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From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
No. prev. doc.:	12390/16
Subject:	European Court of Auditors' Special Report No 8/2016 entitled "Rail freight transport in the EU: still not on the right track" – Council conclusions

1. On 24 May 2016 the European Court of Auditors published Special Report 8/2016 "*Rail freight transport in the EU: still not on the right track*".
2. Pursuant to the rules set out in the Council conclusions on improving the examination of special reports drawn up by the European Court of Auditors¹, the Permanent Representatives Committee instructed on 7 July 2016 the Working Party on Land Transport to examine the report².
3. The Working Party on Land Transport examined Special Report 8/2016 in its meetings in September and October 2016 and agreed on the draft Council conclusions as set out in the Annex.

¹ Doc. 7515/00 FIN 127 + COR 1.

² Doc. 9632/16 FIN 332 TRANS 203 ENV 459 REGIO 44.

4. The Permanent Representatives Committee is invited to endorse the attached draft Council conclusions and transmit them to the Council for adoption as an "A" item at a forthcoming meeting.

DRAFT**COUNCIL CONCLUSIONS**

on the European Court of Auditors Special Report No 8/2016

"Rail freight transport in the EU: still not on the right track"

THE COUNCIL

1. TAKES NOTE of the European Court of Auditors' Special Report n°8/2016 "Rail freight transport in the EU: still not on the right track", and UNDERLINES that promoting rail freight transport is an essential element of the Union transport policy. RECALLS that the creation of the Single European Railway Area is a fundamental European project where the Member States and other stakeholders have already made major efforts.
2. HIGHLIGHTS the positive environmental benefits that an improvement in the efficiency of rail freight transport and a more competitive rail sector can accomplish.
3. ACKNOWLEDGES the European Court of Auditors' conclusions that there is a need for improvement in the performance of rail freight transport in terms of volume transported and modal share despite the fact that some Member States have managed to increase the proportion of goods transported by rail. In particular, additional efforts within existing comprehensive EU transport policy will be required to increase the modal share of rail freight transport and to ensure a level playing field between the different modes of transport.
4. REMARKS that the recommendations are based on audits examining whether the EU has been effective in enhancing rail freight transport, carried out at the Commission and in five Member States.
5. RECOGNISES that further actions are being developed to promote the competitiveness and growth of rail freight transport within the Single European Railway Area, whilst avoiding harmful effects to the provision of passenger services.

6. TAKES NOTE of the European Court of Auditors' recommendations on the EU regulatory framework in order to increase the competitiveness of rail freight transport and on the better targeting of EU funding to serve the needs of rail freight infrastructure. ACKNOWLEDGES the conclusion of the Court that EU funding should target as a priority bottlenecks and missing links, NOTING also the needs in other areas which go beyond infrastructure, such as modernisation of rolling stock, promotion of intermodal transport and development of intelligent transport systems.
7. NOTES that there is a need for the regulatory bodies to cooperate and that they have defined their priorities for cooperation on rail freight corridors during the TEN-T days in June 2016.
8. NOTES that further work is still necessary on the implementation and application of the policy and regulatory framework in order to improve cross-border capacity allocation process, ensure the deployment of ERTMS/ETCS and further enhance traffic management efficiency as well as to reduce administrative and technical constraints.
9. TAKES NOTE of the Commission's on-going evaluation of the Rail Freight Corridor Regulation (Regulation 913/2010³). RECALLS the Ministerial Declaration on Rail Freight corridors to boost international Rail Freight Corridors made in Rotterdam on 21 June 2016⁴ regarding notably harmonisation of rules and procedures governing various Rail Freight Corridors, the evaluation of the satisfaction level of the users of the rail network, and performance monitoring and transparency.

³ Regulation (EU) No 913/2010 of the European Parliament and of the Council of 22 September 2010 concerning a European rail network for competitive freight (OJ L 276, 20.10.2010, pp. 22-32).

⁴ <http://ec.europa.eu/transport/themes/infrastructure/news/doc/2016-06-20-ten-t-days-2016/rfc-declaration.pdf>

10. UNDERLINES that the Court recommendation concerning the simplification of procedures for the issuing of vehicle authorisations and safety certificates is already largely achieved through the adoption of the technical pillar of the 4th Railway Package⁵. The competence given to the European Union Agency for Railways to issue safety certificates for railway undertakings and vehicle authorisations for rolling stock operating in several Member States is expected to have a major part to play in simplification and harmonisation of procedures, as well as in shortening the time necessary for authorisation and certification.
11. TAKES NOTE of the recommendations to make the most efficient use of EU funds in order to reflect the EU transport policy objectives and thus to target the specific needs of the rail freight sector, thereby enhancing a sustainable, competitive, interoperable and efficient rail freight transport system.
12. WELCOMES the assessment made by the Court that the rail infrastructure projects examined by the Court have delivered or are likely to deliver expected outputs.
13. HIGHLIGHTS that rail network maintenance efforts should seek synergy to serve effectively the needs of both rail passengers and freight services, in view of limited resources in the EU Member States.
14. RECALLS that implementation and application of EU and national policy measures have been designed to improve the efficiency of Union rail freight services.

⁵ Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) n° 881/2004 (OJ L 138, 26.5.2016, pp. 1-43).
Directive (EU) 2016/797 of the European Parliament and of the Council of 11 May 2016 on the interoperability of the rail system within the EU (OJ L 138, 26.5.2016, pp. 44-101).
Directive (EU) 2016/798 of the European Parliament and of the Council of 11 May 2016 on railway safety (OJ L 138, 26.5.2016, pp. 102-149).