

## Keeping Europe on Track

### Transnational Dimensions of EU Transport Policy

This paper is JSC Russian Railways' (RzD) submission to the consultation process on the European Commission's Communication on a Sustainable Future for Transport. RzD is pleased to note that the European Commission identifies transport cooperation with Eastern Europe as a major interest for the European Union for the extension of the TEN-T networks beyond EU borders. In particular, we wish to draw the attention of the Commission to the need for closer cooperation on the development and use of technical rules, regulations and widely accepted standards with non-EU countries.

Russian Railways welcomes the Commission's Communication on the Future for Transport COM(2009) 279/4 and endorses the Commission's emphasis on a long-term approach to transport policy in Europe. As Russia's leading logistics group with operations not only within the borders of the EU but throughout Eastern Europe and Asia, RzD is pleased to contribute to the consultation process from a global perspective.

In particular, RzD wishes to share its views on (1) the development of the Trans-European Transport corridors beyond the EU's external borders; (2) the use of advanced information technologies for calculating the costs of various modes of transport; (3) integration of public and private funding for the development of sustainable transport infrastructure; and (4) political cooperation for technical and commercial integration of EU and non-EU rail networks in Europe. Our comments below make references to the pertinent parts of the Communication in the titles.

#### *4.2 A well maintained and fully integrated network*

RzD believes that further development of the Trans-European Transport Network plays an important role in offering structural solutions to Europe's growing transport needs. RzD agrees that the EU's TEN-T corridors are able to extend to form competitive pan-European and Eurasian cross border transportation corridors.

An integration of corridors would offer customers 1) greater choice between various modes of transport; 2) a better mix of the various modes; 3) a more competitive transport environment to Asia; 4) improved technology; 5) environmental efficiency; 6) greater reliability; 7) safety and cargo integrity.

In order to achieve better cost-efficiency, heavily loaded cargo trains can be introduced, primarily on long-distance routes between Europe and Asia. To ensure collection of cargo for such trains, intermodal connections should be improved and large logistics centres for regional delivery should be created on both ends of the extended corridors as well as through corridors in the large industrial regions.

Furthermore, we believe that the above improvements in efficiency and cost-saving as well as the introduction of a comprehensive tariff policy throughout such extended corridors would

promote transnational rail transport as a single transport product, reduce transport costs for customers, and increase competitiveness in line with the Lisbon agenda. Coordinating the work of transport agents, joint planning and commercial relations on an equal/parity basis are the necessary conditions for increasing cargo traffic on such corridors between the EU and its partners in Eastern Europe and Asia.

#### *4.5 Protecting and developing the human capital*

A major area of cooperation for the establishment of a trans-European integrated railway network is staff training in the various aspects of railway transport cooperation. We therefore invite the European Commission and all countries concerned to establish international programs and joint training facilities.

#### *4.6 Smart price as traffic signals*

Experience has shown that many transport problems are caused by inadequate coordination between individual actors in the international logistics chain, primarily as a result of poor coordination of their development and disparate growth strategies.

To achieve better coordination, RZD would be a strong partner in advocating exchanges of best practices in the development of logistics systems, and increased cooperation on future development. Such an approach should include closer cooperation between cargo holders and other transport agents in order to improve the exchange of information on cargo management and financial flows for flexible price-setting.

#### *5.2 Funding: finding the resources for sustainable transport*

Taking external costs and benefits into consideration, RZD is convinced that the creation of sustainable transport infrastructure cannot and should not be borne by either private or public parties alone. A wider use of public-private partnerships will not only increase flexible funding opportunities as well increase the responsibility of and ultimately returns to all stakeholders involved.

Indirect government support for private investment, such as tax benefits or reimbursement of interest on loans by public authorities, should be further supported, in particular in view of the transnational dimension of transport networks.

Finally, RZD would support a review of concession mechanisms to boost transport efficiency and optimise funding opportunities or raise additional financial resources for the development of existing transport infrastructure.

#### *5.6 Governance: effective and coordinated action*

RZD highlights the importance of further coordination resulting in a better use of technical devices to enable railway transport between the EU and its neighbouring countries without transshipment or rearrangement of wagons. The use of technical devices is one of the most promising technologies

available for moving cargos through railways with different gauges. Both 1520mm and 1435mm are present within the EU and across the totality of the corridors proposed above.

#### *5.7 The external dimension: the need for Europe to speak with one voice.*

International cooperation is an issue of particular interest for RzD. While acknowledging the considerable efforts made in this field in recent years, we welcome further deepening of cooperation with non EU countries and advocate this as a priority for the EU transport policy.

RzD, as a leading public private transport operator from outside the European Union, hereby expresses its support for a single European foreign transport policy.

With respect to the Commission's Communication, RzD is pleased to note that the European Commission identifies transport cooperation with Eastern European ENP countries and Belarus as a major interest for the European Union for the extension of the TEN-T networks beyond EU borders. In particular, we wish to draw the attention of the Commission to the need for more cooperation on the development and use of technical rules, regulations and widely accepted standards with non-EU countries.

RzD looks forward to the Commission including the Russian Federation and the Commonwealth of Independent States (CIS) countries in this analysis, and to incorporate the development of sustainable Eurasian transport networks in cooperation with non-EU member states into its long term policy objectives.

In this area, as well as in others, the establishment of international joint ventures in cooperation with major railway shippers in EU and non-EU Eastern European countries is an effective tool to improve the quality of rail transport and logistics services, increase the amount of cargo delivered, create new transport services and develop promising models for the organisational and technological integration of Eastern European countries.

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#### *On JSC Russian Railways*

*Russian Railways (RzD) is Russia's state-owned joint-stock company with a national monopoly on passenger and cargo transportation as well as wide-ranging transport-related business activities all over Eurasia. With over 1.2 million employees, 85,000 km of track and assets worth 82 billion euros, RzD carries annually nearly 1.3 billion passengers and 1.3 billion tons of freight across 11 time zones. Russian Railways is a member of the International Union of Railways (UIC). More on <http://eng.rzd.ru/>*