

Report of Montenegro SEETO Sarajevo, March 2012

The new Proposal of Law on Railways was passed a public hearing and it should be found at the Government at the end of this month. The adoption of a new Law on Railways shall be the harmonization of national legislation with the European Union, which is a key priority within the EU accession process, implementing the third package of directives relating to the field of railway transport. Due to the restructuring of the railway system in Montenegro, which is conducted in accordance with the principles and objectives of the Government Restructuring Strategy of the Railways from 2007, the new Law of Railways further elaborates the relationship between the Government of Montenegro, Ministry of Transport and Maritime Affairs, Directorate of Railways and railways companies as well as their responsibilities, obligations and conditions to be met by the railway companies to carry out the activities for which they are established.

The plan is to create conditions for the emergence of more of railway managers infrastructure and railway operators, which should give rise to competition and increase the quality of transportation, as well as the liberalization of the railway market.

The aim of the new Law on Railways, is the fact that the law provide for the adoption of obligations Railway Development Strategy for the period of 10 years, which will clearly define the following: long-term development goals and guidelines for the development of railways, development directions and measures, methods, dynamics and extent of implementation of development goals, outline the financial resources for implementation, funding and other elements of importance for the development of railways.

To achieve the aims defined by the Strategy Development of railways, Government will bring the National Railway Infrastructure Programme which determines the state of existing infrastructure, plans for construction, modernization and maintenance of infrastructure, define the tasks, their scope, implementation schedule and priorities, the amount and sources of funds required for the realization of National Program, which defines the obligations of the infrastructure that their annual plans must comply with the National Programme.

Pursuant to the regulation of public passenger transport services in railway and road transport, as well as the recommendations of the Commission for the Control of State aid, specific costs and revenues that are intended for public passenger transport services must be separated.

It is being the draft of the new Law on interoperability and safety on the railways, the new law is to be found in parliament at the end of the second quarter of 2012th year. The new law will be elaborated interoperability for the first time, then the news of the security relating to the production and placing on the SMS function, CSM, CSI, then the licensing of train drivers and traffic staff, detailed solution to the body for investigation of accidents and etc.

Preliminary reports on the scope of operators in 2011. year showed that there was a reduction in the number of passengers carried 10-12% compared to the 2010th year, while reducing the amount of goods for more than 12%. This trend continued in 2012.year with a rate up to 50% in freight traffic, one of the reasons, they were extremely unfavorable meteorological and weather conditions during the month of February, when the interruption of traffic on the northern line was 11 days in freight traffic and 13 days in passenger traffic reduction.

The Tender Commission for privatization of Transport Companies accordance to the Decision of Council for Privatization and Capital Projects and Government Restructuring Strategy of the Railway of Montenegro via public tender of: "Maintenance of railway infrastructure", which will be separated from "Railway Infrastructure of Montenegro Jsc - Podgorica", by joint investment into regular and investment maintenance of railway infrastructure, or sale state packages of share with the conclusion of many years of maintenance contracts, and Awarding the concessions for railway stations and lands which are integral part of "Railway Infrastructure of Montenegro Jsc - Podgorica", which published 15th September 2011 Company Egis International has been selected as an Advisor for . Contract with EgisInternational signed in February 2012. Tender are planed to launch in three months. Same procedure are for privatization of Montecargo.

The new Regulation on organization and functioning of public administration which came into force in early 2012. The Directorate of Railways is located within the Ministry of Transport and Maritime Affairs.

It was produced and submitted to the EC Delegation in Podgorica Terms of Reference for Technical support Direction for Railway, awaiting approval, assistance should take about a year and will refer to the five-year strategic plan development directorate, taking into account all the obligations that the state authority should executed in the period following the adoption of new laws and regulations, in accordance with European legislation.

Investment works in progress on the railway infrastructure: electrification, installation remote control signaling and security systems and adaptation of buildings on the section line Podgorica-Danilovgrad, selection of contractors for the project documentation for the rehabilitation of 16 steel bridges on the line state border with Serbia - Bar and the commencement of work on a general overhaul of superstructure section of the Mijatovo Kolo - Mojkovac (IPA 10). Also, the EC Delegation in Podgorica had been nominated projects rehabilitation of 12 slopes on track Trebešica-Bioče and procurement of new facilities for the power supply canatary in the station Trebešica (IPA Component III 2012-2013).