

Annual report 2006

European Railway Agency



European Railway Agency

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TABLE OF CONTENTS

List of acronyms4

Part A - The Agency in 20065

A.1. Foreword by the Chairman of the Administrative Board.....5

A.2. Milestones and key messages of the Executive Director6

Part B - Work achieved in 20067

B.1. Administrative Board7

B.2. Summary of Board Decisions8

B.3. Deliverables and core-business results by activity.....9

Part C - Internal control24

Part D - Support Services.....25

D.1. Personnel..... 25

D.2. Budget 27

D.3. Infrastructure services at ERA 28

D.4. Staff Committee 30

Part E - List of Annexes31

**E.1. Annex 1: Composition of the Administrative Board on
31st December 2006 31**

E.2. Annex 2: ERA Organisational Chart 33

**E.3. Annex 3: Declaration of Assurance by the Authoring
officer 34**

E.4. Annex 4: Financial reports – ERA Financial year 2006 35

European Railway Agency2

List of acronyms

AASC	Assembly of Agency Staff Committee
AEIF	European Association for Railway Interoperability
Arsenal	Private Company – Austrian Research Centre
Attica (Consulting)	Private Company
BP	Basic Parameter
CER	Community of European Railway and Infrastructure Companies
Cetren (Notified Body)	Private Company
CR ENE TSI	Conventional Rail System Energy, Technical Specification for Interoperability
CR TSI	Conventional Rail, Technical Specification for Interoperability
CSIs	Common Safety Indicators
CSMs	Common Safety Methods
CSTs	Common Safety Targets
DER-Committee	Developing European Railways-Committee
DG TREN	Directorate General - Transport
EBC (Notified Body)	Eisenbahn Cert. (Railway Certification)
EcoEval	Economic Evaluation
EIM	European Rail Infrastructure Managers
ERP	Enterprise Resource Planning
ERTMS	European Rail Traffic Management System
ERTMS CCB	European Rail Traffic Management System Change Control Board
ESG	Economic Survey Group
ESO	European Standardisation Bodies
ETCS	European Train Control System
EU	European Union
Eurostat	European Statistics Office
HR	Human Resources
ICS	Internal Control Standards
IT	Information Technology
KEMA (Notified Body)	Private Company
MSP	Monitoring of Safety Performance
MSs	Member States
NB	Notified Body
NB(-)Rail	European Committee Group : coordination Group between Notified Bodies Rail
NIBs	National Investigation Bodies
NRVs	National Reference Values
NSAs	National Safety Authorities
NVR	National Vehicle Register
OSJD	Komitee der Organisation für die Zusammenarbeit der Eisenbahnen
OTIF	Organisation for International Carriage per Rail
RAILPAG	Railway Project Appraisal Guidelines
RFU	Recommendation for Use
RIC	Regulamento Internazionale Carozze
RINA (Notified Body)	Private Company
RRS	Register of Rolling Stock
RST	Rolling Stock
SafeCert	Safety Certification and Authorisation
SAP software	Systems Applications and Products
SRS	System Requirements Specification
TEN2006	Trans European Network 2006
TSI	Technical Specifications for Interoperability
TSI CCS	Technical Specifications for Interoperability Control Command Signalling
UITP	International Association for Public Transport
UNIFE	Union of European Railway Industries
WP	Working Party
WP LOC	Working Party Locomotives
WP PAS	Working Party Passengers

Part A - The Agency in 2006

A.1. Foreword by the Chairman of the Administrative Board

As Chairman of the Board of the European Railway Agency I would like to introduce the Agency's Annual Report for 2006 and thank my colleagues on the Board for their valuable guidance and support throughout the first full operational year of the Agency. It is a considerable strength of our Agency that its Board gathers expertise and knowledge from national administrations and six railway sectors. The Agency is advancing from a purely developing phase to a fully operational phase. Taking also into account the requirements of the current and new tasks of the Agency assigned by European legislation the resources, both financial and human, should continue to grow.

During 2006, ERA has been active in most of the fields foreseen by the Agency Regulation, all concerning railway interoperability and safety in operations, and more mandates are expected for the future. Moreover, the safety conference organized in November 2006 added an additional dimension to the Agency by sharing its duties and goals with a wider audience. More similar open events can be expected in the near future.

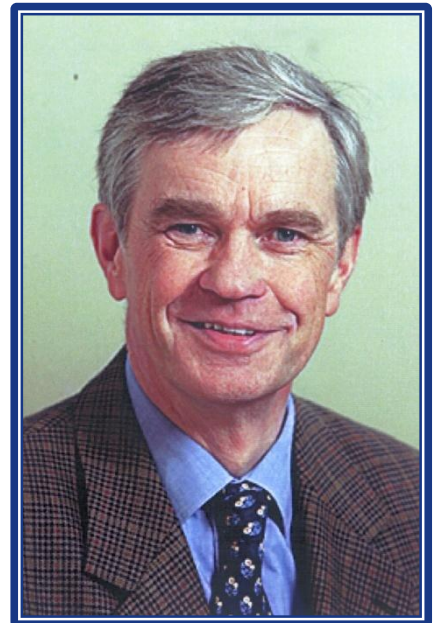
The Agency, established both in Lille and Valenciennes, is looking forward to the construction of a permanent site in Valenciennes where the staff are located. This will provide an improved environment and working conditions.

The Board continued to support the Agency's governance and evolution by adopting a number of decisions summarised in the report. The Administrative Board as created by the Agency's founding regulation is not a forum for policy making. Railway policy is drafted and proposed by the Commission and adopted eventually by the European Parliament and the Council of Ministers, often and to some extent in an amended form. The Agency is one of the vehicles to implement this policy.

The Administrative Board of the Agency plays a specific role alongside the other actors in the sector, all of which have the same goal: to revitalise the European railways and to foster its competitiveness.

The Board has certain compulsory tasks, mandated by the Agency Regulation, such as the adoption of the draft budget and work programme for the following year and adoption of the annual report of the previous year. In addition, in particular during this development phase, it has been extremely valuable for the Board members to be able to follow the operational work of the Agency during the meetings; and to share their views and contributions with a view to adding value to the duties and activities of national railway administrations across the EU as well as the railway sectors.

Finally, may I take this opportunity to wish farewell to the Board members and the Agency staff, as 2006 was my last full year as Chairman of the Board. I have no doubt that my successor, Mr Michael Harting, will appreciate the cooperative, transparent spirit that helped us all through the somewhat rocky start of operations. Such spirit will be invaluable as the Agency's activity continues to grow.



Mr Reino Lampinen

A.2. Milestones and key messages of the Executive Director

The Agency, established by Regulation (EC) No 881/2004 of the European Parliament and Council, went fully operational in 2006. This is exemplified by the delivery of its first official recommendation to the Commission as early as January 2006, and by the setting up of numerous working parties involving the railway sector and national authorities.

Nevertheless, the working environment of the Agency is still evolving fast. Recruitment in 2006 has nearly doubled the staff count, putting high pressure on the administrative sector. New mandates have been considered by the Commission, which are expected to come into force in 2007 already. While the work on the different recommendations undertaken as a result of the Agency Regulation is progressing well, questions arise concerning follow-up tasks and the maintenance of an adequate level of expertise when the first wave of recruitment will ebb. In addition, we expect an increase of tasks of operational nature, such as the management of those public databases that we have set up under our mandates.



Mr Marcel Verslype

This thriving situation should not make us forget our two main goals: to contribute to the competitiveness of the railway sector, and for ourselves to make efficient use of the funds allocated to the Agency. These concerns resulted in two new developments. First, elements of an internal control policy have been put in place. Secondly and even more importantly, a memorandum of understanding has been drafted with the Commission, in order to ensure proper coordination between the Commission and the Agency at all levels, administrative as well as operational. This is a necessity, considering that the Agency is a regulatory agency proposing legislative texts in its two fields of competence, namely interoperability and safety of railways in Europe. These are just two aspects of a vast re-organization that has started with Directive 91/440/CE, and that may see a provisional conclusion with the adoption and implementation of the third railway package.

The Agency is currently the only place where all political and economic actors in the railway field can meet and share points of view that sometimes are, inevitably, diverging. We try to make the best use of this unique opportunity, in order to achieve the goals assigned to us.

In the meantime, there are proposals to revise the Agency Regulation, which foresee an extension of the tasks of the Agency, essentially in the field of rolling stock cross-acceptance. We consider that this is a sign of confidence in the ability of the Agency to contribute to essential objectives of the railway sector. All staff in the Agency are working hard to maintain current levels of trust by all parties.

Part B - Work achieved in 2006

B.1. Administrative Board

The Administrative Board is the main governing and controlling body of the European Railway Agency. It is entrusted with the necessary powers to adopt the Agency's budget, verify the tasks have been completed, approve internal rules, establish transparent working procedures for the Agency and to adopt its work programme.

The Board is composed of representatives of the European Commission, the Member States and representatives from the most directly involved railway sectors. As from 2005, Norway and Iceland are participating in the Board as members without voting rights. Romania and Bulgaria had the status of observers until 31 December 2006 as they became full members on 1 January 2007.

The European Commission is represented by four members. Each Member State has one representative on the Board. The railway sectors (railway undertakings, infrastructure managers, railway industry, worker unions, passengers, freight customers) have six representatives; however they do not have the right to vote.

The members of the Administrative Board are appointed on the basis of their experience and expertise in the railway field.



Administrative Board meeting (Lille – 27 February 2007)

B.2. Summary of Board Decisions

ERA's Administrative Board met twice in 2006. In summary the key decisions were:

9 March 2006

During its eighth meeting the Administrative Board:

- adopted the Draft Statements of estimates for 2006,
- adopted a Policy for visits to Members States,
- adopted a decision concerning the rules for the reimbursement of experts participating in the working parties organised by the European Railway Agency,
- amended its Rules of Procedure.

17 October 2006

During its ninth meeting, the Administrative Board adopted:

- the Agency's work programme 2007,
- decision concerning the terms and conditions for internal investigations in relation to the prevention of fraud, corruption and any illegal activity detrimental to the Communities' interests.

In addition, the Administrative Board adopted by written procedure:

- the Agency's budget for the year 2007,
- the Agency's Annual report 2005,
- The carry-over of 2005 appropriations to the budgetary year 2006.

B.3. Deliverables and core-business results by activity

B.3.1. Safety

B.3.1.1. Introduction

During 2006 the Safety Unit became established with a nearly full complement of personnel. The Agency has key tasks in the field of Safety focusing on the co-ordination and delivery of the requirements of the Safety Directive 2004/04/EC.

In line with the increased manpower the Safety Unit was able to expand its structure to five teams supported by two key horizontal activities. Each team is linked with an activity area of the Agency work programme.

- Common Safety Targets (CST) and Common Safety Methods (CSM)
- Safety certification and authorisation
- Monitoring of safety performance
- National safety rules and technical opinions
- Accident investigation

Development of the Safety Database and co-ordination of the NSA interactions were carried out as horizontal activities across the teams.

External meetings focused on the Networks of the National Safety Authorities (NSA) and National Investigation Bodies (NIB) which met regularly throughout the year, actively supported by a significant number of Working Groups and Task Forces.

The development of software support was a critical element of 2006 and delivery of the extranet to support collaborative e-working and the test version of the public database of safety documents were important milestones.

The work programme for 2006 envisaged a number of deliverables for the Unit alongside the co-ordination of Network Meetings. In accordance to the mandates the first progress reports on Common Safety Methods (one for risk evaluation and assessment and another for Safe Certification) had been submitted to the Commission and the first CST progress report had been prepared. In the area of National Safety Rules recommendations based on a technical examination of the rules were sent to the Commission in December 2006.

In November 2006 the Safety Unit organized a conference on activities of the Safety Unit attended by more than 150 railway experts from 24 European countries. The main result of this conference had been a general recognition by the audience of the high professional quality of the work of the Agency. Discussions during the conference also gave additional input addressed to the different teams and working groups of the Safety Unit.

The Safety Unit also gave technical support to the Commission by participation in the meetings of the Article 21 Committee, established under application of Article 21 of Interoperability Directives, and the Network of the National Safety Authorities.

B.3.1.2. Common Safety Targets and Common Safety Methods

In line with the requirements of Directive 2004/49/EC and supported by Mandates issued by the Commission¹ the Agency aims to develop CSTs and CSMs to ensure:

- that the current level of safety performance of railway systems at Member State level will be maintained (or, where reasonable and possible, improved) and
- to assess the achievement of safety targets, safety levels or other safety requirements.

The work on Common Safety Targets and Common Safety Methods during the year 2006 had been characterized by the following milestones set up by Directive 2004/49/EC and respective mandates addressed by the Commission to the Agency:

Common Safety Methods

Milestone (defined by the mandate for setting up the first set of CSM):

Delivery of the final recommendation of the Agency for the first set of CSM to the Commission not later than the 30 September 2007

To achieve this deadline the CSM team collected via the CSM working group until mid of 2006 information concerning state of the art of safety methods used in Member States. From June 2006 till January 2007 the Agency drafted - supported by a specific taskforce - a first version of the recommendation. This first version will be the basis during 2007 for discussion and review by the CSM working group and later on by social partners and NSA network.

To support the work on CSM the Agency convened three CSM working group meetings plus five task force meetings. By December 2006 the first CSM progress report was submitted to the Commission.

Common Safety Targets

Milestone (defined by the mandate for setting up the first set of CST):

Delivery of the final recommendation of the Agency for the first set of CST to the Commission not later than 30 September 2008

An important part of the data for setting up values on CSTs will be only available by September 2008. Therefore the Agency recommended in its first progress report on CSTs (delivered in January 2007) to consider within the mid-term review of the respective mandate to change the previous milestone as follows:

First milestone:

Delivery of the final recommendation of the Agency on Common Safety Methods for calculating and assessing the achievement of the first set of CSTs (CSM for the first set of CSTs) not later than 29 February 2008.

Second milestone:

Delivery of the final recommendation of the Agency for the first set of CSTs not later than 29 February 2009.

¹ Mandate to the ERA for the development of the 1st set of Common Safety Methods -04/49-MA02 EN04
Mandate to the ERA for the development of the 1st set of Common Safety Targets - 04/49- MA01 EN04

Following a final acceptance of the Commission the Agency will plan its work during 2007-2009 to meet these deadlines.

The Agency started its work on CSTs by defining a harmonised framework for quantifying the current safety performance of Member States. European and National data are used to produce a baseline in the form of National Reference Values (NRVs). To identify the state of the art, the Agency surveyed safety targets in Member States and developed a definition of the railway system to be covered by CSTs. The Agency also drafted a guideline to evaluate the impact of CSTs on the railway sector. Towards the end of 2006 the Agency started to collect and evaluate time series for the last ten years of railway accidents at Member State level to input into the development of processes which compensate for differing influences on the statistical data.

During the year 2006 four CST working groups were convened and technical support provided to the Commission primarily through the Article 21 Committee. The first CST progress report was prepared for submission in 2006 (submitted January 2007).

B.3.1.3. Safety Certification and Authorisation

Milestones:

1. Milestone:

*Assessment of conformity in safety certificates and safety authorisations issued in accordance with Articles 10 and 11 of Directive 2004/49/EC (defined by the respective mandate).
Delivery of the final recommendation of the Agency to the Commission not later than 30 September 2009.*

2. Milestone:

*Harmonisation of Safety Certificates (defined by Article 15 of Directive 2004/49/EC)
Delivery of the final recommendation of the Agency to the Commission not later than 30 September 2008*

3. Milestone:

*Evaluation Report on development and Migration Strategy of Safety Certification (as defined by Article 10(7) of Directive 2004/49/EC)
Delivery of the final recommendation of the Agency to the Commission not later than 30 April 2009.*

The work of the Safety Certification team is progressing in line with the Mandate issued by the Commission². In January 2006 and thus fulfilling work programme 2005, the SafeCert team submitted to the Commission its recommendation on harmonised formats for safety certificates and application forms. A second recommendation was submitted in March 2006 on the use of a European identification numbering system for certificates and other documents.

To deliver the work programme 2006, the SafeCert team developed a procedure and related guidelines for submission and collection of safety certificates and safety authorisations, which became part of the Safety Unit's communication protocols. The template for NSA annual reports also includes a section on Safety certification.

The safety management system assessment criteria, intended for the use by the NSAs, was developed as a basis for a position paper which is to be published in May 2007. This paper comprises the first part of the common safety method (CSM) for assessing conformity with requirements in safety certificates and safety authorisations issued in accordance with Articles 10 and 11 of the Safety Directive. This CSM needs to be submitted to the Commission in September 2009.

The SafeCert team has started work on the harmonisation of requirements for the Part B safety certification and on cross acceptance of rolling stock. These will be part of the recommendations submitted to the Commission according to Articles 15 Safety Directive (Harmonisation of Part B requirements, September 2008) and 10(7) Safety Directive (Migration Strategy, April 2009).

All work was done in cooperation with the ERA Working Group on Safety Certification and Authorisation, which met four times in 2006, two one-day meetings and two two-day meetings.

B.3.1.4. Monitoring of safety performance

Milestone:

*Revision of Annex I of Directive 2004/49/EC
Delivery of the final recommendation of the Agency concerning the
revision of Annex I of Directive 2004/49/EC not later than
30 September 2008.*

The main purpose of the Monitoring of Safety Performance (MSP) activity is to provide an objective tool to set up CSTs and assess their achievement in the format of Common Safety Indicators (CSIs).

During 2006, the CSIs working group was convened three times to identify and define the CSIs. Of thirty four CSIs identified, agreement has been reached on thirty definitions. CSIs remaining to be agreed in 2007 are:

- wrong side signalling failure,
- level crossings classification,
- value of preventing a casualty,
- cost of delays.

The ERA and the Network of Safety Authorities (NSAs) have developed a draft structure of annual reports of the NSAs, including guidance on the format of data on safety indicators. This will be submitted to the NSAs for endorsement at the beginning of 2007.

Aiming to avoid duplication in data collection ERA and Eurostat proposed to the working group on rail transport statistics an amendment to Eurostat Regulation 91/03. This amendment foresees a harmonisation of definitions used for railway accidents within Regulation 91/03 and Directive 2004/49/CE. The proposal was rejected in February 2006 and will be resubmitted in an updated format for approval in June 2007.

² Mandate to the ERA for the development of common harmonised requirements and common formats for the application of guidance documents – 04/49-MA03-EN04.

B.3.1.5. National Safety Rules and Technical Opinions

The following procedures for the team's activities have been established for the:

- registration and classification of existing rules, amendments to existing rules and new rules
- technical examination of new rules
- preparation of technical opinions on safety-related aspects as requested by a National Regulatory Body or the DER-Committee
- technical assistance to the Commission
- response to questions from the public.

Preparations to respond to requests for technical opinions were completed by 1 May 2006.

Notifications of existing national safety rules from all the Member States, Norway and for the Channel Tunnel have been received. At the request of the Commission, a technical examination of the notifications has been carried out. The recommendations to the Commission and the accompanying report were sent to the DG TREN in December 2006.

In the course of the year, the NSA have nominated contact persons for national safety rules. A two-day meeting was held in October to discuss the notification process and issues arising on the classification of national safety rules.

B.3.1.6. Accident investigation

The Agency has a role to support the National investigation bodies in their exchange of views and experience for the purpose of developing a common investigation methods, drawing up common principles for the follow up of safety recommendations and adaptation to the development of technical and scientific progress.

During 2006 the Network of national investigation Bodies was convened three times and three Task Forces were established to work on specific topics on behalf of the Network. These Task Forces considered the

- development of a common framework for Annual reports
- accident Causation Classification
- formulation, drafting and addressing of safety recommendations.

A template and guidance providing a framework for annual reports was delivered to the Network in December 2006. A finalised version of the software based reporting format for the notification of accident and incidents and the submission of accidents reports was also submitted to the Network including a first phase accident causation classification to facilitate accident analysis and database use.

A report on the activities of the NSA and NIB Networks and the implications of this for the Commission and Member States has been prepared for the Commission.

Facilitation of both Networks was enhanced by the development of the electronic collaboration workspace through the Agency's extranet.

B.3.1.7. Network of National Safety Authorities

The Agency is responsible for supporting the National Safety Authorities (NSAs) established according to Article 17(4) of the Safety Directive, in harmonising their decision-making criteria across the European Union. For this purpose a Network of National Safety Authorities has been established.

In 2006 the Network was convened in two plenary meetings and in two meetings under the safety/interoperability configuration. The Network was consulted on the preparation of recommendations to the Commission.

At the 3rd plenary meeting of the Network, on 6 December 2005, it was agreed to set up an ERTMS Focus group with the aim of incorporating the NSA experience in the acceptance process and practical implementation of ERTMS within the specifications. During 2006 this Focus Group met seven times.

At the 4th plenary meeting of the Network, on 7 June 2006, it was agreed to establish a Task Force to elaborate a template and a guideline on the content and the structure of the NSA annual reports. This task force was convened three times in 2006 and a final meeting is foreseen for February 2007. By the end of March 2007 the following documents will be available to the NSA Network:

- Template "Structure and content of the NSA AR"
- Guidance Document.

B.3.1.8. Public database of safety documents

According to Article 11 of Regulation 881/2004 the Agency shall establish a database with safety related documents, such as licences, safety certificates, investigation reports and national safety rules.

The works on application development started in March. By end 2006 database was open to the MSs for testing. The first investigation notifications were reported to the database in December.

During 2006, related communication protocols to transfer data on licences, certificates, investigations and national safety rules with Member State authorities for data submission were prepared.

B.3.2. Interoperability

The Interoperability Unit's main task is to manage all the activities relating to interoperability with the exception of ERTMS.

The unit is organised into three sectors. The first deals with the Technical Specifications for Interoperability (TSI), the second with the operational and transverse activities, and the third with the coordination and processes inside and outside the unit.

The recruitment process has continued during the year, and the staff count has increased from eight to twenty persons. Recruitment will continue through 2007 in order to reach the complement of thirty two.

The TSI sector is now almost fully operational, while the Operational and the Coordination sectors are still waiting for Project Officers specialised in Vocational Competences, Operations and Database and are scheduled to arrive during the first quarter 2007.

These issues in the recruitment process have delayed final delivery of some of the work programme 2006 tasks.

In order to insure transparency, the progress of our work is presented periodically to the Article 21 Committee, established under application of Article 21 of Interoperability Directives, and the Network of the National Safety Authorities.

Communication channels have also been established with other actors (Notified Bodies, Representative Organisations, European Standardisation Bodies (ESO)), in line with the Agency Regulation.

B.3.3. Drafting the TSIs for conventional rail (third mandate)

B.3.3.1.1. TSI Infrastructure

The Working Party TSI Infrastructure has held seven meetings in 2006 (nine meetings all together since the WP was established). A time plan of WP activity was established at the first meeting in 2005 and followed throughout 2006. The work programme and working method of the Infrastructure WP were presented in March 2006 to the Article 21 Committee.

The list of basic parameters (BPs) was developed and discussed during 2006, the initial values for the BPs were also set. These will be discussed further and the final values for all the BPs are expected to be established by the end of 2007. Description of the infrastructure subsystem has been prepared, where the information is given in addition to the identified basic parameters.

Also interfaces to other TSI have been identified, but could not be checked due to different progress of work of other WPs.

In order to analyse the economic influence of the selected basic parameters of the infrastructure subsystem, an evaluation table was derived. This item will be discussed further during 2007.

Links between basic parameters and European standards have been identified. Some standards are still in a draft version, and the need for a new standard was identified.

The first Intermediate Report was submitted to the Commission in December 2006, respecting the deadlines imposed by the Commission Mandate.

B.3.3.1.2. TSI Energy

In 2006 the Working Party TSI Energy held eight meetings (nine meetings in total since the WP was established). The work programme was prepared, addressing all aspects considered for the preparation of the CR ENE TSI. This time plan has been followed during the 2006 activity of the WP.

The BPs and interfaces with other subsystems were identified, in order to draft the chapter 4 of the CR TSI. This is the main part of the description of the subsystem. Values for BPs have already been set and discussed. The activity will continue during 2007. The preliminary list of possible interoperability constituents was developed.

A preliminary evaluation of the economic influence on all considered BPs was performed. The economic evaluation activity will continue during 2007.

Links between basic parameters and European standards have been identified. Some standards are still in a draft version, and the need for the new standard is also identified.

The first Intermediate Report was submitted to the Commission in December 2006, respecting the deadlines imposed by the Mandate.

B.3.3.1.3. TSIs related to rolling stock

Locomotives and traction units Working Party

Due to the late recruitment of the project officers, the Working Party commenced activity in April 2006. Six meetings of the WP were organised in 2006. The main topics addressed at the meetings were: scope of TSIs related to rolling stock i.e. types of vehicles to be covered, assessment of trainset vs. assessment of single vehicle, link with the cross acceptance process of existing locomotives, preliminary list of basic parameters and interfaces to other subsystems. All these activities have been performed taking into account evaluation of the economic impact, resulting from future implementation of the TSI. The WP also discussed split of work between the WP LOC and WP PAS (see "Working method" section below).

According to the Mandate, the Intermediate Report shall be submitted to the Commission by August 2007. It will identify and specify the basic parameters as well as the interfaces with the other sub-systems. The preliminary draft TSI is expected in February 2008 and the final draft in August 2008.

Passenger carriages Working Party

Due to the later recruitment of the project officers, Working Party commenced activity in May 2006. Five meetings of the WP were organised in 2006. The main topics addressed at the meetings were: scope of TSIs related to rolling stock i.e. types of vehicles to be covered, assessment of trainset vs. assessment of single vehicle, analyse of RIC and link between TSI and RIC, preliminary list of basic parameters and interfaces to other subsystems. The WP also discussed split of work between the WP LOC and WP PAS (see "Working method" section below).

According to the Mandate, the Intermediate Report should be submitted to the Commission by February 2008. It will identify and specify the basic parameters as well as the interfaces with the other sub-systems. Preliminary draft TSI is expected in August 2008 and the final draft in February 2009.

Working method

The discussions held in both WPs have shown that most of the subjects to be covered by the TSIs are either common to all types of rolling stock or identical for two or more types falling into different WPs. Only few aspects are specific to the functionality required for a particular type of rolling stock, and can be addressed separately. It has been established as a principle in the method of drafting TSIs that a requirement should be specified in one document only, and discussed in one WP only. The current split to WP LOC and WP PAS (according to the mandate) makes it difficult to avoid redundancies and discrepancies, and fails to ensure that there will be full coverage.

To overcome these difficulties, technical subjects (Basic Parameters) have been allocated between the two existing WPs, according to the specialist expertise of their members, and each WP addresses all types of rolling stock.

The more relevant format of the conventional rail rolling stock TSIs to be produced (unique document, one document per RST type....) will be investigated in the WPs, and submitted by the Agency to the Article 21 Committee in the intermediate report, which will be common to both WPs. It has to be underlined that this format, regardless of the final decision, does not constitute an obstacle to the drafting process in the coming months.

The document explaining the working method was prepared and submitted to the Commission at the Article 21 Committee meeting, in October 2006. The activity of the two WPs during 2006 indicates that the time schedule foreseen in the Mandate will be kept.

B.3.3.1.4. TSI Telematic applications for passengers

Activity related to the TSI Telematic applications for passengers commenced after recruitment of the project officer in October 2006. Since that date the Agency met representative organisations in order to draft a reference document reflecting the needs of the customers. This document will serve as basis for drafting the TSI.

The Working Party was established with CER, EIM, UITP UNIFE and European Passenger Forum (customers' organisation) representatives as well as the NSAs. The kick-off meeting is planned for 7 February 2007.

B.3.3.1.5. 1520 mm system

In order to answer the questions raised in the section 4.10 of the Mandate, the Agency launched the Feasibility Study for the interoperability of the EU 1520 mm rail system. A work group for analysing the differences between 1520 mm and 1435 mm rail systems has been established.

The working method consists of periodical meetings of three ad hoc groups for operation, rolling stock and infrastructure. Each ad hoc group is composed of experts nominated by the NSA of the member states with 1520/1524 mm railways, i.e. Finland, Estonia, Latvia, Lithuania, Poland and Slovakia.

On the basis of the information provided and discussions held during the meetings the Agency shall prepare the Feasibility Study report. The draft Interim Report is scheduled for delivery by mid 2007.

The kick-off meeting was held in Tallinn on 15 - 16 May 2006. After that, two more meetings were held in Vilnius and in Warsaw on 7-9 November 2006 and 12-14 December 2006 respectively.

During these first meetings, the main framework of the EU 1520 rail system was discussed, particularly its interfaces with the non-EU 1520 system; its general regulatory framework was analysed and the most sensitive points were identified. Moreover, the meeting calendar for the first semester of 2007 was also established.

In addition, a collaboration agreement on the analysis of the relationship between the EU 1520/1524 mm rail system and the non-EU one had been reached with OSJD (Komitee der Organisation für die Zusammenarbeit der Eisenbahnen). Particularly, this analysis shall be targeted on the assessment of the existing regulatory framework of the 1520 mm rail system and its evolution rules. The analysis shall be limited to the technical and operational aspects of the railway system and shall serve as contribution to the above mentioned Feasibility Study. Four meetings have been programmed for 2007 within the framework of this collaboration. The results of this analysis shall serve as additional contribution source to above mentioned Feasibility Study.

B.3.3.2. Interoperability database and document management

A protocol of exchange of working documents between the Agency, NB-Rail and the European Standardisation Bodies has been established to provide transparency of working.

The rules for registration of a Vehicle Keeper Marking have been set up in collaboration with the Intergovernmental Organisation for International Carriage by Rail (OTIF). The document will be sent to the NSA at the beginning of 2007.

As the Database agent is still under recruitment, the setting up of the database is planned in 2007.

B.3.3.3. Monitoring Interoperability

According to Article 15 of Regulation N° 881/2004, the Agency shall at the request of the Commission examine, from the point of interoperability, any railway infrastructure project for which Community financial support is requested.

Even if we had not received any formal request from the Commission, the Agency offered its technical support on specific questions.

The Agency also provided experts as evaluators for the ERTMS projects within the 2006 call for proposals.

B.3.3.4. Certification of maintenance workshops

The first interim report on this subject was sent to the Commission in June 2006 and presented in the Article 21 Committee meeting on 20 June 2006. Its content was the preliminary system for workshop certification. By the end of the year the working party had defined the details of certification contents.

The working party has held a total of ten meetings (seven meetings in 2006) with members from railway sector organisations and NSAs (twenty five members).

During the autumn, visits to seven member states were organised, to inform the authorities in the EU countries about the progress in certification work and to obtain additional information from the authorities and workshops in those countries in order to be able to develop a satisfactory system for workshop certification.

B.3.3.5. Registration of rolling stock

B.3.3.5.1. National vehicle register (NVR)

The Agency made its recommendation to the Commission on 28 July 2006. This recommendation included the content, the data format, the operating mode and the functional and technical IT architecture of the NVR.

The Agency asked for the Commission's agreement to proceed with the feasibility study of the proposed functional and technical architecture at the Article 21 Committee meeting of 26 October 2006.

B.3.3.5.2. Register of rolling stock (RRS)

A draft decision should be submitted by the Commission during next Article 21 Committee of 25 January 2007. This decision should include the Commission's agreement on the feasibility study.

In parallel, a call for tender has been launched for the above-mentioned feasibility study. A contractor has been selected and the project should be launched in February 2007.

The Agency made a proposal to continue the WP's work on the RRS. This has been agreed by the Commission and by the sector organizations.

To date, three meetings have been held; the interim report is expected mid March 2007

B.3.3.6. Coordination with Notified Bodies

The Agency is involved in all the NB-Rail meetings

The Agency assists NB-Rail and the Commission in the strategy meeting and presents the progress of the WP in the plenary meeting.

At the technical level, the interoperability project officers are participating to the NB-Rail Subgroups with the aim of sharing experiences and exchanging views on the conformity assessment procedures.

This close collaboration is facilitated by an open access to the working documents of both parties.

B.3.3.7. Operations and Vocational competences

The selection process to employ project officers to these working parties has been done during autumn 2006 and the work will begin in the spring 2007.

B.3.4. ERTMS

B.3.4.1. Introduction

The unit staff comprised three project officers in January; in the course of the year five project officers joined the unit that had in December a staff of 10, including the administrative assistant. One financial assistant provided support to the EcoEval and ERTMS Unit.

B.3.4.2. ERTMS System Authority

At the beginning of the year, three permanent working parties for ERTMS were already established: the ERTMS CCB, the Control Group and the NSA Focus Group on ERTMS, these rapidly took up their technical work. In April, the procedure defining the Change Control Management was agreed by all sector representatives.

In the course of the year, the first two ad-hoc workgroups for ETCS were started, to define the proposals for the System Version Management and the Functional Requirement Specifications.

B.3.4.3. Release Planning

In March, the release planning for ETCS was presented to the MS in the Article 21 Committee. The plan covers the consolidation of the current version and the development of the specifications for the version 3 of ETCS.

In October, the Agency agreed and jointly signed with DG-TREN and the ERTMS Coordinator a communication defining the milestones of the release plan; the joint note was presented to the ERTMS Memorandum of Understanding Steering Committee and to the Member States in the Article 21 Committee.

In October, the Agency submitted to DG-TREN the recommendation to update Annex A of the TSI CCS for High Speed and for Conventional Rail, to include the SRS 2.3.0, the updated subset-108 and the first document defining the harmonised trackside indications for ETCS. The recommendation, presented by DG-TREN in the Article 21 Committee in November, received the favourable opinion of the MS; its publication in the Official Journal is expected in February 2007.

B.3.4.4. Examination of ERTMS projects

The Agency provided experts to DG-TREN for the evaluation of the ERTMS projects requesting financial support in response to the TEN2006 call for proposals.

B.3.4.4.1. Cooperation with NB RAIL

The Agency attended regularly the ERTMS Working Group of NB Rail offering support to clarify technical matters. The Agency submitted a position paper on the role of Independent Safety Assessors that was used as an input for drafting a specific RFU.

B.3.4.4.2. National Safety Authorities – ERTMS Focus Group

The working party started the comparative examination of the national legislative requirements for the Notified Bodies, Safety Assessors and Laboratories, that was used to draft the position paper for NB Rail.

B.3.4.4.3. External Contract

An open call for tender was launched for a survey of the safety approvals of the first ERTMS implementations. The contract was awarded to a consortium of three Notified Bodies (Cetren, KEMA, RINA) in cooperation with EBC, Attica and Arsenal. The partners have been involved in all major ERTMS projects in Europe.

B.3.4.4.4. Initiatives for ETCS Test Laboratories

The Agency provides technical support to the consortium of independent laboratories that are updating the ETCS Test Specifications, in the frame the TEN 2006 program.

B.3.5. Economic Evaluation

B.3.5.1. Methodology

The key contribution of the Economic Evaluation Unit is to provide a single methodology for impact assessment of any recommendation that the Agency will provide. Consistency has to be achieved across Agency activities (Safety, Interoperability), and consistency with the impact assessments conducted by the Commission is also essential. For that sake, the Economic Evaluation unit has drafted, in January 2006, its own "Economic Evaluation Methodology Guidelines" that are based, among others, on the Impact Assessment Guidelines of the Commission (SEC(2005)791).

This document is intended to be the "master" document, governing all subsequent documents established by the Economic Evaluation Unit. It has been discussed in the Economic Survey Group (ESG, see below) of the Agency. The remarks provided have been integrated, and the resulting document has been submitted to the Article 21 Committee, for approval at its January 2007 meeting³.

In addition, secondary documents called "applied methodology guidelines" have been drafted. Each such document translates the methodology guidelines in practical instructions applying to one definite recommendation of the Agency. The purpose of such documents is to release, at an early stage, the envisaged steps for economic evaluation: it summarizes the current understanding of the scope and purpose of the draft recommendation, outlines how the impact assessment should be conducted, and clarifies what data (type, level of detail) are necessary and sufficient to perform the impact assessment. These documents could be drafted for about half of the Working Parties, and have been discussed in the course of the Working Party meetings, long before the actual contents of the recommendation was available. This exemplifies the "integrated approach" to impact assessment that is sought by the Agency : no high-handed judgment by self-styled experts sitting in some ivory tower, but collective work coordinated by a few (four) specialists from the Economic Evaluation Unit who are also regular members of Working Parties.

In order to convey the assessment experience to a less technically-oriented audience than most experts sitting in Working Parties are, the Agency has also set up a workgroup called "Economic Survey Group". The intention is to have this group act as a "quality insurance" safeguard, since it is not directly involved in the assessment of any particular recommendation. Four meetings were held in 2006. The audience is similar to most Working Parties (members of sector organisations and, if interested, NSAs) ; in addition, the Agency has invited a few experts with previous hands-on experience of economic assessment. This group plays a consultative role.

³ approval was not put on the agenda and is therefore pending ; to date (20.02.07), no remarks have been conveyed to the Agency

B.3.5.2. Assessment of recommendations

B.3.5.2.1. Interoperability

Preliminary assessments have been conducted and integrated in the intermediate reports delivered by the other operational units.

Basic parameters lists, when available, have been checked according to their relevance to the Essential Requirements, and the expected costs and benefits assessed in a mostly qualitative way. Special emphasis has been put on the list of interoperability constituents; criteria for including hardware or software components in the interoperability constituents lists have been defined in close cooperation with the Interoperability Unit, taking into account both technical and economic & commercial selection criteria.

B.3.5.2.2. Safety

The focus of the Economic Evaluation Unit's work in the Safety area has for 2006 been on Common Safety Targets (CSTs), Common Safety Methods (CSMs) and Common Safety Indicators (CSIs).

i) Common Safety Targets

The evaluation activities for Common Safety Targets have concentrated on developing the applied methodology guidelines (defined above) for the impact assessment for the first set of CSTs.

ii) Common Safety Methods

The evaluation work for Common Safety Methods has concerned preparation of the impact assessment framework for the first set of CSMs. In particular, an applied guidelines document has been prepared setting out the framework for the impact assessment that will be performed during 2007.

iii) Common Safety Indicators

The Economic Evaluation unit has in 2006 assisted the Safety Unit regarding the development of definitions for the Common Safety Indicators, particularly those concerning the consequences of accidents.

B.3.5.3. Assessments related to ERTMS

The assessment activities were targeted at two classes of problems:

- 2.4.3.1. Individual change requests to the ERTMS specifications: putting aside "obvious" change requests such as error-corrections, several change requests underwent individual assessments, to support the decision of integrating them (or not) into the next ERTMS "baseline" specification. A methodology has been set up, accepted and applied, in close cooperation with the ERTMS Unit and with the requesting entities. These *combined* technical and economic assessments proved useful for putting an end to debates that, in some cases, have lasted for years. The outcome also proved useful in the sense that, in several cases, the requesting entity itself found reasonable to withdraw its request. The pitfall of such evaluations proved to be the insufficient preliminary analysis by the requesting entity. The Agency is working with the railway sector in order to improve the overall evaluation process.
- 2.4.3.2 Management of successive versions of ERTMS (beyond version 2.3.0 and the next "baseline"): ERTMS lifetime, at least for its high-level requirements parts, is expected to be long. The Economic Evaluation unit is assisting the ERTMS unit in the definition of a long-term evolution strategy that would combine flexibility, stability and protection of existing assets in the most favourable way.

B.3.5.4. Requests from the Commission

Only one such request has been formally addressed to the Agency in 2006 and was handled by the Economic Evaluation Unit. The Agency has been requested to provide an impact assessment concerning various options aimed at improving the cross-acceptance of rolling stock across borders, in a situation where the infrastructure subsystems will retain national peculiarities for some decades. The options were proposed by a working group set up by the Commission. The assessment has been delivered on time to the Commission, despite the very short time available (resulting in some shortcomings), and could be used as a basis for a legislative proposal by the Commission.

B.3.5.5. Miscellaneous activities

Briefly, other key activities in the field of Economic Evaluation in 2006 (and not explicitly mentioned in the work programme) were:

- The take-over and consolidation of evaluations previously performed by AEIF, which is not only useful, but also required by the Agency Regulation ; beyond data collection, some analysis could be started on unit costs data ;
- The setting up of the Extranet pages related to economic evaluation, in order to increase transparency and accessibility of the evaluation works ;
- Organisation of the consultation of the Sector, a complex activity since the designated Sector Organisations do not represent all stakeholders in the railway sector (ongoing activity) ;
- Coordination with EUROSTAT and DG TREN (Rail Market Monitoring Scheme) in order to use consistent and up-to-date data ;
- Participation in related "networks", such as RAILPAG (set up by the European Investment Bank) and IMPRINT-NET.

Part C - Internal control

The internal control systems of the Agency have been outlined in 2006. An internal control coordinator has been designated for 2006 and 2007. The 24 "internal control standards" (ICS) of the Commission have been used as a general guideline. Among these, one standard is fully implemented, and sixteen have been partly implemented.

The Internal Audit Service (IAS) of the Commission conducted an audit mission in September 2006 and following its final audit report and recommendations, the Agency shall adopt an action plan on the implementation of the twenty-four Internal Control Standards.

It is expected that all standards will be implemented by first quarter of 2008 (i.e. in a time period that includes one more full budgetary cycle), with milestones per quarter already defined.

In particular ICS 23 ("ERA shall establish or have access to a properly staffed evaluation function responsible for carrying out or commissioning ex ante and ex post evaluation of all its activities"), and recognizing the fact that the Agency is producing recommendations related to a part, however significant, of the European policy for railways, a close cooperation with DG TREN, and possibly EUROSTAT, will be necessary.

Part D - Support Services

D.1. Personnel

D.1.1. Staff members

In 2006, the Agency recruited 45 Temporary Agents and two Contract Agents. It reached a total of 85 staff members (80 Temporary Agents and five Contract Agents) at the end of December 2006.

The Agency did not attain the anticipated total of 100 staff for three reasons:

- several selections were postponed due to the limited availability of selection panels' members
- no suitable candidates were found for several other selections.
- 5 posts were put on hold.

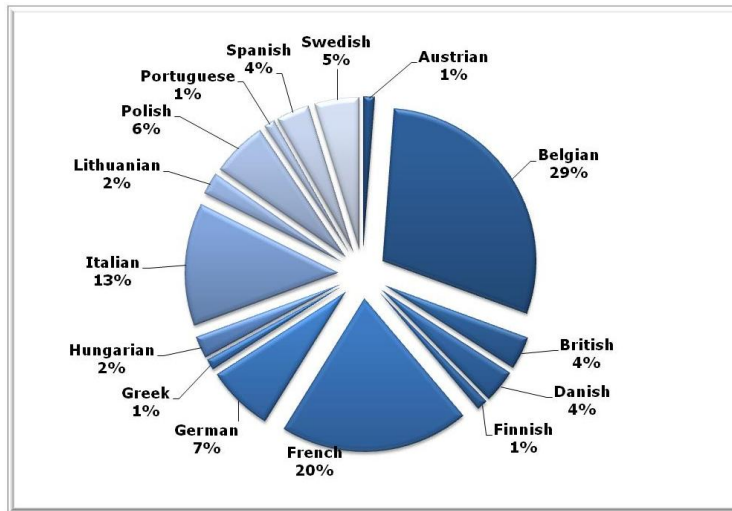
Problems encountered in recruiting suitable candidates concerned mainly project officer positions for the operational activities, where a number of posts have had to be re-published. The selection criteria applied by the Agency require candidates to meet not only general requirements (knowledge of Community languages, university diploma, and years of professional experience) but to possess also specific knowledge and expertise in the subjects related to the tasks (sometimes very specific) as well as some experience from international working groups for higher grade positions. Potential candidates combining all the above features are few on the job market, due to the characteristics of railway sector itself where the required expertise is scarce and where the sector has developed over a long time in mainly national environments. To this add practical considerations linked to the salary level and to the Agency's location, not to mention the limited duration of employment contracts which the Agency, according to Article 24 of the founding regulation, is allowed to offer to project officers in the railway sector.

The Agency is trying to remedy these problems by wider promotion of job opportunities among rail sector organisations and public administrations. It can be expected that the working groups established by the Agency will foster some good experts and possible candidates, who combine a good understanding of the EU regulatory framework with the necessary technical expertise. Nevertheless, recruitment problems are likely to remain a key issue in the foreseeable future and will continue to present a risk to the execution of tasks and to business continuity. This will become mostly evident when current contracts come to an end (about half of the contracts have to be renewed during a year starting from spring 2010) and a high volume of new recruitments will again be necessary.

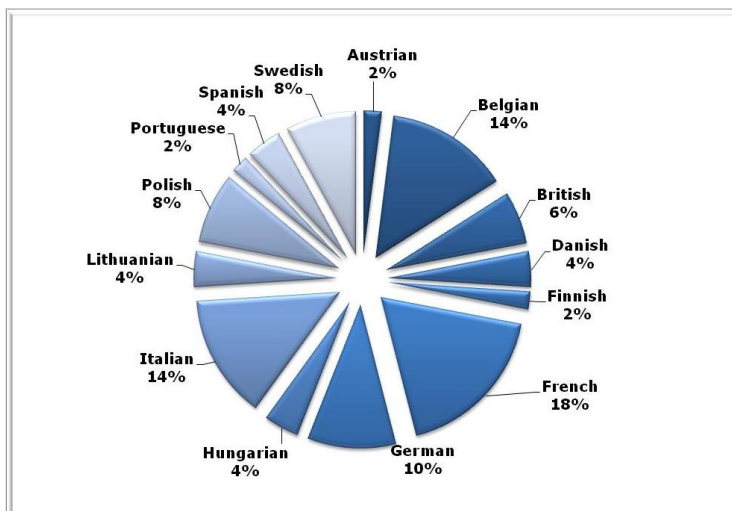
As regards training, initial guidelines aligned to the Commission's general training policy have been adopted and are now implemented. Based on preliminary needs analysis, a first action plan was drawn up at the beginning of 2006. First training sessions started in July 2006 at ERA premises. At the same time, closer ties with the Commission's Directorate General Personnel and Administration have been established and a Service Level agreement was signed on 1 October 2006. As a consequence, the training catalogue from the Commission is being used by ERA's staff who can therefore take part in training activities organised both in Brussels and Valenciennes.

D.1.2. Split of nationalities within ERA

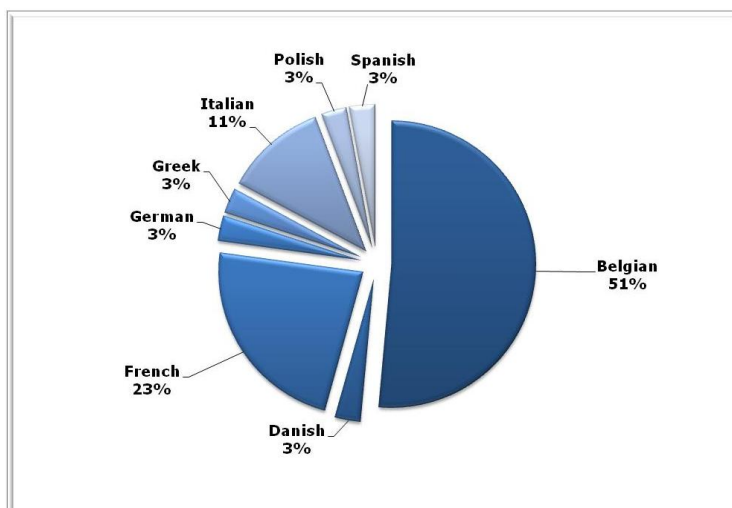
D.1.2.1. All Staff



D.1.2.2. Operational staff



D.1.2.3. Non-operational staff



D.2. Budget

The 2006 financial statements reflect the build-up phase of the European Railway Agency.

72% of the 2006 "Appropriations" (annual subsidy) amounting to EUR 14,398 million were committed.

Analysis of the budget execution shows that commitments are below estimates.

The recruitment process has been slower than initially planned and impacted on the three titles.

This was one of the main factors which contributed to reducing the anticipated roll-out of the 2006 budget.

Whereas low recruitment resulted in 71% execution in commitments under Title I (personnel expenditures), it also cascaded into Title II (infrastructure) and in Title III (operational expenditure) where lower workforce has been translated into a lower than expected activities and brought the rate of commitments at 75%.

The rate of payments reached 74% in total with 26% of carryovers to the financial year 2007. The carryovers relate to contractual commitments made during the last quarter of the year and for which part of services are foreseen to be delivered in 2007, or services delivered late in 2006 for which payments will occur in 2007.

Low payments credits execution in Title III is a result of the burden linked to 2005 carry over in year 2006 of costs of experts meetings and non automatic carryover for databases for operational activities.

D.3. Infrastructure services at ERA

D.3.1. Information Technology and Telecommunications

The year was characterised by carefully balancing out investments into addressing the needs for on one side caring about 47 new staff members, providing them with professional computing/communications environments, scaling and adapting shared Agency systems accordingly and on the other side assisting railway unit officers with their most immediate demands for specialised IT-related projects and a truly supportive automation environment.

The majority of staff were equipped with portable PCs rather than desktops as standard due to the travel demands imposed by the dual site context. The setup of secured wireless network access points at both locations added further flexibility for staff.

To address its requirements for efficient collaboration with its external stakeholders, transparency for the public and speedy product development, it was decided to already in 2006 introduce first important components of a comprehensive "Content Management System" (ECM)⁴ solution, previously the most tangible milestone. The ERA online collaboration environment entered into production use in Q3 2006. By end of the same year 30 work groups/networks and a community of about 550 registered external participants already utilised that extranet service regularly. Project work on the Agency's automation strategy is already well under way. Completion of the central Document Management System (DMS), Records Management System and key semi-automated administrative and business processes is foreseen for mid 2007.

The Agency managed to consolidate its Enterprise Resource Planning (ERP)⁵ situation by adding to the Financial System the most important HR components and integrating an off-the-shelf product suite for purposes of assets recording and their management. Further improvements of operations efficiency and effectiveness will result from the new ERP de-facto to the standard of European Commission and also from the widespread use of SAP software across Agencies.

Internal and procured IT specialists played an important role in introducing railway unit/project specific tools and solutions. The Agency's IT team provided assistance for the European Centralised Virtual Vehicle Register, Public Database of Safety Documents and the suite of tools for Change Control, Configuration and Requirements Management purposes.

⁴ See for example <http://www.aiim.org/about-ecm.asp> for a detailed explanation.

⁵ See for example <http://www.techweb.com/encyclopedia/defineterm.jhtml?term=ERP> for an explanation.

D.3.2. Premises

The Agency has to - following the respective European Council decision - cope with the situation of operating from two sites in different cities. Valenciennes hosts the headquarters offices and, 50 km away, Lille serves as a meeting centre that can be reached easily by visitors via public transport.

Following comments by the European Court of Auditors and Internal Audit Service the Agency undertook an assessment of the cost overheads caused by the double-site mode of operation. It led to an estimated annual expenditure overhead in the range of 440,000 Euros, including extra direct and indirect costs, compared to operating from one location. It does not take into account the negative business impact resulting from a lower than otherwise feasible staff presence at remote site events.

The Valenciennes Chamber of Commerce and Industry-owned headquarters building is of a provisional nature, for temporary usage while awaiting an official financing agreement with French Authorities that fits with ERA's strict budgetary constraints and afterwards the construction of adequately sized and shaped premises, currently tentatively envisaged for occupation in 2009.

Lacking readily available space extension options inside the current premises, the Agency will during 2007 and 2008 be forced to organise a temporary extension by means of office containers or similar modest cost arrangement.

The Agency looks forward to move to its new modern headquarters building, designed with the organisation's business necessities in mind, by already right from the earliest project stages involving Agency representatives.



The European Railway Agency has its headquarters in Valenciennes

D.4. Staff Committee

D.4.1. Composition & mission of the Staff committee

The Staff Committee is composed of six members of the Agency, representing the different categories of staff across the Agency.

The first Staff Committee was elected in September 2005 with a mandate of one year corresponding to the launch phase of the Agency.

The second Staff committee was elected in September 2006 for a mandate of two years.

D.4.2. Activities of the Staff committee

Following the election in September 2006 the newly founded Staff Committee set up a work programme in accordance with the article 9 §3 of the Staff Regulations with a remit to:

- represent the interests of the staff vis-à-vis the Agency,
- maintain continuous contact between the Director/Administration and the staff
- contribute to the smooth running of the service by providing a channel for the expression of opinion by the staff.

Key points of this work programme are the interests of the staff regarding the staff policy of the Agency including promotion scheme and training facilities, missions and working conditions. In addition the Staff Committee is proposing to organise a General Assembly at the Agency premises to present the programme for the next two years.

Furthermore the staff committee will represent the Agencies staff in meetings organised by the Assembly of Agency Staff Committee (AASC) to exchange and enlarge experiences. Regarding the two annual meetings of AASC, the staff committee of the Agency plans to host one of these meetings within its current mandate.

Part E - List of Annexes

E.1. Annex 1: Composition of the Administrative Board on 31st December 2006

E.1.1. Member States

Member State	Member of the Administrative Board	Alternate
Austria	Mr. Wolfgang Catharin	Mr Klaus Gstettenbauer
Belgium	Mr Michel Damar	Mr Joannes Peeters
Cyprus	Mr Patroclus Kithreotis	Mrs Eleni Pipi-Hadjikosta
Czech Republic	Mr Jaroslav Sousěk	Mr Martin Vošta
Denmark	Mr Per Jacobsen	Mr Jeppe Gaard
Estonia	Mr Jüri-Karl Seim	n/a
Finland	Mr Reino Lampinen Chairman	Mr Hannu Pennanen
France	Mr Patrick Vieu	Mr Denis Huneau
Germany	Mr Michael Harting	Mr Klaus Beer
Greece	Mr Christos Pyrigidis	Mr Miltiadis Provatas
Hungary	Ms Erika Tarr	Mr István Gáal
Ireland	Mr John Welsby	Ms Mary Molloy
Italy	Mr Enzo Celli	Mr Alberto Chiovelli
Latvia	Mr Janis Eiduks	Mr Andris Dunskis
Lithuania	Mr Sigitas Mareckas	Mr Andrius Paskocinas
Luxemburg	Mr Jeannot Poeker	Mrs Myriam Recken
Malta	Mr David Sutton	Mr Ivan-Carl Saliba
Netherlands	Mr Rob van der Burg	Mr Edwin Griffioen
Poland	Mr Mirosław Antonowicz	Mr Sławomir Dyl
Portugal	Mr Antonio Brito da Silva	Mr. José Aranha Antunes
Slovakia	Mr Dusan Turanovic	Mrs Maria Hrcokova
Slovenia	Mr Borut Prhavic	Mr Robert Pajk
Spain	Mr Eduardo Molina Soto	Mr Manuel Niño González
Sweden	Mr Ulf Lundin	Mr Ove Andersson
United Kingdom	Mr Giles Thomas	n/a

E.1.2. European Commission

Members	Alternates
Mr Zoltan Kazatsay	Mr Dirk van Vreckem
Mr Enrico Grillo-Pasquarelli	Mr Christian Faure
Mr Heinz Hilbrecht	Mr Jean-Arnold Vinois
Mr Paul Weissenberg	Mr Daniel Bunch

E.1.3. Sector Representatives

Sector	Member
Railway undertakings	Mr Hartmut Mehdorn
Infrastructure managers	Mr Berend Klerk
Railway industry	Mr André Navarri
Trade unions	Mr Norbert Hansen
Passengers	Mr Christopher Irwin
Rail freight customers	Mr János Berényi

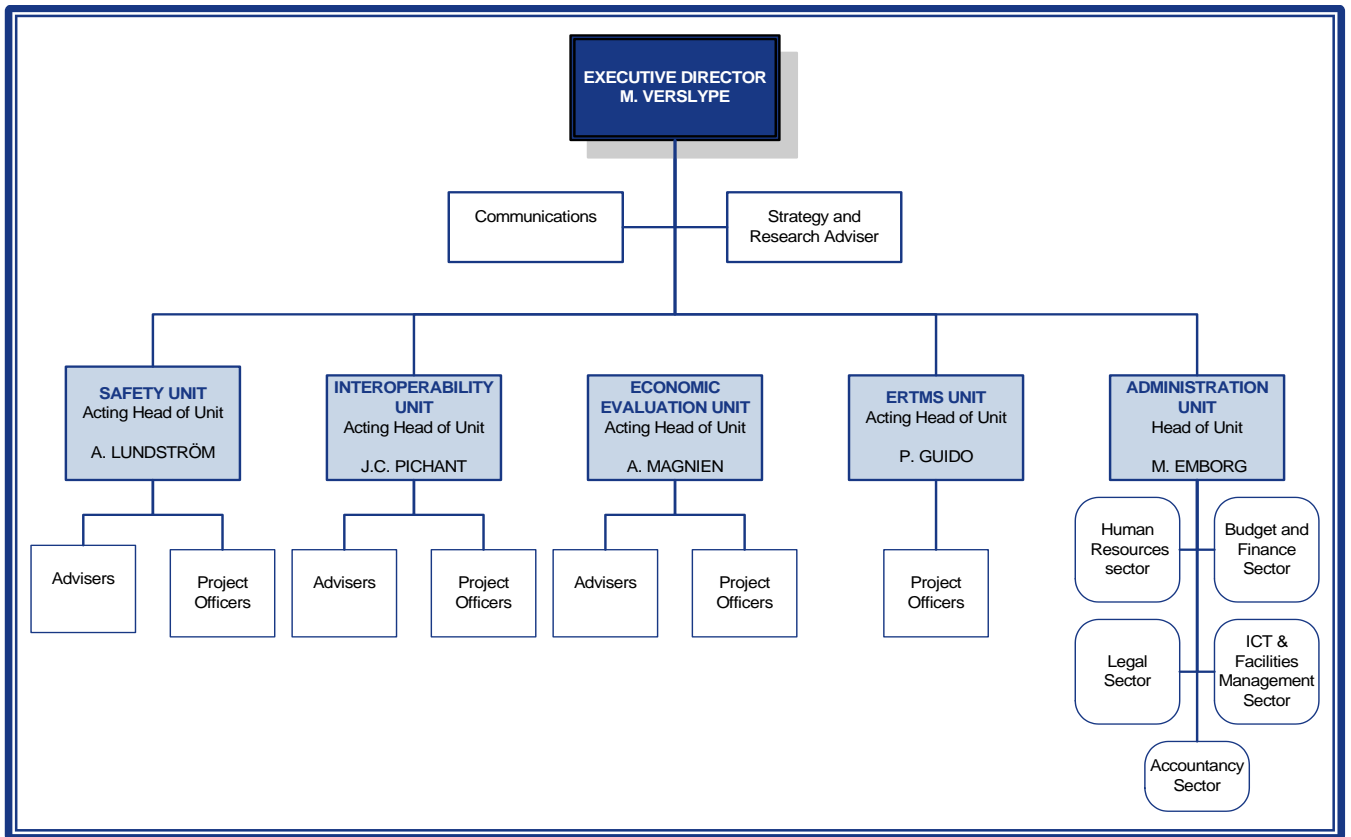
E.1.4. European Economic Area States

State	Member of the Administrative Board
Iceland	Mr Sigurbergur Bjornsson
Norway	Mr Erik Ø. Johnsen

E.1.5. Acceding Countries

State	Member of the Administrative Board	Alternate
Romania	Mr Vasile Belibou	Mr Victory Bucureanu
Bulgaria	n/a	n/a

E.2. Annex 2: ERA Organisational Chart



E.3. Annex 3: Declaration of Assurance by the Authoring officer

I, undersigned, Marcel VERSLYPE, Executive Director of the European Railway Agency in my capacity as authorising officer ;

Declare that the information contained in this Annual Activity Report 2006 gives a true and fair view¹

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions;

This reasonable assurance is based on my own judgement and on the information at my disposal;

Confirm that I am not aware of anything not reported here which could harm the interests of the Institution.

Valenciennes,

Marcel Verslype

¹ True and fair in this context means reliable, complete and correct view on the state of affairs in the Institution.

E.4. Annex 4: Financial reports – ERA Financial year 2006

Table 1- Budget execution

2006	Appropriations	Commitments	%	Payments	%	Carry-over	%
Title I	9.649.000	6.816.173,44	71%	6.687.542,65	98%	128.630,79	2%
Title II	1.349.000	1.062.127,37	79%	663.646,30	62%	398.481,07	38%
Title III	3.400.000	2.543.285,99	75%	390.363,55	15%	2.152.922,44	85%
Total annual subsidy	14.398.000	10.421.586,80	72%	7.741.552,50	74%	2.680.034,30	26%

(values in €)

Table 2a: Negotiated Procedures

> 13.800 € Contracts < 50.000 € before 22/08/2006

≤ 25 000 € Contracts ≥ 60.000 € after 21/08/2006

- Count: 3
- Total Amount: € 149,791.56

Number	Contractor(s)		Type of contract	Description	Amount (€)	Legal base
	Name	Address				
ERA/2006/PR/2006/01	BONNIER	12, rue de Cannes 59000 Lille	Services	Cours de français	Max. 50,000	FR (IR) Art.119
ERA/2006/ADNP03	CLASSE CROUTE	2, Avenue Louise 59910 La Madeleine	Services	Petits déjeuners, cafés et sandwiches pour les réunions organisées par l'ERA dans ses locaux de Lille.	Max. 60,000	FR (IR) Art.119
ERA/2006/S12 399 054 -01	BUROTEC	13, rue Alfred Catel 80002 Amiens	Fournitures	Fourniture de mobilier de bureau	49,791.56	FR (IR) Art.119

* FR (IR): Financial regulation (Implementing Rules)

Table 2b : Summary of Procedures of ERA

**(Excluding real estate contracts and contracts < 13.800 € before 22/08/2006
and contracts ≤ 25 000 € since 22/08/2006)**

Type of contract	Count	Amount (€)
Supply	1	46,791.56
Services	9	2008852.00
Works	0	
TOTAL	10	2055643.56

Procedures	Count	Amount (€)
Open	4	904,130.00
Restricted	0	
Negotiated	0	
Negotiated Competing	3	156,791.56
Other	3	994,722.00
TOTAL	10	2055643.56

Table 3: Real Estate Contracts

- Count: 0
- Total Amount: € 0.00

Number	Contractor(s)		Type of contract	Description	Amount (€)	Legal base
	Name	Address				
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Table 4: Economic Outturn Account (provisional accounts)

Economic Outturn Account 2006

	Note	2006
Revenues from fines		
Recuperation of expenses		
Revenues from administrative operations		
From third parties		
<i>From consolidated EC entities</i>		363.186,71
Other operating revenues		11.920.479,19
From third parties		
<i>From consolidated EC entities</i>		
TOTAL OPERATING REVENUES		12.283.665,90
Administrative expenses		
Staff expenses		-6.870.596,91
Buildings and related expenses		-142.104,39
Pensions expenses		
Other expenses		-1.576.884,48
Depreciation and write offs		
<i>Administration expenses with consolidated EC entities</i>		
Operating expenses		
Operating expenses		
Other operating expenses		-2.564.184,83
<i>Operating expenses with consolidated EC entities</i>		
TOTAL OPERATING EXPENSES		-11.153.770,61
<i>SURPLUS/ (DEFICIT) FROM OPERATING ACTIVITIES</i>		1.129.895,29
Financial operations revenues		2.669,42
From third parties		
<i>From consolidated EC entities</i>		
Financial operations expenses		-1.614,28
From third parties		
<i>From consolidated EC entities</i>		
<i>SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES</i>		1.055,14
<i>SURPLUS/ (DEFICIT) FROM ORDINARY ACTIVITIES</i>		1.130.950,43
Extraordinary gains		
Extraordinary losses		
<i>SURPLUS/ (DEFICIT) FROM EXTRAORDINARY ITEMS</i>		0,00
ECONOMIC RESULT OF THE YEAR		1.130.950,43

Table 5: Balance sheet (provisional accounts)

BALANCE SHEET 31/12/06

<u>ASSETS</u>		<u>2006</u>	<u>LIABILITIES</u>		<u>2006</u>
A. NON-CURRENT ASSETS			A. CAPITAL		
<i>Intangible fixed assets</i>			<i>Reserves</i>		
Computer Software		538.861,93	<i>Retained earning</i>		
<i>Tangible fixed assets</i>			<i>Budgetary outturn not reimbursed</i>		
Land and buildings			<i>Result of the year</i>		1.130.950,43
Plants and equipment		64.401,30	Total		1.130.950,43
Computer Hardware		395.316,26	B. NON-CURRENT LIABILITIES		
Furniture and vehicles		21.422,80	<i>Employee benefits</i>		
Other fixture and fittings			<i>Provisions for risks and liabilities</i>		
Other tangible fixed assets			<i>Financial Liabilities</i>		
Depreciation		-142.104,39	<i>Other Long term Liabilities</i>		
Total		877.897,90	Total		0,00
B. CURRENT ASSETS			C. CURRENT LIABILITIES		
<i>Stock</i>			<i>Provision for risks and liabilities</i>		90000
<i>Short-term pre-financing</i>			<i>Financial Liabilities</i>		
advance third parties			<i>Employee benefits</i>		
<i>Short-term receivable</i>			Sundry payables		
Current receivable		155.346,23	Social security and taxes		
Sundry receivable		18.805,99	<i>Accounts payables</i>		
Other		11.756,81	Current payables		291.658,73
			Other		2338242,77
Consolidated EC Entities		4.649,76	Consolidated EC Pre financing		
Prepaid expenses and accrued incomes			Consolidated EC Entities		516.292,82
Cash and equivalents		3.298.688,06	Accrued expenses and deferred income		
Bank			Total		3.236.194,32
Cash			TOTAL ASSETS		
Imprest account			TOTAL LIABILITIES		
Total		3.489.246,85			4.367.144,75
TOTAL ASSETS		4.367.144,75	TOTAL LIABILITIES		4.367.144,75

Table 6: Budget and revenue outturn (provisional accounts)

BUDGET OUTTURN ACCOUNT FOR YEAR 2006

	2006
Revenue	
Commission subsidy	12.405.715,89
Fee income	
Other revenue	0,00
Total revenue (a)	12.405.715,89
Expenditure	
Personnel expenses - Budget title I	
Payments	-6.691.821,23
Automatic carryovers	-128.630,79
Administrative expenses - Budget Title II	-1.000.883,79
Payments	-398.481,07
Automatic carryovers	
Operational expenses - Budget Title III	-1.547.020,86
Payments	-2.152.922,44
Automatic carryovers	
Total expenditure (b)	-11.919.760,18
Outturn for the financial year (a-b)	485.955,71
Cancellation of unused carryovers	
Adjustment for carry-over from previous years	
Exchange differences for the year	-571,98
Balance carried over from year N-1	
Reimbursement to the EC	
Balance of the outturn account for the financial year	485.383,73
Interest yielded on the EC subvention funds and to be reimbursed to Commission	

