



CER /EIM/ UIC Position Paper

Evolving the regulatory framework for a Shift2Rail2

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The Community of European Railway and Infrastructure Companies (CER), the European Rail Infrastructure Managers (EIM) and the International Union of Railways (UIC), recognising the importance of innovation in railway transportation, call for the establishment of a Shift2Rail2 as an evolution of the successful Shift2Rail Joint Undertaking.

With this Position Paper CER, EIM and UIC provide their views on an evolved regulatory framework for the Shift2Rail Joint Undertaking facilitating the participation of the railway operating community. CER, EIM and UIC believe that a cooperation between the actors in the Joint Undertaking and other sector stakeholders, or even other transport stakeholders, shall be encouraged. The joint undertaking shall ensure an optimised and fully focussed use of the budget.

The allocation of a reasonable amount of budget to blue-sky-research is highly recommended.

CER, EIM and UIC recommend to

1. make **improvements** to the **execution** and **governance** within a future Shift2Rail and
2. **continue** with the existing successful Shift2Rail Joint Undertaking.

CER, EIM and UIC suggest to

1. **build** on the **lessons learned including the results of the mid-term review,**
2. **ensure** a **significantly larger adequate budget** (more details about this specific topic can be found in the ERRAC Vision Paper published on 23.11.2017). The budgeting must be **coherent with the scope and depth of the rail research programme** described in the beforementioned **ERRAC vision paper** and
3. **put in place appropriate mechanisms** to facilitate the **dissemination and adoption** of results by the railway operating community incl. additional available European funding instruments.

Proposals for “evolving” the Regulation 642/2014 and its execution

As outlined in the ERRAC vision paper, the European railway sector has a clear vision of its future. Shift2Rail showed the willingness of the European railway sector to shape its future by carrying out activities co-funded by the EC and the stakeholders themselves. The mid-term evaluation showed that Shift2Rail would be going the right way through an improved cooperation between sector stakeholders.

Continuity is needed between Shift2Rail and Shift2Rail2. The results of the on-going Joint Undertaking must be picked up and further developed in a future Joint Undertaking.

1. Budget

CER, EIM and UIC believe that a **significantly larger adequate budget** is needed (more details about this specific topic can be found in the ERRAC Vision Paper published on 23.11.2017). The budgeting must be coherent with the scope and depth of the rail research programme described in the beforementioned ERRAC vision paper including provisions that ensure the achievement of the envisaged TRL.

In Horizon 2020 only 7% of the transport budget was allocated to railway research. CER, EIM and UIC believe that this is insufficient. Shift2Rail showed that the committed stakeholders of the Joint Undertaking (manufacturers and the railway operating community) were able to invest and carry out the work. The amount was well spent. More results could be achieved with additional resources.

2. Structure

It is recommended that the approach of the current Joint Undertaking shall be continued (PPP). Nevertheless, the structure and processes require continuous improvement. This continuous improvement shall include a review of the **governance process** and **performance criteria**.

CER, EIM and UIC recommend that the governance process prioritises actual innovation value that partners can bring to the joint undertaking when taking decisions on the investment focus.

The structure shall facilitate the goals of the initiative and be as flexible as necessary in reaction to the (rapid, even disruptive) changes of the markets in the societal and regulatory environment of the initiative.

The administrative processes as well as the reporting, need to be simplified and more efficient in comparison to the rules of the present Joint Undertaking. Based on the experience from other PPPs, it should be possible to include members and non-members alike in projects (also by invitation).

A better method is needed to perform a continuous assessment on the outcome of research in the management of the innovation programmes incl. adopting good-practice techniques, for instance “fail-fast”.

3. Coordination of European programmes (Shift2Rail, CEF etc.)

The introduction of new solutions in the market is a major difficulty in the rail sector as this requires high initial investments and provides benefits only in the long-term. Therefore, a more **flexible approach** for using **additional funds** for the deployment of Shift2Rail results is needed. A coordination with other funding instruments, e.g. the Connecting Europe Facility (CEF), is recommended.

4. Innovation Activities as successor of the Innovation Programmes

EIM, CER and UIC recommend that innovation activities are organised according to the **capabilities** that have been documented in the 2017 MAAP Part A rather than focussing on solutions domains (specific areas for solutions). This will enable the exploitation of technical building blocks with multiple solutions and greatly contribute to the development of the sector.

This approach must allow flexibility in order to adapt to changing challenges that may emerge via new external requirements or actual research results. The opportunity for quick and easy subcontracting of highly-innovative but low-budget partners should be provided.

Blue-sky-research should build a permanent activity in Shift2Rail2 complementing the innovation activities. The research work should provide an open view on long-term visions which are particularly needed for the long-lasting rail sector.

5. Membership

The **powers, rights and obligations** of the different membership categories shall be revised. The innovation potential of applicants or members shall be given more weight.

Any interested stakeholder making the appropriate financial and innovative commitment shall have the opportunity to become a member of the Joint Undertaking. A reasonable minimum contribution shall be defined in order to have a manageable Joint Undertaking. A fair and transparent process shall be established for granting access to the joint undertaking.

The railway operating community, when deploying Shift2Rail results, shall be given special access rights to enter the joint undertaking. This should include criteria such as demonstrable commitment to deploy the outcomes.

A participation through open calls shall be made easier. Without the participation of members in consortia of open calls it is very difficult for many institutes and companies to apply.

CER, EIM and UIC object to any requirement that a member of the joint undertaking shall necessarily be a single legal entity.

6. The European Union Agency for Railways

The Agency shall **update** the relevant railway **regulation** in a flexible and speedy manner to take into account the relevant outcomes of the work of the joint undertaking, facilitating adoption and deployment of results and adapting its work programme accordingly. A

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mechanism shall be installed that ensures a short life-cycle of innovation outcomes feeding the regulatory process in order to ensure timely deployment on the field.

Conclusions

CER, EIM and UIC recommend to **continue** with the existing successful Shift2Rail Joint Undertaking and to **build on the lessons learned**. Nevertheless, the three associations see potentials for **improvements** for the **execution and governance** within a future Shift2Rail.

CER, EIM and UIC suggest to ensure a **significantly larger adequate budget**. The budgeting must be **coherent** with the **scope** and **depth** of the **rail research programme** described in the ERRAC vision paper.

Furthermore, CER, EIM and UIC call the European institutions to **put in place** appropriate **mechanisms** to facilitate the **dissemination and adoption** of results by the railway operating community incl. additional available European funding instruments.