

The European Voice of Freight Logistics and Customs Representatives

Brussels, 19th January 2009

RE: Proposal for a regulation concerning a European rail network for a competitive freight

Clecat represents European freight forwarders, logistics service providers and Customs agents. Neutral towards transport modes, logistics service providers are large users of rail freight services and, hence, important customers of railway undertakings. Aware of the fact that rail could and should play a more substantial role in the supply chain, Clecat has been promoting a liberalised European rail freight market where full and fair competition takes place throughout the European territory.

With a proposal for a regulation concerning a European rail network for a competitive freight¹, the Commission's ambition is to increase the proportion of goods transported by rail by encouraging the creation of corridors along which conditions for freight transport can be significantly better than in the current case. As a result, rail operators will be able to offer an efficient, high-quality service and be more competitive on the goods transport market. In principle, CLECAT tends to welcome the Commission's initiative as we believe that a corridor approach is useful for obtaining an integrated European Railway Area. Indeed, freight corridors stretch far beyond national boundaries, can target several strategic international axes at a time, and work as natural drivers for harmonisation as they represent tools for enhancing coordination between EU member states in the implementation of rail interoperability.

However, Clecat has examined closely the Commission's proposal (CLECAT report 2008/123) and we came to the conclusion that it is necessary to publish the following observations that emerged, with the intention to make the reaction of a large part of the rail freight users available to the Commission and other parties concerned to the co-decision procedure of this legislative proposal.

1. On the governance of the freight corridors, measures for implementing them & consulting applicants:

¹ http://ec.europa.eu/transport/rail/market/doc/reglement_en_final.pdf
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The proposed regulation does not allow for users to have a simple and efficient mechanism that would allow them to directly influence the decisions and measures taken by the governance bodies responsible for the freight corridors

CLECAT believes that more should be done to inform and involve businesses about the development of an integrated European rail network. Enhancing the quality of shared information would allow for more transparency between the different European stakeholders involved with the development of the freight corridors and would significantly increase the opportunity for rail transport to promote its best practices. In addition, setting a transparent framework for the development of an integrated European rail network in which users are directly involved is not only an important pillar of the EU rail transport policy, but it is also essential for full liberalisation.

CLECAT supports the idea that customers have to be systematically consulted before all decisions relating to freight corridors are taken. We do not find normal that the proposal does not allow users to be directly involved in the identification of these freight corridors because users are those who set current and future market needs and therefore can make an important contribution thanks to their expert knowledge of strategic flows of freight traffic in Europe. Still in light with the idea of involving users for the governance of freight corridors, it would have been judicious to establish an implementation follow-up system that would have enabled users to submit observations in a simple and direct way, as and if malpractice in the implementation of the future regulation is observed. Finally, CLECAT would like to add that it contests the fact that the proposal does not allow applicants to be consulted about the derogation of a Member-States from the provisions of the proposed regulation.

Based on these comments, CLECAT believes that the success of the freight corridors described in the proposal would depend on the joint presence of a few conditions:

- the capacity to coordinate efficiently all the participants' involvement
- the capacity to set clear objectives and related actions that participants must take
- the active involvement of customers in order to ensure that the corridor's development is in line with their requirements

2. On traffic management:

The proposal does not ensure that paths are systematically available after a certain period of time. In addition to this issue, CLECAT is not satisfied with the condition of authorised applicants described in the proposal as we believe that they must be mandatory all over the EU

As already mentioned in the past², CLECAT believe that a 'non-discriminatory access to infrastructure' is one of the means to promote the efficient use of infrastructure on the European rail network and to have full and fair competition taking place throughout the European territory. Thus, during the implementation of priority rules for path allocation, it is of paramount importance that these rules ensure a fair and transparent distribution of paths because it is a high concern for customers. Sadly, CLECAT does not see any innovative measures in this proposal that may improve traffic management since paths will continue to have their access unavailable to users even after a certain period of unused time.

² <http://www.clecat.org/dmdocuments/pp008oetra080506railfrghtntwk.pdf>
<http://www.clecat.org/dmdocuments/pp012oetra080722consrfon.pdf>

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Moreover, contrary to what is suggested in the proposal, Infrastructure Managers should be allowed in all Member States to enlarge their choice of customers and to assign slots to different kinds of "authorised applicant", such as a freight forwarder or shipper and not just to traditional rail freight operators. This would add competition in the relationship between IM's and their customers, which would benefit the EU rail freight market. CLECAT was expecting a further development of the concept of authorised applicants and is disappointed to see that there have not been any progress on that matter since their optional implementation is maintained.

Instead of the optional use of authorised applicants promoted by this proposal, CLECAT strongly support the mandatory implementation of the 'authorised applicants' concept in all Member States concept because:

- it would substantially contribute to an efficient and optimised use of the existing infrastructure
- it would also increase the flexibility of rail freight services and consequently their overall quality and attractiveness
- allowing forwarders and shippers with a certain dimension of business to apply for rail slots would have also injected an additional dose of competition, thereby 'strengthening the competitiveness of the rail market'

3. On quality of service in the freight corridor:

It is unfair that the shippers are not involved in the elaboration of performance indicators for the freight corridors

CLECAT believes that the involvement of users to the set up and adjustment of quality indicators would be a useful tool to provide them with the necessary transparency on the level of performance of European rail freight transport, whilst acting as an incentive to improve their own performance. In line with this position, CLECAT supports the idea that parties who are present to a logistics contract shall voluntarily agree to:

- take standards performance measurements
- make the results available to other parties in their transport/logistic chain
- submit them to a central European database in an approved standard format

(Concerning the last point, CLECAT has already provided details relative to the functioning of this central European database in a previous position paper³)

Moreover, CLECAT believes that shippers should be involved in the elaboration of performance indicators in the freight corridors suggested by the proposal since this involvement would contribute to increase the awareness of user and provider respective constrains and requirements. Indeed, operators may develop their own service quality measurements and customers too may possess their own individually defined set of quality measurements. Without negating the value of these individually derived measures, Clecat believes that a common set of defined measurements which would both involve customers and operators and focus on the delivery of service to a generic set of performance standards would enable the identification of common bottlenecks and barriers to improved service performance in a rail freight supply chain from consignor to consignee. This would create clarity as to the overall standard of service the rail freight industry can deliver and aspire to. Customers, Railway Undertakings, Infrastructure Managers and others in the chain would be able to co-operate and co-ordinate their actions to improve the quality of the whole end-to- end service.

³ <http://www.clecat.org/dmdocuments/PP019OETra081112RailFrghTQuality.pdf>
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