

**International
Rail Transport Committee**

Editorial

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Motivating the right organisations to make quality improvements



Slowly but surely, passengers are becoming aware of their new rights. Claims and applications for refunds have increased dramatically and likewise the compensation paid out by the railways. Finding ways for the carriers to account for these between themselves is therefore becoming more and more urgent.

There is no question but that a simple and cost effective means of dividing up the out-payments must be found. There is also no question but that the compensation must be borne by the railway responsible for the event, not just for reasons of equity but also to improve quality. An organisation which has to bear the costs of service failures has every interest in investigating their causes and finding ways and means to take action to resolve them.

However, we must also take into account that some of the delay is not caused by carriers themselves but is infrastructure related (signalling problems, engineering work, congestion, etc.) Accordingly, in these cases, systems and processes which allow the obligations to be passed on to the infrastructure manager are required. In this case too, it is not only a question of justice and equity but ensuring that pressure to improve quality is applied in the right place.

Over the next few months the CIT will concentrate on work in these areas. The *Agreement concerning the Relationships between Carriers in respect of International Passenger Traffic by Rail (AIV)* is to be expanded so as to provide a standard method to allocate amounts paid out in compensation for delays, fairly but economically. In parallel, liability for delays will be regularised in the *European GTC of Use of Railway Infrastructure*; the CIT is about to resume negotiations with *RailNetEurope (RNE)* to finalise these issues.

Otherwise, as you will see from this edition of CIT Info, our association and all its members are on track as far as passengers' rights are concerned. It is particularly welcome that passengers' representatives regard the railways as by and large having applied EU Regulation 1371/2007 properly. That there are still points of detail to clarify is in the nature of such things.

Thomas Leimgruber
Secretary General to the CIT

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Transport Law and Policy

Eurasian traffic by rail from Vienna to Vladivostok

The project to extend the broad gauge (1520mm) right through to Vienna, a project which has been planned by Russian Railways (RZD) in conjunction with the railways of Austria (ÖBB), Slovakia (ZSSK) and the Ukraine (UZ) seems firm. Feasibility studies will be completed before autumn this year. The project planning stage will follow from 2011 to 2013. Provided finance is forthcoming, construction will start in 2013. If everything runs to time, the first trains will run in 2016.

Seventy per cent of the route is in Slovakia. The construction of a 560 km long section from Košice on the Eastern frontier of Slovakia to the Vienna-Bratislava area will be necessary. According to current estimates, the total costs of the work amount to 4.7 billion euro. The Slovak Ministry of Transport calculates that the new line will pay for itself with fourteen trains a day each way, each with 3 000 tonnes of freight. By comparison with the route by sea, the broad gauge line will reduce transit times between Asia and Europe from twenty-five to fifteen days.

Discussions at the highest level

The fact that the project was the subject of discussions in Brussels on 4 & 5 May 2010 between the European Commission's Commissioner for Transport, Siim Kallas, and the President of RZD, Vladimir Yakunin, makes it apparent that the project is not just a pipe-dream. Ferdinand Schmidt, CEO *Produktionsmanagement* of Rail Cargo Austria has already made it clear in an

interview with the *Deutsche Verkehrszeitung* that he sees no competitive threats in the expansion of the broad gauge network but rather sees it as a sensible complementary offer for the benefit of existing traffic to and from Asia and as a general strengthening of the rail business to and from the East.

The extension of the broad gauge to Bratislava will mean that trains will be able to run from Austria to China without transshipment, or in other words that the Trans-Siberian Railway is being projected into Central Europe.

Creating the correct legal framework

What has this project to do with COTIF and the CIT? If it is constructed, the right legal framework must be in place in good time. Through trains from Vienna to Vladivostok must never have to stop at the frontier just for "reconsignment".

The intergovernmental organisations, with OTIF in Bern and the OSJD in Warsaw in the lead, but also including the UNECE in Geneva and the ECO in Tehran, will therefore do well to monitor this project closely. They may need to move quickly. At the same time that physical work starts on the new link, an international transport law building site needs to be created.

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Original: DE



From Vienna to Vladivostok: complete technical and legal interoperability soon!

Passenger Traffic

Taking stock after five month of the PRR

It was worth taking the trouble. That applies just as much to the work on the General Conditions of Carriage for Rail Passengers (GCC-CIV/PRR) as to the briefing given to those railway undertakings which have to apply the complex Passengers' Rights Regulation (Regulation (EC) No 1371/2007 (PRR) which came into effect on 3 December of last year).

The CIT and UIC organised a workshop jointly; it was held on 4 & 5 May 2010 in Bern. In the workshop, some sixty specialists exchanged details of their experiences of the first five months of application of the PRR, identified the unresolved issues, passed on responses and highlighted the challenges for the future.

Information provided to passengers and their reaction

ČD, DB, NS Hispeed, PKP and SNCF reported on how they had implemented the PRR. Both they and the vast majority of other railway undertakings had taken their responsibility to give information to passengers very seriously and had made their customers well aware of their new rights. In doing so, the railway undertakings had taken account of the individual features of their language, earlier practice on compensation for delays and the exemptions allowed by their supervisory authority. There have not been any raucous protests about a lack of information or unsatisfactory implementation of the PRR. The only exception noted was that Swedish consumer associations had demanded compensation for delays and cancelled trains (and finally received it on commercial grounds) although the Swedish infrastructure manager found himself obliged to close sections of line to all traffic because of exceptional snowfalls.

In addition, at the most recent meeting of the *Customer Liaison Group* (held in Brussels on 29 April 2010), passenger representatives judged that railway undertakings and their trade associations had by and large dealt with the PRR and the new situation "sensibly". An urgent issue however is to consider the various individual tickets for a through journey as one contract rather than as several.

Exemptions allowed

The joint CIT/CER list of exemptions is being progressively brought up to date. It is published in the password protected part of the CIT website. That source is most reliable for railway undertakings (the European Commission's list has not been updated since December 2009).

Application of the GCC-CIV/PRR

Participants in the workshop were informed that twenty transport undertakings apply these conditions of carriage for all their traffic or at least for their international traffic¹.

The participants in the workshop were of the opinion that since the GCC-CIV/PRR are intended as contractual terms to last into the medium term, for the moment minor changes and improvements for the benefit of passengers should only be reflected in the special conditions of carriage (SCC). The CIT's CIV Working Group, which met after the workshop, shared this view.

What are delays costing?

It is clear that the number of claims for compensation and the amounts paid out for delays from December 2009 to April 2010 have increased markedly (by 200 – 300%) by comparison with the previous year. This information was confirmed by the railway undertakings giving presentations and by UIC statistics. Nevertheless, the figures were not judged as being representative because of the severity of the winter weather. Developments in the next six months will provide further information. All CIT and UIC members are therefore reminded to report the number of claims for compensation they have received and the amounts they have paid out to the UIC Passenger Department ([oeschlaeger\(at\)uic.org](mailto:oeschlaeger(at)uic.org)).

It was likewise pointed out that the distribution of out-payments could be unequal where a railway undertaking had a high proportion of out-going traffic and the delays demonstrably arose mainly abroad or on another railway undertaking.

Practical cases and best practice

Both the topics mentioned above were examined in more detail in small workshops. They allowed practical daily work in customer service centres to be broken down in detail and permitted lively discussion. These workshops are the jewels of CIT events because they allow detailed questions to be answered, misunderstandings to be corrected, differing practices to be clarified, ideas to be exchanged and best practice to be recognised. For the CIT General Secretariat, the concerns of members provide valuable feedback for the development of material issued by the CIT and indeed for UIC leaflets and the *SCIC-NRT*.

Advance payments for personal injury

The SNCB reported on its experience with advance payments for personal injury in accordance with the PRR. This new obligation for railway undertakings (and what's more one which is not dependent on liability) provides another headache to resolve.

In the event of injury, the question arises of what is to be understood by "immediate economic needs on a basis proportional to the damage suffered" [Art. 13 (1) PRR] in an individual case.

¹ In addition, some railway undertakings apply them as a result of participation in the *SCIC-NRT* (Special Conditions of International Carriage for Journeys using Non Integrated Reservation Tickets, the former *TCV*) which are based on the GCC-CIV/PRR.



From left to right: E. Trapazzo, Chairman of the CIV Committee; I. Oberson, GS CIT.

In the event of the death of a passenger, the person actually entitled to the payment has to be precisely identified. Lastly it must be ensured that the payment of an advance can be recognised at the end of the compensation process and can be taken into account. In addition, although it may strike readers as extraordinary, care needs to be taken to avoid fraudulent claims.

What will happen next in the EU?

The European Commission is preparing an information campaign on passengers' rights when travelling by air or rail. The campaign is planned to begin in early summer using posters and leaflets. There has not yet been any information on how it is being financed or how it is proposed to display posters.

The proposals for new EU passengers' rights regulations (the *Bus & Coach PRR* and the *Maritime PRR*) are still being discussed in the Council and European Parliament. DG MOVE is drawing up proposals to amend the *Air PRR*, the proposals are intended to provide passengers with more protection in the event of loss of or damage to their baggage and severe delays.

Together with the CER, the CIT is continuing to press for a level playing field between the various modes. Both organisations are aware however that comparisons are to be made with care and of the need to take specific circumstances into account.

And in the UIC?

As the CIT's partner for technical and commercial issues, in addition to supervising the SCIC-NRT and overseeing the development of the SCIC-IRT, the UIC will champion technical standards which as a whole take account of competition, liberalisation and new ways of working together. In doing so, the UIC will also reflect the fact that the interface between two railway undertakings is no longer necessarily at a national frontier but may be at a hand-over point inland.

Liberalisation and standardisation

Liberalisation, competition and standardisation were highlighted in two presentations. The basic message was: no-one is against liberalisation of the rail industry if it is linked to adequate financing of infrastructure and of the public service obligation. Nevertheless, the financial crisis will have consequences for

passenger traffic by rail. Accordingly, before opening access to infrastructure in the various Member States completely, the existing under-financing must be remedied.

When considering the standardisation of contractual relationships, a general exception from the prohibition of agreements and concerted practices is provided by Article 101 (3) of the *Treaty on the Functioning of the European Union*². In addition, Regulation (EC) No 169/2009³ provides exceptions from the prohibition for rail, road and inland waterway traffic. As well as the purely technical aspects, the exception also applies to *the establishment of uniform rules as to the structure of tariffs and their conditions of application, provided such rules do not lay down transport rates and conditions* [Article 2 (1) g)]. This fact may and should be used in all CIT work to create standardised contractual relationships.

The CIT is not taking things easy

As has already been mentioned, the CIT's CIV Working Group met on 5 May 2010 following the workshop. It confirmed that no immediate changes would be imposed on the GCC-CIV/PRR. Some specific questions would be submitted to the NRT Working Group.

Furthermore, the working group agreed to provide mature and generally applicable solutions in the AIV to cover inequitable imbalances in out-payments of compensation. To ensure that a consensual solution can be worked out with due care, the CIV Working Group (instead of the CIV Committee) will meet in September 2010. The committee's meeting will be postponed to 2011. It will then be possible to apply the amendments to the AIV with effect from the beginning of any month desired during 2011.

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Original: DE

- 2 Agreements and concerted practices must contribute to improving production or distribution or to promoting technical progress, must allow consumers a fair share of the resulting benefit and must not impose restrictions which are not indispensable or afford such undertakings the possibility of eliminating competition.
- 3 Council Regulation (EC) No 169/2009 of 26 February 2009 applying rules of competition to transport by rail, road and inland waterway (OJEU L61 of 5 March 2009, pages 1 to 5).



Some sixty participants took part in lively discussions in the workshop.

Will the volcanic ash cloud lead to a strengthening of the rights of airline passengers in the EU?

What in fact is the extent of the airlines' liability towards their passengers in the event of the closure of European airspace because of volcanic ash? Must the airlines bear the costs of accommodation and meals for those passengers who cannot get home, do they have to organise alternative transport, are they obliged to pay the train fares of those passengers who have chosen that option or need they simply refund the airfare of those passengers who cannot travel?

Limits of passengers' rights need specifying

From the differing accounts coming from the media during the crisis, it would seem that there is no definitive answer, as yet, to the issues raised above. The Montreal Convention and Regulation (EC) No 261/2004 (Air PRR) are less clear than they seem and remain subject to interpretation. The European Court of Justice (ECJ) has already made a distinction between two types of loss in the IATA judgment (case C-344/04):

1. losses which are the *same* for all passengers and which require an immediate and standardised remedy (meals, accommodation, telephone calls), and
2. *individual* losses which are to be considered on a case by case basis.

The ECJ specified that the conditions for claiming individual compensation on the basis of the Montreal Convention may be different (and more strict) than those for claiming standardised compensation based on the Air PRR. In plain text, that means that airlines may not excuse themselves from their obligations to provide immediate and standardised assistance.

However, an airline can avoid paying compensation for cancellation of flights (between €250 and €600, depending on the flight) "if it can prove that the cancellation is caused by extraordinary circumstances which could not have been avoided even

if all reasonable measures had been taken". A volcano erupting should logically fall into this category. However the ECJ has already given a surprising judgment on the concept of "extraordinary circumstances" (case C-549/07); that may cause some passengers to hope they can get compensation despite everything. In short, only an ECJ judgment can define the limits to passengers' rights in this type of situation.

Amendment of the legislation

In February 2010, a study written for the European Commission was published; it flagged up a number of problems in the implementation of the Air PRR and made a list of recommendations to improve things, including:

- reinforcing the role of national enforcement bodies (NEB): they should be proactive and not just reactive (at present they only take action when a passenger complains),
- increasing the financial penalties for not complying with the regulation,
- amending the text of the Air PRR to align it with ECJ case law from the Sturgeon judgment (linked cases C-402/07 and C-432/07) and standardising the rights of passengers in the cases of delay and cancellation (which are currently two quite distinct situations).

As a result of the volcanic ash crisis, the Commission may be tempted to follow the recommendations of the study and to strengthen the rights of airline passengers significantly. In addition, the Commission is currently looking at how to ensure that other modes cooperate to offer alternative solutions for stranded passengers.

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The eruption of Eyjafjöll has highlighted uncertainty in European legislation on the rights of airline passengers.

Freight Traffic

Active cooperation between the claims departments of CIT member undertakings

The Freight Claims Departments' Conference held on 18 May 2010 had two objectives: firstly to inform and educate the participants and secondly to allow practitioners to provide feedback and material for the work of the CIT General Secretariat. All the aspirations and suggestions from the conference will be considered in the next meeting of the CIT's CIM Working Group.

Compensation agreements

The draft of a checklist to help members draw up their own compensation agreements was presented. The checklist will include specimen clauses and comments on how to assemble a compensation agreement as well as appendices providing a damage catalogue, loading guidelines, specific formal reports and a list of contacts. The checklist will be designed for movements of trade cars, mineral water and combined transport; it will however be possible to extend it to other segments of the market to allow customer service to be improved and costs to be reduced.

The triangular relationship between the carrier, the wagon keeper and the infrastructure manager

The Chairman, Guy Charrier (SNCF Geodis), highlighted the problem of recourse, firstly against the wagon keeper in accordance with the CUV Uniform Rules and the GCU and secondly against the infrastructure manager in accordance with the CUI Uniform Rules and the European GTC. Whilst the GCU facilitates resolution of recourse against the wagon keeper, it only applies against the infrastructure manager in a limited number of cases. It was agreed to calculate the total amounts at stake for those cases which cannot be charged to the infrastructure manager.

CIM/SMGS traffic

In addition to briefing the conference on the progress being made on the project, a comprehensive report was made on the advantages of the CIM/SMGS formal report, CIM/SMGS claims



From left to right: E Evtimov, CIT; G. Charrier, Conference Chairman, SNCF Geodis; Th. Leimgruber, Secretary General of CIT; N. Brottes, Speaker, SNCF.

handling and the principles of harmonised CIM/SMGS liability. A small group was set up to survey the aspirations of claims departments from the CIM and SMGS areas. Substantial differences concerning traffic exceeding the transit period were detected.

Claims handling

The fact that the improvements had been possible and that claims for loss and damage could be resolved more rapidly since the changes made to the freight documentation (specifically to the AIM) on 1 July 2009 was welcomed.

Some participants in the conference had studied the new models for railway undertakings working together and the arrangements for the handling of claims within these models. The discussion revealed that there is a need to provide for rules for the contractual carrier's recourse against the substitute carrier.

Networking between claims departments

The last part of the conference was given over to networking between the participants. The opportunity was provided to discuss means of improving cooperation between railways and to clarify specific unresolved claims.

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The CIT is monitoring developments in the SPECA region closely

The Project Working Group on Transport and Border Crossing set up by the United Nations Special Programme for the Economies of Central Asia (SPECA) met in Almaty at the beginning of April 2010. The meeting was chaired by Azat Bekturov, Vice-Minister, Ministry of Transport and Communications, Kazakhstan. SPECA is a joint initiative of the special commissions of the United Nations for Europe (UNECE) and Asia (UNESCAP). Taking particular account of the relevance of international rail and road transport, Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are members of this UN special programme.

The CIT's Project Coordinator for CIM/SMGS traffic took part in the meeting at the invitation of the Kazakh chairman. Following his presentation, interesting discussions with representatives of the Kazakh Ministry of Transport and rail customers took place; these discussions will help to move the project forward. The Association of National Forwarding Agents of Kazakhstan (ETCC) was strongly in favour of the use of the common CIM/SMGS consignment note for traffic to and from Kazakhstan. The fact that Russian Railways (RZD) have extended the area in which

the common consignment note is acceptable right up to the frontier with Kazakhstan is another factor in favour.

Customers in Europe likewise have an increasing requirement to consign traffic through to the Central Asian republics (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) using the common CIM/SMGS consignment note. The principal objectives at the moment are long-term planning, organisation and making trial movements to Kazakhstan. Two recent developments will help to support the achievement of these objectives: Firstly, representatives of Kazakhstan, Mongolia and China have taken part officially in the CIT/OSJD project since 1 January 2010. Secondly, a customs union between Belarus, the Russian Federation and Kazakhstan came into effect on 1 January 2010. Following up on the Kaliningrad Declaration (see CIT Info 10/2008), the CIT and OSJD are developing short and medium term action points which will be combined in their "CIM/SMGS Consignment Note for Central Asia" strategy.

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The railway to standardised law: CIM/SMGS meetings in Vilnius

The CIT/OSJD project to make the CIM and SMGS legally interoperable has started a new phase. The project will push forward further integrated solutions for transcontinental movements between Europe/Russia and Asia/China during 2010.

The project sponsors, the CIT and OSJD, in close cooperation with the international organisations UNECE, UNESCAP and the OSCE, are anxious to define tangible action points in the context of the demands made in the Appeal from Bern (see CIT Info 1/2010). These action points must lead to substantial simplification of transcontinental movement of freight by rail by means of the use of the common CIM/SMGS consignment note (together with ancillary legal instruments) and by means of the creation of appropriate CIM/SMGS conditions for liability.

The existence of two legal systems with their different conditions for liability represents a significant barrier to the free movement of international freight traffic by rail. After drawing up standardised conditions for handling and assessing CIM/SMGS claims and paying out those that are justified, the CIM/SMGS Legal Group was remitted to develop substantive provisions for liability for CIM/SMGS traffic.

The legal group held its first meeting of 2010 in Vilnius. It based its work on the table comparing liability under the CIM and under the SMGS and discussed the following aspects of harmonised CIM/SMGS liability:

- Standardised provisions for liability to customers (joint and several liability)
- Limits of liability
- Extent of liability
- Grounds for relief from liability

The legal group will also examine the following points before the next meeting:

- Standardised rules for allocating the compensation paid out between the carriers/railways (where the origin of the loss and damage is not known: allocation of the compensation paid out)
- Law to be applied
- Fast and cheap resolution of disputes

The proposals which have been drawn up for harmonising CIM/SMGS liability as part of the external and internal legal relationships will take the form of CIM/SMGS special conditions of carriage (SCC-CIM/SMGS) to be applied on a *contractual basis*. They can then be taken up at intergovernmental level for legislative purposes. In particular, the CIM/SMGS special conditions of carriage will provide an input into the informal UNECE working group on the unification of international rail transport law which has started work in the meantime (Group of Experts on Unified Railway Law).

After a detailed presentation by OTIF, the CIM/SMGS Legal Group considered the issue of subcontracting for CIM/SMGS traffic (principal contract of carriage CIM, sub-contracted under the SMGS and vice versa). Further work on this issue will be postponed for the present because neither the current SMGS nor the most recent draft of the revised SMGS provides for subcontracting.

Lastly, the CIM/SMGS Group of experts considered individual points concerning the development of the "CIM/SMGS Consignment Note Manual". The main issue in question was harmonising the procedures for wagons which are detached during a CIM/SMGS transit.

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Use of the Infrastructure

Revision of the CUI Uniform Rules: at last a clear statutory framework to restart negotiations with the RNE

Now that we know that no OTIF Member State which applies the CUI has made an objection to the revision proposed, we can be certain that the changes made to the CUI Uniform Rules in 2009 will enter into force on 1 December 2010. The revised CUI Uniform Rules will therefore apply at the end of 2010 to the following sixteen states: Albania, Algeria, Bosnia-Herzegovina, Croatia, Iran, Liechtenstein, FYR of Macedonia, Monaco, Montenegro, Poland (up to 31 December 2010), Serbia, Switzerland, Syria, Tunisia, Turkey and the Ukraine.

Withdrawal of the reservations made by EU Member States

The effect of the revision of the CUI Uniform Rules is to make them wholly compatible with EU law and in particular with Directive 2001/14/EC. There is therefore no reason for the Member States of the EU or for Norway to keep their reservations against the CUI Uniform Rules beyond 1 December.

The CIT will shortly write to the European Commission and to the Member States of the EU to ask for a general withdrawal of reservations. A coordinated initiative may also help persuade the three EU Member States (Ireland, Italy and Sweden) which have not yet ratified COTIF 1999 to do so.

The procedure to withdraw reservations is relatively simple. Just notifying OTIF will suffice. Once a state notifies its desire to withdraw its reservation against the CUI Uniform Rules, they will become applicable in that state just about immediately.

Articles of the CUI Uniform Rules which have been revised

The changes decided on by the Revision Committee which concern Articles 3, 5, 6 and 7 of the CUI Uniform Rules will not have a significant impact on the relationship between railway undertakings and infrastructure managers:

- slight change to four definitions (infrastructure manager, carrier, licence, safety certificate);
- changes to some sections on the parties to the contract (which will in future include "authorised applicants" within the meaning of Directive 2001/14/EC) and on the content of the contract (becomes less precise);
- deletion of the paragraph on the duration of the contract.

- All COTIF appendices (15)* ■
- COTIF without CUI/APTU/ATMF (23) ■
- COTIF without CIV/RID/CUV/CUI/APTU/ATMF (1) ■
- COTIF 1999 not yet ratified (4) ■
- Membership suspended (2) ■

* Montenegro (ME) ratified with effect from 1 July 2010

Disconnection clause

The only real change introduced by the revision procedure is the new Article 5bis which contains a disconnection clause in favour of EU and national law for certain aspects of the relationship between infrastructure managers and railway undertakings. This clause does not call the CUI liability regime as such into question. Rather the EU has used it to reserve a certain legislative freedom to cover aspects of liability linked to the compensation paid to passengers under the PRR and that linked to performance regimes (Article 11 of Directive 2001/14/EC). For the moment, these two areas remain in something of a legal limbo. An EU initiative is not explicitly planned in the next few months but neither is it excluded; it may perhaps appear in the recast of the first railway package.

Resumption of the negotiations with the RNE

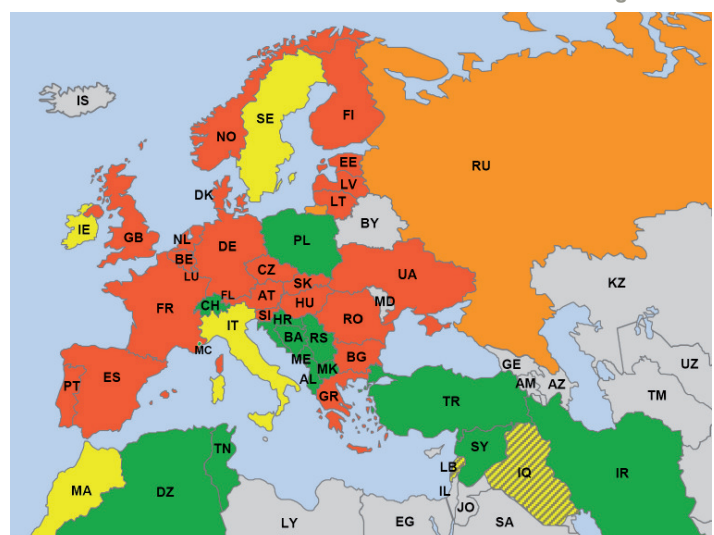
In the knowledge that CUI Uniform Rules should be applicable in all the EU Member States by the end of 2010, the CIT plans to restart negotiations with the RNE on the *European General Terms and Conditions of Use of Railway Infrastructure*. The *European GTC* implement the CUI Uniform Rules and supplement them on certain points. They have the advantage that they unify the rules applying to international and domestic traffic since they are based on the principles of the CUI Uniform Rules. It is crucial that the legal situation in this complex area is simplified and clarified, at present it is an area which is left to extremely diverse and varied national civil liability regimes.

The CIT's CUI Committee met on 12 May 2010 in Bern to redefine the CIT's mandate for these negotiations and to consider options for the points in the *European GTC* which still remain unresolved:

- liability for delays and disruption,
- the financial consequences of cancellation of train paths or restrictions in their usage.

The CIT has high hopes of being able to negotiate a balanced solution to these problems with the RNE before 1 December 2010.

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Law in practice

In this section, we publish details of legal decisions concerning rail transport and related areas of law, statements from public authorities and legal advice from the CIT General Secretariat on the practical legal issues that arise in daily life.

Payment instructions on the CIM consignment note

The CIT General Secretariat was asked what payment instructions for which costs (including ancillary charges) may be agreed as being suitable to be entered on a CIM consignment note and to what extent they then need to be checked.

For international freight traffic by rail, Article 10 § 1 CIM provides that “unless otherwise agreed between the consignor and the carrier, the charges (the carriage charge, ancillary charges shall be paid by the consignor” [Note that the English language CIM has serious mistranslations in this article]. To clarify how this provision is to be implemented, Article 8.3 of the *General Terms and Conditions of Carriage for International Freight Traf-*

fic by Rail (GTC-CIM) specifies that “an entry in the consignment note in accordance with the GLV-CIM shall indicate who is responsible for which charges”.

Point 5.2 of the *CIM Consignment Manual (GLV-CIM)* lists the options in detail.

The second sentence of Article 8.3 GTC-CIM also provides that the Customer Agreement may specify which of the payment instructions listed in Article 5.2 GTC-CIM must be used and/or if further options (lists of charges in the tariff applicable, for example) are permitted. This rule is subsidiary and must be interpreted as supplementing the first sentence of Article 8.3 GTC-CIM.

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CIT Itself

Obligation to respect CIT decisions

When the *General Conditions of Carriage GCC-CIV/PRR and the Agreement concerning the Relationships between Carriers in respect of International Passenger Traffic by Rail (AIV)* were being drawn up, the issue of members’ obligations to respect the decisions of the association arose. After an initial discussion, the Executive Committee developed the following principles:

- For decisions concerning the relationship between CIT members and customers: opting-in principle.
- For decisions concerning the relationship between CIT members themselves: opting-in principle if the commercial freedom of the CIT member requires that; opting-out principle if the system requires that to function properly.

At its most recent meeting (on 21 April 2010), the Executive Committee drew up a text incorporating a revision of the statutes to accommodate this change. It will be submitted to the CIT General Assembly (to be held on 18 November 2010).

New membership categories

In this connection, it became apparent that the concept of “membership” needed to be clarified. Current thinking is that a clearer distinction needs to be made between full members and associate members and that a new category of membership needs to be created for smaller railways which would prefer indirect membership as collective members within national associations (such as the VDV in Germany or the VöV in Switzerland).

At the same time, the system for calculating membership subscriptions also needs to be reviewed. As members will be aware, passenger issues are increasingly requiring more resources and hence the previous key (10% fixed subscription, 30% passenger traffic, 60% freight traffic) no longer seems



From left to right: T. Leimgruber, Secretary General; R. Freise, Chairman; J.-L. Dufournaud, Vice-Chairman.

appropriate. The General Secretariat was remitted to submit simulations using differing values to the next meeting of the Executive Committee.

Cooperation with the RNE and ECO

In addition, the Executive Committee took note of progress being made in various tasks. It assumed that the negotiations with RailNetEurope on the remaining two points of the *European GTC of Use of Railway Infrastructure (EurGTC)* could be taken in hand rapidly and resolved before 1 December 2010, the date on which the revised CUI will enter into force.

Lastly the Executive Committee agreed a memorandum of understanding with the *Economic Cooperation Organization (ECO)*, based in Tehran. Cooperation with the ECO has been wholly satisfactory but this memorandum will put it on a firmer basis and support the activities of the CIM/SMGS Legal Group in their task of harmonising the provisions for liability.

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Nuovo Trasporto Viaggiatori (NTV) joins the CIT

NTV is a new Italian company based in Rome. It is taking delivery of twenty-five high-speed trains and will start carrying passengers in summer 2011 on the following routes:

- Turin – Milan – Bologna – Florence – Rome – Naples – Salerno
- Venice – Padua – Bologna – Florence – Rome
- Rome – Bari

Membership as a full member took effect on 1 May 2010, subject to the approval of the General Assembly in November 2010.

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Original: DE



A new member for the CIT

**GLOBAL
RAIL
FREIGHT
CONFERENCE**

SAINT PETERSBURG, 6-7 JULY 2010

FOR MORE INFORMATION, PLEASE VISIT
[WWW.UIC-GRFC.ORG](http://www.uic-grfc.org)

Global Rail Freight Conference St-Petersburg, 6 and 7 July 2010

The second edition of the UIC Global Rail Freight Conference is one of the leading events in the international rail freight sector, dedicated to top executives and decision-makers, rail and logistics professionals, customers, influential politicians and regulators, and institutions from across the globe. The conference, supported by CIT, will feature high-level speakers from around the world who will address the most pressing issues facing the rail freight sector, notably:

- Railway transport in times of the global economic meltdown and the future recovery - Challenges and opportunities
- Legal harmonization and paperless transport
- Wagonload - Thriving in North America, surviving in Europe?
- Intermodal traffic and the future of the container

Click here for further details:

<http://www.uic-grfc.org>

CIT Diary of Events

Date	Event	Location
15/16 June	CIM Working Group	Bern
22 June	CIM/SMGS Co-ordination Group	Vienna
23 June	CIM/SMGS Steering Group	Vienna
1 September	Aftersales Agreements Group of Experts	Bern
6 September	Ad hoc-Group of the CIM/SMGS Legal Group	Warsaw
7/8 September	CIM/SMGS Legal Group	Warsaw
9 September	CIM/SMGS Group of Experts	Warsaw
21/22 September	CIV Working Group	Bern
23 September	Executive Committee 2/2010	Bern
19/20 October	CIM Working Group	Bern

Events with CIT participation

Date	Event	Place	CIT contact
17 June	UIC Passenger Messages Management Group	Paris	Max Krieg
22 June	CER Passenger Working Group	Brussels	Isabelle Oberson
23/24 June	UIC Legal Group	Madrid	Isabelle Oberson
29 June/1 July	UIC East-West Tariff Steering Group	Kolin (CZ)	Isabelle Oberson
6/7 July	UIC Global Rail Freight Conference (GRFG)	St Petersburg	Erik Evtimov
8 July	2nd Meeting of the Informal Group of Experts on Unified Railway Law	St Petersburg	Erik Evtimov
7 September	UIC Freight Steering Group	Paris	Henri Trolliet
14/15 September	UIC Commercial Group and Technical Group	Paris	Max Krieg
15 September	CER Sub-working group on Seals	Paris	Nathalie Greinus
16 September	3rd Meeting of the Informal Group of Experts on Unified Railway Law	Geneva	Erik Evtimov
21 September	CER General Assembly	Berlin	Thomas Leimgruber
4 October	UIC Freight Steering Committee	Paris	Henri Trolliet
5 October	UIC Freight Forum	Paris	Henri Trolliet
20/21 October	UIC TAP Maintenance and Development	Paris	Max Krieg
21/22 October	UNECE Working Party on Intermodal Transport and Logistics	Geneva	Erik Evtimov

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