



## PRESS RELEASE

### MAJOR TRANSPORT ASSOCIATIONS MAKE CLEAR THEIR POSITION ON 4<sup>TH</sup> RAILWAY PACKAGE MARKET PILLAR AHEAD OF COUNCIL READING

BRUSSELS, 7 OCTOBER 2014

**UITP (International Association of Public Transport), EMTA (European Metropolitan Transport Authorities) and EPTO (European Passenger Transport Operators) have made clear their position on the market pillar of the 4<sup>th</sup> railway package ahead of tomorrow's policy debate in the European Council.**

European transport ministers will tomorrow debate a series of questions in the European Council drafted by the Italian Presidency. The three Associations have analysed and reviewed the questionnaire and have provided the answers below to the European Institutions. The questions are directly related to the revision of Regulation N° 1370/2007 (concerning the opening of the domestic passenger rail market to competition).

"UITP is very much looking forward to a successful outcome of the political pillar of the 4<sup>th</sup> Railway Package as long as the revision process is strictly limited to the opening of the domestic rail passenger market, without any impact on urban and local public transport for which the legal framework is already established by Regulation 1370/2007," said **Nicolas Blain**, President of the UITP EU Committee.

"Better access to rolling stock will further market opening and contribute to a genuine level playing field whilst providing safeguards for fairer competition among operators," said **Geoff Inskip**, President of EMTA.

"Citizens in Europe deserve to have the most customer-oriented, efficient, innovative and best quality mobility solution offering the highest value. The public should be able to have a real choice between concepts and providers, this can only be achieved by tendering," said **Piers Marlow**, President of EPTO.

#### **Questions:**

- Do ministers agree that opening domestic markets will encourage investment and innovation in rail services and render the railway sector more dynamic and customer-oriented, and will contribute to efficiency and quality in the railway sector?

***-The Associations consider that competition is not an end in itself; it is a way of achieving: Improved quality of service (easy access, frequency, reliability, competitive tariffs) offered to passengers, and better cost control, the proliferation of operational best practice as well as a better use of public funds.***

- How can public services be efficiently provided in the context of market opening?

***-The Associations would like to remind that the purpose of Regulation 1370/07 is to recognise the responsibility of the competent authority to define the extent and content of public service obligations. The Associations are therefore worried about any modification and/or introduction of new elements that would lead to a limitation of competent authorities' responsibility in this matter or to a control of this competence that would go beyond the control of manifest error.***

- Is there a need for a transition period? If so, are additional specific measures necessary during the transition period to ensure a level playing field between different railway

undertakings?

***-The Associations consider that there is no need for an extension of the transition period from 2019 to 2022 for public passenger transport by rail. With such a reasonable timeframe, no additional specific measures would be required.***

• Do you agree that the principle of competitive award should be the general rule to award public service contracts in the rail sector with only clear and justified exemptions?

***-The Associations consider that tendering procedures should be the rule to the granting of public service contracts in the field of regional and suburban rail, while direct awards should still be possible in a limited number of strictly defined circumstances. The Associations are therefore strongly concerned about the adoption in the European Parliament of an amendment<sup>1</sup> which would give a large possibility to directly award contracts for public rail passenger transport services based on the evaluation of compliance with a list of criteria which will be subject to different interpretations. This approach which allows discretionary award and which will lead without any doubt to numerous and never-ending complaints 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.***

• Do you consider the possibility for public services to include profitable and non-profitable lines as appropriate?

***-The Associations consider the clear recognition of this possibility as absolutely appropriate: in order to protect the necessary coherence and continuity of public transport networks and in order to limit the global cost of public transport services, it is fundamental that the possibility to establish a public service contract is not limited to non-profitable transport services. The Associations therefore strongly welcome the recognition of the concept of network effect.***

• How to ensure a non-discriminatory access to rolling stock for railway undertakings?

***-The Associations consider that proper access to rolling stock appears to be in most cases the main barrier to the effective opening of the regional or suburban rail market. The Associations are therefore favourable to the introduction of an obligation to ensure effective and non-discriminatory access to suitable rolling stock.***

## **Note to Editors**

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](http://www.uitp.org). Follow us on Twitter: [@UITPpressoffice](https://twitter.com/UITPpressoffice)

**Contact:** Andrew Canning, Press & Media Manager, +32 2 663 66 39, [andrew.canning@uitp.org](mailto:andrew.canning@uitp.org)  
Sylvie Cappaert-Blondelle, Communication Director, +32 2 661 31 91, [sylvie.cappaert@uitp.org](mailto:sylvie.cappaert@uitp.org)

**European Metropolitan Transport Authorities (EMTA)** is a forum for collaboration and exchange of information and practice experience among 26 public transport authorities from 16 EU-countries that carry out contracting, planning and integrating public transport services as key remit. EMTA fosters sustainable innovation of transport services and mobility solutions in its member cities by sharing knowledge, increase collaboration with peer stakeholders and contribute to the development of European framework rules for transport, mobility and related infrastructure schemes. Visit our website [www.emta.com](http://www.emta.com)

**Contact:** Ruud van der Ploeg, Secretary-general, +31 6 55 890 365

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 [www.epto.net](http://www.epto.net)

**Contact:** Jan M. Möllmann - Secretary General, Phone: +32-477-909126, Mobile: +49-151-42635679, Fax : +49-3212-6655626, Email: [jan.moellmann@epto.net](mailto:jan.moellmann@epto.net)

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<sup>1</sup> Amendment N°50