



The Group of Representative Bodies (GRB)

Mr. Keir Fitch

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European Commission, Rue De Mot 24-28, 1040 Brussels

Mr. Josef Doppelbauer

Executive Director - European Union Agency for Railways
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Members of the European Commission's Railway Interoperability and Safety Committee (RISC)

Brussels, 3 January 2021

Sector statement on the proposal to increase 4th Railway Package Fees and Charges presented in RISC 89

Dear Mr Fitch,
Dear Mr Doppelbauer,
Dear RISC Members,

With this letter, the Group of Representative Bodies (GRB) would like to state the opposition of the European railway sector regarding the proposal of the European Union Agency for Railways (ERA) to increase the 4th Railway Package Fees and Charges as presenting in the 89th RISC meeting held 10-11 November 2020.

Given the current status of the 4th Railway Package implementation, the still limited operational experience gained so far and the continued learning curve as new stakeholders join the process, the GRB consider the proposal premature and cannot support the level of increase presented by the Agency at this time. Namely, the proposal to raise the ERA hourly rate from €130 to €168 (+30%) and to introduce a fixed fee for conformity to type authorisations of €1060.

As previously stated during the drafting of the Commission Implementing Regulation (EU) 2018/764 on the fees and charges payable to ERA and their conditions of payment, the GRB supports the principle to move to fixed fees in the mid/long-term to provide increased certainty for project planning and budgeting (review by 16 June 2022 is stated in the regulation itself). However, this can only be done once a mature system is in place and sufficient experience and stability has been achieved. The current system is still witnessing a learning curve and delivery time fluctuations as new stakeholders enter and as the process continues to evolve.

We would also recall the following principles stated in the ERA regulation (EU) 2016/796 and Fees and Charges Regulation (EU) 2018/764:

- The fees and charges should be equal to or lower than the current average for the relevant services
- The fees and charges payable to the Agency should be set in a transparent, fair and uniform manner, in particular with the objective of simplification.



- They should not result in the imposition of unnecessary financial burden on enterprises and should not jeopardise the competitiveness of the European railway sector.
- Services should be invoiced at an hourly rate, until the maturity of the system allows for a regime of fixed rates.

The GRB does not consider that the ERA proposal seen in RISC 89 meets these principles and highlights the following concerns:

- The increase in hourly rate has shifted the OSS maintenance costs onto the applicants. The GRB do not consider charging for the mandatory use of the OSS based on predicted application figures can be consider transparent, fair or uniform.
- The proposed hourly rate is considered excessive and uncompetitive compared to the previous regime and hourly rates of other authorising entities.
- The proposed fixed cost for Conformity to Type (CTT) applications assumes a higher average delivery time (6h based on the learning curve experienced since the introduction of the new regime and does not reflect the average time experienced in recent applications (<3.5h). This would effectively result in the sector repaying for the initial learning curve of all partners.
- The time for CTT today has yet to stabilise for a sufficient period to be considered mature. In addition, further improvements to the process and IT infrastructure are still targeted to reduce the current delivery times, so setting the fixed costs now would not be appropriate until a best practice has been achieved.
- The proposed fixed cost for CTT does not differentiate between types of vehicles, most of which have had very limited experience to date. The GRB do not consider a one-size-fits-all CTT approach as appropriate. For freight wagons where ERA consider sufficient experience has been achieved the proposed figure is considered a significant burden and uncompetitive for the freight sector given the content checked in the CTT application.
- The proposed hourly rate impacts as well the ERTMS Trackside Approval (ERTMS TA) process. A justification for the raise in the hourly fees is requested as this process is still in a learning phase.

We consider it appropriate that the European institutions and the Member States establish a cost cap for ERTMS trackside approval process in the recast of the Commission Implementing Regulation (EU) 2018/764. Introducing a cost cap for applications for ERTMS trackside approval will facilitate budgeting processes for ERTMS deployment. Applicants need to have clarity on the costs for TA processes before launching tender procedures. A cost cap in this respect could be defined as a maximum number of working hours for an ERTMS trackside approval application.

The proposal to increase 4th Railway Package Fees and Charges also comes at the same time as ERA receiving a significant and challenging cut to their budget for 2021, a cut widely condemned by the sector as incomprehensible given 2021 as the European Year of Rail and the role of rail to achieve the EU Green Deal objectives. Passing the costs of this budget cut to the sector by increased fees and charges will only contradict the benefits expected of the 4th Railway Package as it finally becomes fully operational.

The Group of Representative Bodies remains committed to supporting the European Commission and European Union Agency for Railways, however we request more time is given and experience gained before fees and charges on the sector are reviewed. Together we must ensure that 2021 and the first full year of operation in all EU Member States of the 4th Railway Package becomes a success and that the expected benefits are achieved for the entire rail sector.



Yours sincerely,

Autonome Lokomotivführer-Gewerkschaften Europas (ALE)

Community of European Railways and Infrastructures Companies (CER)

European Infrastructure Managers (EIM)

European Rail Freight Association (ERFA)

Notified Bodies Association (NB-Rail AISBL)

International Union of Combined Road-Rail Transport Companies (UIRR)

Union of the European Railway Industries (UNIFE)

Alliance of Rail New Entrants (ALLRAIL)

Association of ERTMS Accredited Laboratories

European Passengers Train and Traction Operating Lessors' Association (EPTTOLA)

European Federation of Museum and Tourist Railways (FEDECRAIL)

International Union of Private Wagons (UIP)

International Association of Public Transport (UITP)