

Rail Sector Report

1. This is a report for the House of Commons Committee on Exiting the European Union following the motion passed at the Opposition Day debate on 1 November, which called on the Government to provide the Committee with impact assessments arising from the sectoral analysis it had conducted with regards to the list of 58 sectors referred to in the answer of 26 June 2017 to Question 239.
2. As the Government has already made clear, it is not the case that 58 sectoral impact assessments exist. The Government's sectoral analysis is a wide mix of qualitative and quantitative analysis contained in a range of documents developed at different times since the referendum. This report brings together information about the sector in a way that is accessible and informative. These reports aggregate some sectors in order to either avoid repetition of information or because of the strong interlinkages between some of these sectors.
3. This report covers: a description of the sector, the current EU regulatory regime, existing frameworks for how trade is facilitated between countries in this sector, and sector views. It does not contain commercially-, market- or negotiation-sensitive information.

Description of sector

Shape and size of the sector

4. In 2016 the UK rail sector accounted for over 225,000 jobs, with rail passenger and freight operations directly contributing £5.2 billion in gross value added (GVA), according to the ONS.^{1 2} Rail facilitated 1.7 billion passenger journeys in 2016, including over 10 million journeys through the Channel Tunnel.^{3 4} The sector accounted for 101,500 direct jobs in the UK (56,000 in Train Operating Companies (TOCs), 7,000 in Freight Operating Companies (FOCs), and 38,500 in Network Rail) and supports an estimated 124,000 jobs in the supply chain.^{5 6 7}

¹ Sum of direct jobs (see references 4 and 5) and supply chain jobs (see reference 6)

² [ONS, UK National Accounts: The Blue Book 2017](https://www.ons.gov.uk/publications/abstracts/ONS-UK-National-Accounts-The-Blue-Book-2017), SIC 49.1-2 (Rail transport), this excludes supply chain; industry estimates including the supply chain suggest rail's economic contribution is higher, see: Oxera, What is the contribution of rail to the UK economy? <https://www.oxera.com/getmedia/802a4979-8371-4063-ad24-8a81ed6c8f82/Contribution-of-rail-to-the-UK-economy-140714.pdf.aspx?ext=.pdf>

³ ORR, Passenger Rail Usage, May 2017 http://orr.gov.uk/data/assets/pdf_file/0019/24832/passenger-rail-usage-2016-17-q4.pdf

⁴ Groupe Eurotunnel, Traffic figures, <https://www.eurotunnelgroup.com/uk/eurotunnel-group/operations/traffic-figures/>

⁵ Network Rail Annual report and accounts 2016 <http://www.networkrail.co.uk/wp-content/uploads/2016/10/Network-Rail-Annual-report-and-accounts-2016.pdf>

5. Industry surveys suggest that, on average, around 15-20 per cent of the industry's workforce is made up of non-UK EU workers, although this varies considerably across the sector, including in the supply chain.⁸
6. Exports: Rail services exports totalled approximately £222 million in 2016.⁹ Rail goods exports totalled approximately £271 million in 2016, of which £123 million (45 per cent) was exported to the EU. The top three trading partners for rail goods exports in 2016 were Germany (£46 million), Japan (£33 million) and France (£18 million).¹⁰
7. The global market for railway locomotives, parts and equipment imports, excluding the UK, was worth around £19 billion in 2016. Countries besides the 27 other EU Member States accounted for £13 billion, or 66 per cent, of this global market.¹¹
8. Imports: Rail services imports totalled approximately £291 million in 2016 (ONS).¹² Rail goods imports totalled approximately £1,338 million in 2016, of which £751 million (56 per cent) was imported from the EU. The top three trading partners for rail goods imports in 2016 were: Germany (£479 million), Japan (£472 million) and Spain (£83 million).¹³
9. The Channel Tunnel was responsible for 25 per cent by value of all trade in goods between the UK and continental Europe in 2014 (facilitating an estimated £91.4 billion worth of trade in total).¹⁴

⁶ ONS ASHE 2017, Gross annual salary table 16.7a (limited to employees who have been in the same job more than a year)
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/industry4digitsic2007ashtable16>

⁷ Rail Supply Group (Jan 2016): *Fast track to the future: a strategy for productivity and growth in the UK rail supply chain* <https://www.railsupplygroup.org/wp-content/uploads/2017/09/RSG-Brochure-Jan-2016.pdf>

⁸ National Skills Academy Rail, November 2016; see also: Rail Delivery Group, Brexit Labour and Skills, https://www.raildeliverygroup.com/files/Publications/2017-09_brexit_labour_and_skills.pdf

⁹ ONS, Trade in Services (Exports): Rail Transport Total: CPNSA, October 2017
<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/timeseries/fjor/pb>

¹⁰ HMRC, UK Trade Statistics, Commodity Code 86
<https://www.uktradeinfo.com/Statistics/BuildYourOwnTables/Pages/Table.aspx>

¹¹ Data obtained from ITC, which is based on UN COMTRADE statistics. The value of the global market is defined as the sum of every country's imports for whom data was available, minus the value of the UK imports. Railway locomotives, parts and equipment comprise HS chapter 86.

¹² ONS, Trade in Services (Imports): Rail Transport Total: CPNSA, October 2017
<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/timeseries/fjqj/pb>

¹³ HMRC, UK Trade Statistics, Commodity Code 86
<https://www.uktradeinfo.com/Statistics/BuildYourOwnTables/Pages/Table.aspx>

¹⁴ EY, 'Economic Footprint of the Channel Tunnel Fixed Link', October 2016, p9
[http://www.ey.com/Publication/vwLUAssets/Economic_footprint_of_the_Channel_Tunnel_fixed_link/\\$File/Channel%20Tunnel%20EN%20light.pdf](http://www.ey.com/Publication/vwLUAssets/Economic_footprint_of_the_Channel_Tunnel_fixed_link/$File/Channel%20Tunnel%20EN%20light.pdf)

Passenger and freight services

10. With the exception of a small number of 'open access' operators, all mainline passenger journeys are provided by franchised operators.¹⁵ Alongside UK companies, the UK has long welcomed EU businesses investing in the UK's rail markets, while there are also interests held by non-EU operators. The UK has also provided the benefit of UK experience to other Member States with UK-owned companies winning rail contracts in the EU. The rail freight industry is dominated by five large freight operating companies. Similar to the passenger market, there is significant involvement in the UK rail freight market from EU based companies.

11. There are also a number of international passenger and freight services that run through the Channel Tunnel, including passenger operator Eurostar and a small number of rail freight companies which operate via 'open access' arrangements. There is also an international rail service on the island of Ireland between Belfast and Dublin, which is covered in the relevant section below.

Rail supply chain

12. The rail supply chain includes:

- Infrastructure builders and contractors;
- Maintenance and upgrade companies;
- Vehicle manufacturers;
- Systems manufacturers;
- Components manufacturers;
- Raw materials manufacturers;
- Universities and research centres;
- Professional and support services; and
- Notified bodies, designated bodies and certification bodies.

¹⁵ Passenger train operators operating outside of a franchise contract, with long term access rights

13. The Rail Supply Group estimates that the UK rail supply chain directly employs at least 124,000 people.¹⁶ The global rail market is estimated to be worth €150 billion and is forecast to grow by 2.7 per cent annually.¹⁷
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15. Since April 2015, Network Rail says it has supported a supply chain of around 4,000 firms, over half of which are SMEs, accounting for around 89,000 jobs.²⁰
16. In total, construction of the full HS2 route to the North West and Yorkshire is expected to create up to 25,000 jobs and 2,000 apprenticeships.²¹ The Government has announced the first stage of major construction contracts for phase 1, worth an estimated £6.6 billion and which will support around 16,000 jobs.²²

Channel Tunnel

17. While the majority of the UK rail network is for domestic only traffic, the UK has well-established links with Europe through the Channel Tunnel and the Belfast-Dublin Enterprise service (see next section), with Channel Tunnel services having transported millions of passengers, vehicles and lorries each year.
18. The Channel Tunnel infrastructure is jointly owned by the UK and French governments, and managed by Eurotunnel under a concession until 2086. As part of this concession, Eurotunnel also runs regular passenger vehicle and HGV shuttles back and forth through the Tunnel (Le Shuttle services), which carried 2.6 million cars and coaches, and almost 1.6 million trucks in 2016.²³

¹⁶ Rail Supply Group (Jan 2016): *Fast track to the future: a strategy for productivity and growth in the UK rail supply chain* <http://www.railsupplygroup.org/wp-content/uploads/2016/01/RSG-Brochure-Jan-2016.pdf>

¹⁷ Rail World Market Study - forecast 2014 to 2019, UNIFE, 2014
<http://www.unife.org/component/attachments/?task=download&id=107>

¹⁸ Rail Supply Group (Jan 2016): *Fast track to the future: a strategy for productivity and growth in the UK rail supply chain* <http://www.railsupplygroup.org/wp-content/uploads/2016/01/RSG-Brochure-Jan-2016.pdf>

¹⁹ Rail World Market Study - forecast 2014 to 2019, UNIFE, 2014
<http://www.unife.org/component/attachments/?task=download&id=107>

²⁰ Network Rail, Supply Chain <https://www.networkrail.co.uk/industry-commercial-partners/supplying-us/>

²¹ Department for Transport, First big HS2 contracts to build Britain's new railway will support 16,000 jobs, July 2017
<https://www.gov.uk/government/news/first-big-hs2-contracts-to-build-britains-new-railway-will-support-16000-jobs>

²² Department for Transport, First big HS2 contracts to build Britain's new railway will support 16,000 jobs, July 2017
<https://www.gov.uk/government/news/first-big-hs2-contracts-to-build-britains-new-railway-will-support-16000-jobs>

²³ Groupe Eurotunnel, Traffic figures <https://www.eurotunnelgroup.com/uk/eurotunnel-group/operations/traffic-figures/>

19. Services running through the Tunnel provide significant economic benefits to both the UK and the EU.²⁴ Services include UK-based passenger operator Eurostar, which runs services to Paris and multiple other destinations in France, as well as Brussels. Eurostar facilitated over 10 million passenger journeys in 2016.²⁵ In 2016 the Channel Tunnel facilitated around 2.2 million business trips and 4.5 million tourist trips to and from the UK (made by either Eurostar or Le Shuttle services).²⁶ There are also international freight trains operating between the UK and the EU; approximately 1,800 freight services ran through the Tunnel in 2016.²⁷
20. At the moment, there are juxtaposed border controls (immigration and customs) on Eurotunnel sites at Calais and Cheriton, and immigration controls at Eurostar stations in the UK, France and Belgium. These are covered in separate bilateral and tripartite agreements (see relevant section below).

Northern Ireland and Ireland

21. This Report has relevance for Northern Ireland and Ireland. Rail is fully devolved to Northern Ireland. The Belfast-Dublin Enterprise service is the only cross-border rail service on the island of Ireland. It is jointly run by Northern Ireland Railways and Iarnrod Eireann (Ireland's public rail operator), serving communities and supporting the economy across the island of Ireland.
22. The Enterprise service is facilitated by the Common Travel Area (CTA) arrangements, which the UK is committed to maintaining in order to protect the ability to move freely within the UK, and between the UK and Ireland.
23. The UK and the EU have mapped out areas of cooperation under the Belfast ('Good Friday') Agreement that function on a cross-border North-South basis. This detailed work demonstrates a wide range of cooperation across different aspects of the economy, public services, and the environment.

²⁴ Economic Footprint of the Channel Tunnel, October 2016, [http://www.ey.com/Publication/vwLUAssets/Economic_footprint_of_the_Channel_Tunnel_fixed_link/\\$File/Channel%20Tunnel%20EN%20light.pdf](http://www.ey.com/Publication/vwLUAssets/Economic_footprint_of_the_Channel_Tunnel_fixed_link/$File/Channel%20Tunnel%20EN%20light.pdf)

²⁵ Groupe Eurotunnel, Traffic figures <https://www.eurotunnelgroup.com/uk/eurotunnel-group/operations/traffic-figures/>

²⁶ Transport Statistics Great Britain: 2017 (Table TSGB0115), <https://www.gov.uk/government/statistics/transport-statistics-great-britain-2017>

²⁷ Groupe Eurotunnel, Traffic figures <https://www.eurotunnelgroup.com/uk/eurotunnel-group/operations/traffic-figures/>

The current EU regulatory regime

24. A range of EU directives and regulations apply to the rail sector; in particular, the four 'Railway Packages' of EU legislation, the latest of which – the 4th Railway Package – is due to be transposed by Member States over the next few years.
25. EU law sets out technical and safety standards, as well as rules for how the rail market can be structured (i.e. the procurement of rail contracts). The rationale behind the EU's drive to set common standards in these areas is to improve the competitiveness of domestic rail markets and cross-border services, ensuring former state incumbents do not have an unfair advantage over newer market entrants and ensuring trains can run anywhere on the EU network (known as 'interoperability').
26. Much of this, particularly on the markets side, has been informed by the UK's experience over the past 25 years where the UK has run ahead of the EU on areas such as competitive tendering of franchises, with UK industry having shared its knowledge and expertise with European partners. The UK's domestic network also has a number of characteristics which are specific to the UK, not least the UK's island geography, meaning the UK is largely separate from the European network. Nonetheless EU safety and interoperability legislation currently underpins the mutual recognition arrangements for cross-border services.
27. Safety and the maintenance of a robust regulatory framework are of critical importance to the railway and the UK has one of the best records in the EU, having worked closely with our European partners to develop a regime which largely reflects historic UK practice.
28. There are also a number of cross-cutting areas of EU law affecting rail, including procurement, state aid, customs and immigration, employment and environmental.

Market structure and train services

29. Directive 2012/34/EU recast a number of EU Directives and put them into one place. It was implemented in the UK in the 2016 Access and Management Regulations.²⁸ It set out a number of new requirements for the structure of the rail market, in particular:
 - Independence of Infrastructure managers (IMs). Contains a duty on the state to grant the IM operational independence, and ensure that it is sustainably funded and must be independent of train operating companies, with separate management and administrative structures to train operating companies;

²⁸ http://www.legislation.gov.uk/uksi/2016/645/pdfs/ukxi_20160645_en.pdf

- Management of railway undertakings according to commercial principles, including the ability to take decisions about staff, assets and procurement and to be free to expand their market share;
- Separation and transparency of IM and railway undertakings operations, including separation of accounts, essential functions such as decisions about track access, infrastructure charging and allocation of train paths;
- Licensing of railway undertakings to provide railway services, including a requirement to designate a licensing authority and the conditions that need to be met to obtain a licence; and
- Charges for the use of infrastructure and allocation of capacity, including ensuring the effective use of infrastructure, the requirement for the IM to publish a Network Statement, determining the level of the charge and the principles behind charging.

30. Directive 2016/2370 is to be implemented in the UK in December 2018. It amends and builds on Directive 2012/34. The Directive aims to:

- Increase competition, by extending the principle of 'open access' to all domestic rail passenger services, provided the services being provided by existing franchise holders are not economically compromised; and
- Introduce additional safeguards on the independence and impartiality of IMs in respect of essential functions, traffic management, maintenance planning and financial transparency.

31. Regulation 2007/1370 as amended by 2016/2338, award of franchises or 'public service contracts' (central or local government contracts to secure public transport services the market alone would not offer, i.e. a type of Service in the General Economic Interest). The Regulation defines how public service contracts could be awarded, including requirements around fairness and transparency, how the service being provided can be guaranteed and the compensation payable to the operators for costs incurred. It also set out principles of transparency to ensure non-discrimination. The amending Regulations set out new information requirements to ensure fair and competitive tendering.

32. Regulation (EC) 1371/2007, on rail passenger rights and obligations, has some mandatory provisions which have applied from December 2009 to both UK domestic and international services, and which set out minimum requirements for train operators, station managers and ticket vendors in several areas.²⁹ These cover:

²⁹ The UK exercised a number of time limited derogations under this Regulation in 2009 but there are current proposals for the renegotiation of this Regulation which may limit the scope for these derogations. In 2014 GB renewed these derogations until 2019, but Northern Ireland took the decision to apply the Regulation in full to its rail services.

- How tickets, through tickets and reservations, should be made available;
- The rules that govern train operators' liability for passengers and their luggage;
- The need for train operators to have adequate insurance;
- The establishment of non-discriminatory access rules, and ticketing, to help disabled people and people with reduced mobility use rail travel;
- An obligation to tell potential passengers on request about the accessibility of trains to be used on services and the facilities on board; and
- The need for public authorities and rail bodies to ensure passengers' personal security in stations and on trains.

33. Directives 2007/59/EC and 2014/82/EU on train driver licensing rules set out the conditions and procedures for the licensing and certification of train drivers operating in the EU. The Directive requires train drivers in the EU to have a licence from the competent authority of the Member State, which is the national safety authority (NSA) referred to in Directive 2004/49. The Office of Rail and Road (ORR) is the NSA in Great Britain (with the exception of the Channel Tunnel Intergovernmental Commission (IGC), which acts as the safety authority solely in respect of the Channel Tunnel). The Department for Infrastructure in Northern Ireland is the NSA for Northern Ireland.

34. Railway undertakings and infrastructure managers are required to set up their own procedures for issuing and updating certificates as part of their safety management systems. Certificates demonstrate that the driver satisfies minimum conditions as regards medical requirements, basic education and general professional skills, as well as indicating the infrastructure and rolling stock the holder of the certificate is authorised to operate on.

35. Directive 2005/47/EC on working conditions for cross-border rail workers supplements the Working Time Directive (Directive 1993/104/EC) for cross-border train crews by imposing stricter requirements in relation to the timing and duration of rest breaks, the limits on driving time and the need to keep records. Essentially these rules therefore apply in the UK for services using the Channel Tunnel and for services between Northern Ireland and Ireland.

Interoperability

36. EU Technical Specifications for Interoperability (TSIs) cover a range of subjects relating to technical standards for both infrastructure and vehicle manufacturing and construction. TSIs are intended to ensure compliance with EU-wide standards to assist trains to run anywhere on the EU rail network, and are also aimed at creating a single EU market for

sub-systems to reduce costs. UK rail infrastructure and rolling stock projects are subject to the EU interoperability requirements and authorisation processes for rail projects. The main relevant directives are 2008/57/EC and the new interoperability directive 2016/797/EU, which is due to replace it as part of the technical pillar of the 4th Railway Package. The technical pillar (see also safety below) is due to be transposed before June 2020.

37. TSIs are developed by the European Union Agency for Railways ('the Agency') with input from industry experts. The Agency and the Commission also have a role under the legislation in cases where a derogation from a TSI is needed. In some cases these derogations need the approval of the Commission.
38. ORR, as the GB national safety authority, is currently responsible for issuing technical authorisations in order for infrastructure and rolling stock to be placed into service. Projects are required to obtain a certificate of verification from a third party assessor that assesses if the standards have been met. These conformity assessment bodies are "notified bodies", and in the UK are typically engineering consultancies appointed by DfT under the interoperability regulations. They assess the vehicle, infrastructure or constituent against TSIs and issue the certificate.
39. Under EU law, technical authorisations are required as follows:
 - New infrastructure and rolling stock requires an authorisation to place into service before it can be used (and some upgrade and renewal work also requires it); and
 - Certain interoperability constituents are listed in technical specifications for interoperability, these are the components that make up the rail system and need to be certified as meeting standards before they can be placed on the market.
40. The 4th Railway Package changes will mean that authorisations for vehicles intended to be used on a cross-border network will have to be issued by the European Union Agency for Railways. For vehicles intended only to be used on a network limited to one Member State, the authorisation will be able to be obtained from either the Agency or the relevant national authority.

Safety

41. The Railway Safety Directive (2004/49/EU) establishes a common framework for the regulation of safety on all Member State railways and is supported by a number of requirements outlined in subordinate legislation, including Common Safety Methods (CSMs), Common Safety Targets (CSTs) and Common Safety Indicators (CSIs) which describe minimum safety levels, how these levels should be assessed, and categories of data which must be collected.

42. The ORR, as the national safety authority for Great Britain, issues safety certificates to railway undertakings (train operating companies) and safety authorisations to infrastructure managers (IMs) to certify that their safety management system and procedures are in compliance with the relevant EU law. It is only organisations which are issued with safety certificates and authorisations, not vehicles or other assets. These must be renewed every five years.
43. Under existing EU legislation, the Member State in which the railway undertaking is first established issues a Part A and Part B safety certificate for the domestic network. For cross-border services, the national safety authority for each Member State through which the service travels will recognise the Part A certificate and issue a further Part B safety certificate for that service.
44. The technical pillar of the 4th Railway Package updates the existing regime (see Directive 2016/798) and is required to be transposed by Member States by June 2020 at the latest. Under the updated regime, railway undertakings will only need a single safety certificate for all their operations. Where the service is limited to one Member State only, this certificate will be able to be obtained from either the relevant national safety authority (this would be the ORR in Great Britain) or from the Agency. Where the service is a cross border service operating in more than one Member State, the certificate will only be obtainable from the European Union Agency for Railways.
45. The Entities in Charge of Maintenance scheme ensures all rail freight vehicles are safely maintained. The ORR is the certification body for the ECMs for freight wagons, as per European Commission Regulation 445/2011 (the ECM Regulation).

European Union Agency for Railways ('the Agency')

46. The Agency develops new proposals for safety and interoperability legislation and works with industry stakeholders, national safety authorities and Member State experts to develop the details. Any new draft legislation subsequently brought forward by the Commission is subject to agreement by the Member States at the Railways Interoperability and Safety Committee (RISC). There is now a role for the European Parliament to consider the contents under the delegated act procedures.
47. As described above, under the technical pillar of the 4th Rail Package, the Agency will be responsible for issuing single safety certificates to railway undertakings and vehicle authorisations to place on the market to manufacturers of vehicles intended for use in cross-border services. The Agency may also issue them for domestic-only services operating within a single Member State, but only if the applicant prefers to use them instead of their national safety authority. These functions are currently only undertaken by national safety authorities.

48. As a Member State, the UK has a voting seat on the Agency's Management Board, which oversees the work of the Agency, and the UK has an automatic right to field experts via the UK's national safety authority (set out in Article 5 of the Agency Regulation 2016/796), a voting seat on RISC, and via industry representation on working groups.

Trans-European Transport Network (TEN-T)

49. The EU Treaty on the Functioning of the European Union provides for the establishment and development of Trans-European Networks (TEN), including in the area of transport (TEN-T), with the aim of promoting cohesion, interconnection and interoperability of national networks as well as access to such networks across the European Union. The latest TEN-T guidelines (Regulation 1315/2013) define an EU-wide rail network (as well as road, maritime and inland waterways) and specify technical standards and infrastructure developments to be applied to it by specified target dates. Some parts of the UK domestic railway form part of the TEN-T 'core' and 'comprehensive' networks.

Rail Freight Corridors

50. EU legislation passed in 2010 (Regulation EU 913/2010) required the establishment of a series of "Rail Freight Corridors" to promote international rail freight across the EU. The UK is currently a member of European Rail Freight Corridor North Sea – Mediterranean.

Devolved administrations

51. Domestic legislative and administrative responsibility for rail transport is devolved in some areas.
52. In Scotland, the provision and regulation of railway services, including rail safety, is generally reserved, but with some exceptions including the promotion and construction of railways which start, end and remain in Scotland. The policing of railways and railway property in Scotland are also devolved. The Railways Acts 1993 and 2005 also provide for powers to be exercised by Scottish Ministers, including various statutory roles and powers regarding rail services in Scotland. Under these provisions, the Scottish Ministers award the Scotrail and Caledonian Sleeper franchises, and have a statutory role in the five-yearly Periodic Review of rail access charges and licence conditions, which is undertaken by the Office of Rail and Road.
53. The Railways Act 2005 provides a statutory role for the National Assembly for Wales concerning passenger rail franchising and related financial assistance in Wales. Currently there is a Joint Parties' Agreement between the Welsh government and the Secretary of State for Transport as to the management of the Wales & Borders Franchise. Powers in relation to the specification and award of rail passenger franchise services in Wales are due

to be given to the Welsh Government from 2018.

54. Responsibility for rail transport is devolved in Northern Ireland, however in the field of interoperability the UK has legislated on Northern Ireland's behalf by agreement when implementing EU requirements setting harmonised technical standards for railway assets, vehicles and services.

Existing frameworks for how trade is facilitated between countries in this sector

55. The arrangements described in this section are examples of existing arrangements between countries. They should not be taken to represent the options being considered by the Government for the future economic relationship between the UK and the EU. The Government has been clear that it is seeking pragmatic and innovative solutions to issues related to the future deep and special partnership that the UK wants with the European Union.

56. While rail is not traditionally a sector covered by Free Trade Agreements there are a number of international frameworks that govern and promote travel by rail. These international frameworks have sought to facilitate international passenger and freight movements by rail through increasing interoperability and harmonising standards. The key international frameworks for the rail sector are:

- The Convention concerning International Carriage by Rail (COTIF). This is a convention agreed by all EU Member States plus a number of other European, North African, and Middle Eastern states. The convention includes requirements on rail passengers' rights, regulations covering dangerous goods, and the uniform set of rules for international rail journeys, including conditions of carriage and compensation in the event of loss or damage. COTIF does not impose technical standards but provides a mechanism to inform members of requirements for vehicles to run in each country; and
- International Union of Railways (UIC). UIC is a global railway body (Network Rail is a member). It engages in International Organization for Standardization (ISO) processes, and is a platform for some research activity.

57. The EU regulatory regime applies to the Channel Tunnel, and there are a number of specific rules governing the Channel Tunnel. These are set out in the Treaty of Canterbury (between the UK and France) and a number of protocols (including the Sangatte Protocol), binational safety regulations made by the Intergovernmental Commission (IGC), and

security directions made by the UK and French governments.³⁰ Juxtaposed border controls are made under the Sangatte Protocol between the UK and France and under a tripartite agreement between the UK, France and Belgium.

58. Switzerland and the EU Member States have concluded a deal for rail. In 1999 a land transport agreement was reached providing for goods and passenger transport and transit by road and rail, which allows for liberalised access between EU Member States and Switzerland.

Sector views

[This information was provided by the Government to the Committee, but the Committee has decided not to publish this section]

³⁰ Formerly, Eurotunnel