
EUROPEAN RAILWAY LEGISLATION

***THE PRIVATE SECTOR BETWEEN
EUROPEAN REGULATIONS AND STATE
MONOPOLIES***

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1. EPTO - THE EUROPEAN PASSENGER TRANSPORT OPERATORS



2. MEMBERS ACTIVE IN 22 EU COUNTRIES



			Europe	Worldwide
Annual turnover	Euro	Billion	19	25
Passengers p.a.	Number	Billion	12	21
Employees	Number	Thousand	255	360

3. OBJECTIVES

- Development of competitive market structures for the supply of public transport services
- Opening of passenger transport markets for competition
- Watch and monitor market developments

4. FIRST RAILWAY PACKAGE : A COMPETITIVE FRAMEWORK

- Key issue for new entrants
- Setting up **basic conditions** for fair market liberalisation
 - Better **allocation of tasks** between RUs, IMs and Regulators
 - Clearer **separation** between functions (EC letter from 26 June 2008)
 - Non discriminatory **access** to all “rail related services”

5. REGULATION 1370/2007 : DEADLINE APPROACHING

- Implementation as from December 3, 2009
- Countries **ahead of schedule** : Great Britain, Germany, Sweden,...
- Countries **reluctant** to open rail market: France, Spain,...
- Based on different interpretations
- Clear answer by Vice-President Tajani in February 2009:
“Article 5§6 of the Regulation (CE) 1370/2007 does not allow the adoption or the retention of a national legislation which would prohibit competent authorities to tender rail public service contracts (...). Consequently, national legislation which would forbid awarding rail public service contracts through competitive tendering would be conflicting with the Regulation.”

6. STATE AID GUIDELINES

- Rules not to be breached by the “**economic crisis excuse**”
- Rules to be clarified on **rolling stock** financing :
 - either by the contract if PSR
 - or provided by the authority→ **no distortion of competition**
- If State aids given, it should be **open for all** and not only for State monopolies
- **Council of Ministers, June 10, 2009 :**
“The Commission is faced with requests for exemptions from existing or drafted legislation, restrictive interpretation of the texts in force and State aids cases that seriously risk to distort competition and to create additional barriers to access to the railway markets”.

7. FOR A SUCCESSFUL MARKET LIBERALISATION

- Rules to be respected to allow new entrants to fulfill **objectives set by European institutions** :
 - **Rise in service quality**
 - **Rise in efficiency**
 - **Monitoring costs**
 - **Ensuring passenger satisfaction**

8. CONCLUSION: PRIVATE SECTOR EXPECTATIONS

- Common rules for **transparency** and **non-discriminatory access**
- Strong and independent **regulatory** authorities
- Technical harmonisation brings more **efficiency**
 - **Balance** to be found between “market effect” and “common technical specifications” for standardised rolling stock all over Europe
- Private sector happy to support ERA in getting more “reasonable” standardisation
- Impact on **costs** not to be overlooked

THANK YOU !