# COMMISSION OF THE EUROPEAN COMMUNITIES

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#### REPORT BY THE COMMISSION TO THE COUNCIL

on the progress made in the preparation of a programme of cooperation among railway undertakings

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#### I. INTRODUCTION

1. Article 11(1) of the Council Decision of 20 May 1975 on the improvement of the situation of railway undertakings and the harmonization of rules governing financial relations between such undertakings and States provides that "Member States shall, in conjunction with the Commission, investigate measures likely to promote cooperation among railway undertakings".

At the Council meeting of 16 December 1976, the Commission informed the Council of its intention, pursuant to Article 11(1) of the above Decision, the co-make necessary arrangements to examine with the Member States and the railway undertakings, supplementary measures to promote cooperation among the undertakings and draw up a work programme. The Commission undertook to present to the Council a progress report on the preparation of this programme by 1 January 1978.

- 2. This report contains :
  - I. an introduction;
  - II. a review of earlier Community measures to promote cooperation among railway undertakings;
  - III. an outline of new Commission initiatives;
    - IV. a resume of the general questions incorporated in the short-term programme drafted by the Group of Nine Railways of the Community on the strengthening of international cooperation;
    - V. an assessment of this programme and the questions it raises;
    - VI. supplementary measures;

VII. comments on the respective responsibilities of the railways,
Member States and Community bodies;

VIII. conclusions.

- 3. The Commission attaches great importance to the strengthening of cooperation among railways; it will help:
  - (a) to bring down the costs of certain international transport operations;
  - (b) to ensure more efficient utilization of rolling stock and equipment;
  - (c) to promote a better understanding of the international transport market;
  - (d) to expand the cooperation of the railways with other modes of transport in international operations;
  - (e) to improve the railways' image as an international carrier.

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The railway undertakings have certainly/progress towards these objectives over the last few years. The Commission believes they should continue and step up their efforts: there is a vast area in which further progress can be made, despite the constraints imposed by the national structure of networks and in particular that imposed by efforts to ensure financial profitability at national level.

4. The Commission notes, however, that "traditional" cooperation may have limited possibilities in other fields particularly where several undertakings decide to base their action on "the common interest". Joint measures taken by undertakings may range from cooperation to integration. There is no clear distinction between these two concepts; generally speaking, integration would involve the creation of common management bodies replacing the separate management of each network. Under Article 11(2) of the Council Decision of 20 May 1975, the Commission will submit to the Council at the end of 1978 a report on the objectives to be pursued in the long term and the measures to be taken to promote partial or total integration of railway undertakings at Community level.

#### II. EARLIER COMMUNITY MEASURES TO PROMOTE COOPERATION AMONG RAILWAY UNDERTAKINGS

5. In its Resolution of 7 December 1970 on cooperation between railway undertakings, the Council called on the railways to introduce closer technical, commercial and operational coordination and cooperation. The Council also requested the Member States, in conjunction with the Commission, to take all necessary steps to eliminate — in the fields for which they are responsible — any difficulties which might impede such cooperation.

In compliance with this Resolution, the Group of Nine Railways of the European Community drew up reports on the progress made in cooperation in 1971, 1972 and 1973; in this year it also looked more closely into the question of community of interests.

In its letter to the President of the Council of 7 May 1976, the Group of Nine stressed that the problems of railway cooperation with regard to the national or Community political authorities could be divided into two categories:

- (a) problems which can be solved only by measures for which the railways are responsible but which could perhaps not be implemented without the active support of national and Community authorities;
- (b) problems of a structural and "strategic" nature the solution of which is primarily the responsibility of national and Community authorities, the aim being to bring about a substantial improvement in the competitive position of the railways in the international transport market.

It may be said that :

(1) the work carried out pursuant to the Council Resolution of 7 December 1970 has certainly brought about progress in cooperation;

- (2) the list of measures in the Resolution is still valid;
- (3) the Resolution has not, however, exploited all the Community possibilities provided by the Treaty to promote cooperation.

#### III. NEW COMMISSION INITIATIVES

- 6. The Council laid down a new basis for the promotion of cooperation in Article 11(1) of its Decision of 20 May 1975. Other provisions of this Decision, in particular the harmonization of costing principles (Article 8(2)), are also intended to further cooperation.
- 7. On this new basis the Commission held a meeting on 17 February 1977 with the Group of Nine of the IUR to discuss the various aspects of cooperation and the most suitable procedure to enable the Commission to submit this report on cooperation among railway undertakings to the Council before the end of the year.

It was agreed that the Group of Nine would draw up a programme of feasible short-term measures and would send the Commission a list of infrastructure projects of Community interest which could be carried out within a period of about five years.

The Group of Nine complied with this request and forwarded to the Commission:

- (a) in May 1977, lists of infrastructure investment projects compiled by the Railways and considered to be of top priority,
- (b) in September 1977, a short-term action programme.

#### IV. SHORT-TERM PROGRAMME DRAFTED BY THE GROUP OF NINE

8.1. The short-term action programme opens with some general remarks.

The Railways describe the achievements and progress made in international cooperation since 1970.

They regret that progress has sometimes been too slow, and this they attribute to the following:

- (a) commitments associated with the national imperatives of the management of each railway;
- (b) budget considerations which restrain the development of certain measures and may cause the railways to place their own economic interests first;
- (c) difficulties in overcoming certain peculiarly national factors;
- (d) the always difficult problem of changing organizational methods;
- (e) the complexity and multiplicity of the problems.

#### 8.2. The Railways also note that :

"Being anxious to accelerate the process of international cooperation, the Group of Nine Railways is determined to give fresh impetus to cooperation measures which fall within the competence of their management, by doing all they can to implement — in concrete and limited areas, particularly technical and commercial operation — provisions to improve the financial results of undertakings and to strengthen the position of the railways on the transport market.

"The Group, of course, remains aware that the short— and medium—term action it intends to take does not go far in the whole vast area to be tackled, but it has to remember, as it pointed out in its letter of

7 May 1976 to the President of the Council, that it has no right of initiative with regard to strategic — and therefore long—term — measures which might strengthen international cooperation and which depend primarily on the willingness of the national and Community authorities to give serious encouragement to rail transport.

"While regretting that the reply from the President of the Council dated 17 December 1976 made no mention of long-term action, the Group of Nine has taken note of the Council's request to continue and step up international railway cooperation.

"It has also welcomed with satisfaction the initiatives to be taken by the Commission in this field under Article 11(1) of the Decision of 20 May 1975, and has noted the Commission's undertaking to present to the Council before 1 January 1978 a progress report on the preparation of a work programme to this end."

8.3. The report prepared by the Group of Nine then lays down the principles on which the work programme should be drawn up:

"As indicated above, the Group of Nine intends to concentrate on measures for improving the financial results of undertakings in concrete and limited fields, particularly technical and commercial operation, and for strengthening the position of the railways on the transport market.

"Priority will be given to action concerning goods traffic, in strict compliance with the practical objectives of the International Union of Railways.

"In the interests of efficiency in the work at international level, the Group of Nine Railways will make use, in the first instance, of the work carried out by the International Union of Railways within the wider geographical framework of Europe as a whole and will endeavour to promote more rapid implementation of IUR decisions and recommendations within the framework of the Nine.

"Similarly, the work of the Group of Nine will be conducted in close cooperation with the Austrian and Swiss Railways to ensure to the network the harmonious expansion of cooperation among all Western European railways."

- 8.4. The proposed short-term practical measures come under three headings :
  - (1) traffic movement
  - (2) commercial, freight and passenger traffic
  - (3) harmonization and standardization.

In this report the Commission simply lists the measures and their implementation deadlines (see Annex); further details can be given at the discussions between the government experts.

#### V. ASSESSMENT OF THE SHORT-TERM PROGRAMME

- 9. The programme was examined and discussed at the Commission's meeting with the Group of Nine Railways on 21 September 1977 and at the meeting held between the Commission and government experts on 24 October 1977.
- 10. The measures proposed in the short-term programme fall largely within the competence of the railways and therefore with certain exceptions (frontier formalities and application of certain tariffs) can be launched and carried out by the deadlines without involving the Member States. This applies particularly to measures in the operational field, commercial passenger carriage and standardization and normalization.

The Commission, like the government experts, believes that the proposed measures are of a nature to bring about an improvement in railway services and in the profitability of the railways, and therefore deserve a place in the programme. The Commission will, in conjunction with the Railways, make a case-by-case study of the implementation deadlines to establish whether they can be shortened. The Commission agrees with the government experts that priority should be given to the elimination of difficulties at frontiers.

11. With one exception (cost of customs formalities), all the measures envisaged in the short-term programme come under the broader heading of the cooperation programmes currently being prepared by the IUR.

The Group of Nine Railways gave two reasons for this: firstly, the fact that all European railways are interdependent and, secondly, the nature of the programme itself, which is devoted to concrete short-term measures.

The Commission believes, however, that it would be feasible and useful to set up specialized working parties for certain sectors to study questions of specifically Community interest. Similar working parties have already been created to look at the question of frontier crossing, and the railways have taken part in their work. Other working parties could be set up on the basis of the priorities to be decided.

12. The Commission takes the following position on the measures proposed by the Group of Nine for the commercial freight sector: the measures listed by the Group of Nine cannot be regarded as a proper programme. They are in fact a list of measures now under way, some of which have already been completed.

Given the increasingly stiff competition, it is, however, doubtful that the type of commercial cooperation which has existed between the rail—ways for decades and the working solutions arrived at are still satis—factory and adequate today.

Without depreciating the progress made with the introduction of certain bilateral traditional types of tariffs and even "common tariff schedules", it should be admitted that transport rate formation policy still varies from one railway to another. The differences in economic situation are no doubt partly responsible for this. However, in the Commission's opinion, the main obstacle is that the fundamental approaches to tariffs have not yet been sufficiently marmonized and the reasons given for this situation are not convincing.

If progress is to be made in this sphere, the railways must be prompted to cooperate more actively; they should be asked to draw up a joint list of the problems encountered and to work together with the Commission to determine feasible measures going beyond the present stage of commercial cooperation.

Obviously, such studies cannot be undertaken under the broader umbrella of the IUR, where rate formation policies are now more widely different than in the smaller Community framework. It is therefore essential that work be started with the IUR Group of Nine Railways.

13. The Group of Nine report does not contain any specific short-term measures for combined transport. It is generally recognized that combined transport, be it container or road/rail transport (piggy-back), are methods of operation which enable the railways to provide users with a better service - alongside conventional forms of transport - over long distances and specific routes by combining the advantages of two modes of transport, rail and road.

To promote the harmonious development of these types of transport, which are intrinsically of particular value to international traffic, it is essential that the railways work together to create the necessary conditions:

- (1) seek to standardize installations and railway stock;
- (2) improve the organization of transport and transhipment operations;
- (3) further improve the network of routes (particularly for complete trains);
- (4) establish an adequate price system which makes allowance for the interests of the participants.

The Commission will submit proposals on combined transport in 1978. The railways should nevertheless be encouraged to continue their own efforts to find ways and means of developing this type of transport.

#### VI. SUPPLEMENTARY MEASURES

14. The Commission agrees with the Group of Nine and the government experts that the short— and medium—term measures listed in the Group's report do not go very far into the whole vast field to be tackled and should be supplemented by other measures which will, generally speaking, require more active assistance by national and Community authorities. Although these measures could be spread over a longer period, this does not mean that they should not be launched straight away.

Measures should therefore be taken in the following fields:

- 14.1. crossing of frontiers
- 14.2. infrastructure investment
- 14.3. study of the concept of common commercial interest
- 14.4. technical standardization and normalization
- 14.5. supply policy.

#### 14.1. Crossing of frontiers

The measures to be taken in this field would ensure :

- (a) more efficient use of the Community transit system under which customs clearance can be carried out inside the country and not at the frontier;
- (b) modernization of the technical infrastructure of certain frontier posts to facilitate the movement of traffic;
- (c) mutual recognition of certificates for health, plant and veterinary control to avoid double checking of goods, i.e. by both the exporting and the importing countries. Pending mutual recognition of such certificates, efforts should be made to ensure that checks are carried out in

the importing country during customs clearance which, under the Community transit system, should in principle be effected inside the country.

#### 14.2. Infrastructure investment

Railway cooperation should be increased on infrastructure questions so that foreseeable bottlenecks on rail links of concern to the Community in the short and medium term can be detected. The list of priority infrastructure investment projects sent to the Commission by the Group of Nine could serve as a basis for work. Infrastructure cooperation should also enable the railways — with the assistance of national and Community bodies — to adapt the future management policy of the European railways to changes in economic patterns and to specific Community requirements. A closer study of the commercial implications should also be made.

Actual investment is largely a matter for the Member States. Investment programmes could be more efficiently coordinated and even expanded if the Council approves the two Commission proposals, one for a Decision and the other for a Regulation, on transport infrastructure. 1

The Decision proposed by the Commission is intended to bring about a substantial improvement in the procedure for consultation with the Member States on projects of Community interest. This procedure should be of assistance in assessing the value to the Community of projects for the improvement of major rail links and in determining how urgent they are.

Proposal for a Council Decision establishing a consultation procedure and creating a committee for transport infrastructure (OJ No C 207, 2 September 1976).

Proposal for a Council Regulation on support for projects of Community interest in transport infrastructure (OJ No C 207, 2 September 1976).

The proposed Regulation should make it possible for Community aid to be provided under certain conditions for projects to which the Member States cannot give the priority they deserve at Community level.

#### 14.3. Study of the concept of common commercial interest

Progress on this point would mark a real breakthrough from cooperation as it has been pursued so far to joint railway market (in the widest sense of the word) research.

As things stand at the moment, however, the railways are not able to make this step alone and on their own responsibility.

The demand made on the Railways to achieve the best possible financial results at national level is an obstacle to the pursuit of "common interests" insofar as it means each railway must make financial sacrifices without any direct compensation. The Commission feels, however, that the present situation and possible measures, including the pooling of revenue, should be studied in greater depth in order to ascertain the actual extent of the problems in question. The disadvantages described may prove to be much less serious and may even be offset completely by commercial advantages.

Nevertheless, political action by national governments and the Community is essential if the railways are to advance in this direction. These questions will also be discussed in the report on integration which the Commission intends to present to the Council at the end of 1978.

The Commission also intends in due course to send to the Council proposals for measures which will enable the railways to go beyond traditional cooperation and pursue common interests.

# 14.4. Technical standardization and normalization

A priority programme should be drawn up to facilitate trade in railway stock and equipment within the Community in anticipation of open tendering for contracts.

The Community railways should examine the industry 's proposals regarding sub-assemblies whose differing standards are a genuine obstacle to open tendering, particularly for passenger transport stock.

## 14.5. Supply policy 1

The railways should collaborate in the preparation of their rolling stock investment programmes to promote the construction of a more homogeneous fleet and to ensure that the industry's production plans match the railways' needs.

<sup>1</sup> Comment: These two points were recently discussed with the Directors-General of the Railways at a meeting (chaired by Mr Davignon) on measures for the introduction of open tendering railway equipment; they will also be discussed by a Working Party on public contracts which is being set up.

# VII. RESPECTIVE RESPONSIBILITIES OF THE RAILWAYS, GOVERNMENTS AND COMMUNITY BODIES

- 15. It is sometimes difficult to make a strict distinction between the respective responsibilities of the various bodies involved in railway cooperation, particularly as regards relations between railways and governments. This should not, however, mean that the fields in which they have the right of initiative cannot be more clearly demarcated.
  - 15.1. It has already been seen that, in the fields listed in the Group of Nine's short-term programme, the railways have broad scope for action without having to call upon the active assistance of the Member States. Other measures (in particular those under the head of 'supplementary measures'), though they depend on preparatory work by the railways, require more active assistance from the Member States. The latter sometimes have to act in their capacity as government authority and sometimes in that of owner or majority shareholder of the railway network; it is not always possible to make a clear distinction between these two functions.
  - 15.2. The fields in which the Member States must take action are :
    - (a) the elimination of administrative or customs barriers at frontiers;
    - (b) infrastructure investments;
    - (c) certain investments in equipment, particularly large-scale programmes concerning centralized or integrated traffic management, automation, etc.;
    - (d) implementation of commercial measures based on the concept of common interest.

The Commission believes its task is to define the Community's requirements in this area by drawing up programmes, sending them to the Council for joint discussion and monitoring their implementation. If necessary, it will send Opinions or Recommendations to the Member States. The Commission will also propose to the Council any measures which are necessary to achieve greater progress, with due regard for the preservation of a correct degree of autonomy in railway management. The Commission intends to work in close cooperation with the Railways and the Member States.

#### VIII. CONCLUSIONS

The Council is requested:

- (1) to discuss this report;
- (2) to approve the short-term, programme drafted by the Group of Nine Railways of the European Community; and
- (3) to take a decision on the supplementary measures described in this report.

The Commission will monitor the implementation of this short-term programme by the Group of Nine; make a case-by-case study with the railways of the possibilities of bringing forward the deadlines fixed in the programme; and prepare a more extensive programme of supplementary measures in conjunction with the railway undertakings and the Member States.

The Commission will report again to the Council on the results achieved in cooperation as soon as any noteworthy progress has been made.

#### STRENGTHENING INTERNATIONAL RAILWAY COOPERATION

#### Short-term action programme

#### 1. Programme on movement of traffic

This programme aims at reducing the transit times for international freight traffic by

- (a) facilitating the crossing of frontiers;
- (b) improving the running of individual wagons;
- (c) coordinating the supervision of the running of trains; and
- (d) encouraging more intensive use of railway equipment.

#### 1.1. Crossing of frontiers

The IUR has carried out an exhaustive study of this aspect. The measures to be taken in this field are the responsibility of various bodies, inside and outside the railways; some of them will take a relatively long time to implement or demand sometimes heavy investment. There are, however, some chances of improvement in the short term in a few specific fields:

#### 1.1.1. RIV record of wagon exchange

The exchange of wagons at frontiers involves inter alia the preparation of "hire charge accounts" by the railways which necessitates the collection at frontier stations of various details about the wagons exchanged. Under the present system the same information is collected twice and this means a long stop for trains. It is difficult to draw up common rules for all railways owing to their different situations. The Group of Nine is working only on bilateral agreements. These are already used in 65 % of wagon exchanges between the railways of the Nine. Special efforts will be made in 1978 to cover the remaining cases.

#### 1.1.2. Technical inspections of rolling stock

The RIV defines the conditions which must be met by wagons in order to be accepted for exchange. Wagons are required to comply with the loading, maintenance and construction regulations laid down by the RIV. The same wagon would usually have to be inspected twice at the frontier to ensure its compliance with these provisions. The railways are aware of the drawbacks of this system and are making increasing use of a system of "mutual confidence" under bilateral agreements. A total of 60 % of exchanges are made under this system. Bilateral discussions will be continued in 1978 and 1979 on the possibility of extending this system.

#### 1.1.3 Improving the forwarding of documents

The documents referred to here are the consignment notes and accompanying customs, commercial and administrative documents. Despite the improvements which the Railways have already made, there are still problems in the forwarding of documents to be ironed out, and the majority of the Railways intend to alter the methods used. Studies by the railways are already in hand and the initial conclusions are expected by the end of 1978.

#### 1.2. Organization of the running of individual wagons

The Group of Nine has decided to apply the following IUR measures as from next year:

- (a) the international sort (Leaflet No. 428-1)
- (b) international labelling (Leaflet No. 428-2)
- (c) the formation of international trains and sorts (Leaflet No. 428-3)

It will continue its study of the bilateral or multilateral harmonization of traffic schedules in 1978 and 1979.

#### 1.3. Supervision of the running of international trains

After studying the methods used by each railway undertaking, the Group of Nine has drawn up the following programme to improve supervision and services:

- (a) improving and developing telephone links between the supervision centres by creating direct links and avoiding passing through manual switchboards;
- (b) concluding bilateral agreements on a standard model which define the information to be exchanged and which will subsequently facilitate the conclusion of multilateral agreements.

  These agreements should be concluded in 1978.

#### 1.4. Improving the use of rolling stock

International railway operations involve the use of the equipment of one Railway on the lines of neighbouring or even more distant Railways. Such use is governed by international regulations (RIC and RIV) which define the rights and obligations of the Railways concerned.

It has become necessary to revise the joint operating principles for freight stock, because greater use is being made of specialized stock of which the fleet is smaller. This revision will take some time.

Exchange agreements have been concluded in respect of <u>passenger stock</u>, and all the Railways believe that there is no reason why they should not be extended as the need arises.

In 1978 the Railways will also look into the possibilities of closer cooperation afforded by Eurofirma coaches in the light of the experience gained and the more detailed information which will be obtained about the services they will provide.

As far as <u>tractive stock</u> is concerned, technical constraints very often reduce the practical possibilities of interrunning locomotives on neighbouring networks; and <u>the possibilities of increasing the interrunning already</u> achieved can only be limited.

#### 2. Commercial freight programme

#### 2.1. Market research

A programme covering the years 1977, 1978 and 1979 has been prepared and commercial measures are being worked out to implement the conclusions.

#### 2.2. Tariff policy

Substantial progress has already been made in this sector :

- (a) the introduction of international tariffs independent of domestic tariffs;
- (b) the introduction of "conventional" international tariffs.

A single international tariff independent of domestic tariffs is to be introduced by the SNCB and the NS in 1978.

#### 2.3. Intervention of transport auxiliaries at frontiers

Since this question was not included in the IUR's work programme until June 1977, it cannot be discussed by the Group of Nine until later.

2.4. Introduction of a tariff per complete train and per heavy tonnage rafts for bulky goods (iron and steel products, scrap iron, coal, petroleum products, cement, etc.)

The differing views held by the Nine Railways in the commercial sector have so far ruled out any harmonization of the tariff measures in question.

2.5. <u>Preparation of general conditions for the uniform application of inter-</u>
national freight tariffs

These conditions are extremely complex. The Group of Nine has selected the following:

- (a) fixing of tonnage conditions and tariff.classes;
- (b) establishment of a policy for the use of bogie wagons and privately owned wagons;
- (c) the costs of carrying out customs formalities;
- (d) fixing of guarantee periods.

with regard to the fixing of tonnage conditions, the IUR is currently examining domestic tariffs. The decision to be taken by the IUR on this matter will very probably have repercussions for international traffic. There are still differences in the classification of goods, and the Railways feel that any attempts at harmonization are bound to fail because their economic and social structures are so different. There are, however, two obligatory through international tariffs which have the same goods classification.

There is no clear policy on promoting the use of bogie wagons or privately-owned wagons. Most of the Railways do not yet have large enough fleets of bogie wagons. The time is therefore not yet ripe for harmonization at Community level.

Policy on the use of privately-owned wagons and the rebates applied is at present being studied by a special IUR group.

The cost of carrying out customs formalities is not an item in the IUR's work programme. It seems preferable for this subject to be dealt with by the Community. The problem of fixing guarantee periods has long been under discussion in the IUR and the CEM (European Freight Train Timetable Conference). Customers do not, however, make use of this type of tariff. The IUR has also looked at the question of expressing rates in a single currency (E.G. IUR franc); however, the time is not yet ripe for a decision on this matter for various legal, economic and practical reasons (1).

<sup>(1)</sup> Comment: The Commission believes these reasons should be explained.

#### 3. Passenger commercial work programme

3.1. Harmonization of reduction rates for parties and delegation of authority between Railways for the application of special tariff measures.

Five Railways (CFL, DB, DSB, SNCB and SNCF (1)) have agreed to apply common provisions to international operations effected solely on their own lines. There is also every hope of substantial agreement by BR (1) and the FS and NS (1) are giving sympathetic consideration to the matter: they may agree to compromises — on a case—by—case basis — on the rules applying on their respective networks.

#### 3.2. Mutual recognition of reduced-fare railpasses for elderly persons

At present BT, CFL, CIE, DB, DSB, NS and SNCF (1) grant reduced fares for elderly people on their domestic services. Some railways recognize each other's reduced fare passes, and the Group of Nine has declared itself firmly in favour of extending these agreements to other Community Railways.

### 3.3. Harmonization of national rules for fixing fast train supplements

The study made by the Group of Nine revealed that only BR, DB, FS, NS and the SNCF (1) currently apply supplements on certain trains in their domestic services. However, there does not appear to be any point in laying down common rules for fixing these supplements, given the small number of supplement trains, and the Group of Nine therefore feels it should simply take note of the situation.

#### 3.4. Other questions connected with passenger commercial cooperation

#### 3.4.1. Eurailpass formula

All Community Railways have applied this tariff since 1959 with the exception of BR and CIE (1). Their participation would be warmly welcomed and they have been asked to reconsider their position

<sup>(1)</sup> The full titles of the railway undertakings are given on page 9

#### 3.4.2. Inter-rail formula

All the Railways in the Group of Nine offer this international facility.

#### 3.4.3. All-inclusive tariff formula

Inclusive prices are already offered to individual passengers on certain links (e.g. Brussels-London, Paris-London night ferry). This formula could be extended to other services if market conditions so required.

As regards accompanied car traffic, the European Passenger Tariff Conference (CEV) is being asked to consider a proposed new rate formation method based on an inclusive "car plus passenger" amount plus the price of accommodation of each additional passenger. If this is accepted, it should bring about substantial—and welcome—simplifications.

#### 3.4.4. Reductions for children

The twelve-year age limit is applied by all Community railways with the exception of BR and the CIE, which set the limit at fourteen years. It is hoped that these two railways will change their position on this matter.

#### 4. Harmonization and standardization

The Railways have been carrying out a vast programme of normalization and standardization of their technical equipment for many years. The railway authorities and the IUR take account of existing international norms as far as possible in their work on specific railway standards. This work is carried out in close conjunction with the railway industries, and the railway networks have undertaken to buy only standard equipment (1).

Comment: The Commission wonders if this undertaking should not perhaps be made a binding provision.

## The short-term programme now under way deals with :

- (1) the standardization of coaches with seats and central corridor for long-distance travel;
- (2) the standardization of two-axle bogies for coaches;
- (3) the standardization of entrance doors to coaches and their closing and immobilizing devices;
- (4) the standardization of wagon brake gear;
- (5) the standardization of car transporter wagons;
- (6) the standardization of wagon ends.

The following studies on the standardization of assemblies and sub-assemblies are also in progress or planned for the near future :

- (1) wag on with telescopic hoods (four-axle), Shis;
- (2) wagon with opening roof, Taes;
- (3) wagon with bulk unloading by gravity on both sides, Fads;
- (4) ISO IC 20' container;
- (5) hand brake for bogie wagons;
- (6) load protection devices;
- (7) interconnecting gangway;
- (8) wagons with telescopic hoods (six-axle);
- (9) wagons with sliding walls (two-axle), Hbis.

## Full titles of the national railway undertakings of the Member States

- Société nationale des chemins de fer belges (SNCB)/Nationale Maatschappij der Belgische Spoorwegen (NMBS),
- Danske Statsbaner (DSB),
- Deutsche Bundesbahn (DB),
- Société nationale des chemins de fer français (SNCF),
- Coras Iompair Eireann (CIE),
- Azienda autonoma delle ferrovie dello Stato (FS),
- Société nationale des chemins de fer luxembourgeois (CFL),
- Naamloze Vennootschap Nederlandse Spoorwegen (NS),
- British Railways Board (BRB).