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From: General Secretariat of the Council

To: Permanent Representatives Committee/Council

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Subject: Council conclusions on European Court of Auditors' Special Report No 13/2017: "A single European rail traffic management system: will the political choice ever become reality?"

– Adoption

I. INTRODUCTION

1. On 3 October 2017, the European Court of Auditors published Special Report No 13/2017 entitled "*A single European rail traffic management system: will the political choice ever become reality?*".
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 25 October 2017 the Working Party on Transport - Intermodal Questions and Networks to examine the report².

¹ Doc. 7515/00 FIN 127 + COR 1.

² Doc. 13331/17 FIN 625 TRANS 417

II. WORK AT THE PREPARATORY BODY

3. The European Court of Auditors presented their Special Report to Working Party on Transport - Intermodal Questions and Networks on 14 November 2017. The Working Party developed the draft Council conclusions in its meetings November and December in 2017 and January 2018.

III. CONCLUSIONS

4. The Permanent Representatives Committee is invited to endorse the attached draft Council conclusions and to submit to the next possible Council for adoption.
 5. The Council is invited to adopt the conclusions as set out in the Annex.
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**Draft Council conclusions on Special report no 13/2017
of the European Court of Auditors:
*A single European rail traffic management system:
will the political choice ever become reality?***

THE COUNCIL

- 1) TAKES NOTE of the European Court of Auditors' Special report no 13/2017: *A single European rail traffic management system: will the political choice ever become reality?*, and UNDERLINES that promoting ERTMS is an essential element of the Union transport policy.
- 2) RECALLS that ERTMS underpins the creation of the Single European Railway Area, which is a fundamental European project where the Member States and other stakeholders have already made major efforts, while it RECOGNISES that deployment of ERTMS has been slow and therefore further work by all stakeholders is needed.
- 3) HIGHLIGHTS the positive environmental, social, economic, and safety benefits that an accelerated ERTMS deployment can accomplish; RECALLS that developing railways as a more competitive transport mode and encouraging modal shift from road to rail are central elements of the Union transport policy.
- 4) WELCOMES the assessment made by the Court that confirms the value of ERTMS as the universal signalling system in Europe.
- 5) AGREES with the Court on ERTMS having the potential to improve the capacity and speed of rail transport and when fully deployed, to make rail more competitive compared to other transport modes.

- 6) TAKES note that there have been recent contributions to address core ERTMS deployment issues, especially in 2016 and 2017:
- (i) The adoption of the technical pillar of the fourth rail package, enhancing the role of the European Union Agency for Railways (ERA) as the system authority for harmonised application of ERTMS;
 - (ii) Functionally complete and stable Baseline 3 specifications, with the significant investments in Baseline 2 deployment being protected;
 - (iii) The Ministers' declaration "Rail freight corridors to boost international freight", adopted on 21 June 2016 in Rotterdam, encouraging the exchange of information between the Executive Boards and the Management Boards to synchronize the roll-out of ERTMS relevant for the Rail Freight Corridors and supporting continued dialogue with the railway undertakings;
 - (iv) The ERTMS European Deployment Plan (EDP) of 5 January 2017 sets out the key dates³ by which the main sections of the Core Network Corridors shall be equipped;
 - (v) The publication of "*Delivering an effective and interoperable ERTMS – the way ahead*" by the Commission⁴, which names steps for rail stakeholders to address identified barriers to ERTMS implementation and to achieve ERTMS interoperability.
- 7) EMPHASISES that ERTMS can become a cornerstone in the digitalisation of the rail sector and essential to achieving a safe Single European Railway Area and ENCOURAGES the Commission, Member States and other stakeholders to facilitate the acceleration on the standardisation of on-board units to foster an effective roll-out of ERTMS. NOTES that further attention is needed at European and national level and by relevant stakeholders to address issues impacting interoperability, e.g. standardisation of operational rules and engineering rules.

³ All dates beyond 2023 will be subject to review by 31 December 2023 in relation with the time horizon defined in Regulation (EU) No 1315/2013

⁴ SWD(2017)375/F1

- 8) AGREES with the Court on the need to assess, in the context of preparation for the technical pillar of the 4th railway package, whether ERA has the necessary resources, administrative and programme management capacities to act as an efficient and effective system authority and fulfil its enhanced role and responsibilities on ERTMS provided for in the Fourth Railway Package, including management of error corrections to the ERTMS specifications and ensuring the stability of the specifications.
- 9) EMPHASISES the need to achieve an interoperable signalling and control system across the Union and RECOGNISES that the benefits can be considerable if addressing issues such as reducing costs and diminishing system complexity.
- 10) AGREES with the Court on the need to achieve compatibility and stability of the system, therefore STRESSES the need for all stakeholders, including the supply industry, to support the delivery of high quality, fully standardised solutions and subsystems to avoid corrections and additional costs.
- 11) NOTES that the decommissioning of national signalling systems can bring the benefits of a single EU wide system and that its planning should take into account realistic and coordinated targets, taking into account the individual situation of each Member State and reflecting the life-cycle of recent investments.
- 12) ACKNOWLEDGES that individual stakeholder business cases may vary (as cost and benefits may be uncertain and can be allocated unevenly), and therefore EMPHASISES the utility of increased exchanges of information and best practices on the estimation of benefits associated to individual projects of ERTMS deployment.
- 13) RECOGNISES the European Court of Auditors' recommendations on the need to align the national deployment plans to each other, in particular, where a deadline is shown in the latest EDP.

- 14) CALLS on the Commission together with the Member States and the stakeholders to develop a monitoring system alongside with the clear milestones for the ERTMS deployment on the TEN-T network.
- 15) ENCOURAGES Member States and the Commission to foster synchronised ERTMS deployment with clear deadlines, in particular for cross-border projects and the Core Network Corridors so as to avoid a patchwork deployment of ERTMS and create an operational EU wide ETCS network, supporting more efficient Railway Undertaking operations.
- 16) UNDERLINES that ERTMS requires integration between on-board and trackside equipment, which necessitates a balance between the needs of the railway undertakings and those of the infrastructure managers and STRESSES the importance of resolving incompatibilities between trackside and on-board units.
- 17) EMPHASISES that reliable and cost-effective solutions for ETCS on-board equipment for retrofitting existing rolling stock is an essential precondition for the migration to ERTMS and ENCOURAGES the development of a harmonised process at the European level for testing and approval of on-board units.
- 18) ACKNOWLEDGES the European Court of Auditors' conclusions that there is a need to better target the EU funding available for ERTMS projects, for both shared and direct management programs:
 - (a) when allocated to trackside equipment, a focus on cross-border sections and core network corridors without excluding from EU funding other investments, such as trackside equipment projects outside cross-border sections and core network corridors;
 - (b) when allocated to on-board equipment, a focus on international traffic operations.

- 19) AGREES with the European Court of Auditors on the need to adapt the CEF funding procedures to better reflect the life-cycle of ERTMS projects.
 - 20) RECALLS that the Court extrapolated that the investment needs for ERTMS deployment, together with the required associated works for the core network corridors, until 2030 could be up to €80 bn and CALLS on the Commission and the Member States to further assess the overall cost of ERTMS deployment across the Union.
 - 21) EMPHASISES that diverse financial mechanisms for the deployment of ERTMS will continue to be needed at European and national level, and also ENCOURAGES the greater utilisation of the financial instruments targeted at the ERTMS deployment where appropriate.
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