
27th Meeting of Rail and Intermodal Working Group

*Location: Hotel Ramada, Podgorica
June 29-30th, 2017*

Plenary session summary

Summary of the key points and discussions

After the discussion on the border crossings agreements, key recommendations to take into account during the process of establishing joint station have been mentioned below:

- Agree on the lead coordinator on national level (e.g Ministry of Transport) in the beginning of negotiation;
- Offices and facilities for joint station should be checked at an early stage. Do not request new buildings from the beginning but explore options to refurbish or upgrade current building;
- Check on the requirement for the equipment in two countries, for example weighing scales. If weighing scales are not available in one country (which is hosting joint station) but are requirement of the other country, the scale (or any other equipment) should be transferred, if needed and not available. In this case, hosting country should recognise certification of scales even when they have to be moved;
- Last minute requests are not acceptable. The agreed procedure (in agreement and protocols) can be reviewed after at least one or two years, if there is a need (e. g for high increase in volumes).

Network statement for border crossings

After the discussion on the network statement for border crossings, key recommendations to take into account during the process of establishing joint station have been mentioned below:

- Different options exist for border network statements, either as a part of the general network statements or a standalone document to which a link in the network statement is made. It is recommended to integrate information in the network statements of either infrastructure manager including definition of zone and the acknowledgement of licence, safety certificate, traction and train driver licence including language. Furthermore, information should be provided about TAC and collection of TAC within the zone. A close cooperation between the IMs is necessary for efficient railway operation in the

zone. If joint NS is chosen option, it should contain info or at least links to the national NS;

- Single point of contact for path allocation and collecting the infrastructure charges should be established;
- Zone need to be agreed and specified in the BC agreement;
- The network statement must declare that licence and certificate are accepted in the zone;
- IM of one state must be able to allocate a path until the first station on the network of other state;
- Regulatory bodies should be members of the border crossing commission. The commission must meet once a year. The regulatory body should support the implementation of all the border crossing agreement;
- The network statement should inform about the language scheme.
- In case of a complaint regulatory bodies from both countries should work together in sense of Art. 57.3 of 2012/34/EU.

ERTMS implementation scenarios for the Western Balkan corridors

INECO and Ernst & Young are the ERTMS Deployment Management Team (DMT) to support an efficient, synchronized, interoperable and timely deployment of ERTMS along the Core Network Corridors (CNC) until 2020. Giacomo Potenza (EY) as part of the consortium in charge of the project “Technical support for the Deployment of ERTMS along the core network corridors” delivered a presentation of the EU legal requirement to equip Core Corridor lines with ERTMS, ERTMS latest deployment plan and ERTMS Breakthrough Programme.

The breakthrough programme developed by European Commission and ERTMS coordinator in response to the feedback of stakeholders on the difficulties of the ERTMS deployment

Basic principles for ERTMS deployment to avoid technical interoperability risk

- Activities towards a successful and interoperable ERTMS project should start at the tender design
- Aim for 100% compliance and ensure transparent dialogue with NSA in case of any deviation and reporting to EC/ERA
- For trackside projects, it is crucial to identify and make available necessary information to allow operation of the line
- Complete documentation throughout the project from design to the authorization and operation, optimises the project results and facilitates EU funding for the selected projects

SEETO members, similarly to most of rail stakeholders, have diverging views on ERTMS due to its cost and its benefits perceived as unclear. The explanations on the results of the ERTMS business case analysis have been the opportunity to present to participants the estimation of

ERTMS benefits in terms of interoperability, safety and savings related to legacy systems' renewals.

Business Case for ERTMS –costs & benefits

Costs:	Benefits:
Track –side and on –board deployment costs	Savings on the renewal of obsolete legacy systems
Upgrade costs	Track-side maintenance savings
Dual system maintenance over-costs	Interoperability benefits
	Capacity benefits
	Safety benefits

Business Case for ERTMS –Main assumptions across the 3 scenarios

		Item	Scenario 1	Scenario 2	Scenario 3
IMs	Track-side deployment	Track-side deployment cost: L2 (€/km) On top of the legacy system	262 500	175 000	175 000
		Track-side deployment plan	ERTMS deployment plan	ERTMS deployment plan	"All L2"
	Capacity	Capacity increase (only for L2 lines)	0%	10%	20%
RUs	Retrofitment of locomotives	Number of locomotives to be retrofitted on the nine corridors	≈ 14 747	≈ 12 526	≈ 12 526
	Interoperability benefits	Interoperability benefits: middle and long term	5%	7%	9%
		First year for the middle and long term interoperability benefits	2030	2026	2026

ERTMS deployment should not be considered only as a requirement of the Acquis but also as a mean to allow interoperability of the SEETO rail network to the EU's Core Corridors which could allow a larger scope of rail operations.

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SEETO Railway Working Group with regional logistics industry -summary

Developing business and starting a new rail freight service

A new rail company in Albania (Betonplus) shared their experience of entering the rail market. Some of the issues that they faced in the beginning were as follows:

- A very high rate of 6.0 Euros per train kilometre dictated by the Railway Infrastructure Manager (MIH) for a railway line with no full safety in motion and at an average speed of around 30 km/h.
- No Implementation of the Rail Code requirements and recommendations of the EU regulation from MIH for determining the direct cost incurred as a result of the operation of the train operation.
- No measures taken by MIH to improve the railway line highly amortized.
- Minimum conditions of service at the Sukth Railway Station.

IM charges are based on full costs, not on direct costs. Two months ago, HSH reduced charges from 6 € to 2.5 € per train km. Licence to the RU has been given by the Ministry of Transport.

Due to the fact that infrastructure is in poor condition, new RU offered to improve condition of the railway line in the following manner:

- supply with ballast without any compensation of MIH for eliminating the most dangerous points.
- To supply MIH with a first-class rails on the value of their purchase and this value to be compensated by the value of the use of the railway line.

The two above mentioned proposals have not been so far taken into consideration. RU stated that they could have additional 2 trains/day if infrastructure is improved.

First international freight service – experience of a new entrant

Mr. Branko Petkovic presented the experience of the new entrant to Serbian market and the challenges faced. RU firstly encountered internal challenges as a first private operator, such as new strategic direction of the company (switching from loco lease business to traction business), to infrastructure access planning, vehicle readiness, drivers, market approach, pricing.

All staff of Kombinovani Prevoz (KP) had formerly been employed by Serbian Railways and are experienced railway experts. However, the company and employees needed some time to adjust to new circumstances.

KP shared some of the issues as the new entrant such as task attribution is completely different. Train control at border took six hours instead of 2 hours which led to cancelling train paths. Additional train paths were needed for returning the empty train. Train path was booked for loaded train, but only used by empty train. Too much infrastructure charge was paid. Drivers needed a constant training. Driving on industrial track is different from driving long distance. Despite many initial promises from different customers in Serbia but also in neighbouring countries they were not fulfilled.

KP mentioned cooperation with the infrastructure manager and the incumbent RU. Cooperation with Serbian Rail Infrastructure Company is on a satisfactory level, however RU noticed that they are still getting accustomed with the new market conditions and do not have all new tools and regulations in place, which creates problems in certain areas such as path acquisition. ZS Infra is not able to allocate ad-hoc paths. ZS has no preconstructed international train paths. ZS asks new entrant to request international train path at FTE. As for cooperation with incumbent RU, it is on a very low level.

As for inspection, currently the practice is that ZS Infrastruktura imposes penalties once the mistake has been made. KP suggested that inspector of infrastructure manager should come to advise the new entrant before it starts operations.

Situation and business plans of the port of Bar

Current capacity of the Port of Bar is 2.7 million tones, of different types of cargos, per year.

Existing capacities for: Dry bulks; Liquid cargoes; RO-RO and Passengers; General cargo (storing, loading and unloading containers, etc.); Rail and road connections with hinterland.

The Port of Bar is in the network of the Italian shipping company “Grimaldi”; at this moment from the Port of Bar cars produced in the “Fiat” factory in Serbia are transported to different Mediterranean ports and to USA; further development of the activities at the Ro-Ro Terminal is expected.

Increasing of cargo transport reported in last three years. From 2500 waggons in 2015, 11000 waggons in 2016. Approximately 25-27 trains per week have been coming to port of Bar, where transit of Fiat cars from Serbia encompasses 7 trains per week. Export of Bauxite to Far East encompasses another 20 trains per week.

Railway Bar Belgrade is in need of improvement. 65 M € needed for signalling systems. Currently, 3.3 netto million tons is a maximum in the present circumstances. 170 M€ needed of full rehabilitation of the line. Possession of max 6 hours per days.

Forecast for demand and capacity should be updated. The representative of port of Bar said that there is a need for better corridor management and cooperation between all stakeholders on the rail lines in Western Balkans.

Thessaloniki Port – recent developments

One of the five ports of Greece (with Piraeus, Patras, Igoumenitsa & Heraklion) that has been included to the Core European Transport Network.

Under a concession agreement with the Greek State, signed in 2001 for 50 years, Th.P.A. S.A. has the exclusive right to use and exploit the infrastructure and superstructure of the Port of Thessaloniki. Hellenic Republic Assets Development Fund is the main shareholder (74% and 26% private investors). On 14.04.2014 HRADF issued an International tender process for the sale 67% of the shares of ThPA SA. Eight (8) investors qualified for the second phase of the tender process. The consortium comprising «Deutsche Invest Equity Partners GmbH», «Belterra Investments Ltd.» and «Terminal Link SAS» submitted the highest bid. Following completion of the transaction, HRADF will hold 7% of the shares.

THPA SA serves Containerized cargoes; Dry bulk cargoes; General cargoes; Ferry & Cruise Passengers. Currently operating at 350.000TEUs (2016) . Annual throughput of about 4m tones of conventional cargo. Rail throughput in general and container cargo has been decreasing from 2012 and currently is 4.5% of general and bulk cargo and 0.3% of container cargo.