



**COUNCIL OF
THE EUROPEAN UNION**



**Council Conclusions on
THE COMMISSION COMMUNICATION
"Multi-annual contracts for rail infrastructure quality"**

*2877th TRANSPORT, TELECOMMUNICATIONS AND ENERGY Council meeting
Luxembourg, 13 June 2008*

"THE COUNCIL OF THE EUROPEAN UNION,

1. Having regard to

- The renewed Lisbon Strategy for growth and jobs and the reviewed Sustainable Development Strategy;
- The Commission Communication: "Keep Europe moving - Sustainable mobility for our continent - Mid-term review of the European Commission's 2001 Transport White Paper";
- Directive 2001/14/EC on the allocation of railway infrastructure and the levying of charges for the use of railway infrastructure and safety certification, in particular its Article 6;
- The Commission Report on the implementation of the first railway package;
- The Communication from the Commission to the European Parliament and the Council on monitoring development of the European Rail Market.

2. Whereas

- rail transport has great potential for contributing to the development of sustainable transport in Europe;
- the provision of safe, efficient, reliable and timely rail transport services depends on the availability of a well-performing and interoperable rail infrastructure on a national and European scale;
- considerable investments may be needed to achieve rail infrastructure of sufficient capacity and quality, the decision on character and scope of the financing remains in Member States' hands and public finances must be used in an efficient manner;

P R E S S

- there is a recognised need to define a clear-cut, transparent relationships between Member States and infrastructure managers, drawing a line between issues relating to long-term infrastructure related investment and management of rail infrastructure;
- the provision of rail infrastructure is a shared responsibility within the Member States, usually the national governments that own the infrastructure and the managers of the infrastructure;
- rail infrastructure constitutes a natural monopoly and its financing is largely borne by the Member States, also by reason of its capital intensive nature whereby investments only pay off after many years of use;
- rail infrastructure use is open to all potential users in a fair and non-discriminatory manner, and access to that infrastructure is charged for at an appropriate rate, as stipulated by the Community legislation (Directive 2001/14/EC);
- rail infrastructure has been built according to past demand patterns, while future user needs should be fully considered when defining development and maintenance needs.

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3. TAKES NOTE of the Commission Communication "Multi-annual contracts for rail infrastructure quality";
4. REITERATES its support for initiatives aimed at reinforcing the provision of rail infrastructure by adequate planning and implementation of maintenance, renewal and upgrading;
5. RECOGNISES the importance of establishing long term national strategic transport frameworks covering all modes of transport for improving the quality of infrastructure and whereby infrastructure managers and Member States make sure that business plans are consistent with the financing;
6. HIGHLIGHTS the need to develop the European rail network taking due account of the existing and future demand for services of passengers and freight transport which should determine the level of infrastructure quality and extent of the rail network;
7. UNDERLINES that the expected increase in volumes of rail traffic will not only require new infrastructure and the removal of physical bottlenecks but will also necessitate optimisation of the use and of the maintenance of existing infrastructure;
8. EXPRESSES its concern about the mismatch of finance and maintenance needs as it exists in some parts of the EU and the need to avoid increasing maintenance backlogs which may result in excessively high infrastructure charges;
9. STRESSES the need for management independence and demand orientation of infrastructure managers to attract more users and create additional business from them, all of which leads to a better use of available capacity and improves the financial situation of infrastructure managers;
10. RECALLS that multi-annual contracts are not mandatory and that Member States should choose between such agreements and appropriate regulatory measures to ensure fulfilment of Article 6 of Directive 2001/14/EC;
11. INVITES THE MEMBER STATES, having regard to their individual circumstances, to consider setting up agreements with the infrastructure managers with a view to:

- a) ensuring that financing and tasks of infrastructure managers allow consistency of output specifications including reliability and capacity of infrastructure with State funding and the level of access charges, with due regard to infrastructure safety and quality;
- b) reinforcing incentives on infrastructure managers to reduce costs of infrastructure provision and thus also the charges for the use of it.
Furthermore, these agreements may:
- c) reward better than planned performance of infrastructure managers with regard to the quality of the infrastructure, overall profit and loss situation and traffic accommodated;
- d) identify, if needed, a body in charge of monitoring the execution of the multi-annual agreements, or otherwise establish procedures which will guarantee the implementation of the multi-annual agreements;
- e) establish conflict settlement procedures, which may include sanctions to deal with non-compliance;
- f) create a favourable framework for optimising costs, which may, where appropriate and practicable, include contracting out parts of the work by infrastructure managers to contractors on a multi-annual basis.

12. INVITES INFRASTRUCTURE MANAGERS to step up their efforts in the provision of rail infrastructure of high-quality in accordance with the demand of their customers by:

- a) monitoring, measuring and informing the relevant authorities about infrastructure condition on a regular basis;
- b) publishing a set of key performance indicators such as those relating to capacity, quality, efficiency and reliability in infrastructure provision and its relation with the quality of rail transport services;
- c) providing timely information on forthcoming maintenance works and other capacity restrictions, especially along international corridors;
- d) coordinating maintenance works along corridors to achieve the smooth management and operation of rail traffic and investment planning causing as little disruptions as possible;
- e) fully exploiting the potential of incentives in the charging scheme to minimise disruption.

13. INVITES THE COMMISSION

- to monitor on regular basis the implementation of multi-annual agreements and the progress made in their application, possibly in the framework of the rail market monitoring scheme. In this context:
 - a format for benchmarking of infrastructure services should be developed in close cooperation with Member States and infrastructure managers and monitoring bodies, including publication of the key performance indicators;
 - Member States or any monitoring bodies should be consulted to update best practice for an optimal monitoring and conflict settlement procedure.
- to devise measures to foster effective and consistent application of best practice in this field."