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Economic Commission for Europe

Inland Transport Committee

Working Party on Rail Transport

Informal Group of Experts on the application of digital solutions to the marking of the URVIS identifier

First session

Geneva and online, 13 November 2024

Report of the first session of the informal Group of Experts on the application of digital solutions to the marking of the URVIS identifier

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Attendance.....	1–4	2
II. Adoption of the agenda (agenda item 1)	5	2
III. Election of Officers (agenda item 2)	6	2
IV. Background to the Group (agenda item 3)	7–9	2
V. Model Rules on the Permanent Identification of Railway Rolling Stock (agenda item 4).....	10–11	2
VI. Other business (agenda item 5)	12	4
VIII. Date of next session (agenda item 6).....	13	4

I. Attendance

1. The informal Group of Experts on the application of digital solutions to the marking of the URVIS identifier (the Group) held its first session on 13 November 2024 in Geneva and online.
2. The session of the Group was attended by a representative of Hungary. A representative from the European Agency for Railways (ERA) was also present.
3. The following non-governmental organizations were represented: Intergovernmental Organisation for International Carriage by Rail (OTIF), International Union of Wagon Keepers (UIP), Rail Working Group (RWG) and International Institute for the Unification of Private Law (UNIDROIT).
4. Representatives of the following private sector organization attended the session: Transdev.

II. Adoption of the agenda (agenda item 1)

Document: ECE/TRANS/SC.2/RC.1/GE.1/2024/1

5. The secretariat presented the draft agenda for the first session of the Group as contained in ECE/TRANS/SC.2/INFO/2024/1, and the Group subsequently adopted the agenda.

III. Election of Officers (agenda item 2)

6. The Group elected Mr. Howard Rosen from the Rail Working Group as Chair of the informal Group of Experts.

IV. Background to the Group (agenda item 3)

7. An initial presentation was provided by the secretariat, setting out the terms of reference for the group as adopted by the Revisions Committee to the Model Rules on the Permanent Identification of Railway Rolling Stock (SC.2/RC.1) during its second session.
8. The Chair emphasised the importance of the Group's work in enhancing access to rolling stock financing by providing creditors with greater security in pledged or leased rolling stock through improved access to information on their locations and other relevant details. Reducing creditor risk meant a lower allocation of capital to censored credits on rolling stock, thereby reducing the lender/lessor's cost of funds and so the financing costs out into the market. On real time digital tracking of all rolling stock, the focus of the Group not only makes it easier for creditors to repossess equipment in the event of debtor/lessee default (because they know – or can find out – the location of the equipment securing the debt), but also opens the way to introducing new efficiencies into the industry, including predictive maintenance and, in the case of leases, pricing based on use rather than the period over which the assets are made available to the operator.
9. The Group thanked the secretariat for the presentation relating to the background of the Group.

V. Model Rules on the Permanent Identification of Railway Rolling Stock (Agenda item 4)

10. The Group had extensive discussions on the application of digital solutions to the permanent marking of the URVIS identifier and, taking into account the overall objective of giving more security to the creditor through digital tracking of rolling stock, agreed on the following principles:

- a. The existing Model Rules should be enhanced with provisions on minimum standards for the digital identification of rolling stock, incorporated into a new Appendix 3. Application of, and adherence to, Appendix 3 will be by agreement between a creditor and debtor, but it will then be enforceable by all creditors holding a registered international interest in the item or items of rolling stock concerned (and revocable only with the written consent of all creditors then holding a registered international interest at the time of the proposed revocation);
- b. Appendix 3 should be in addition to, and not in replacement of, the current Model Rules specifying physical permanent marking; in the event of a conflict between the digital marking and the physical marking, the latter must prevail;
- c. Adherence to Appendix 3 will not be a condition imposed by the registrar to registration of an international interest at the international registry;
- d. Appendix 3 must be technologically agnostic, but software should be forward and backward compatible as well as compatible, where possible, with software already in use within the rail industry;
- e. Appendix 3 must provide for requirements for various active and passive mechanisms for collecting and transmitting data (for example GPS tracking or track side monitoring);
- f. Appendix 3 should specify that creditors should be given access to real time/ dynamic time information on the location and utilisation of the rolling stock (“asset data”) they are financing but, noting that there may be more than one creditor secured by an item of rolling stock, this asset data should not be generally available in the public domain and creditors will assume a duty of confidentiality; the definition of “real time” is open at this stage but should be proportionate taking into account the creditor’s needs, the circumstances and incremental cost;
- g. Any further data (other than asset data) provided to creditors should be by agreement between the parties to a financing;
- h. Access to the asset data should be independent – i.e. creditors or their duly authorised agents must have unrestricted access to the asset data with an individual access code, and such code should be transferable to assignees when notified to the owner of the asset data, in each case independent of the owner of the asset data and debtor, or if the debtor is not the keeper, the keeper. An access code may not be altered or blocked without the consent of each of the creditors then holding a registered international interest at the time or, where a creditor has assigned its rights and this has been notified to the debtor and the owner of the data, the assignee;
- i. Nothing in Appendix 3 shall preclude disclosure of asset data when required by applicable law;
- j. Appendix 3 should take into account the ownership of the asset data, providing for compliance and compatibility with the European Data Act and other similar legislation;
- k. Where possible, hardware incorporating digital solutions should contain redundancy provisions to ensure that, as much as possible, the hardware continues to operate even where batteries or other parts need to be changed and otherwise, Appendix 3 should make provisions for redundancy, maintenance of the hardware and for upgrades of any firmware or software without compromising a creditor’s access to the asset data;
- l. Holders of unilateral registrations will not be able to oblige the debtor/keeper to comply with Appendix 3; however, in any declaration lodged with the registrar, a keeper can indicate if it wishes to commit to offering compliance with Appendix 3 if requested to do so;
- m. The solutions under Appendix 3 must be secure from hacking and other cyber risks in accordance with the ISO 27001 family of standards as well as industry best practice on an ongoing basis;

- n. Appendix 3 does not impose any additional burden or cost on the registrar of the international registry, but it will be possible for the registrar to provide incremental services if it wished to do so (for example, a comprehensive website holding various items of information on specifically identified items of rolling stock) if authorised by the Supervisory Authority.

11. The Chairman noted that the next step would be to test these principles with the technical experts, and they should be encouraged to attend the next meeting of the Group. Following this technical review, the third meeting of the Group should consider the drafting of Appendix 3 with the objective of a draft being presented to the September 2025 meeting of the Revisions Committee.

VII. Other business (agenda item 5)

- 12. There was no other business discussed at the first session of the Group.

VIII. Date of next session (agenda item 6)

- 13. The Group agreed to hold its next session on 21 January 2025 from 09:30 – 14:00 (Central European Time). The meeting will continue to be in hybrid mode (in Geneva and online) and convened in English only.
