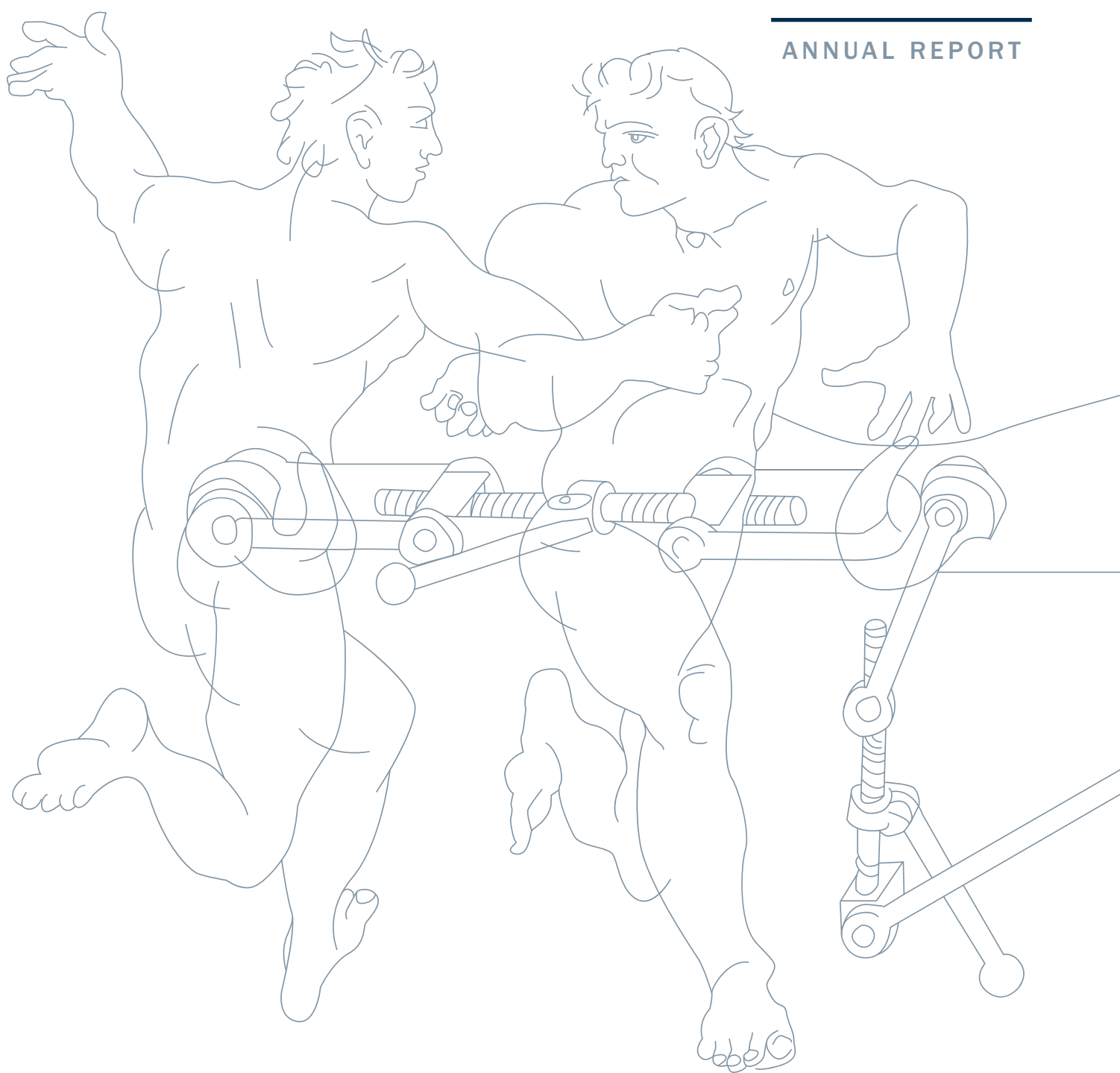




2016

ANNUAL REPORT



OTIF

Organisation intergouvernementale pour les transports internationaux ferroviaires
Zwischenstaatliche Organisation für den internationalen Eisenbahnverkehr
Intergovernmental Organisation for International Carriage by Rail

INTRODUCTION



Branka NEDELJKOVIĆ
Chair of Administrative
Committee



Nikola MILIVOJEVIĆ
Chair of Administrative
Committee



François DAVENNE
OTIF Secretary General

This report is the first for the 2016 – 2017 work programme. It is also the third since OTIF adopted its new *raison d'être*: unified railway law to connect Europe, Asia and Africa

It is exciting to see that this concept of interconnection has become pivotal. One only has to look at the autonomous vehicle projects that are underway. What is it in fact that this new development is promising in terms of transport?

It is bringing road transport into the network. Self-driving vehicles for individual journeys will of course help eliminate the daily burden of driving. However, the main effect being promised will be the optimisation of traffic that centralised management will offer. Forecasts made by OECD indicate that there is enormous potential for reducing polluting emissions in urban centres.

Rail transport is already an integrated network, which is one of its key competitive advantages. So what are the potential avenues for progress?

OTIF has given itself the task of defining international rules to enable the various national networks to interconnect. The Organisation thus provides a real “joint operating system”, which is its traditional role. In future, it will be necessary to consider the interconnections with other transport networks and/or other regulations. It will therefore become necessary to achieve interdisciplinary work on IT systems in a broader context than simply the European framework.

In this respect, OTIF's role as a forum, which became established in the course of 2016, should reach a new scale. To conclude with a specific example, which is discussed in more detail in the Report, we are currently working with the Universal Postal Union, the World Customs Organisation and the Coordinating Council on Transsiberian Transportation to set up a framework for the carriage of parcels between Europe and China.

This project, which is a guarantee of balanced exchanges based on partnership, brings China, Russia and the countries of the European Union to the same table. It is a fitting symbol of the value of our Organisation.

Branka Nedeljković
Chair of Administrative Committee

Nikola Milivojević
Chair of Administrative Committee

François Davenne
OTIF Secretary General



LIST OF ABBREVIATIONS

ADN

European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways

ADR

European Agreement concerning the International Carriage of Dangerous Goods by Road

APTU

Uniform Rules concerning the Validation of Technical Standards and the Adoption of Uniform Technical Prescriptions applicable to Railway Material intended to be used in International Traffic (Appendix F to COTIF)

ATMF

Uniform Rules concerning the Technical Admission of Railway Material used in International Traffic (Appendix G to COTIF)

CCTT

Coordinating Council on Trans-Siberian Transportation

CEN

European Committee for Standardization

CENELEC

European Committee for Electrotechnical Standardization

CER

Community of European Railways and Infrastructure Companies

CIM

Uniform Rules Concerning the Contract of International Carriage of Goods by Rail (Appendix B to COTIF)

CIT

International Rail Transport Committee

CIV

Uniform Rules concerning the Contract of International Carriage of Passengers by Rail (Appendix A to COTIF)

COTIF

Convention concerning International Carriage by Rail

CSM

Common safety method

CTE

Committee of Technical Experts

CUI

Uniform Rules concerning the Contract of Use of Infrastructure in International Rail Traffic (Appendix E to COTIF)

CUV

Uniform Rules concerning Contracts of Use of Vehicles in International Rail Traffic (Appendix D to COTIF)

DG MOVE

Directorate General for Mobility and Transport/
European Commission

DG NEAR

Directorate-General for Neighbourhood and Enlargement Negotiations

ECO

Economic Cooperation Organization

ECM

Entity in charge of maintenance

EIM

European Rail Infrastructure Managers

ERA

Union Agency for Railways

ETCR

European Training Centre for Railways

EU

European Union

EVR

European Vehicle Register

GCC

Gulf Cooperation Council

GCU

General Contract of Use of Wagons

GOST

Technical standards or national standards issued and managed by the Federal Agency on Technical Regulation and Metrology, Russia's official standardisation body and a member of the International Organization for Standardization (ISO)

ISO

Organization for Standardization

MoU

Memorandum of Understanding

MS

Member States

NoBos

Notified Bodies

OECD

Organisation for Economic Co-operation and Development

OSJD

Organisation for Co-operation between Railways

OTIF

Intergovernmental Organisation for International Carriage by Rail

RIC

Agreement governing the exchange and use of coaches in international traffic

RID

Regulation concerning the International Carriage of Dangerous Goods by Rail (Appendix C to COTIF)

RNE

RailNetEurope

SMGS

Agreement concerning International Freight Traffic by Rail (OSJD)

SMPS

Agreement concerning International Passenger Traffic by Rail (OSJD)

TAF

Telematics Applications for Freight

TEN-T

Trans-European transport network

TSI

Technical Specification for Interoperability

UIC

International Union of Railways

UNECE

United Nations Economic Commission for Europe

UNESCAP

United Nations Economic and Social Commission for Asia and the Pacific

UNIDROIT

International Institute for the Unification of Private Law

UPU

Universal Postal Union

UTP

Uniform Technical Prescription

UTP GEN-D

Uniform Technical Prescription –Assessment Procedures (modules)

UTP GEN-G

Uniform Technical Prescription –Common Safety Method on risk evaluation and assessment

UTP LOC&PAS

Uniform Technical Prescription - Locomotives and Passenger Rolling Stock

UTP WAG

Uniform Technical Prescription- Freight Wagons

UR

Uniform Rules

WCO

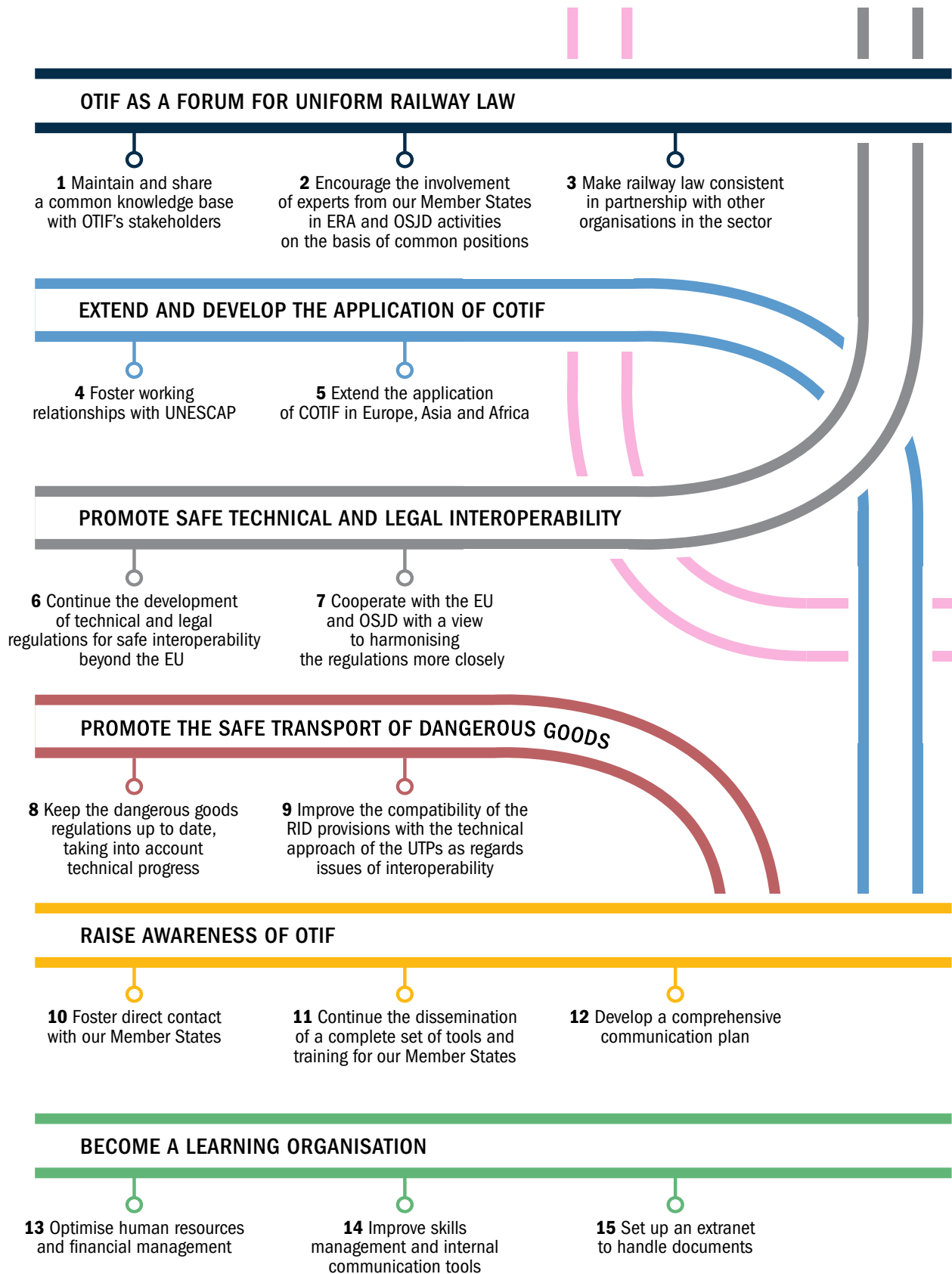
World Customs Organization

WG TECH

Committee of Technical Expert's Working Group

STRATEGIC OBJECTIVES:

Unified railway law to connect Europe, Asia and Africa.



SUMMARY

| | | |
|---|--|----|
| 1 | OTIF – A FORUM FOR THE DEVELOPMENT OF GLOBAL RAILWAY LAW | 8 |
| | OTIF at the heart of harmonising railway regulations | 8 |
| | Extending the geographical reach of OTIF | 12 |
| | Provisional calendar: update | 13 |
| 2 | IMPROVE AND MODERNISE UNIFORM CONTRACT LAW | 14 |
| | Modernise and improve contracts of carriage | 14 |
| | Implement the recommendations of the Corridor Study | 16 |
| | Participate in the development of our partnerships | 17 |
| | Provisional calendar: update | 17 |
| 3 | COMMITTEE OF TECHNICAL EXPERTS: IMPROVE INTEROPERABILITY AND SAFETY | 18 |
| | Ensure that the provisions of COTIF are equivalent to those of the EU | 18 |
| | Developing interoperability beyond the EU | 20 |
| | Accompany implementation of the regulations | 22 |
| | Provisional calendar: update | 23 |
| 4 | RID COMMITTEE OF EXPERTS AND RID/ADR/ADN JOINT MEETING - THE SAFE CARRIAGE OF DANGEROUS GOODS | 25 |
| | Updating the RID: RID/ADR/ADN Joint Meeting and RID Committee of Experts | 25 |
| | Continue harmonisation between RID and SMGS Annex 2 and promote partnerships | 29 |
| | Provisional calendar: update | 31 |
| 5 | A LEARNING ORGANISATION FOR THE SECRETARIAT OF OTIF | 32 |
| | Optimised and rationalised management | 32 |
| | OTIF in figures in 2016 | 34 |
| | OTIF's presence and visibility are improving | 35 |
| | Provisional calendar: update | 36 |



1

OTIF – A FORUM FOR THE DEVELOPMENT OF GLOBAL RAILWAY LAW

There is now increasing interest in developing the railway mode between Europe and Asia. The problem is that the current networks have inherited the set-up of the large national monopolies. It is now time to establish regional networks and develop new land routes on a global scale, such as the Silk Road project. As a result of its flexibility and the modern character of its legal rules, COTIF provides the common software for this railway globalisation.



François DAVENNE
OTIF Secretary General

OTIF AT THE HEART OF HARMONISING RAILWAY REGULATIONS

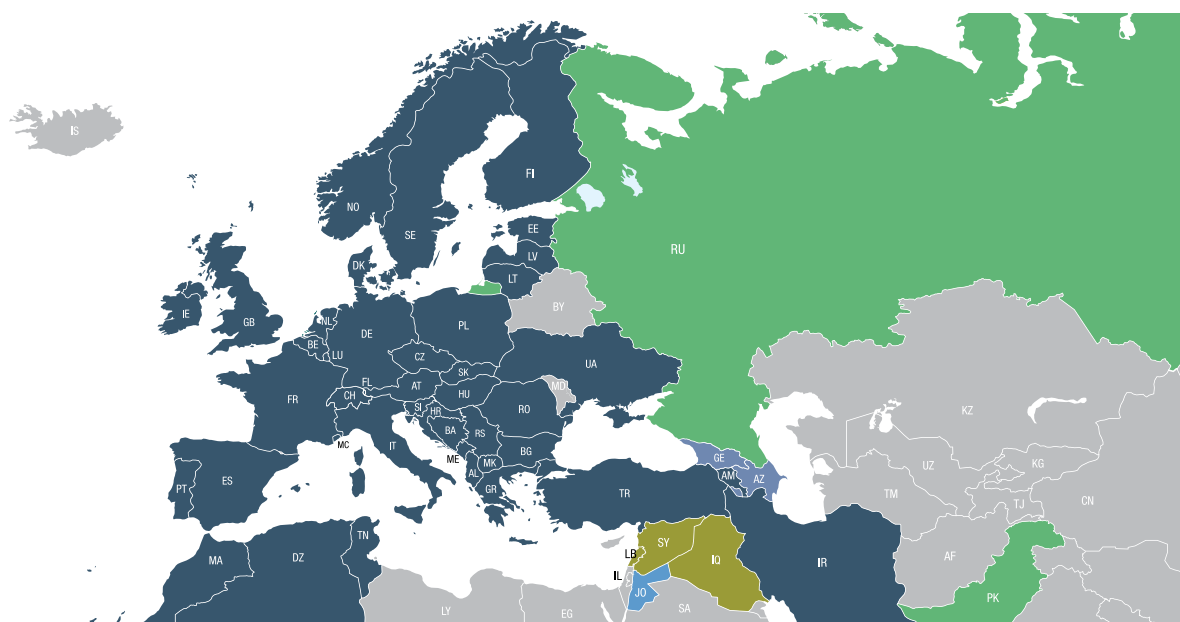
DEVELOPMENT OF THE APPLICATION OF COTIF 1999

This objective was amply achieved in 2016, as the Czech Republic formally withdrew its reservations, thus leading to the homogeneous application of the seven Appendices of COTIF 1999 in 41 of OTIF's Member States.

This is a particularly significant achievement. OTIF's regulations are in effect an integral part of the European Union's railway legislation. As COTIF is intended for expansion, it must be perfectly clear to those States that are interested that it must be applied.

OBJECTIVE 5

Extend the application of COTIF in
Europe, Asia and Africa



● All COTIF appendices (42)* ● Without CUV/CUI/APTU/ATMF (2) ● Without CIV/RID/CUV/CUI/APTU/ATMF (2)
● Associate Members (1) ● Membership suspended (3) *GB: Without CUI

This new situation makes it more natural and efficient to organise workshops in partnership with the Directorate General for Neighbourhood and Enlargement Negotiations (DG NEAR) under the EuroMed programme, as was the case in Egypt and Israel at the end of October 2016.

TWO STABLE LINES OF COOPERATION

Unlike the European Union, OTIF relies solely on its members' national laws to ensure effective application of the regulations. It is a force for enabling the expansion of a body of shared rules. However, this means that a shared knowledge base must be maintained and that there must be continued interaction between experts from our Member States and between the various stakeholders.

The EU and ERA

Our working relationship with the EU is ongoing, particularly in terms of developing a concept of interoperability beyond the EU. Coordination with the Commission on technical matters, which is dealt with in an administrative arrangement signed in 2013, was supplemented by agreeing to practical arrangements in order to implement the administrative arrangements; the latter were agreed between the parties on 30 September 2016 and, in particular, commit ERA and DG MOVE to keeping OTIF informed of all EU developments which are relevant to OTIF.

OTIF also contributes a more international overview to help clarify certain problems that are of central importance to the EU. With regard to noise, for example, the Secretary General moderated the workshop dealing with this issue at the TEN-T Days organised in Rotterdam in June 2016. The Organisation subsequently proposed an effective compromise solution for this fundamental project at the Committee of Technical Experts.

OSJD

Working relations with OSJD have continued developing since the joint position of 12 February 2003 was revived. Two coordination meetings were organised in 2016, at which a shared vision for rail transport for Euro-Asia was developed. OTIF participates regularly and constructively in OSJD's working groups. In particular, the coordination and harmonisation of RID and SMGS Annex 2 is continuing.

UIC

In order to become a gateway for our Member States outside the European Union, it is essential that decisive action in terms of disseminating information is taken, together with our partners. Each department has committed itself to this task with the production of summary documents and by taking part in various events.

In this context, the Secretariat pays particular attention to monitoring the move towards digitalisation in transport. In particular, at the UIC working groups it supports a model for the gradual integration of international railway networks using successive, hierarchical layers, which is particularly adapted to designing new services.

Two "OTIF-COTIF" workshops in the Mediterranean region

The European Commission and the Secretariat of OTIF jointly organised two workshops to raise awareness of COTIF under the EuroMed transport project: "Workshop – Awareness Day" entitled "OTIF-COTIF – Presentation of unified railway law", with the participation of the International Rail Transport Committee (CIT).

On 27 October 2016 in Cairo, the Ministry of Transport of the Arab Republic of Egypt welcomed speakers from OTIF and CIT for a day of presentations and discussions.

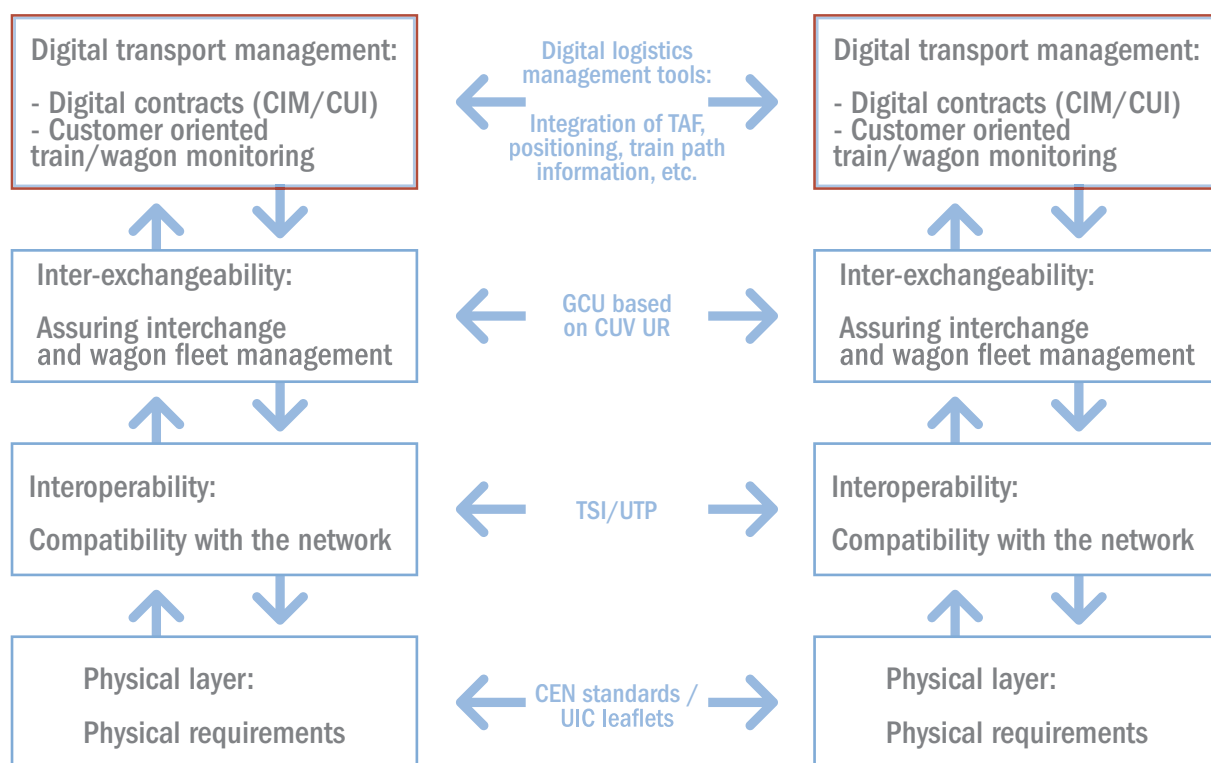
On 2 November 2016, speakers from OTIF and CIT went to the Ministry of Transport of Israel to present the advantages of applying COTIF and its Appendices and of acceding to OTIF and joining CIT.

Training initiatives The College of Europe in Bruges

On 7 July 2016, for the fourth consecutive year, the Secretariat presented COTIF and OTIF at the summer course given by the European Training Centre for Railways (ETCR) in Bruges, Belgium. The ETCR is an independent association of undertakings from the European railway sector. Its objective is to give managers and future managers the opportunity to study European transport legislation and to discover the latest developments concerning the rail sector. The Secretariat's contributions covered the scope of COTIF, how it interacts with EU railway law and its importance in terms of international railway traffic within the EU borders and beyond.

OBJECTIVE 2

Encourage the involvement of experts from our Member States in ERA and OSJD activities on the basis of common positions

Towards the digitalisation of rail freight**Training and dissemination**

In 2015 the OTIF Secretariat started an intensive in-house training programme intended for selected members of staff from the national authorities that apply the technical Appendices to COTIF. Participants take part in the everyday activities of OTIF's technical department and are given explanations and specific training. In return, they can help the staff of the Secretariat to achieve a better understanding of how COTIF is applied in their State. At the end of the training, interns are then able to apply their newly acquired knowledge, provide training themselves and disseminate what they have learnt at national level.

In 2016, two trainees took part in this programme; Mr. Çağlar Tabak from the Turkish Directorate General of Railway Regulation (DDGM) for four months and Ms Milena Milačić of the Montenegrin Railway Directorate for two months.

OBJECTIVE 1

Maintain and share a common knowledge base with OTIF's stakeholders

Raising awareness of OTIF

On 13 October 2016, the Secretariat of OTIF spoke at Serbia's 17th "International Scientific-Expert Conference on Railways" – RAILCON 16, on the subject of "COTIF international railway law to connect different networks", with a presentation on achieving not only legal, but also operational and technical interoperability between its MS by creating a network of connected railway systems. This presentation was part of the framework of training sessions and knowledge sharing in OTIF's Member States that are not members of the EU, the particular aim of which is to develop knowledge of OTIF's regulations for people involved in rail transport.

IMPLEMENTATION OF THE GENERAL ASSEMBLY'S DECISIONS: ADAPTATION OF ARTICLE 34 COTIF

OTIF's 12th General Assembly held in Bern on 29 and 30 September gave Member States the opportunity to approve all the proposals concerning the partial revision of COTIF and the partial revision of Appendices D (CUV UR), F (APTU UR) and G (ATMF UR). From both a legal and technical point of view, OTIF's Member States expect these amendments to be put into effect.

This is why the work programme for 2016 – 2017 adopted by the Administrative Committee at its 124th session (Bern, 29-30 January 2016) says that: "With a view to the consistent and rapid implementation of amendments to COTIF and its Appendices, the legal department will carry out a study on the feasibility of adapting Article 34 of COTIF to enable amendments adopted at the General Assembly to be applied by a fixed deadline".

The Secretariat carried out a comparative survey of the various arrangements for implementing amendments to COTIF in national law under Article 34. Its conclusion was that the present arrangements introduced additional delays that are difficult to reconcile with a constantly evolving legal environment. In this context, both the Secretariat and its Member States will need to be more responsive.

The Administrative Committee noted this analysis at its 126th session on 6 December 2016 and concluded that it was necessary:

- to draw on an independent study to be carried out by a high-level expert in international law;
- on the basis of this, to hold a working group in 2017 in order to prepare the decision of the next Revision Committee.

OBJECTIVE 3

Make railway law consistent in
partnership with other organisations in
the sector



The Vice-Minister of Transport, Mr Lu Dongfu, and the Secretary General, Mr F. Davenne

EXTENDING THE GEOGRAPHICAL REACH OF OTIF

A POST-ACCESSION WORKSHOP IN BAKU

On 1 November 2015, OTIF welcomed the accession of Azerbaijan, which became the 50th Member State of OTIF. In 2016, the Secretariat organised a post-accession seminar in Baku in partnership with experts from Turkey, Ukraine and Georgia to help our new partner implement the advantages provided by COTIF in concrete terms.

This development should be seen in the context of the Silk Road project, which is an opportunity to work on establishing uniform law on a Euro-Asian scale. It therefore appears that in 2014, OTIF's *raison d'être*, "unified railway law to connect Europe, Asia and Africa", anticipated structural developments in the railway sector.

The question of the "operating system" of the future Silk Road is a key issue in terms of the project's success and COTIF has a leading role in this regard.

INCREASE OTIF'S EXPOSURE IN ASIA

Throughout 2016, the Secretariat increased its exposure in Asia. Contacts with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in 2015 and OTIF's participation in OSJD's Conference of Ministers in Baku in 2016 enabled OTIF to move closer to partners in China.

After some intensive exchanges, Memorandum of Understanding was concluded on 12 July 2016 between OTIF and China through the National Railway Administration, represented by the Deputy Minister for Transport, Mr Lu Dongfu. The Chinese representatives were particularly interested in the development of the concept of interoperability beyond the European Union.

OTIF still cooperates closely with Iran as well. The Secretary General took part in the first Oil, Rail and Ports seminar organised in Tehran on 15 May, which provided the opportunity to clarify the challenges for developing rail transport in this country of crucial importance for the future Silk Road.

An illustration of these challenges can also be found in OTIF's participation in the project on the transport of packages between China and Europe in a team made up of UPU, CIT, CCTT, WCO and the relevant rail and postal operators. This is a potentially huge market, because the trade in postal package consignments between China and Europe is growing by 20% a year.

OBJECTIVE 5

Extend the application of COTIF in Europe, Asia and Africa

OBJECTIVE 4

Foster working relationships with UNESCAP

The COTIF workshop in Baku

In November 2015, Azerbaijan became the 50th Member State of OTIF. At the same time, the Azeri authorities, the Railways of Azerbaijan (ADY) and OTIF agreed to organise together a post-accession workshop; the objective was to provide the tools to apply the Appendices to the Convention concerning International Carriage by Rail (COTIF) and to exchange information on best practice, with the particular involvement of the International Rail Transport Committee (CIT).

To this end, a workshop entitled "Passengers, goods and dangerous goods: the ways of applying and implementing COTIF and its Appendices" was held on 2 and 3 May 2016 in Baku, bringing together experts and representatives from OTIF and CIT and a broad range of speakers from Azerbaijan, Georgia, Turkey and Ukraine. There was also a great diversity of participants: ministerial officials and people from the private sector.

One of the important conclusions of the workshop was that the railways of Azerbaijan and Georgia should coordinate activities on implementing CIV/CIM (Appendices A and B to COTIF) before opening the Baku-Tbilisi-Kars route, which is expected in summer 2017. With regard to practical issues, Azerbaijan Railways said they were interested in learning from Turkey's and Ukraine's experience, particularly with regard to how the CIM consignment note and the management of border controls are dealt with. The OTIF Secretariat is prepared at any time to provide any further support that might be necessary in addition to the bilateral cooperation initiated during this workshop.

Following the seminar, Azerbaijan attended the CTE meeting in June 2016 for the first time, but did not have voting rights, as it does not apply Appendices F and G to COTIF.

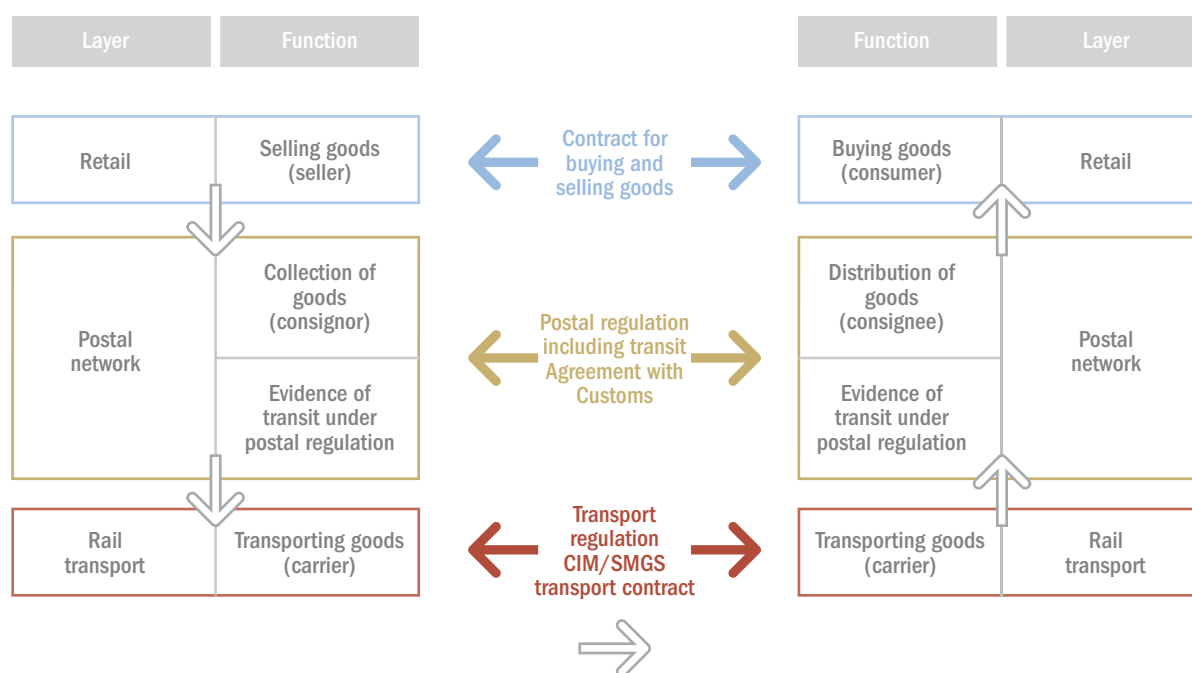
International carriage of postal consignments by rail

In March 2016, the International Rail Transport Committee (CIT), the Universal Postal Union (UPU) and the Coordinating Council on Transsiberian Transportation (CCTT) signed a memorandum of understanding (MoU). The aim of this MoU is to explore the feasibility of implementing a project to move postal package consignments by rail in container trains. OTIF is lending its full support to this initiative, in which it has been a stakeholder since the “International carriage of postal consignments by rail” seminar organised in Moscow by the Secretary General of the CCTT, Mr Bessonov. At their meeting on 21 October 2016, OTIF and OSJD decided to prepare a joint memorandum of understanding (MoU) with UPU in 2017.

Since then, trials carried out between China and Europe have shown that the difficulties to be resolved are caused by the complexity of the interfaces between:

- Commercial law governing online sales,
- The postal law of UPU,
- The railway law of OTIF and OSJD,
- Customs law.

OTIF proposed a solution to clarify the issues to be resolved in order to organise these movements by modelling the various regulations and their interfaces. This model can be summarised by the following diagram, which describes the journey of a parcel between the different regulatory and physical layers: from the contract of sale to the dispatch of the parcel and its carriage by rail.



PROVISIONAL CALENDAR: UPDATE

WHAT HAS BEEN DONE:

3 May 2016: Seminar in Baku for the Central Asian region.

Drafting application guides for the correct use of assessment procedures (UTP GEN-D) and risk evaluation and assessment (UTP GEN-G).

WHAT HAS CHANGED

2017: The signing of the MoU with China should lead to tangible cooperation, specifically China's participation in the CTE.

NEW DATES:

2018: A technical seminar in Ankara is still on the cards.

Autumn 2017 or 2018: Seminar for the Maghreb region.

Mid-2017: Participation in reviewing the project for the integrated railways of the GCC in Abu Dhabi.

2

IMPROVE AND MODERNISE UNIFORM CONTRACT LAW

For the various contracts required in order to perform rail transport, the legal Appendices to COTIF provide a harmonised framework recognised by professionals across the entire geographical area covered. These Appendices should therefore be developed very cautiously, as they act as a support for thousands of contracts every day that govern the whole range of liability issues.

MODERNISE AND IMPROVE CONTRACTS OF CARRIAGE

RESULT OF THE CUI UR WORKING GROUP:

FORMULATE A CLEAR DEFINITION OF THE SCOPE
OF APPLICATION

Since it was developed in 1999, the contract of use of infrastructure (CUI) has anticipated European Union law with a simple idea: a uniform framework for contracts for the allocation of international train paths. Today, with the vote on the fourth railway package heralding the implementation of a single European railway area, this issue is more relevant than ever. The Secretariat is still convinced that contractual solutions based on a revised CUI could help the sector organise the effective management of international train paths. The successful experience with the GCU could promote this approach.

Since the 25th session of the Revision Committee (Bern, 25-26 June 2014), a working group set up by the Secretary General to prepare the revision of the CUI UR has met four times. The last session was held on 31 May 2016.

Its main aim was to clarify the scope of the CUI, which is interpreted in various ways, thus hindering its application and users' security, particularly the infrastructure managers. The group also looked at issues in connection with the liability of the two parties to the contract of use of infrastructure, keepers and infrastructure managers.

Member States representing the main European railway networks, the European Commission and the representatives of the stakeholders (CIT, EIM, RNE, CER) also took part in this work. All the EU Member States received the reports of each session of the working group and were thus informed of the progress of the work. At the end of the 4th session, a majority of the working group members endorsed the principle whereby, if the scope of application remains linked to the framework of CIV and CIM contracts of carriage, it must above all take account of the fact that a railway infrastructure is used by a railway undertaking in order to perform international traffic.

The CUI UR would therefore apply to contracts of use of international train paths. In practice, these are made up of several successive national train paths in at least two Member States and are coordinated by the infrastructure managers concerned.

The scope of application of CUI thus revised will take more account of this complex reality.



Aleksandr KUZMENKO
Head of Legal Department

OBJECTIVE 3

Make railway law consistent in
partnership with other organisations in
the sector

UNECE TOWARDS UNIFIED EURASIAN LAW

The signature on 26 February 2013 by 37 UNECE countries of the joint declaration on the promotion of rail transport between Europe and Asia breathed new life into the UNECE project on “unified Euro-Asian railway law”, which is now limited to the question of contracts of carriage for freight.

Rather than creating law overarching the two legal regimes of CIM and SMGS, or creating autonomous law, the OTIF Secretariat supported the establishment of an interface regime between CIM and SMGS, limited to high-level provisions that could be put in place rapidly in the areas in which CIM and SMGS are applied, which would meet stakeholders’ expectations.

In 2015, the group of experts finalised the draft “appropriate legal provisions” to unify railway law between Europe and Asia and submitted them to the Working Party on Rail Transport (SC.2). In the OTIF Secretariat’s view, this draft constitutes interface law or law agreed between CIM and SMGS. It is limited to high-level provisions which will serve as a basis for a single contract of carriage, evidenced by a single consignment note and particularly by a single liability regime.

In February 2016, the UN Inland Transport Committee adopted resolution No. 263, which encourages railway undertakings and international organisations active in the field of rail transport to test these legal provisions in practice and to approve the continuation of the group of experts’ work for another year.

In 2016, the group of experts held two official meetings and one informal working meeting. Based on the resolution, it chose the following corridors to carry out the pilot tests:

- Russian Federation, Belarus, Poland, Germany;
- Turkmenistan, Iran, Turkey; and possibly
- Lithuania, Belarus, Poland.

A road map was also agreed in order to ensure that these pilot tests are entirely successful. The Secretariat of OTIF will continue to contribute all its expertise to this work, in accordance also with the decision of the 12th General Assembly on this issue.

The Luxembourg Protocol: an international register of securities

This Protocol was adopted at a diplomatic conference held in Luxembourg in February 2007. It sets up a new legal regime for the recognition and enforcement of securities when these securities are in railway rolling stock. A register will be set up for this as well as a supervisory authority for the register. The aim of the Luxembourg Protocol is to promote private investment in rail transport, following the example of the Aircraft Protocol, which has been in force since 1 March 2006.

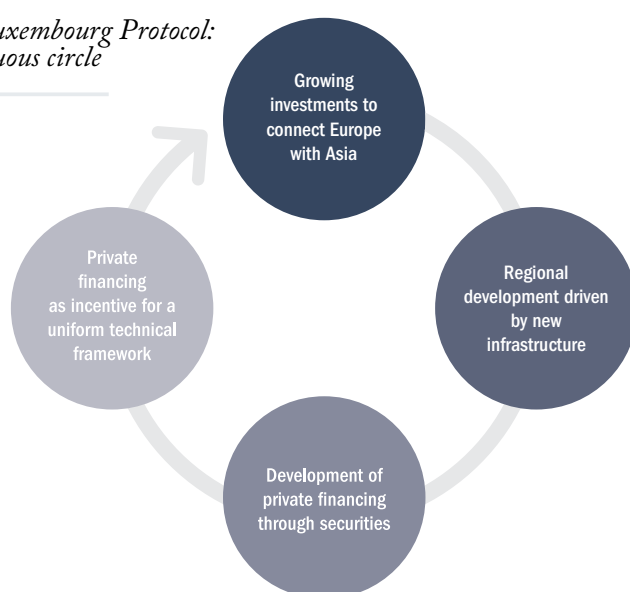
Despite the two new signatories to the Protocol in 2016, the United Kingdom (February) and Mozambique (November) and France’s signature in 2017, the Luxembourg Protocol has not yet entered into force, as the two conditions specified in Article XXIII of the Protocol have not been met:

- Deposit of the fourth instrument of ratification, acceptance, approval or accession. At this stage, Luxembourg has ratified the Protocol and the EU recently approved it.
- The Secretariat (OTIF) has to deposit (with the Depositary – UNIDROIT) a certificate confirming that the “International Registry” is fully operational.

In 2016, the Secretariat of OTIF was involved in promoting the Protocol by including this subject in high-level meetings, as was the case with the Chinese delegation received in Bern in July 2016, and by raising this matter with financial or economic institutions, such as OECD, together with UNIDROIT.

The Secretariat also believes that the Luxembourg Protocol contributes to the development of railway interoperability. The success of the security mechanism is based on the possibility of re-using the investments on other networks. In this respect, the development of private investments guaranteed by security interests in rolling stock should encourage the use of OTIF’s uniform technical framework.

The Luxembourg Protocol: a virtuous circle



IMPLEMENT THE RECOMMENDATIONS OF THE CORRIDOR STUDY

A study carried out by OTIF in 2014 and 2015 focused on two Euro-Asian corridors with the aim of determining the areas in which OTIF could contribute real added value to setting up these routes. Prior to publishing the study in March 2016, the OTIF Secretariat consulted its main partners; European Commission, ERA, UNECE, UNESCAP, OSJD, UIC, ECO, CER and CIT.

Four main courses of action by OTIF have emerged from this study:

1. Development of partnership work with OSJD: OTIF initiated a discussion regarding new topics for common lines of action, first of all in the area of technical regulation. Russian has been given more importance within OTIF, which is particularly evident in the carriage of dangerous goods work.

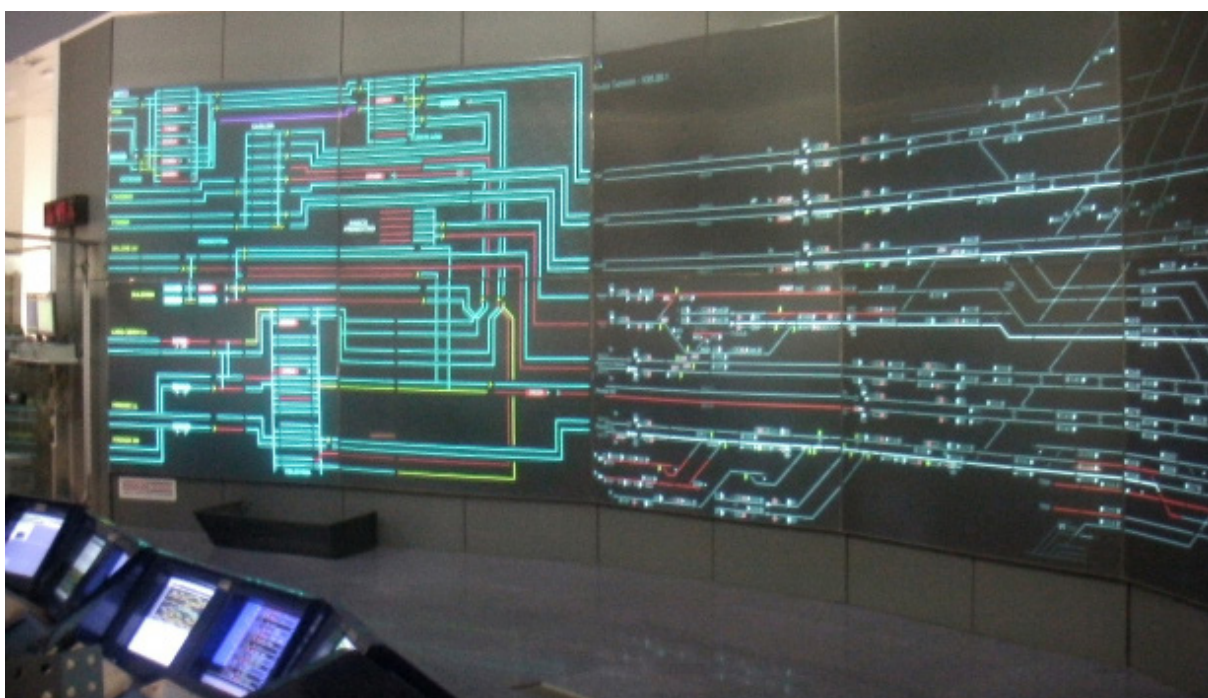
2. Harmonisation of contracts of use of wagons, which link keepers and carriers: developing the involvement of private wagon keepers in the main Euro-Asian corridors under uniform conditions is one of the keys to successful containerised traffic.

3. Making the electronic exchange of data consistent is also one of the key conditions for success in the development of traffic: based on the TAF TSI, which provides a consistent model for these exchanges, OTIF has been working in close partnership with ERA and OSJD to develop a common understanding.

4. Dissemination and training: together with CIT, OTIF has intensified its activities, as the lack of knowledge and the resulting mistakes have also been identified as one of the major sources of dysfunction. Training activities also have to be seen in the context of OTIF's strategy concerning the accession of new Member States. We expect tangible results from these activities in 2017. It goes without saying that these activities have to be continued.

OBJECTIVE 7

Cooperate with the EU and OSJD with a view to harmonising the regulations more closely



PARTICIPATE IN THE DEVELOPMENT OF OUR PARTNERSHIPS

PARTNERSHIP WITH CIT

In 2016, the partnership with the International Rail Transport Committee was still key for the legal department:

- firstly, for the OTIF Secretariat, it is important to be able to rely on the railway undertakings' operational expertise to resolve practical cases and to substantiate the legal concept of texts with a sound appreciation of the constraints in the sector;
- secondly, although CIT's task is to defend its members' interests, it occupies a privileged position with regard to the CIM/CIV Uniform Rules, as it prepares supporting documents, such as the CIM consignment note and tickets for CIV passengers, which are recognised throughout Europe and beyond.

PARTNERSHIP WITH OSJD

Cooperation with the Organisation for the Cooperation of Railways (OSJD) is based on the common position adopted on 12 February 2003. Regular contacts at management level in the two organisations ensure that strategic questions of joint interest, as well as any differences of opinion, can be discussed openly and in good time. Genuine partnership has been achieved, which is manifested by the participation of experts from OTIF in OSJD working groups.

On 21 October 2016, the annual meeting of the management of the OSJD Committee and OTIF was held in Warsaw. On this occasion, all the issues in the field of railway transport that contribute to improving the efficiency and competitiveness of international railway transport, as well as the further development of Eurasian railway traffic, were discussed, including cooperation on harmonising RID and SMGS Annex 2, the creation of favourable conditions for using the CIM/SMGS consignment note and facilitation of the project on "Transportation of postal items in railway traffic between China and Europe".

OBJECTIVE 1

Maintain and share a common
knowledge base with
OTIF's stakeholders

PROVISIONAL CALENDAR: UPDATE

WHAT HAS BEEN DONE:

Organise working groups to revise the common position with OSJD: in the letter LAW-16023 of 12 May 2016, OTIF's Secretary General proposed amendments to the joint actions set out in the common position signed by OSJD and OTIF

May 2016: CUI Working Group. A draft proposal to modify those Articles of CUI dealing with the scope, definitions and liability (including adaptation of the Explanatory Report) to be submitted to the Revision Committee was prepared

WHAT HAS CHANGED

End of 2016: CIM Working Group on the continuation of the work on the electronic consignment note was deferred pending the CIT's report to OTIF's Secretary General in accordance with the decision of the 12th General Assembly

At the end of 2016, take part in reviewing the GCC project: this development should take place in 2017

NEW DATES:

November 7-10 2017 (Warsaw) Annual meeting of the OSJD Commission for Transport Policy and Development Strategy

February 27-March 1 2018 - 26th session of the Revision Committee

3

COMMITTEE OF TECHNICAL EXPERTS: IMPROVE INTEROPERABILITY AND SAFETY

Since their inception, the technical provisions of COTIF have been equivalent to those of the EU. OTIF is developing a set of modern rules to provide a solid basis for developments and innovations in the rail sector.

ENSURE THAT THE PROVISIONS OF COTIF ARE EQUIVALENT TO THOSE OF THE EU

COMMITTEE OF TECHNICAL EXPERTS

Switzerland chaired the 9th session of the Committee of Technical Experts (CTE) on 7 and 8 June 2016 in Bern. Thirty OTIF Member States were present or represented in the Committee, of which 29 had the right to vote.

The CTE decided to adopt amendments to the UTP WAG, which concerned in particular the introduction of approval requirements concerning composite brake blocks, which can now be assessed and approved as interoperability constituents for braking systems. Fitting existing freight wagons with composite brake blocks, rather than traditional cast iron brake blocks, reduces the roughness of the wheels and thus reduces the pass-by noise of freight trains. Since 2012, new wagons have had to be fitted with composite brake blocks or other types of brake systems that do not cause wheels to roughen, e.g. disk brakes.

Subsequently, the CTE decided to adopt amendments to the UTP GEN-G on a common safety method (CSM) for risk evaluation and assessment. The aim of these changes was to facilitate the mutual recognition between States of assessment results relating to structural subsystems and vehicles, particularly in cases where the proposer chose to use explicit risk estimation. In such cases, harmonised design targets could be used to demonstrate the acceptability of risks caused by failures in the functions of a technical system.

Both decisions to modify the UTPs were notified to the Member States and entered into force on 1 December 2016. The amendments, as well as consolidated versions of the UTPs, are available on OTIF's website.



Bas LEERMAKERS
Head of Technical
Interoperability Department

OBJECTIVE 6

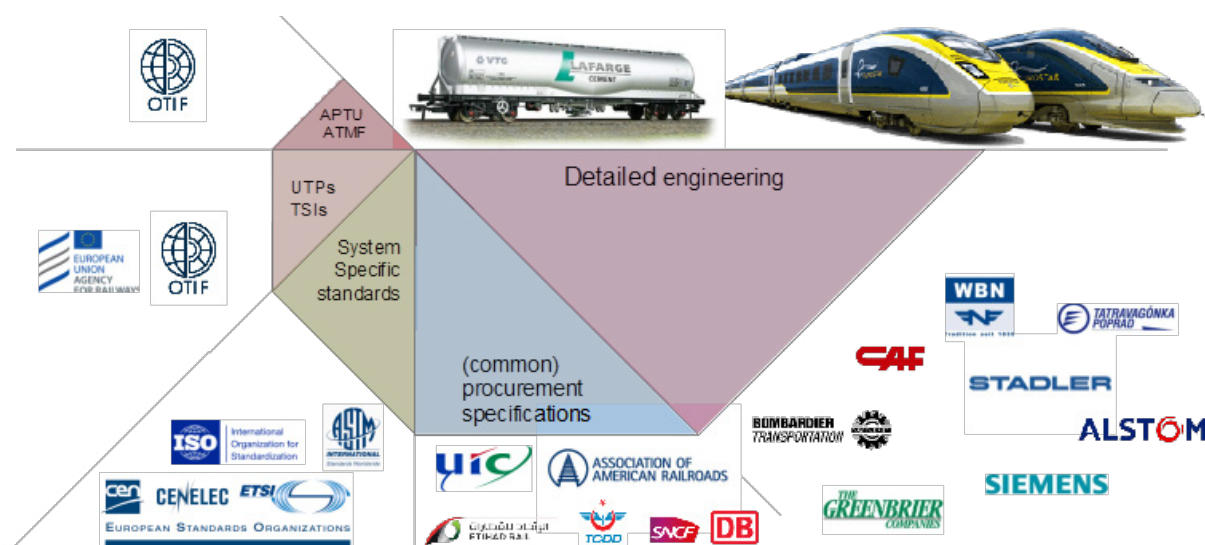
Continue the development of technical regulations for safe interoperability beyond the EU

The CTE also validated an explanatory document on UTP GEN-D which was drafted by the OTIF Secretariat. The UTP GEN-D sets out the procedures for assessing conformity with UTPs and the explanatory document helps the reader to understand the principles of the UTP GEN-D. The Secretariat has published the explanatory document on OTIF's website.

The CTE also supported new developments for telematics applications for freight (TAF TSI) and interoperability beyond the EU.

Both subjects are explained in more detail in this section.

OTIF's technical regulations



PREPARATION OF THE UTP TAF

After the Secretariat issued a study in 2015 on the feasibility of transposing the telematics applications for freight (TAF TSI) into CO-TIF, and after organising a TAF seminar for non-EU Member States at the beginning of 2016, the CTE mandated the WG TECH to prepare a proposal for CTE 10 to transpose the TAF TSI into a UTP. Implementation of this UTP TAF would be voluntary, meaning that there is no deadline after which this UTP or parts thereof must be implemented. However, application of the UTP TAF would be mandatory if processes or technology were developed, or if equipment for telematics applications were purchased that fall within the scope of this UTP TAF. This means that new processes, technology or equipment of this kind must comply with this UTP TAF. In the course of 2016 a draft proposal was reviewed by the WG TECH to prepare it for adoption by the CTE in 2017.

DEVELOPING INTEROPERABILITY BEYOND THE EU

A NEW APPENDIX H

At the General Assembly of 2015, the Secretary General launched the idea of establishing a legal basis in COTIF to support interoperability beyond the EU. Interoperability in this context means the safe and uninterrupted movement of trains on and between the rail systems of neighbouring States. In practical terms, interoperability means that a railway undertaking would be able to run a complete train from its point of departure in one State to the destination in another State without technical or operational reasons to stop at the border(s).

Interoperability has the potential to improve the efficiency of international rail traffic. It could reduce the need to reconfigure trains at border crossing stations and, if neighbouring States agree, trains could cross borders without stopping. There must be significant improvements in efficiency if rail is to remain competitive with other modes.

Following discussions in 2016 with partner organisations and at the CTE 9, the Secretariat suggested developing interoperability beyond the EU along two parallel paths:

1. The operational and safety provisions concerning, in particular, railway undertakings and infrastructure managers, in order to ensure that trains in international traffic are operated safely, including the certification and supervision of railway undertakings.
2. The network access conditions, setting out the conditions in a State for railway undertakings to operate trains in international traffic in that State, including e.g. licensing, charges and capacity allocation.

These two subjects could be dealt with separately.

Discussions on the first development progressed well during 2016, to the extent that by the end of 2016 the Secretariat had started drafting a new Appendix H to COTIF for this purpose, based on the following principles:

- Railway undertakings and infrastructure managers would be required to establish their safety management systems
- Each State would establish a Certification Authority for the certification of railway undertakings
- Certification Authorities would cooperate in order to allow mutual recognition of certificates where feasible
- States would supervise the correct application of the safety management system of railway undertakings
- The CTE would be competent to adopt annexes to implement the requirements of the new Appendix H in a harmonised way.

The Secretariat's ideas should be discussed, reviewed and further developed by the CTE in 2017, then by the Revision Committee and General Assembly, both in 2018.

For the development of network access conditions, the Secretariat envisages setting up a separate working group led by the legal department.

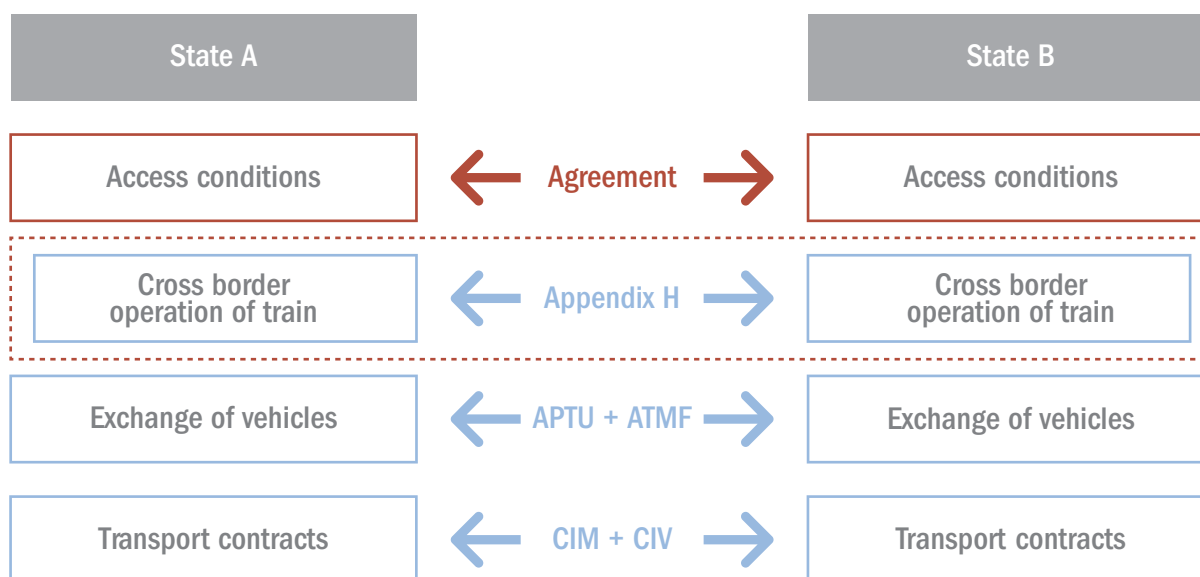
Interoperability and the exchange of vehicles

Interoperability enables an entire train to cross a border and continue running on the network of the neighbouring country without having to stop. It also remains under the control of a single railway undertaking.

Consequently, the infrastructure manager must be able to work with different railway undertakings in accordance with harmonised operating rules. Within the EU, interoperability goes hand in hand with opening the market and competition; in other words, new railway undertakings may be set up and may compete with other railway undertakings. However, there might also be interoperability without competition, for example when two or more countries agree that their respective national railway undertakings may operate on their various networks.

Interoperability demands a high level of technical and operational harmonisation, because operating trains on neighbouring networks means that measures have to be taken in terms of the interfaces between vehicles and the infrastructure, and with regard to the operating rules, drivers' qualifications, the languages used, data exchange and safety rules, etc. This is a major challenge, as in a number of States, it is already difficult to achieve such harmonisation even at national level.

The alternative solution for interoperability is international rail traffic with the exchange of vehicles. This is the classic method that has been in use for more than a century, where a railway undertaking entrusts the wagons or coaches to another railway undertaking at the border station. In this system, there is far less technical, operational and safety harmonisation, because international wagons and coaches are operated by the (or a) national railway undertaking. In future, it will be important to keep such specifications at international level.

Scope of new Appendix H

FOURTH RAILWAY PACKAGE

In June 2016 three legislative acts entered into force in the European Union, as part of the so-called fourth railway package:

- Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004,
- Directive (EU) 2016/797 of the European Parliament and of the Council of 11 May 2016 on the interoperability of the rail system within the European Union, and
- Directive (EU) 2016/798 of the European Parliament and of the Council of 11 May 2016 on railway safety.

The European Commission presented to WG TECH its analysis of the changes that would be required to APTU and ATMF in order to remain fully compatible with the changes to EU law brought about by the fourth railway package. The Commission presented its findings in the form of two comparative tables. On the basis of these tables the OTIF Secretariat prepared the draft amendments to APTU and ATMF. Based on the discussion in WG TECH, in 2017 the OTIF Secretariat will draft documents for the attention of the CTE. After review by the CTE, the Revision Committee would be competent to decide on the amendments.

ACCOMPANY IMPLEMENTATION OF THE REGULATIONS

INTERCHANGEABLE PASSENGER COACHES

Since 2013, the OTIF Secretariat has promoted the inclusion of specifications for interchangeable coaches in TSIs and UTPs. Upon a proposal from the OTIF Secretariat, the work was split into two parts. On the one hand, the development of provisions that would allow for a unique authorisation/admission of coaches and on the other hand, specifications for inter-vehicle interfaces, so that coaches from different operators can be coupled together.

For the first part, the European Union Agency for Railways (ERA) launched a working party in charge of “unique authorisation”, which completed its work in December 2015 by issuing the corresponding recommendation to the European Commission.

For the second part, the harmonisation of vehicle interfaces, WG TECH discussed and concluded a list of parameters in 2015, which became input to an ERA working party. During 2016 ERA developed draft specifications for interchangeable passenger coaches. Following the work with the OTIF Secretariat, the idea was to create a new, optional clause in the TSI LOCPAS for vehicles intended for general operation.

The OTIF Secretariat is following this work closely by providing input to developments, especially regarding the necessity for compatibility with RIC coaches. Once this work is ready at EU level, with the issuing of a revised TSI, the Secretariat will transpose these requirements into the UTP LOCPAS for new coaches and for upgrading existing ones.

VEHICLE REGISTERS

Since 2013 ERA has worked on the “Rationalisation of Vehicle Related Registers”, the objective of which has been to advise on the consolidation of the vehicle-related registers. On 15 June 2016, with the introduction of the fourth railway package, the requirement to establish one European Vehicle Register (EVR) was established. In the future, one EVR will replace the national vehicle registers of the EU Member States.

The creation of the EVR is relevant to OTIF, because it is important that the future EVR and the non-EU NVRs remain connected. The OTIF Secretariat therefore takes part in these developments by advising ERA in terms of taking OTIF's interests into account. The technical and functional specifications of the EVR will be developed in the course of 2017.

NOISE REDUCTION

At the 29th session of WG TECH, the European Union Agency for Railways gave a presentation about a new task force which is reviewing the possibilities for reducing rolling noise emitted by existing old freight wagons in the EU Member States.

In practice, the plans would require existing freight wagons equipped with cast iron brake blocks to be retrofitted with composite brake blocks. Composite brake blocks smoothen the running surface of the wheels when braking and thus significantly reduce the rolling noise of these wagons.

The OTIF Secretariat suggested that if there were no equivalent measures in COTIF, measures imposed in the EU might not be legally en-

OBJECTIVE 7

Cooperate with the EU and OSJD with a view to harmonising the regulations more closely

forceable for vehicles running in international traffic from outside the EU into the EU. It therefore suggested that a joint approach between OTIF and the EU would be more effective.

Instead of requiring all wagons to become silent, the OTIF Secretariat suggested to the task force that other possibilities for reducing rail freight noise could be explored, in particular those which have an effect at places where the noise problem occurs. In this respect the OTIF Secretariat presented the concept of “silent freight corridors” as a possible way forward. Pass-by noise could be defined as a parameter of compatibility between the network and a vehicle. It would then be the responsibility of the railway undertaking to ensure that it runs only “silent” wagons on these defined corridors.

Although this approach would have its downsides, such as an increased administrative burden, possible ambiguities in local rules and limitation of interoperability, there would be a clear economic benefit in preventing the retrofitting of entire fleets and implementation would not seem to cause major legal hurdles. The input from the Secretariat was integrated into ERA's draft report, which is to be finalised in 2017.

EU DEVELOPMENTS CONCERNING NOTIFIED BODY ACCREDITATION AND MONITORING

In March 2016 an accreditation scheme for Notified Bodies (NoBos) was developed and published by ERA. Although applicable on a voluntary basis, this scheme sets harmonised requirements for the assessment of competences of the assessment bodies in the EU prior to their notification by EU Member States.

After this work was finalised and published, ERA started a working group on the “Monitoring of NoBos”. The objective of this work is to develop a theoretical model according to which ERA could monitor the performance of NoBos. The aim of monitoring is to improve confidence in the work performed by NoBos in the railway sector as a fundamental pillar for the authorisation processes.

Following the discussions in 2016 the OTIF Secretariat suggested a specific course of action for review by the Committee of Technical Experts in 2017.

PROVISIONAL CALENDAR: UPDATE

2016

17 and 18 February: WG TECH 28 (venue to be confirmed)

7 and 8 June: CTE 9 (Bern)

7 and 8 September: WG TECH 29 (Lille)

16 and 17 November: WG TECH 30 (Bern)

2017

21 and 22 February: WG TECH 31 (Bern)

13 and 14 June: CTE 10 (Bern)

12 and 13 September: WG TECH 32 (venue to be confirmed)

November or December: WG TECH 33 (venue to be confirmed)

INTERDISCIPLINARY COORDINATION - RID-ATMF WORKING GROUP

OBJECTIVE 9

Improve the compatibility of the RID provisions with the technical approach of the UTPs as regards issues of interoperability

Based on a study carried out in March 2013 analysing the interactions and consistency between railway and dangerous goods legislation, the EU Commission's DG MOVE and the OTIF Secretariat set up a working group, entitled the "RID-ATMF working group", to study possible inconsistencies between RID and the general railway legislation. The group had a well-balanced composition of experts in both fields of law.

The RID-ATMF working group met three times during 2016 (3 and 4 February 2016, 9 and 10 June 2016, 18 and 19 October 2016) and anticipated that one final meeting would be needed at the beginning of 2017.

The RID/ATMF working group recognised that the overall coordination process between dangerous goods legislation and general railway legislation is complex and involves different working groups and decision-making committees. After a challenging start, the discussions in the working group were constructive. It was deemed important to recall in the report the specific objectives of each area of law and the competences of the committees involved and that the aim was not to challenge any of these aims and competences. It was then agreed that better coordination of the process of developing the two sets of law was required, starting with a certain number of defined topics.

Among these topics, the working group agreed that it was necessary to discuss the vehicle aspects in both RID and the TSIs/UTPs as a priority. With regard to this, the group was of the view that an improved coordination process should enable the "protective aims" of vehicle-related requirements to be maintained in RID, whereas technical specifications should be formulated in TSIs/UTPs. A specific process was developed for this purpose.

The RID-ATMF working group recommended setting up a 'Joint Coordinating Group of Experts' to coordinate the current and future regulatory alignments. The conclusions of the RID-ATMF working group, to be finalised in 2017, should be presented in 2017 to the four committees involved (at OTIF level the CTE and the RID Committee of Experts and at EU level RISC and TDG).



4

RID COMMITTEE OF EXPERTS AND RID/ADR/ ADN JOINT MEETING - THE SAFE CARRIAGE OF DANGEROUS GOODS

Like the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) and the European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterway (ADN), the Regulations concerning the International Carriage of Dangerous Goods by Rail (RID) are revised every two years.

In the course of this revision process, every two years the regulations are harmonised with the UN Recommendations on the Transport of Dangerous Goods, which are prepared by the UN Committee of Experts. In parallel with this, the RID/ADR/ADN Joint Meeting develops harmonised provisions for the carriage of dangerous goods by all land modes (rail, road, inland waterway). The rail-specific provisions are defined by the RID Committee of Experts and its standing working group.



Jochen CONRAD
Head of Dangerous Goods
Department

UPDATING THE RID: RID/ADR/ADN JOINT MEETING AND RID COMMITTEE OF EXPERTS

For the RID department, the main focus in 2016 was the notification of the amendments to RID that entered into force on 1 January 2017 and publication of the 2017 edition of RID in all three working languages.

OBJECTIVE 8

Keep the dangerous goods
regulations up to date, taking into
account technical progress

JOINT MEETING

The RID/ADR/ADN Joint Meeting develops harmonised European dangerous goods provisions for carriage by rail, road and inland waterways. The RID department of OTIF provides the Secretariat for the Joint Meeting, together with the Secretariat of the UNECE Transport Division. In 2016, the Joint Meeting held two one-week sessions. At the spring session, final corrections to the amendments that entered into force on 1 January 2017 were made and at the autumn session, the first proposals for amendments that will enter into force in 2019 were dealt with.

Among the numerous amendments anticipated for 2017, the following topics, in addition to those mentioned in the 2015 Annual Report, should be highlighted. They do not provide an exhaustive overview of the RID department's activities, but summarise the most important technological developments that have the biggest impact on the regulations. This makes clear the extent to which the provisions have a direct link to developments in the sector.

Fuels in engines or machinery

In the context of harmonising RID/ADR/ADN with the UN Model Regulations, three new UN numbers for internal combustion engines were included. The inclusion of these UN numbers had repercussions for two existing UN numbers for vehicles powered by flammable gas, flammable liquid or batteries. Whereas the carriage of these vehicles in RID was previously exempt from the provisions, in future minimum requirements must be met which are brought together under Special Provisions.

Flexible bulk containers

Flexible bulk containers are also now permitted in European land transport for the carriage of a limited number of solid substances. It has already been possible to carry these means of containment in maritime transport since 2015. However, the Joint Meeting had insisted that proof must first be provided that these means of containment, which are already used for non-dangerous goods, meet the requisite construction and testing provisions. For reasons of freight wagon stability during transport, additional provisions concerning the height of the flexible bulk containers were included.



Gas cylinders made of composite materials

Up to now, gas cylinders made of composite materials had to be designed for an unlimited lifespan. The concept of limiting the lifespan that is already used in international standards for the design and construction of cylinders made of composite materials will now be carried over into the provisions of RID/ADR. This will make it possible to make the material thinner, hence making the gas cylinders lighter.

Holding time for refrigerated liquefied gases in tank-wagons and tank-containers

For tank-wagons and tank-containers for the carriage of refrigerated liquefied gases, the concept of the reference holding time and actual holding time, currently used for portable tanks, will be introduced.

The so-called reference holding time for a tank is determined on the basis of various factors, such as the effectiveness of the insulation system, the lowest start-to-discharge pressure of the pressure limitation devices, original filling conditions and the physical properties of each of the refrigerated liquefied gases intended to be carried. The reference holding time relating to each gas must be shown on the tank plate.

Then, each time a tank with refrigerated liquefied gases is carried, the actual holding time has to be determined taking into account the reference holding time, the actual filling density, the actual filling pressure, the lowest start-to-discharge pressure of the pressure limitation devices and the degradation of the insulation. The holding time defines the period between when the tank is filled with refrigerated liquefied gases and the time at which the increase in pressure in the tank caused by the application of heat leads the pressure limitation devices to discharge.

These new provisions replace older provisions in RID, according to which consignors of refrigerated liquefied gases in tank-wagons, portable tanks and tank-containers were required to enter a date in the transport document before which the safety valves would not activate. These calculated activation periods were often wrong, because the conditions for filling the gases and the properties of the insulation were not taken into account or were not taken into account correctly.

RID COMMITTEE OF EXPERTS AND RID COMMITTEE OF EXPERTS' STANDING WORKING GROUP

The RID Committee of Experts is one of the most important organs of OTIF, as the provisions for the international carriage of dangerous goods by rail are continuously amended, which leads every two years to a completely new edition of the 1500 page RID. As the provisions of RID must also be applied to domestic transport in the EU Member States in accordance with EU Directive 2008/68 on the inland transport of dangerous goods, amendments to RID automatically lead to changes in national law. In this respect, OTIF plays a leading role.

The technical discussions take place in the RID Committee of Experts' standing working group, which meets once or twice a year. As a rule, the RID Committee of Experts only meets every two years in order to adopt the decisions prepared by the standing working group.

In 2016, the RID Committee of Experts' standing working group held a two day meeting in May and a three day meeting in November. The RID Committee of Experts met directly following the meeting of the standing working group in May.

Session of the standing working group in May 2016

The focus of the meeting in May was to adopt the final amendments to enter into force on 1 January 2017. In particular, the meeting concluded the work begun in 2015 on integrating the Entity in Charge of Maintenance (ECM) as a new participant in the carriage of dangerous goods and on the position of dangerous goods in the train. There was also a discussion on the following railway-specific issues.

Results of the working group on tank and vehicle technology

The standing working group was informed of the results of the RID Committee of Experts' working group on tank and vehicle technology, which met in April 2016. The working group was to investigate the new provisions introduced in Canada and the United States of America, following several serious accidents, for the construction and retrofitting of tank-wagons for the carriage of flammable liquids to decide if they were relevant to European rail transport.

In particular, the working group on tank and vehicle technology examined measures relating to the minimum wall thickness of tanks, fire protection insulation and tank sheathing, extending head shields over the entire tank ends, protection of top service equipment, devices to protect against the unintended opening of bottom valves and speed reduction.

The working group concluded that RID already contained some measures, that not all measures could be carried over into RID, as the tank-wagon design types were not automatically comparable, and that in the event of better data becoming available, various measures should be re-examined in terms of their cost/benefit ratio.

54th Session of the RID Committee of Experts

Directly after the meeting of the standing working group in May, the 54th session of the RID Committee of Experts was held. Its task was to adopt all the amendments to RID for a date of entry into force of 1 January 2017.

This meeting of the RID Committee of Experts also took leave of Mr Helmut Rein (Germany), who, as the chairman of the RID Committee of Experts and its standing working group since 1999, had played a leading role in the success of the work.

Following the meeting of the RID Committee of Experts, work began on producing the consolidated texts of the German, English and French versions of RID 2017. In mid-September 2016, the texts of the English and French versions of RID were sent to the publishers, who publish a printed version of RID on behalf of OTIF. At the beginning of November 2016, the 2017 edition of RID was then published on OTIF's website.

Session of the standing working group in November 2016

The meeting of the standing working group in November 2016 dealt with various questions of interpretation of RID. The standing working group was also informed about two accidents that had occurred in Daillens (Switzerland) (derailment of a freight train carrying dangerous goods) and Tilburg (Netherlands) (collision between a passenger train and a freight train carrying dangerous goods). The standing working group had a preliminary discussion on the measures proposed by the accident investigation authorities.

Switzerland informed the standing working group about a joint declaration made by the Swiss chemical industry, Swiss Federal Railways (SBB), the Federal Office for Transport and the Federal Office for the Environment concerning the carriage of chlorine in Switzerland. The aim of this declaration was to reduce the risks in the carriage of chlorine, particularly in the built-up areas along the side of Lake Geneva. These measures to mitigate the risk include minimum requirements for tank-wagons which go beyond the current RID, carriage exclusively in train-load consignments, reducing speeds to 40 km/h and removing protruding elements situated near the tracks that might damage a tank wall in the event of an accident.

CONTINUE HARMONISATION BETWEEN RID AND SMGS ANNEX 2 AND PROMOTE PARTNERSHIPS

HARMONISATION OF OTIF'S RID AND OSJD'S SMGS ANNEX 2

The work begun in 2012 on removing almost all the differences between RID and the dangerous goods regulations that apply in Eastern Europe and Asia (SMGS Annex 2), and hence to facilitate the carriage of dangerous goods between the two legal regimes, was also continued in 2016.

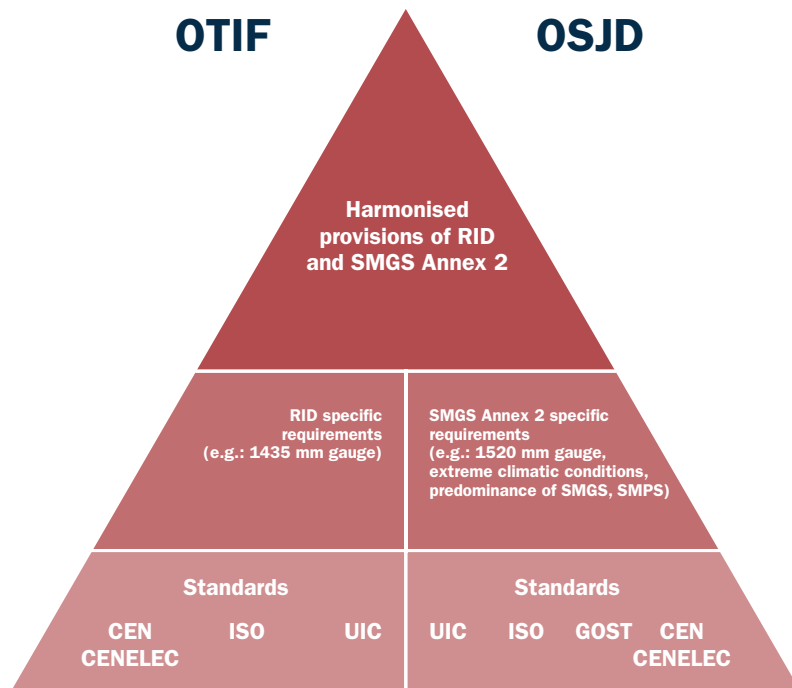
The RID department took part in almost all the OSJD meetings of experts that dealt with harmonisation, firstly to eliminate the differences that exist between the two sets of regulations and secondly to explain the background to various new decisions that have been taken for RID.

The meeting of the OSJD Commission for Transport Law in the area of requirements for the carriage of dangerous goods held in Warsaw in October 2016 was unable to adopt the 2017 amendments to SMGS Annex 2, which, on the whole, were based on the 2017 amendments to RID, because of the principle of unanimity in the OSJD organs. This was due to Russia's position no longer to include any references to EU Directives and EN standards in the text of SMGS Annex 2. Russia also proposed that in future, all the existing references to EU Directives and EN standards in SMGS Annex 2 should be deleted.

As a result, at the annual management meeting between OSJD and OTIF, the Secretariat of OTIF made efforts to ensure that another meeting of the OSJD Commission for Transport Law in the area of requirements for the carriage of dangerous goods was held in February 2017, in order to ensure that the 2017 amendments enter into force in good time.

OBJECTIVE 3

Make railway law consistent in
partnership with other organisations in
the sector



RUSSIAN EDITION OF RID

In order to provide an important aid to the work on harmonising RID and SMGS Annex 2, the RID department concluded work on a Russian version of RID 2015 in spring 2016. The Russian RID was published on OTIF's website. This translation work was continued at the end of 2016 so that in the course of 2017, a Russian version of RID 2017 can be published.

PARTNERSHIP WITH THE UNITED NATIONS ORGANISATIONS

The RID department took part as an observer in both sessions of the United Nations Economic and Social Council (ECOSOC) Sub-Committee of Experts on the Transport of Dangerous Goods. The decisions adopted at these sessions will be reflected in the 20th revised edition of the UN Recommendations on the Transport of Dangerous Goods (UN Model Regulations) and will be included in the 2019 edition of RID in the context of harmonisation.

The RID department also attended the two sessions of the Working Party on the Transport of Dangerous Goods (WP.15), the United Nations Economic Commission for Europe's (UNECE) decision-making body for amendments to the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR). The main purpose of attending these meetings is to make sure that the RID and ADR regulations are parallel and thus to ensure that there is a smooth transition between the modes in multimodal transport.

PREPARATION OF FUTURE WORK: WORKING GROUP ON DERAILMENT DETECTION

OBJECTIVE 9

Improve the compatibility of the RID provisions with the technical approach of the UTPs as regards issues of interoperability

At its meeting in May 2014, the RID Committee of Experts decided to set up a working group to discuss all the issues in connection with the introduction of derailment detectors. The last session of this working group was held in 2016. As in previous sessions, participants in OTIF's Committee of Technical Experts were also invited to attend.

At this session, a final report was drafted, which was submitted to the 54th session of the RID Committee of Experts (Bern, 25 May 2016) and the meeting of the Committee of Technical Experts (Bern, 7 and 8 June 2016). The final report notes that there are encouraging signs that electronic derailment detection solutions, which were not practicable in the past, will become cost-effective solutions in the near future. Equipping the entire fleet of freight wagons with electronic derailment detectors would have the greatest benefit in terms of safety.

The working group considered that the use of telematics in railway freight transport would offer a new environment for using many types of electronic sensors, which would also enable "prevention alarms", thus providing more flexible and safer operation of freight trains and potentially improving the cost/benefit ratio.

In view of all these new aspects of the discussion, the working group was of the view that in order to maintain a favourable economic context for the development of electronic technologies, mechanical detectors should not be mandatory.

In terms of how to proceed, it was decided that with OTIF's involvement, the European Union Agency for Railways (ERA) should develop technical specifications covering both detectors that initiate braking of the train following a derailment, as well as detectors that trigger an alarm in the driver's cab before or after a derailment. As the development, adoption and entry into force of such technical specifications will take some time, ERA was asked to issue guidelines that may help the sector deal with derailment detection devices until the new technical specifications become available. A preliminary draft of these guidelines was submitted to the RID Committee of Experts' standing working group in November 2016.

The timetable adopted by the working group anticipates adoption of the new technical specifications in 2019.

PROVISIONAL CALENDAR: UPDATE

2016

3 and 4 February (Bern), 9 and 10 June (Bern), 18 and 19 October (Bern) - Three sessions of the new working group on the consistency of the railway and dangerous goods legislation (RID-ATMF working group)

14-18 March (Bern) - RID/ADR/ADN Joint Meeting

12 and 13 April (Hamburg) - Committee of Experts' working group on tank and vehicle technology

19 and 20 April (Bern) - 5th session of the working group on the detection of derailments

23 and 24 May (Bern) - 6th session of the RID Committee of Experts' standing working group

25 May (Bern) - 54th session of the RID Committee of Experts

19-23 September (Geneva) - RID/ADR/ADN Joint Meeting

22-24 November (Prague) - 7th session of the RID Committee of Experts' standing working group

2017

8 and 9 February (Brussels) - Last session of the working group on the consistency of the railway and dangerous goods legislation (RID-ATMF working group)

13-17 March (Bern) - RID/ADR/ADN Joint Meeting

25-27 April (Geneva) - Ad hoc Working Group on the Harmonization of RID/ADR/ADN with the UN Recommendations on the Transport of Dangerous Goods, Model Regulations

28 August - 1 September (Lübeck) - Translation conference for the German speaking States

19-29 September (Geneva) - RID/ADR/ADN Joint Meeting

20-24 November (Netherlands) - 8th session of the RID Committee of Experts' standing working group

5

A LEARNING ORGANISATION FOR THE SECRETARIAT OF OTIF

OPTIMISED AND RATIONALISED MANAGEMENT

EXHAUSTIVE IMPLEMENTATION OF THE 2013 AUDIT

The final parts of the 2013 audit that still had to be put in place in 2015 were implemented in 2016. All components of the internal control system defined in 2015 were applied in 2016, thus guaranteeing that the accounts are transparent and reliable.

The consolidation of the financial and accounting tools in 2015 made it possible in 2016 to start and finalise the important project to outsource the Organisation's accounts, which occupied the financial service over an eight month period, six of which fell between the preparation of the call for tenders in 2016 and the award of the tender to Fiducom in October 2016. After two months of gradual implementation, the outsourcing became fully effective on 1 January 2017.

At its 124th session in January 2016, the Administrative Committee approved the projects to sell OTIF's current premises and draw up a long term purchase or leasing contract for 350m² of office space at the Universal Postal Union in Bern. The aim of this project is to improve the Organisation's visibility and develop synergies within the Secretariat. It has no impact on the Member States' contributions. The physical relocation could take place in 2018 or in 2019 at the latest.

2016, A YEAR OF TRAINING

OTIF staff training is a new subject which began to be perceived during the appraisal interviews set up gradually from 2014 onwards. Training has become an objective and to this end, it was included for the first time in the work programme for 2016 and 2017.

Launched in 2015, OTIF staff training has grown and diversified. In 2016, 100% of staff undertook training, compared with 25% in 2014 and 2015. The total number of hours of training in 2016 (696 hours) was five times that in 2014 (140 hours) and the average expenditure on training for each member of staff increased by 41% from 1,700 CHF in 2015 to 2,400 CHF in 2016. Training had previously been limited mainly to improving linguistic skills, but in 2016 there was training on IT and project management.

For 2017, the challenge will be to improve how training policy is steered; a proposal has therefore been made for the participation of the staff association.



Ghousebasha GAFFAR
Head of Administration and
Finance Department

OBJECTIVE 13

Optimise financial management and
human resources

OBJECTIVE 14

Improve skills management and internal
communication tools

THE CREATION OF AN EXTRANET HAS SIGNIFICANTLY IMPROVED INTERNAL COMMUNICATION TOOLS

The creation of an extranet, a significant event in 2016, has improved communication between the Member States and the Secretariat. As part of the 2016-2017 work programme, the extranet has three aims:

- to respond to repeated requests from some Member State representatives;
- to create a direct access gateway to working documents that is quick and secure;
- to improve the productivity of the administration and finance service by drastically reducing the number of e-mails sent to the Member States, generally accompanied by numerous, cumbersome attachments.

The extranet was developed internally in parallel with the website. Its capabilities were devised from April 2016 onwards so as to start designing the extranet, which was completed nine months later in December 2016. The test phase started in January 2017 with support from delegates from Germany, the United Kingdom, the Netherlands and Switzerland, whose contributions helped make some significant changes. The extranet became operational on 8 February 2017. The first document to be made available to delegates of the Administrative Committee was the draft minutes of the 126th session of the Administrative Committee held in Bern in December 2016.

In 2016, internal communication was also strengthened by:

- the welcome handbook for newcomers, which was first used in September 2016. The handbook makes it easier to use the tools put in place in 2015 to create a common culture between all the staff of the Secretariat by providing clear and concise instructions on internal practices and procedures;
- the Secretary General's proposal to organise regular meetings with the staff association to develop a new form of social dialogue, which is particularly necessary within a context of change in the Secretariat.

OBJECTIVE 15

Set up an extranet to handle documents

The extranet in figures:

21 April 2016: kick-off meeting – 8 February 2017: start date

Nine months for internal design, dependent upon the progress of the project on OTIF's new website

Ten days of testing by Administrative Committee delegates (Germany, Netherlands, United Kingdom and Switzerland)

Seventy five e-mails less for Administrative Committee delegates, all language versions included

Two hundred and forty working documents which will no longer be sent by e-mail (figures are for AC 125 and AC 126), all language versions included

Around twenty days' work less for the Secretariat, which were spent on more cross-cutting tasks

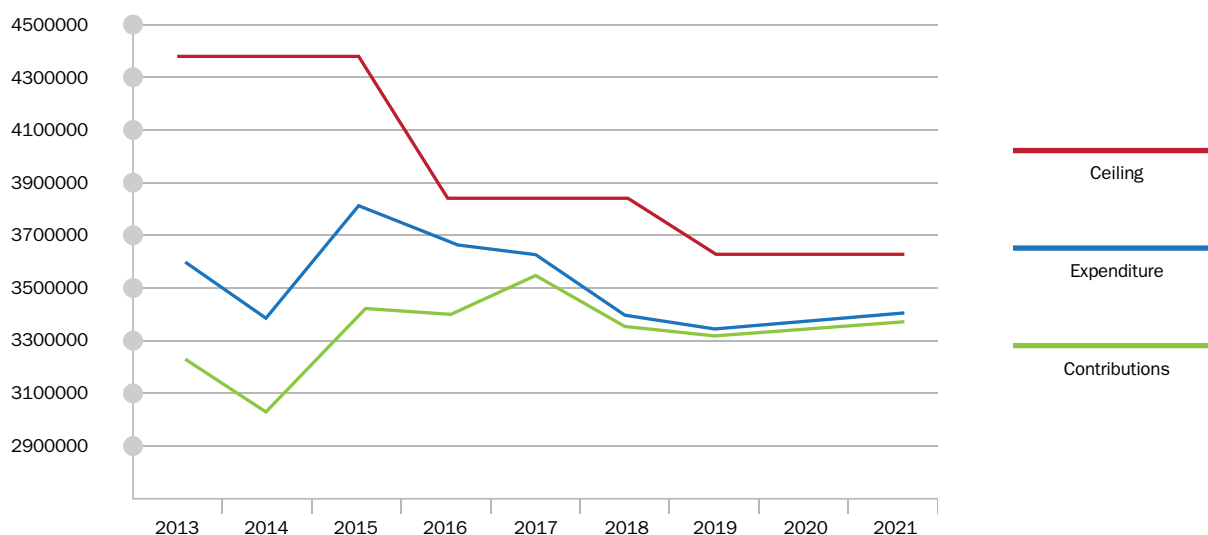
One calendar, a supplementary tool showing key dates for the preparation and follow-up of Administrative Committee sessions over a full year.

I OTIF IN FIGURES IN 2016

The control of expenditure and the stability of the Member States' contributions, which were already achieved in 2015, are permanent objectives. To continue the objective of optimising expenditure, two calls for tenders were launched in 2016, one for IT services (tender awarded in 2016) and one for external interpreters (tender awarded in January 2017).

The Organisation's expenditure is still less than the ceiling set by the 12th General Assembly (3.85 million CHF for the period 2016 to 2018 and 3.65 million CHF for the period 2019 to 2021). With regard to the Member States' contributions, they have stabilised at between 3.4 and 3.5 million CHF and increasingly make up the Organisation's only source of income to cover expenditure.

How the budget develops from 2013 – 2021 in CHF



OTIF's financial situation continues to be very satisfactory, with working capital of 6.6 million CHF, i.e. two years of activity. The working capital requirement remains under control at 435,000 CHF.

OTIF's financial situation

| Assets = Posts | 2016 | Liabilities = Resources |
|---|--------------------------|---|
| Stable posts 1,413 kCHF <i>Fixed assets 1,413 kCHF</i> | FR 6,645 kCHF | Sustainable resources 8.058 kCHF <i>Own capital 7,212 kCHF</i> <i>Financial debts 0 kCHF</i> <i>Regulated provisions 846 kCHF</i> |
| Current assets 570 kCHF | BFR - 435 kCHF | Current liabilities 135 kCHF |
| Cash assets 6,210 kCHF <i>Cash 6,210 kCHF</i> <i>Shares 0 kCHF</i> | NET 6,210 kCHF | Cash liabilities 0 kCHF |

2016 is also significant in terms of the Member States' contributions. On one hand, at 31 December 2016, the rate of payment of the contributions invoiced was 97%, which is an exceptional level that has never been achieved previously. On the other, the Administrative Committee suspended Syria's membership of the Organisation, at its own request, in accordance with Article 40 of COTIF. Since 1 August 2016, when its suspension took effect, Syria no longer has to contribute to the Organisation's expenditure.

OTIF'S PRESENCE AND VISIBILITY ARE IMPROVING

THE BULLETIN OF INTERNATIONAL CARRIAGE BY RAIL

The increase in the Organisation's activities has meant that OTIF's Bulletin, in its new format, is published every three months. This publication frequency ensures that the Bulletin remains relevant to readers and helps retain them. The Bulletin reaches out further. In 2016, the number of contacts in the Bulletin dissemination list increased by almost 100% to 590.

In parallel, the editorial policy and design have been refined to provide subscribers with enjoyable and varied reading material. Insets or introductory information preceding the articles themselves are examples of presentational tools that were developed and improved in 2016.

The assured frequency of publication, increased dissemination and clearer editorial policy are the result of a joint effort in the quarterly editorial meeting called the "NewsRoom". The Bulletin authors propose, discuss and produce new ideas. They have also made use of word of mouth among their contacts to attract new subscribers and external contributors.

The NewsRoom, the cornerstone of Bulletin preparations, is also essential in terms of anticipating and preparing press releases.

PRESS RELEASES

The number of press releases published also increased compared with 2015. However, 2016 primarily provided the opportunity to improve the responsiveness of those who are involved in designing, editing, validating, translating and publishing the press releases.

The time it takes to produce a press release has been reduced. Press releases are treated as "priority" documents. All those involved in the process have demonstrated speed and responsiveness in order to publish press releases that relate facts as soon as possible after they take place.

As a result, by combining frequency and punctuality, four press releases were printed in the specialised press and sometimes even on the cover page of one of these magazines.



Sarah PUJOL
Communication Officer

OBJECTIVE 12

Develop a comprehensive communication plan



OTIF ON THE WEB 2.0

OTIF's new website went on line on 1 December 2016. The website has been redesigned and reorganised and now meets the criteria of the internet 2.0 (or web 2.0).

The website was designed using a consultation procedure repeated at each stage of progress: kick-off meeting, consultation on the structure of the website, consultation on the features, then on the design and lastly on the texts. The heads of department and members of staff were thus able to suggest and improve the initial proposals put forward by the project team.

The objective pursued throughout the process was to design a website that is more ergonomic and more enjoyable to consult and use.

Finally, in response to requests from various working group experts in the satisfaction survey carried out in 2014 and 2015, more recent documents and archived documents are now available on the website.

OBJECTIVE 11

Continue the dissemination of a complete set of tools and training for our Member States

Communication in 2016 in a few figures:

275 Document updates on the website

16 "NEWS-OTIF" press releases

4 Bulletins and 49 articles published

3 Seminars organised

1 Website updated

200 USB sticks distributed

PROVISIONAL CALENDAR: UPDATE

WHAT HAS BEEN DONE:

3rd quarter of 2016: Internal control finalised.

3rd quarter of 2016: Accounts outsourced.

End of 2016: New website.

End of 2016: Extranet set up.

WHAT HAS CHANGED

2017: Quantitative indicator, especially for enquiries, and a survey will be set up in order to measure quality and improve external communication

NEW DATES:

Beginning of 2019: Relocation of OTIF



Published by:

OTIF - Intergovernmental
Organisation for International
Carriage by Rail

Design and layout: Sarah Pujol,
Valerio Compagnone

OTIF Organisation intergouvernementale pour les transports internationaux ferroviaires
Zwischenstaatliche Organisation für den internationalen Eisenbahnverkehr
Intergovernmental Organisation for International Carriage by Rail

Gryphenhübeliweg 30 CH - 3006 Berne

Tel. : + 41 (0)31 359 10 10 | Fax : + 41 (0)31 359 10 11 | info@otif.org | www.otif.org



Organisation intergouvernementale pour les transports internationaux ferroviaires
Zwischenstaatliche Organisation für den internationalen Eisenbahnverkehr
Intergovernmental Organisation for International Carriage by Rail

Gryphenhübeliweg 30 CH-3006 Berne

Tel. : + 41 (0)31 359 10 10 | Fax : + 41 (0)31 359 10 11 | info@otif.org | www.otif.org