

Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012 establishing a single European railway area (recast) (Text with EEA relevance)

CHAPTER II **U.K.**

**DEVELOPMENT OF THE UNION RAILWAYS**

SECTION I **U.K.**

*Management independence*

Article 4 **U.K.**

**Independence of railway undertakings and infrastructure managers**

1 Member States shall ensure that, as regards management, administration and internal control over administrative, economic and accounting matters, railway undertakings directly or indirectly owned or controlled by Member States have independent status in accordance with which they will hold, in particular, assets, budgets and accounts which are separate from those of the State.

2 While respecting the charging and allocation framework and the specific rules established by the Member States, the infrastructure manager shall be responsible for its own management, administration and internal control.

Article 5 **U.K.**

**Management of the railway undertakings according to commercial principles**

1 Member States shall enable railway undertakings to adjust their activities to the market and to manage those activities under the responsibility of their management bodies, in the interests of providing efficient and appropriate services at the lowest possible cost for the quality of service required.

Railway undertakings shall be managed according to the principles which apply to commercial companies, irrespective of their ownership. This shall also apply to the public service obligations imposed on them by Member States and to public service contracts which they conclude with the competent authorities of the State.

2 Railway undertakings shall determine their business plans, including their investment and financing programmes. Such plans shall be designed to achieve the undertakings' financial equilibrium and other technical, commercial and financial management objectives; they shall also indicate the means of attaining those objectives.

3 With reference to the general policy guidelines issued by each Member State and taking into account national plans and contracts (which may be multiannual) including investment and financing plans, railway undertakings shall, in particular, be free to:

- a establish their internal organisation, without prejudice to the provisions of Articles 7, 29 and 39;

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- b control the supply and marketing of services and fix the pricing thereof;
- c take decisions on staff, assets and own procurement;
- d expand their market share, develop new technologies and new services and adopt any innovative management techniques;
- e establish new activities in fields associated with the railway business.

This paragraph is without prejudice to Regulation (EC) No 1370/2007.

4 Notwithstanding paragraph 3, shareholders of publicly owned or controlled railway undertakings shall be able to require their own prior approval for major business management decisions in the same way as shareholders of private joint-stock companies under the rules of the company law of Member States. The provisions of this Article shall be without prejudice to the powers of supervisory bodies under the company law of Member States relating to the appointment of board members.

## SECTION 2 U.K.

### ***Separation of infrastructure management and transport operations and of different types of transport operations***

#### Article 6 U.K.

#### **Separation of accounts**

1 Member States shall ensure that separate profit and loss accounts and balance sheets are kept and published, on the one hand, for business relating to the provision of transport services by railway undertakings and, on the other, for business relating to the management of railway infrastructure. Public funds paid to one of these two areas of activity shall not be transferred to the other.

[<sup>F12</sup> For the purpose of this Article, Member States which apply Article 7a(3) shall require the undertaking to be organised in distinct divisions that do not have a distinct legal personality within a single undertaking.]

3 Member States shall ensure that separate profit and loss accounts and balance sheets are kept and published, on the one hand, for business relating to the provision of rail freight transport services and, on the other, for activities relating to the provision of passenger transport services. Public funds paid for activities relating to the provision of transport services as public-service remits shall be shown separately in accordance with Article 7 of Regulation (EC) No 1370/2007 in the relevant accounts and shall not be transferred to activities relating to the provision of other transport services or any other business.

4 The accounts for the different areas of activity referred to in paragraphs 1 and 3 shall be kept in a way that allows for monitoring of the prohibition on transferring public funds paid to one area of activity to another and the monitoring of the use of income from infrastructure charges and surpluses from other commercial activities.

#### **Textual Amendments**

**F1** Substituted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic](#)

passenger transport services by rail and the governance of the railway infrastructure (Text with EEA relevance).

## *f<sup>FI</sup>* Article 7 **U.K.**

### **Independence of the infrastructure manager**

1 Member States shall ensure that the infrastructure manager is responsible for operation, maintenance and renewal on a network and is entrusted with the development of the railway infrastructure of that network in accordance with national law.

Member States shall ensure that none of the other legal entities within the vertically integrated undertaking has a decisive influence on the decisions taken by the infrastructure manager in relation to the essential functions.

Member States shall ensure that the members of the supervisory board and of the management board of the infrastructure manager and the managers directly reporting to them act in a non-discriminatory manner and that their impartiality is not affected by any conflict of interest.

2 Member States shall ensure that the infrastructure manager is organised as an entity that is legally distinct from any railway undertaking and, in vertically integrated undertakings, from any other legal entities within the undertaking.

3 Member States shall ensure that the same individuals cannot be concurrently appointed or employed:

- a as members of the management board of an infrastructure manager and as members of the management board of a railway undertaking;
- b as persons in charge of taking decisions on the essential functions and as members of the management board of a railway undertaking;
- c where a supervisory board exists, as members of the supervisory board of an infrastructure manager and as members of the supervisory board of a railway undertaking;
- d as members of the supervisory board of an undertaking which is part of a vertically integrated undertaking and which exercises control over both a railway undertaking and an infrastructure manager and as members of the management board of that infrastructure manager.

4 In vertically integrated undertakings, the members of the management board of the infrastructure manager and the persons in charge of taking decisions on the essential functions shall not receive any performance-based remuneration from any other legal entities within the vertically integrated undertaking, nor shall they receive any bonuses principally related to the financial performance of particular railway undertakings. They may however be offered incentives related to the overall performance of the railway system.

5 Where information systems are common to different entities within a vertically integrated undertaking, access to sensitive information relating to essential functions shall be restricted to authorised staff of the infrastructure manager. Sensitive information shall not be passed on to other entities within a vertically integrated undertaking.

6 The provisions of paragraph 1 of this Article shall be without prejudice to the decision-making rights of Member States as regards the development and funding of railway

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infrastructure and the competences of Member States as regards infrastructure financing and charging, as well as capacity allocation, as defined in Article 4(2), and Articles 8, 29 and 39.]

#### Textual Amendments

- F1** Substituted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure \(Text with EEA relevance\)](#).

[<sup>F2</sup>Article 7a [U.K.](#)]

### Independence of the essential functions

1 Member States shall ensure that the infrastructure manager has organisational and decision-making independence within the limits set out in Article 4(2), and Articles 29 and 39, as regards the essential functions.

- 2 For the application of paragraph 1, Member States shall ensure in particular that:
- a a railway undertaking or any other legal entity does not exercise a decisive influence on the infrastructure manager in relation to the essential functions, without prejudice to the role of the Member States as regards the determination of the charging framework and the capacity allocation framework and specific charging rules in accordance with Articles 29 and 39;
  - b a railway undertaking or any other legal entity within the vertically integrated undertaking has no decisive influence on appointments and dismissals of persons in charge of taking decisions on the essential functions;
  - c the mobility of persons in charge of the essential functions does not create conflicts of interest.

3 Member States may decide that infrastructure charging and path allocation shall be performed by a charging body and/or by an allocation body that are independent in their legal form, organisation and decision-making from any railway undertaking. In such a case, Member States may decide not to apply the provisions of Article 7(2) and points (c) and (d) of Article 7(3).

Point (a) of Article 7(3) and Article 7(4) shall apply *mutatis mutandis* to the heads of divisions in charge of management of the infrastructure and provision of railway services.

4 The provisions of this Directive referring to the essential functions of an infrastructure manager shall apply to the independent charging and/or allocation body.

#### Textual Amendments

- F2** Inserted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure \(Text with EEA relevance\)](#).

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Article 7b **U.K.**

**Impartiality of the infrastructure manager in respect of traffic management and maintenance planning**

1 Member States shall ensure that the functions of traffic management and maintenance planning are exercised in a transparent and non-discriminatory manner and that the persons in charge of taking decisions in respect of those functions are not affected by any conflict of interest.

2 As regards traffic management, Member States shall ensure that railway undertakings, in cases of disruption concerning them, have full and timely access to relevant information. Where the infrastructure manager grants further access to the traffic management process, it shall do so for the railway undertakings concerned in a transparent and non-discriminatory way.

3 As regards the long-term planning of major maintenance and/or renewal of the railway infrastructure, the infrastructure manager shall consult applicants and, to the best possible extent, take into account the concerns expressed.

The scheduling of maintenance works shall be carried out by the infrastructure manager in a non-discriminatory way.

**Textual Amendments**

- F2** Inserted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure \(Text with EEA relevance\)](#).

Article 7c **U.K.**

**Outsourcing and sharing the infrastructure manager's functions**

1 Provided that no conflicts of interest arise and that the confidentiality of commercially sensitive information is guaranteed, the infrastructure manager may:

- a outsource functions to a different entity, provided the latter is not a railway undertaking, does not control a railway undertaking, or is not controlled by a railway undertaking. Within a vertically integrated undertaking, essential functions shall not be outsourced to any other entity of the vertically integrated undertaking, unless such entity exclusively performs essential functions;
- b outsource the execution of works and related tasks on development, maintenance and renewal of the railway infrastructure to railway undertakings or companies which control the railway undertaking, or are controlled by the railway undertaking.

The infrastructure manager shall retain the supervisory power over, and bear ultimate responsibility for, the exercise of the functions described in Article 3(2). Any entity carrying out essential functions shall comply with Articles 7, 7a, 7b and 7d.

2 By way of derogation from Article 7(1), infrastructure management functions may be performed by different infrastructure managers, including parties to public-private partnership arrangements provided that they all fulfil the requirements of Article 7(2) to (6) and Articles 7a, 7b and 7d and assume full responsibility for the exercise of the functions concerned.

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3 Where essential functions are not assigned to a power supply operator, it shall be exempted from the rules applicable to infrastructure managers, provided that compliance with the relevant provisions concerning development of the network, in particular Article 8, is ensured.

4 Subject to supervision by the regulatory body or any other independent competent body determined by the Member States, an infrastructure manager may conclude cooperation agreements with one or more railway undertakings in a non-discriminatory way and with a view to delivering benefits to customers such as reduced costs or improved performance on the part of the network covered by the agreement.

That body shall monitor the execution of such agreements and may, where justified, advise that they should be terminated.

#### Textual Amendments

- F2** Inserted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure \(Text with EEA relevance\)](#).

### Article 7d **U.K.**

#### Financial transparency

1 While respecting national procedures applicable in each Member State, income from infrastructure network management activities, including public funds, may be used by the infrastructure manager only to finance its own business, including the servicing of its loans. The infrastructure manager may also use such income to pay dividends to owners of the company, which may include any private shareholders, but excludes undertakings which are part of a vertically integrated undertaking and which exercise control over both a railway undertaking and that infrastructure manager.

2 Infrastructure managers shall not grant loans to railway undertakings, either directly or indirectly.

3 Railway undertakings shall not grant loans to infrastructure managers, either directly or indirectly.

4 Loans between legal entities of a vertically integrated undertaking, shall only be granted, disbursed and serviced at market rates and conditions which reflect the individual risk profile of the entity concerned.

5 Loans between legal entities of a vertically integrated undertaking granted before 24 December 2016 shall continue until their maturity, provided that they were contracted at market rates and that they are actually disbursed and serviced.

6 Any services offered by other legal entities of a vertically integrated undertaking to the infrastructure manager shall be provided on the basis of contracts and be paid either at market prices or at prices which reflect the cost of production, plus a reasonable margin of profit.

7 Debts attributed to the infrastructure manager shall be clearly separated from debts attributed to other legal entities within vertically integrated undertakings. Such debts shall be serviced separately. This does not prevent the final payment of debts being made via an undertaking which is part of a vertically integrated undertaking and which exercises control

over both a railway undertaking and an infrastructure manager, or via another entity within the undertaking.

8 The accounts of the infrastructure manager and of the other legal entities within a vertically integrated undertaking shall be kept in a way that ensures the fulfilment of this Article and allows for separate accounting and transparent financial circuits within the undertaking.

9 Within vertically integrated undertakings, the infrastructure manager shall keep detailed records of any commercial and financial relations with the other legal entities within that undertaking.

10 Where essential functions are performed by an independent charging and/or allocation body in accordance with Article 7a(3) and Member States are not applying Article 7(2), the provisions of this Article shall apply *mutatis mutandis*. References to infrastructure manager, railway undertaking and other legal entities of a vertically integrated undertaking in this Article shall be understood as referring to the respective divisions of the undertaking. Compliance with the requirements set out in this Article shall be demonstrated in the separate accounts of the respective divisions of the undertaking.

#### Textual Amendments

- F2** Inserted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure \(Text with EEA relevance\)](#).

#### Article 7e **U.K.**

### Coordination mechanisms

Member States shall ensure that appropriate coordination mechanisms are put in place to ensure coordination between their main infrastructure managers and all interested railway undertakings as well as applicants referred to in Article 8(3). Where relevant, representatives of users of the rail freight and passenger transport services, and national, local or regional authorities, shall be invited to participate. The regulatory body concerned may participate as an observer. The coordination shall concern inter alia:

- (a) the needs of applicants related to the maintenance and development of the infrastructure capacity;
- (b) the content of the user-oriented performance targets contained in the contractual agreements referred to in Article 30 and of the incentives referred to in Article 30(1) and their implementation;
- (c) the content and implementation of the network statement referred to in Article 27;
- (d) issues of intermodality and interoperability;
- (e) any other issue related to the conditions for access, the use of the infrastructure and the quality of the services of the infrastructure manager.

The infrastructure manager shall draw up and publish guidelines for coordination, in consultation with interested parties. Coordination shall take place at least annually and the infrastructure manager shall publish on its website an overview of the activities undertaken pursuant to this article.



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Coordination under this Article shall be without prejudice to the right of applicants to appeal to the regulatory body and the powers of the regulatory body as set out in Article 56.

#### Textual Amendments

- F2** Inserted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure \(Text with EEA relevance\).](#)

### Article 7f **U.K.**

#### European Network of Infrastructure Managers

1 With the view to facilitating the provision of efficient and effective rail services within the Union, Member States shall ensure that their main infrastructure managers participate and cooperate in a network, that meets at regular intervals to:

- a develop Union rail infrastructure;
- b support the timely and efficient implementation of the single European railway area;
- c exchange best practices;
- d monitor and benchmark performance;
- e contribute to the market monitoring activities referred to in Article 15;
- f tackle cross-border bottlenecks; and
- g discuss the application of Articles 37 and 40.

For the purpose of point (d), the network shall identify common principles and practices for the monitoring and benchmarking of performance in a consistent manner.

Coordination under this paragraph shall be without prejudice to the right of applicants to appeal to the regulatory body and the powers of the regulatory body as set out in Article 56.

2 The Commission shall be a member of the network. It shall support the work of the network and facilitate coordination.]

#### Textual Amendments

- F2** Inserted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure \(Text with EEA relevance\).](#)



## SECTION 3 U.K.

### ***Improvement of the financial situation***

#### Article 8 U.K.

#### **Financing of the infrastructure manager**

1 Member States shall develop their national railway infrastructure by taking into account, where necessary, the general needs of the Union, including the need to cooperate with neighbouring third countries. For that purpose, they shall publish by 16 December 2014, after consultation with the interested parties, an indicative rail infrastructure development strategy with a view to meeting future mobility needs in terms of maintenance, renewal and development of the infrastructure based on sustainable financing of the railway system. That strategy shall cover a period of at least five years and be renewable.

2 Having due regard to Articles 93, 107 and 108 TFEU, Member States may also provide the infrastructure manager with financing consistent with its functions as referred to in point (2) of Article 3, the size of the infrastructure and financial requirements, in particular in order to cover new investments. Member States may decide to finance those investments through means other than direct State funding. In any case, Member States shall comply with the requirements referred to in paragraph 4 of this Article.

3 Within the framework of general policy determined by the Member State concerned and taking into account the strategy referred to in paragraph 1 and the financing provided by the Member States referred to in paragraph 2, the infrastructure manager shall adopt a business plan including investment and financial programmes. The plan shall be designed to ensure optimal and efficient use, provision and development of the infrastructure while ensuring financial balance and providing means for these objectives to be achieved. The infrastructure manager shall ensure that known applicants and, upon their request, potential applicants have access to the relevant information and are given the opportunity to express their views on the content of the business plan regarding the conditions for access and use and the nature, provision and development of the infrastructure before its approval by the infrastructure manager.

4 Member States shall ensure that, under normal business conditions and over a reasonable period which shall not exceed a period of five years, the profit and loss account of an infrastructure manager shall at least balance income from infrastructure charges, surpluses from other commercial activities, non-refundable incomes from private sources and State funding, on the one hand, including advance payments from the State, where appropriate, and infrastructure expenditure, on the other hand.

Without prejudice to the possible long-term aim of user cover of infrastructure costs for all modes of transport on the basis of fair, non-discriminatory competition between the various modes, where rail transport is able to compete with other modes of transport, within the charging framework of Articles 31 and 32, a Member State may require the infrastructure manager to balance his accounts without State funding.

#### Article 9 U.K.

#### **Transparent debt relief**

1 Without prejudice to Union rules on State aid and in accordance with Articles 93, 107 and 108 TFEU, Member States shall set up appropriate mechanisms to help reduce the

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indebtedness of publicly owned or controlled railway undertakings to a level which does not impede sound financial management and which improves their financial situation.

2 For the purposes referred to in paragraph 1, Member States may require a separate debt amortisation unit to be set up within the accounting departments of such railway undertakings.

The balance sheet of the unit may be charged with all the loans raised by the railway undertaking, both to finance investment and to cover excess operating expenditure resulting from the business of rail transport or from railway infrastructure management, until such time as these loans are extinguished. Debts arising from subsidiaries' operations shall not be taken into account.

3 Paragraphs 1 and 2 shall apply only to debts or interest due on such debts incurred by publicly owned or controlled railway undertakings by the date of market opening for all or part of rail transport services in the Member State concerned and in any case by 15 March 2001 or the date of accession to the Union for the Member States which joined the Union after that date.

#### SECTION 4 U.K.

##### *Access to railway infrastructure and services*

#### Article 10 U.K.

##### **Conditions of access to railway infrastructure**

1 Railway undertakings shall be granted, under equitable, non-discriminatory and transparent conditions, the right to access to the railway infrastructure in all Member States for the purpose of operating all types of rail freight services. That right shall include access to infrastructure connecting maritime and inland ports and other service facilities referred to in point 2 of Annex II, and to infrastructure serving or potentially serving more than one final customer.

[<sup>F2</sup>1a Without prejudice to the international obligations of the Union and the Member States, Member States having a border to a third country may limit the right of access provided for in this Article for services operated from and to that third country running on a network the track gauge of which is different from the main railway network within the Union if distortions of competition arise in cross-border railway transport between Member States and that third country. Such distortions may result, inter alia, from lack of non-discriminatory access to rail infrastructure and related services in the third country concerned.

If a Member State, in accordance with this paragraph, intends to adopt a decision to limit the right of access, it shall submit the draft decision to the Commission and consult the other Member States.

If, within a period of 3 months after submitting that draft decision, neither the Commission nor another Member State objects to it, the Member State may adopt the decision.

The Commission may adopt implementing acts setting out the details of the procedure to be followed for the application of this paragraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 62(3).]

[<sup>F12</sup> Without prejudice to Regulation (EC) No 1370/2007, railway undertakings shall be granted, under equitable, non-discriminatory and transparent conditions, the right of access to

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railway infrastructure in all Member States for the purpose of operating rail passenger services. Railway undertakings shall have the right to pick up passengers at any station and set them down at another. That right shall include access to infrastructure connecting service facilities referred to in point 2 of Annex II to this Directive.]

F33 .....  
F34 .....

#### Textual Amendments

- F1** Substituted by Directive (EU) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure (Text with EEA relevance).
- F2** Inserted by Directive (EU) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure (Text with EEA relevance).
- F3** Deleted by Directive (EU) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure (Text with EEA relevance).

### Article 11 **U.K.**

#### Limitation of the right of access and of the right to pick up and set down passengers

[<sup>F11</sup> Member States may limit the right of access provided for in Article 10(2) to passenger services between a given place of departure and a given destination when one or more public service contracts cover the same route or an alternative route if the exercise of this right would compromise the economic equilibrium of the public service contract or contracts in question.]

[<sup>F12</sup> In order to determine whether the economic equilibrium of a public service contract would be compromised, the relevant regulatory body or bodies referred to in Article 55 shall make an objective economic analysis and base their decision on pre-determined criteria. They shall determine this after a request from any of the following, submitted within 1 month from the receipt of the information on the intended passenger service referred to in Article 38(4):

- a the competent authority or competent authorities that awarded the public service contract;
- b any other interested competent authority with the right to limit access under this Article;
- c the infrastructure manager;
- d the railway undertaking performing the public service contract.]

The competent authorities and the railway undertakings providing the public services shall provide the relevant regulatory body or bodies with the information reasonably required to reach a decision. The regulatory body shall consider the information provided by these parties, and, as appropriate, shall ask for relevant information from, and initiate consultation with, all relevant parties, within one month of receipt of the request. The regulatory body shall consult all the relevant parties as appropriate, and shall inform the relevant parties of its reasoned decision within a pre-determined, reasonable time, and, in any case, within six weeks of receipt of all relevant information.

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[<sup>F13</sup> The regulatory body shall give the grounds for its decision and the conditions under which a reconsideration of the decision may be requested, within 1 month of its notification, by one of the following:

- a the relevant competent authority or competent authorities;
- b the infrastructure manager;
- c the railway undertaking performing the public service contract;
- d the railway undertaking seeking access.

Where the regulatory body decides that the economic equilibrium of a public contract would be compromised by the intended passenger service referred to in Article 38(4), it shall indicate possible changes to that service which would ensure that the conditions to grant the right of access provided for in Article 10(2) are met.]

4 Based on the experience of regulatory bodies, competent authorities and railway undertakings and based on the activities of the network referred to in Article 57(1), the Commission shall adopt by 16 December 2016 measures setting out the details of the procedure and criteria to be followed for the application of paragraphs 1, 2 and 3 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 62(3).

[<sup>F2</sup>Based on the experience of regulatory bodies, competent authorities and railway undertakings, and based on the activities of the network referred to in Article 57(1), the Commission shall by 16 December 2018 adopt implementing acts setting out the details of the procedure and criteria to be followed for the application of paragraphs 1, 2 and 3 of this Article as regards domestic passenger services. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 62(3).]

[<sup>F15</sup> Member States may also limit the right of access to railway infrastructure for the purpose of operating domestic passenger services between a given place of departure and a given destination within the same Member State where:

- a exclusive rights to convey passengers between these stations have been granted under a public service contract awarded before 16 June 2015; or
- b an additional right/authorisation to operate commercial passenger services in competition with another operator between these stations has been awarded by 25 December 2018 on the basis of a fair competitive tendering procedure;

and where these operators receive no compensation to operate these services.

Such a limitation may continue for the original duration of the contract or authorisation, or until 25 December 2026, whichever is shorter.]

6 Member States shall ensure that the decisions referred to in paragraphs 1, 2, 3 and 5 are subject to judicial review.

#### Textual Amendments

- F1** Substituted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure \(Text with EEA relevance\)](#).
- F2** Inserted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure \(Text with EEA relevance\)](#).

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## *[<sup>F2</sup>Article 11a* U.K.

### **High-speed passenger services**

1 With a view to developing the market for high-speed passenger services, promoting optimal use of available infrastructure, and in order to encourage the competitiveness of high-speed passenger services resulting in beneficial effects for passengers, without prejudice to Article 11(5), the exercise of the right of access provided for in Article 10 as regards high speed passenger services may only be subject to the requirements established by the regulatory body in accordance with this Article.

2 Where the regulatory body, following the analysis foreseen in Article 11(2), (3) and (4), determines that the intended high speed passenger service between a given place of departure and a given destination compromises the economic equilibrium of a public service contract that covers the same route or an alternative route, the regulatory body shall indicate possible changes to the service which would ensure that the conditions to grant the right of access provided for in Article 10(2) are met. Such changes may include a modification of the intended service.]

#### **Textual Amendments**

- F2** Inserted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure \(Text with EEA relevance\).](#)

## *Article 12* U.K.

### **Levy on railway undertakings providing passenger services**

1 Without prejudice to Article 11(2), Member States may, under the conditions laid down in this Article, authorise the authority responsible for rail passenger transport to impose a levy on railway undertakings providing passenger services for the operation of routes which fall within the jurisdiction of that authority and which are operated between two stations in that Member State.

In that case, railway undertakings providing domestic or international rail passenger transport services shall be subject to the same levy on the operation of routes which fall within the jurisdiction of that authority.

2 The levy is intended to compensate the authority for public service obligations laid down in public service contracts awarded in accordance with Union law. The revenue raised from such a levy and paid as compensation shall not exceed what is necessary to cover all or part of the cost incurred in the relevant public service obligations taking into account the relevant receipts and a reasonable profit for discharging those obligations.

3 The levy shall be imposed in accordance with Union law, and shall respect in particular the principles of fairness, transparency, non-discrimination and proportionality, in particular between the average price of the service to the passenger and the level of the levy. The total levies imposed pursuant to this paragraph shall not endanger the economic viability of the rail passenger transport service on which they are imposed.

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4 The relevant authorities shall keep the information necessary to ensure that the origin of the levies and their use can be traced. Member States shall provide the Commission with this information.

5 Based on the experience of regulatory bodies, competent authorities and railway undertakings and based on the activities of the network referred to in Article 57(1), the Commission shall adopt measures setting out the details of the procedure and criteria to be followed for the application of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 62(3).

### Article 13 **U.K.**

#### **Conditions of access to services**

1 Infrastructure managers shall supply to all railway undertakings, in a non-discriminatory manner, the minimum access package laid down in point 1 of Annex II.

2 Operators of service facilities shall supply in a non-discriminatory manner to all railway undertakings access, including track access, to the facilities referred to in point 2 of Annex II, and to the services supplied in these facilities.

3 To guarantee full transparency and non-discrimination of access to the service facilities referred to in points 2(a), (b), (c), (d), (g) and (i) of Annex II, and the supply of services in these facilities where the operator of such a service facility is under direct or indirect control of a body or firm which is also active and holds a dominant position in national railway transport services markets for which the facility is used, the operators of these service facilities shall be organised in such a way that they are independent of this body or firm in organisational and decision-making terms. Such independence shall not imply the requirement of the establishment of a separate legal entity for service facilities and may be fulfilled with the organisation of distinct divisions within a single legal entity.

For all service facilities referred to in point 2 of Annex II, the operator and the body or firm shall have separate accounts, including separate balance sheets and profit and loss accounts.

Where operation of the service facility is ensured by an infrastructure manager or the operator of the service facility is under the direct or indirect control of an infrastructure manager compliance with the requirements set out in this paragraph shall be deemed to be demonstrated by the fulfilment of the requirements set out in Article 7.

4 Requests by railway undertakings for access to, and supply of services in the service facility referred to in point 2 of Annex II shall be answered within a reasonable time limit set by the regulatory body referred to in Article 55. Such requests may only be refused if there are viable alternatives allowing them to operate the freight or passenger service concerned on the same or alternative routes under economically acceptable conditions. This shall not oblige the operator of the service facility to make investments in resources or facilities in order to accommodate all requests by railway undertakings.

Where requests by railway undertakings concern access to, and supply of services in a service facility managed by an operator of the service facility referred to in paragraph 3, the operator of the service facility shall justify in writing any decision of refusal and indicate viable alternatives in other facilities.

5 Where an operator of the service facility referred to in point 2 of Annex II encounters conflicts between different requests, it shall attempt to meet all requests in so far as possible. If



no viable alternative is available, and it is not possible to accommodate all requests for capacity for the relevant facility on the basis of demonstrated needs, the applicant may complain to the regulatory body referred to in Article 55 which shall examine the case and take action, where appropriate, to ensure that an appropriate part of the capacity is granted to that applicant.

6 Where a service facility referred to in point 2 of Annex II has not been in use for at least two consecutive years and interest by railway undertakings for access to this facility has been expressed to the operator of that service facility on the basis of demonstrated needs, its owner shall publicise the operation of the facility as being for lease or rent as a rail service facility, as a whole or in part, unless the operator of that service facility demonstrates that an ongoing process of reconversion prevents its use by any railway undertaking.

7 Where the operator of the service facility provides any of the services referred to in point 3 of Annex II as additional services, it shall supply them upon request to railway undertakings in a non-discriminatory manner.

8 Railway undertakings may request, as ancillary services, further services referred to in point 4 of Annex II from the infrastructure manager or from other operators of the service facility. The operator of the service facility is not obliged to supply these services. Where the operator of the service facility decides to offer to others any of these services, it shall supply them upon request to railway undertakings in a non-discriminatory manner.

9 Based on the experience of regulatory bodies and operators of service facilities and based on the activities of the network referred to in Article 57(1), the Commission may adopt measures setting out the details of the procedure and criteria to be followed for access to the services to be supplied in the service facilities referred to in points 2 to 4 of Annex II. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 62(3).

## <sup>F2</sup>Article 13a U.K.

### **Common information and through-ticketing schemes**

1 Without prejudice to Regulation (EC) No 1371/2007 of the European Parliament and of the Council<sup>(1)</sup> and Directive 2010/40/EU of the European Parliament and of the Council<sup>(2)</sup>, Member States may require railway undertakings operating domestic passenger services to participate in a common information and integrated ticketing scheme for the supply of tickets, through-tickets and reservations or give the power to competent authorities to establish such a scheme. If such a scheme is established, Member States shall ensure that it does not create market distortion or discriminate between railway undertakings and that it is managed by a public or private legal entity or an association of all railway undertakings operating passenger services.

2 The Commission shall monitor rail market developments concerning the introduction and use of common information and through-ticketing systems and shall assess the need for action at Union level, taking into account market initiatives. It shall in particular consider non-discriminatory access for rail passengers to data necessary to plan journeys and book tickets. By 31 December 2022, it shall present a report to the European Parliament and the Council on the availability of such common information and through-ticketing systems, to be accompanied, if appropriate, by legislative proposals.

3 Member States shall require railway undertakings operating passenger services to put in place contingency plans and shall ensure that these contingency plans are properly



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coordinated to provide assistance to passengers, in the sense of Article 18 of Regulation (EC) No 1371/2007, in the event of a major disruption to services.]

#### Textual Amendments

- F2** Inserted by [Directive \(EU\) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure \(Text with EEA relevance\)](#).

## SECTION 5 **U.K.**

### *Cross-border agreements*

#### Article 14 **U.K.**

#### **General principles for cross-border agreements**

1 Member States shall ensure that the provisions contained in cross-border agreements do not discriminate between railway undertakings, or restrict the freedom of railway undertakings to operate cross-border services.

2 Member States shall notify the Commission of any cross-border agreement by 16 June 2013, for the agreements concluded before that date, and before their conclusion for new or revised agreements between Member States. The Commission shall decide whether such agreements are in compliance with Union law within nine months of notification for agreements concluded before 15 December 2012 and within four months of notification for new or revised agreements between Member States. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 62(2).

3 Without prejudice to the division of competence between the Union and the Member States, in accordance with Union law, Member States shall notify the Commission of their intention to enter into negotiations on, and to conclude, new or revised cross-border agreements between Member States and third countries.

4 If, within two months of the receipt of the notification of a Member State's intention to enter into the negotiations referred to in paragraph 2, the Commission concludes that the negotiations are likely to undermine the objectives of Union negotiations underway with the third countries concerned and/or to lead to an agreement which is incompatible with Union law, it shall inform the Member State accordingly.

Member States shall keep the Commission regularly informed of any such negotiations and, where appropriate, invite the Commission to participate as an observer.

5 Member States shall be authorised to provisionally apply and/or to conclude new or revised cross-border agreements with third countries, provided that they are compatible with Union law and do not harm the object and purpose of the transport policy of the Union. The Commission shall adopt such authorisation decisions. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 62(2).

## SECTION 6 U.K.

### **Monitoring tasks of the Commission**

#### Article 15 U.K.

##### **Scope of market monitoring**

1 The Commission shall make the necessary arrangements to monitor technical and economic conditions and market developments in Union rail transport.

2 In this context, the Commission shall closely involve representatives of the Member States, including representatives of the regulatory bodies referred to in Article 55, and representatives of the sectors concerned in its work, including, where appropriate, the railway sector's social partners, users and representatives of local and regional authorities, so that they are better able to monitor the development of the railway sector and the evolution of the market, to assess the effect of the measures adopted and to analyse the impact of the measures planned by the Commission. Where appropriate, the Commission shall also involve the European Railway Agency, in accordance with its functions as provided for in Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency (Agency Regulation)<sup>(3)</sup>.

3 The Commission shall monitor the use of the networks and the evolution of framework conditions in the rail sector, in particular infrastructure charging, capacity allocation, investments made in railway infrastructure, developments as regards prices and the quality of rail transport services, rail transport services covered by public service contracts, licensing and the degree of market opening and harmonisation between Member States, development of employment and the related social conditions in the rail sector. These monitoring activities are without prejudice to similar activities in Member States and to the role of social partners.

4 The Commission shall report every two years to the European Parliament and the Council on:

- a the evolution of the internal market in rail services and services to be supplied to railway undertakings, as referred to in Annex II;
- b the framework conditions referred to in paragraph 3, including for public passenger transport services by rail;
- c the state of the Union railway network;
- d the utilisation of access rights;
- e barriers to more effective rail services;
- f infrastructure limitations;
- g the need for legislation.

5 For the purposes of market monitoring by the Commission, Member States shall, while respecting the role of the social partners, supply to the Commission on an annual basis the necessary information on the use of the networks and the evolution of framework conditions in the rail sector.

6 The Commission may adopt measures to ensure consistency in the reporting obligations of Member States. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 62(3).

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- (1) [<sup>F2</sup>Regulation (EC) No 1371/2007 of the European Parliament and of the Council of 23 October 2007 on rail passengers' rights and obligations (OJ L 315, 3.12.2007, p. 14).]
- (2) [<sup>F2</sup>Directive 2010/40/EU of the European Parliament and of the Council of 7 July 2010 on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport (OJ L 207, 6.8.2010, p. 1).]
- (3) OJ L 164, 30.4.2004, p. 1.

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#### **Textual Amendments**

- F2** Inserted by Directive (EU) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure (Text with EEA relevance).