

# Annual Report 2019







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# Editorial

**Maria Sack**  
Chair of the CIT



CIT is on track. That, in a nutshell, is my observation after one year as its Chair. In this capacity, I have received support from many quarters: from our members, committees and working groups, from the General Secretariat, and from our partner organisations. Thank you all very much!

There is no shortage of associations and interest groups in the transport sector. It is therefore all the more important that CIT remains visible and distinctive. That is why we created “Pitch 2020” – to set down in a few words who we are, what we do, and what we seek to achieve. The core plank of this is our strategy and its 10 key priorities for the period to 2025. The General Assembly has charted a course of action for CIT that sets out clear goals and focal points. Now the job is to implement it, all together.

Our members are in competition with other modes of transport. The international landscape is shaped by a variety of regulators and legal regimes, some of which have differing goals and approaches. Markets and technologies are ever-evolving, and the challenges are increasing. In this complex environment, CIT intends to offer its members targeted, effective support. There are three core strands to this:

First, CIT aims to increase transparency, legal certainty and efficiency for its members. Standardised contracts and practically-oriented products aim to help members navigate laws and regulations, boost quality, and implement said regulations

in practice at the lowest possible cost. In this connection, CIT published a range of new or updated products during 2019.

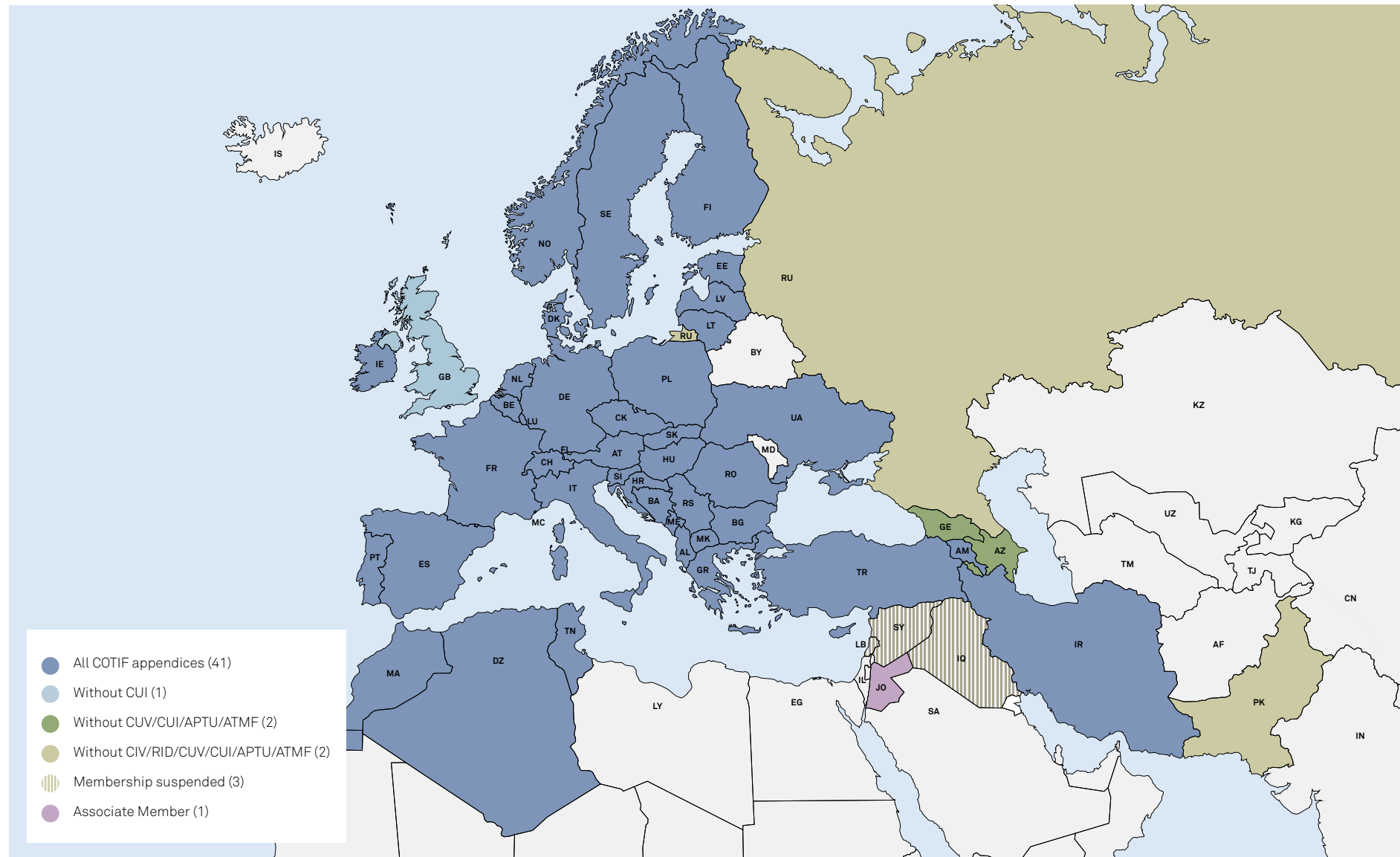
Secondly, CIT is focusing on the breakneck development of digitalisation and data protection. CIT is taking a long view and providing sector knowledge to the regulators, in particular at EU level. Concurrently, CIT supports its members in their everyday business, and has held a number of workshops and expert seminars on data protection. A new CIT manual on e.g. data protection in passenger transport (MDP) is set to make their work easier. In 2020, CIT will further step up the pace of work on digitalisation.

The third strand is multimodal mobility. Customers are not much interested in specific modes of transport; rather, they want optimum service all along the route taken by themselves or their goods. Any player who fails to sign up to multimodal collaboration risks dropping out of the transport chain altogether. For this reason, CIT further increased joint working with the road, maritime, and air transport sectors during 2019. Legal clarity, for instance on liability, creates fresh market opportunities.

The 2019 Annual Report offers an in-depth look at the latest events and activities at CIT. I look forward to continuing the journey ahead with our members and partners!

# The CIT

Geographical scope of COTIF and its appendices  
(situation as of 1 May 2019)



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 a unified body of regional and international transport law (COTIF and EU law). Furthermore, CIT is actively involved in simplifying rail transport services between Europe and Asia. CIT provides its members with legal services, up-to-date information and practical support. On 14 November 2019, the CIT General Assembly determined 10 key priorities for CIT's work in the period to 2025.



## Eurasian corridors: the case for rail

Transit time: 15 days by rail versus 35 days by sea.  
Distance (e.g. Chengdu – Vienna): only 9 800 km by rail versus approx. 16 200 km by sea + road.  
Carbon footprint: 1 container train = the equivalent of 80 trucks.

Source: Trans-Siberian Route, Annual Digest 2019

# 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. 133 organisations are full members of CIT, and a further 80 companies are indirectly affiliated through 7 associate organisations. The CIT is an association under Swiss law (Art. 60 et seq. of the Swiss Civil Code) with its headquarters in Bern.

## 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 so doing, the CIT considers current and forthcoming developments in international passenger and freight transport, including, for example, digitalisation and multimodality.

## Operation

The annual General Assembly decides on the strategic objectives, approves the budget and accounts, and elects the executive bodies. The Executive Committee directs the operations and administration. The CIV (passenger traffic), CIM (freight traffic) 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, UNECE in Geneva, as well as with various railway, road and shipping associations, thereby promoting its members' interests.

## Funding

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.



**500** member representatives are actively involved in CIT's work.

**2300** people use CIT's work via digital channels.

## CIT: clear strategic priorities for the future

Rail is a technically, organisationally, and legally complex industry, especially where traffic operating across national borders – and thus across a variety of legal regimes – is concerned. Today, the market is harder than ever to navigate due to the numerous bodies of regulation, authorities and actors. This also creates legal uncertainty and increases administration and costs, threatening to weaken rail operators' competitive advantages over other transport modes.

### Standardisation: saving time and money

For this reason, CIT seeks to help offer its members greater legal certainty, increased efficiency, and lower costs, in particular by providing practically-oriented, standardised solutions for international contracts of carriage, movement documents or tickets. CIT offers its members a total of 31 products for use in international freight and passenger traffic, as well as standardised solutions for the use of infrastructure or for linking together multimodal transport chains. In addition, CIT also supplies its members with legal expertise, workshops and training modules, all of which priorities CIT intends to further pursue in future.

### Defining strategic priorities

That said, the railways, CIT, and its members are faced with major challenges, first among which are digitalisation, intensifying competition, and multimodality (see also the section on Transport law and transport policy). This, plus ever-more stringent data protection requirements, mean that legal and business risk is constantly growing.

In order to rise to these challenges, refocus on core business, and support its members more effectively than ever, the CIT General Assembly on 14 November 2019 defined 10 key priorities for CIT's work in the period to 2025. These will structure and guide CIT's work in the years to come.

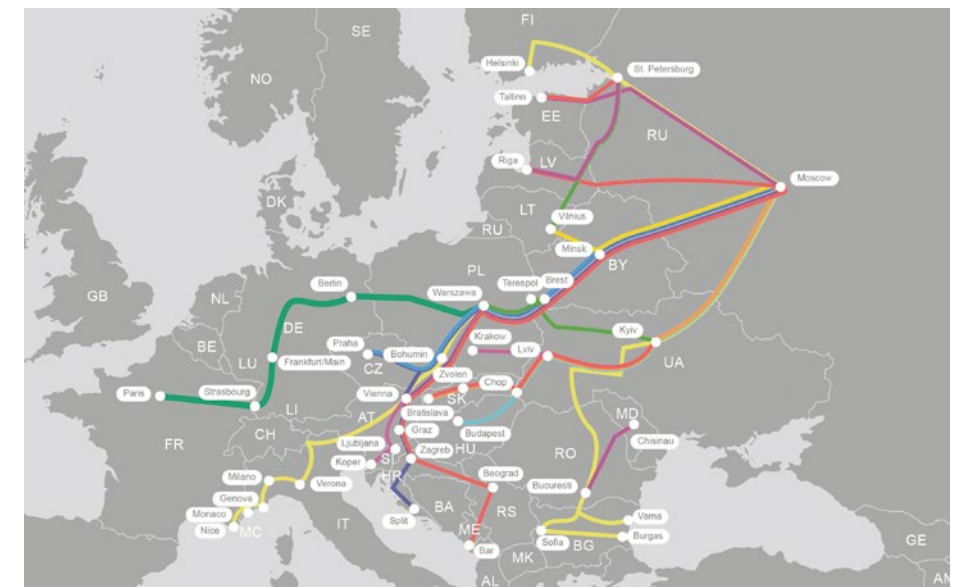
1. Fostering digitalisation
2. Products for a competitive environment
3. Legal solutions for multimodality
4. Implementation of international and national transport law at company level
5. Fostering Eurasian transport
6. Harmonising network access contracts
7. Acknowledged centre of excellence for issues connected with transport law
8. Collaboration with other organisations and standardisation bodies
9. Skills fit-for-purpose
10. Focus on training



# Transport law and transport policy



For 20 years, the COTIF system has provided a robust basis for international carriage by rail. However, “megatrends” such as digitalisation, increasing competition, and multimodality are reshaping the railways, all against a backdrop of increasing traffic volumes on Eurasian corridors – above all from China. Both the mandatory regulations governing international carriage and the sector’s self-regulation must plan ahead and accommodate such developments. CIT makes a significant contribution to this process in numerous committees and expert groups, and in continuously updating its own products for its members’ benefit.





# Highlights at a glance

## The interface between COTIF/CIV and SMPS

CIT's target is to help boost international passenger traffic on West-East and East-West routes. To do this, the interface between the COTIF/CIV and SMPS legal regimes needs to be made simpler and more transparent. To this end, it is intended to draw up a framework contract on the execution of international passenger transport by rail. This will need to factor in the requirements of the two aforementioned regimes, plus the ongoing revision of the EU Regulation on Rail Passenger Rights and Obligations (PRR, see also the section on International passenger traffic). In 2019, the CIV/SMPS Working Group devoted significant effort to drawing up a check-list so as to offer members standardised solutions for international CIV/SMPS passenger traffic.

## Updating the comparative table of liability

The SMPS rules on liability have already evolved markedly since 2014, and the ongoing revision of the EU's PRR will bring further changes. For this reason, the CIT GS and OSJD intend to update the table comparing and contrasting the COTIF/CIV-PRR-SMPS liability regimes. The first step was taken in autumn 2019, when the CIV/SMPS Working Group began updating the table in the light of the changes already made to SMPS. The new PRR rules will be incorporated at a later stage. The final step will be for CIT and OSJD to republish the comparative table.

## Closer working between CCTT and CIT

To date, the Coordinating Council on Transsiberian Transportation (CCTT) has been legally headquartered in St. Gallen, Switzerland. At its General Assembly in autumn 2019, the association's name was officially changed to the "International Coordination Council on Trans-Eurasian Transportation" (CCTT). Simultaneously, the CCTT voted to relocate its headquarters to Bern, very close to CIT HQ. CIT looks forward to the further strengthening of cooperation that this move will bring. The CCTT's management HQ is located in Moscow.

## Damage caused by wagons

CUV Article 7, para 1 governs the case of damage caused by wagons. One point of particular interest here is the division of liability between a wagon's keeper and its user. This recently prompted the OTIF General Assembly to convene a group of legal experts to examine the need for revision of this article. The current sector rules (GCU Articles 7 and 27) derogate from the provisions of CUV Article 7, offering wagon users a more advantageous solution. The CIT GS will strive in future to ensure that wagon users' interests are better taken on board at regulatory (CUV) level.



## Revising core regulations to cater for modern trends

At a symposium in Vilnius in autumn 2019, OTIF members celebrated the 20th anniversary of COTIF 99 and its appendices. COTIF remains a tried-and-tested body of law for the execution of international carriage by rail, and will remain of central importance to CIT.

are regularly updated and modernised in the light of the aforementioned trends such as to offer CIT members optimum practical support in implementing high-level regulations.

### Making the necessary adjustments ahead of time

The landscape will continue to change, with digital solutions, for instance, increasingly replacing paper for customs formalities and consignment notes as they acquire the necessary evidential value. In the medium term, functional equivalence of paper and electronic versions will increasingly become a thing of the past. EU regulations and the COTIF framework need to evolve pre-emptively to cater for these developments. Another area where changes are needed is liability: currently, railway undertakings must all too often bear the costs of delays and accidents caused by other rail system actors. CIT's view is that in a liberalised system, incentives should be aligned such that all players are responsible for their own performance. Only that way will they have a genuine interest in providing a high level of quality and optimum service. Indeed, the rail system is dependent on such an alignment to maintain and extend its competitiveness vis-à-vis road, sea, and air.

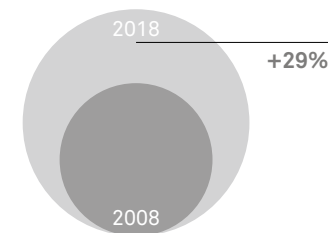
### The world has changed

And yet, the modern railway environment is very different from that of two decades ago. Digitalisation has altered many of its processes, the links in the transport chain are increasingly multimodal, and liberalisation has unbundled formerly integrated railways, bringing new players onto the market. Customers want off-the-shelf transport solutions from A to B, platforms for digital ticketing, or real-time electronic tracking of consignments. In the event of problems or claims, they want a one-stop-shop offering straightforward communications and speedy solutions. The rail system needs to adjust to this new reality and make the necessary organisational changes behind the scenes.

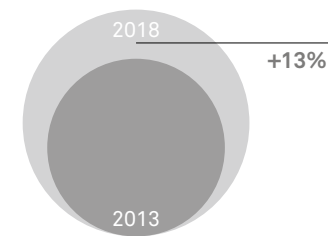
### Clear CIT focus

CIT's priorities are consciously directed to addressing these developments, whether it is providing expertise to the law making institutions, further enhancement of COTIF and its Uniform Rules (CIM, CIV, CUV and CUI), or indeed self-regulation by the sector. CIT also has to ensure its products and tools

### Increasing use of the internet by customers:



In 2018, 89% of EU households used the internet, up from only 60% in 2008.



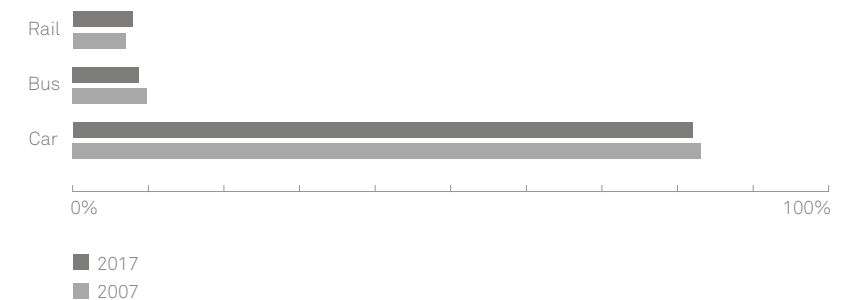
In 2018, 60% of people in the EU bought goods or services over the internet, compared to only 47% in 2013.

Source: Eurostat, digital economy and society statistics, 2018

# International passenger traffic



Important changes are afoot in the international passenger business, such as the revision of the EU Regulation on Rail Passengers' Rights and Obligations (PRR). CIT speaks up for its members' interests and provides sector experience to such regulations. Simultaneously, and especially in a context of digitalisation, thorny issues such as data protection are becoming more prominent. Here, CIT supports its members by providing practically-oriented products such as the new Manual on Data Protection (MDP), and by organising well-attended workshops and bespoke training, as well as bearing in mind the necessary links with the CIV/SMPS regime.



## Rail traffic up slightly

In 2017, rail represented 7.9% of passenger journeys in the EU-28, compared to 7% in 2007. In 2017, private cars represented 82% of passenger journeys in the EU-28, compared to 83.1% in 2007. Buses represented 8.8% of passenger journeys in the EU-28 in 2017, compared to 9.8% in 2007.

Source: Eurostat 2019, Modal split of inland passenger transport in passenger-kilometres



# Highlights at a glance

## New and updated CIT products

Alongside the new Manual on Data Protection for transport undertakings (MDP), CIT has updated a number of its products, which were reissued on 15 December 2019. For example, the Manual on International Rail Tickets (MIRT) has been extended to incorporate numerous amendments to the associated UIC technical leaflets, whilst the Agreement concerning the Relationships between Transport Undertakings in respect of International Passenger Traffic by Rail (AIV) now contains more detailed provisions covering the case of strikes. Lastly, the CIT passenger traffic glossary has been expanded to include the new terminology.

## Successful workshop on data protection

On 18 June 2019, CIT held its second workshop on data protection. The primary focus was the impact of the EU GDPR on internal organisational arrangements within railway undertakings. Various specific issues and case studies relating to application of the GDPR were also discussed. The agenda also featured an item on new technologies and upcoming data protection regulations. The workshop was held in Bern and was attended by 57 participants from just under 30 different companies.

## Passenger Claims Conference in Vienna

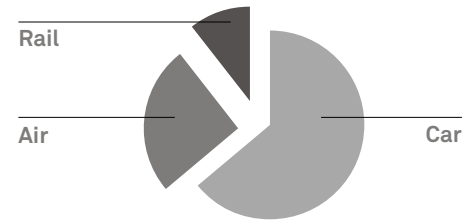
On 25 September 2019, UIC and CIT jointly held the annual conference of passenger claims departments. Held in Vienna, this year's edition was attended by over 70 people. The overarching theme was night trains, delays, and missed connections, as well as quality of service. Feedback from the conference has been passed on to the CIV Working Group and will inform its revision of the AIV during 2020.

## Digitalisation and data protection

Given CIT members' major interest in data protection, CIT has decided to further step up work in this field in addition to digitalisation. As well as CIT's plans to expand the MDP during 2020, the Group of Experts on Data Protection will henceforth meet annually so as to foster systematic sharing of experience between CIT members, with a large-scale workshop similar to that in 2019 held every two years.

## Training programmes for members

In 2019, the General Secretariat provided three training modules to members at their company premises, specifically in Bratislava (ZSSK), Amsterdam (NS, Eurail Group GIE) and Vienna (ÖBB). These focused on the implementation of passenger rights, as well as claims management and data protection issues.



## Tourist market offers potential growth

Trips made by EU-28 residents in 2017: private car 63.5%, air 17.4%, rail 10.8%. Air's share of the whole increased by 15% compared to 2012.

Source: Eurostat 2019, Trips made by EU-28 residents by main means of transport, 2017

## CIV Committee

Enrico Trapazzo, Chair



## CIV Committee

Isabelle Saintilan, Vice-Chair



## CIV Working Group

Oliver Hirschfeld, Chair



# Standardised, user-friendly and practically-oriented tools

International passenger rail is a sector in constant evolution. The EU is currently revising the Regulation on Rail Passengers' Rights and Obligations (PRR), a central piece of legislation for railway undertakings. Meanwhile, digitalisation proceeds apace. CIT makes sure its voice is heard on all these subjects, and keeps its products updated for the benefit of its members.

## PRR revision takes shape

Revision of the PRR has been ongoing for the past two years, and is gradually moving towards a conclusion. During 2019, the EU Council of Ministers defined a position which was signed off in December, paving the way for negotiations to begin between the European Commission, European Parliament, and Council in 2020. The revised PRR is unlikely to enter into force before 2021 at the earliest. The CIV Committee has monitored the revision closely from the outset, and CIT has worked with CER to lobby hard and influence the revision. Our goal remains to achieve fit-for-purpose, practical solutions. Once the final revised text is available, CIT will begin preparing for implementation and will support its members in applying the PRR. In this context, CIT will also factor in the impact of the new PRR on East-West (CIV/SMPS) traffic.

## Heavy emphasis on digitalisation

Numerous digitalisation-related initiatives and regulatory projects are ongoing at European level, and a host of issues is affecting every area of the rail sector, e.g. the use of Blockchain or digital instruments for claims management. CIT is monitoring such work closely and examining the legal impact thereof for the rail sector. CIT is an active contributor to a number of such projects, e.g. within the UIC framework.

## Practical assistance on data protection

Data protection is increasingly complex, important, and interconnected with digitalisation. On 15 December 2019, CIT published its new Manual on Data Protection (MDP). This offers members practically-oriented support in implementing the EU General Data Protection Regulation (GDPR). CIT will expand the manual to include other issues during 2020. CIT and the CIV/SMPS Working Group also attach great importance to the issue of data transfer to countries outside the EU, which arises in the GDPR context.

# International freight traffic



Digital tools are also gaining ground in rail freight. Together with CER, CIT strives to influence the EU regulations governing the transmission of electronic data. In 2019, CIT published further freight traffic products in electronic form, and held a high-level conference on digital claims handling. Rail freight on East-West and West-East corridors continues to grow, a development helped in part by CIT products such as the uniform CIM/SMGS electronic consignment note.



## The benefits of digitalisation, as told by business

52%: simplifies processes

50%: higher customer satisfaction

47%: better product and service quality

Source: Digitalisierungsindex Mittelstand 2019/2020 (Digitalisation index of German SMEs in 2019-20), a study by Deutsche Telekom AG (2019)



# Highlights at a glance

## Proposals from the Working Group on Seals

Cases of misuse of seals are infrequent, but in order to help prevent them altogether, the “Seals” Working Group proposes an amendment to the GTM-CIT. The group also recommends that the check-list for the sealing of wagons be updated. The “Seals” Working Group Chair, Fabienne Vaisson (SNCF), has recently resigned the chair; the CIM Committee is set to decide on a successor at its 2020 meeting, as well as voting on the group’s suggested changes.

## Conference on Digital Rail Freight

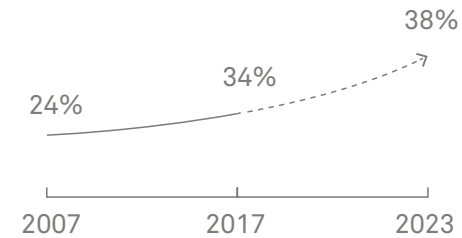
The CIT Conference on Digital Claims Handling in Rail Freight took place in Bern on 14 May 2019. The presentations given explained the legal bases, highlighting the central role of the electronic formal report. New electronic tools such as “Smart Contracts” and their legal form were amongst the other central points addressed. Participants were also given an insight into the practical application of IT tools for claims handling or wagon condition monitoring. Standardised information available round-the-clock gives operators a fuller picture, enabling them, for instance, to repair damaged wagons more quickly.

## New models of carriage

CIT members use a variety of different models of carriage in their everyday business. While some use the “purchase & sale” model or sub-contract the carriage of freight, others use successive carriage. Many new models of carriage are now being used in numerous international business ventures. However, it is often not sufficiently clear how these models fit into the law governing carriage by rail as it exists today, or what conditions they are subject to. During 2019, the CIM Working Group examined the legal situation in depth and discussed the need for changes, in particular to CIT products, in the light of members’ views. This process should produce some concrete outputs during 2020.

## CIT products in electronic format

CIT already reissued the four manuals (on freight traffic and the conveyance of empty wagons) in electronic form during 2017. The second step was to reissue another four products electronically as of 1 January 2019, specifically: GLV-CIM/SMGS, GR-CIM/SMGS, GTC CIM and GTC EurAsia. These were followed by more products as of 1 July 2019, including: Customer Agreement check-list, Claims Handling Agreement, and GTC Cooperation.



**Asia-Pacific, the driving force**  
The Asia-Pacific region’s share of global GDP:  
2007 – 2017 – 2023 (forecast):  
24% – 34% – 38% (forecast)

Source: IMF, German Trade & Invest

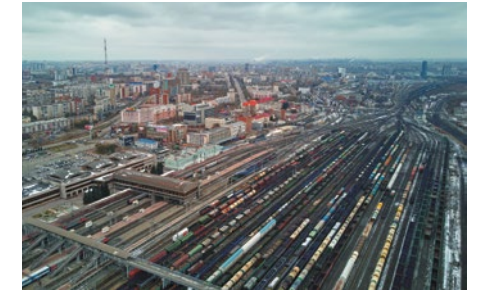
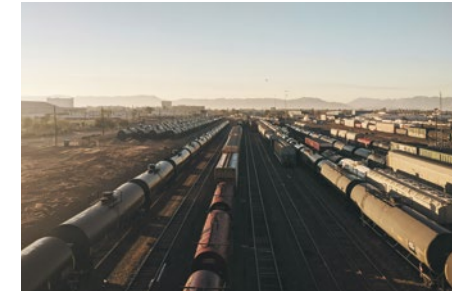
## CIM Committee

Jean-Luc Dufournaud, Chair



## CIM Working Group

Cristian Cuenca, Chair



# Steering digitalisation to the good

Electronic data exchange is increasingly becoming the norm for interactions between businesses – including railways – and authorities or administrations. However, clear framework conditions are needed for this to work effectively.

## Collaboration with the EU DTLF project

The European Commission launched the “Digital Transport and Logistics Forum” (DTLF) project in order to develop mandatory rules and standards. In this context, the Commission also plans to set up a certified “eFTI Platform” for electronic data transfer. The aim of eFTI is to provide a harmonised EU framework for business to-authority electronic exchange of freight transport information. There are a number of challenges in doing this, such as the costs for the sector, the compatibility with the existing systems, the detail degree of the specifications. For instance, levels of acceptance of digital carriage documents by national authorities vary – some do not accept any. In addition, the level of digitalisation in each transport sector is different.

Together with CER, CIT participates actively in a number of committees. CIT considers that excessively dirigiste regulations and insular European solutions should be avoided. In addition, the planned changes’ financial impact and effects on business processes are insufficiently clear at present.

## Harmonised CIM/SMGS consignment note

Container traffic between Russia/China and Europe is growing. Such traffic operates under two different legal regimes, COTIF/CIM and SMGS, making speedy, low-cost connections more challenging.

In further improving the current state of affairs, CIT’s priorities are to further enhance, and foster more widespread use of, the harmonised CIM/SMGS consignment note. Here, one option being examined is the harmonisation of statistical data. CIT and OSJD are also seeking to include Uzbekistan, Tajikistan, Turkmenistan, Afghanistan and Turkey in the “Legal interoperability between CIM/SMGS” project. During 2020, CIT and OSJD aim to hold a joint seminar on the use of the CIM/SMGS electronic consignment note.

## CIM/SMGS electronic consignment note

Following intensive preparatory work, the specification for the CIM/SMGS electronic consignment note went live on 1 July 2019. The ECN is available to CIT and OSJD members in English, French, German, Russian and Chinese. The intention now is to pilot the use of the electronic consignment note. The pilots will have twin purposes, namely both to develop electronic data exchange between participating CIM and SMGS railways and to improve information exchange with and between customs authorities.

# Use of infrastructure



Better interaction between infrastructure and operations is vital to achieving higher quality in the rail system overall. In working towards this goal, CIT is active on a number of fronts. For instance, CIT has developed a Standard Contract for the Use of railway Infrastructure, which we are now seeking to agree and coordinate with RailNetEurope (RNE). CIT has also stepped up work on standardising the use of service facilities, where there is a need – amongst other things – to simplify liability and increase legal certainty.



## **More rail = good for the planet**

Rail freight uses six times less energy than road haulage,  
Rail freight emits nine times less CO<sub>2</sub> than road haulage.

Source: Jean-Luc Dufournaud, CIT Chairman, speaking at the 2018 General Assembly



# Highlights at a glance

## The E-SCU-I standard contract

In drafting the Standard Contract for the Use of railway Infrastructure (E-SCU-I), the CUI Committee has clearly set out its stall. CIT first broached the idea with RailNetEurope (RNE) in early 2019, before presenting the idea to RNE later in 2019. In December 2019, the RNE General Assembly gave the green light to more detailed planning of CIT-RNE joint working on the E-SCU-I. One major challenge is achieving recognition for railway undertakings so as to be acknowledged as equal partners in negotiating the structure and draft of the contract. CIT also actively pushes the idea of a standard contract for the use of infrastructure to other bodies.

## Appraising the impact of legal rulings

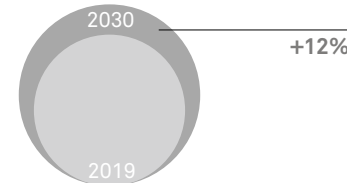
CIT regularly analyses legal rulings at EU level or by domestic courts, including in the field of infrastructure use, the outcomes of which are published in CIT-Info. This keeps CIT members informed of specific cases of application of the laws in force, e.g. on liability issues or the interpretation of terminology in connection with infrastructure use. In order to further improve the information we give our members, CIT plans to create a database of such cases on its website as of 2020.

## A second term for Adriaan Hagdorn (NS)

In three years chairing the CUI Committee, Adriaan Hagdorn (NS) has provided the impetus for some important workstreams. Having confirmed his willingness to serve a second term of office, Mr Hagdorn was re-elected as CUI Committee Chairman by the CIT General Assembly in November 2019.

## Capacity and path allocation

RNE and Forum Train Europe (FTE) are jointly running the “Redesign of the International Timetabling Process” (TTR) project. During 2019, the CUI Committee sought to find out more about this. The project’s aim is to redesign the capacity and train path planning and allocation process. This involves, inter alia, precisely delineating the legal framework, a task being undertaken by the TTR Legal Task Force. The CIT General Secretariat regularly attends meeting of this Task Force, ensuring that CIT interests are represented.



**From 18 to 30% by 2030**  
Quality is a precondition for success – rail freight’s current market share is 18%; the target for 2030 is 30%.

Source: European Rail Freight Vision, [www.railfreightforward.eu](http://www.railfreightforward.eu)

## CUI Committee

Adriaan Hagdorn, Chair



Alberto Gallo, Vice-Chair



## Reducing friction at the wheel-rail interface

Customers repeatedly, and justifiably, highlight quality issues with rail traffic and service levels: especially frequently-cited failings include punctuality and reliability failings, inadequate customer information, and a lack of transparency in the interactions between system actors. It is not regulatory authorities who are responsible for making improvements in this area, but the sector itself. In this context, CIT is behind a number of important initiatives.

## Expanding use of the E-GTC-I

In this context, collaboration between railway undertakings and infrastructure managers is of prime importance, and is an area of priority focus for CIT in its work. Together with RailNetEurope (RNE), CIT has drawn up the European General Terms and Conditions for the use of railway Infrastructure (E-GTC-I). Harmonising infrastructure access and usage conditions can significantly help boost quality and legal certainty in the rail system.

One example of this is if infrastructure managers can be held liable for disruptions on their network leading to delays. National rules vary widely: infrastructure managers’ liability is often extremely limited, if not non-existent. At international level, however, the CUI Uniform Rules (CUI UR) provide various possibilities for recourse. The E-GTC-I extend the CUI

UR liability system to all network use, i.e. including domestic services. This also incorporates the rules for compensation under the PRR or national law. The overall result is a transparent, harmonised solution to liability issues.

CIT strives to encourage wider use of the E-GTC-I by European infrastructure managers via various projects and bilateral contacts, since only this way can the full benefits of the E-GTC-I be reaped.

## Service facilities come centre-stage

Various developments are also afoot when it comes to the regulation and standardisation of the use of service facilities: at EU or RNE level, for example, or within the Independent Regulators Group (IRG-Rail). For that reason, CIT’s CUI Committee decided during 2019 to resume earlier work in this field which had previously been put on hold. CIT’s analyses show that, legally speaking, service facilities are defined in very different ways depending where they are located. Liability rules are also highly variable, for no very obvious reason. CIT therefore considers there to be significant potential for harmonisation to bring about greater legal certainty and clarity. This will be further explored in the CUI Committee.

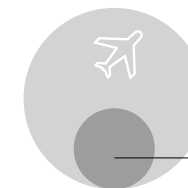
# Multimodality



CIT is seeking to help facilitate and boost the attractiveness of multimodal traffic. Ways of doing this include door-to-door contracts of carriage for rail and maritime transport, standardised solutions for rail-sea cooperation, and boiler-plate contracts for rail-air passenger transport. In 2019, CIT's scope of enquiry also encompassed closer cooperation in freight between railways and inland waterways. And in 2019, a single CIM/SMGS consignment note was used for the first time for a multimodal rail-sea movement from China to Western Europe.



1/3 of time



1/5 of cost

## China – Europe by rail

One third the time taken by sea, at one fifth the cost of air freight

Source: Eurostat, Maritime ports freight and passenger statistics, March 2018



# Highlights at a glance

## A first in multimodal carriage

The harmonised CIM/SMGS consignment note is increasingly used on Eurasian corridors for freight movements by rail. The inaugural use of a single CIM/SMGS consignment note for a multimodal rail-sea movement from China to Germany via the Baltic during 2019 definitely counts as a major breakthrough. Following a transit period of only 11 days, the goods arrived in the German Baltic port of Mukran on 12 November 2019, whence they were forwarded to Hamburg by train.

## Multimodal routes from Korea/Japan to Europe

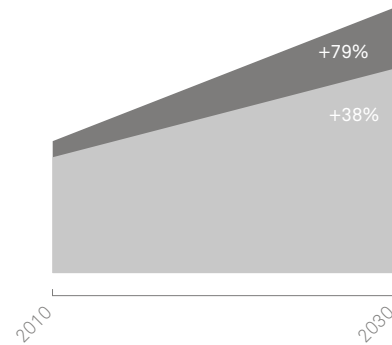
Various railways and logistics firms are testing new multimodal routes from Korea and Japan to Europe. The Trans-Siberian railway forms the backbone of such routes, though sea shipping and road haulage also have roles to play. This throws up a number of multimodality-related legal questions for CIM/SMGS traffic. A CIT workshop on this subject was held in Klaipėda (Lithuania) in early July. Participants agreed that new sea and inland waterway routes needed to be added to the relevant OTIF lists.

## Multimodal transport seminar in Venice

The march of globalisation has brought with it ever-longer and increasingly multimodal transport chains. In this context, in October 2019 CIT, ATTICA Group and TRENITALIA held a joint seminar in Venice devoted to multimodal transport. Participants were briefed on the latest developments and CIT products for multimodal passenger and freight traffic by experts from various companies, as well as from CIT, CCTT, CER and UIC. Particular emphasis was placed on the need for collaboration between the rail and maritime modes. The seminar was hosted by the CIT Multimodality Committee Chair, Maria Kalimeri (ATTICA).

## Air-rail boilerplate contract

At its June 2019 meeting, the CIV Committee approved a series of boilerplate contracts for multimodal air-rail cooperation. The contracts provide for two models of cooperation: sub-contracting as part of a single contract of carriage, and a movement split across via two separate contracts. The two boilerplate contracts have not yet been published as CIT products, since they still need to be discussed and agreed with the International Air Transportation Association (IATA).



## Varying traffic forecasts

Growth in freight traffic for the period 2010 - 2030: + 38%

Growth in combined transport for the period 2010 - 2030: + 79%

Source: Prognose für Deutschland (Forecast for Germany), German Ministry of Transport and Digital Infrastructure (BMVI)

## Multimodality Committee

Maria Kalimeri, Chair



## Multimodality Working Group

Erik Evtimov, Chair



# Everything points in one direction: the future is multimodal

Multimodal transport is enjoying a surge in popularity, and further growth can be expected. This creates interfaces between legal regimes and international transport conventions, e.g. between road and rail. Customers expect straightforward, fair, “door to door” contracts of carriage, in which they are not made to bear any legal risk. CIT is active on a number of fronts, helping ensure that these interfaces can be reliably managed and legal risks and cost for CIT members kept to a minimum.

## Door-to-door contracts of carriage

One avenue of enquiry pursued by CIT is to offer door-to-door contracts of carriage in cases where the rail leg makes up the major portion of the multimodal movement. The legal basis for this is supplied by COTIF, and the primary focus is rail-sea shipments. The specific goal is to make increasing use of the General Terms and Conditions (GTC) and boilerplate contract for rail-sea traffic. The Multimodality Working Group aims to work with a range of companies to run pilots along the Eurasian corridors, across the Baltic Sea, and on to Western Europe. One example of this is the first movements from China to Germany via the port of Mukran using the harmonised CIM/SMGS consignment note (see also Highlights at a glance).

## Collaboration with partners

CIT's second course of action consists of close cooperation with partner organisations such as the International Road Union (IRU), with whom we work to develop common standardised solutions and facilitate legal collaboration at the rail-road interface. In 2019, for instance, CIT and IRU continued working on their joint check-list for a framework contract to be used in international road-rail transport and clarified a number of outstanding issues. The check-list was finalised by CIT and IRU in July, and was issued as a joint publication on 1 January 2020. CIT and IRU also liaised extensively on other matters throughout 2019, one important forum for such exchange being the joint workshop held at CFL Multimodal in Dudelange/Luxembourg in late February.

## Sharpening the focus on inland waterways

The rail-inland waterway relationship is also growing in importance. In 2019, work focused on developing guidance on railway law and inland waterway law. The guidance compares and contrasts the bodies of law governing international freight carriage by rail (COTIF/CIM) and inland waterway (CMNI, CLNI, Athens Convention). The comparative analysis is set to be published during 2020.

# Domestic Matters



## General Assembly

The General Assembly took place at CIT Headquarters in Bern on 14 November 2019 and was chaired by CIT Chair Maria Sack (DB AG). The General Assembly handled all the statutory items of business and approved the accounts and balance sheet for 2018 as well as the budget for 2020. The latter was 45 000 CHF lower than in 2019 due to higher expenditure the previous year. This was a one-off, and was needed to procure a new server and update the website.

The General Assembly also conducted the necessary statutory elections. Gerald Wieser (Rail Cargo Austria AG) was re-elected as a member of the Executive Committee for a second term. Adriaan Hagdorn (NS) was re-elected for a second term as Chairman of the CUI Committee.

The General Assembly also noted the key workstreams and the schedule of events for the year to come, one highlight of which is the Berner Tage on 13 & 14 February 2020.

The next CIT General Assembly will be held in Bern on 19 November 2020.

## Executive Committee

As of 1 January 2020, the Executive Committee is composed as follows:

- Maria Sack (DB), Chair
- Maria Urbańska (PKP Cargo SA), Vice-Chair
- Alberto Gallo (Trenitalia)
- Nevin Kaygisiz (TCDD)
- Platon Guryanov (RZD)
- Gerald Wieser (Rail Cargo Austria AG)
- Aikaterini Vitou (TRAINOSE)
- Gilles Mugnier (SNCF)
- Marie Wirtgen (SNCF)

The Executive Committee met in Bern on 12 April and in Berlin on 26 September, and dealt with all current items of business.

## General Secretariat

Day-to-day business, to which the General Secretariat devotes most of its resources, consists essentially of the following:

- updating and enhancing CIT products
- preparing for and holding meetings of the CIT Executive Committee and General Assembly
- preparing for, holding and following up on meetings of the CIV, CIM, CUI and Multimodality Committees and Working Groups, and implementing the decisions taken
- participating in and representing the interests of members at the meetings of organisations both governmental (OTIF, OSJD, EU, UNECE, ECO, etc.) and non-governmental (CER, UIC, CCTT, etc.)
- communications (annual report, CIT Info newsletter, articles in specialist periodicals, etc.)
- individual support for CIT members (legal information, practical advice, training seminars, etc.)

In 2019, in addition to the Secretary-General, the General Secretariat employed four lawyers, two railway experts and two secretaries, to an FTE (full-time equivalent) of 830 %.

## CIT Info

The CIT-Info newsletter provides a regular update on all CIT's activities and important developments in the law of international carriage by rail. It continues to be in great demand. There were four editions in 2019.

## Expert Groups

Five groups of experts support the CIT's work. They are: PRR, CIM/SMGS, CIV/SMPS, Data Protection, and Seals.

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circular letters  
from CIT to its members

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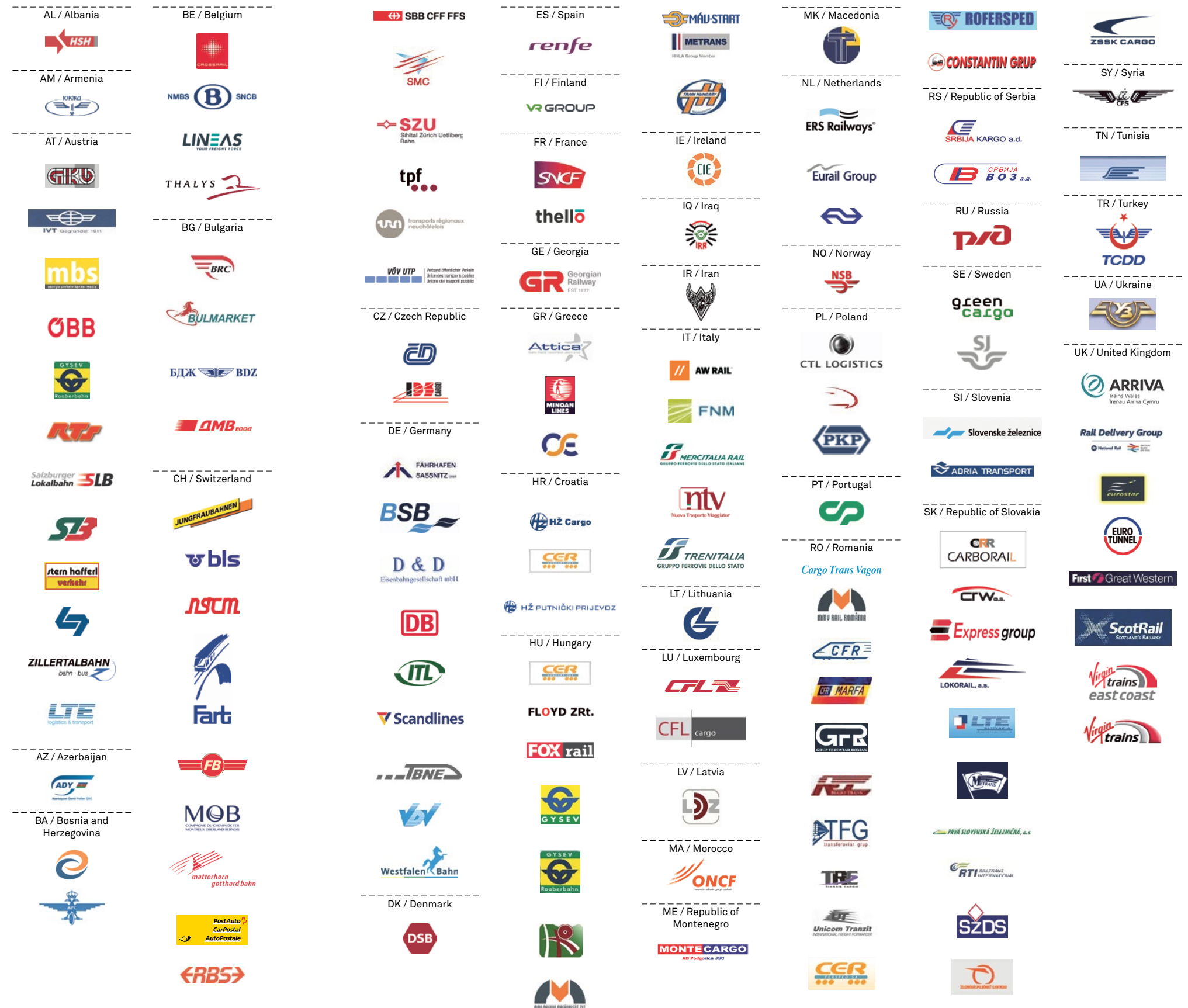


## Members

CIT members are railway undertakings from 43 countries across three continents (Europe, Africa, and Asia). At end of 2019, CIT had a total of 133 full members and 80 members who are linked via associate organisations. 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. Syria's membership of OTIF was provisionally suspended at the request of the member state in view of the extraordinary situation; the CIT General Assembly decided similarly as regards the Syrian Railways' membership of CIT. The suspension applied throughout 2019.

### The following railway undertakings joined CIT in 2019:

Country	Company	Membership status	Date of joining
Croatia	CER Cargo d.o.o.	Full member	1.6.2019



# Balance Sheet 2019

The 2019 income statement closed with a surplus of CHF 74,168, increasing equity from CHF 381,814 to 455,982.

On 9 March 2020, PricewaterhouseCoopers AG examined the financial statements and accounts, and recommended their approval. The auditors' report can be found on page 35 of the 2019 Annual Report.

	31.12.2019		31.12.2018	
	CHF	%	CHF	%
Cash	676,672	85.3	377,009	64.4
Trade accounts receivable	196,766	24.8	334,365	57.1
Allowance for doubtful accounts	-139,100	-17.5	-179,200	-30.6
Inventory / Publications	1	0.0	1	0.0
Accrued income and prepaid expenses	58,542	7.4	53,059	9.1
<b>Total current assets</b>	<b>792,881</b>	<b>100.0</b>	<b>585,233</b>	<b>100.0</b>
Property, plant and equipment	1	0.0	1	0.0
<b>Total fixed assets</b>	<b>1</b>	<b>0.0</b>	<b>1</b>	<b>0.0</b>
<b>Total assets</b>	<b>792,882</b>	<b>100.0</b>	<b>585,234</b>	<b>100.0</b>
Trade accounts payable	23,928	3.0	23,938	4.1
Other current liabilities	19,428	2.5	36,073	6.2
Accrued expenses and deferred income	293,544	37.0	143,409	24.5
<b>Total current liabilities</b>	<b>336,900</b>	<b>42.5</b>	<b>203,420</b>	<b>34.8</b>
<b>Total liabilities</b>	<b>336,900</b>	<b>42.5</b>	<b>203,420</b>	<b>34.8</b>
Reserves 01.01.	381,814	48.2	376,321	64.2
Profit for the year	74,168	9.4	5,492	0.9
<b>Total reserves 31.12.</b>	<b>455,982</b>	<b>57.5</b>	<b>381,814</b>	<b>65.2</b>
<b>Total liabilities</b>	<b>792,882</b>	<b>100.0</b>	<b>585,234</b>	<b>100.0</b>

To be submitted for approval to the General Assembly on 19 November 2020.

# Accounts 2019

	Budget	Result	Result
	2019	01.01.-31.12 2019	01.01.-31.12 2018
	CHF	CHF	CHF
Member subscriptions	2,279,500	2,282,627	2,226,062
Events	6,550	0	33,370
Other services	250	1,500	223
<b>Gross revenues</b>	<b>2,286,300</b>	<b>2,284,127</b>	<b>2,259,654</b>
- Trade losses	-5,000	-20,384	-33,536
- Change of allowance for doubtful accounts	-70,000	40,100	-35,700
<b>Net revenues</b>	<b>2,211,300</b>	<b>2,303,843</b>	<b>2,190,419</b>
- Printing costs	-5,000	-6,121	-11,317
- Meeting costs	-107,270	-76,469	-87,436
- Costs of events	-83,270	-84,617	-66,098
- Public relations	-50,500	-41,443	-39,889
- Costs of services	-200,450	-212,855	-258,391
<b>Total costs of material and services</b>	<b>-446,490</b>	<b>-421,505</b>	<b>-463,131</b>
<b>Gross profit I</b>	<b>1,764,810</b>	<b>1,882,338</b>	<b>1,727,287</b>
- Salaries	-1,165,780	-1,229,031	-1,198,830
- Social security expenses	-252,600	-241,255	-236,797
- Other personnel costs	-44,800	-28,172	-30,884
<b>Total personnel costs</b>	<b>-1,463,180</b>	<b>-1,498,458</b>	<b>-1,466,511</b>
<b>Gross profit II</b>	<b>301,630</b>	<b>383,880</b>	<b>260,776</b>
- Costs of accommodation	-132,280	-122,804	-126,867
- Equipment and maintenance costs	-36,000	-20,059	-3,373
- Administration and IT	-126,350	-166,531	-123,489
<b>Total other operating expenses</b>	<b>-294,630</b>	<b>-309,394</b>	<b>-253,729</b>
<b>Operating result before interests</b>	<b>7,000</b>	<b>74,486</b>	<b>7,047</b>
+ Financial income	700	464	1,124
- Financial expense	-7,000	-4,025	-2,140
<b>Operating result</b>	<b>700</b>	<b>70,926</b>	<b>6,030</b>
+ extraordinary income	0	3,790	0
- taxes	-700	-547	-538
<b>Profit for the year</b>	<b>0</b>	<b>74,168</b>	<b>5,492</b>

To be submitted for approval to the General Assembly on 19 November 2020.



# Appendix to the 2019 and 2018 Annual Accounts

	31.12.2019 CHF	31.12.2018 CHF
<b>Details of the organisation</b>		
Company	CIT International Rail Transport Committee	
Legal status	Association	
Registered address	Weltpoststrasse 20, 3015 Bern	
<b>Details of the principles adopted to draw up the annual accounts</b>		
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.		
<b>Range of full time equivalent posts - annual average</b>		
	<b>not above 10</b>	<b>not above 10</b>
<b>Amounts remaining due under leasing obligations</b>		
Leasing obligations which cannot be terminated within twelve months mature as follows:		
Due within a year	<b>0.00</b>	<b>8,316.00</b>
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 2021 and has an annual ground rent of CHF 111,456 including additional expenses.		
<b>Liabilities to pension funds</b>		
	<b>19,427.65</b>	<b>20,693.30</b>
<b>Significant events occurring after the date of the balance sheet</b>		
Between the date of the balance sheet and its approval by the Executive Committee on 23 April 2020, there were no significant events which could adversely affect the annual accounts or which have to be disclosed.		

## 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 2019.

These financial statements are the responsibility of the Board of Directors. 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 company personnel and analytical procedures as well as detailed tests of company 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 company's articles of incorporation.

PricewaterhouseCoopers AG

  
Hans-Rudolf Burkhard  
Audit expert  
Auditor in charge

  
Naomi Hürzeler  
Audit expert

Bern, 23 April 2020

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## Index of abbreviations

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### **AIV**

Agreement concerning the Relationships between Transport Undertakings in respect of International Passenger Traffic by Rail

### **CCTT**

Coordinating Council on Trans-Siberian Transportation

### **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)

### **ERFA**

European Rail Freight Association

### **E-GTC-I**

European General Terms and Conditions of Use of Railway Infrastructure

### **E-SCU-I**

European Standard Contract of Use for Railway Infrastructure

### **GTC**

General Terms and Conditions

### **IRU**

International Road Transport Union

### **MIRT**

Manual for International Rail Tickets

### **OSJD**

Organisation for Cooperation 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

### **RNE**

RailNetEurope

### **RU**

Railway Undertaking

### **SMGS OSJD**

Convention concerning International Goods Traffic by Rail

### **UIC**

International Union of Railways

### **UNECE**

United Nations Economic Commission for Europe

### **UR**

Uniform Rules

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**International Rail  
Transport Committee**

Comité international  
des transports ferroviaires

Internationales  
Eisenbahntransportkomitee

