



May 2014
AK Position Paper

Proposal for a Council Regulation establishing the Shift2Rail Joint Undertaking (S2R)

About us

The Federal Chamber of Labour is by law representing the interests of about 3.4 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore the Austrian Federal Chamber of Labour is a part of the Austrian social partnership.

The AK EUROPA office in Brussels was established in 1991 to bring forward the interests of all its members directly vis-à-vis the European Institutions.

Organisation and Tasks of the Austrian Federal Chamber of Labour

The Austrian Federal Chamber of Labour is the umbrella organisation of the nine regional Chambers of Labour in Austria, which have together the statutory mandate to represent the interests of their members.

The Chambers of Labour provide their members a broad range of services, including for instance advice on matters of labour law, consumer rights, social insurance and educational matters.

Rudi Kaske
President

More than three quarters of the 2 million member-consultations carried out each year concern labour-, social insurance- and insolvency law. Furthermore the Austrian Federal Chamber of Labour makes use of its vested right to state its opinion in the legislation process of the European Union and in Austria in order to shape the interests of the employees and consumers towards the legislator.

All Austrian employees are subject to compulsory membership. The member fee is determined by law and is amounting to 0.5% of the members' gross wages or salaries (up to the social security payroll tax cap maximum). 560.000 - amongst others unemployed, persons on maternity (paternity) leave, community and military service - of the 3.4 million members are exempt from subscription payment, but are entitled to all services provided by the Austrian Federal Chambers of Labour.

Werner Muhm
Director

The AK position in detail

The objective is to create an instrument for Research and Innovation ("Shift2Rail") specifically for the railway sector at EU level. The present Proposal for a Council Regulation establishing the Shift2Rail Joint Undertaking including the Technical Annex determines the tasks, goals and procedures, which shall be carried out in form of a "Joint Undertaking" with PPP-funding base. The EU will allocate a total of EUR 450 million of public funds for this plan, which will end in 2024, whilst the eight already established Founding Members, primarily industrial corporations, contribute additional EUR 470 million, mainly in form of assets in kind, to the Undertaking. Subsequent to the foundation of the Joint Undertaking, the Commission and eight Founding Members adopt a Shift2Rail Master Plan, which specifies the general outline for coordinated Research and Innovation. Other companies, having undergone a selection process, can only be admitted later as "Associated Members" and collaborate in individual innovation programmes. These five thematic innovation programmes concern rolling stock, intelligent traffic management and control systems, high capacity infrastructure, IT solutions for attractive rail services as well as technologies for sustainable and attractive freight transport in Europe.

The AK generally welcomes the creation of a separate research instrument for the railway sector at EU level to eliminate structural weaknesses in a sector that provides good industrial jobs. We share the general thrust to undertake coordinated R&D activities in key

segments and to reduce fragmentations. We would like to point out that the Austrian rail industry with 8,100 employees, an annual turnover of EUR 2.6 billion € and an export rate of 71 % may potentially benefit from this EU plan. This can also be applied to SMEs and suppliers, as the already established Founding Members Siemens and Bombardier have competency centres in Austria.

Interoperability and labour interests not regulated satisfactorily

Hereinafter, we only want to address the technical provisions in the Proposal on interoperability and the representation of labour interests, which from the AK's point of view has not been satisfactorily regulated in the Commission Proposal.

The Statutes of Shift2Rail (Annex I, clause 2h) provide for "pool user requirements and define interoperability standards to guide investment in research and innovation towards operational and marketable solutions". The explanations are even more explicit as they refer to a "de facto standardisation which will arise from the close research cooperation and the transnational demonstration projects" (see Explanatory Memorandum 3.3).

The AK would like to point out that the creation of standards may not be outsourced to institutions with PPP-funding base and a very limited group of stakeholders. The minimum requirement of any legal technical specificati-

on or standard has to be that it is established in cooperation with all parties involved or at least with their knowledge. The Statutes of Shift2Rail fundamentally contradict this. The opportunity to define S2R standards is looked at critically as here the particular interests of the industry would have a disproportionate share.

This applies even more against the background of the existing Railway Interoperability Directive (Directive 2008/57/EC), which provides the framework at EU level for laying down Technical Specifications for Interoperability (TSI). Draft TSI are prepared by the European Railway Agency based on the verification of sub systems in cooperation with associations and social partners. The Drafts are then submitted to the European Commission, which amends them if required and accepts them in accordance with the control powers of the European Parliament. The "de-facto standardisation", which has been provided for in Shift2Rail, gives rise to concern in democracy terms and bypasses the existing system, resulting in the potential risk of dual responsibilities. The Proposal, in particular Annex I, clause 11, results also in the fact that the European Railway Agency is only been given the role of an observer whilst the Commission and the big eight Founding Members rule the roost.

The AK requests clarification

Hence the AK requests a clarification that Shift2Rail can at best make suggestions to the European Railway Agency for developing "standards". Any authority of Shift2Rail to "define interoperability standards" (Annex I, clause 2h) is therefore firmly rejected. Apart from that, here and in Annex I, clause 11.1b)

the standard-setting competence of the Railway Agency and national authorities should be explicitly stated.

The development of new technologies and standards, as "technically" they might appear at first glance, inevitably implies an impact on employees. This applies in particular to occupational health and safety and working conditions. Therefore, labour representatives have to be integrated "with a view to ensuring balanced representation of actors from the entire rail value chain, as well as from outside the traditional rail sector" (Annex I, clause 6c). In our opinion, the term "professional association" does by no means subsume a labour representation. Hence, the term "labour representatives" has to be added to the extensive list of all important actors contained in Art 2e) to ensure the involvement of employees.

Should you have any further questions
please do not hesitate to contact

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