

Rail Market Regulatory Agency

– Recent activities

- The Rail Market Regulatory Agency is an independent and autonomous regulatory body.
- The Agency can proceed:
 - a) on someone's initiative
 - b) ex officio
- Coordination for monitoring of the state of competition on rail market – Agency initiative (January 2011.)
 - members of coordination are representatives of: RU, IM, Ministry, Agency
 - a legal right to request data, reports and other required documents from the subjects in the rail market
 - periodic meetings about specific issues

Legal basis

1. Settlement of rail operators' complaints to infrastructure manager's decisions,
2. Supervision of negotiations between infrastructure manager and rail operator on the amount of fee for rail infrastructure use,
3. Control of quality of rail services provided by rail operator,
4. Giving previous consent to the appointment and dismissal of members of the board of directors of infrastructure manager,
5. Analysis and monitoring of the state of competition on rail market, including freight transport

- Complaints – none so far
- Granting prior approval to appointment and dismissal of the members of management board of the infrastructure manager – three decisions
- Ex officio:
 1. Track access contract
 2. Independence of essential functions
 3. Ports
 4. Electrical supply for traction current
 5. Regulatory accounts
 6. Appliance of financial policy to track access contract
 7. Annual report for 2010.
- Other activities

1. Track access contract

- ex officio procedure (May 2011.)
- The Agency asked infrastructure manager and undertakings to give the statement about the track access contract, are the contracts signed
- The Agency has found out that till 15.4. only the contract between IM and HŽ Putnički d.o.o has been concluded
- The result: on the Agency's intervention the contracts between IM and two other undertakings are concluded

2. Independence of essential functions

- Ex officio procedure – the intention is to determine the current situation within the integrated HŽ system
- Railway act

Article 18 (6) If the Infrastructure manager and the entity on the railway services market constitute affiliated companies, a member of the managing body of the Infrastructure manager and a member of managing board of the entity on the railway services market may not at the same time be members of the managing body of their controlling company
- Managing Board of intergrated HŽ system consists of:
 - HŽ Train Traction
 - HŽ Cargo
 - HŽ Passenger Transport
 - President of managing board

- HŽ Holding is a part of HŽ Infrastructure Assembly – decides (inter alia) on the appointment and removal of Board members, use of profit and making a business plan
- Composition of the Assembly of the infrastructure manager is not in accordance with Railway Act
- After analysis the Agency shall issue an interpretative document which will show the interpretation of law
- otherwise Agency will issue an order to establish conditions that would be in accordance with the law

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3. Ports

- Ex officio procedure – the intention is to determine the conditions for rail services in the port authorities
- The agency sent questionnaires
- We also had meetings
- After the procedure is being finished, the Agency will make the conclusion with recommendations

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4. Electrical supply for traction current

- Ex officio procedure – because of information about difficulties with electrical supply for traction current
- The Agency has made assessment of Network Statement – and asked for additional explanations
- Current situation: use of electrical power and charging scheme is not the part of track access contract, but for this issue separate contract is concluded
- Electrical supply for traction current – additional service according to Directive 2001/14/EC

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- HŽ Infrastruktura d.o.o. (IM) buys electrical power from HEP d.d. (national electrical supplier) – it has the status of privileged buyer
- IM has introduced the formula for calculating consumption of electrical power in Network Statement, and the Agency find it realistic (reliable)

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5. Regulatory accounts

- Ex officio procedure – we can find the basis for this document in general competences of the Agency, there is no direct competence according to Croatian law (need for changing the law)
- The initiative for this document has ground on the Recast of Directive
- At the moment the Agency is preparing Guidelines for Regulatory Accounts
- The ground for Regulatory Accounts is two principles: accounts separation and cost accounting
- IM will have to make some changes in his accounting system in order to comply with the Agency's requests

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6. Applience of financial policy to track access contract

- Ex officio procedure (January 2011.)
- Institute proceedings on the initiative of infrastructure manager – IM asked for an opinion of the Agency (interpretative document) about the potential discrimination of the financial policy in the case new undertakings appear in the market
- Current situation: Financial policy has different treatment concerning payment insurance for undertakings which are within HŽ Holding and any other undertakings (there are no other undertaking at the moment)

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- The Agency asked HŽ Holding for the statement concerning this issue
- The result: Financial policy has been changed in the way that it wouldn't be potentially discriminatory towards any undertaking
- Network Statement should be also changed in order to be in accordance with Financial policy

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7. Annual report for 2010.

- Annual report is fundamental act of the Agency
- It comprises description of the market, subjects, relations between subjects, infrastructure manager's status, Network Statement and the assessment of the pre-existing condition
- It includes all activities of the Agency in the previous period of time and the financial report of the Agency
- It anticipates information and data collected through questionnaire specially designed for IM and undertakings, and also for Holding
- Fruitfull discussion in Croatian Parliament and adoption of annual report

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Other activities I

- Cooperation with Faculties – Faculty of Fransport and Traffic Sciences, Faculty of Law, Faculty of Economics
- Cooperation with - regulatory body in Slovenia
 - regulatory body BNA in Germany
 - regulatory body in Hungary
- Conferences - Berner Tage; WCTR, Lisabon; The conference of regulatory bodies, Bruxelles; International Workshop Aims, Models and Powers of Rail Regulators, Firenca; International conference Jean Monet in Rijeka – regulatory agencies
- Cooperation with Ministry of the See, Transport and Infrastructure

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Other activities II

- Cooperation with Croatian Competition Agency
- Organisation of 2. Round Table – meeting of rail market regulatory bodies in South East Europe, Zagreb 19.-20. May 2011. - primary goal to exchange information in order to harmonize the principles and practise of decision-making (www.regulatori-ije.com)
- The Agency has given the member of workgroup for making new Railway Law
- Working group of rail market regulatory bodies – regular meetings
- Independent Regulators Group – Rail, Zurich
- IPA 2009 FPP RAC Twinning light project „Strengthening of the Agency's capacities“ – in the approval procedure

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Other activities III

- TAIEX – visit of the dutch regulator in order to make continual cooperation with one of the most developed regulators in the Europe
- TAIEX – expert mission in September 2011 – the main goal is to strengthen the economic capacity and knowledge of the Agency – all subjects in the market will participate in the workshop (the Ministry, IM, undertakings) – market monitoring, account separation, charging scheme, costs, service costs etc.

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Thank you for your attention!

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