

IMPLEMENTATION OF THE CHARTER ON RAIL PASSENGER SERVICES IN EUROPE



PROGRESS REPORT

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The Voice of European Railways



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

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FOREWORD

This is the second progress report to be published by CER/UIC/CIT¹ on the implementation of the *Charter on Rail Passenger Services* adopted in 2002.

The word “progress” implies a dynamic process of change. We see this dynamic effect in several parts of the business.

On the one hand, railways are changing their customer service offer, to respond to customer needs as much as possible. Some of these changes have already happened, others will appear in the near future. The introduction of a *Kundencharta* (Customer Charter) in Germany is the most recent example of progress, and Chapter I of this Report shows a range of other improvements. The results of our preparatory work this year on the introduction of a new compensation system for international passenger services is not yet visible to our customers, however the new scheme will be introduced with the new timetable in mid-December 2004.

On the other hand, change is visible in the markets. New high speed lines open, existing high speed services increase in frequency, while services cease on some conventional routes and low cost air carriers became major competitors of rail passenger services. We can also see continuing change in the expectations of our customers: journey speed, reliability and information have become of highest importance.

1. The first report has been published in July 2003.
CER – Community of European Railway and Infrastructure Companies
UIC – Union Internationale des Chemins de Fer (International Union of Railways)
CIT – Comité internationale des transports ferroviaires (International Rail Transport Committee)



FOREWORD

It is not so long ago that professional consumer organisations started operating at a European level as well as nationally. The railways very much welcome this development, and the opportunity it presents for advice and cooperation on improvement to rail passenger services and the issues involved. Of course customer organisations and railways have different responsibilities and opinions, however they share a common interest. For this reason, CER is pleased to include an independent commentary from European customer organisations in Chapter III (“Working with our Customers”) of this Report.

Europe itself developed a new dynamic with the accession of ten new countries to the Union. Railways in these countries were already members of CER, UIC and CIT and have committed themselves already to the Charter on Passenger Services, including the new international delay compensation system. As this report will show, they face particular challenges in adjusting to transport policy expectations and obligations.

The European political institutions have their own dynamic impact this year, too. After a long period of reflection over the liberalisation of rail services, the European Commission introduced a proposal in 2004 to regulate passenger rights in international rail services. Of course our customers have a right to expect good quality rail passenger services: the railways are committed to this vision and to the progressive correction of weaknesses in certain areas. This is what the *Charter on Rail Passenger Services* is all about. So the railways were surprised at the details in the proposed Regulation, that substantially overlaps with other legal obligations or the railways’ own Charter commitments.

FOREWORD

In the railways' opinion, the European Commission has overlooked the dynamism in rail markets, in customer expectations and, not to be forgotten, in technical developments. This dynamism calls for flexible instruments to guide the development of rail passenger services; the *Charter on Rail Passenger Services*, combined with a permanent dialogue with consumer organisations, are the means to do this.

This progress report cannot cover all the latest news, but we hope it will give the reader a good overall understanding of the implementation of the *Charter on Rail Passenger Services*, as a tool for improving the railways' focus on service to the customer.

Johannes Ludewig
CER Executive Director

Colin Hall
CER Deputy Executive Director

I. NATIONAL PROGRESS WITH CHARTER IMPLEMENTATION

1. Purpose of the Charter
This charter is a voluntary commitment by European railway undertakings to raise the quality standards of services provided to their customers.
It covers all rail services, services agreed in agreement with public authorities may be subject to specific conditions.

2. Information on passenger services and travel tickets
Customers will be provided with adequate information at all relevant points of sale and through the appropriate information channels regarding:
• the most convenient timetables,
• seat availability (where applicable),
• lowest fare (in relation to customer requirements),
• the terms and conditions applicable.
For international services, if available at points of sale, this information will be provided for journeys between the main European railway stations as well as for the international lines that are available.

3. Ticket issuing
Tickets will be available through various distribution channels (international and long distance counters, internet, telephones or accredited travel agents).

4. Communication languages
The language used for communication with customers on board trains and/or at stations shall be the language(s) in use on the route where the customer is travelling. For international services railway undertakings will endeavour to communicate with customers in at least one other commonly used language.

5. Intermodal information
Customers will be provided with information on access to and from stations and on connections with other modes.

6. Information about services such as baggage arrangements, bicycles, etc.
Passengers may travel with up to three pieces of luggage provided that this luggage will not endanger other passengers and that it will fit in the dedicated luggage space. Larger pieces of luggage (ski, surfboards, bicycles, etc.) are subject to special conditions.
Information about dedicated services for carriage of bicycles and/or for registered luggage to passengers' destinations, in particular international destinations, is available at the point of sale or through the appropriate information channels.

7. Complaints and claims
Complaints and claims will be handled as early as possible and normally within four weeks. The reply will indicate the reasons for acceptance or rejection of the complaint.
Each railway undertaking will create and maintain the contact point to which complaints and claims can be addressed in writing and/or by other means. Complaints or claims may be submitted in the languages used by the different railway undertakings involved in a customer's journey and/or in at least one other commonly used language.
In the event that a claim is rejected, customers have a right of appeal to consumer organisations or to an official conciliation body or mediator.

8. Refunds
Refundable tickets will be returned in a fair and simple procedure at the point of sale of the railway undertaking which issued the ticket and/or at any other designated location.
Requests for refund of tickets purchased from travel agents must be submitted to the travel agent concerned.
Customers will be provided with clear information about refund conditions and procedures at the points of sale.

9. Punctuality
The public will be informed in stations, on posters or by other means about the goals and particular performance concerning the level of punctuality for the different passenger services.
In the event of delays, cancellations or disruptions, railway undertakings will endeavour to provide customers on board trains and in stations with information about the reason for the above, the duration of delays and the consequences regarding the customer's rail journey.

10. Delays
In the event of a delay, customers concerned will be provided with:
• refreshments if possible in the event that a disruption in a service exceeds three hours;
• overnight accommodation when it is impossible to continue a journey on the same day and where alternative means of transport cannot be provided at reasonable cost.
In the event that the responsibility lies solely with the railway company:
• Appropriate compensation for train delays exceeding a certain time limit as indicated in the conditions governing a ticket.
Compensation which may take the form of financial compensation or pre-paid vouchers for future journeys;
• In the event of a disruption in service, passengers will be offered reimbursement or accommodation in another train (supplied tickets included) or alternative travel arrangements at a reasonable cost, depending on circumstances and time of charge.

11. Passengers with reduced mobility
Common practice regarding assistance to rail passengers with reduced mobility will be applied as reflected in standards agreed by the European railways (a summary of the contents of these standards is appended). This will cover information on assistance in stations, assistance and facilities in board disembark from trains and on-board information.
Information on services available for persons with reduced mobility on the main international routes is available at points of sale and on the appropriate information channels.

12. Passenger wayfinding in stations
User-friendly wayfinding systems or facilities passengers' access to trains and mobile facilities will be based on best practice in Europe as reflected in standards agreed by the European railways (a summary of the contents of these standards is appended).
Convenient transfer facilities between railroads and other modes will be provided.

13. Conditions of contract
Passengers may request all contracted conditions at the point of sale and on the appropriate information channels, like e.g. internet.

14. Railway safety
The railway operations will meet high safety standards maintaining rail's role as the safest transport mode. This includes the continuous high attention for safety of infrastructure and rolling stock, for operational procedures and for safety qualifications of the railway staff. The safety record will be communicated on an at least annual basis.

15. Security
The level of security in trains and in stations will continue to be developed in cooperation with the relevant authorities. Campaigns to raise public awareness will be launched in order to promote active cooperation by customers in ensuring security levels.

16. Cleanliness
It will be ensured that all areas under your responsibility are kept clean and secure in cooperation with other railway and intermodal stakeholders to ensure comparable levels of cleanliness in station infrastructures and transfer facilities.

17. Customer obligations
• Passengers must conduct themselves in such a manner as to avoid causing disturbance to other passengers and/or jeopardising the safety of railway operations.
• Passengers must follow the instructions of the train personnel and respect the rules applied in designated areas in trains and at stations, e.g. non-smoking areas, silver areas, etc.
• Passengers must be in possession of a valid rail ticket and where applicable a valid reservation as well as the requisite travel documents.
• Passengers must comply with regulations concerning luggage.

18. Permanent consultation of customers
Railway undertakings or their representative bodies will take part in consultation forums, notably with organisations representing customers.
Railway undertakings will take part in discussions on the implementation of this Charter, monitoring of service levels, changes in service levels including line closures and the quality of rail services in general and will seek advice on their design and organisation.

19. Monitoring
All railway undertakings will monitor customer satisfaction and the level of punctuality on a regular basis. In addition, railway undertakings will collect customer complaints on national and international passenger transport by rail, classifying them in the appropriate categories and publish an overview.
Railway undertakings will take continuous action to improve their services in order to meet customer needs.

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I. NATIONAL PROGRESS WITH CHARTER IMPLEMENTATION

The *Charter on Rail Passenger Services* was adopted in 2002. This chapter assesses the progress with its implementation as at Autumn 2004.

1. ASSESSMENT METHODOLOGY

Thirteen railway companies² provided answers to a survey of over 50 questions on the topics in the *Charter on Rail Passenger Services*. The assessment of the answers was carried out jointly by CER and UIC. The results are summarised here, according to the main themes in the Charter. In certain cases, in particular charter implementation and delay compensation, information is added about other companies that were unable to take part in the survey.

2. SUMMARY

It is evident that further good progress has been made over the last year in planning or implementing change. However certain specific elements have not developed as intended; and it is perhaps natural that there are variations in the specific policies adopted by the railways.

Nonetheless, the companies responding positively to the principles of the *Charter* now account for around **90%**³ of passenger traffic in the EU. All the 7 biggest passenger companies⁴ have responded positively, with Charter and/or delay compensation commitments already in place or planned to be in place by December 2004/January 2005. In the majority of cases these commitments are legally enforced.

In general, a distinction has to be drawn between the “EU – 15” and the new EU Member States or accession countries. It is apparent that the issues facing new EU members (see Chapter V of this Report) are affecting the extent that some of those railways are able to move forward on *Charter* commitments.

2. ATOC (UK), BDZ (Bulgaria), DB (Germany), Eurostar (UK/France/Belgium), FS (Italy), ÖBB (Austria), NS (Netherlands), NSB (Norway), PKP Intercity/Regio (Poland), SNCF (France), SZ (Slovenia), Thalys (Netherlands/Belgium/France/Germany), Finland (VR).

3. Source: UIC Passenger – Kilometre Statistics for 2003.

4. DB, SNCF, FS, ATOC, PKP, RENFE, NS

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3. IMPLEMENTATION OF THE CHARTER

Of those taking part in the survey, all the national railways in the EU Member States either have already implemented the general principles of the Charter, or will have by the end of 2005. Four railways have progressed implementation in 2004. Only Slovenian railways and the Polish regional company have still to progress implementation in 2005.

In addition, five other companies⁵ that did not take part in the present survey already have the same type of commitments.

Outside the EU, NSB (Norway) and SBB (Switzerland) meet all the Charter requirements except for fare quotations (SBB); BDZ (Bulgaria) intends to publish a limited Charter after restructuring in 2005.

The approach to implementing the *Charter* was expected to be flexible, given national commitments. Some railway companies have now published actual *Charters*, others have included key elements of the *Charter for Rail Passenger Services* in national Terms and Conditions which offer more generous service-related commitments than conventional “conditions of carriage”. Some refer explicitly to the *Charter for Rail Passenger services* itself in their own documentation, or have completely adopted it; others have checked that their own existing or new commitments meet or exceed the intention of the *Charter*.

There are some exceptions on individual points in the *Charter*. The most significant are; DB, SNCF and PKP have decided not to publish punctuality information or customer satisfaction/complaints monitoring. International fare information will be improved by the PRIFIS project in 2005 (see Chapter II of this report). More specific points (including marketing/distribution and people with reduced mobility (PRM) accessibility) are covered in the following paragraphs.

5. RENFE (Spain), CP (Portugal), DSB (Denmark), CIE (Eire), ZSSK (Slovakia)

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4. CUSTOMER INFORMATION (ON TIMETABLES AND PRICES, ACCESSIBILITY FOR PRM AND BICYCLES)

Timetable and price information

Firstly, information on all domestic services is provided at regional or national points of sale, including seat availability if applicable. Information about international services is provided at international points of sale. At these sales points, comprehensive information is available about international trains operating to or from the country concerned. Information about international trains between other countries, is generally provided for commercially significant destinations, i.e. for journeys where a sufficient local demand is known to exist. Most countries provide information about the lowest fare available.

Secondly, many other distribution channels are used. In particular information is commonly provided by telephone, travel agencies and the Internet. The same information is available about fares and timetables as can be obtained through international points of sale. In Italy it is now possible to buy tickets through SMS-services. In Germany and the Netherlands, tickets for the most popular destinations are available from automatic ticket machines.



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The overall impression is that new information channels are increasingly important for information provision and ticket sales. This development has in some countries affected the number of railway points of sale for international services, where customers could previously find the most important information. The role of travel agents, providing information about almost all products, has remained about the same in all countries.

Information on accessibility for PRM

Detailed information on accessibility for PRM is available in all countries in brochure form and on the Internet. In Germany for example, DB sets a high standard with comprehensive information, extending to specific details about accommodation on particular train types. Information can also be obtained verbally by telephone. In Italy, special audio services exist for blind people. The use of special CD-Roms with software providing accessibility to the website of Trenitalia is a good example of progress in this field.

Journey planning for PRM is organised differently in the various countries. The actual information procedure is designed to fit the national situation and obligations. Information about, for example, assistance in other countries can, in most cases, only be obtained at the international points of sale.

For information about accessibility of international trains outside the customer's own country, the railways are currently developing a new website that will contain the most important information and details of national contact points for further help. This will help people with reduced mobility to plan as comfortable and convenient a journey as possible. This new website will be launched in the first half of 2005.

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Information about bicycles

The level of service for bicycles on trains and in stations varies very much between different parts of Europe. This variation stems mainly from demand differences (driven by social and geographical factors) and not from a lack of interoperability. However, this very variable service calls for high quality information on taking bicycles on international journeys.

Compared to last year the level of information provided has remained the same. Information at a national level is available almost everywhere in timetables, commercial leaflets and on websites. Railways do recognize that there are shortcomings in information provision for international services: there has however been progress in 2004, with the start of international cooperation on the task of improving the information flow for bicycle services on trains and in stations all over Europe (see Chapter II).



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5. AVAILABILITY OF TICKETS

As a general rule, tickets for national services are available at all sales points in all countries. In almost all cases this is also the case if different operators are involved in one domestic journey.

Tickets for practically all international services to and from the customer's own country are available via the Internet. The Internet is becoming more and more important as a sales channel. These international tickets are, of course, also available via international points of sale and via travel agencies.

Tickets for international service outside the customer's own country, but between main European destinations, are available via international points of sale and travel agencies, and, to some extent, via the Internet. Telephone sales are mostly restricted to international trains to and from the customer's own country.

International tickets can in many cases be purchased on the train itself for journeys on services to and from the customer's own country.

The development of the quality of ticket availability is broadly the same as for the availability of information: with more emphasis on the internet, and pilot schemes with SMS-services.

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6. DELAY COMPENSATION AND FURTHER SERVICES IN CASE OF DELAYS (ASSISTANCE TO PASSENGERS, OVERNIGHT ACCOMMODATION)

Delay compensation

It is evident that there has been good progress on arrangements for delay compensation. The great majority of the companies surveyed – both national undertakings and international groupings such as Thalys and Eurostar – already offer (or in 2 cases will by the end of 2004) compensation schemes for train delay as an automatic entitlement. These are published in Charter documents or in Terms and Conditions. Other EU railways⁶ offer similar schemes. At least seven of these schemes, especially for the large railways, are legally enforced.

From 12th December 2004, an EU-wide scheme will be in place for international services – see Chapter II of this report for full details.

Compensation takes the form of vouchers, or cash refunds in some cases; with various compensation values applied, depending on the train service type and on the extent of the delay involved. The compensation “trigger” (or threshold) typically varies between 25 and 60 minutes, and is “stepped” in some cases. The compensation varies between 20% and 100% of the fare. The exceptional RENFE scheme - for “AVE” high speed services - of 100% compensation for more than 5 minutes delay shows what can be possible in certain market and railway system conditions.

The compensation arrangements are published in Charter documents, brochures and ticket documentation, and via station, call centre and on-train staff.

6. RENFE (Spain), CP (Portugal), DSB (Denmark), CIE (Eire)

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A few railways accept the principle of delay liability and the right to claim compensation for costs incurred, rather than setting a standard scheme.

Finally it is notable that Trenitalia also offers “comfort” compensation for air-conditioning failures!

Overnight accommodation and alternative transport

The railways surveyed make arrangements for, or refund the cost of, overnight accommodation or alternative transport when passengers are unable to complete their journey. All railways will comply with new international legal obligations from May 2005 (see Chapter II). These are generally exceptional events: one smaller railway reported just two incidents needing taxi transport in 2003!

Refreshments during train delay

The survey shows that it is already normal practice to provide refreshments when trains are delayed. Some railways provide refreshment well before the three-hour threshold in the *Charter*. Two smaller railways reported that the need simply does not arise.



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7. AFTER-SALES SERVICE ARRANGEMENTS (GENERAL CONDITIONS OF TRAVEL, REFUNDS AND COMPLAINTS AND MEDIATION PROCEDURES)

The applicable terms and conditions are readily available in brochure form and on the Internet in practically all countries. Summaries of the terms and conditions are published in timetables, in the media and - less commonly - through poster displays at stations. In Germany this kind of information is now provided via automatic ticket vending machines.

Claims and complaints may be submitted at all manned stations. No distinction is made in this respect between national and international services. In Finland the railways have developed a dedicated customer feedback system; the use of the Internet, e-mail and telephone is increasing. Some companies provide special forms to submit claims or complaints, but in most case a simple letter is sufficient. In practice all letters are accepted and treated in effective way, independent from the language in which they are written.



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For international trains, the right of refund is respected for all tickets sold, also including refunds for a journey involving another railway company. In the latter case, all applications received are processed either directly by the customer service department of the company itself, or in cooperation with the customer service of the other company involved in the journey.

Replies to claims and complaints are normally provided within 3-4 weeks. The use of e-mail to receive and process individual cases makes it possible to reply much more quickly - frequently within 2-3 days.

Customer rights and procedures for claims and complaints are communicated in very different ways. This is done mostly on ticket envelopes, in leaflets, in the timetable, via on-board information and at points of sale. It is clear that improvement is necessary in this area for, in particular, international passengers: and the railways have started work on this in 2004. A dedicated website on this topic is being designed currently (Autumn 2004) and is expected to be launched during 2005.

It is clear that all passengers have the right of appeal and legal action. However, mediation procedures before going to court exist in nearly all countries. The availability of information at an international level about such opportunities will be improved by the railways.

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8. ACCESSIBILITY TO THE RAIL SYSTEM FOR PRM AND BICYCLES

PRM

The railway's awareness of, and attention to, the issue of accessibility for people with reduced mobility, is steadily increasing. The railways have for many years taken physical accessibility issues into account as far as possible with station premises and new equipment, and new rolling stock design. However the age and physical layout of many stations (particularly small ones) and existing trains continues to constrain ideal solutions and in those cases improvements will be made gradually. All railway companies provide assistance services for, in particular, wheelchair users. All companies provide information on this service in, at the least, leaflets available at points of sale and on the Internet.

However, this last year the railways have started to devote more international attention to the subject. This is focussing, in particular, on the improvement of information; and we expect this will lead to improvements for the customer in the not-too-distant future (see chapter II): We also see an increasing awareness of the importance of staff training on caring for PRM. Beyond awareness several new initiatives have been developed. Some examples: DB is running trials in selected stations with way-finding systems in Braille; Trenitalia provides a CD-Rom with software providing for the accessibility of the Trenitalia website through voice recognition; in the UK and Germany there is now a "one-stop" helpdesk for PRM to book assistance. The increased attention for this topic is a result of the railways' dialogue with consumer organisations at both a national and a European level.



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Bicycles

The services for conveying bicycles on trains have remained mostly the same, but with some individual service changes. Increasing passenger volume and new train design are presenting a practical challenge in some areas, particularly during peak periods on some commuter services, and on some high-speed trains. The railways are concentrating on the improvement of information on this subject and are endeavouring to improve the actual service provided on a case-by-case basis.

9. SERVICE MONITORING

The assessment shows that every railway surveyed has some form of service or quality monitoring system, covering at least train punctuality results and customer satisfaction. However, not all railways have a policy of publishing the monitoring results, although good examples of this do exist. For example, Trenitalia publishes monitoring results in its passenger charter.

Monitoring of the number and type of complaints is carried out in most companies as part of their commercial policy. However, most railway companies do not actively communicate these results to the customer.

In particular, it has not proved possible to establish harmonised monitoring and publication of the monitoring results on an international basis (see Chapter II).



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10. OTHER ISSUES: SAFETY, SECURITY, CLEANLINESS

Safety is the number one priority for all railways. It is not without reason that the safety performance of the railways is very high compared to other transport modes. The EU agreed in Spring 2004 on a Directive on Railway Safety, aimed more at harmonising stringent national safety management indicators and systems that frequently complicate changes in railway systems. This work will be done by the new European Railway Agency, that will become fully operational in 2006.

While safety is priority number one, communication about safety has much less priority. Some railway companies do publish their safety record on the website and in their annual report.

On **security**, the situation is quite different. Here passenger interests are very directly involved. The attack on several trains in Madrid on 11 March 2004 was a dramatic illustration of the importance of security. All railway companies communicate very actively to passengers on this issue. The development of in particular controlled access to stations, trains and platforms is a live issue in several countries. For Trenitalia the number of complaints about thefts is an indicator in their Passenger Charter. Chapter II describes international initiatives with safety authorities.

On the question of **cleanliness**, the survey shows no significant change in policy or initiatives compared to the situation described in our first Progress Report in June 2003.



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11. CONCLUSIONS

It is perhaps only realistic that progress has not been made on every single issue in the *Charter on Rail Passenger Services*. In particular, less progress has been made on service monitoring than was sought and expected. There are many variations in the depth and range of services provided. However, compared to the situation twelve months ago, we see several positive developments on charter and compensation development, and on, particular issues related to information. Also the increased awareness of the importance of the accessibility of the rail system to people with reduced mobility has to be seen as positive. The railways are proud to introduce a minimum rule for compensation in case of international delays in the EU in December 2004 – an unprecedented achievement in the international transport sector. This shows that railways are ready and able to act, even in a complex international situation.

Overall, the assessment shows that railways have been ready to concretise their commitment to the *Charter on Passenger Services*, both at a national and an international level.



II. IMPLEMENTATION WORK AT THE INTERNATIONAL UNION OF RAILWAYS

1. INTRODUCTION

We now turn our attention to progress in 2004 with a number of European level customer initiatives implementing the Charter, that have been developed through the efforts of the UIC and national railway companies working together. Some of these were already envisaged when the Charter on Rail Passenger Services was adopted in 2002, but it is encouraging that a number are now coming to fruition.

2. UIC – CER – CIT DELAY COMPENSATION SCHEME FOR INTERNATIONAL RAIL PASSENGERS

As chapter I. of this Report shows, many railway companies in Europe already offer compensation to passengers for train delay.

In 2004 CER and UIC members decided to establish a standard scheme for international passengers, in support of the principles in the Charter on Rail Passenger Services.

The scheme was agreed by the railways in June 2004. It is not just voluntary: it is now being implemented legally by the International Rail Transport Committee (CIT) in International Passenger Agreement (AIV) and International Passenger Conditions (CIV). It will enter into force in mid-December 2004 (when the timetables change throughout Europe). This is the first time such a pan-European approach to delay compensation has been successfully achieved by the railways, and there is no such scheme in place for any other international passenger transport mode.

The details are shown overleaf.

II. IMPLEMENTATION WORK AT THE INTERNATIONAL UNION OF RAILWAYS



Compensation scheme

Field of application:

- EU Railway Undertakings plus Switzerland and Norway; enlargement possible through bilateral agreements

Eligibility:

- Over 60 minutes delay for international day trains
- Over 120 minutes delay for international night trains
- Passenger must hold an international travel ticket for a minimum value of 50 Euro per single journey
- 50 Euro includes Reservation and supplement
- Travel pass products (InterRail, EuroDomino, Eurail, etc.) are excluded
- Special trains, car carrying trains are excluded

Compensation:

- Compensation consists of 20 % of the price of the ticket concerned (rounded off to the nearest 0.10 Euro)
- Compensation is in the form of a journey voucher (or equivalent compensation for Railway Undertakings that do not have vouchers)
- This compensation is a minimum amount, Railway Undertakings may offer a higher amount of compensation.

Delay causes excluded:

- “Acts of God” (including strikes)
- The fault of the customer
- The fault of a third party (suicide, accident, etc.)
- Scheduled works (with prior information provided to customers)
- Intervention by state bodies e.g. security alerts

Source : UIC Passenger Commission

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Compensation Voucher



Source: UIC Passenger Commission

Compensation conditions and procedure

- The application for compensation may be sent to any railway undertaking involved in the journey and will be processed by the RU which issued the ticket, even if it was not involved in the journey.
- Confirmation of the delay will take place in the train, at the arrival station / station of transfer to connecting services or by a central unit. The document on the delay will be drawn up based on the template entitled “Application for compensation for delay“. To be created by each RU.
- Customer applications for compensation must be submitted within 2 months after the journey.
- Requests by RUs must normally be processed within 4 weeks (or within a maximum of three months).
- Compensation will be granted only on submission of the original travel ticket validated and stamped plus the reservation or an attestation of the delay where relevant, proving the presence of the passenger on board the international train delayed.
- Journey voucher (or equivalent compensation for RUs that do not have vouchers).
- As a rule, the travel voucher is in the standard international ticket format.
- The travel voucher is valid (for a period of one year) only with the RU which issued the travel ticket.
- Each RU determines the practical details of the compensation process itself.
- As a rule, the company or companies responsible for the delay will pay the subsequent compensation.
- There will be one global inter-railway settlement at year end.

Source: UIC Passenger Commission

II. IMPLEMENTATION WORK AT THE INTERNATIONAL UNION OF RAILWAYS

3. HELP TO STRANDED PASSENGERS

Separately from the delay compensation scheme, the details of new international legal obligations have now been drawn up to help rail passengers who become stranded at the end of the day. A legal commitment to provide overnight accommodation and transport will enter into force in May 2005. The provisions reflect the voluntary commitment entered into some years ago by a number of Europe’s railways, and the new standard arrangements are to be welcomed.

4. BETTER EUROPEAN TIMETABLE INFORMATION

Good progress has been made in 2004 with a new European timetable information system known as MERITS⁷. This single system contains the timetable data (national and international) of 32 railway companies, updated on a monthly basis. The idea of exchanging timetables in a simple, standard way overcomes all the long-standing problems with various traditional and often unreliable systems with different data formats.

Customer benefits

MERITS is not used directly by the customer, but is a tool available for railway companies to use according to their travel information and distribution policy. However the information benefits for the European customer are clear:

- *immediacy*: timetable data supplied by the railways are constantly updated (the trend is to update the storage at least once a month);
- *accuracy*: all the information is standardized and checked when entered into the MERITS system, so that the scope for error is considerably reduced.
- *economy*: the provision of information on-line saves the cost of hard copies of timetables; this encourages much greater accessibility for the user .

7. Multiple European Railways Integrated Timetable Storage

II. IMPLEMENTATION WORK AT THE INTERNATIONAL UNION OF RAILWAYS

By April 2004, the database was fully operational and contained 315.000 different train schedules⁸. Further development – links to the PRIFIS fares project described below – is planned by June 2005. MERITS is a decisive step forward in how European train information can be provided to customers, and represents the first stage in the creation of a multiple railway database available to the railway companies.

5. BETTER EUROPEAN FARES INFORMATION

After a feasibility study that left no doubt as to the benefits for railway customers and companies, the UIC embarked on a second project on product information. The project is called PRIFIS⁹ and sets up a tariff and price database covering the whole of Europe, along similar lines to the MERITS timetable system described earlier in this chapter.

Whether the user is the end-customer or the company's own information staff is a matter for individual railway companies to decide, but in either case the benefits of easy access to a wide range of up-to-date fares information across Europe are clear to see.

The user can request fares information over the Internet, by selecting the departure and arrival point, date and time, and can also choose certain criteria for his journey (the fastest/cheapest/most comfortable option or night train/Motorail-type train only, etc.) This can be done via the UIC's own website or via the website of the railway company.

PRIFIS is currently (October 2004) in the systems acceptance phase, which is expected to be complete in January 2005. With the PRIFIS system in place alongside MERITS, there will for the first time be easily accessible sources of accurate and up-to-date information on train times and fares across Europe.

8. Each train schedule corresponds to 1 or several trains depending on the timetable pattern
9. PRice and Fare Information System

II. IMPLEMENTATION WORK AT THE INTERNATIONAL UNION OF RAILWAYS

6. QUALITY MONITORING

The UIC has developed guidelines for a European quality monitoring system, to provide a common reporting format for monitoring international trains. The data to be gathered includes actual as well as perceived quality, and complaints.

The quality measures are; punctuality and reliability (cancellations) of all international day and night trains; safety and security: travel comfort; train cleanliness; on-board staff; customer information during the journey; as well as cleanliness, staff and customer information in stations.

The guidelines place particular emphasis on services offered to Persons of Reduced Mobility, security and comfort in stations, and modal integration.

Many companies already do their own monitoring, and it has to be said that, as is often the case in the European political arena, there are a number of obstacles to be resolved before a Europe-wide approach can be adopted. The needs of the European Commission's Rail Market Monitoring Scheme may affect the railways' monitoring of aspects such as punctuality.



7. HELPING PERSONS WITH REDUCED MOBILITY

Interoperability specifications for Persons with Reduced Mobility

Work has continued in 2004 on developing the Technical Specification for Interoperability (TSI) for rail accessibility to people with reduced mobility, as required by the EU Interoperability Directives¹⁰. The work takes into account the particular needs of PRM, as communicated via regular consultation of some PRM representatives at a European level.

The specification will cover the PRM accessibility of public areas of railway infrastructure as well as of trains. Particular attention is to be devoted to transfer from the station platform on to the train, and to emergency train evacuation requirements. It will make use of the results of UIC work on railway system and station accessibility and on measures to facilitate travel by rail.

The TSIs covering accessibility to PRM will be delivered to the EC on 03 June 2005.

The railway website on assistance for Persons with Reduced Mobility

To help facilitate international travel for PRM, a dedicated PRM section was created on the UIC website in 2002. It was designed for use by railway companies as a first step; Seven companies (CFF, DB, Trenitalia, NS, ÖBB, SNCB and SNCF) are taking part to date. The website section identifies in a standard format the various contact persons for exchanging information on PRM travel; and provides details for some

550 stations on facilities such as:

- access to platforms without stairs,
- boarding assistance,

10. Directives 96/48/EC of 23 July 1996 on the interoperability of the trans-European high-speed rail system and 2001/16/EC of 19 March 2001 on the Interoperability of the trans-European conventional rail system (as modified by Directive 2004/49/EC of 29 April 2004).



- toilets accessible in wheelchairs,
- wheel-chair availability.

In October 2003 UIC had a very useful exchange of views with the European Disability Forum, the European Older People's Platform and the European Blind Union on the problems encountered by PRM associations and railway companies and the measures introduced by the railway sector.

The UIC is now progressing the extension of the PRM section of its website, to provide access to the PRM customer. This will allow him or her directly to contact railway companies' personnel in charge of assistance to PRM, when planning international rail journeys throughout Europe. Design work is expected to be complete this Autumn, with implementation in early 2005.

Common ticketing arrangements

International tariff agreements for blind people and wheelchair users have existed since 1997 as agreements between individual railway companies. In 2004, agreement was reached by UIC to publish these as part of the UIC's common European tariffs.

- Multilateral agreement concerning issuing of international tickets for blind people and their accompanying persons or dogs:
The accompanying person or dog travels free of charge.
(25 railway companies¹¹ have signed up to the agreement)
- Multilateral agreement concerning issuing of international tickets for wheelchair travellers and their accompanying persons:
The accompanying person travels free of charge.
(11 railway companies¹² have signed up to the agreement)

11. ATOC, BDZ, BLS, CD, CFARYM, CFL, CFR, CH, CIE, DB AG, DSB, FS, HZ, JZ, MAV, NS, ÖBB, PKP, RENFE, SBB/CFF, SNCB, SNCF, SZ, StL, ZSSK.
12. CD, CFL, DB, DSB, MAV, NS, ÖBB, SBB/CFF, SNCF/NMBS, SZ, ZSSK.

II. IMPLEMENTATION WORK AT THE INTERNATIONAL UNION OF RAILWAYS

8. BICYCLES ON TRAINS

Taking bicycles on trains is a customer and business benefit: however, it presents logistical and practical problems in some countries, for reasons associated with particular new rolling stock designs and with passenger numbers at busy periods.

As a direct result of discussion with the ECF (European Cyclists' Federation) in the framework of the CER /customer liaison described in Chapter V, UIC set up a new international working group for bicycles on trains in 2003. The Group reviews progress by several main European railway companies on bicycle transport on trains and proposes improvements for the future.

As a first result of the group's work, a new European tariff agreement for the Carriage of bicycles on board trains has been developed and put into operation in December 2003, its object is a common price structure for bicycles on trains in Europe and the possibility to buy tickets and make reservations for bicycles everywhere in Europe.

The main components of this agreement are:

- a minimum price of 5 Euro per single journey, regardless of the number of trains taken, the right amount being left to the initiative of the issuing railway;
- the possibility of reservation.

The UIC working group will endeavour progressively to improve the tariff agreement.

In continuing consultation with the ECF, the UIC working group has recognised the benefit of international co-operation in a whole range of ways:

- creation of better information and contacts details (on the UIC website),
- for internal use (coordination, problem resolution, handling customer complaints);
- for the customer (inquiries, planning of trips, bicycle accommodation in long-distance and regional trains, bicycle rental, bicycle by luggage service, reservations);



II. IMPLEMENTATION WORK AT THE INTERNATIONAL UNION OF RAILWAYS

- good-practice analysis (learning from the experiences of other railways)
- addressing problems of “interoperability” i.e. i.e. the conflict between mandatory reservations and no reservation possibility on the same route
- analysis of traffic (international traffic patterns of bicycle in trains, product coordination).
- product optimisation

9. INTERNATIONAL SECURITY CO-OPERATION

Given the significance of the terrorism since the disasters of 11th September 2001 and - more recently and locally - the 2004 train bombings in Spain, there is a vital and urgent need for an effective national and European interface to be set up between authorities, infrastructure managers and carriers.

The normal types of security risks (vandalism, thefts, customs fraud, etc.) have been identified and are being closely monitored by the UIC Special Group Colpofer¹³. Railway companies themselves have developed a number of procedures and shared their experiences, especially under the auspices of UIC in dedicated working parties or world forums (the latest being in Marseilles in Autumn 2004).

In a joint “Declaration on Public Transport and Anti-Terrorism Security”, dated 4 June 2004, UIC and UITP (International Association of Public Transport) informed the national authorities of those countries in which both have members operating, of the importance that they attach to the new situation of terrorism worldwide, and made specific recommendations. Particularly, UITP and UIC urged that permanent collaboration be initiated and further developed; at national level with public transport operators, at a European level with EU bodies, as well as in a broader international context. The two organisations launched a permanent expert group on security in September 2004 which will closely collaborate with the UIC Security Group for the exchange of information and experience between public transport actors.

13. Collaboration des services de police ferroviaire et de sécurité (Cooperation between railway police and the security services)

III. WORKING WITH OUR CUSTOMERS

1. CUSTOMER ORGANISATION LIAISON

Consultation with customer (or consumer) organisations at a national level exists almost everywhere, except for some countries in Central Europe. Several examples of innovative cooperation do exist. In France, the consumer organisations and SNCF signed an agreement on passenger services; in the Netherlands a new passenger charter is in discussion with the consumer organisations; in Germany DB has anchored its dialogue with consumer organisation in the *Kundencharta* published in 2004.

However these arrangements only partly cover international services. Our dialogue with consumer organisations at a European level could be very fruitful if we manage to discuss issues at a quite specific level, without intruding into the business responsibilities of the companies themselves.

The *Charter on Rail Passenger Services* includes an international commitment to consultation with customer organisations. In support of this, CER started a dialogue early in 2003, bringing together a number of bodies at a European level.

The customer organisations involved cover the whole spectrum of railway users, embracing both general and special interests:

- European Passenger Federation (EPF)/Probahn
- European Passenger Federation (EPF)/FNAUT
- European Disability Forum (EDF)
- European Older People's Platform (AGE)
- European Blind Union (EBU)
- European Cyclist Federation (ECF)
- Association of European Consumers (AEC)
- Confédération des Organisations familiales de la Communauté Européenne (COFACE)



III. WORKING WITH OUR CUSTOMERS

Eight group meetings have been held up to now, including representatives from several railways and the UIC and CIT. CER has appreciated the opportunity to share and debate views on transport policy and railway initiatives with customers' representatives. The discussions have centred on the content of the *Charter on Rail Passenger Services* and specific railway company initiatives related to the charter and customers' needs and emerging EU legislative proposals (such as the Third Railway Package). For example, the UIC international delay compensation scheme – see Chapter III – was presented and discussed in detail in June this year, with feedback into the project work.

The group has also debated the structure and content of the July 2003 Progress Report on the implementation of the Charter, and CER has, as far as possible, taken account of constructive criticism in developing the methodology and structure for this second Progress Report.

It has to be said that it has not always been possible to move forward as quickly and as completely as everyone in the group would like. For example, the public launch of the Charter in 2003 did not happen as had been intended by the railway sector. Discussions on particular issues have shown how challenging it can be to reconcile, in particular at a Europe-wide level, the very different circumstances and perspectives of all the Group's members.

Nevertheless, a number of the issues raised have been taken into account in the railway's initiatives at the international level, and CER sees this work as a very valuable communication process which has to continue.

III. WORKING WITH OUR CUSTOMERS

The forward programme is proposed to include:

- Giving more substance to the Charter, by adding more specific provisions on the basis of the advances recorded in this Report.
- Monitoring related work-streams at the international level:
- Exchanging views, establishing understanding and – wherever possible – agreement on the principles and contents of the proposed Passenger Rights and Obligations Regulation as it evolves through the EU legislative process.

Further consideration of rail services information, in particular the information needs and means of provision for different types of rail users.



III. WORKING WITH OUR CUSTOMERS

2. CUSTOMER ORGANISATIONS' COMMENTARY

The Charter is a first step, in ensuring high quality, accessible and efficient railway services for all, and can be developed into a useful instrument to guide the relationship between rail operators and their customers. Passengers' organisations welcome the Charter as a tool to improve the quality of service to passengers on an European basis and to increase the share of railway as transportation mode versus road and air for improving the quality of environment. Through dialogue with CER and other stakeholders, we as consumer-organisations hope to spread good practice.

Passengers want good value for money and expect services which are easy to access and easy to use. Passengers' rights should apply not only to rail but to all modes of public transport services. The Charter must be applied every day on every train and at every ticketing or information outlet.

The train journey is often part of a longer chain which should be fully accessible and as seamless as possible, with connections being held or reasonable alternatives offered.

Legislation is necessary to establish basic rights and to prohibit discrimination in access to rail travel. The railway industry will always have the option to go further by using the CER-Charter or their own Charter and giving themselves a better position in competition.

The original version of the Charter was adopted in 2002 and it should be re-launched in the year 2005. In order to ensure success in the consultation between CER and Passengers' Associations and good progress in developing the 2nd Version of the Charter, the following basic principles should be fundamental:

- Allow for time: associations and CER have to consult with their members in such a way, that national and local needs are assessed
- Respond in time and with sufficient reasoning to comments that are put forward by the associations
- Involve the associations as early as possible in the process, it's difficult to confront them with semi-finalised proposals
- Involve the associations in the assessment of the Charter for an independent evaluation to take place



III. WORKING WITH OUR CUSTOMERS

There are some key-points, which from a passengers view should be solved in a 2nd version of the Charter:

- compensation in case of delay or cancellation should be improved
- special attention should be given to the provision of information to the customers, whatever they need
- reliable and accessible information in the best accessible format for the passenger
- provision of adequate assistance to passengers with disabilities or reduced mobility
- open up the Charter to the services offered by national rail transport companies. In an international journey, the first and last parts of the journey are mostly local ones
- obligation to ensure accessibility of infrastructure and rolling stock to passengers with disabilities or reduced mobility and to maintain reduced or free fares for accompanying assistants
- • independent monitoring of implementation of the Charter

We are in good favour, that the railway industry, decision-makers and passengers organisations together can develop European Railways as a fully accessible preferred mode of transport for Europe of the future. Travel by rail should be the first choice for more and more travellers both on long-distance and short-distance journeys. Working together with passengers will contribute to more sustainable and integrated, seamless European railway services that consider the rights, needs and expectations of all customers.

- **European Passengers' Federation (EPF)**
- **European Disability Forum (EDF)**
- **European Older People's Platform (AGE)**



IV. DEVELOPMENTS IN THE RAIL PASSENGER MARKET

1. INTRODUCTION

This chapter provides a business context for the implementation of the Charter. It summarises the overall market trend, and provides information on service developments

2. EUROPEAN PASSENGER MARKET OVERVIEW

Figure 1 shows the quarterly trend across the European passenger rail market between 2002 and 2004 (Q2). Taking the entire EU market as a whole, the rail market has reflected broad economic conditions – i.e. growth has been poor. Comparing rail output in the second quarter, demand fell by nearly 2% from 2002 to 2003, but has more or less bounced back by 2004. GDP grew by only 2% over this period in the EU area.

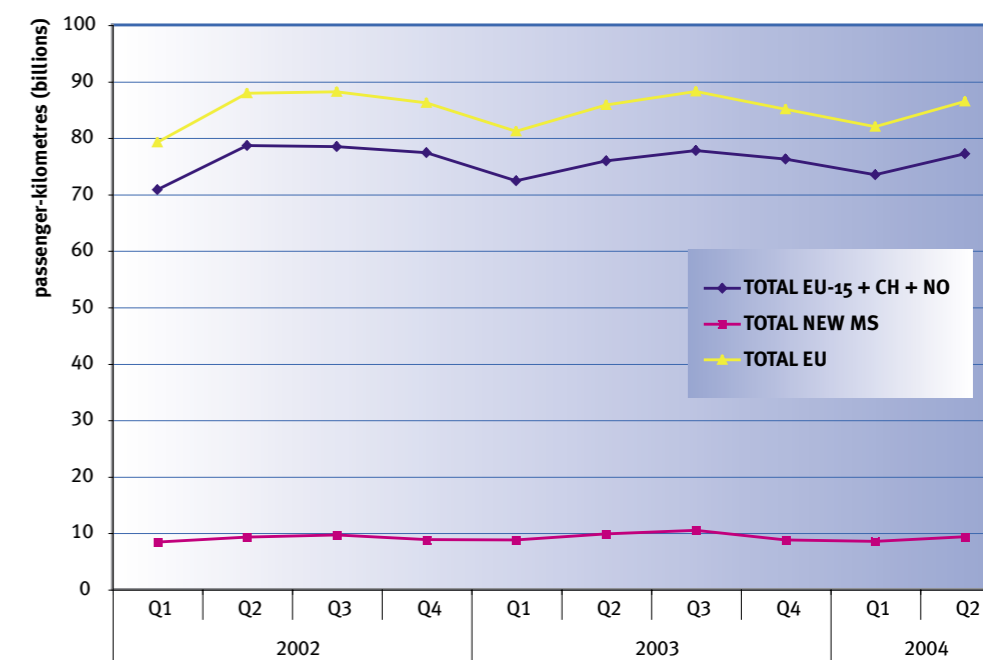


Figure 1. European Passenger Market. Source: CER

IV. DEVELOPMENTS IN THE RAIL PASSENGER MARKET

This level of aggregate hides various regional trends. Figure 2 presents the results from the 4 largest passenger operators in the West; Figure 3 does the same for the East. In the Western case, it is clear that demand for rail services is higher in the summer than in the winter. In general, there has been a small rise in demand, particularly in the UK. Comparing the first quarter, demand has risen by 4% over the period.

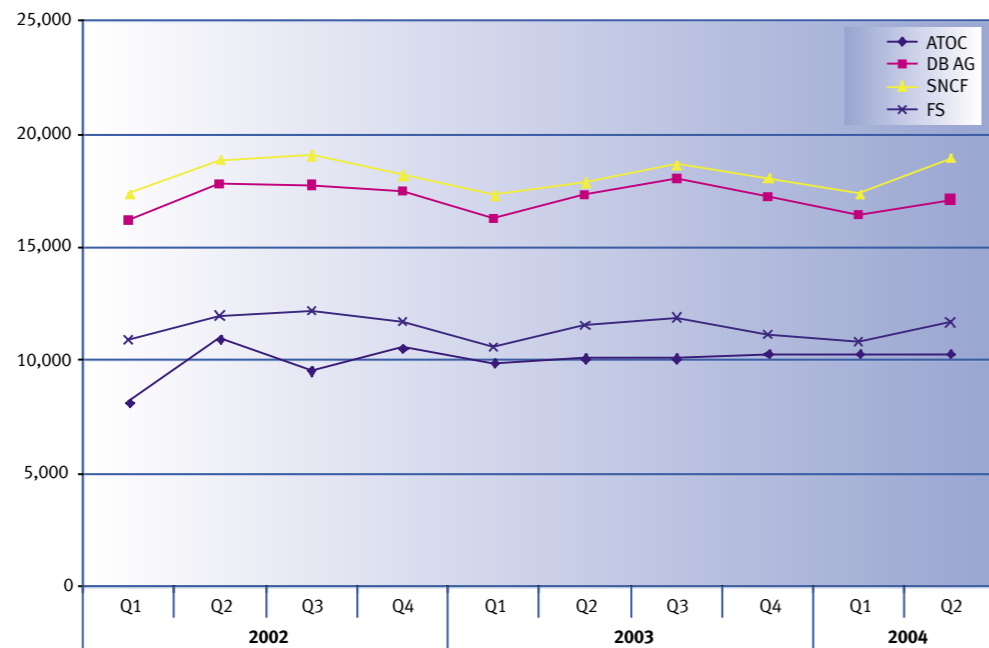


Figure 2. Western Europe. Source: CER



IV. DEVELOPMENTS IN THE RAIL PASSENGER MARKET

Figure 3 shows a more varied picture in Eastern Europe. In Poland, the seasonal impact on demand is very clear, with particularly high demand in the summer of 2003. Elsewhere demand has been relatively constant since 2002 in the winter. In general, there has been a small rise in demand, particularly in the UK. Comparing the first quarter, demand has risen by 4% over the period.

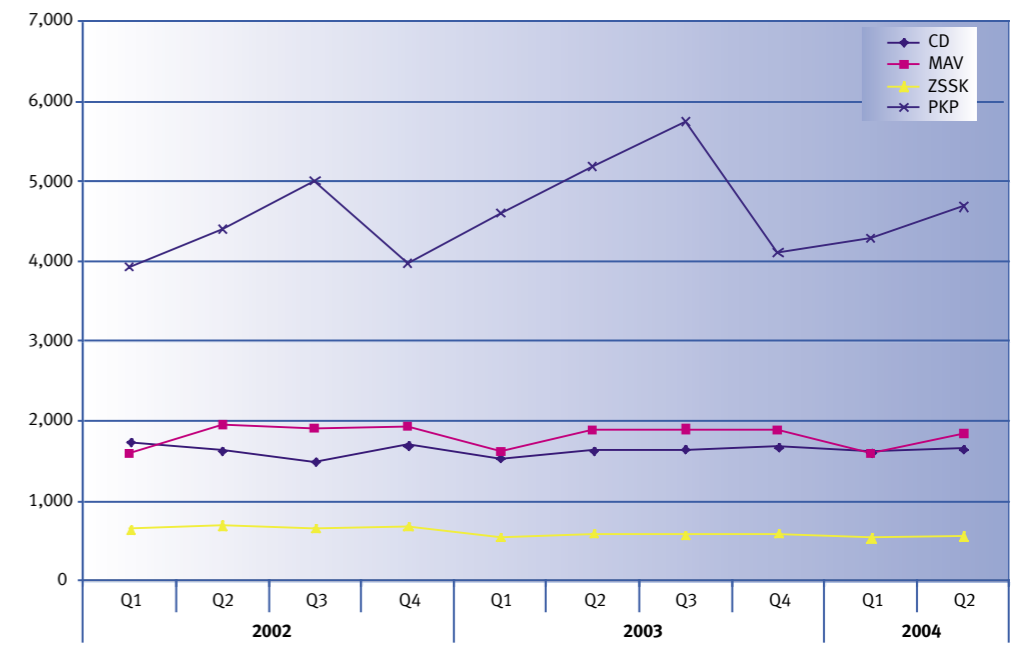


Figure 3. Eastern Europe. Source: CER

IV. DEVELOPMENTS IN THE RAIL PASSENGER MARKET

3. GENERAL SERVICE DEVELOPMENTS BY COUNTRY (RAILWAY)

A range of train service and customer service developments have happened since the first Progress Report was published in 2003, as the examples below show.

- **UK (ATOC)**

National

The upgrade of southern section of the West Coast Main Line has been completed in 2004, see the high speed service development section below for more details.

International

Section 1 of the Channel Tunnel Rail Link opened in Summer 2003, reducing London to Paris/Brussels journey times by up to 20 minutes (see also high speed service developments below).

- **Germany (DB)**

National

Kundencharta (passenger charter) for long distance services introduced.

International

More than 100 fares for international journeys were integrated into ticket vending machines.

- **Netherlands (NS)**

National

SMS ticketing (pilot) was introduced in 2004.

International

EC-trains became ICE-trains (Amsterdam-Frankfurt (-Basel)).

Thalys frequency from Amsterdam to Paris has been reduced.

New fares for international tickets to Germany

(and countries bordering on Germany). New fare system for Thalys.



- **Norway (NSB)**

International

Linx, the company running from Oslo to Stockholm and Gothenburg, will cease their business from 1 January 2005. New services are under consideration.

- **Austria (ÖBB)**

National/International

Change to global pricing systems in Euronight trains to Germany and within Austria: changes in pricing and quality on the Austria-Italy line by 12/12/2004.

- **France (SNCF)**

National

New services as SMS, more distribution channels (travel agencies on line), new fares.

International

Compensation scheme for international delays in progress.

More customer services services on the Artesia trains between Paris and Milan.

Refund before departure in order to enable new passengers to travel (impact on peak period trains).

Cheapest fares on a few international routes as an example.

- **Slovenia (SZ)**

National

Possibility of getting information about timetable and possible delayed trains via mobile phone with WAP function.

National and international

New web site, which is more user-friendly.

Opening of information, where passengers can get various information about passenger services.

International

New product – faster and modern tilting train EC Casanova that runs daily from Ljubljana to Venice and back (very good connections to/from Italy, France, etc.).

IV. DEVELOPMENTS IN THE RAIL PASSENGER MARKET

• Italy (Trenitalia)

National

Larger offer of Eurostar Italia trains, and new connections.

Introduction of "Intercity Plus" Ticketless system to sell tickets for Eurostar Italia trains and shortly also for Intercity trains.

Introduction of hand PCs for train staff for information on board.

International

Sale of international tickets via telephone and on-line.

Coach re-styling.

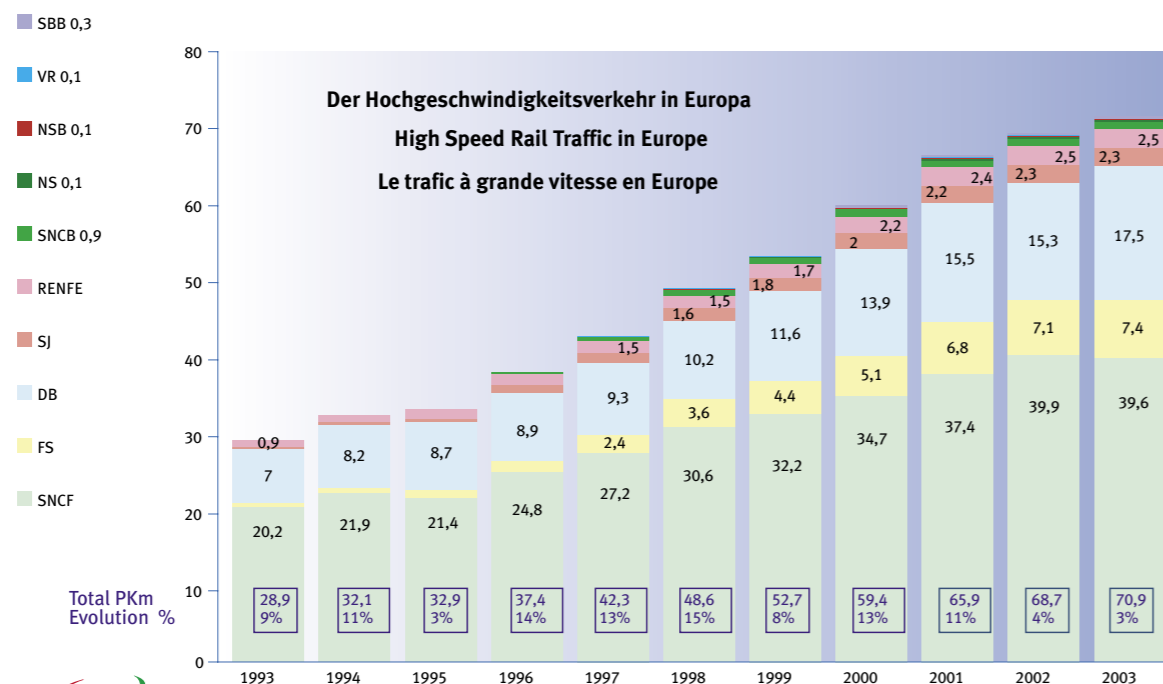
New connection Venice – Ljubljana.

New offer "Cisalpino" (Italy – Switzerland).

Prices: introduction of "special promotions" on some international trains (Italy – Austria/France/Germany/Switzerland).

4. HIGH SPEED SERVICE DEVELOPMENTS

The chart shows a continuing steady increase in high speed business volume up to 2003.



IV. DEVELOPMENTS IN THE RAIL PASSENGER MARKET



Two new high speed lines have been put into operation since Summer 2003: from the Channel Tunnel towards London in the UK (74 km), and from Madrid to Lleida, (470 km).

Those new lines, although not completing the links planned (Paris / Bruxelles - Tunnel - London and Madrid - Barcelona), brought significant progress on high-performance service quality: travel time has been reduced by 20 minutes from Paris to London (from 3h to 2h40), by 2h30 from Madrid to Barcelona (from 7h to 4h30), and by 1h15 from Madrid to Zaragoza (from 3h to 1h45).

New tilting trains have been put into operation (either in a preliminary or complete way) in Great Britain (Virgin Trains between London, the Midlands and North West of England and Scotland, with journey time reductions of up to 20% from September 2004), Croatia (Zagreb - Split), Czech Republic (from Prague to Berlin, Vienna and Bratislava) and Slovenia to Italy.

In Switzerland a new 200 km/h line has opened between Berne and Olten, enabling significantly reducing journey times for local and international services.

V. THE CHALLENGE AHEAD

The preceding chapters have shown the extent of progress being made, at both company and international level, on passenger customer service commitments. This process will continue. It is important now to consider how this fits in the overall policy framework for rail and other modes .

Autumn 2004 sees the start of the new session of the European parliament, and the new European Commission President and Commissioners starting work in the enlarged European Union of 25 members. This is an important opportunity to take stock of present and future legislation proposals affecting rail passenger transport.

The proposed Third Railway Package was published by the Commission in April 2004 and is entering the legislation process in the European Parliament this Autumn. CER believes the package is only partially relevant to achieving policy objectives, through the development of international passenger service liberalisation. Provided that this liberalisation is implemented carefully alongside national rail service frameworks, it can play a part in improving passenger rail prospects.

However the other passenger element in the package – the proposed **Regulation on international passenger rights** – is much less important to the achievement of transport policy objectives. Of course CER supports the concept of passenger rights, but the proposal strays into marketing and competition policy areas, as well as proposing liabilities and obligations for railways that conflict with national commitments and that are disproportionate when compared to those for other modes. The international passenger rail market is highly differentiated and already faces stiff competition, most recently with the success of low cost airlines. CER questions the notions, inherent in the detail of the regulation, that international passenger rail services can be integrated across the whole of Europe, and that service quality can be “legislated into place”. This position in no way compromises the railways’ commitment to customer



service improvement. Against the background of the progress described in this Report, it is perhaps not surprising that several national governments appear to be questioning the case for such legislation. The CER will work to establish that, if the proposal does proceed, it is concerned with legitimate international customer expectations, such as delay compensation and special transport needs.

It is **rail infrastructure capacity** that is crucial to the EU’s transport policy objectives, and to improving business conditions and customer service. While there has been progress with new high-speed lines, taking advantage of rail technology advances, much of Europe’s general railway infrastructure was designed and built more than a hundred years ago, for very different business and societal conditions; and overall investment progress has been very slow. CER warmly welcomed, therefore, the trans-European transport networks (TEN-T) Guidelines revision in 2004, with its new list of 30 priority projects (22 of which concern rail) However, the new Guidelines alone are not enough: much more money is needed over time to make up for decades of under-investment. CER urges the European Commission to continue its efforts to improve the funding prospects for rail infrastructure.

As recent examples of the importance of infrastructure for passenger service quality, we need look no further than the new high speed lines opened in September 2003 from the Channel Tunnel towards London in the United Kingdom and before that from Köln to Frankfurt in Germany. The opening of these new lines resulted in an immediate improvement, not only in more competitive journey times but in system capacity - and therefore reliability for the passenger.

Second it is necessary to stand back and look at other, basic transport policy conditions; in particular the principles of **transport infrastructure charging**, which is closely linked to the financing of investment. It is essential to establish fair charges for



V. THE CHALLENGE AHEAD



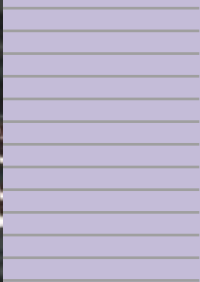
using infrastructure in all modes of transport, with external effects such as accident and pollution costs reflected in the price. “Cross-financing” – using fairly-established charging revenues to support environmentally-friendly modes such as rail – must be established as a key principle. The ongoing political discussion in 2004 on the “Eurovignette” proposal for road freight tolls in the European Parliament and in the Council is therefore of utmost importance to the railways. There has been a disappointing lack of progress up to now: and solutions must be found to address the present serious imbalance between transport modes.

Third the particular challenges faced in the **new Member States** have to be recognised and addressed. Abnormally high energy costs, some entirely inadequate funding levels and unsatisfactory arrangements for funding public service obligations are combining with the problem of rolling stock fleets that are virtually life-expired, to place a real strain on passenger service provision and the development of “Charter-style” commitments.

Lastly, the new **European Railway Agency** will start work in 2006. There is much at stake with the successful progress of the Agency’s work on railway safety harmonisation and interoperability, which could have a very significant long-term impact on the business prospects of rail passenger service operators.

While these may seem somewhat removed from the detail of passenger service commitments, it is only by progress on these key issues that the balance will shift decisively between transport modes, at the same time as helping to improve passenger rail service quality.





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



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