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### Inland Transport Committee

#### Working Party on Rail Transport

Seventy-second session

Geneva, 21–23 November 2018

### Report of the Working Party on Rail Transport on its seventy-second session

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## I. Attendance

1. The Working Party on Rail Transport (SC.2) held its seventy-second session from 21 to 23 November 2018 in Geneva.
2. The session of the Working Party was attended by representatives of the following countries: Austria, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czechia, Greece, Hungary, Ireland, Israel, Italy, Luxembourg, Mongolia, Netherlands, Poland, Russian Federation, Serbia, Slovakia, Slovenia, Sweden and United Kingdom of Great Britain and Northern Ireland. Representatives from DG Move of the European Commission, from Shift2Rail of the European Union, and from the European Union were present.
3. The Intergovernmental Organization for International Carriage by Rail (OTIF) and the Project Central Office of the Trans-European Railway (TER) were represented.
4. The following non-governmental organizations were represented: Association of the European Rail Industry, European Passengers' Federation, International Rail Transport Committee (CIT), International Union of Railways (UIC), Joint-stock company United Transport and Logistics Company (JSC UTLC) Euroasian Rail Alliance, and Transport Systems Catapult.
5. Representatives of the following organizations, industry groups and academia attended the session at the invitation of the secretariat: ADY Express, BBV Consultants LLP, Benchmarking & TSI Capacity-Building, CMS Cameron McKenna LLP, Russian University of Transport and TRA consulting.

## II. Adoption of the agenda (agenda item 1)<sup>1</sup>

*Documentation:* ECE/TRANS/SC.2/229/Rev.1

6. The Working Party adopted the revised agenda.

## III. Election of officers

7. The Working Party elected Mr. K. Kulesza (Poland) as Chair and Mr. H. Groot (Netherlands) and Mr. A. Rom (Israel) as Vice-Chairs for the seventy-second and seventy-third sessions of SC.2.

## IV. Workshop on “Innovation in the railways” (agenda item 3)<sup>2</sup>

*Documentation:* ECE/TRANS/SC.2/2018/1

8. Innovation is fundamental to developing railways across the ECE region in order to understand recent developments, and for identifying good practices; SC.2 agreed at its seventy-first session to organize a workshop on “Innovation in the railways: Making the railways of the future for the region”. Discussions at the session were to build on the regular agenda item on innovation and Intelligent Transport Systems (ITS) at previous

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<sup>1</sup> Information on the session is available at [www.unece.org/index.php?id=46899](http://www.unece.org/index.php?id=46899).

<sup>2</sup> Presentations from the workshop are also at [www.unece.org/index.php?id=46899](http://www.unece.org/index.php?id=46899).

sessions of SC.2. Presentations from a number of member States, international institutions and other stakeholders updated the Working Party on innovation in the sector.

9. The opening session provided information on patent-related data on transport, and more specifically, on railways to identify the key innovation centres across the globe. The first session provided the perspectives of member States on national efforts to foster innovation in their countries, and was followed by session two on international efforts to foster innovation with speakers from international institutions and NGOs. The third session provided insights into railway system innovations focused on infrastructure and the fourth session on passenger-related innovations.

10. Member States and other delegates commented positively on the importance of this workshop which provided examples and good practice in innovation for the sector and agreed that the workshop had been very useful and a great success.

11. The Chair of the Working Party concluded by summarizing the workshop and informing delegates that a summary report of the workshop would be prepared after the meeting. As soon as the document is available, it will be circulated to delegates for comments and corrections to finalize it as soon as possible and for submission to the Inland Transport Committee (ITC) in February 2019. The Working Party will continue its efforts to produce informative and useful publications for member States.

12. The Working Party renewed discussions on how to foster innovation in railways following the workshop “Innovation in the railways: Making the railways of the future for the region” and requested that the secretariat prepare a summary document of the workshop for future sessions of the Working Party.

## **V. European Agreement on Main International Railway Lines (agenda item 4)**

*Documentation:* ECE/TRANS/SC.2/2018/2, ECE/TRANS/SC.2/2017/6 and Corr.1, Informal document No. SC.2 No. 2 (2018), ECE/TRANS/SC.2/224, C.N.380.2018.TREATIES-XI.C.3

13. The European Agreement on Main International Railway Lines (AGC) currently has 27 contracting parties.<sup>3</sup> Detailed information on AGC, the up-to-date and consolidated text of AGC (ECE/TRANS/63/Rev.3), a map of the AGC network, an inventory of minimum standards stipulated in AGC and the Depository Notifications are available on the website of the Working Party.<sup>4</sup>

14. The Working Party took note of the secretariat efforts to increase the number of contracting parties to AGC. In particular, the secretariat made the most of some key international railway events to explain the importance of, and disseminate information on, AGC both within and outside the ECE region.

15. The AGC Administrative Committee recalled that at its seventy-first session in November 2017, it had adopted the amendments set out in ECE/TRANS/2017/6 and Corr.1, and had requested the secretariat to proceed with the depository notification. C.N.380.2018.TREATIES-XI.C.3 was accepted on 14 August 2018. The secretariat

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<sup>3</sup> Albania, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czechia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Poland, Republic of Moldova, Romania, Russian Federation, Serbia, Slovakia, Slovenia, the former Yugoslav Republic of Macedonia, Turkey and Ukraine.

<sup>4</sup> [www.unece.org/trans/main/sc2/sc2\\_AGC\\_text.html](http://www.unece.org/trans/main/sc2/sc2_AGC_text.html)

informed the Administrative Committee that objections had not been received and the amendments entered into force.

16. The Administrative Committee was informed that the secretariat had received a proposal for amendment to Annex I of AGC from the Russian Federation (Informal document No. 2 (2018)). The secretariat explained that for these modifications to be submitted to the depository, they need to be submitted as a formal document. This will be prepared by the secretariat for the seventy-third meeting of the Working Party where the next Administrative Committee meeting will be held.

17. The secretariat explained that it is exploring ways to better disseminate visual representations of AGC through the website and would make proposals at the next session of the Working Party, following the upgrade of the ECE website which may introduce new functionalities.

18. The Administrative Committee of AGC noted that the amendments agreed in ECE/TRANS/SC.2/2017/6 had been notified to the depository and that they had entered into force as objections had not been received. It asked the secretariat to send the amendments in ECE/TRANS/SC.2/2018/6, as agreed at the sixty-ninth session, to the depository and to prepare a formal document for the amendment proposals submitted by the Russian Federation. Finally, the Administrative Committee asked the secretariat to prepare an updated consolidated version of AGC with these changes for the seventy-third session of the Working Party.

## VI. Rail Security (agenda item 5)

*Documentation:* ECE/TRANS/SC.2/2018/2, presentations by SC.2 and by WP.29 secretariats

19. The Working Party was informed about the “Workshop on Rail Security”, that had been organized with UIC and the International Transport Forum (ITF) for the ITF Annual Summit in Leipzig, Germany in May 2018. The main conclusions are in ECE/TRANS/SC.2/2018/2. The workshop was well received, and the secretariat received positive feedback. Over 30 participants attended the workshop, representing countries and railways from within and outside the ECE region. The workshop covered areas of passenger, freight and infrastructure security as well as cybersecurity.

20. The Working Party recalled that the secretariat had developed an advanced web-based platform on rail security which can operate as an international observatory on rail security issues (hence the Rail Security Observatory), where stakeholders can:

- (a) Disseminate ad hoc knowledge and best/good practices;
- (b) Exchange information about projects and other initiatives/proposals; and
- (c) Seek cooperation on specific rail security projects/tasks/studies and research initiatives agreed upon during SC.2 sessions and other events, and focus on developing definitions.

21. The Working Party took note that, before the above-mentioned workshop, the Rail Security Observatory had been revamped and upgraded, in particular, with the addition of a news section. The new interface was displayed during the session.

22. The Working Party took note that, following discussions at the seventieth and seventy-first session of SC.2, the secretariat had sent a letter to member States requesting the nomination of a focal point to upload information on the electronic space. To date, the

secretariat had created access to the electronic space for 19 users. The secretariat provided information on how to obtain access to the electronic space.

23. In addition to the presentation on the Rail Security Observatory, UIC presented the recent activities of their security platform, and secretariat from the Working Party on Automated/Autonomous and Connected Vehicles presented countering cybersecurity threats in connected mobility.

24. The Working Party welcomed the results of the workshop on rail security and the update by the Rail Security Observatory, and asked the secretariat to keep it informed of developments in this area. The Working Party also reminded member States to notify the secretariat of focal points for rail security.

## **VII. Euro-Asian rail transport (agenda item 6)**

*Documentation:* presentation by EATL secretariat, presentation by JSC UTLC ERA

25. The secretariat informed the Working Party about the progress of work in the Group of Experts on EATL, the completion of the EATL Phase III and the results of the international conference on “Making Euro-Asian Transport Corridors Operational” (3 September 2018). The secretariat explained that the international conference focused its work and discussions on future cooperation among governments, International Financial Institutions (IFIs), private sector and the ECE secretariat in order to further facilitate development on EATL corridors, on elimination, if possible, of non-physical obstacles and to make inland transport a major contributor to economic development and trade facilitation in the region.

26. EATL Phase III has shown that rail and road transportation on Euro-Asian corridors supplements rather than competes with maritime transport, providing alternative delivery options, especially for high value and time-sensitive cargo, including in the context of the growing e-commerce between Asia and Europe. Inter alia, there has been a significant increase in the number of container block train services and rail freight volumes on EATL routes, in particular for information technology equipment and car manufacturing industries. However, reform of the railway sector remains, i.e. streamlining administrative requirements, and encouraging harmonization of infrastructure, equipment and facilities on the routes to enhance technical and operational interoperability.

27. The delegate from JSC UTLC Euroasian Rail Alliance presented the current work with the Euroasian Rail Alliance Index (ERAI). The Working Party noted the importance of this work.

28. The Working Party reiterated its support for the EATL project and encouraged the rail sector to get increasingly involved in discussions linked to this activity. It also asked the secretariat to add ERAI to this agenda item in future sessions.

## **VIII. Trans-European Railway project (agenda item 7)**

*Documentation:* ECE/TRANS/SC.2/2018/4, presentation by TER Project Manager

29. The Project Manager of TER, Mr. G. Bessonov reported on the activities of the TER Project for 2017 (ECE/TRANS/SC.2/2018/4). The work of the TER Steering Committee had focused on facilitation and development of coherent and efficient international railway and combined transport system in the Central and Eastern European countries (through the territories of the TER countries and between them and other European countries),

contribution to reducing congestion in Central and Eastern Europe and reduction of environmental and safety problems on major international railways of those countries.

30. The Working Party welcomed the work in the TER project and encouraged member States to intensify their work in this area.

## **IX. Towards unified railway law in the pan-European region and on Euro-Asian transport corridors (agenda item 8)**

*Documentation:* ECE/TRANS/274, ECE/TRANS/2018/13/Rev.1, Informal document SC.2 No.3 (2018), Informal document SC.2 No.5 (2018), Informal document SC.2/GEURL No.6 (2017)

31. The Working Party recalled that ITC at its eightieth session (23 February 2018) and the Executive Committee of the Economic Commission for Europe had approved the extension of the mandate of the Group of Experts on Unified Railway Law for two more years under new terms of reference (ECE/TRANS/2018/13/Rev.1 and ECE/TRANS/274, para. 69). The Group of Experts held two meetings in 2018 (seventeenth session, 9-11 July 2018 and eighteenth session, 29-31 October 2018). The group had focused on the agreed Terms of Reference as set out in ECE/TRANS/2018/13/Rev.1.

32. The Working Party took note of the progress of the Group of Experts in particular on developing a consignment note for URL and on progress with the pilot tests. The Working Party also took note of the information in Informal document No. 3 (2018) on presenting URL as a new ECE statutory instrument for the international transport of goods by rail and Informal document No. 5 (2018) with the letter and additional information to be sent to member States to facilitate further collaboration and participation in the pilot tests. The Working Party asked the secretariat to not send the letters until member States and international organizations had commented on the text annexed to Informal document No. 5 (2018). It was agreed that two weeks would be allowed for these comments and that in the meantime the documents would be annexed to this report.<sup>5</sup>

33. The Working Party welcomed the progress in preparing URL and asked member States and railway undertakings to intensify their work in preparing and finalising the pilot tests. The Working Party asked the secretariat to add the additional material discussed at the session as an annex to the report of SC.2.

## **X. Railway infrastructure financing and Public-Private Partnerships (agenda item 9)**

*Documentation:* Presentation by Mr. Naresh Bana

34. The Working Party recalled the discussions on good practices in implementing Public-Private Partnerships (PPPs) in railway infrastructure development, and on the development of standards while implementing PPP projects.

35. On this issue, Mr. Bana, the project team leader under whose auspices a ECE standard on PPP in railways was prepared, presented the new Standard that contains policy

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<sup>5</sup> The final version of the URL Consignment Note could not be annexed to this report and is included in the final version of the letters and the eighteenth session of the GEURL report. The Legal Regime for Unified Railway Law can be found in Informal document SC.2/GEURL No. 6 (2017).

recommendations targeting governments which are considering the development and implementation of private-public partnerships in the railway sector.

36. The Working Party noted the information on railway infrastructure financing and asked the secretariat to continue providing information on this at future sessions.

## **XI. Master Plan on High-Speed Trains (agenda item 10)**

37. The Working Party was informed about developments in the TER High-Speed Rail Masterplan Phase II and the consultant who would soon be hired to carry out this work.

38. The Working Party welcomed the information on the High-Speed Rail Masterplan and asked the secretariat to provide updates at its next session.

## **XII. New convention on the facilitation of crossing of frontiers for passengers and baggage carried by rail (agenda item 11)**

*Documentation:* ECE/TRANS/SC.2/226, para. 34, ECE/TRANS/WP.30/2018/6/Rev.1, Informal document SC.2 No. 2 (2017), Informal document SC.2 No. 6 (2017)

39. The Working Party was informed by secretariat of the Working Party on Customs Questions affecting Transport (WP.30) about the progress in the discussions on the draft convention. Currently, an official working version of the full text is available in English, French and Russian as document ECE/TRANS/WP.30/2018/6/Rev.1. At the end of discussions at the 150th session of WP.30 in October 2018, an intermediate text of the draft had been prepared reflecting the proposals of the Russian Federation to modify the final clauses of the convention with account of the positions taken by Turkey and the European Union, as well as the proposals of Turkey to modify article 27. The intermediate text was considered by the Treaty Section of the United Nations Legal Department which supported the proposals of the Russian Federation, and identified a number of issues of a technical treaty law nature with the Turkish proposal.

40. Thus, the draft convention would be finally considered at the 151st session of WP.30 in February 2019 and, if approved, submitted for approval to the ITC session in February 2019.

41. The Working Party welcomed the progress on the new convention on the facilitation of crossing of frontiers for passengers and baggage carried by rail, and supported the work of WP.30 towards adopting the final text of the convention at its February session and transmission to ITC for adoption during its next session (February 2019).

## **XIII. Intelligent Transport Systems and other technological applications for Rail Transport (agenda item 12)**

*Documentation:* ECE publication, Intelligent Transport Systems (ITS) for sustainable mobility (2012), ECE/TRANS/SC.2/2018/1

42. The Working Party recalled that this agenda item considers activities on the monitoring of ITS and other technological applications developments in rail transport and provides a platform for exchanging information and best practices. See also the workshop in agenda item 3.



## **XIV. Productivity in Rail Transport (agenda item 13)**

*Documentation:* Informal document SC.2 No. 2 (2016), informal document SC.2 No. 3 (2017)

43. The Working Party recalled that at its seventieth session, it had taken note of the information from the secretariat on the revised and fine-tuned rail productivity indicators on the basis of government's comments, and approved as amended the revision, and reviewed the rail productivity indicators results from railway undertaking (Informal document SC.2 No. 2 (2016)).

44. The Working Party noted that at its last session, it had discussed information received on productivity indicators. It discussed how the information had not been extensive (five responses) even following an extension of the deadline. The Working Party recalled how important it was to continue working on the productivity indicators.

45. The Working Party asked the secretariat to resend the questionnaire early in 2019 to facilitate the collection of information and to update the work before the next SC.2 session.

## **XV. Climate Change and Rail Transport (agenda item 14)**

### **A. Group of Experts on Climate Change Impacts and Adaptation for Transport Networks and Nodes**

*Documentation:* ECE publication Climate Change Impacts and Adaptation for International Transport Networks

46. The secretariat informed the Working Party about the publication and the continuing work of the Group of Experts.

47. The delegation from the Russian Railways provided the Working Party with statistics for the Russian Railways in the Russian Federation, which currently account for less than 1 per cent of total national pollution. The implementation of the environmental strategy of JSC Russian Railways in 2017 compared to 2016 led to decreased atmospheric emissions by 3 per cent from stationary sources, decreased discharge by 2 per cent into surface water bodies, and neutralized waste by a further 1 per cent in terms of economic circulation. In 2017, the company planted over 1.3 million trees as part of the "Green Million" campaign. Further measures to reduce negative environmental impacts were the construction or reconstruction of 21 boilers and 13 waste treatment facilities. A total of 459 units of modern rolling stock were brought into service and five units which had negative environmental impacts were decommissioned.

### **B. Climate Change mitigation: Presentation of the For Future Inland Transport Systems' tool of the United Nations Economic Commission for Europe**

48. The Working Party was informed by the secretariat about the developments in the For Future Inland Transport Systems (ForFITS) tool in 2018, in particular the finalisation of the ForFITS run undertaken for the Environmental Performance Review of Albania. Further work in this area was planned for 2019.

49. The Working Party took note of the information and requested that the secretariat continue to provide information on this topic going forward given its importance in achieving the Sustainable Development Goals.

## **XVI. Railway Reform (agenda item 15)**

*Documentation:* ECE publication “Railway Reform in the ECE Region” (2018), presentation from the Rail Delivery Group

50. The Working Party was updated on developments, particular on the “Railway Reform in the ECE Region” that had been prepared following the workshop on this subject at the seventy-first session of the Working Party, and which was published on the ECE website in three languages in the first half of 2018. The publication has received very positive feedback and has been downloaded over 100 times since its publication. The Working Party noted developments provided by the Rail Delivery Group from the United Kingdom of Great Britain and Northern Ireland as well as interventions from the European Commission and the European Passengers’ Federation.

51. Azerbaijan Railways (ADY) presented current developments in Azerbaijan. ADY is the national state-owned rail transport operator in the Republic of Azerbaijan. ADY operates in both passenger and freight sectors, freight and passenger tariffs have been liberalized. In 2016 Azerbaijan Railways CJSC (“ADY”) launched the Railway Sector Development Program. ADY has also prepared corporate, institutional, financial and labor reform objectives.

52. Currently, ADY has launched structural changes accompanied by the establishment of operational and institutional autonomy, including in freight and passenger tariffs setting; adopted and started to implement a detailed plan to establish Operations Management System, started implementation of number of human resource initiatives, including ADY skills development program; centralized procurement process and established the Property Management subsidiary and supply chain department to lead reforms on warehousing and inventory management.

53. Furthermore, ADY is pursuing reforms on corporate governance standards; a corporate restructuring plan; subsidy solutions for loss making segments; as well as several outsourcing initiatives amongst others.

54. The Working Party welcomed the update on railway reform from the delegations and the secretariat and asked that this topic remain on the agenda for future discussions.

## **XVII. Facilitation of international rail transport in the pan-European region (agenda item 16)**

### **A. Facilitation of rail border crossings**

55. The Working Party recalled that at the last session, it took note of the information from the secretariat and approved the action plan on possible implementation mechanisms of the provisions in the new annex 9 to the “Harmonization Convention” for the facilitation of rail border crossings in the pan-European region. The secretariat emphasised the importance of carrying forward the work in understanding the effectiveness of annex 9 in member States.

56. The Working Party asked the secretariat to update it on developments in the Harmonization Convention at the seventy-third session of the Working Party.

## **B. Harmonization of technical specifications on different railway systems**

57. The Working Party took note that no new information had been received about this agenda item and asked the secretariat to update it on developments in the harmonization of technical specifications on different railway systems at the seventy-third session of the Working Party.

## **XVIII. Rail Review (agenda item 17)**

*Documentation:* ECE/TRANS/SC.2/2018/3

58. The Working Party recalled that at its sixty-seventh session, it had approved the draft questionnaire for the rail review publication, which would be sent to countries and rail authorities for the collection of data. At its seventy-first session, the Working Party noted that the questionnaire covered a number of areas in other agenda items in, for example, railway reform, productivity, PPPs and infrastructure. The Working Party also noted that data had been received already on productivity and a publication was planned with detailed information covering question 3 of the rail review questionnaire on rail reform (see the agenda item 15 above).

59. The Working Party was informed that the secretariat with UIC, sought information for question 2 of the questionnaire. The Working Party expressed its gratitude to UIC for assisting in collecting this information. The categories of information are available in ECE/TRANS/SC.2/2018/3. The secretariat explained that rather than publish the raw information, as identified in this document, the secretariat is exploring ways to visualise this information appropriately for example through the use of GIS. The secretariat explained that it was exploring the best way to do this, including through the gathering of additional data and would report back to the Working Party at its seventy-third session.

60. The Working Party thanked UIC and the secretariat for the work on the rail review and asked the secretariat to supplement the data received with publicly available information and to prepare a database and GIS information to provide member States with easily accessible information on rail infrastructure.

## **XIX. Rail statistics (agenda item 18)**

*Documentation:* ECE/TRANS/SC.2/2017/4, presentation WP.6 secretariat

61. The Working Party recalled that it continues to work closely with the Working Party on Transport Statistics (WP.6) on rail issues, for example, on developing the productivity indicators. The Working Party recalled that in 2017, WP.6 held a workshop on rail statistics. The secretariat updated the Working Party on the main activities of WP.6 of relevance to SC.2, in particular efforts to visualize the results of the E-Rail census which facilitates the identification of opportunities for modal shift to rail and tracking developments in EATL.

62. The Working Party welcomed progress on rail accident data gathering, the Glossary and other activities of WP.6 as well as the level crossings data and asked to be kept informed of developments in rail statistics going forward.

## **XX. Group of Experts on Improving Safety at Level Crossings (agenda item 19)**

*Documentation:* ECE/TRANS/221, ECE/TRANS/WP.1/GE.1/17,  
ECE/TRANS/WP.1/GE.1/19, Informal document SC.2 No. 5 (2016),  
ECE/TRANS/WP.1/2017/4

63. The Working Party recalled that at its last meeting, it had been informed by the secretariat that the work of the Group of Experts had been completed. The secretariat set out the main recommendations from the final report. The secretariat noted that as the work on this area has been completed and that data gathering for the sector was wider than just in relation to level crossings data that the Working Party may wish to consider widening the scope of this agenda item to rail safety as a whole.

64. The Working Party agreed that, given the safety data that is currently being gathered through the Working Party on transport statistics is wider than just on level crossings, and that safety is a topic of significant importance to the railways, that this agenda item be widened to cover all aspects of rail safety.

## **XXI. Activities of Inland Transport Committee and its subsidiary bodies of the United Nations Economic Commission for Europe (agenda item 20)**

*Documentation:* ECE/TRANS/274

65. The Working Party noted the update from the secretariat on activities of ITC and welcomed developments in the new ITC strategy.

## **XXII. Activities of the European Commission in rail transport (agenda item 21)**

*Documentation:* ECE/TRANS/SC.2/2018/7

66. The Working Party was informed by the representative of European Commission of the European Union (EC) about its most recent developments (ECE/TRANS/SC.2/2018/7).

67. The Working Party noted the updated information from EC and asked that it continues to update member States at future sessions of SC.2.

## **XXIII. Activities of international organizations in rail transport (agenda item 22)**

*Documentation:* Informal document SC.2 No. 7 (2018)

68. The Working Party was informed by OTIF and CIT about their activities in 2017.

69. The Working Party noted the update from the international organizations and asked that they continue to update member States at future session of SC.2.

## **XXIV. Other business (agenda item 23)**

*Documentation:* ECE/TRANS/SC.2/2018/5

70. The Working Party discussed options for the workshop of the seventy-third session. Given the success of recent workshops, it was important to ensure that an important topic was selected. Based on the proposals set out in ECE/TRANS/SC.2/2018/5 the following topics received the most interest:

- Making rail freight more competitive and the coordinated development of the rail network with a focus on how to work together at the government and sectoral levels on EATL.
- The development of international passenger rail transport on the context of ITC resolution No. 264.

71. The Working Party agreed that the first topic would be the workshop for the seventy-third session of the Working Party and that the second topic would be the workshop for the seventy-fourth session of the Working Party with an understanding that discussions on international passenger rail transport would continue to be discussed at the seventy-third session within the normal course of the meeting and as a preparation for the workshop of the following year.

## **XXV. Date and venue of next session (agenda item 24)**

72. The Working Party's seventy-third session is tentatively scheduled to take place in Geneva from 25 to 27 November 2019.

## **XXVI. Adoption of decisions (agenda item 25)**

73. As agreed on and in line with the Working Party decision of its fifty-second session (TRANS/SC.2/190, para. 6), the Working Party reviewed the main decisions of the session, and the secretariat, in cooperation with the Chair and Vice-Chairs prepared the present report.

74. The Working Party agreed to adopt the amended decisions as discussed during the session and set out in Informal document SC.2 No. 6 (2018).

## Annex I

### **Letter inviting to testing the Legal Regime for Unified Railway Law**

Excellency,

I am pleased to inform you about the work that has been done so far on the Unified Railway Law and kindly ask the Railway Authorities of your country to actively participate in the preparation of pilot tests along the corridors [specific counties along the corridor], in order to test the draft legal provisions in practice.

International rail transport is currently disadvantaged by non-harmonized legal regimes and by the practice of different types of consignment notes and varying liabilities. A new UN legal instrument is essential to eliminate non-physical obstacles which for years have impeded on railways' competitiveness compared to other modes of transport. The Unified Railway Law (URL) harmonizes international rail transport the same way that air, maritime, road and inland water transport have been governed by international treaties for decades.

The ECE Sustainable Transport Division has been working since 2010 on the development of legal provisions towards a Unified Railway Law. The application of the Unified Railway Law will eliminate inefficiencies by providing one legal regime for international rail transport and one single consignment note. Instead of operating with multiple or national legal regimes, countries will apply only one law. With no extra costs and no extra time, railways will become more competitive and markets will have an efficient and effective transport alternative.

The Group of Experts towards Unified Railway Law during this two year mandate (2018-2019) is: a) monitoring the finalization of necessary documents; b) monitoring the performance of a substantial number of real pilot tests to be carried out by the railway companies; c) drafting a document (or systems of documents) on Unified Railway Law which could be adopted as a legally binding instrument and d) discussing other relevant issues related to international rail freight transport with a view to adding, where appropriate, provisions to the document on Unified Railway Law.

The Group of Experts, at its last session (29-31 October 2018, Geneva), approved an ad hoc consignment note for the real pilot tests of the URL. To this end, calling upon your Government adoption of the ITC resolution of the 78th session, with which commitment was expressed to working together to establish unified legal conditions for railways, equivalent to those that exist already for many years for the other modes, I would like to invite the [specific railway undertaking] to participate in the tests along with railways undertakings from [specific counties along the corridor other than the recipient of the letter]. I would further like to request your Ministry authorization for the test, should it be necessary.

In this context, I would like to inform you that even though the URL is not in force, it is possible to apply its provisions on the basis of a mutual agreement between the parties to the contract of carriage, for example, as part of general terms and conditions, and thus to test its application.

The draft URL provisions together with the ad hoc consignment note that should be tested are enclosed to this letter for your convenience. So is an information note describing the URL and its advantages.

The Group of Experts would welcome to receive the results of first series of tests for discussing them at the next meeting to understand if any further adjustments to the Unified Railway Law provisions might be required. This next meeting is scheduled to take place from 2 to 4 April 2019. To this end, I kindly ask your support to starting the preparation to the tests as soon as possible and to carrying out first tests in the first quarter of 2019. Moreover, I do hope that experts from your country will be present at the April meeting to share the potential results.

The secretariat stands ready to facilitate any necessary contacts between [specific railways undertaking] and its counterpart railway undertakings [in specific countries along the corridor other than the recipient of the letter]. The resource person from the secretariat is Mr. Lukasz Wyrowski (Lukasz.wyrowski@un.org, +41 22 917 4053).

Please accept, Excellency, the assurances of my highest consideration

## Annex II

### **Presenting the Unified Railway Law (URL) as a new ECE statutory instrument for the international transport of goods by rail**

#### **I. Goal of the Unified Railway Law**

Rail companies are not covered by one uniform legislative system suitable for their growing freight volumes between Europe and Asia. This differs from the other modes of transport: road transport is subject to the Convention on the Contract for the International Carriage of Goods by Road (CMR), maritime transport is covered by the Hague Visby Rules and air traffic is covered by the Montreal Convention. A large number of freight forwarders and the relevant rail companies believe they are at a serious disadvantage, and they regret this state of affairs.

The reason is simple and twofold. The longer the distances for cargo transportation, the more important it is to the customers of the freight forwarders that their cargo be processed in a quick and straightforward manner at borders. In addition, these customers want recourse to make claims in the event of losses.

The lack of a single legal framework puts rail operators at a considerable competitive disadvantage vis-à-vis other modes of transport, especially road and maritime freight. A reconsignment of the goods is necessary at the handover point between the CIM and SMGS freight law systems. This also frequently requires consignment notes to be transferred from CIM to SMGS, which results in additional costs and delays in transporting goods. Moreover, the fact that there are two freight law conventions means that customers face serious hurdles identifying and enforcing claims in the event of cargo losses.

Unified Railway Law (URL) aims at, and is capable of, resolving these problems. It offers railway undertakings and their customers the opportunity to conclude a single contract of carriage for specific international transport of goods by rail (in particular between Europe and Asia) and to apply to this contract a single international legal regime by means of a joint declaration (known as an opt-in).

The contract of carriage then is accompanied by a single URL consignment note that is subject to just one legal regime.

URL establishes a uniform international legal framework for rail freight transport between the participating states. Its provisions take priority over national laws as well as over CIM and SMGS regulations if the parties to the contract of carriage opt to apply URL to their contract. Such a decision – the use of the URL consignment note – eliminates the need to reconsign the goods at the border between the CIM and SMGS systems.

URL is a voluntary choice for the contracting parties. It will continue to be possible to apply CIM and SMGS systems for carrying goods between Europe and Asia if the parties choose not to apply URL for a specific consignment. In this case, it will once again be necessary to conclude two contracts of carriage, one under CIM and another under SMGS systems, and the consignment needs either two consignment notes or a single CIM/SMGS consignment note.



If the contracting parties agree to use URL, then it will apply in full (Article 3 § 1 URL). Specific exemptions from URL are possible only if they are explicitly provided in the URL's provisions.

## **II. Basic outline of URL**

Unified Railway Law has been developed from the CIM 1999 and the SMGS 2015 systems and other international conventions for other modes of transport. For the most part, the corresponding provisions of CIM and SMGS have been included. Where those systems differ, e.g. for the carrier's liability, compromises were found to draw up the relevant URL provisions. To make the law simpler, clearer and easier to use than the CIMS and the SMGS systems, certain provisions of lesser importance have not been included in URL (for example, declarations of value, interest in delivery, cash on delivery, rail-sea traffic and nuclear incidents).

## **III. URL's advantages**

The choice of URL by the parties to the contract entails a number of advantages:

1. Application of a single, simple and clear legal regime that focuses only on the main aspects of rail freight transport. This regime covers the entire transport route from the premises of the consignor to those of the consignee. It is thus not necessary to take into account multiple freight transportation regulations and their different contents.
2. Use of a single consignment note that no longer has to comply with two regulatory systems as the CIM/SMGS consignment note.
3. Consideration of the preferences of the parties to the contract by strengthening their freedom of contract. The parties to the contract of carriage can decide on many of the details of the contract to suit their individual needs.
4. Inclusion of certain complementary transport with other modes of transport (multi-modal transport) to the application of URL. For example, container transport by road in vehicles or barge that is becoming increasingly important as a means of moving freight between senders and transshipment terminals, and from arrival terminals to recipients can be assumed as contract of carriage in the framework of URL.
5. A single system for liability covering loss, damage or delay in delivery applying to all railway undertakings participating in end-to-end transport, and no need to comply with the different liability regulations of varying legal systems.
6. A minimum liability level for the carrier with specific upper compensation thresholds. However, the parties to the contract can agree to specify a higher liability threshold for the carrier. In certain situations, the consignor's liability can be limited to the same level as the carrier's liability.

All in all, Unified Railway Law gives rail operators and their customers the ability to move freight in a quick, cost-effective manner on routes between Europe and Asia, based on a uniform legal regime that entails little administrative work.

## IV. Pilot phase

Following the ministerial declaration on Unified Railway Law (23 February 2013, Geneva), the ECE Inland Transport Committee, in its resolution of 26 February 2016, called upon railway undertakings and their international organisations to test the new statutory provisions in practice whenever possible.

URL has not yet formally entered into force. However, it is possible to apply its provisions now on the basis of a mutual agreement between the parties to the contract of carriage, for example as part of general terms and conditions. The precise nature of URL in legal terms (i.e. will it be an international convention) remains to be finalised.

Following the completion of the final version of the URL consignment note for pilot transport using URL provisions, a key point was reached from which the real pilot test can be undertaken. All interested railway undertakings involved in rail freight carriage between Europe and Asia are invited, once again, to participate in pilot tests on the application of URL. To this end, they are recommended:

- To obtain the backing of the relevant government authorities for conducting the URL tests, if required, and
- To work with the relevant railway undertakings to identify suitable corridors and connections, and to clarify any practical questions that are still outstanding.

## V. Outlook

Large sums of money are currently being invested in important infrastructure projects along a number of Eurasian rail corridors: the objective is to facilitate and accelerate rail freight transportation on routes of over 10,000 km. These projects also need a set of straightforward, clear legal provisions for the contract of carriage in order to see an increase in traffic. Unified Railway Law would be an ideal solution. It does not require large investment, merely the collective decision to apply it.

To recap: Unified Railway Law would, for the first time, offer rail undertakings and their customers, as is the case for transport by road or maritime transport, the possibility to perform rail freight carriage on the routes of over 10,000 km under one legal system with one contract of carriage and one consignment note.

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