

30 October 2006

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Please note: The next Monitor will be published on 6 November.

CER Monitor is an internal weekly information service for CER Members

CER MONITOR

COMMUNITY OF EUROPEAN RAILWAY AND INFRASTRUCTURE COMPANIES - COMMUNAUTÉ EUROPÉENNE DU RAIL ET DES COMPAGNIES D'INFRASTRUCTURE - GEMEINSCHAFT DER EUROPÄISCHEN BAHNEN UND INFRASTRUKTURGESELLSCHAFTEN



HIGHLIGHT OF THE WEEK

MEPs adopt first reading position on EU budget for 2007 at €127.3 billion

The European Parliament adopted a 2007 draft budget substantially higher than that adopted by the Council in its July first reading. Commitments are set at €127.3 billion; payments are €122 billion, equalling 1.04% of Gross National Income (GNI). The Council had adopted a draft budget of €125 billion in commitments and €114 billion in payments, or 0.98% of GNI. With this vote, Parliament has stayed well within the margins of the Financial Perspective.

The strategy of the rapporteur for the Commission's budget James Elles (EPP-ED, UK) is called 'Value for Money' and focuses on the adequate funding of programmes considered as priorities of the European Parliament. The funding of Commission's posts for which Council had proposed a major cut was reinstated by the European Parliament subject to a number of conditions.

Parliament has adopted a series of amendments for the old structural funds lines now in heading 1a & 1b on 'sustainable growth'. The European Parliament has decided to increase payment appropriations for budget lines linked to cohesion in line with its policy priorities, also due to the fact that the level of funding agreed in the 2007-2013 multi-annual framework is much lower than anticipated in this domain.

For instance, European Social Fund Convergence and regional competitiveness are increased to €1442 million and €661 million respectively from €1092 million and €461 million. Importantly, another amendment sees €817.4 million in commitments and €653.9 million in payments go the reserve for TENs-Transport, until a political agreement is found with Council and the Commission on the control of funds. Another remark calls for the cross-border rail projects to be given new momentum.

The next key step now sees Parliament and Council engaged in the second conciliation on November 21, aiming to strike an agreement before the second reading. The 2007 Budget is supposed to be approved and signed on December 14 in Strasbourg.

European Commission presents work programme for 2007

On 24 October, the European Commission presented its legislative and work programme for 2007, which has a total of 21 'strategic initiatives' which will be at the heart of the Commission's legislative and political action next year. In the

field of transport, amongst others a Green paper on urban transport is planned, as well as a Freight Logistics Action Plan, and the Communication on a Dedicated Freight Network, which had already been announced for this year.

The complete work programme can be found on http://ec.europa.eu/atwork/programmes/index_en.htm.

For more information please contact Estelle Bacconnier at Estelle.bacconnier@cer.be.

OTHER NEWS

EUROPEAN PARLIAMENT NEWS

Making better use of inland waterways

Europe should exploit more of its free capacity on inland waterways as part of the multi-modal transport links across the EU and neighbouring countries, says the European Parliament. MEPs are asking the European Commission to draw up a European development plan for the sector which should include an up-to-date inventory of the European inland waterway infrastructure.

The Parliament adopted an own-initiative report on NAIADES, the Commission's proposals for an integrated inland waterway transport sector, with 464 votes in favour, 5 against and 2 abstentions. The Parliament stresses that the Commission should designate as soon as possible - and not later than the end of 2006 - a European trans-European Transport Network coordinator for inland waterway transport to support the implementation of priority projects, drawing on experience with existing coordinators.

According to the Parliamentarians, more European money should be allocated to a European waterway transport innovation fund and also to infrastructure projects and traffic management systems. A shift would be needed from the funding of road and rail projects to waterway projects, since in recent years only 1, 5 % of the TEN budget has been spent on inland waterway projects. In the view of the Parliament, more money has to be allocated from the TEN budget for all projects of general interest and for River Information Services projects.

Finally, the Parliament asked the Commission and Member States to provide incentives to accelerate the introduction and use of fuel-efficient and environmentally friendly engines in order to respect stricter limits for SOx, PM, NOx and CO2 emissions.

COUNCIL OF MINISTERS NEWS

No news

EUROPEAN COMMISSION NEWS

Seminar on relations between state and railways in the Baltic region



Ugis Magonis (CEO of LDZ) giving an opening address. On his right hand side Frank Jost (EC/DG TREN) and on his left Ad Toet (CER).

On 26 and 27 October, the European Commission organised in cooperation with the Latvian section of the Association of European Rail Staff a two-day seminar on the new relationship between the state and the railways upon implementation of the EU legislation. The seminar was opened by Janis Marsans, the Latvian Secretary of State at the Ministry of Transport. He emphasised the need for a long term development for the rail sector and promised that a new multi-annual Public Service Contract

will be negotiated with LDZ. Ugis Magonis welcomed the 65 seminar participants from Poland, Lithuania, Estonia and Poland.

At the conference Frank Jost of the European Commission (DG TREN) commented: “The biggest challenge for the Commission is now to ensure that the railway legislation in place will also be

implemented.” The seminar concluded that also in the Baltic region governments need to take decisions on what they expect from the rail sector; i.e. which passenger services should be provided and which (part of the) network should be operated.



Janis Marsans (Secretary of State at the Ministry of Transport of the Republic of Latvia), with seated from left to right: Frank Jost (EC/DG TREN), Ugis Magonis (CEO of LDZ), Ad Toet (CER), Juris Iesalnieks (Director State Railway Authority of Latvia), Christophe Lerche (DB).

The seminar participants also discussed the special situation of the rail sector in the Baltic region in relation to Russia. Participants mentioned the problems caused by the tariff structure of the Russian railways for ports in the Baltic region as well as new entrant companies of which the ownership structure is not clear.

For further information contact Ad.Toet@cer.be. In the course of next the presentations will be available for download at <http://taiaex.cec.eu.int>.

Progress report on Kyoto targets: more efforts from Member States needed

Latest projections indicate that the 15 States which were EU members before 2004 (EU-15) will only just reach their Kyoto Protocol target for cutting greenhouse gas emissions. The EU-15 are committed to reducing their collective emissions in the 2008-2012 period to 8% below the levels of the base year (1990 in most cases). The Commission's annual progress report shows that an 8% cut can be achieved in 2010 - the period's mid-point - provided that all actions planned by Member States are fully implemented and deliver the emission savings anticipated. Seven EU-15 Member States project that they will exceed their individual emission limits, which are binding under EU law. For the 25 current Member States (EU-25), the overall emission reduction by 2010 would be 10.8%.

EU-15 greenhouse gas emissions in 2004 - the latest year for which complete data are available - were 0.9% lower than base year levels, while the economy expanded by 32% over the same period. The latest projections by Member States show that with only existing policies and measures - those already implemented - future EU-15 emissions are expected to be just 0.6% below base year levels by 2010. Additional measures already agreed at EU and national levels should take the reduction to 4.6% provided they are fully implemented on time.

Unlike the EU-15, the EU-25 does not have a collective emissions target under the Kyoto Protocol. Eight of the ten new Member States have individual targets to cut their emissions to 6% or 8% below base year levels. Cyprus and Malta have no targets. All those with targets project that they will meet them.

EU-25 emissions fell by 7.3% between the base year and 2004. The projections show that with only existing policies and measures, this reduction will shrink to 4.6% in 2010. But if additional policies and measures already agreed are also taken into account, emissions in 2010 would be 8.1% lower than in the base year. If use of the Kyoto mechanisms and carbon sinks are added in as well, the total EU-25 reduction would reach 10.8%.

The progress report, and further information on climate change, is available at http://ec.europa.eu/environment/climat/home_en.htm.

NEWS FROM THE ACCESSION COUNTRIES

President Barroso presents the Commissioner designate for Bulgaria

On 26 October, the President of the European Commission, José Manuel Barroso, presented the designated member of the European Commission proposed by the Bulgarian Government. The nominee is Meglena Kuneva, the current Bulgarian Minister for European Affairs. Ms Kuneva will be responsible for consumer protection.

The Bulgarian Commissioner designate along with the Romanian Commissioner - yet to be designated - will attend hearings at the end of November in the European Parliament, which will give its opinion on the nomination in the following weeks. The hearings before the Parliament will take place according to the procedure adopted in 2004 during the formation of the Barroso Commission.

The consultations for the designation of the Romanian Commissioner are still ongoing.

CER NEWS

Announcement: Seminar on rolling stock financing on 5 December in Prague

CER is organising, together with the European Commission and the European Investment Bank a seminar on the practical aspects of financing rolling-stock through EU funds. Target group of this seminar, which will take place on 5 December in Prague, are companies in the new EU member states

Although negotiations on the programming of EU funds are not yet finalised, it is already evident that a number of new EU member states have foreseen to use significant shares of EU funds for co-financing of rolling stock. Before discussing this subject with government authorities and before starting the work on project preparation, the seminar is supposed to inform the directors responsible for financial affairs, fleet management and operations/public service contracts in the relevant companies on the possibilities.

For rolling stock the European Commission will allow more flexibility in co-financing with private funds. This creates new possibilities, but also makes project formulation more challenging.

For more information please contact Ad Toet at ad.toet@cer.be.

Meeting between RNE and CER

On 23 October, the Chairman of RailNetEurope (RNE) Åke Josefsson came to meet with Johannes Ludewig at the CER offices. The purpose of this meeting was to discuss the possibilities for future cooperation between RNE and CER. The discussion on areas of common interest with regard various legal and operational issues was very fruitful.

A similar meeting between RNE and EIM has also taken place. These first meetings should pave the way for a more intense cooperation between RNE, CER and EIM.

For more information, please contact bart.roets@cer.be.

CER is looking for an infrastructure adviser

CER's infrastructure adviser, Meta Geibel, will be leaving CER to join the Slovene presidency team, set-up to hold the EU Presidency in the first half of 2008. Meta who has followed extensively issues of infrastructure financing and other topics of the CER Infrastructure Working Group will continue to work in EU affairs, from another perspective and in the new field. We wish her all the best in this new challenge.

At the CER website www.cer.be there is a detailed job description, which is targeted at a junior adviser with experience in the area of railway infrastructure management, and possessing an academic background in economics or business management.

Candidates are invited to send their applications to sylvie.demees@cer.be before 8 November 2006.

RAIL MARKET AND TRANSPORT NEWS

New Director-General for ŽSR

On 23 October 2006 Dalibor Zelený was appointed as new Director General of the Slovak infrastructure manager ŽSR by the Slovak Minister of Transport, Post and Telecommunications. From 1998 to 2003, Mr. Zelený was CEO of the Czech Railways. He was member of the Management Committee of CER, and president of UIC Mission East-West and Vice chairman of UIC.



Vacancies at UNIFE

The Association of European Railway Industries UNIFE is looking for two new staff members:

- an **International Railway Infrastructure Technical Manager**, responsible for the co-ordination of the technical infrastructure activities of the association as well as the management of some railway infrastructure and railway research projects;
- an **International Railway Industry Standards Manager**, responsible for the development and implementation of the newly global system for qualification and certification of suppliers in the railway industry.

For more information, please have a look at the UNIFE website www.unife.org.

Passenger trains modernised with EU funds in Latvia

In October, the first train sets which have been modernised with EU funds have started operations in Latvia. Under the project, in the end a total number of 17 four-car EMUs of the Class ER2T & ER2 will be modernised for JSC 'Passenger train'. The total value of the project amounts Euro 24 million of which the EU contribution amounts Euro 11.4 million.

Latvia and Poland were the first countries in Central and Eastern Europe to use EU funds for modernisation of passenger rolling stock already in the programming period 2004-2006.

The pictures show the ER2T-R No 7117 handed over to LDZ Joint stock Company Passenger Operations on 14 September 2006.



ECMT/OECD symposium ‘Benefiting from Globalisation’

The 17th International ECMT/OECD symposium on Transport Economics and Policy was held in Berlin, from 25 to 27 October. The central theme of the conference hosted by the German Ministry of Transport was ‘Benefiting from Globalisation’.

Aim of the conference was to stimulate thinking on the role of mobility and transport in the process of globalisation. Speakers presented a range of papers addressing the link between globalisation and transport, and exchanged views with the conference participants during the subsequent discussions.

The presentations were grouped into 5 themes:

- data and trends,
- transport sector development,
- regional integration,
- trade and infrastructure, and
- domestic policy.

Some presentations focused on the lack of funding for the TEN-T priority projects, and suggested a standardised and more scientific economic appraisal of these projects. This in order to check their socio-economic viability or to allow a ranking of these projects according to the appraisal results. The use of the Eurovignette system and private resources were indicated as means for funding the required infrastructure. Regarding Eurovignette, one speaker reminded that attention should be shifted from charging the taxpayer to charging the user.

For more information on this symposium, please visit the conference website www.cemt2006.org or contact Bart Roets at bart.roets@cer.be.

CIT General Assembly Bern

CER Deputy Executive Director Colin Hall represented CER at the CIT 2006 General Assembly held on 26 October in Bern. The General Assembly elected Professor Rainer Friese of Deutsche Bahn as its new Chairman to replace Diez Enrique Fernández of Renfe Operadore and Jean-Luc Dufournaud of SNCF and Marie-Ghislaine Henuset of SNCB-Holding as Vice Chairman and new Executive Committee member respectively. The European Commission request to Member States to withdraw from COTIF-CUI was one of the principal items discussed. The need for careful cooperation with CER on this issue was agreed by the General Assembly.

For more information please contact Colin Hall at colin.hall@cer.be.

UIC Passenger Forum in Paris

The UIC Passenger Forum met on 25 October in Paris. Colin Hall represented CER at the meeting and gave a presentation on the current status of the Passenger Rights Regulation, and CER priorities for the second reading in the European Parliament. He also gave feedback to the Forum on progress with CER's review of the European Customer Organisations' proposal for amendments to the CER/UIC/CIT 2002 Charter for Passenger Rail Services.

For more information please contact Colin Hall at colin.hall@cer.be.

Steering Committee on Energy Billing

On 27 October, the Steering Committee of the Energy Billing project has met in Paris. The project set up by European infrastructure companies is already running for one year and will be taken over from 2007 as a UIC project. The Steering Committee took a decision on the priorities and clarified the aims of the project; in addition the selection of consultants for the project was also discussed.

The Energy Billing project task is primarily to establish a system of data exchange enabling infrastructure managers to exchange information on energy consumption for international cross border traffic.

For more information please contact Meta Geibel at meta.geibel@cer.be.

New T&E study: VW failing on climate; Renault on track to meet EU target

Three-quarters of the 20 major car brands sold in Europe last year have failed to improve fuel efficiency at the rate needed to meet a key EU climate target, new figures show. Volkswagen, Europe's biggest car brand in terms of sales, has improved fuel efficiency at less than half the rate needed. In contrast, Renault, Europe's second biggest brand and a direct competitor of VW, is on track to meet the target for the average new car sold to emit 140 grams of carbon dioxide (CO₂) per kilometre by 2008. Renault reduced its emissions by twice as much as VW.

These findings come from a study by Transport & Environment (T&E), the first to track the progress of individual car brands in reducing carbon dioxide (CO₂) emissions under the terms of a commitment made by the car industry to the EU in 1998-9. The deal also included an agreement not to disclose the performance of individual companies in cutting emissions. Improving fuel efficiency of new cars is a key method of tackling climate change because the more fuel a car uses, the more CO₂ is emitted into the atmosphere. T&E commissioned the Institute for

European Environmental Policy (IEEP), UK to analyse sales data from the period 1997-2005 supplied by R.L. Polk Marketing Systems GmbH, the primary data source used by the car industry.

According to the study, 75% of carmakers are failing to cut emissions fast enough. Nissan is the worst performer in Europe followed by Suzuki, Mazda, Audi, Volvo, BMW and Volkswagen. These seven brands all cut emissions at less than half the rate needed to meet their commitment. Fiat is the best performer in Europe, followed by Citroen, Renault, Ford and Peugeot. All five are on track to meet or exceed the target by 2008. The study also found that Toyota, maker of the low-emission Prius hybrid, is failing to improve efficiency across its range at the rate needed. The study concludes that if climate targets are to be met, companies must improve efficiency across their entire range. One or two very efficient models that sell in limited numbers are not enough.

Danish agreement for the railway area

The Danish Government has concluded an agreement on investment in the rail infrastructure, in order to:

- provide a permanent solution for the rail infrastructure deficiencies, and
- increase the regularity of the train operation.

The agreement covers the period until 2014, and includes investments for almost 9 billion DKK (€1.2 billion). The parties also agreed to large infrastructure investments in the traffic agreements from 2003 and 2005. Another part of the agreement concerns the change from the present signalling system after 2014. On the long-distance network the aim is to establish the European signalling system ERTMS 2.

The traffic agreement means that the railway will get new tracks on about 42% of the railway network within the next 8 years, as more than 1,300 km will be changed, as well as some 800 bridges will be renewed. The new agreement means that in 2007 the announced renewal of the Coast Line will take place, but also the renewal of tracks on the Køge Bugt Line. As regards to the maintenance area will the high level from 2006 also continue at least the 3 coming years, in order for the large backlog in this area to be caught up, and for a better regularity.

EIB loan for Polish road infrastructure

The European Investment Bank (EIB) is lending €300 million for the extension of the Polish motorway network and €350 million for the modernisation of priority roads, in line with the implementation of the Polish National Road Programme.

The first loan of €300 million, contracted on behalf of the National Road Fund by Bank Gospodarstwa Krajowego (BGK), will finance the extension of the Polish motorway network, focussing on the elimination of key bottlenecks, mostly on the borders with adjacent EU Member States. The project covers a 57 km section of the A1 motorway (Maciejow-Sosnica-Gorzyczki), a 51.3 km section of the A4 motorway (Zgorzelec-Krzyzowa) and the rehabilitation of an 8 km section of the A6 motorway (Klucz-Kijewo). All three sections are situated on priority transport axes along trans-European corridors. This project will be co-financed with grants provided by the EU Cohesion and Structural Funds and the Polish National Road Fund as well as other Polish public sources.

The loan of €350 million will support the rehabilitation and reconstruction of the Polish national road network: upgrading road pavements, bridges and other structures located all over the country. In this case EIB funds will be combined with a loan provided by the World Bank and own resources of the General Directorate for National Roads and Motorways (GDDKiA), the project promoter.

Best year in the history of DB AG

During the third quarter, the German Railways - Deutsche Bahn AG continued its positive business development experienced during the first half of the year. Traffic performance, revenues and profits continued to rise. Significant growth in passenger and freight transport - as well as in international logistics - made a decisive contribution to the 19% increase achieved, bringing revenues to a total of €22 billion during the first nine months of this year (comparison period in 2005: €18.5 billion). On a comparable basis, i.e. without including the recently acquired US logistics company BAX Global, the increase in revenues was 7.9%.

In the first nine months, traffic performance in the rail passenger transport sector increased by 4%, to 55.8 billion passenger km. This meant that DB AG expanded its market share in an overall stagnating passenger transport market. Traffic performance in the rail freight transport sector increased by 11% to 72.1 billion ton-km. Rail transport in Germany – including DB AG's competitors – showed a double-digit growth rate in both passenger and freight transport.

KEY EU DATES

European Parliament	Place	Date
Budgetary Control	Brussels	20-21 November
Budget	Brussels	6 November
Employment and Social Affairs	Strasbourg	
Environment, Public Health and Food Safety	Brussels	20-21 November
Industry, Research and Energy	Strasbourg	22-23 November
Internal Market and Consumers protection	Strasbourg	21-23 November
Legal Affairs	Strasbourg	24 November
Transport and Tourism	Brussels	21-23 November

For agendas and background documents please consult:

<http://www.europarl.europa.eu/activities/public/parlComm.do?language=EN>
and www.Europarl.eu.int/activities/public/plenSession.do?language=EN

Council	Place	Date
Agriculture and Fisheries	Brussels Brussels	20-21 November 19-21 December
Competitiveness	Brussels	4-5 December
Economic and Financial Affairs	Brussels Brussels Brussels	7 November 21 November 28 November
Education, Youth and Culture	Brussels	13-14 November
Employment, Social Policy, Health and Consumer Affairs	Brussels	30 November-1 December
Environment	Brussels	18 December
European Council	Brussels	14-15 December
General Affairs and External Relations	Brussels Brussels	13-14 November 11-12 December
Justice and Home Affairs	Brussels	4-5 December
Transport, Telecommunications and Energy	Brussels Brussels	23 November 11-12 December

For agendas and background documents please consult the Presidency's website and http://www.eu2006.fi/search/en_GB/advanced_event_search/

CER AGENDA

Date	Place	Topic	CER contact
6 November	Brussels	Steering Committee Social Dialogue Committee for Railways	Jean-Paul Preumont
8 November	Paris	UIC legal group meeting	Delphine Brinckman
9-10 November	Pisa	Workshop on Railway Noise Control	Libor Lochman
14 November	Brussels	SEDP Steering Committee n° 14	Jacques Dirand

Date	Place	Topic	CER contact
16-17 November	Bern	RNE-CIT-CER-UIC-EIM-ERFA meeting on GTC for use of infra	Delphine Brinckman
28 November	Brussels	Freight Focus Group	Denise Kwantes
5 December	Prague	Seminar on rolling stock financing with EU support	Ad Toet
6 December	Brussels	CER Management Committee	Colin Hall
12 December	Brussels	SEDP Steering Committee n° 15	Jacques Dirand
14-15 December	Athens	CER Assistant meeting	Colin Hall
9 January	Brussels	SEDP Steering Committee n° 16	Jacques Dirand
21-22 February	Vienna	High Level Freight meeting	Denise Kwantes

For information on international rail conferences, please visit the calendar section on www.cer.be, www.railnetEurope.com and www.uic.asso.fr

FORTHCOMING MEETINGS OF INTEROPERABILITY WORKING GROUPS

Below is presented a summary of meetings of ERA Working Groups (WG) and CER Support Groups (SG) according to the relevant Safety, Interoperability, ERTMS and Economic field. For more information please contact Libor.Lochman@cer.be.

All ERA meetings take place in Lille.

Topic	ERA date			CER MG date		
CSM	06.12			18.10 Brussels	21.11	
CST	05.12			ditto CSM		
SC				ditto CSM		
CSI				ditto CSM		
TAP	did not start yet					
PAC	08.11	31.01	14.03	December London		
LOC	24.10	06.02	22.03	ditto PAC		
INS	05.11			20.10 Brussels	22.11 London	
ENE	17.10	14.12		07.11 London	18.01 Munich	
CMW	15.11			06.12 Paris		
RRS						
CCB	11.10	12.12		ditto CG	ditto CG	ditto CG
CG	09.11			06.11 Brussels		
VM				ditto CG	ditto CG	ditto CG
ESG				19.12 CER Brussels		
SSG				18.10 Brussels		
ISG				19.12 CER Brussels		
SP				19.12 CER Brussels		
SU				23.01 CER Brussels	29.05 CER Brussels	

Abbreviations:

CCB	ERA Change Control Board of ERTMS Change Control Management	PAC	ERA Working Group TSI Passenger Carriages
CG	ERA Control Group of ERTMS Change Control Management	RRS	ERA Working Group Registration of Rolling Stock
CMW	ERA Working Group Certification of Maintenance Workshops	SC	ERA Working Group Safety Certification and Authorisation
CSI	ERA Working Group Common Safety Indicators	SP	CER ERA Speakers Platform
CST	ERA Working Group Common Safety Targets	SSG	CER ERA Safety Speakers Group
EMG	CER ERA Economic Support Group	SSMG	System Safety Management Group (UIC - CER - EIM)
ENE	ERA Working Group TSI Energy	SU	CER ERA Steering Unit
ESG	Economic Survey Group	TAP	ERA Working Group TSI Telematic Applications for Passenger
INS	ERA Working Group TSI Infrastructure	TUN	ERA Working Group TSI Traction Units and Locomotives
ISG	CER ERA Interoperability/ERTMS Speakers Group	VM	ERA ERTMS Version Management Working Group