers to access all data needed to plan a journey and to reserve and buy their tickets within the Union.

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Single European railway area: opening of the market for domestic passenger transport services by rail and governance of the railway infrastructure. 4th Railway Package

2013/0029(COD) - 08/10/2014

Ministers held a **policy debate** on two proposals to improve rail services in the EU. The proposals are part of the "political" or "market" pillar of the fourth railway package.

The Council debate focussed on key issues such as domestic market opening, non-discriminatory access to networks, financial transparency and the awarding of public service contracts.

Encouraging investment and innovation and rendering the railway sector more dynamic and customer-oriented: many ministers agreed with this objective but questioned whether market opening would be the best one to achieve this given that EU countries are very different in terms of their population, geography, markets and national rail systems.

Certain Member States were in favour of market opening but even many of them expressed the need to consider certain aspects such as good preparation, the need to do this progressively or the need for a market analysis or a study on the potential economic or social impact.

Cherry-picking: many Member States said they were against "cherry picking" i.e. commercial companies should not be allowed to choose profitable lines to the detriment of loss-making lines that are in the public interest.

Transition period: a large number of member states were in favour of a transition period for any new market opening measures. Several delegations mentioned the need to let the current contracts run their course.

Governance: a few ministers said that it should be up to the Member States to choose their own model. Some ministers said no additional measures would be necessary in this area. Some others mentioned the need to ensure transparency and oversight.

Public service contracts: most Member States considered it necessary to retain the possibility to award public-service contracts directly. Many delegations mentioned the need for public services to include both profitable and non-profitable lines.

Access to rolling stock: a few ministers said non-discriminatory access to rolling stock should be ensured for railway undertakings, whereas a number of delegations stressed the principle of subsidiarity in this connection. Others said no budget obligations should be created.

A large number of delegations considered it important to make progress on and conclude the **technical pillar** as swiftly as possible.

On the basis of the discussion, the Council will go on working towards a strategic, **shared approach to the political pillar** with a view to agreeing on this shared approach by the December Council.