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Editorial

Dear members,

Among the many tasks I have intended to tackle during my chairmanship, I would like to mention some of those at the top of my list.

In the past we have spent a lot of time and effort in supporting the work on European standardisation. A lot has been done if we look at the number of standards published relevant to the work of the contractors e.g. technical requirements for working of maintenance machines, safety requirements for working with portable equipment, approval of welding process, qualification of welders, approval of contractors and acceptance of welds, qualification system for railway trackworks contractors, etc; in addition, much work is in progress particularly with regard to the safety of trackworks and their protection when working on the track.

However, these achievements are somewhat discouraging if we look at the application of these standards. To my understanding, the practical implementation of the standards is lagging behind the needs of the contractors. We do not have in practice an efficient system for cross acceptance of either track machinery or the staff in Europe. It is not only a question of having good standards, which it is certainly the case e.g. of detailed proposal for qualification system for the contractors, but what we need first of all is the commitment of all parties to comply with and to implement the standards.

I think that we as contractors cannot do it alone. This is a reason why we are looking forward to closer and more effective cooperation with Infrastructure Manager members of EIM and CER. To work efficiently with IMs we also need strong commitment of our members working jointly in a structured and professional way. Needless to say, our contribution shall be accepted by our partners – other railway stakeholders, and we need to be visible on the European scene as trustful partners the others can depend on.

We have been taking the actions in this direction and besides some brief information inside on some of them, you will hear more about it at the General Meeting in Munich on 6th June 2008.

Jorge MIARNAU

EFRTC President



Secretary General's introductory notes

In couple of months one year will pass since the appointment of Mr. Imrich Korpanec as the new Secretary General of the European Federation of Railway Trackworks. It is now a time to present the Newsletter readers a brief accounts of results achieved in this period towards meeting the expectations of EFRTC members as seen by Secretary General

Following the announcement made in the inauguration speech the major efforts were directed towards

- promoting growth and increasing strength of the Federation
- gaining more visibility in EU and other European institutions
- strengthening cooperation with other stakeholders in railway sector
- enhancing the direct participation of EFRTC experts in harmonization and standardization works
- increase of the efficiency of working bodies
- improving the provision of the services for members

A variety of actions have been taken towards above major objectives which resulted in:

- inviting EFRTC to be present at major European events such as EC seminars, Conferences with presentations
- being a part of the UNIFE activities on the investment plans in the new MS and related EC funds
- agreeing on the future steps in formalizing the cooperation with Infrastructure managers through EIM and CER in particular in the field of safety and technical harmonization
- being acknowledged as a EIM/CER partner for contributing to European Railway Agency directives and regulations
- formulating the proposals for the review of CEN standards and their implementation with direct participation of EFRTC experts
- accepting EFRTC in the European Railway Research Council (ERRAC) for infrastructure research
- restructuring EFRTC working bodies in line

with the EFRTC major tasks of common interests

- and finally improving services for members by enhancing public website and introducing Member Area for provision of on-line news/information.

Brief reports on some major events which demonstrate the above results are presented further on in this Newsletter. More information you will find on EFRTC website both in public area under new space – NEWS, and Member Area which is now updated directly by Secretary General regularly in short intervals as required.

EC seminar on implementation of Rail Infrastructure Projects in new EU Member States



Michael Clausecker, UNIFE General Director

European Commission have sponsored the seminar on Implementation of Rail Infrastructure Projects in new EU Member States which was held in Warsaw on the 11th and 12th of July 2007. UNIFE and RBF (Rail Business Forum, Poland) were charged with organization of seminar and selection of the speakers.

Seminar was attended by about 100 participants and presented a good mixture of all relevant stakeholders across the EU with strong presence of participants from the new Member states.

The two-day event proved an excellent opportunity for speakers and participants to mix and exchange views on a wide range of railway issues - issues strongly pertinent to the development and rollout of

railway infrastructure investment projects in Central and Eastern Europe. Speakers included representatives of the European Commission, the European Investment Bank, railway infrastructure managers, rail supply companies, and political figures.

Henryk Klimkiewicz, Chairman of the Board of RBF, opened the seminar and welcomed all participants. In his opening address, Michael Clausecker, UNIFE General Director highlighted the unique opportunity which now presented itself and why it should not be wasted. Highlighting the case of Poland in particular, Mr Clausecker said the European Commission had already allocated Poland €6.4 billion worth of EU structural and cohesion funds which should be efficiently invested in good projects.

Speaking on behalf of the European Commission, Manfred Beschel, Head of Unit of H1 Poland of DG Regio said that there were three things currently lacking in Poland. These were (a) a proper master plan, (b) a decent strategy, plus (c) an action plan capable of seeing all this through. This is in fact common issue for most of the new Member states.

Other problems highlighted over the course of the two-day event included: lack of sufficient project planning, failure to consult foreign expertise, the fact that rail is not considered as much as a priority by government compared to road, a lack of vision in planning rail infrastructure projects, the continuing deterioration in railway infrastructure and times due to lack of investment, the decline in passenger demand, passengers switching to road, the continuing slow absorption of EU funds and a lack of experience in doing so, deficiencies in proper strategic planning, toppled by many bureaucratic and burdensome barriers.

Mr Krzysztof Celinski, President of the Board of PKP (Polish State Railways), mentioned that high speed links were very often considered too expensive for Poland, and therefore the upgrading of existing infrastructure, and focussing on smaller projects were often seen as more realistic solutions in accelerating the rail infrastructure processes within Poland.

The idea of the seminar was also to showcase how other countries had made full use of EU funds thus far, with Spain coming out on top with its huge investment in rail infrastructure projects over the last ten years. Rail

infrastructure managers and representatives of Europe's rail manufacturers spoke of the advantages of turnkey projects and the perceived less associated risk compared with fragmenting different portions of infrastructure projects to different rail supply companies.

EFRTC was among one of the invited speakers. Secretary General in his presentation outlined the EFRTC objectives and potential for contributing to the process of implementing railway construction and upgrading projects by through

- harmonization of procurement and tendering processes and conditions
- cross acceptance of machinery and processes
- opening of the European market through fair and open competition
- transfer of available know-how at EFRTC, exchange of information on best practices

Summing up the two-day event, Michael Clausecker of UNIFE said that politicians needed to be encouraged to take decisions and to not be afraid to look to the experiences of other EU countries in how they managed to put EU funds to good use, citing Spain as a case in point. Failure to define key rail transportation projects and implement them accordingly, would he said, result in many more problems in the years ahead and be indeed a missed opportunity.

Programme of the Conference and all presentation can be downloaded either through the link to UNIFE website or directly from EFRTC new public area NEWS.

Conference En - Route to Rail Sustainability

The European Rail Infrastructure Managers (EIM) along with the Partner Organisations European Federation of Trackworks Contractors (EFRTC), European Rail Freight Customer Platform (ERFCP) & International Union of Railways (UIC) wish to support long-term financial stability and the creation of a level playing field in the transport sector. The many reasons for this, including the beneficial impact longer-term planning would have on the environment, will be explored during the En-Route to Rail Sustainability Conference 13th of February 2008 at Sofitel Brussels Europe.



from the left, Michael Robson, EIM Secretary General, Imrich Korpanec, EFRTC Secretary General, Bert Clerk, EIM President and ProRail CEO, Jacques Barrot, EC Vice-President

The programme features many exciting speakers, including MEPs Michael Cramer and AnneEJensen. EIM and its Partner Organisations were also pleased to welcome Peter Verlic, the Slovenian Secretary of Transport who spoke on the priorities of the Slovenian Presidency. The European Commissioner for Transport Jacques Barrot closed the day, speaking on "Greening the Transport Sector".

A predictable planning environment for all stakeholders and especially the infrastructure managers is imperative to achieve efficiency in long-term spending on the network. This cannot be reached if there is no clear strategy for the use of the network or the required level of performance. Multi-Annual Contracts can increase the financial stability of the Infrastructure Managers, among others by minimising the "stop/go" effect of annual state appropriations, and also allows the railways customer's and supplier's to investment in research and equipment on a long term basis.

Dr. Imrich Korpanec, Secretary General EFRTC said, "It is in vital interest of the members of European Federation of Trackworks Contractors (EFRTC) to be involved in long term planning and funding of railway infrastructure jointly with our clients – the infrastructure managers. We strongly believe that the sound and long term cooperation with our clients in an open and competitive market would undoubtedly increase the efficiency of contractors' works and further reduce the costs."

Having established a sustainable, competitive rail network through better planning and financing, the rail market share should become

more significant. This is essential to the debate of a sustainable transport policy and its framework. Equally important when discussing the framework and rail freight success, is the establishment of an intra -and intermodal level playing field. This is one of EIM's main missions and it is clear to us all that we must take further action for this to happen.

Michael Robson, EIM's Secretary General said, "Eurovignette is an important instrument to achieve this and I look forward to seeing the EC proposals later this year. The road industry produces unnecessary pollutants every minute of every day. It is now time to act to ensure that these costs are accounted for. EIM believes the polluter must pay".

All presentation can be downloaded either through link to EIM website or directly from EFRTC new public area NEWS.

Strengthening cooperation with Infrastructure Managers - EIM and CER

EIM is already cooperating with EFRTC on the harmonisation of procurement procedures. Both organisations have the intention to extend this collaboration further because the organisations have in some cases mutual interests.

EFRTC is not on the initial list of organisations to be involved in the work of the Agency has been drawn up by the Committee of Member States established according to Article 21 of the interoperability directives and Article 27 of the safety directive. Later on a list of users' organisations to be consulted will be drawn up by the same Committee. Therefore EFRTC has no direct access to the work of ERA.

However the Technical Specifications for Interoperability, the procedures for authorisation and certification have an impact on railway contractors. Also the opening of the European market for building, renewing and maintaining railway infrastructure is of great importance for the members of EFRTC. This is also in the interest of EIM members because it will create open competition on a European scale.

Topics of interest within the work of the Agency are:

- **Cross Acceptance of Rolling Stock**

Self propelling track bound machines are considered to be fall under the TSI for Traction Units and Locomotives.

Cross acceptance of these machines is essential in order to make these expensive machines that require huge investments profitable. It has a positive effect on the occupation degree of the machines. The costs of the use of the machines will lower and this has an effect on the prices for the use of these machines. That is in the interest of infrastructure managers.

- **Certification of Maintenance Workshops**

Some contractors have their own workshops for the maintenance of their machines. So the regulation for these workshops is in the direct interest of these contractors. Mandatory certification by notified bodies will put up the costs. These costs put forward to the principals. Here is the interest of infrastructure managers.

The management of safety is also a mutual interest. Though track worker safety is not on the agenda of the Agency yet it is the expectation of that the issue will appear on the agenda of ERA at some moment. Safety management is also an issue. In the present regulations only infrastructure managers and railway undertakings are obliged to have management systems that meet the requirements mentioned in the Safety Directive (2004/49/EC). If the requirements are met, is assessed by the national safety authorities. In that case the NSA will authorise or certify the safety management systems (SMS). In the amendments for this Directive it is proposed to make put the same obligation on Wagon Keepers.

EIM fears that this could be the start of putting this obligation on other parties like railway contractors. This would have a huge impact on the costs without, in the opinion of EIM, creating added value for the level of safety.

EIM prefers that infrastructure managers and railway undertakings manage the safety in the supply chain. A SMS is an excellent tool that can and is used for this purpose.

Though the agenda for the collaboration with EFRTC is not set yet there are issues where EIM and EFRTC can collaborate for the benefits

of its members. Also the way to formalise the collaboration is still under discussion. A Memo of Understanding could be a solution.

To conclude, a lot of work still has to be done but the first steps for beneficial collaborations are set. This is in the interest of both organisations but also in the interest of the railways and its customers. Better services can be offered at a more competitive price.

Member News

Balfour Beatty Rail signed the Contract for Rail Infrastructure Work for the new Gotthard Base Tunnel in Switzerland

On the 29th April 2008, Balfour Beatty Rail (BBR), the leading international rail engineering, design and construction business of Balfour Beatty plc, announced that, as part of the consortium, Transtec Gotthard, it has signed the contract for the rail systems work for Gotthard Base Tunnel in Switzerland with the client, AlpTransit Gotthard AG.

Transtec Gotthard comprises BBR, Atel Installationstechnik, Alcatel-Lucent and Alpine-Bau. The contract is likely to be worth approximately 250 million Euros to Balfour Beatty.

Switzerland acts as one of Europe's major junctions for freight, with more than 4,000 heavy lorries crossing the Swiss Alps by road every day. Traffic has increased more than tenfold since 1980 and the existing road and rail tunnels are at their limits.

The objectives of the new Gotthard route are to reduce traffic jams, air pollution and accidents and maximise efficiency. It will be the longest railway tunnel in the world and will bypass winding mountain routes to establish a direct route for high-speed passenger and heavy freight traffic.

Currently, the Gotthardbahn only allows for freight trains with a maximum of 2,000 tons using two or three locomotives, however once the new tunnel route is completed, standard freight trains of up 4,000 tons will be able to pass through the natural barrier as if the Alps did not exist.

The Swiss rail tunnel project, including more tunnels, due for completion before 2020 is one of the biggest engineering projects in the world and will include the world's longest tunnel on land. This second rail route measures at approximately 60 km and will cut the travel time from Zurich to Milan down from four to only two-and-a half hours.

For BBR the project will involve the design, installation and commissioning of rail infrastructure equipment for both single track tunnels which are each 57km long, as well as the adjoining open North and South high-speed sections totalling approximately 11km in length up to the connection with the existing rail network.

Balfour Beatty Rail Project's (BBRP) responsibilities for the installation programme include total project management, complex logistics, track-work, overhead lines and part of the medium voltage supply lines for the tunnel.

Work on-site is expected to start at Biasca adjacent to the south portal at the beginning of 2009, with a construction period of approximately seven years. Commercial rail services are due to start service through the tunnels in 2017.

French trackwork contractor at the bedside of a dying railway

The metric-gauge railway in Cambodia is really struggling for survival. Passenger service operating between Battambang and Phnom Penh has been reduced to weekly. Passenger service to Sihanoukville as well as beyond Battambang toward the border of Thailand has been discontinued. The passenger consist has been reduced to two coaches only, and these are attached to the back of the freight train. The journey does need patience; the train struggles to achieve 15km/hr on the unaligned track, resulting in a total journey time of 16

or more hours for the 230km to Battambang. Breakdowns and derailments have also been known to happen.

But resuscitation is about to come: under the patronage of Asian Development Bank privatization of the operation is on its way, with emergency repairs works on the 630km long permanent way being initiated under two contracts awarded to a Franco Thai joint venture led by TSO. Reinstatement of the 48km missing link with the network in Thailand is also part of the contract. Clearing of land mines and preparation of new embankment has already started in this area.

Plans for a line to Ho Chi Min City in Vietnam as part of an international Asian network will also contribute revitalizing the railway in Cambodia.

An unofficial aspect of this railway is informally referred to as the "Bamboo Railway". These are carts made in-part or largely out of bamboo; they are operated illegally by local people who hope that a real train isn't going to "meet" with them. Should an unscheduled meet occur with an actual train, there is time to quickly flip the cart off the track; on the other hand, should a meet with another cart occur, the cart with the smallest load takes the "siding" so to speak! These carts are motorized, and are used to carry supplies from fields and passengers to remote off-road villages.

Hidden land-mines and other buried explosives may still be very close to the track, due to the fact that these railway lines were often targeted not so long ago. Damaged bridges and track will be repaired in an attempt to restore train circulation at 50 km/hr within 30 months.



Revision of the Eurovignette Directive : towards a level-playing-field

When the Eurovignette Directive regulating infrastructure tolls for road freight transport was revised in 2006, it was agreed that the Commission will provide a common framework to allow for the internalisation external costs of road freight transport which are congestion, accidents, noise, air pollution and climate change. The current Directive indeed prevents Member-States to internalise such costs, contradicting the 'polluter pays' principle.

As a result, the Commission is expected to release a proposal for a revised Directive on the 2nd of July 2008 as part of a so-called 'Greening transport package'.

According to the Commission's proposal, which is not official yet, the MS would be able to internalise only costs of congestion, air pollution and noise. The costs of climate change and accidents are not covered by the proposal.

The scope of the Directive is extended to the entire road network instead of being restricted to the TEN-T network as it is the currently the case.

The proposal also states that the revenues generated through the internalisation of external costs should be earmarked to sustainable mobility, including the development of alternative infrastructure. However, this provision might be blocked at the Council, as Finance Ministers are reluctant to such requirements.

Together with the rail community, UNIFE is actively working with the MEPs and with national ministries in order to prepare the legislative debates, which will follow the release of the proposal in July.

Trans-European Networks – Transport: need for more funds

The Transport Committee of the European Parliament has requested a study on the costs of the TEN-T priority projects. The study, published in March 2008, concludes that the total investments needed for the implementation of the TEN-T network will be much higher than estimated in 2004 (€380 instead of €340 billion). The study also assesses each of the 30 priority projects: www.europarl.europa.eu/activities/expert/eStudies.do?language=EN

Following the publication of this study and at the occasion of the meeting of Transport Ministers in Slovenia on 6 May 2008, Commissioner Jacques Barrot called the Member States to raise the level of investments in transport infrastructure to at least 1% of GDP, the current share being only 0.5%.

UNIFE also took the opportunity of a Commission's consultation on the 2008-2009 budget review to stress the importance of increasing TEN-T budget in order to improve the overall quality of railways and to achieve a modal shift to rail.

Antonio Tajani replaces Jacques Barrot as Transport Commissioner

Mr Jacques Barrot resigned from his position as Transport Commissioner to replace Mr Frattini as Commissioner in charge of Justice, Freedom and Security who joined Berlusconi's government in Italy. Mr Tajani, a former Italian MEP, has been appointed as the new Transport Commissioner.

UNIFE has sent a welcoming letter to Mr Tajani, reminding him the top priorities of the rail sector regarding the European transport policy.

EFRTC General Meeting 2007

EFRTC General Meeting, Barcelona

The last EFRTC General meeting held in Barcelona on 30th November 2007 was hosted by Spanish association ECAEF with a logistics and administrative support of GrupoCOMSA. It was a first General meeting chaired by the new EFRTC President Jorge Miarnau-Monserrat with the assistance of the new Secretary General Mr Imrich Korpanec.

Besides the statutory matters to be discussed and approved by the General the agenda covered wide range of subjects including the reports from EFRTC study groups, EC projects and European activities with the EFRTC involvement and reports of the guests.

In his welcoming address EFRTC President stressed the need for realistic and transparent programmes for infrastructure improvements with secured investments plans and funding both on national and European levels as imperative for achieving challenging objectives doubling the passenger traffic and tripling the freight on the rail by 2020.

Secretary General delivered a brief account of EFRTC works since he took his office in 1st July 2007 and outlined the objectives for the future as discussed at the Board meeting in particular with regard to restructuring the EFRTC working bodies and focusing on core business and interest of EFRTC members.

In reviewing the current activities of EFRTC the following reports were presented and discussed:

- Task Force INNOTRACK progress report with preliminary findings on Infrastructure managers-contractors interface benchmarking presented by Messrs Dieter SCHRECK and Imrich KORPANEC
- EFRTC – EIM relations – progress report on Harmonization of procurement procedures (presentation delivered by Mr Jaap de Jong) and outlook for the future tasks of common interest with Infrastructure Managers (EIM and CER) presented by Mr Imrich KORPANEC
- Report from Study group 5 by Mr Rolando NAGGAR and outline for EFRTC participation in CEN activities in the future by Mr Imrich KORPANEC

- EC RAILS SAFE project results and their potential implications in EC standards and to EFRTC presented by Nick J.A. van den HURK, Volker Rail, NL

UNIFE General Director Mr Michael CLAUSECKER delivered presentation on the topical issue of the Investments in the EC New Member states. He outlined the opportunities for funding the restructuring of Infrastructure in the new EU Members States in the years 2007 – 2013 and the plans of some Members States, namely Poland, Czech Republic, Slovak Republic and Hungary for the investments meeting the criteria/eligibility for receiving the EC funds. Participants highly valued the presentation and information received and Secretary General was asked to continue to work with UNIFE with the aim at supporting the good projects for the investments in the new MS and assuring that the available funds will have an impact on the increase of the turnover of our industry including contractors - members of EFRTC.

Conferences & Seminars

June 6, 2008 Munich, Germany
EFRTC General Meeting

June 18 – 19, 2008 Paris, France
UNIFE General Assembly 2008

September 23 – 26, 2008 Berlin, Germany
Innotrans 2008

October 27 – 29, 2008 Budapest, Hungary
CEE Rail 2008

December 3 – 5, 2008 New Delhi, India
Rail-Tech Asia 2008