

MAJOR TRANSPORT ASSOCIATIONS CLARIFY THEIR POSITION ON 4TH RAILWAY PACKAGE MARKET PILLAR AHEAD OF TRIALOGUE NEGOTIATIONS

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UITP (International Association of Public Transport), EMTA (European Metropolitan Transport Authorities) and EPTO (European Passenger Transport Operators) have made clear their position on the political pillar of the 4th railway package ahead of triologue negotiations.

At the TTE meeting on 8 October 2015, the Council agreed on **a general approach** on the market opening and governance proposals. The next step is the opening of triologue negotiations.

The three Associations have analysed the general approach adopted by the Council. They would first of all like to welcome this new step as they have always declared their opposition to any potential splitting of the Package. They consider that the expected benefits from the future adoption of the technical pillar are only likely to be realised in a context of progressive market opening hence why the associations defend a 'package approach' whereby both pillars are taken forward jointly.

I Regarding the market opening proposal (revision of Regulation 1370/07)

- The three associations welcome a revision of the Regulation finally limited to rail issues

For the three associations, the key to finding an agreement on the market proposal is to stick to modifications limited to the rail sector. The associations have consistently called for the **revision of regulation 1370/2007 to be strictly limited to the minimum changes necessary to open domestic passenger rail markets** to competition without impacting urban and local public transport (bus, tram, metro services), for which the current regulation already provides a progressive and balanced market opening.

In particular, the associations are of the opinion that modifications such as the introduction of detailed and compulsory public transport plans, the revision of the definition of 'competent local authority' including through the adoption of a new recital or the reopening of the reciprocity issue should be avoided.

- The three associations are worried about the large set of exceptions to rail market opening rules and the complexity and legal insecurity it will bring

For UITP, EPTO and EMTA the opening of the passenger rail market should provide legal security as a number one priority. It should be carried out within a reasonable timeframe, shorter than the one agreed on in the Council's general approach, and it must be effective if we want to stop further stagnation in the rail sector, attract the required investments, remove impediments for new entrants, meet the rapidly evolving needs of passengers and limit the impact on public budgets.

This progressive market-opening process must establish a general principle of competitive award for public service contracts in rail and allow for the possibility of **retaining direct awarding in certain limited and strictly defined cases**.

The three associations are therefore **strongly concerned** about a general approach of the Council which represents an **addition of numerous possibilities to directly award contracts** for public rail passenger transport services including for instance exceptions so large and discretionary that they will most likely lead to different interpretations and never-ending complaints.

Such an approach may not only jeopardise the market opening of closed markets but also pose a threat to currently established and well-functioning markets at EU Member State-levels with competitive structures.

Moreover and again for legal security reasons, the three associations consider that **the exact same expression** "public passenger transport services by rail" defined in new article 2(a) should be used all along the text when talking about "public transport by rail, excluding passenger transport on other track-based modes, such as metros or tramways".

II Regarding the governance proposal (revision of Directive 2012/34)

- The three associations welcome a development of integrated information and ticketing systems, however emphasize that attention must be given to the systems already in place in the urban, suburban and regional public transport sectors.

The Parliament required in its first reading position the set-up, by 12 December 2019, of an interoperable through-ticketing and information system, which shall give passengers access to all data needed to plan a journey, reserve seats and buy their tickets. As for services operating under public service contracts, railway undertakings should co-operate for the set-up of common information and ticketing systems, or should ask the competent authorities to do so. **The distinction between services running under PSOs and other services should remain, especially when it comes to the role granted to competent authorities.**

The Parliament's text also introduces a possibility for Member States to require "*providers of passenger transport by other modes of transport to participate in a common interoperable travel information and integrated ticketing*". Urban areas have developed local solutions, responding to local customers' needs and network characteristics. For the European legislator it is crucial **to strike the right balance between subsidiarity and integration/interoperability**. The three associations are therefore strongly promoting a **bottom-up approach, taking into account the choices made by urban agglomerations as far as ticketing of public transport services is concerned**.

On the other hand, Member States opted on 8 October for a more flexible approach, leaving it up to Member States to require the set-up of information and integrated ticketing schemes either directly by railway undertakings, or by competent authorities duly empowered to do so; **the three associations supports the Council's flexible approach, which does not impose strict requirements but allows the market to continue evolving.**

Note:

The International Association of Public Transport (UITP) is a passionate champion of sustainable urban mobility and is the only worldwide network to bring together all public transport stakeholders and all sustainable transport modes. We have 1,300 member companies giving access to 14,000 contacts from 92 countries. Our members are public transport authorities and operators, policy decision-makers, research institutes and the public transport supply and service industry. Visit our website www.uitp.org. Follow us on Twitter: [@UITPpressoffice](https://twitter.com/UITPpressoffice)

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European Metropolitan Transport Authorities (EMTA) is a platform for collaboration and policy exchange of 26 public transport authorities in metropolitan areas and larger cities (including a partner institution in Montreal) transport planning, infrastructure funding and financing and commissioning public transport services. Members have in common the award of public service contracts in (sub-)urban areas and share knowledge, exchange experiences and identify best practices that help to improve the quality of integrated transport services for their users. Visit our website www.emta.com

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EPTO is the association of the **European Passenger Transport Operators**, whose members are the 9 largest public transport Groups in Europe. EPTO promotes the development of a competitive market structure for the supply of public transport services and supports the opening of the passenger transport markets in Europe. For more information see <http://www.epto.net>

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