



Fixed Asset Management Optimisation

Role of the European Railway Agency

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Structure of Presentation

- **Introductory remarks and definitions**
- **Background to railway reforms**
- **European Railway Agency – an overview**
- **Safety certification**
- **Cross-acceptance**
- **Conclusions and further perspectives**



Generic definitions

vehicles, leasehold improvements and other such items

- **Management:**
Organization / coordination of the activities of an enterprise in accordance with certain policies and in achievement of clearly defined objectives
- **Optimisation:**



(European) Railway Context

- **Focus on railway assets (infrastructure, rolling stock, stations, signalling, etc.)**
- **Optimisation of the use of these assets within the overall transport system**
- **Increase the railway attractiveness**



Transport demand in Europe

- **Has increased significantly for a number of decades**
- **In particular, passenger car, lorry traffic and air**
- **But...**



Modal Split (%)

	Car	Bus	Railways	Air
1970	75,1	12,5	10,3	2,1
1975	75,8	12,0	9,5	2,7
1980	76,9	11,4	8,5	3,2
1985	77,0	10,5	8,1	4,4
1990	79,0	9,0	6,9	5,1
1994	79,7	8,3	6,2	5,8



Decreasing modal share for rail – Freight

Modal Split (%)

	Road	Rail	Inland Waterways	Pipelines
1970	48,6	31,7	12,3	7,4
1975	54,5	26,7	10,6	8,2
1980	57,4	24,9	9,8	7,9
1985	61,3	23,7	8,9	6,1
1990	67,5	18,9	8,3	5,3
1994	71,7	14,9	7,7	5,6



Effects of transport trends

- **Economic, social and environmental problems**
- **Financial difficulties for the national railway companies**
- **Increased requirements for subsidies**
- **A key question – Why did railways have difficulties competing with roads?**



Rationale for railway reforms

- **Reforms to be introduced to:**
 - ❖ Improve cost performance
 - ❖ Enhance customer focus
- **Revitalization of railways**
- **Competitiveness of rail *vis-à-vis* other modes is enhanced**
- **Contribution towards sustainability**



EU Transport White Paper 2001

“Rail transport is literally the strategic sector on which the success of the efforts to shift the balance will depend particularly in the case of goods”



Reform of railways in Europe

- **Over the past two decades substantial legislative initiatives at European level**
 - ❖ Commercialization of railway companies
 - ❖ Market opening (with regulation)
 - ❖ Technical harmonisation
- **Reforms have also taken place in other parts of the world, e.g. US, Japan, Canada, New Zealand, Latin**



In particular...

- **Start of reforms with EC Directive 91/440**
- **Complete market opening for freight since January 2007**
- **Open access for international passenger services since January 2010**
- **Promotion of independent regulatory arrangement**
- **Separation of essential functions**
- **Technical harmonisation (interoperability & safety)**



Mission of the European Railway Agency

To create a safe, integrated European railway network:

Railways must become more competitive and offer high-quality, end-to-end services without being restricted by national borders.



Role of European Railway Agency

- To contribute, on technical matters, to the implementation of the EU legislation (Article 1 of the Agency Regulation 881/2004)
- To oversee the processes related to safety and interoperability and to provide greater impetus to the processes



Interoperability in a perspective

Rail Transport Market Opening –
access to infrastructure
Directive **91/440** ...

needs

Interoperability,
open market for supplies
Directive **96/48** ...

needs

Railway Safety
Directive **2004/49** ...



Tools towards Interoperability

- **Technical specifications for interoperability (TSIs)**
 - ❖ **Related sub-system / component acceptance process**
 - ❖ **conformity with harmonized EN standards**
- **Complemented by other initiatives**
 - ❖ **Ease cross acceptance in the transition period where TSIs are not fully implemented**



Duties of the Agency

Interoperability

- Develop and update technical specifications for interoperability
- Link them with EU standards (CEN/CENELEC/ETSI)
- ERTMS system authority

Safety

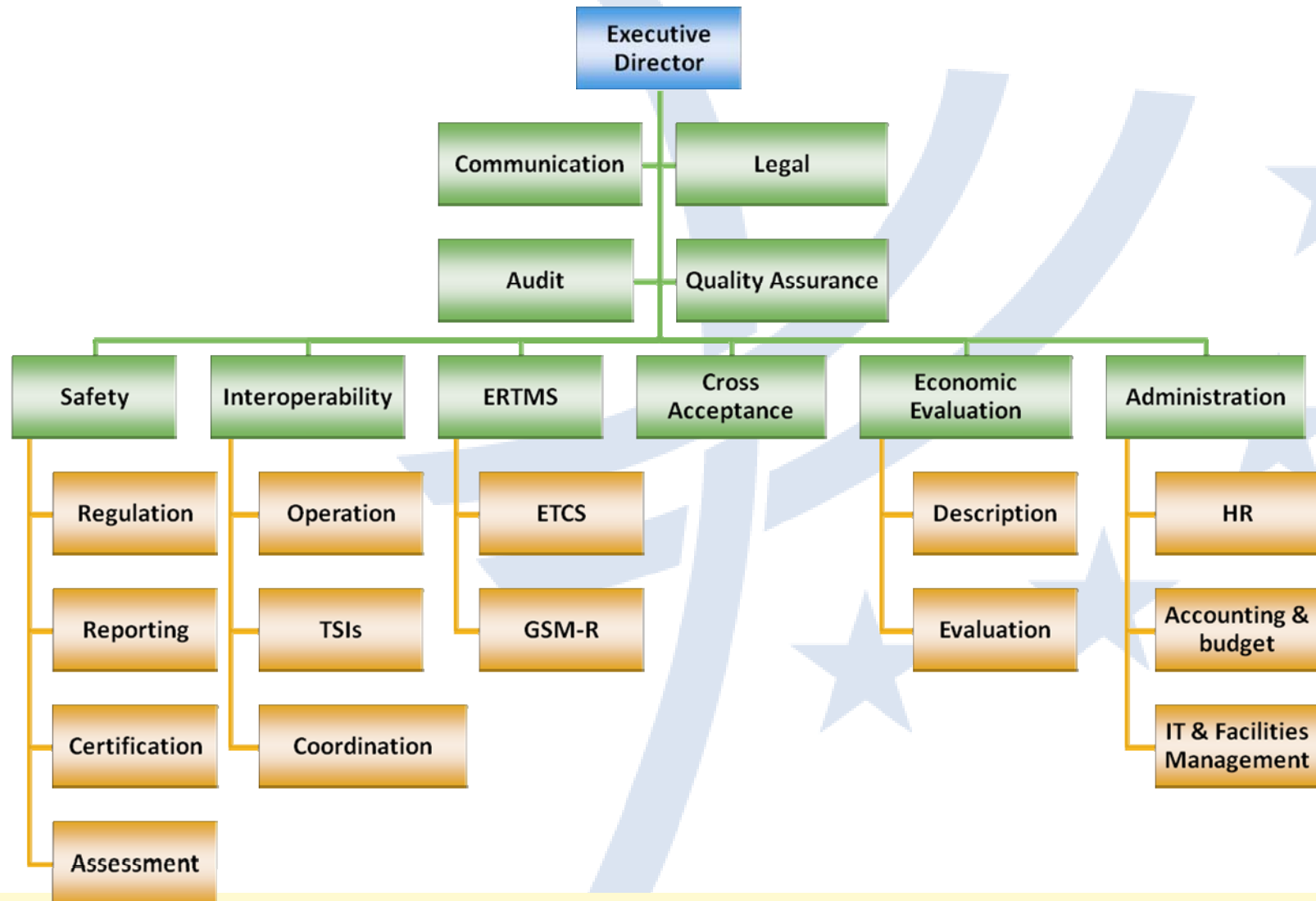
- Contribute to maintain and, if reasonably practicable, improve operation safety
- Propose common safety objectives, methods, indicators

Cross acceptance

- List and analyze existing national rules and...
- ...Seek their convergence



Organisational chart





Examples of work - Safety certification

- **Common procedures / criteria for assessing applications by railway undertakings for safety certificates and authorisations**
- **Principles for post-award supervision regime**
- **This should contribute to make it easier for companies to start operations in other countries**



Examples of work – Cross-acceptance

by

- ❖ Making the requirements transparent
- ❖ Clarifying and simplifying the procedures for vehicles authorisation for placing in service
- ❖ As far as possible applying the principle of mutual recognition
- ❖ **Key activities**
 - ❖ List of parameters to be checked in conjunction with the authorisation for placing in service of railway vehicles
 - ❖ Cataloging the mutual recognition of the national rules used for placing vehicles in service for each of the parameters
 - ❖ Common approach to the authorisation process



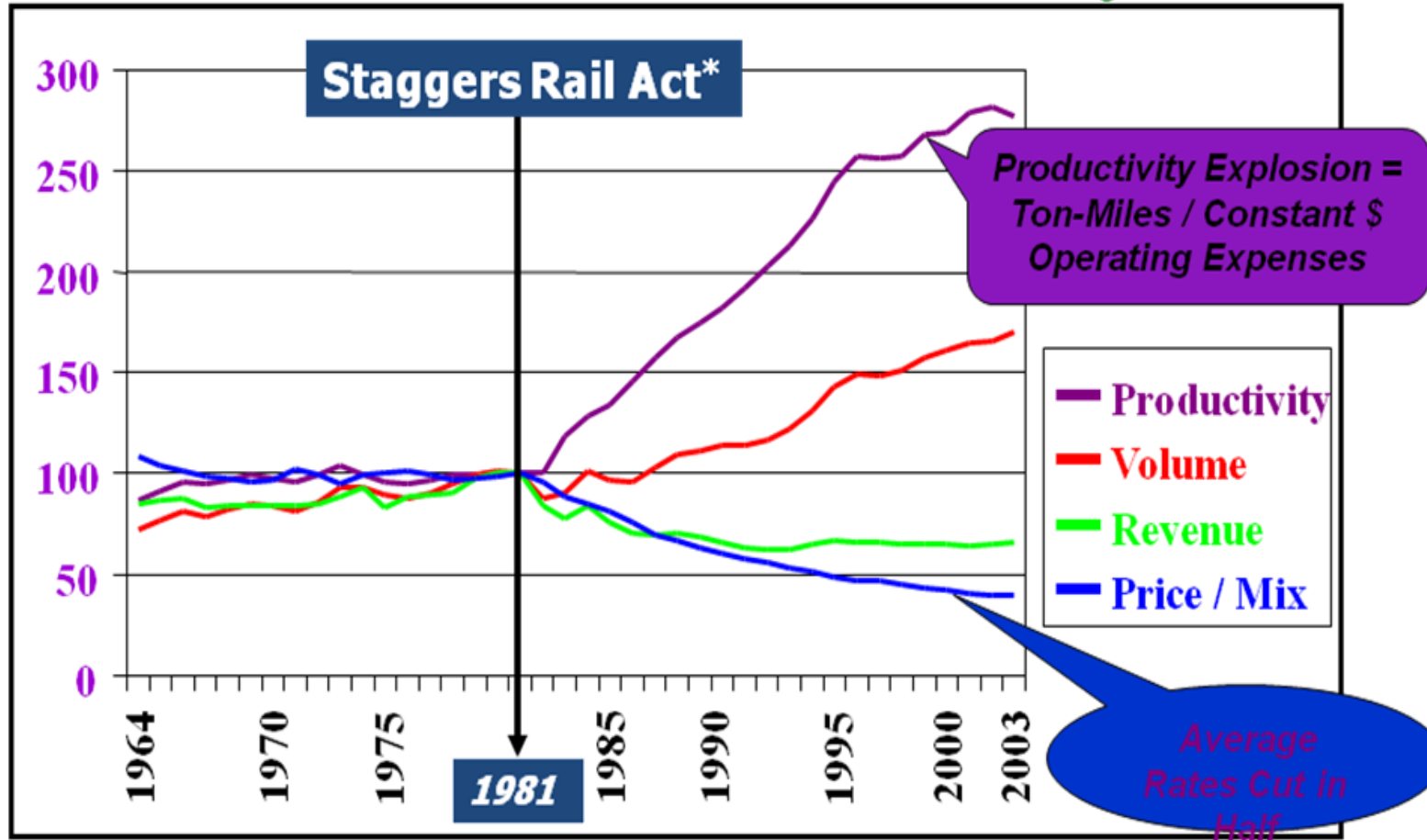
What has happened during the past 15 – 20 years

- **Substantial reorganisation of railway sector**
- **New entrants in passenger and particularly freight markets**
- **Growing market shares for non-incumbent railway companies**
- **Progress on technical harmonisation**
- **The rail sector of today is in a transitional phase but looks very different from 20 years ago**



Possibility for strong impacts...

Data Source: AAR FactBooks. Chart Design: R.E. Gallamore



* The Staggers Rail Act was passed in 1980, but implementation did not begin until 1981.



Railways in Europe. Positive Outlook in the

- Permanent effects of the rail restructuring and revitalising should contribute towards a more customer-oriented and efficient sector
- Improvements of TEN-T network
- Climate change initiatives
- Structural increase in oil price



Thank you for your attention!

