



Conferințele Club FERVIAR 2010

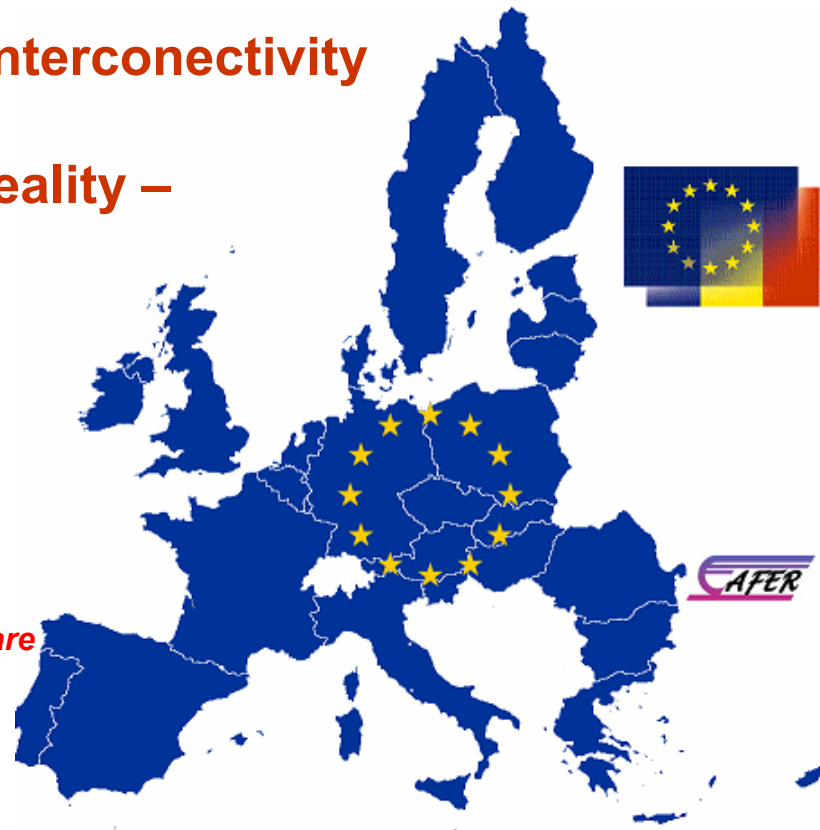
Intermodality, Interoperability, Interconnectivity

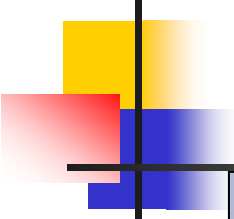
**Concepts between theory and reality –
opening rail transport markets**

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***Proiecte și soluții pentru construirea unei rețele feroviare
interoperabile cu Europa Centrală și de Est***

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Agenda

Definitions

EU transport and rail policy

What about Romanian?

Open market

The advantages

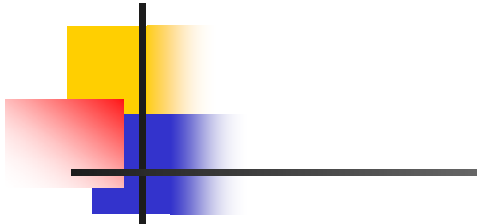


EC definitions

The EC has applied a broader term of 'intermodality' to cover all aspects of using different transport modes in providing door-to-door services for both goods and passengers:

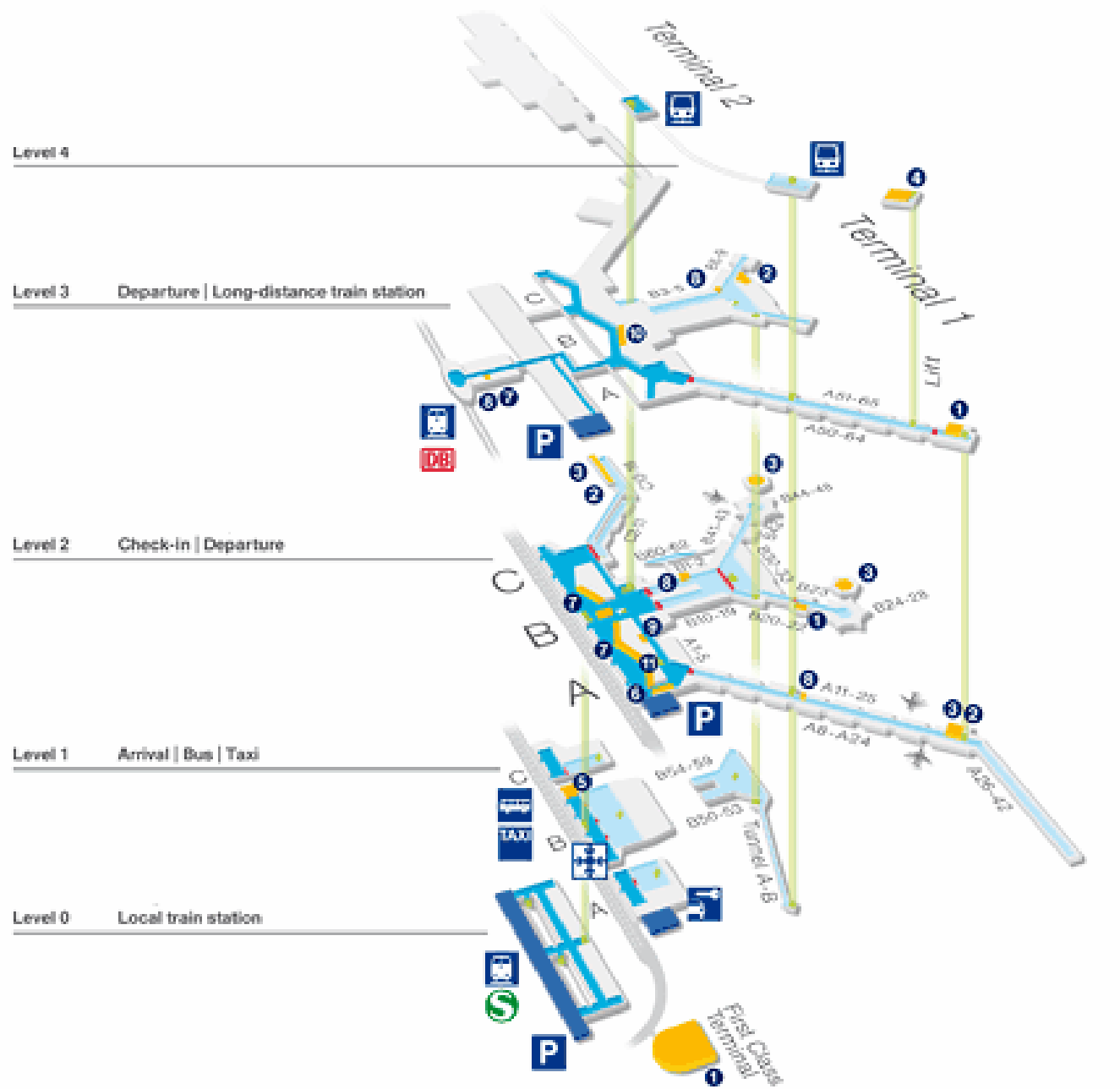
Definition 1: Intermodality is characteristic of a transport system that allows at least two different modes to be used in an integrated manner in a 'door-to door' transport chain.

In addition, it is a quality indicator of the level of integration between different transport modes. In that respect more intermodality means more integration and complementarities between modes, which provides scope for a more efficient use of transport systems.



Intermodality

Case of an intermodal hub





EC definitions

Definition 2: Interoperability mainly refers to the use of standardized and compatible infrastructure, technology, facilities and equipment, and characteristics of vehicles (dimensions).

It involves technical and operational (procedural) uniformity that may be applied by transport enterprises to provide efficient `door-to-door' service. Consequently, this reduces numerous barriers between modal transport systems (e.g. institutional, legislative, financial, physical, technical, cultural or political).

Interoperability example:

Priority Project 22

Railway axis Athena–Sofia–Budapest–Wien–Praha–Nürnberg/Dresden

PROJECT DESCRIPTION

The project links eastern Member States through a major railway axis. Completing the axis will improve connectivity between all the networks on the basis of common standards. This axis is the only connection from southeastern Europe (and Greece) to the heart of the EU.

Some sections have been already completed - in Germany, Czech Republic, Hungary and Greece - and works will go on.



Source: TEN-T Executive Agency



EC definitions

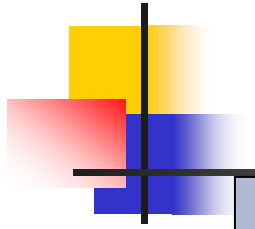
Definition 3: Interconnectivity concerns horizontal co-ordination of transport modes for obtaining integrated 'door-to-door' transport service. A precondition for establishing such co-ordination is the existence of transshipment/transfer technologies, facilities and equipment, sophisticated surveillance and guidance systems as well as trained and educated personnel.

Interconnectivity exemple 1



Interconnectivity exemple 2





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EU Common transport policy

Objective 1 - Stimulation of further development of Trans-European Networks (TENs) including favoring the development of peripheral regions

Objective 2 - Liberalization of transport markets to the maximal extent possible (market regulations should be equalized in each Member State and product market should be opened for agents of each country)

Objective 3 - Progressive movement towards the 'sustainable' development to transport sector

CTP uses different instruments to achieve these objectives, which may be classified as follows:

- *legislation* (directives and regulations);
- *guidelines*;
- *research and technical development*;
- *financing* of transport infrastructure projects, which aim to contribute to the integration of the TENs and systems.



European Legislation 2001-2008

1st Railway Package 2001

- **Infrastructure:** *open access, charging, certification*
- Development of RUs: *strengthening management independence and responsibility, separation of accounts, supervisory authority*
- Licensing of RUs

2nd Railway Package 2004

- **Market opening:** *rail freight*
- **Interoperability:** *TSIs*
- Creation of the European Railway Agency
- Railway safety

3rd Railway Package 2007

- **Market opening:** *international passenger services*
- Rail Passenger Rights Regulation
- Train driver licensing: *cross acceptance*

Other

- Financing: Public Service Obligation



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STAGES OF RAILWAY REFORM

1998:

Main institutional railway reform

1999-2003:

**Consolidation of reform, continuous process
Branches of railway companies**

2003-2004:

**Transposition of the first EU railway package
Privatization of majority branches**

2005-2006

Transposition of the second EU railway package

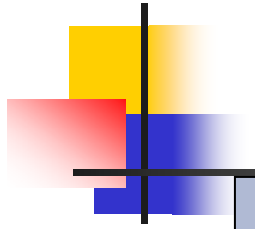
2007-2008

Transposition of new EU legislation on interoperability



Today

- Transposition of european directives in force
- National legislation regarding certification of interoperability subsystems an constituents in force
- Romanian Notified Body is prepared
- BUT there are only 7 certification procedures requested, in all cases there are uncovered by TSIs
- Even there are a lot of constructions a long of Romanian Railway Network there are NO request for authorization for placing into service.



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Romanian legislation

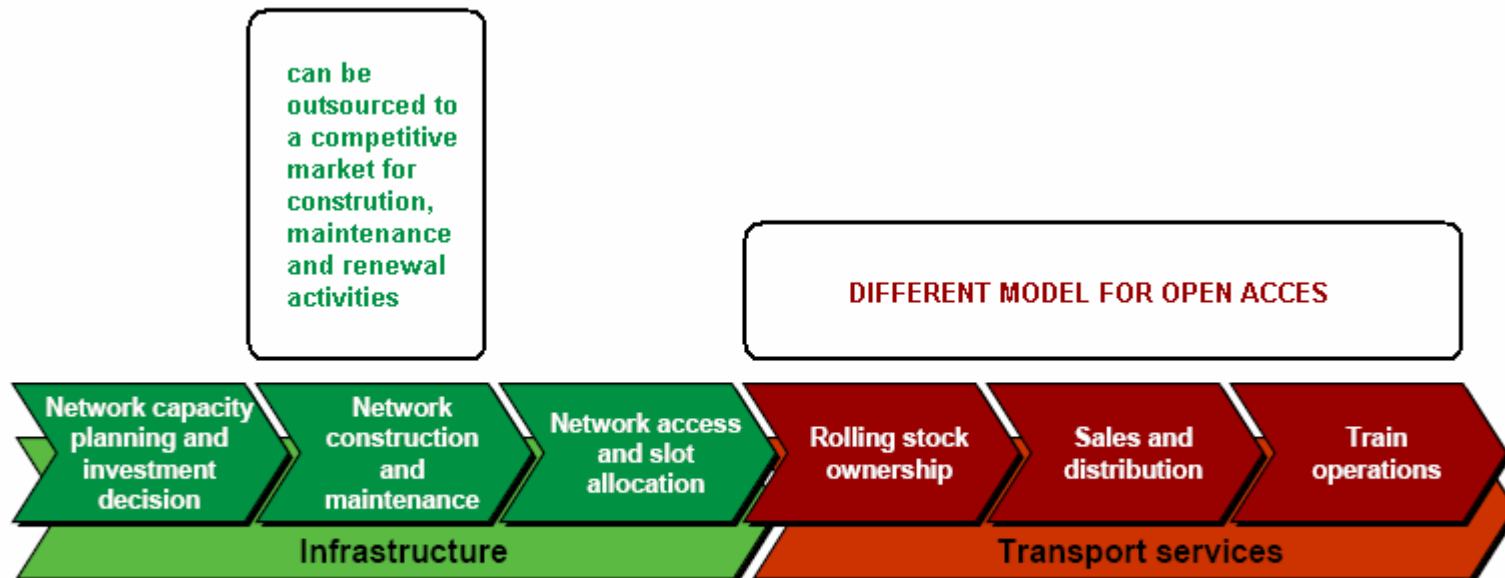
Open market

The advantages

MARKET ACCES

The infrastructure is a non-contestable natural monopoly consisting of network capacity planning and investment decision, network construction and maintenance, network access management and slot allocation.

Transport services include rolling stock ownership, sales and distribution and train operations.



The value chain of the rail transport sector

Opening market – different models and conditions

Characterization of European long-distance passenger rail transport markets

	Austria	France	Germany	Great Britain	Italy	Netherlands	Sweden
Degree of infrastructure - transport services separation	Holding integration	Partial separation	Holding integration	Full separation	Holding integration	Full separation	Full separation
Network ownership	Public	Public	Public	Public (after private intermezzo)	Public	Public	Public
Market dominance and operator ownership	100% ÖBB Personenverkehr (state-owned), entries between Vienna and Salzburg announced by Westbahn (hourly service) and Fair Train (every 3 hours)	100% SNCF (state-owned)	99% DB – Fernverkehr (state-owned)	Oligopoly of private train operating companies (apart from temporary re-nationalizations) (Merkert, 2009)	100% Trenitalia (state-owned), considerable entries announced by NTV (Rome-Milan) and DB in co-operation with ÖBB (Munich-Verona)	NS (state-owned) and NS-/KLM joint-venture HSA (90% state-owned) together 100%	SJ (state-owned) dominating, some smaller railway undertakings present

Opening market – different models and conditions

Characterization of European long-distance passenger rail transport markets

	Austria	France	Germany	Great Britain	Italy	Netherlands	Sweden
Concessions	No	No	No	Competitive tendering for regionally delimited areas and long-distance connections, franchised under National Rail	No	Two concessions granted to NS until 2015, and to HSA until 2024	Concessions only on routes where SJ refuses to operate commercially
Open access	Yes	No	Yes	Yes, if not primarily abstractive	Yes	No	Only for night trains, change announced for 2009/2010
Degree of market opening	Access for all operators given	None	Access for all operators given	Access for all operators through competitive tendering	Access for international groupings given	None	Purely commercial day services reserved by law to SJ, change announced for 2009/2010



Models of market access

1. “Tendered Concessions” model
 - network is structured into a reasonable number of sub-networks based on a demarcation along regions of traffic flows and tracks;
 - tendering authority – managing routes, frequency of services, operation time, minimum requirements of service quality,
 - Tender concessions
2. Network concession for a monopolistic operator
3. “Open market” model
 - its based on the concept of competition in market;
 - this model request total separation between IM and RUs



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Railway Interoperability

The advantages



The advantages

For rail companies - must take the necessary measures to reduce the differences with the other networks, in order to safely improve the circulation of the international trains when they cross the frontiers, searching for common standards on issues of interoperability subsystems.

The investment represents the opportunity to upgrade, modernize and strengthen the entire national rail system.

The modal rebalance, resulting from the adoption of interoperability, favors an increase in rail traffic and the commercial development of the rail companies.



The advantages

The customers.

- The customers of passenger and freight rail transport are the parties most sensitive to an overall improvement in the performance of an interoperable rail service, which is aligned with the highest international standards.
- The customers cannot fail to benefit from a safer, faster and technologically advanced transport system, which is planned to meet the needs of a demanding and international market. And the customers - both passengers and freight - formulate the market opinion on the improvements which interoperability brings to each individual network.
- Market liberalization brings the customers to a new central position which, in turn, implies a new approach and a new way of communicating with the public for every rail company.



The advantages

- **The industry in the sector.** There are two types of advantage for the rail industry sector and the induced industries:
 - **improvement of the quality of the products.** The manufacturers of rolling stock, infrastructures and technological systems are encouraged by the interoperability to carry out research and to increase the level of production to meet the requirements of a market which demands more modern standards which are compatible with those of the other countries.
 - **market expansion.** The industry is encouraged to invest in the development of new and more modern products and, due to the interoperability - which guarantees that its products may be adopted by any other Member State - it sees an expansion of its potential market. This competition with the firms in other countries encourages the firms to adopt evermore competitive industrial practices. This leads to a virtuous circle which is to the advantage of the entire system-country and the wider European industrial system.
- **The transport operators.** A market with continental, and no longer national, borders represents an opportunity for growth of all the operators working in a direct or indirect manner in the transport sector. Also here, the involvement in a large market becomes the stimulus to improve services and supplies.

