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ACTIVITIES OF OTHER BODIES OF INTEREST TO THE WORKING PARTY

Briefing note on the implementation and development of the
Railway Market Monitoring Scheme (RMMS)

Transmitted by the European Commission
Directorate-General for Energy and Transport

Note: The information on the progress made in implementation and development of the RMMS project was submitted by the European Commission following the request made by the Working Party at its fifty-fifth session (TRANS/SC.2/196, para.9).

The Working Party may wish to discuss how it could contribute to the implementation of the project and its own participation in the realization of the project's objectives.

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Introduction

On 26 February 2001, the Council of EU Transport Ministers adopted three directives under the rail infrastructure package, which came into force on the publication date of 15 March 2001 (Directives 2001/12, 2001/13 and 2001/14, published in OJ L75). In article 10b (1) of directive 91/440, as modified by directive 2001/12, the Commission is requested to make the necessary arrangements to monitor 'technical and economical conditions and market developments of European rail transport' by 15 September 2001 at the latest.

This note summarizes the efforts and actions undertaken by the Commission as well as the results of the activities carried out by an external consultant. It also contains the outlines of a proposal for the content, the structure and the setting up of a Rail Market Monitoring Scheme (RMMS) that should enable the Commission to meet the requirements on the reports to the European Parliament and the Council, as set out in article 10b (4) of the said directive.

Activities

The Commission has set up a Working Group for the Rail Market Monitoring Scheme (RMMS) under the regulatory committee provided for in the same Directive. In this Working Group, officials of the national transport ministries, as well as railway operators represent the Member States. An external consultant (Mr. Westra from GIVENTIS, the Netherlands) assisted the Commission and the Working Group in its activities.

The Working Group has met five times to discuss the information needs on the basis of the directive ('What information is required?') and to assess the available information to meet those needs ('What information is available?'). During two meetings, stakeholder organizations, such as the social partners and trade associations, were invited to indicate their expectations in relation to the RMMS as well as their potential contributions.

Information requirements

According to article 10b (4) of the modified directive 91/440, the Commission shall report to the European Parliament and the Council on:

- a) the evolution of the internal market in rail services;
- b) the framework conditions;
- c) the state of the Trans-European Rail Freight Network;
- d) the utilization of access rights;
- e) barriers to more effective rail services;
- f) infrastructure limitations, and
- g) the need for legislation.

To address these items, the following, non-exhaustive list of questions have to be answered:

- a) Market evolution: is competition increasing?; Are prices going down?; Is there a shift in the modal shift in favour of transport by rail?; Is the market growing?; What are the actors which determine the market -such as TOCs- and what is their financial situation?

- b) Framework conditions of the access to the network: Have the directives been implemented and when? What are the framework conditions of the rail market and has open access been achieved?
- c) Technical condition of the TERFN: What is the state of the TERFN, notably the information as provided in the technical parts of the network statements?
- d) The utilization of access rights: How are these rights allocated? Has open access attracted other operators than the incumbent ones? Is the load factor prohibitive? Are the available slots attractive? Are all the slots used? Does open access work: i.e. does the number of train/passengers and passenger/km increase and does a modal shift occur in favour of transport by rail?
- e) Barriers to more effective rail service: What are the barriers to entry to the railway markets in relation to technical limitations of the network or difficult access to training facilities for other than national staff?
- f) Infrastructure limitations: How are bottlenecks addressed? What are investments, or planned investments, to reduce infrastructure limitations?
- g) Is there a need for new legislation on the basis of the market monitoring in relation to the effectiveness and efficiency of the goals set out in the directives, the common transport policy and the Treaty?

Information availability: preliminary results

In order to enable an answer to the questions mentioned above, an inventory has been made of available information sources (data, statistics, and analyses) and associated indicators in the Member States and in international organizations. This inventory yielded a significant amount of data, statistics and even analyses focused on production levels, such as the numbers of ton/km, passenger/km, passengers or train/km. There was less information available on service levels, such as punctuality, safety or comfort. However, the data that are available, such as on passengers and amount of freight moved, are incomplete and unreliable. There are many more players in the market than before and their existence is not being recognized in the data available.

The heterogeneous nature of the data available in the Member States will require additional efforts to harmonize definitions and data to obtain comparable information on rail trends and market evolution in the Member States.

Outline of the Rail Market Monitoring Scheme (RMMS)

On the basis of the information requirements mentioned and the available data, a draft structure for a Rail Market Monitoring Scheme (RMMS) has been elaborated ('How should we present the information?'). The RMMS should enable the Commission and interested parties to monitor the implementation of the directives in the Member States; to monitor the evolution of the rail market and to analyse and to evaluate the Community rail policy. The results of this monitoring

and these analyses should be the basis for policy development and the development of new legislation, if necessary.

To that end, the RMMS will:

- Collect the relevant information from data-suppliers (TOCs, Infrastructure Managers, Capacity Allocators, Member States statistical offices, International Organizations);
- Publish relevant statistics;
- Publish or make known, relevant information;
- Publish integrated view on the market in analyses and position papers.

In practice, this means that:

- The scope of the RMMS will be focused on the rail markets in the first stage, but it will eventually include policy compliance, framework conditions, state of the TERFN, even though the data collection is being designed through other Working Groups than the RMMS WG;
- There will be a single monitoring, data collection and disseminating infrastructure, which will be modelled on the inland waterway monitoring observatory, encompassing qualitative and quantitative aspects. The infrastructure will consist of a public section containing statistics, information and analysis, as well as a restricted access section which will be used by data suppliers for the provision of data – eventually through links - and the dissemination among a restricted and predefined group of users of classified or confidential information;
- Wherever possible, existing data and data collecting infrastructures will be used and will be invited to feed the RMMS;
- The RMMS is above all a shared analytical and learning network, which gathers input for analyses of data and information on rail market developments for policy evaluation and development, and which subsequently performs these analyses directly or indirectly. The results of these analyses are the principal output of the scheme. These outputs will include an annual rail market evolution statement and a bi-annual Rail Market Appreciation document covering all aspects and which will include recommendations for changes or adjustments to the policy in place.

Next steps

The following steps must be taken to implement the RMMS:

1. Further development of the Market Monitoring section of the website set up for the Rail Transport and interoperability Unit. This section will contain information on the basis of available data, such as the number and names of licences railway undertakings; indicators on the rail market based on Community statistics, an overview of applicable legislation, etc. It will be extended on a step-by-step basis.

2. Development of an indicator database for the RMMS

It is also useful to note that this website will include information on studies and research in the railway sector, funded by the Commission. As illustration, the Commission intends to launch a study to enable an analysis of the financial flows from public authorities to the rail sector, as well as a study to make an overview of the administrative and legal framework in each Member State and candidate country, created to implement the Community acquis on railways.

Further information, as well as the most recent updates can be acquired via our internet site:
http://europa.eu.int/comm/transport/rail/index_en.html.
