

## 10<sup>th</sup> Meeting of Working Group Railway and Intermodal Policy

Becici, September 24<sup>th</sup> (12:00) - 25<sup>th</sup> (12:00), 2009

### Chairman:

- Frank Jost, Rail and Transport Operability, DG TREN, European Commission

### Members:

- Miranda Jani, Responsible for International Relations, Albanian Railways, Albania
- Snjezana Ivkovic, Advisor for International Collaboration, Ministry of Communications and Transport, Bosnia and Herzegovina
- Danijel Krakic, Head of Unit, Ministry of Sea, Tourism, Transport and Development, Croatia
- Svetlanka Popovska, Head of Railway Infrastructure Units, Ministry of Transport and Communications, the former Yugoslav Republic of Macedonia
- Dimitrula Acevska, PE MR Infrastructure-Skopje, Assistant Finance Director, the former Yugoslav Republic of Macedonia
- Goran Radosavljevic, Advisor, Ministry of Transport, Maritime Affairs and Telecommunications, Montenegro
- Milan Bankovic, Executive Director Assistant for Traffic Regulations, Railways of Montenegro, Montenegro
- Zoran Sretenovic, Deputy Director, Public Enterprise "Serbian Railways", Serbia
- Mr Xhevat Ramosaj, Managing Director of Kosovo Railways JSC, Kosovo / under UNSCR 1244/99

### Speakers

- Stephan Unger, Deutsche Verkehrs-Assekuranz-Vermittlungs-GmbH, Germany
- Sophie von Buchner, Deutsche Verkehrs-Assekuranz-Vermittlungs-GmbH, Germany
- Dragan Jovicic, Safety Unit – Safety Assessment Sector, European Railway Agency
- Klaus Uhl, Senior Railway Expert (KE2), RWR/RSA Project

### SEETO - South East Europe Transport Observatory

- Mirjana Bugarinovic, Railway Expert, SEETO - Chairman of RW TF

### RWR/RSA Project

- Vassilis Evmolpidis, Team Leader and Senior Railway Expert (KE1), RWR/RSA Project
- Marina Blazevic, Project Administrator, RWR/RSA Project
- Klaus Uhl, Senior Railway Expert (KE2), RWR/RSA Project
- Tatjana Jankovic, Junior Railway Expert (KE3), RWR/RSA Project

#### 1. Welcome and recent developments

The Chairman, Mr Jost, opened 10<sup>th</sup> RWG Meeting and welcomed all participants.

The

- The communication for freight corridors is now available for 2<sup>nd</sup> reading

- A Workshop was held for RW accidents after the Viareggio accident. Should ERA have a bigger role for evaluating RW safety as it happens in aviation sector?
- ERTMS: ERA should be involved in testing ERTMS.
- Legislation: EC checks if Member States properly implement Directives. 24 infringement cases concerning the 1<sup>st</sup> RW package. Now, next step is to request for justified opinion, which is one step before going to the Court.
- EC is now evaluating Safety Regulations and examine relevant National laws concerning safety audit implementation.
- EC can receive complains from RU's about not properly functioning legislation and about unfair treatment. For 7 years there was no complaints. In 2009 they received 2 complains: 1. Accessibility to training facilities in Belgium; 2. Type approval of locomotive class 66 in Poland
- For Region: There is progress achieved concerning negotiations of EC for the Treaty.
- Deadlines for transposition of legislation: December 3, 2009 Member States have to implement the regulation. A performance contract is needed with passenger operator using quality criteria
- As of 1<sup>st</sup> January 2010 international passenger transportation opens to competition
- Facilitator for the Region: In spring he carried out the first meeting. In fall he will have his second round of meetings and check what measures have been implemented. Additional financing is sought for the activities of the facilitator concerning the promotion of RW Corridor X and relevant infrastructure development.

## 2. Adoption of Minutes of previous meeting

Mr. Jost asked if the minutes of previous meeting can be approved.

Mr. Evmolpidis proposed to add to agenda the issue of promoting the implementation do CARDS project results into the activities of RW WG in 2010.

Conclusion: The minutes are considered as adopted with this addition and to be uploaded on the SEETO web site.

## 3. Adoption of the agenda

Mr. Jost asked if the proposed agenda can be approved. No comments.

Conclusion: The agenda is considered as adopted.

## 4. Provisions of EU directive 49/2004/EC regarding railway safety – continued from the previous meeting in Zagreb

Chairman presented Mr Jovicic from European Railway Agency and welcomed his presentation on provisions of the Railway Safety Directive 2004/49/EC and role of the European Railway Agency continued from the previous meeting in Zagreb.

His presentation is attached.

*Discussion:* Mr. Jost asked who is responsible for accidents. RU or IM? Mr. Jovicic replied that the Article 4(3) in the railway safety directive 2004/49/EC requires that *"the Member States shall ensure that the responsibility for the safe operation of the railway system and the control of risks associated with*

*it is laid upon the infrastructure managers and railway undertakings, obliging them to implement necessary risk control measures, where appropriate in cooperation with each other, to apply national safety rules and standards, and to establish safety management systems in accordance with" that directive. Mr. Jost clarified then that the RU is not the only responsible for the safety. Mr. Uhl added that there is a chain of responsibility which starts with RU and can involve anyone who has not ensured the part of its obligations and responsibility (refer to Article 4(4) in the safety directive 2004/49/EC).*

Mr. Jost asked what is to be compared for conformity assessment and Mr. Jovicic said that there is set of criteria and procedures to be evaluated by the NSA. The relevant criteria are being defined by the European Railway Agency. Mr. Uhl asked how much does it cost and Mr. Jovicic answered that it depends on the country. Concerning the National Safety Rules, Mr. Jost asked who has to publish it. Mr. Jovicic said that Member State or National Safety Authority is in charge for that. SEETO Participants should start gathering their NSR (National Safety Rules) at least 2 years before accession to the EU. Mr. Jost commented that they have to be notified to the European Commission before or upon accession date.

Mr. Jost asked if it is more difficult to get Part A or B Certificates of Safety Certification of RU. Mr. Uhl commented that the RWR/RSA Project has not realized big differences, for new entrants it is equally difficult, just if regulations are on other language, which can cause some troubles. Mr. Jovicic expressed different opinion saying that Part B is related to the risk on a specific line, for example if in Hungary there are no tunnels, when a Hungarian railway undertaking will need to operate in Austria he shall demonstrate through his safety management system (SMS) (Part B certification) that i he is able to manage the specific requirements related to operation in tunnels. ERA prepares guidelines on how to get SMS and a Database covering all countries' specific requirements. There are now plans to combine 2 certificates into one. Mr. Evmolpidis commented that currently the Treaty agreement does not differentiate between Part A and Part B Certificates. Mr. Jost mentioned that the Treaty speaks according to ERA: Part A is mutually acceptable and Part B has to be specific and obtained for each country where the railway undertaking wants to operate.

Mrs. Popovska said that in her country is standardisation now and she is asking how will they know if their SMS is fulfilled. Mr. Jovicic said that only her country knows all specificities which should be covered by national safety rules. Mrs. Popovska asked if there are certified maintenance workshops in EU? Mr. Jovicic said that certification of maintenance workshops can be done by quality assurance "type" certification companies on voluntary basis. Mrs. Popovska asked who can certify the maintenance in Veles. Mr. Evmolpidis said that it can be done by some foreign commercial quality certification body/organisation such as TUV, Lloyds, Bureau Veritas etc. Mr. Jovicic promised to send to all participants more detailed information about the entities in charge of maintenance and the maintenance workshop after an internal consultation within the European Railway Agency.

## 5. Round table

Chairman asked for dates of 6 items from questionnaire that he sent earlier. Each beneficiary stated following information:

Albania stressed that now is a post election situation and the new cabinet of Ministers has started work just last week. Internal separation in HSH is done. Cost accounting on paper is in transition, the business management system is not installed yet. Draft access contracts are in test phase. The railways have updated the five year business plans of the business units for their internal use and investment subsidy. The inventory for cleaning of balance sheet has started. Currently, due to the separation into units, major staff reduction is being implemented and for that purpose an agreement of understanding has been signed with the labor unions. The draft Network Statement is already

finished. There are still some technical data missing and the Infrastructure Business Unit is working for that. It is not yet based on legal conditions, since the law has not been adopted and the regulating bodies that are mentioned do not exist yet. Also, there has not been any discussion with the State about access charging, so there are kept the proposals from technical consultant, although not official. Everything will be official in the final version. The existing national transport plan is being reviewed by a foreign consultant company. The experts are making attempts to try and identify potential new movements of goods and passengers to improve the long term viability of rail transport. IPF study is going on for track repair and signaling including GSM-R in the core network. Alongside the IPF study for track and signalling, the Passenger Business Unit together with the technical consultant are preparing a feasibility study to improve the passenger service, exploring all options to convince the State that repair of Infrastructure will result in adequate, modern and attractive passenger rail transport. As regards the market, cement factory Fushe-Kruje goes on the exportation of cement by rail, but at the extent of 65%, while the domestic transport appears at satisfactory levels by 96% towards forecast and seems to go on normally. Putting into operation of other cement factories, next year and in following years, constitutes a guarantee for rail market growth. Albanian main Client "Kurum", steel industry, has been dealing only with the importation of scrap, via Bajza border station, which for the 8 month period has been realized at the extent of 76% towards forecast. The level of production has dropped significantly, because of low market demand. From the contacts with this company, they have learned that they intend not only to realize the forecasted import of scrap, but also to start the export of the steel products by rail. Regarding the Oil refinery Armo, the transportation of fuel is realized by 70% towards the forecast. Prognosis show that quantities of oil and coke coal to be transported by rail, will be questionable, since the plant will be soon under reconstruction. Worthy of mention is that freight international transport by rail, via Bajza border station, has continued normally, and for the 8 month it has been realized at the extent of 103,5% towards the forecast .

*Discussion:* Mrs. Jani said that she will send the updated timetable (questionnaire) within 1 week. Mr. Evmolpidis asked whether Albania is using Harmonized Network Statement. Mr. Jani said that it was given to TA.

Bosnia and Herzegovina stressed out that during 2008 and 2009 Railway companies in BH finished only financial separation of infrastructure and operators. Problem is that they did not finish whole process of separation. Railways of Republic of Srpska recently prepared a Draft of Network Statement. Track access charges (tariffs) are included in network statement, but the process is not completely finished, yet because Railways of Federation B&H did not finish Network Statement. On 23rd March 2009 they prepared their internal Action plan implementation of Addendum on MoU. On 19th June 2009 Railway Sector in B&H organized meeting "Revision of Internal Action plan of implementation of Addendum". In accordance with the Action Plan of the implementation of Addendum in Bosnia and Herzegovina they completed some activities.

Concerning the questionnaire, Mrs. Ivkovic stressed out for following items:

Addendum Item 2.1: Institution building- These activities are completed. In accordance with state law Regulatory body has been established (Twinning project with France financed by EC).

Addendum item 2.2: Separation, management independence and market orientation: Two railway companies in B&H have separated accounts for infrastructure and operation. Railway Regulatory Board completed request form for granting licences and permits. Railway companies are preparing request for obtaining licences and permits.

Addendum Item 2.3: Fair infrastructure access, safety and interoperability: Railways of Republic of Srpska finished Draft of Network Statement and Railways of Federation B&H are in the preparation phase. Both railway companies are preparing rout allocation, calculations of infrastructure costs and infrastructure access contracts.

Addendum item 2.4: Financial Stability: They completed these activities. Entities of B&H adopted regulations about the indebtedness of railway undertakings and managers. Every year Entities and railway companies sign the contracts (Indebtedness of railway undertakings and managers and Compensation of public service obligations for passenger transport on a contractual basis).

Addendum item 2.5: Border Crossing: These activities are in the preparation phase. In December the mixed committee with Croatia will convene.

Addendum item 2.6: Social dimension and social dialogue: These activities are completed. Collective agreements are signed on 2008 (activity completed).

*Discussion:* Mr. Evmolpidis asked if they are proposing and using NS prepared by the RWR/RSA Project. Mrs. Ivkovic said that it has been given to the RW's of the two entities. It was agreed that she will send to Mr. Jost the updated timetable within 1 week.

Croatia stressed out that Croatian government has announced changes in the Railway Law and the Law by which the Regulatory Body is defined. The changes are ongoing. It is expected that changes of the laws will be passed in Parliament in June this year. Amendments to the Railway Law go in the direction of harmonization with Annex 5 and changes in the part that refers to the concessions. Also, the process of appointing members of the Agency Council for the regulation of the market of railway services is ongoing. Government of Republic of Croatia, on the proposal of the Ministry of Sea, Transport and Infrastructure, has proposed the appointment by the Parliament of Croatia. Appointment will be at the session of Parliament in May.

Concerning the questionnaire, Mr. Krakic stressed out for following items:

Addendum Item 2.1: Regulatory body has assumed work. They have 7 employees. Council was appointed by the government. Office space will be made available soon. Concerning the National Safety Authority, the Council was appointed 2 months ago. First Constitutional meeting was held last week for Statute (which has to be prepared in 60 days) after which they can employ the staff and the managers. Forecast- till December 2009.

Addendum Item 2.2: Separation of companies is completed. According to the new law, HZ Infrastructure should not be part of the management of the holding company. Employees of HZ Infrastructure can not work in operations of the holding company for 2 years after leaving the company. Annex 5 adopted according to Commission Communication. IT systems of HZ Infrastructure and holding company are separated.

Addendum Item 2.3: In 2 years the transformation of the RW act will be completed. Forecast- till 2012. Implementation of safety and interoperability is advancing.

Addendum Item 2.4: Divestment of debts of all historic company from 1 January 2007. Because of changing the budget, new draft of PSO contract has to be confirmed by RU and it will be signed in the next months for 2010.

Addendum Item 2.5: new time target: beginning 2011

Addendum Item 2.6: Collective agreement set up between social partners at national level. Early retirement is financed by the State. Social council is consulted on draft legislation.

Montenegro stressed out that after the formation of the new railway company MONTECARGO, engaged in transportation of goods, in accordance with the Network Statement, in mid-June was signed new Infrastructure access contracts between Infrastructure Manager and MONTECARGO. Also with the Railway Transport of Montenegro JSK in August was signed an annex to the Infrastructure access contracts which was signed in April 2009. In December 2008 the Government of Montenegro adopted the Decree, according to which the Railway Directorate is to be established and assume the responsibilities of the Traffic Directorate – Railway Department. This institution will start working at the beginning of 2010. Within the scope of Railway Directorate according to the Law on Railway



Transport Safety will be established National Safety Authority and Notified body, whereas within the Ministry of Transport will be formed Independent accident investigation body. This is expected to be implemented in the first quarter 2010. Restructuring process of the Railways of Montenegro is done according to the Restructuring Strategy of the Government, and is currently at the end of the second phase which implies further segmentation of the newly created stock companies Railway Infrastructure and Railway Transport as well as preparation of privatization of certain part of these railway companies. In further segmentation the Railway Infrastructure will be organized as a holding company with three daughter companies: Managing Infrastructure and Traffic Regulation, Infrastructure Maintenance and Stations and Land. In the first half of June has formed a new Joint Stock Company „MONTECARGO“, while Railway Transport Company will be organized as a company with two daughter companies: Passenger Transport and Maintenance of Rolling Stock. As a result of the last phase of restructuring is planned publication of tenders for privatization and / or private-public partnership for privatization of some parts of railway system. First tender will be published in October for the sale of the company MONTECARGO. Preparation of appropriate protocols relating to Bilateral agreement on border crossing control between Montenegro and Serbia, which was signed in March 2009, at the end and is expected to be completed in the next month. Full implementation of the agreement is expected by early 2010. Currently is in progress rehabilitation of three landslides along the Podgorica-Bar railway; rehabilitation of four tunnels (Trebiljevo – Kolašin and Kos – Trebješica sections); stabilisation and rehabilitation of six slopes and construction of protection galleries at the Vrbnica – Bar railway: Trebješica – Lutovo –Bratonožići – Bioče section. As well, through IPA funds will be financed Major rehabilitation of the section of the line Bar – Vrbnica in amount of €5 million. In mid-June this year competent representatives of Montenegro, Italy and Serbia were signed Memorandum of understanding with regard to the Study performed on the technical and economic feasibility of the interventions required for the redevelopment of the Belgrade-Bar railway line. In the first 8 months 2009 as a direct consequence of the economic crisis passenger transport volume in the railway traffic was reduced to 15%, while the volume of transportation of goods is lower by 45%. PSO contract will be prepared by end of 2009.

*Discussion:* Mr. Radosavljevic said that the updated timetable will be sent to Mr. Jost next week.

the former Yugoslav Republic of Macedonia stressed out that by the Productivity improvement and Cost Reduction Study done by SYSTRA, for MR Transport JSC balance between retirements and staffing reduction of MRT is very negative: From 2008 till 2026, more than 900 people will be retired. 407 employees need to be replaced, but this necessity exists only after 2019. Commercial staff in stations will be reduced following their principles of staffing in passenger stations ( $\geq 20,000$  annual passenger, for the both departures and arrivals), and freight yards (with a minimum of 78,000 annual net tons loaded or unloaded). This evaluation took into account the creation of a multi-modal new yard in Struga, and the extension of the yard of Skopje Tovarna, in year 2019 for the Corridor VIII opening. Drivers and rolling stock maintenance staffs will also be reduced regarding new rolling stocks, or renovated ones, (with effect from 2010 on the maintenance operation), and the generalization of ERTMS from 2020, (with effects on the travel times), and on the on-board personal equipment (with happening of the one-man driving on all the electric trains), and also the new on board technologies (cab-signalling, ground-train radio link with data transmission) , will permit to lower noticeably the costs (and the needed staff) of the rolling stock maintenance. Concerning PE MR Infrastructure, it will not be necessary to double the complete single track of the corridor X, taking into account the new rate of increase of the freight traffic until 2025. After the opening of the Corridor VIII in 2019, and the joint section of the both lines Corridor X and VIII, it will be useful to prepare the doubling of the Kumanovo-Skopje joint section. A first estimation shows that all people working only for operation should be around 220, taking into account the 25 new persons to run the CTC. Then, with the opening of Corridor VIII, 10 persons more will be needed in the extended CTC, and some other along the Corridor. The proposal of track and ballast renewal on corridor 10 is on 13

years. The estimation of investment for corridor 10 is 224 millions € as regularly split as possible on the whole period. From 2014, the retirements exceed the reduction of staff. It will be necessary to replace quickly people and our assumption gives a deficiency of more than 600 people in 2026. Attached at the end of the study are: Investments, costs and financial findings; staffing evolution (retirements and staff reduction impacts); Stations, points, and Infrastructure offices staffing. The international procurement of services for PSO was cancelled. The Government of RM is planning a loan from the IFIs. This loan is for renewal of some sections on Corridor X where bottlenecks are envisaged to be eliminated. On September 14, 2009 an application form for TAIEX expert mission was submitted. The project title is on finalising the draft texts of the following laws: Law on railways' development; Law on railways' safety and Law on the Agency for regulation of the railway market services. During the visit the expert is expected to focus on the prepared draft new legislation and its implementation. All the national laws are in line with EU rail acquis. They have pointed out assistance from Mr. Klaus Uhl, because he is very much involved with the South East European countries national legislation and has helped in supporting preparations for the Transport Community Agreement as well. At the beginning of September this year a Macedonian delegation attended a meeting in Kosovo. The aim of the meeting was to participate in implementing the necessary activities in order to fulfil the requirements of acquis communautaire and the Agreement of establishing the transport community with regards to rail transport. The Railway Regulatory Agency has presented its work programme including the period from June till December 2009. The funds for performing the activities of the Agency are provided from the Budget, but only till the end of this year which amounts to 65.000 Euros. On the last meeting in Zagreb Mr. Jankuloski said that the procurement of the fiber-optic cable, the installment equipment, multiplex equipment and CTC as well are completed and installed. The integrated telecommunication network is also completed on Corridor 10 and partially on Corridor 8, which is from Tabanovce to Gevgelija and Skopje to Tetovo. The CTC system will be finally completed in October 2009. In near future is planned implementation of GSM-R which is new wireless communication standard for railway networks, and auto break system as well. These two systems with CTC system will comprise the ETCS system, level 1 on Corridor X which is envisaged by the EU for railway infrastructure. Recently in September, a meeting was held between the two ministers for transport and communications from the former Yugoslav Republic of Macedonia and Serbia. They have agreed that the Framework agreement shall be prepared and signed soon. The draft text of the agreement has been received by email from the Serbian Ministry and already translated on Macedonian language and sent to relevant institutions as well for comments.

Concerning the questionnaire, Mrs. Popovska stressed out for following items:

Addendum Item 2.1: Postponed to beginning 2010. RB in place. NSA and accident investigation body are being set up, legal basis is in place.

Addendum Item 2.2: Achieved.

Addendum Item 2.3: Network Statement published, but diverges from RNE standard in many cases. Access contracts signed between RU and IM. Postponed to 2010. Train driver certification by early 2010.

Addendum Item 2.4: Achieved. Shifting from annual to multi-annual contracts next year. PSO contract is postponed to 2010.

Addendum Item 2.5: Implemented by 2010.

Addendum Item 2.6: Agreement will be signed in early 2010.

Serbia stressed out for following items:

Addendum Item 2.1: Institution building postponed to end 2009.

Addendum Item 2.2: Working Group was established for Railway Reform: for restructuring / separating operator and infrastructure manager, for new by-laws and for establishing holding

company. Forecast- End 2010. Mr. Jost pointed that attention that has to be paid in creating the holding company.

Addendum Item 2.3: The methodology for TAC and NS proposed by Boos-Allen-Hamilton will be refreshed according to the finding of the CARDS project. End of 2009 is forecast for by-law on network statement. New PSO methodology was established in September 2009 following a consulting project. PSO contract is in preparation. Forecast- end of 2009.

Addendum Item 2.4: Financial stability of ZS is a topic of established Working Group and will be considered in the law of the holding company.

Addendum Item 2.5: New Border Crossing agreements in negotiations process with the former Yugoslav Republic of Macedonia, Montenegro and Bosnia and Herzegovina. Agreements with Hungary and Bulgaria already exist.

Addendum Item 2.6: Reduction of staff was more then 50% (now staff is less then 19.000)  
The dates of the current table will remain.

Mr. Sretenovic stressed out that IPA funded project has 3 components: 1. Master Plan for transport sector, to be finished by end of September 2009, 2. Zezelj bridge (1/3 premise of Vojvodina, 1/3 of Serbia), 3. Analysis of condition of Corridor X railway line in Serbia.

*Discussion:* Mr. Evmolpidis asked if Serbia is planning to use Harmonized NS that RWR/RSA Project has been prepared and why Serbia is using old BC agreement (signed with Montenegro) that is not in compliance with EU legislation. Mr. Sretenovic said that Serbia is planning to use Harmonized NS prepared by the Project, that this deliverable is suitable for them and in 3 months they will send to the Project what they will prepare. Concerning the BC agreement, Mr. Sretenovic said that he is not in charge for that and he does not have information. But he commented that probably the existing BC agreement with Bulgaria was also used with Montenegro in order not to have border crossing operations without any agreement. Mr. Evmolpidis said that they can easily use BC agreement prepared by the Project that is in compliance with EU legislation which can make Serbia the leader in the SEETO Region. Mr. Radosavljevic said that Montenegro is ready to implement the BC agreement proposed by the Project. Mr. Sretenovic mentioned that recently the second RW Company was licensed in Serbia and that there will be competition. Mr. Uhl commented that proper formulation/wording of BC agreements is important because Serbia wants to become member of EU. The BCA with Bulgaria has to be improved. In this way there will be less problems for Serbia in next 2 years.

Kosovo / under UNSCR 1244/99 stressed that Kosovo Railways have completed Network Statement (project version) which is made based on Rail Net Europe model; ongoing work with consultants to finalize mentioned NS. Track access charges ready, it was decided that lump sum charges will be used on the basis of percentage of revenues. Feasibility study for Route 10 is under preparation. Freight volume is 31.6% less in first half 2009. Income is 10.4% then projected.

Concerning the questionnaire, Mr. Ramosaj stressed out for following items:

Addendum Item 2.1: Institution building: new railway law under preparation. RB is being set up. New deadline- first quarter 2010

Addendum Item 2.2: The legal act of separation was approved. Now waiting for approval from the government. Separation will be finished by 1st quarter of 2010.

Addendum Item 2.3: Safety and interoperability :till 2012

Addendum Item 2.4: Financial stability achieved in the company. PSO is under preparation, done by 2010.

Addendum Item 2.5: Border Crossing Agreement with the former Yugoslav Republic of Macedonia should be completed by May 2010. Customs and Border Police are involved in negotiations.



Addendum Item 2.6: Social dialogue since 2003. Unions and Government have weekly management meetings.

*Discussion:* Mr. Jost asked what is recommended to have - 3 agreements (for Border Crossing, for Customs and for Border police) or one. Mr. Uhl said that it is better to have 3 agreements instead of one in way where the agreement for BC is general, main, and rest are subsequent where the procedures are specified.

Mr. Jovicic suggested to SEETO Participants to think on the possibility to have a Notified Body (NOBO) on the regional level instead of a NOBO per country. The railway safety directive 2004/49/EC and interoperability directive 2008/57/EC do not impose to have in each country a Notified Body. however, the language could be a barrier for assessing compliance of structural sub-systems with specifications that could be in a language not understandable by the NOBO.

## **6. Insurance of railway undertakings, liability coverage in case of an accident**

Chairman left the floor to Mr. Uhl for presenting Mrs. Von Buchner and Mr. Unger from insurance broker company Verkehrs-Assekuranz-Vermittlungs-GmbH and welcomed their presentation on Deregulation of Railway Transport in Europe - Liability and Insurance for Train Operating Companies / Infrastructure Managers.

Their presentation is attached.

*Discussion:* Mr. Jost briefly reminded the meeting that insurance broker is an independent company that can act as mediator between railway company and insurance companies, where the difference between the insurance agent and insurance broker is that the agent is connected with one insurance company, while the broker can make deals with any insurance company on insurance market. Mr. Kracic added that insurance broker can make deals for different parts of insurance that suits the needs of a railway company. Mr. Jost asked if the broker has only the revenues from signed insurance even its tasks are beyond just insurance and that broker company is not the party of insurance contract. Mr. Unger answered positive.

Mr. Uhl asked if Montenegro still is paying premiums instead of Montenegro Railways, because they do not have any special insurance contract. Mr. Bankovic answered that the State is paying to the families of injured in case of big accidents and that they are negotiation for the contract, but no insurance company wants to make contract because of big risks and by sub-law they have to have an insurance contract. Mr. Evmolpidis asked what should be minimum value of insured event. Mr. Unger said that for example it can be 10 million EUR, but Mr. Evmolpidis said that it is too high for SEETO Region and that the Project proposed 5 million EUR. Mr. Evmolpidis asked what should one railway company of one country do if it has insurance of 5 million and other country demands insurance of 10 million per even- should the railway buy new insurance of 10 million or additional of 5 million. Mr. Unger answered, that it was appropriate, that if a RU had cross boarder traffic, the purchase of general liability insurance limits should adapt the maximum limit requested by the authorities of the country of destination.

Mr. Jost said that for RU minimum insurance is required, but in case where court procedures are taking many years, what to do with injured persons in meanwhile. Mr. Unger explained, that the general liability insurance of a RU had two functions:

1. the indemnification of third party injured and/or suffering property damage, based on legal liability under private law.
2. the defence of the RU in case it was not liable for the respective bodily injury and/or property damage.

However, experience (the Eschede claim) had shown evidence, that in case of serious bodily injury/property damage, a swift [unbureaucratic](#) claims settlement by brokers/insurers, even within the defence procedure, will help to prevent and/or reduce long lasting court procedures, to satisfy the claimant, to avoid loss of reputation of the RU and finally to minimize the total loss.

## **7. Driver training**

Discussion concerned an earlier presentation of RWR/RSA Project's deliverable on a train driver licence which was made during the Workshop. Its aim is mutual access to training facilities and mutual recognition of the driver licenses (in the meaning of Directive 2007/59).

*Discussion:* Mr. Krakic asked if this will be a part of national implementation directives. It is also foreseen in the Treaty. The legal conditions for health and other matters related to each countries RW law have to be taken into consideration.

Mr. Uhl said that Directive 2007/59 will be transposed in to national legislation and it has to be harmonized in the SEETO Region. Mr. Uhl asked if Croatia would rather prefer bilateral, multilateral agreements or not to have it at all. Mr. Krakic answered that Croatia does not want this agreement for now. Mr. Ramosaj said that all SEETO Participants should try to implement this with the monitoring of SEETO Secretariat. Mr. Jost asked if an MoU is needed for this purpose. Mr. Uhl said that it can be approved as a Regional Agreement or approved as conclusion in Annual Ministerial Meeting. Mr. Jost asked if it is necessary to have binding agreement or it can be voluntary. Mr. Uhl answered that the first idea is to have it as Regional Agreement and specificity can be signed additionally, this agreement is like framework. Mr. Krakic asked who will check if certification of drivers is according to standards. Mr. Jovicic proposed that Mrs. Anna Patacchini from ERA comes at a next SEETO meeting to present the requirements for driver licensing. Mr. Uhl asked who will send this draft agreement to Mrs. Ana Patacchini for opinion, how it can be implemented on the SEETO Region and to invite her on next RW WG meeting. Mr. Jost asked who is in charge in EU for verification. Mr. Jovicic answered that he is not sure, but that it should be some accredited bodies recognized by Member States. Mr. Jost commented that it has to be clear what kind of agreement for driver training is it needed- multilateral, bilateral, voluntary etc. and that this topic should be discussed on next RW WG meeting. He also said that maybe it is too soon to present this on SC meeting before concretizing all issues, but they can be just informed. Mr. Evmolpidis said that SC can forward this to AMM, and after that it can be decided how to implement it.

## **8. 2<sup>nd</sup> Interim Report of Railway Working Group to SEETO Steering Committee**

Chairman briefly presented the 2<sup>nd</sup> Interim Report of Railway Working group to SEETO Steering Committee and asked members for comments.

*Discussion:* Mr. Evmolpidis asked if Mr. Jost wants to include the conclusions related to the Project that have been included in MAP to the SEETO. Mr. Jost said that it will be discussed. Mrs. Popovska asked if it is possible to send comments later.

Mr. Krakic asked to include in the report to the SEETO SC the list of presentations made by all external speakers in all RW WG meetings in last 2 years. He said that it can be included as annex.

Actions agreed:

- Montenegro will revise the section on Montenegro in Chapter 2 and send revised text to Chairman within 1 week.
- SEETO secretariat will revise the Chapter on external contacts sends draft to Chairman within 1 week.
- RWR/RSA Project will group the main presentation points of external experts in a paper and send this to Chairman within 1 week.
- The Chairman will revise text on the basis of contributions and send it for comments within 3 weeks after which member of WG will have 1 week for comments.

## **9. Other business**

Chairman said that next Working group meeting depends on if Steering Committee of SEETO Participants sign that they want to have this WG still operative

If there will be next meeting, the Chairman presented suggested topics:

- Driver license agreement
- Extension of the mandate of the WG
- Regulatory body as market regulator
- Interoperability

By the RWG members are proposed 3<sup>rd</sup> and 4<sup>th</sup> Railway Package as topic for RWG meeting.

The Chairman asked if there is any other comment before closing the meeting. Mr. Evmolpidis reminded the additional item in the agenda: that in his opinion, if the WG continues being operative it should constitute the platform to monitor the implementation of results of CARDS project in order to achieve regional harmonisation of railway operations.

## **10. Close**

The Chairman thanked all attendants for coming and participating and closed the meeting.