

Annual Report 2016





Content

- 3 Editorial
- 4 The CIT
- 8 Transport law and transport policy
- 12 International passenger traffic
- 16 International freight traffic
- 20 Use of infrastructure
- 24 Multimodality
- 28 Domestic matters
- 32 Income statement and balance sheet
- 34 Appendix to the Annual Accounts

Editorial

Jean-Luc Dufournaud
Chairman of the CIT



The CIT has a mission to support its members, so that they can be successful in the international transport of passengers and freight by rail. The CIT creates transparency between various legal regimes. It draws up harmonised and standardised products in order to reduce legal and administrative barriers within the railway system and in multi-modal transport. The CIT advises its members and ensures that their interests are taken into consideration in the further development of international law. I am convinced that the CIT offers its members genuine “added value”.

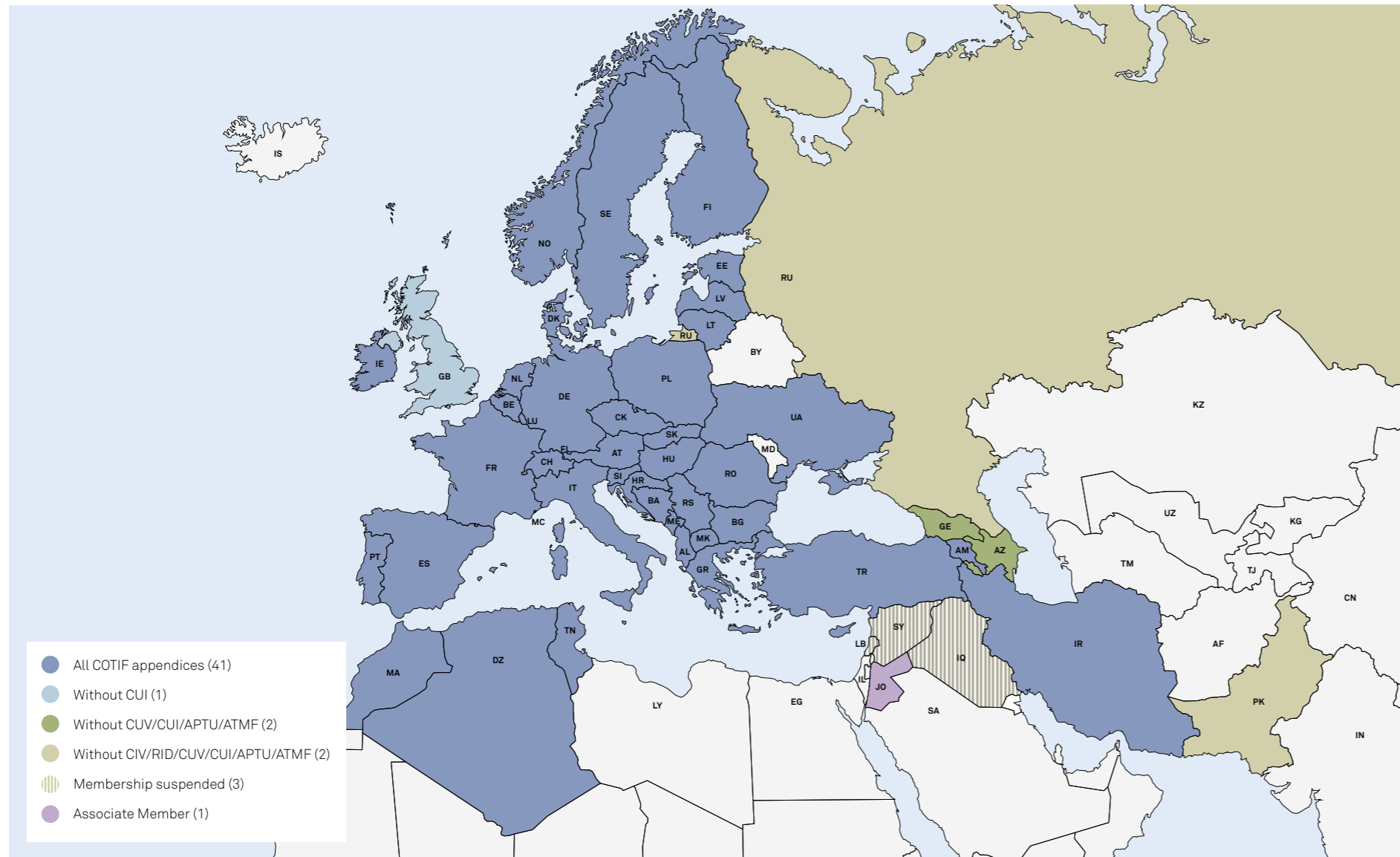
The 2016 Annual Report summarises the most important activities. There are two aspects to which I should like to draw particular attention. The first is that the CIT is cosmopolitan and convinced that carefully balanced international cooperation is beneficial for everyone – including all modes of transport and all continents. That is why the CIT is updating the documents for cooperation between rail transport and transport by water or road and broadening them. The CIT considers the Eurasian connections to be of great importance. It would be a mistake to underestimate them. The European Union is the biggest importer of products from China and Russia. The CIM/SMGS consignment note forms the backbone of East-West transport by rail – including to and from China. With that as its starting point, the CIT is working actively together with several partners to develop innovative concepts for postal shipments by rail between China and Europe. An international network makes everyone stronger.

That brings me to the second point I should like to emphasise: digitisation. The boom in the postal and parcel traffic coming from China has much to do with the conduct of online trade through the Internet. Digitisation is, however, very much more than that. Interlinking information and data through global platforms and dovetailing the real and virtual worlds with one another are also going to bring about changes in the legal framework and the services related to mobility. New possibilities are coming into being in the tracking and monitoring of shipments, in electronic ticketing and in electronic freight documents – to mention only a few examples. In 2016, the CIT deliberately focused on these developments. The CIT is working to ensure that these products and processes are directed at standardisation and practicability, whilst maintaining legal certainty, data protection and data integrity.

The CIT is only able to deliver its services thanks to the many women and men who think along with us and make sound contributions in committees, working groups and expert groups and also within the CIT’s General Secretariat. I should like to thank all of them wholeheartedly for that. I am looking forward to attaining further heights together in 2017!

The CIT

Geographical scope of the COTIF and its appendices
(situation as of 1 August 2016)



The International Rail Transport Committee (CIT) is the centre of legal expertise for railway undertakings and shipping companies. Its principal focus is on the implementation and continuing development of unified regional and international transport law (COTIF and EU law). Furthermore, the CIT is actively involved in simplifying and expanding railway transport services between Europe and Asia. The CIT provides its members with legal services, up-to-date information and practical support.



In 2016, Deutsche Bahn (DB) transported more than 40 000 containers between Germany and China. It would like to treble the number of containers transported by 2020 to a figure of around 100 000 containers carried in Eurasian rail traffic.

Source: DB/DVZ

Highlights at a glance

Members

The CIT is an association of railway undertakings and shipping companies that operate international passenger and/or freight transport services. 125 organisations are full members of the CIT, and 80 undertakings are indirectly affiliated through associate organisations. The CIT is an association under Swiss law (Art. 60ff. of the Swiss Civil Code) with its headquarters in Bern.

On 22 September 2016, the Executive Committee decided to carry out an electronic survey of CIT members and bodies in 2017 regarding the use of the CIT products. The CIT would like to use the survey outcome to focus its work even better on the needs of its members.

Tasks

The CIT implements international railway transport law at the level of the railway undertakings. To that end, it prepares and updates the documents and tools for international rail transport and standardises the contractual relationships between customers, carriers and infrastructure managers. The CIT represents the interests of rail carriers vis-à-vis legislators and authorities and provides factually correct and timely information, training and legal advice for its members. In doing so, the CIT considers current and forthcoming developments in international passenger and freight transport, including, for example, digitisation.

Operation

The annual General Assembly decides on the strategic objectives, approves the budget and accounts and elects the executive bodies. The Executive Committee is the body that directs the operations and administration. The CIV (passenger traffic), CIM (freight transport) and CUI (use of infrastructure) committees, as well as the Multimodality Committee, are the specialist bodies. Their decisions are prepared by working groups and expert groups. The General Secretariat conducts operational business.

Network

The CIT has outstanding connections with institutions and authorities within the transport sector in Europe, Asia and North Africa. It practises an intensive exchange of expertise with the official bodies and expert groups of the EU, OTIF, OSJD and the UNECE in Geneva, thereby promoting its members' interests.

Finance

The association's costs are borne by its members, with each member paying a membership fee proportional to the level of its international passenger and/or freight transport volume. Each full member has one vote, regardless of the amount of membership fee paid. The reduction in the 2016 budget on a scale of approximately CHF 120 000.– is to be continued for the 2017 budget.



The CIT: always keeping pace with the times

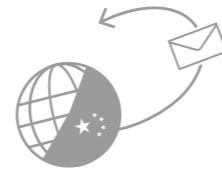
The CIT offers its members topical and innovative services and wishes to improve the future opportunities for rail. The CIT gives consideration to forthcoming developments in the markets in international passenger and freight transport and societal trends at an early point in time. That includes, for example, questions of data protection and the growing significance of online trade with China.

Post and rail as a duo

Online trade is growing rapidly throughout the world. Many products are transported by post, and more than half of them originate in China. The Universal Postal Union (UPU), the Coordinating Council on Transsiberian Transportation (CCTT) and the CIT signed a Memorandum of Understanding on 18 March 2016 to strengthen the position of rail in this growing market between China and Europe. Those organisations and the postal services of several countries are preparing a pilot project for transporting postal items in containers by rail. The CIT documents, in particular the uniform CIM/SMGS consignment note, offer the best preconditions for processing border crossings and customs formalities as efficiently and smoothly as possible. In 2016, several workshops and coordination meetings were held in Bern and Moscow with the participation of the CIT, after which the first shipment from China to Germany set out successfully on 29 September 2016, transiting through Kazakhstan and Russia. Further pilot shipments are planned for 2017, including the opposite direction from Germany to China, which will confirm whether Eurasian rail freight transport services are compatible.

New rules of the game in data protection

On 24 May 2016, the European Union enacted its new General Data Protection Regulation (EU 2016/679). It is to apply from 25 May 2018 onwards. The new regulation brings about far-reaching uniformity in the data protection provisions; national rules in the individual EU Member States are only going to be admissible to a limited extent. The CIT therefore started to analyse the new EU data protection provisions in 2016. It is to point to the potential impacts on the members and the CIT documents and to prepare adaptations if necessary. One point calling for particular attention is the transfer/disclosure of personal data to non-EU countries. In addition, a number of countries are considering going further and, in connection with combatting terrorism, possibly applying the EU's new provisions on handling the data of airline passengers to the railway sector too. That is a development that needs to be followed closely, since rail, unlike air transport, is an open system that collects and exchanges passenger data only to a limited extent. In 2017, the CIT is to organise a workshop for its members on data protection in passenger transport and is to build up a network of data protection experts from the CIT members.



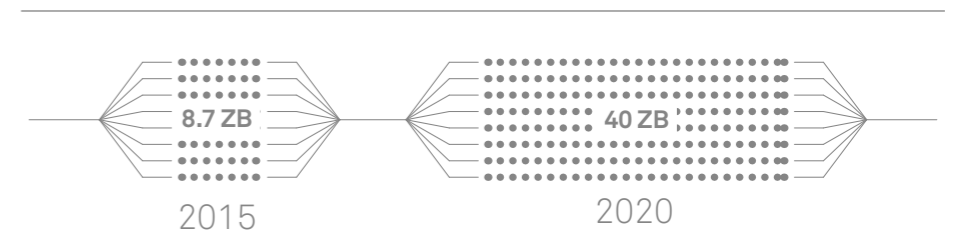
Online trade is increasing by 20% every year. More than half the postal traffic resulting from online trade originates in China.

Source: Universal Postal Union (UPU)

Transport law and transport policy



The CIT makes important contributions to shaping and further developing the legal framework for the international transport of passengers and freight by rail and in multimodal transport chains. The digitisation of our society is leading to innovations and changes in the transport sector too. The CIT is following these trends very closely and is adapting its products to the new developments. Apart from that, it is important to create the preconditions for the legally binding recognition of electronic documents and processes as well.



The volume of data available around the world is growing at an explosive rate. In 2015, there were 8.7 zettabytes and in 2020 there are going to be 40 zettabytes – in other words almost five times more. That means approximately 57 times more data bytes than there are grains of sand on the Earth's beaches.

Source: www.informatik-aktuell.de

Highlights at a glance

Important inputs from the CIT and OSJD

On 26 February 2016, the UNECE's Inland Transport Committee (ITC) adopted a resolution on unified international rail transport law. It thereby also endorsed the draft produced by the UNECE Group of Experts for a new legal instrument for harmonising important CIM/SMGS provisions.

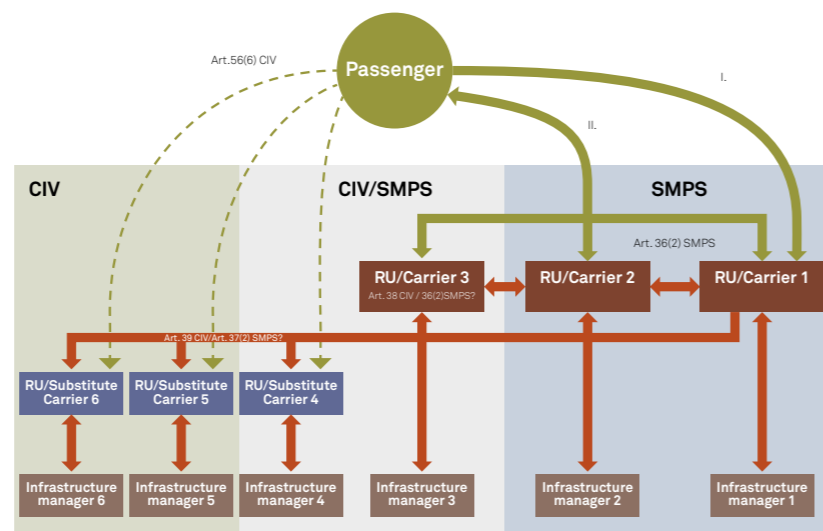
These new legal provisions include, in particular, the rights and obligations of the parties to a transport contract and they also recommend harmonised solutions for liability and the transport documents. The CIT and OSJD participated intensively in the preparatory work by the group of experts and contributed decisive inputs based on their experience with the CIM/SMGS consignment note. One of the next steps is going to be for the newly developed provisions to be tested with pilot shipments. If these pilot shipments result in a positive outcome, the countries might then be able to start the ratification process.

New liability principles for wagon keepers in the GCU

In June 2016, the UIC, UIP and the European Rail Freight Association (ERFA) approved new provisions for the liability of the wagon keeper. The CIT had the role of an observer within the UIC's Wagon Users study group, which was the lead body. The new provisions in Articles 7 and 27 of the General Contract on the Use of Freight Wagons (GCU) took effect on 1 January 2017. One new provision is that a wagon keeper is presumed to be liable for any loss or damage caused by a wagon. That shifts the burden of proof onto the wagon keeper to show that the wagons have been properly maintained and have obtained technical approvals. The time has now come for these new liability principles to be tried out in practice.

Moscow – Nice and Moscow – Paris

In the context of the CIT's "CIV/SMPS legal interoperability" project, the competent Working Group has started work on the next project phase. At the top of its agenda are the FPC's two through railway services, Moscow – Nice and Moscow – Paris. There is a need, in particular, for a precise legal examination and optimisation of the model of successive carriage under the two legal regimes of CIV/COTIF and SMPS (cf. diagram). The CIV/SMPS Working Group has also agreed on an extensive programme of its work for 2017 – 2020. Its priorities include, inter alia, boilerplate contracts for the model of successive and/or substitute carriers and the impact of the PRR revision on CIV/SMPS traffic.



“In future, we are going to stand no chance on the marketplace without intelligent freight wagons” (SBB Cargo).

An “intelligent freight wagon” is equipped with sensors and GPS and is able to send all sorts of different information to a central server, such as location, temperature or vibrations affecting the payload.



Digitisation of transport documents

The digitisation of the processes and transport documents for the transport of passengers and freight is advancing rapidly. The CIT has adapted its documents and is examining open questions in greater depth, so that it will be able to bring other points up to date in good time. The aim is to simplify the working and legal processes.

New CIT Manuals for freight traffic

The electronic CIM consignment note and the electronic CUV wagon note were at the centre of the work done by the CIM Working Group and the CIT General Secretariat in 2016. The legal and functional specifications of the two electronic documents were drawn up on the basis of functionalequivalence. After that, the CIM Committee approved the four revised freight transport manuals (GLV-CIM, GTM-CIT, GLW-CUV and GTW-CIT) on 17 March. The implications of using the EU's Customs Code from 1 May 2016 onwards, with a transitional period during which the simplified railway consignment procedure based on the paper consignment note can still be used, were also integrated in the new versions, so that these were ready to enter into force on 1 January 2017. The new electronic version of the manuals has precedence over the paper version in the display on the CIT website. The CIT General Secretariat is organising a workshop on the electronic CIM consignment note and the electronic CUV wagon note in March 2017.

Judicial recognition of digital transport documents

In the light of advancing digitisation, the CIT General Secretariat, at the request of the CIM Working Group, is sorting out various unclear points. These include the question as to whether electronic transport documents, such as the CIM consignment note, are being recognised by national courts and other authorities as evidence and whether communication with national courts or other authorities can be carried out electronically. The CIT General Secretariat is going to draw up a report on this matter in 2017.

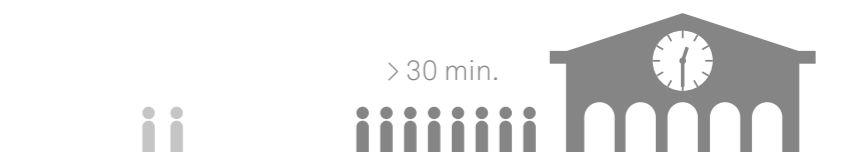
Formal report in electronic form

If damage arises during freight transport and involves freight wagons, then a formal report of it must be made and a damage report drawn up. The CIT Conference of Freight Claims Departments put forward the suggestion in May 2016 of linking these processes with the electronic transport documents and also of organising everything electronically. The railway sector ought to make use of the latitude for developments of its own before rules are enacted at the European level. The necessary timeframe until processes can be handled digitally depends on the companies' plans and the equipment. Towards the end of 2016, the CIM Working Group started to work out data records and message flows for the electronic recording of formal reports.

International passenger traffic



The transport of passengers by rail makes it possible to travel comfortably and quickly over shorter or longer distances. The CIT is continuously adapting its products (such as classical and electronic ticketing) to the latest developments. The CIT is also dedicating particular attention to passenger rights. It furthermore offers legal support to its members in the event of disputes before the courts. As part of the consultation process over the revision of the PRR organised by the European Commission, the CIT contributed important inputs to the CER from its members from the legal point of view.



More than eight out of every ten Europeans [83%] need no more than 30 minutes to reach the nearest railway station.

Source: CER

Highlights at a glance

CIT products brought up to date

The CIV Committee decided to make various amendments in the CIT documents. Those adaptations to GCC-CIV/PRR that had been made necessary on account of the Schengen legislation took effect on 1 October 2016. Various updates, including those connected with the UIC leaflets, entered into force on 11 December 2016 in the case of the AIV and the CIT Manual for International Rail Tickets (MIRT). On that same date, the new CIT Glossary on passenger traffic also became available.

E-ticketing developing rapidly

Digitisation is leading to rapid changes in electronic ticketing. At the international level, the UIC's technical groups are working on the development of new standards for electronic ticketing, such as new bar codes and applications using mobile telephones. The CIT is participating in this work by the UIC and in 2017-2018 will coordinate the CIT MIRT with the innovations. In this process, it is also necessary to consider the developments in the distribution of tickets resulting, inter alia, from the sector's new, innovative standards, for example the Full Service Model (FSM) Initiative.

Conference of Passenger Claims Departments

A whole series of topical issues were on the agenda of the CIT/UIC Conference of Passenger Claims Departments held in Bern on 29 September 2016. In addition to the latest cases in the field of passenger rights, the participants also discussed the changes that will come about in rail passenger traffic arising out of the new legislation on data protection applicable throughout the European Union (cf. p.7). Reports from the DSB on coping with the extraordinary flows of refugees and from the SNCB/NMBS about everyday experiences in the customer and claim handling services in the railway interchange point in Bruxelles Midi confirm that reacting as early as possible to unforeseen occurrences (including improvisation) is often a means of obtaining good results in customer care.

Follow-up measures proposed after the Sachs v. ÖBB judgment

On 1 December 2015, the US Supreme Court ruled in favour of the ÖBB in a dispute with an American passenger. The CIT had provided assistance to the ÖBB in this litigation. In order to prevent similar court cases from occurring in future, the CIT General Secretariat, along with the CIV Working Group, proposed follow-up measures to the CIT members. One recommendation, for instance, is to include a clause in the distribution agreements obliging to provide information on jurisdiction and General Conditions of Carriage to the passenger. The CIT General Secretariat has proposed a boilerplate clause to that effect.

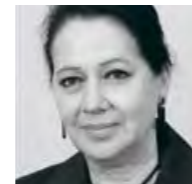


Between 2004 – 2014 the share of passenger transport services performed by rail in the EU increased from 6.8 to 7.6%.

Source: Eurostar.

CIV Committee

Carmen Filipescu, Chair



CIV Working Group

Isabelle Saintilan, Chair



Implementation and revision of the PRR

The railway undertakings are required to provide information to their passengers throughout their journey and in the event, for example, of train delays or cancellations to arrange for compensation or a refund of their fare. At the European level, the most important provisions to that effect are laid down in the European Union's Regulation on Rail Passengers' Rights and Obligations (PRR). Most of the provisions contained in the CIV Uniform Rules (CIV UR) form part of the PRR as its Annex 1.

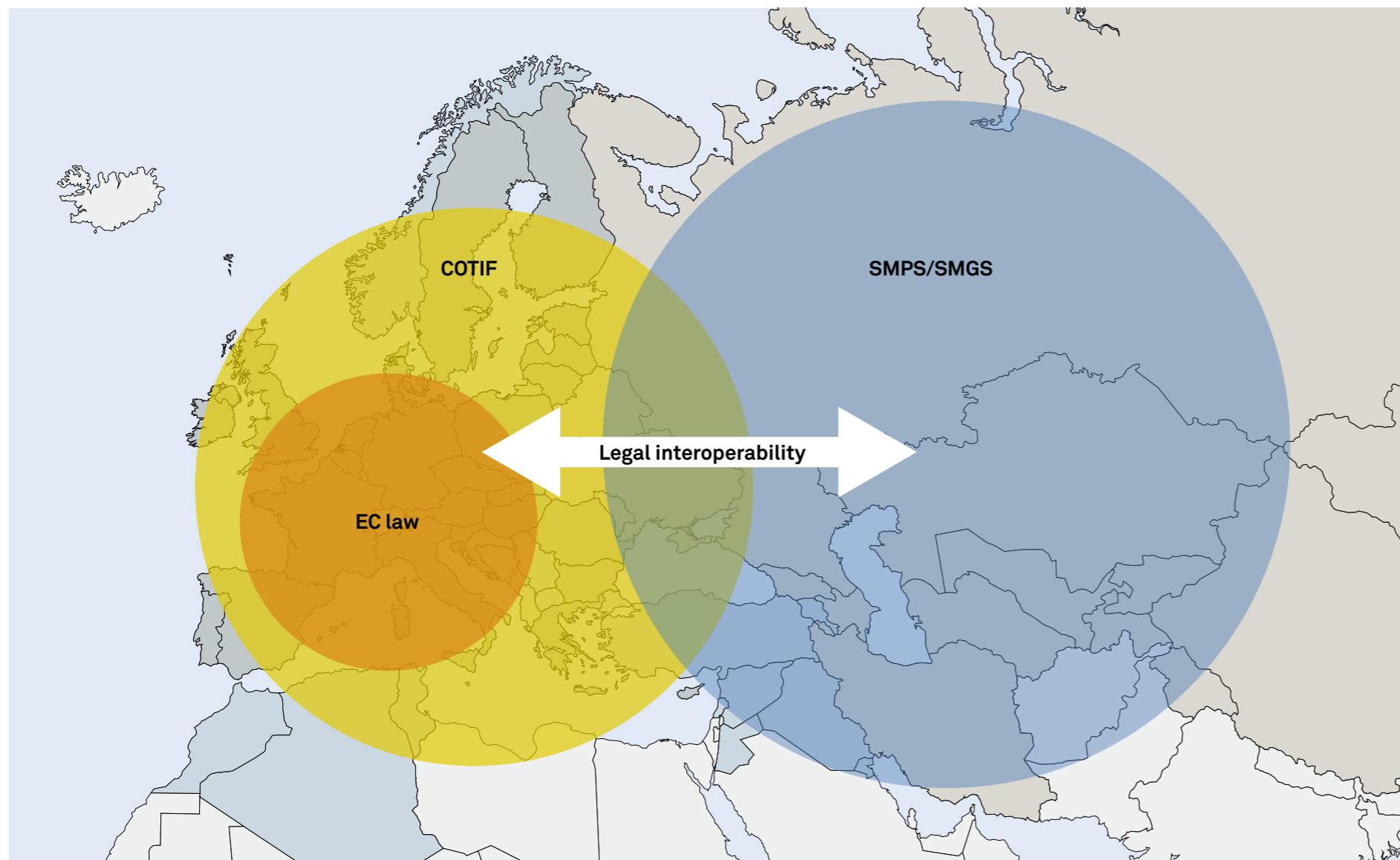
Input to the revision of the PRR

Between 9 February and 5 May 2016, the European Commission carried out a public consultation regarding the revision of the PRR. Important topics in this revision concern the relationship between the PRR and the CIV UR, the tasks and obligations of the national enforcement bodies (NEBs) and various clauses on exemptions. The CIT General Secretariat and the CIV Working Group analysed the proposals from the European Commission from a legal point of view and submitted their inputs to the CER. The latter made use of these to submit an opinion from the railway sector to the European Commission. It is expected that a proposal from the European Commission for the revised PRR will be published in spring-summer 2017.

Advising the members on implementation of the PRR

The CIT General Secretariat, the CIV Working Group and the PRR Expert Group are providing assistance to the CIT members in legal proceedings before the NEBs, the national courts and the Court of Justice of the European Union (CJEU). The latter, for instance, handed down a judgment in a legal dispute between a carrier and a passenger without a ticket and ruled that provisions regarding fines for passengers without tickets retained their validity. This interpretation by the CJEU, according to which national law is decisive, tallies with the interpretation of the CIT and the carrier concerned.

International freight traffic



The CIT is pursuing the aim of reducing the legal and administrative barriers in the international transport of freight by rail. That is, strengthening the position on the marketplace of the railways carrying freight. Apart from digitisation (cf. p. 7), the CIT also has its focus in particular on the Eurasian freight traffic. Compared with maritime transport, rail is significantly faster and, compared with air transport – both substantially more environmentally compatible and cheaper. The uniform CIM/SMGS consignment note is playing an increasingly important role in Eurasian rail freight traffic. In 2016, the legal and functional specifications for the electronic CIM/SMGS consignment note were brought up to date, and the adaptations to the technical specifications are to follow in 2017.



Transport by rail between Europe and China causes around 95% less CO₂ emissions than transport by air.

Source: Trans Eurasia Logistics GmbH

Highlights at a glance

Electronic customs procedure

The European Union's Customs Code envisages that, in future, in certain conditions, the electronic consignment note will be used for the simplified customs transit procedure. The CIT, RAILDATA and CER are cooperating closely to develop this electronic procedure for use in practice. The national and EU customs authorities are also involved. According to the preliminary work carried out by RAILDATA, one possible solution would appear to lie in a central database, which the customs authorities would also be able to access. Various technical questions are now being looked into in greater depth. The new EU Customs Code came into force on 1 May 2016 with a transitional period.

CIT Expert Group on Seals now active

The "seals" Expert Group, which used to work under the CER umbrella, was moved over to the CIT at the beginning of 2016. The new CIT Expert Group, chaired by Ms Fabienne Vaisson, held its first meeting of the year in Bern on 18 January 2016 and drew up an extensive programme of work. It held a second meeting in October in Mainz. The Expert Group created a catalogue of FAQs in order to provide guidance to assist carriers. The catalogue has been available on the CIT website since January 2017, but exclusively for CIT members. The Expert Group also started work on the revision of UIC Leaflet 426 and submitted a proposal to adapt the checklist for attaching seals to wagons.

Cross references among international treaties

The CIT's "Bernese Days" were held on 3 and 4 March 2016 with approximately 120 participants. Within the module on freight transport, the cross references between international sales law and the law concerning the carriage of goods formed one of the principal items. On the one hand, there is the UN Convention on Contracts for the International Sale of Goods and, on the other hand, there are the provisions of the CIM UR. In this, the sales contract represents the principal contract and the contract of carriage - the secondary one, building on the former. Given the complexity of the contracts, their contents are, however, not perfectly aligned with one another.

Conference of Freight Claims Departments

The Conference of the Freight Claims Departments was held in Bern on 19 May 2016. That conference serves the purpose of in-service training and the exchange of views amongst the customer services of the CIT members. In addition to up-to-date information on freight transport, the main items addressed included the handling of loss and damage within various models of carriage and the consequences of competition for the claims services. The workshops provided participants with the opportunity to discuss real examples from their work and to pool their experience.



Eurasian freight transport in the ascendency

The CIT is committed to securing the improved legal interoperability of the international transport of freight by rail. In a joint project with the OSJD, the CIT is pursuing the simplification of the legal provisions governing transport movements between the two legal regimes of COTIF/CIM and SMGS and their coordination with one another. Such Eurasian freight transport movements have, all-in-all, increased in importance in recent years. One crucial reason for that is the uniform CIM/SMGS consignment note, whose popularity is growing.

Key role in East-West traffic

In 2015, the use of the uniform CIM/SMGS consignment note increased by around 10% compared with 2014. A similar trend is to be observed for 2016. The CIM/SMGS consignment note is used for freight transport by rail between western and central Europe on the one hand, and Russia, China and Ukraine on the other hand. The transit movements between China and Europe passing through the territory of Kazakhstan have increased significantly. Against this background, the CIT's view is that the traffic from and to China ought as soon as possible to be entered in Appendix 1 of the Manual on the "CIM/SMGS consignment note" (GLV-CIM/SMGS) and Appendix 6 to the SMGS. The uniform CIM/SMGS consignment note also plays a major role in the joint project of the Universal Postal Union (UPU), CIT and CCTT for postal shipments transported by rail between China and Europe (cf. p. 7).

Further development of the "CIM/SMGS consignment note"

In 2016, the uniform CIM/SMGS consignment note was once again adapted to recent developments. That included the necessary modifications in connection with the European Union's new Customs Code. The same applies to the functional specifications for the electronic CIM/SMGS consignment note. These adaptations concern solely the CIM scope. The updated versions entered into force on 1 January 2017. The preparatory work for the adaptation of the technical specification of the electronic consignment note, which has been performed by the CIM/SMGS Expert Group set up for the purpose, is still underway. The intention is to have it adopted by the competent bodies of the CIT and OSJD in autumn 2017.

The CIT and RAILDATA have worked on developing a "maximum data record" in electronic form for the CIM, SMGS and CIM/SMGS consignment notes used in both legal spaces. The basis for this is the existing data record for the CIM/SMGS electronic consignment note, which contains the data for the two separate CIM and SMGS consignment notes.

Test container train between Chongqing and Duisburg (29.09.2016 – 13.10.2016): six freight railways involved, around 11 000km, journey time 14 days

CIM Committee
vacant

CIM Working Group
Jean-Marie Sié, Chair



Use of infrastructure



A properly functioning interface between infrastructure and transport is of central importance for the railway's market situation and competitiveness. In practice, however, the treaties governing the use of the European freight traffic corridors by the rail transport undertakings, for example, are complicated and far from uniform. The CIT is looking to work with the RNE in order to find ways to simplify and harmonise documents. The CIT is also committed to finding simpler, legally certain solutions in the framework of the revision of the CUI UR by OTIF. In that context, the CIT is also advocating equitable possibilities for the carriers to seek redress against the infrastructure managers, to the extent that it can be shown that any damage or delays that may have been caused had their origins in the infrastructure.



Up to a thousand pages – that can be the volume of the contractual documents for the Rotterdam – Genova corridor. The carriers must read and accept them.

(Source: CIT).

Highlights at a glance

Spotlight on European law

At the European level, the CIT General Secretariat, jointly with the CER, is following various activities of the European Union in connection with the implementation of the Fourth railway package. The application of EU Directive 2012/34, in particular, contains various aspects that are of importance for the use of the infrastructure. They include, for example, the provisions on the allocation of capacity for several years at a time (the so-called “framework agreements”) and the service facilities. The CIT’s General Secretariat is also carefully following all activities of the European Commission regarding the Regulation on the “creation of a European rail network for competitive freight” (EU 913/2010, “Rail Freight Corridors”). The CIT keeps its members constantly informed about this.

Firmer basis for the CIT documents

The infrastructure managers lay down the terms and conditions for the use of their infrastructure. Given that they are not members of the CIT, the CIT seeks to cooperate with them and with RailNetEurope (RNE), in order to have a firmer basis for the use of the CIT documents and to harmonise them with those of the RNE. Of particular significance is the introduction of the European General Terms and Conditions of Use of Railway Infrastructure (E-GTC-I). The CIT is happy to support infrastructure managers and railway undertakings in doing that. The implementation of the E-GTC-I in the European rail freight corridors represents a project within the framework of the “CEO Work Plan Rail Freight in the 21st Century”, which is being managed by the CER and UIC. There is close cooperation between the project’s management, which is in the hands of SBB Cargo, and the CIT. One of the items under discussion is the possible future inclusion of the substance of the E-GTC-I in the terms and conditions of SBB Infrastructure.

Standard contract for the use of infrastructure (E-SCU-I)

The CIT is endeavouring to design an up-to-date common European Standard Contract for Use of the Railway Infrastructure (E-SCU-I). It is indispensable to do that in cooperation with the infrastructure managers and the RNE. Harmonised contractual bases would represent big added value for the rail transport undertakings (RUs), who are the customers of the infrastructure managers. The preparations are running for that at the CIT in its Committee and the CUI Working Group. The CIT is to further intensify the work for a boilerplate contract in 2017.



Simplification of contracts with infrastructure managers

Why so complicated?

In 2016, the CUI Working Group analysed the contracts of DB Netz, ÖBB Infra and SBB Infra. Result: There are big differences, for example in the concept, the object, the duration and the possibility for amending the contracts. Simple, standardised contracts would constitute a significant added value.

Rail traffic ought to grow in Europe and thereby make an environmentally compatible contribution to coping with the mobility of people and freight. In practice, however, there are still high administrative barriers at the interface between infrastructure and traffic. The contracts for use of the infrastructure in international traffic are complicated and far from unified. That is an impediment for the RUs and a cause of high administrative costs. The CIT is campaigning vehemently for simpler, standardised contracts for use of the European rail freight corridors. It is also important for the CIT that the transport undertakings should have an effective right of redress against the infrastructure managers if the cause of loss and damage is in the domain of the infrastructure.

CUI UR revision as an opportunity

The CUI Uniform Rules (CUI UR) might be able to make a contribution to reducing the complexity carriers face in using the infrastructure. Since 2016, the CUI UR have also been recognised in Ireland and the Czech Republic and thus in all the EU member states with the sole exception of the United Kingdom. That increases their relevance. What, however, is not yet satisfactory from the CIT’s point of view is the definition of the scope of application of the CUI UR, which hinders their use in practice. An opportunity to correct that is offered by the revision of the CUI UR, which has been work-in-progress within OTIF since 2014. The aim is to formulate the scope of the CUI UR more precisely and to review the liability rules.

CIT adds the carriers’ concerns to the deliberations

The OTIF working group charged with the revision, in which the CIT also participated, completed its work in May 2016. Contrary to earlier intentions, the majority of its members now want to make no amendment to the current definition of the scope of application and/or the existing link with the CIM and CIV transport contracts. The term “international rail traffic” is to be inserted in the provisions as an addition. Moreover, there is to be no fundamental extension of the carriers’ right of redress.

The CIT presented its view to OTIF in autumn 2016, namely that these proposals do not formulate the scope of the CUI UR with sufficient precision and would even restrict it. The CIT also feels that the carriers’ rights of redress against the infrastructure managers have not been worded broadly enough. The further procedure is to be discussed in the OTIF Revision Committee. The CIT will submit additional opinions as necessary. The final decisions are to be taken by the OTIF General Assembly in 2018.

CUI Committee

Adriaan Hagdorn, Chair

CUI Working Group

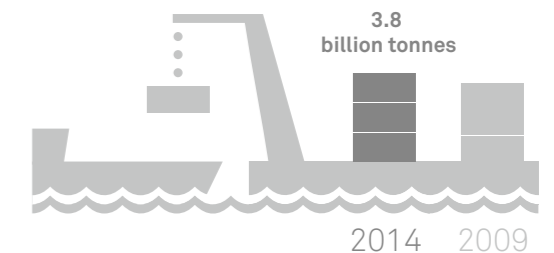
Adriaan Hagdorn, Chair



Multimodality



Multimodal transport allows optimum use to be made of the strengths of the individual modes of transport for the benefit of travellers or shippers. The CIT is therefore committed to improving legal interaction between rail and maritime and/or road transport. The boilerplate contract for the organisation of the successive carriage of freight by rail and sea came into force in summer 2016. For the first time ever, a comparison of the CMR – CIM – SMGS legal regimes for rail and road was produced by the CIT jointly with the IRU (International Road Union) in 2016. In future, the CIT is to continue working with the IRU in planning and developing further instruments to facilitate and strengthen combined transport.



Seaports in the European Union (of 28)

3.8 billion tonnes of freight transhipped in 2014. That is 9.5% more than in the crisis year of 2009. Around 51% of the freight transhipped in the EU-28 seaports is accounted for by the Netherlands, the United Kingdom Spain and Italy.

Source: Eurostat

Highlights at a glance

Multimodal traffic becoming more important

Separate regimes govern passenger rights depending on whether they are travelling by rail, bus/coach, sea or air. It is the declared objective of the European Commission to use Directive 2010/40 on the framework for the deployment of intelligent transport systems (“ITS Directive”) to bring about the introduction of a multimodal system of information for travellers. The CIT provided information about this work in the framework of the “Bernese Days” on 3 and 4 March 2016. In November 2015, the new EU Directive (EU 2015/2302) on packaged travel and linked travel arrangements came into force. The EU member states have until 1 January 2018 to transpose it into national legislation, but no more than marginal latitude has been allowed for national rules. The directive is of importance particularly for those CIT members that offer packaged travel or linked travel arrangements. The CIT General Secretariat is continuing to inform the CIT members of the latest developments in multimodal passenger traffic. This work is being carried out in the framework of the CIV working bodies of the CIT.

Boilerplate contract for rail-sea transport

The General Terms and Conditions (GTC) for rail-sea traffic came into force on 1 July 2015. The CIM Committee and Multimodality Committee and the respective Working Groups jointly drew up a boilerplate contract for the organisation of successive carriage by rail carriers and registered shipping companies. It entered into force on 1 July 2016. The new boilerplate contract is going to prove beneficial, especially for those CIT members that organise direct transport from and to ports and with shipping companies. What matters now is to have the new CIT documents used more widely. The Multimodality Working Group is preparing a pilot carriage for this purpose in order to test the GTC for rail-sea traffic along with the boilerplate contract. Various routes are under discussion for this purpose. The Multimodality Working Group is to discuss how to proceed from now on at its meeting in spring 2017.



Reducing barriers in rail-road traffic

Close cooperation between various transport carriers forms a prerequisite for the success of multimodal transport. Against this background, the CIT is intensifying its cooperation with the International Road Transport Union (IRU). The organisations are jointly developing working tools to reduce the legal and administrative barriers in combined rail-road traffic.

First ever CMR, CIM and SMGS comparison

As a basis for making cooperation easier, a comparative table was finalised in 2016 covering international railway law governing the contract for transport of freight (CIM), the SMGS, which was definitively revised in summer 2015, and the law on road transport (Convention on the Contract for the International Carriage of Goods by Road, CMR). For the first time, a comparative document comparing all three legal regimes, CIM, SMGS and CMR, is available in English. The most important findings from this comparison have been put together in an easy-to-understand synthesis.

Joint IRU – CIT brochure

In the course of the year, the CIT’s CIM Committee and Multimodality Committee and the respective Working Groups prepared other documents jointly with the IRU, and they are intended to facilitate cooperation. Further progress was made, for instance, on the work to produce a comprehensive guide on the CMR-CIM-SMGS liability regimes. It illustrates the principles as well as the most important topics,

such as liability, the parties’ rights and obligations and the necessary freight documents. A map shows the geographic scope. As soon as the guide has been approved by the competent bodies of the CIT and IRU, it is intended to publish it in the form of a joint brochure – and to do that before the end of 2017.

Checklist for use in practice

Another major element in the activity of the Multimodality Working Group was the drawing up of a checklist for a rail-road framework contract (as an additional joint tool for use in practice). The checklist contains boilerplate clauses for transshipments between HGVs and the railway and for loading transport units onto piggyback trains. In addition to that, it is to contain a boilerplate clause for the road-rail network liability during transshipment and/or loading. To ensure that the checklist will at some time be ready for use in practice, the members of the CIT and IRU are now called on to check the rules in detail and to accept them as part of their internal documents (opting-in). Work on the checklist is to continue with the IRU in 2017.

Multimodality Committee

Maria Kalimeri, Chair



Multimodality Working Group

Erik Evtimov, Chair



Domestic matters



General Assembly

The General Assembly met on 17 November 2016 at the CIT headquarters in Bern and was presided over by the CIT Chairman, Jean-Luc Dufournaud (SNCF). The General Assembly dealt with all the statutory items of business and approved the accounts and balance sheet for 2015 as well as the budget for 2017.

The General Assembly also conducted the statutory elections. Mr Platon Guryanov (RZD) was newly elected as a member of the Executive Committee for a term of four years beginning on 1 January 2017. Ms Nevin Kaygisiz (TCDD) was confirmed as a member of the Executive Committee for a second term of four years. The General Assembly also voted for Mr Adriaan Hagdorn (NS) as the chair of the CUI Committee.

The General Assembly furthermore approved an amendment to the statutes. It had been the case that the Assembly was only able to take decisions if two fifths of the members were present or represented. The new rule is as follows: if ever it happens that the quorum is not reached, then it will be possible in future for the Chair to convene a second General Assembly immediately with the same agenda. This Assembly is then empowered to take decisions regardless of the number of members present or represented.

The next General Assembly has been scheduled for 16 November 2017 in Bern.

Executive Committee

The composition of the Executive Committee from 1 January 2017 onwards is the following:

- Jean-Luc Dufournaud (SNCF), Chairman
- Maria Sack (DB), Deputy Chairwoman
- France Delobbe (SNCB/NMBS)
- Alberto Gallo (Trenitalia)
- Nevin Kaygisiz (TCDD)
- Platon Guryanov (RZD)
- Gerald Wieser (Rail Cargo Austria AG)
- Maria Urbańska (PKP Cargo S.A.)
- Aikaterini Vitou (TRAINOSE)

The Executive Committee met on 28 April at the CIT headquarters and on 22 September in Geneva and dealt with all the ongoing items of business.



General Secretariat

The day-to-day business, which occupies most of the General Secretariat's staff, consists essentially of the following:

- upgrading and improving CIT documents
- preparing for and holding meetings of the CIT Executive Committee and General Assembly
- preparing for, holding and taking minutes of meetings of the CIV, CIM, CUI and Multimodality Committees and Working Groups, as well as implementing the decisions taken
- participating in and representing the interests of members at the meetings of governmental (OTIF, OSJD, EU, UNECE, ECO, etc.) and non-governmental organisations (CER, UIC, CCTT, etc.)
- communications (annual report, CIT Info newsletter, articles in specialist magazines, etc.)
- individual support for CIT members (legal information, practical advice, training seminars, etc.)

In 2016, in addition to the Secretary General, the General Secretariat employed four lawyers, two railway experts and three secretaries, to a FTE (full-time equivalent) of 860%.



CIT Info

The CIT Info newsletter provides regular information about all the CIT's activities and about important developments in the law of international carriage by rail. It continues to be in great demand. There were four editions in 2016.

Groups of experts

Four groups of experts support the CIT's work. They are: PRR, CIM/SMGS, CIV/SMPS and "Seals" (launched in 2016 and chaired by Ms Fabienne Vaisson, SNCF Fret).

29

**CIT circular letters
to members**

Members

The members of the CIT are railway undertakings from 43 countries and three continents (Europe, Africa and Asia). The CIT has a total of 125 full members and a further 80 members who are linked via associate organisations. The number of members increased by five in 2016. The association's costs are borne by its members, with each member paying a membership fee proportional to the level of its international passenger and/or freight traffic volume. Each full member of the CIT has one vote, regardless of the amount of membership fee paid. Syria's membership of OTIF was provisionally suspended at the request of the member state, considering the extraordinary situation in summer 2016; the CIT General Assembly decided similarly as regards membership of CIT of the Syrian Railways.

In 2016, the following undertakings became new members of the CIT:

Country	Undertaking	Membership	Member as from
Romania	MMV Rail Romania	Full member	01.01.2016
Netherlands	Eurail Group G.I.E.	Associate member	01.03.2016
Serbia	Srbija Kargo ad	Full member	01.03.2016
Belgium	B Logistics NV	Full member	01.04.2016
Serbia	Srbija Voz ad	Full member	01.09.2016



Accounts 2016

The income statement for 2016 closed with a profit of CHF 13'525.

PricewaterhouseCoopers AG verified the orderly bookkeeping and accounts on 10 March 2017 and proposed approval of the accounts. The Audit report is to be found on page 35 of the Annual Report 2016.

	Budget	Result	Result
	2016	01.01.-31.12 2016	01.01.-31.12 2015
	CHF	CHF	CHF
Member subscriptions	2,274,500	2,250,569	2,410,325
Events	55,000	34,791	11,512
Other services	250	316	468
Gross revenues	2,329,750	2,285,676	2,422,305
- Trade losses	-16,000	-165,581	0
- Change of allowance for doubtful accounts	-11,000	111,700	-76,000
Net revenues	2,302,750	2,231,795	2,346,305
- Printing costs	-5,900	-4,682	-6,704
- Meeting costs	-85,600	-99,153	-87,615
- Costs of events	-106,500	-89,722	-37,690
- Public relations	-53,300	-49,831	-67,294
- Costs of services	-230,400	-194,862	-275,920
Total costs of material and services	-481,700	-438,250	-475,224
Gross profit I	1,821,050	1,793,545	1,871,082
- Salaries	-1,228,000	-1,241,254	-1,268,727
- Social security expenses	-272,000	-259,953	-270,528
- Other personnel costs	-52,000	-31,184	-49,703
Total personnel costs	-1,552,000	-1,532,391	-1,588,958
Gross profit II	269,050	261,153	282,123
- Costs of accommodation	-128,500	-124,929	-124,864
- Equipment and maintenance costs	-19,700	-16,348	-33,835
- Administration and IT	-116,900	-103,735	-90,100
Total other operating expenses	-265,100	-245,013	-248,799
Operating result before interests	3,950	16,141	33,325
+ Financial income	250	424	34
- Financial expense	-3,400	-9,449	-20,855
Operating result	800	7,116	12,503
+ extraordinary income	0	7,108	0
- taxes	-800	-699	-723
Profit for the year	0	13,525	11,780

To be submitted to the General Assembly for approval on 16 November 2017.

Balance Sheet 2016

	31.12.2016		31.12.2015	
	CHF	%	CHF	%
Cash	525,376	83.3	388,316	49.7
Trade accounts receivable	174,960	27.7	585,902	74.9
Allowance for doubtful accounts	-137,300	-21.8	-249,000	-31.8
Other current receivables	0	0.0	0	0.0
Inventory / Publications	1	0.0	1	0.0
Accrued income and prepaid expenses	67,948	10.8	56,735	7.2
Total current assets	630,985	100.0	781,954	100.0
Property, plant and equipment	1	0.0	1	0.0
Total fixed assets	1	0.0	1	0.0
Total assets	630,986	100.0	781,955	100.0
Trade accounts payable	27,522	4.4	41,056	5.3
Other current liabilities	51,169	8.1	64,083	8.2
Accrued expenses and deferred income	177,394	28.1	189,940	24.3
Total current liabilities	256,085	40.6	295,079	37.8
Total liabilities	256,085	40.6	295,079	37.8
Reserves 01.01.	486,876	77.1	475,096	60.7
Compensation exchange rate 5% reduction of the member subscriptions	-125,500	-19.9	0	0.0
Profit for the year	13,525	2.1	11,780	1.5
Total reserves 31.12.	374,901	59.4	486,876	62.2
Total liabilities	630,986	100.0	781,955	100.0

Appendix to the 2016 and 2015 Annual Accounts

	31.12.2016 CHF	31.12.2015 CHF
Details of the organisation		
Company	CIT International Rail Transport Committee	
Legal status	Association	
Registered address	Weltpoststrasse 20, 3015 Bern	
Details of the principles adopted to draw up the annual accounts		
These annual accounts have been prepared in accordance with Swiss law and in particular with the provisions of the Swiss Code of Obligations concerning commercial bookkeeping and accountancy (Articles 957 to 962).		
The most important principles adopted for valuation are described below:		
Receivables		
Receivables and other current assets are shown at their nominal value less any individual adjustments of value necessary for economic reasons.		
Range of full time equivalent posts - annual average		
	not above 10	not above 10
Amounts remaining due under leasing obligations		
Leasing obligations which cannot be terminated within twelve months mature as follows:		
Due within a year	9,979.20	9,979.20
Due in more than a year	28,274.40	38,253.60
These amounts include the payments due under the leasing obligations (including ground rent, costs and VAT) up to the end of the contract or expiry of the notice required for termination.		
The CIT International Rail Transport Committee's lease contract has a limited duration. It runs until 31 December 2016 and has an annual ground rent of CHF 107 136.		
Liabilities to pension funds		
	22,167.15	23,424.00
Explanatory notes relating to extraordinary or non-recurring items in the income statement or items relating to other periods		
Zürich surplus participation	4,158.80	0.00
Mobilier surplus participation	2,949.50	0.00
Total extraordinary, non-recurring income or income relating to other periods	7,108.30	0.00
Significant events occurring after the date of the balance sheet		
Between the date of the balance sheet and its approval by the Executive Committee on 27 April 2017, there were no significant events which could adversely affect the annual accounts or which have to be disclosed.		
Swiss franc/euro exchange rate		
The CIT Executive Committee decided on 17 September 2015 to reimburse 5% of the membership contribution to members from its reserve fund as compensation for the Swiss franc/euro exchange rate for 2016. This reimbursement amounting in total to CHF 125 500.00 was deducted from the first instalment of the membership contribution. The Swiss franc/euro exchange rate has fluctuated around 1.10 CHF per euro for over a year. The budget reduction approved in 2015 will remain in effect for 2017.		



Report of the statutory auditors on the limited statutory examination to the General Meeting of International Rail Transport Committee (CIT)

Bern

As statutory auditors, we have examined the financial statements of International Rail Transport Committee (CIT), which comprise the balance sheet, income statement and notes (pages 32 to 34), for the year ended 31 December 2016.

These financial statements are the responsibility of the Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of association personnel and analytical procedures as well as detailed tests of association documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the association's articles of incorporation.

PricewaterhouseCoopers AG

Peter Held
Audit expert
Auditor in charge

Naomi Hürzeler
Audit expert

Bern, 27 April 2017

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List of abbreviations

CER

Community of European Railways and Infrastructure Companies

CIM

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

CIT

International Rail Transport Committee

CIV

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

CMR

Convention on the Contract for the International Carriage of Goods by Road

COTIF

Convention concerning International Carriage by Rail

CUI

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

CUV

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

ECN

Electronic consignment note

ECO

Economic Cooperation Organisation

E-GTC-I

European General Terms and Conditions of Use of Railway Infrastructure

EIM

European Rail Infrastructure Managers

ERFA

European Rail Freight Association

GCC

General Conditions of Carriage

GCU

General Contract of Use for Wagons

GTC

General Terms and Conditions

GLV-CIM

CIM Consignment Note Manual

GLW-CUV

CUV Wagon Note Manual

GTM-CIT

CIT Freight Traffic Manual

GTT-CIV

CIV Ticket Manual

GTV-CIT

CIT Passenger Traffic Manual

GTW-CIT

CIT Wagon Manual

IRU

International Road Transport Union

MCOOP

CIT Manual for cooperation agreements between railway undertakings

MIRT-CIT

Manual for International Rail Tickets

NEB

National enforcement body

OSJD

Organisation for Co-operation between Railways

OTIF

Intergovernmental Organisation for International Carriage by Rail

PRR

(Rail-PRR) Regulation (EC) No 1371/2007 of the European Parliament and of the Council of 23 October 2007 on rail passengers' rights and obligations

RID

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

RNE

RailNetEurope

RU

Railway undertaking

SMGS

OSJD Convention concerning International Goods Traffic by Rail

SMPS

OSJD Convention concerning International Passenger Traffic by Rail

UIC

International Union of Railways

UIP

International Union of Wagon Keepers

UNECE

United Nations Economic Commission for Europe

UPU

Universal Postal Union

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**International Rail
Transport Committee**

Comité international
des transports ferroviaires

Internationales
Eisenbahntransportkomitee

