



**Economic and Social
Council**

Distr.
GENERAL

ECE/TRANS/SC.2/2007/7/Add.1
12 September 2007

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

Working Party on Rail Transport

Sixty-first session
Paris, 20-21 November 2007
Item 8 of the provisional agenda

SITUATION OF THE RAILWAYS IN MEMBER COUNTRIES

Addendum

Report by the Governments of Canada, Croatia, Estonia and Romania

1. The Programme of Work of the Inland Transport Committee for 2006-2010 adopted at its sixty-eight session (ECE/TRANS/166/Add.1, Item 2.5) requires the Working Party on Rail Transport to monitor harmonization of requirements concerning international railway transport including rail safety and facilitation of its operations. The present document is submitted for consideration by the Working Party in compliance with that mandate.

I. CANADA

2. Passenger traffic – Canadian passenger rail now carries 63 million commuters and intercity passengers annually and helps to reduce road congestion, fuel consumption and pollution. GO Transit serving the Greater Toronto Area (GTA) is the busiest of all the commuter systems in Canada, handling more than 48 million riders annually.

3. A billion dollars is being spent on doubling the capacity of Union Station in that city to more than 80 million passengers annually including new track, modern signal systems, new platforms and equipment storage yards. Longer boarding platforms will accommodate 12 passenger railcars, capable of handling 400 more passengers per train. Overall the additional capacity will add the equivalent of 10 expressway lanes, and the reduction of 1.1 million vehicle-kilometres of auto traffic daily in the GTA.

4. Freight traffic – Canada’s freight railways are major contributors to the nation’s economy and to society at large. They carry 65% of Canada’s surface tonne-kilometres of freight yet produce only 3% of transportation GHG emissions.

5. The economies of Canada and the United States are very highly integrated. More than 60 trains cross the border each day, and railways have been steadily growing their share of trans-border trade. Canada’s Pacific Gateway Strategy is expected to see triple the trade by 2020 and continued investment in the transportation corridor leading to the Port of Vancouver by the Canadian, B.C. governments and by private enterprise. CPR expanded its rail network, CN is increasing its intermodal capacity, and both railroads are working in partnership through co-production agreements.

6. More fuel-efficient locomotives produce lower levels of emissions. Other innovations reduce the amount of idling time for locomotives used in freight yards and transfer services. A special track grease reduces rail wear and eases the passage of freight cars through curves. Electronic brakes mean safer and more effective stopping of trains by activating nearly simultaneously, providing smoother, more controllable braking with reduced wear. Another system facilitates the quick replacement of complex railway switches up to 250 feet long on busy rail corridors. The industry is also working closely with community colleges to train skilled workers for the industry.

7. Additions to Property last year included \$582 million in Track and Roadway; \$189 million in Buildings, related machinery and equipment; \$95 million in Signals, communications and power; \$27 million in Terminals and fuel stations, \$416 million in Rolling stock; \$39 million in intermodal equipment; \$31 million on Work equipment and roadway machines, and \$15 million for Other equipment, for a total of \$1,394 million.

8. Another element of Canada’s Pacific Gateway Strategy involves investment in a new container terminal at Prince Rupert, British Columbia - scheduled to open 12 September 2007. The terminal is two days closer to China than other North American west coast ports. Government and industry have also announced plans to invest \$75 million in Quebec short line railways’ infrastructure.

II. CROATIA

9. The Croatian railway system consists of a 2,720 km railway network, of which 2,465.7 km are single track lines and 254.3 km double track lines. With the new categorization of lines, they were put into three categories, namely: lines of importance for international transport (M) which are 1,460.4 km long, lines of importance for regional transport (R) which are 600.5 km long and lines of importance for local transport (L) which are 659.1 km long.

10. The following parts of this network are part of Pan-European corridors and their sections:

- (a) Corridor X Savski Marof - Zagreb-Vinkovci-Tovarnik
- (b) Corridor Vb Rijeka-Zagreb-Botovo
- (c) Corridor Vc Ploče-Metković and Šamac-Vrpolje-Osijek-Beli Manastir.

11. On the whole railway network there are only 254.3 km double track lines (10.3%), while all the others are single track lines, and that unfavourably reflects on transport capacity, travelling times and conditions for maintenance of the lines. A total of 440,494 km of railway lines was repaired in the period from 2001 to 2006.

Railway Transport

| | Units of Measure | 2006 | | | 2007 | Indices | | |
|--------------------|------------------|---------|---------|---------|---------|---------|---------|---------|
| | | I - III | X - XII | I - XII | 1 - III | 1 - III | 1 - III | I - XII |
| | | | | | | 2007 | 2007 | 2006 |
| Passengers carried | thousand | 10,499 | 14,975 | 46,212 | 15,973 | 106.7 | 152.1 | 116 |
| Domestic transport | thousand | 10,371 | 14,796 | 45,432 | 15,838 | 107.0 | 152.7 | 116.2 |
| Passenger-km | millions | 304 | 387 | 1,362 | 379 | 97.9 | 124.7 | 107.6 |
| Domestic transport | millions | 290 | 363 | 1,257 | 363 | 100 | 125.2 | 108.3 |
| Goods carried | 000 tonnes | 3,222 | 4,299 | 15,395 | 3,423 | 79.6 | 106.2 | 107.4 |
| Domestic transport | 000 tonnes | 476 | 923 | 2,959 | 566 | 61.2 | 18.7 | 106.2 |
| Tonne-km | millions | 709 | 967 | 3306 | 791 | 81.8 | 111.6 | 116.6 |
| Domestic transport | millions | 120 | 205 | 686 | 138 | 67.3 | 15.01 | 108.7 |

12. The Republic of Croatia desires to initiate an open railway market with the aim of expediting efficient market competition, as well as to enable more quality transport products.

13. The changes in railway transportation relate primarily to the modernization of the railway infrastructure, to the separation of the management of railway infrastructure from transport services, to guaranteed access to the railway infrastructure for international consortia and railway transport companies under fair conditions and without discrimination, to the removal of administrative and technical barriers to the realization of the set objectives, to providing railway transport services according to market principles, which would allow the emergence of a greater

number of transport operators, and to allow access to the railway infrastructure to all interested parties on equal terms. On 1 January 2006, the Railway Act (Official Gazette, No. 123/2003; 194/2003; 30/2004; 153/2005) came into force enabling general conditions for railway market liberalization.

14. The basic regulations establishing the area of market and infrastructure access are the Railway Act (OG 123/03, 194/03, 30/04) and pursuant to it subordinate legislation has been adopted, as well as the Act on the Division of Croatian Railways (OG 153/05).

15. In order to enable financial consolidation and restructuring of the Croatian Railways (Hrvatske željeznice–HŽ) into a commercially-oriented and successful enterprise, the Act on the Division of HŽ-Hrvatske željeznice d.o.o. (Croatian Railways) was adopted, establishing preconditions for organizing the new railway system adapted to conditions of the liberalized European Union (EU) transport market by creating a new organization of the railway system and by the division to specific business areas.

16. With the above-mentioned Act, reorganization of the existing national company has been completed, resulting in four new companies which are legal successors of the company Hrvatske željeznice d.o.o. (Croatian Railways). These are: – Putnički prijevoz d.o.o. (Croatian Railways - Passenger Transport), HŽ–Cargo d.o.o., HŽ–Vuča vlakova d.o.o. (Croatian Railways -Traction) and HŽ-Infrastruktura d.o.o. (Croatian Railways - Infrastructure) coordinated and supervised by its umbrella organization, HŽ-Holding d.o.o. The final stage of dividing the Croatian Railways was completed by the end of 2006 with the entry of the newly founded companies into the Commercial Court register.

17. The Croatian Railways became a member of the Community of European Railways (CER) on 30 September 2003. Membership of the CER enabled easier access to European investment funds, providing money for projects in railway modernization and reconstruction. Therefore, the Croatian Railways expects the assistance of CER in the realization of its modernization project. The Croatian Railways membership of CER also necessitates the modernization of railway tracks and rolling stock as well as adjustments needed to meet the strict technical requirements of CER in order to enable other railway transporters to use its rolling stock on Croatian Railway tracks. Membership of CER is a significant achievement because admitting railway enterprises from non-member countries and non-EU candidate countries is not a standard practice.

18. In July 2007 the Law on Rail Market Regulatory Agency (OJ 79/07) was adopted by the Croatian Parliament. This Law will enable the establishment of an independent regulatory body for the railway market competition by the end of 2007.

19. In the railway transport sector the main activities, regarding the railway transport infrastructure, are attached to the Pan European corridor network. The main activities such as overhauls and rail track reconstruction are linked to Corridors X, Vb, Vc, and the railway line Oštarije–Knin–Split.

20. The Republic of Croatia will formulate its plans for railway infrastructure through a national programme of railway infrastructure development, which will be adopted in 2007.

III. ESTONIA

21. Estonian railways data on passenger and freight traffic since 1995 up to 2006 are as follows:

| | | 1995 | 2000 | 2005 | 2006 |
|-------------------|--------------------|------|------|-------|-------|
| Passenger traffic | passengers/million | 8,8 | 7,3 | 5,1 | 5,4 |
| | pkm/million | 421 | 261 | 248 | 256 |
| Freight traffic | tonnes/million | 23,7 | 39,8 | 44,8 | 44,9 |
| | tkm/million | 3573 | 7658 | 10311 | 10152 |

22. During the last two months, decline of freight from Russia has been 30% in comparison with 2006.

23. The market is quite developed, there are three freight railway undertakings and three passenger railway undertakings on the main lines. The new entry in the market is unlikely at this stage when there is decline in freight traffic.

24. In the next three years investments in rail infrastructure would hopefully be €40 to €45 million per year. Passenger railway undertakings are planning to invest in new rolling stock about €30 million per year in the next 4-5 years, but these decisions depend on PSO contracts and possibility to invest partially from EU Structural funds. Freight railway undertakings are planning to invest in new rolling stock €4-7 million per year in the next five years.

IV. ROMANIA

A. Data on past and future developments of rail passenger and goods traffic

| | Passengers carried in 2006 (millions) | 2006/2005 % | Passenger-kilometres in 2006 (millions) | 2006/2005 % |
|--------------------------|------------------------------------------|----------------|--------------------------------------------|----------------|
| Passenger rail transport | 94.4 | 102.2 | 8 092.4 | 101.3 |

| | Tons carried in 2006 (millions) | 2006/2005 % | Ton-kilometres in 2006 (millions) | 2006/2005 % |
|------------------------|------------------------------------|----------------|-----------------------------------------|----------------|
| Freight rail transport | 68.3 | 98.8 | 15 790.7 | 95.2 |

B. New developments to be observed subsequent to the reorganization of the rail sector with special attention to the setting-up of new railways companies

25. Romania is a new EU Member State from 1 January 2007 and is No. 9 in EU concerning the surface, with 238.391 km², and is No. 7 concerning the population with 21.6 million people.

26. In the railway field, Romania was the first country of the Central and Eastern European Countries that made, since 1998, institutional separation between infrastructure manager and railway undertakings, in accordance with European Union directives in rail transport:

- (a) CFR SA is infrastructure manager
- (b) CFR Calatori is national railway passenger operator
- (c) CFR Marfa is national railway freight operator.

27. Also, in 1998, the Romanian Railway Authority (AFER) was created as a public institution, with attributions in railway safety, licensing, railway certification and railway inspection.

28. During 1999-2007, 39 private railway operators were created, especially in freight transport, and 30 active private railway operators are on the railway market in July 2007.

29. The market share evolution for freight private railway undertakings in Romania is the following (train-km):

| 2002 | 2003 | 2004 | 2005 | 2006 |
|------|------|-------|-------|-------|
| 2.2% | 6.6% | 11.2% | 17.5% | 22.4% |

Legal framework

30. Legislation for transposition of “first railway package”, adopted by EU in March 2001, has been adopted by Romania during 2003-2004. All the applicable provisions have been transposed: modification of terms definition, conclusion of agreements between railway operators and infrastructure manager, charging and capacity allocation, safety certificate, establishment of regulatory body, issuing the railway licences.

31. Legislation for transposition of directives on the railway interoperability has been adopted in 2003 for the Directive 2001/16/EC and Directive 96/48/EC and in 2006 for Directive 2004/50/EC.

32. Legislation for transposition of “the second railway package”, adopted by EU in 2004, has been adopted by Romania during 2005-2006. All the applicable provisions have been transposed.

33. Concerning the liberalization of freight services, starting on the date of accession of Romania to EU (1 January 2007), railway undertakings shall be granted, on equitable conditions, access to the Romanian infrastructure for the purpose of operating all types of rail freight services; the conditions governing such agreements shall be non-discriminatory and transparent, in conformity with the provisions of Government Ordinance 89/2003 (Directive 2001/14/EC); track access to, and supply of services in the terminals and ports linked to rail activities, shall be provided to all railway undertakings in a non-discriminatory and transparent manner.

34. Concerning railway safety, in 2006 the Law 55/2006 was adopted on railway safety for the transposition of Directive 2004/49/EC (railway safety directive). Law establishes the safety authority named Romanian Railway Safety Authority and the investigation body named Romanian Railway Investigation Body as independent bodies in the frame of Romania Railway Authority.

35. The main tasks of Romanian Railway Safety Authority are in accordance with the provisions of railway safety directive: authorising the bringing into service of the structural sub-systems constituting the trans-European high-speed and conventional rail system in accordance with Article 14 of Directive 96/48/EC and Directive 2001/16/EC and checking that they are operated and maintained in accordance with the relevant essential requirements; supervising that the interoperability constituents are in compliance with the essential requirements as required by Article 12 of Directives 96/48/EC and 2001/16/EC; authorising the placing in service of new and substantially altered rolling stock that is not yet covered by a TSI; the issue, renewal, amendments and revocation of relevant parts of safety certificates and of safety authorisations; monitoring, promoting, and, where appropriate, enforcing and developing the safety regulatory framework including the system of national safety rules; supervising that rolling stock is duly registered and that safety-related information in the national register.

36. The main tasks of Romanian Railway Investigation Body are also in accordance with the provisions of railway safety directive: it performs its tasks independently of the organisations and it is able to obtain sufficient resources to do so. Its investigators are afforded status giving them the necessary guarantees of independence; the investigating body may combine its tasks with the work of investigating occurrences other than railway accidents and incidents; if necessary the investigating body may request the assistance of investigating bodies from other Member States or from the European Railway Agency to supply expertise or to carry out technical inspections, analyses or evaluations; the investigating bodies shall conduct an active exchange of views and experience.

C. Investments in rail infrastructure and railway rolling stock

(a) rail infrastructure

37. The main projects for infrastructure are:

- (i) modernization of the pan-European Corridors no. IV and no. IX including ERTMS;
- (ii) implementation of modern interlocking systems in main stations;
- (iii) modernization of main railways stations;
- (iv) construction of railway infrastructure connecting Romanian Railways with the new bridge over Danube at Calafat-Vidin.

38. Opening of refurbished line: Bucharest–Campina on Corridor No. IV was put into service in December 2003: 91 km double track electrified, maximum speed 160 km/h, financing by European Investment Bank €200 million and €87 million from the State budget.

39. Actual projects in work for railway line:

- (i) Bucharest–Constanta (Black Sea) on Corridor No. IV, 225 km double track electrified, deadline February 2010, maximum speed 160 km/h (200 km/h), financing by ISPA, JBIC and the State budget, cost of contracts €823 million.
- (ii) Campina–Predeal on Corridor No. IV, 48 km double track electrified, maximum speed 160 km/h, and deadline 2010.

40. Projects in preparation for rehabilitation of railway lines:
- (i) Curtici–Simeria, 185 km, double track electrified, maximum speed 160 km/h;
 - (ii) Predeal–Brasov, 26 km, double track electrified, maximum speed 160 km/h;
 - (iii) Brasov–Simeria, 305 km, double track electrified, maximum speed 160 km/h.
- (b) railway rolling stock
41. Modernization of Passenger Railway Company (CFR Calatori):
- (i) acquisition of new coaches with a maximum speed of 200 km/h for international and Inter-city trains;
 - (ii) acquisition of 120 DMU for short and medium distance trains;
 - (iii) modernization of coaches and locomotives;
 - (iv) implementation of modern ticketing system.
42. Modernization of Freight Railway Company (CFR Marfa):
- (i) new freight wagons acquisition;
 - (ii) modernization of freight wagons;
 - (iii) modernization of locomotives;
 - (iv) development of the intermodal systems of transportation including the ferry-boat;
 - (v) development of centres for clients.
