

13th Meeting of Working Group Railway and Intermodal Policy Skopje, November 8th (13:00) – 9th (14:00), 2010

Chairman:

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

Members:

- Leonard Garuli, Director of Economic Department, Albanian Railways, Albania
- Gramos Gjokolli, Infrastructure Manager, Albanian Railways, Albania
- Miroslav Djeric, Senior expert associate for railway infrastructure, Ministry of Communications and Transport, Bosnia and Herzegovina
- Danijel Krakic, Director of Railway Directorate, Ministry of Sea, Transport and Infrastructure, Croatia
- Svetlanka Popovska, Head of Railway Infrastructure Units, Ministry of Transport and Communications, the former Yugoslav Republic of Macedonia
- Magdalena Jovanova, Head of TAC, PE MR Infrastructure, the former Yugoslav Republic of Macedonia
- Milan Bankovic, Executive Director Assistant for Traffic Regulations, Railway Infrastructure of Montenegro, Montenegro
- Slobodan Rosic, Director, Public Enterprise “Serbian Railways”, Serbia
- Zoran Sretenovic, Deputy Director, Public Enterprise “Serbian Railways”, Serbia
- Xhevat Ramosaj, Chief Executive Officer, Kosovo under UNSCR 1244/99
- Martin Halilaj, Head of Division for Railways, Ministry of Transport and Communications, Kosovo under UNSCR 1244/99

SEETO - South East Europe Transport Observatory

- Nedim Begovic, Railway Expert, SEETO
- Mate Gjorgjievski, Transport Law Expert, SEETO

Speakers

- Klaus J. Uhl, CEO, Vienna Consult
- Olaf Mette, Project Officer, European Railway Agency
- Frank Walenberg, Seconded National Expert, Walenberg Rail Assessment
- Nikola Dimitrovski, Director, Railway Regulatory Agency

Observers

- Manula Manolis, Transport Inf. & Policy, Delegation of the EU in Skopje
- Matteo Mussini, CER Advisor for CEE Countries, CER Community of European railways and infrastructure companies

Other Invitees

- Ljiljana Bosak, Senior Advisor, Ministry of Sea, Transport and Infrastructure, Croatia
- Goran Matesic, Chairman of the Administrative Board, Croatian Rail Market Regulatory Agency, Croatia
- Jagoda Peleponjko, Member of Administrative Board, Croatian Rail Market Regulatory Agency, Croatia
- Dusko Novakovic, Croatian Train Traction Company, Croatia
- Biljana Zdraveva, Head of Department for railways, Ministry of Transport and Communications, the former Yugoslav Republic of Macedonia
- Makedonka Dimitrioska, Jr. associate for rail infrastructure, Ministry of Transport and Communications, the former Yugoslav Republic of Macedonia
- Nikola Kostadinovski, Adviser for Railway Traffic, Railway Regulatory Agency, the former Yugoslav Republic of Macedonia
- Iskra Stojanova, Associate for Legal issues, Railway Regulatory Agency, the former Yugoslav Republic of Macedonia
- Bozidar Petroski, Economic Affair Associate, Railway Regulatory Agency, the former Yugoslav Republic of Macedonia
- Dimitar Stefanov, Director of freight traffic branch, MR Transport JSC Skopje, the former Yugoslav Republic of Macedonia
- Milan Jankulovski, Head of ETF, PE MR Infrastructure, the former Yugoslav Republic of Macedonia
- Sefedin Sefaj, CFO, Kosovo under UNSCR 1244/99
- Halit Gara, Chairman of the Board, Railway Regulatory Agency of Kosovo, Kosovo under UNSCR 1244/99

1. Welcome and recent developments

The Chairman, Mr Jost, opened the 13th RWWG Meeting and welcomed all participants. He stated that each beneficiary has at least one participant present and expressed his satisfaction for the overall organisation. The 13th RWWG Meeting was held in cooperation and support by TAIX.

Mr Jost introduced and welcomed the State Secretary of the former Yugoslav Republic of Macedonia, Mrs. Elena Kuzmanovska, who made an introductory speech presenting the current situation in the railway sector in the former Yugoslav Republic of Macedonia with regards to the recent introduction of the new legislation compliant with the Safety Directive, the institutional changes and the infrastructure projects currently being in phase of documents preparation.

Mr. Jost, after thanking the project for the support to the RWWG, gave a short debrief on recent developments in the EU railway legislation and series of documents that are adopted related to the TSI subsystem, telematics application for passenger services, IT standards, new software to improve exchange of data, operation and traffic management, model on declaration of conformity etc.

2. Adoption of the agenda

The items of the agenda were re-arranged in order to have full use of experts' presence on the second day of the workshop.

Conclusion: After slight changing of agenda, it was considered as adopted.

3. Round Table

The Chairman has asked the Participants to give some brief outline on the progress which has been made from the last meeting of October 2010.

Albania - The Albanian representative stated that there have not been changes in the past period in the railways in Albania; freight transport volume increased by 30 %. Separation of the infrastructure management and railway undertaking depends on changes in the Law. Mr Jost has asked the Albanian delegation to provide a written summary about the current state of play in the railway sector, like the other delegations had already done.

Bosnia and Herzegovina - informed that there were not many changes from the last meeting, as pointed out in the report sent to Mr. Jost. The Network Statement is published in the Federation of Bosnia and Herzegovina, Railways of Republic of Srpska submitted the Network Statement to the Entity Government. The decision on approval is still pending. The Regulatory Body in this moment consists of 11 people.

Croatia - It was stated that the project PHARE 2006 would be finished by the end of the month. Croatia prepared drafts laws and bylaws aiming at further harmonisation with the EU legislation.

Kosovo (under UNSCR 1244/99) - Although no major changes could be reported, there were some positive movements. The Final draft of the General Law on Railways, which will enable separation of the Railway company is expected to be completed until the end of the

year and to be adopted by the Parliament in 1st quarter of the next year. Railway Regulatory body is established and employs 7 people. Two staff members are still missing and their employment is expected within short time.

The Project on Support of the Implementation of Transport Community Agreement for the Ministry of Transport and Communications which is financed by EC is ongoing, under which the Transport Planning Unit has been supported, as well as the separation of the Kosovo Railway company by establishing 3 working groups for the separation process: for the accounts, assets and human resources.

Final draft of the feasibility study on modernization of Railway Route 10 has been done, and report is expected until the end of the month.

Mr. Jost commented that track access charges contracts need to be concluded after the separation of the Railway company. Mr. Ramosaj informed that draft of Network Statement is finished, whereas for the Track Access Charge, which has not been defined yet, they are in process of searching for the best possible solution that will be primarily market oriented, pointing out that Macedonian model of TAC, with its current pricing, is too high and not adequate for Kosovo (under UNSCR 1244/99), which intention is to attract as many operators.

In addition, Mr. Ramosaj informed that passenger and freight transport is growing and emphasized that passenger transport is not able to expand because of insufficient number of rolling stock. As to passenger transport, public service obligation is still not compensated in Kosovo (under UNSCR 1244/99), and the Government is subsidizing some percentage of the passenger railway transport. The general policy is to have very low ticket price in order to attract more passengers, and the plan is to have PSO contract signed until the end of 2011.

the former Yugoslav Republic of Macedonia - reported the progress in the legislative alignment with the three railway packages of the EU legislation, as well as the institutional building, with reference to the newly established Committee for accidents and serious incidents and the Directorate for Railway Safety within the Ministry of Transport and Communications, the Director of the latter being appointed and the staff still to be recruited. The Macedonian representatives have asked Mr. Jost to examine and give his opinion on the draft Law on Interoperability, which had been prepared and is in final phase of internal consultation procedure, planned for adoption by the end of 2010.

Serbia - The Network Statement has been officially adopted by the infrastructure manager and will be published in a month. A new safety law has been adopted by the Government.

The new foundation act of Serbian Railways would enable separation of the infrastructure manager. Adoption is planned for the end of 2010. Implementation process would consist of two phases: in the first phase, a joint stock company would be established and, in a second phase, this joint stock company would be in three or more different companies, concluding the implementation at the end of the next year, (transitional year) with achieving full scale operations in 2012. According to the plans, most of the locomotives and drivers should be a part of the freight company.

Mr. Sretenović presented traffic data for the first 9 months of 2010: in comparison to 2009, the passenger traffic has declined by 1% and stressed a significant increase of 25% in freight traffic. Consequently, the revenue has increased for 35 % in comparison to the previous year.

Regarding the concentration of many functions in the Railway Directorate, Mr. Rosić explained that it is currently the case due to the fact that no railway market exists for the time being, but it is envisaged as of 2012. In the meantime, they would precise the framework function of the Regulatory body, emphasizing that the process is at beginning. Currently, 30 people are employed in Regulatory Directorate and additional 4 will be employed for safety and technical standards.

Montenegro - reported that the passenger operator hired a consultant for training of the employees and that the tender procurement is undergoing for purchasing 3 locomotives. Also, negotiations are taking place with Romanian freight operator. Concerning infrastructure, section Bijelo Polje –Podgorica-Danilovgrad is under reconstruction, for full remote control on this section.

Mr. Jost suggested to the participants to send to the SEETO written comprehensive reports to be uploaded on the SEETO website.

4. Train driver licences

Mr. Jost presented Mr. Klaus-Jürgen Uhl from Vienna Consult Verkehrsberatungsgesellschaft and Mr. Olaf Mette from European Railway Agency. They delivered presentations on train driver licences. The presentations are attached to the minutes and published on the SEETO website. The presentations were followed by active discussions from the participants.

Mr. Jost was interested about recognition of examiners and what kind of curriculum they need to have so they would be recognized. Mr. Mette answered that the Annex of the Directive 2007/59/EC has a list of competences that every examiner should be in compliance with.

Discussions centred on situations when an RU buys a new locomotive or RU uses an old locomotive on a new line and how a new RU can obtain training for its drivers when entering a new market.

Concerning new rolling stock, experts of the manufacturing industry usually accompany the first steps. It was explained that when entering a new market, the RUs should contact the regulatory body and inform themselves where they can have a proper training. It was also pointed out that the State has to provide open access to training facilities, thus an equal treatment must be guaranteed for the new entrants.

Options in this type of situation are to hire a trainer or to send a driver to a training centre. It was mentioned that problems might occur because most of the training centres are in a possession of a monopoly companies. In addition, it was clarified that examiners have to be recognized while trainers do not (yet) have to be.

In cases where the train driver is to work on another network, he needs to find a training centre and examiner that is recognized by the NSA of the concerning country and that examiner, once recognized could perform examinations everywhere.

Mr. Mette explained that the examination can also take place outside the examination centres due to the fact that the examination consists of two parts: practical and theoretic part. Also, during the discussions, Mr. Mette stressed that the examiner could not be the same person who trained the drivers and that it is possible for both RU and IM to include in

their businesses training and examination activities. The training centre is also indirectly obliged to give records of the examined candidates to the NSA.

Mr. Ramosaj asked about the body at which to lodge appeal, if the appellant is not a resident of the country in charge of the appeal. In these cases, if the appellant is not satisfied with the decision of the Regulatory body, he should address to the Court of the concerning country where the alleged discriminatory action took place.

There was an question about the minimum number of hours of training and duration of training period. It was mentioned that for the time being, the number of hours is not specified, while duration of training period, which used to be 2 years, is decreased to 6 months in order to avoid the competitive disadvantage of the new entrants which in general are not able to invest in trainings as much as the incumbents.

In further discussions, it was mentioned by Mr. Uhl that when it comes to the training centres it must be carefully observed if there is discrimination for the new entrants. He also pointed out that in such a case, the Regulatory bodies of the two countries need to cooperate and work together and decide which Regulator is going to accept the complaint.

At the end of the discussions, Mr. Jost commented that if the EU candidate countries such as Croatia do not request for additional periods to complete these requirements arising from the EU legislation, the same deadlines would apply for them, too. Also, before the accession to the EU, Croatia would need to send to the European Commission its driver licences and certificates to be translated into the EU languages and they will be attached to the Accession Agreement.

5. Rolling stock approval process

Mr. Walenberg from Walenberg Rail Assessment gave his presentation on the topic rolling stock approval process. The presentation is attached.

Mr. Jost commented that Designated Body doesn't have to be a State Authority, but in most countries Designated Body and Notified body are the same. It performs the national authorisation and it can be (but need not to be) the notified body or independent assessor. Mrs. Popovska was interested who authorises Designated Body. Mr. Walenberg answered that Member States are responsible authorities. It was underlined that for the SEETO Regional Participants, the conformity assessment is still not an issue, but putting into operation (service).

Regarding the issue of transposition of the Interoperability Directive, it was recommended to the Regional Participants to use the correspondence tables which facilitate the assessment of the level of alignment and it was suggested the transposition of the TSI's to be done through Decrees/Ordinances which can be easier amended than the Laws, underlining that Interoperability is ongoing process which is constantly amended. Mr. Walenberg also recommended closer regional cooperation in these matters, to monitor progress of neighbouring countries and their implementation problems. Mr. Uhl concluded that law should consist only of principles of Directives and everything else should be transposed by Decrees.

Mr. Uhl was interested in a procedure for non EU countries that are manufacturing railway constituents. It was clarified that countries which are producing railway constituents for EU market but are not members of the EU must comply with EU laws, more precisely with

Interoperability and Safety Directive. Furthermore, manufacturing companies that satisfy the requirements must have commercial representation in the EU.

6. Experience of a market regulator during the first year of existence

Mr. Nikola Dimitrovski, Director of Railway Regulatory Agency of the former Yugoslav Republic of Macedonia, presented the experience of the RRA.

Mr. Jost was interested in the legal relations between the Parliament and RRA and asked for a clarification. Mr. Dimitrovski explained that the Director is approved by the Parliament according to the Law on Railways System. Management board prepares Financial plan at the beginning of the year, which also has to be approved by the Parliament, and at the end of the year, the RRA prepares an Annual report, and sends it to the Parliament for approval. The Agency has 4 employees at the moment and in 2009 had only one employee.

Mr. Kracic was interested about the financing of RRA. According to the new law, the Agency cannot be financed from the central budget. Percent of the revenue of the IM and RU is one of the sources of funding for the Agency. The Agency can modify the programme of activities if it doesn't have sufficient funds. Minimal activities must be covered by the percentage from IM and RU for viability of RRA.

Mr. Uhl raised the question of the rejected private transport company who applied for a licence and the problems that occurred upon. It was explained, that according to the Macedonian law, 3 components were not fulfilled, one being the insurance liability. RRA held a meeting with this private company and asked it to complete its documentation, but in a given deadline it did not manage to do so.

Mr. Uhl emphasised that generally, there is a great grey zone in insurance matters and he advised all of the Regional Participants to be very careful concerning that question, making a remark that refusal of private operators does not send a positive signal in the EU concerning the railway liberalisation. Mr. Dimitrovski reiterated that all criteria prescribed by the law have been carefully applied within the process of evaluation of the concerned company and the same would be the case with regards to the state transport company Macedonian Railways JSC, which according to the new Law should undergone a licensing procedure and for which the application procedure for receiving the license has started.

7. Report from Corridor IV

Mr. Uhl gave a presentation on the experience of the border crossings cooperation on the railway Corridor IV. He mentioned the most common problems that are faced in the international railway transport, emphasizing among other things, the need for a liberalisation due to the different approach exercised by the state railway companies and the private operators, as well as the need for strengthening the cooperation between the authorities from the two sides of the borders in order to improve the confidence and facilitate the operations on the border crossings.

8. Closing remarks

The Chairman thanked all attendants for coming and for their participation and closed the meeting, announcing that 3 meetings of the SEETO RWWG are envisaged to be held in 2011.

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