

# Annual Report 2018





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# Editorial

**Jean-Luc Dufournaud**  
Chairman of the CIT



Eight years is a long time. For eight years, I had the privilege of chairing CIT and representing the interests of our growing membership. I would like to warmly thank all those who consistently supported me in my task.

Time's wheel keeps turning – ever faster, it often seems to us, and we are not always wholly wrong. This makes CIT's contribution all the more important, bringing clarity to the legal aspects and interfaces of international rail traffic and defining the necessary obligations without slipping into the trap of over-regulation. Quite the contrary: with the pace and complexity of work both increasing, it is all the more critical that the essentials be clearly defined and regulated. CIT will continue to focus on this.

The forces and developments that marked 2018 will remain salient for CIT in the years to come. Digitalisation, multimodality and liberalisation, to name but a few, in which context the international, cross-border dimension is increasingly to the fore. In this context, CIT pursues three core aims. The first is the legal standardisation of tickets and transport documents or of models and contracts of carriage and the associated processes. Where previously paper was the default option, that role is now occupied by digital and electronic communications. CIT recognised this development early on, and set its priorities accordingly, and in 2018 we made some headway on this front, as the annual report shows. The CIT products are now available in digital form.

CIT's second major aim is to clarify and simplify legal interfaces. Multimodality is creating trans-

port chains with multiple links, whilst liberalisation has seen railways split into passenger and freight operators and infrastructure managers. This fragmentation may well give rise to efficiencies and effectivity gains – but only if the interaction between the various component parts is fluid and the legal interfaces are clear, transparent and as simply structured as possible. This is where CIT is focusing its efforts, for instance on the interface between rail and sea transport or between railway infrastructure and operations.

CIT's third major focus is the development of rail and multimodal traffic between Asia and Europe. An expanding geographical area, in which Russia and increasingly China are set to play an important role, brings with it a multiplication of legal regimes. It will only be possible to harness the immense potential this offers for rail transport if CIT and its eastern partner organisations collaborate fruitfully such as to fully leverage the benefits of standardising and maintaining the legal interfaces. The early signs are cause for optimism.

On this note, I would like to wish my successor as CIT Chair, Maria Sack, and the community of CIT members as a whole, all the best and good luck going forwards!



# 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. 132 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.



Maria Sack (DB AG) has been the new CIT Chair since 1 January 2019. Previously Vice-Chair, she was elected to succeed outgoing Chair Jean-Luc Dufournaud (SNCF) by the CIT General Assembly on 15 November 2018.



Maria Urbańska (PKP Cargo) has been the new CIT Vice-Chair since 1 January 2019. She was elected to succeed previous Vice-Chair Maria Sack (DB AG) by the CIT General Assembly on 15 November 2018.



## CIT: serving its membership

CIT offers its members a wide range of services, events and training programmes, providing them with the latest information and practical guidance as well as offering them the opportunity to share experience.

### Digitalisation: the growing importance of data protection

More and more data is moving between authorities, business and their customers, most of it digitally. This offers many opportunities, as well as a few risks, one of which concerns the use of such data. The EU's General Data Protection Regulation (GDPR) sets out requirements for the processing of personal data. Article 28 GDPR obliges companies to conclude contracts with firms to which they wish to outsource data processing in order to ensure that this data is protected. To support its members in doing this, CIT has developed two boilerplate contracts, which entered into force on 1 October 2018. These build on the CIT Guidelines on Protection of Privacy and Processing of Personal Data (GDP CIT). CIT will hold a workshop on data protection on 18 June 2019. In the longer term, CIT intends to develop a data protection manual for its members.

### The "Berner Tage": internationally renowned

On 1-2 March 2018, it was time for another edition of the CIT "Berner Tage" - the 9th already! Each edition of the conference in Bern is dedicated to international railway law, and features a selection of

top-notch speakers. In 2018, one of the core foci was digitalisation. Experts from CER, UIC, OTIF and CIT, among others, described the chief current developments. For passenger traffic the Working Sessions focused on the PRR revision and e-ticketing, whilst the freight sessions foregrounded the latest trends in terms of carriage models and the growing significance of multimodal transport. The 2018 Berner Tage were attended by over 100 representatives of railway undertakings and international associations, legal experts, and academics. The 10th CIT Berner Tage will be held in Bern in early 2020.

### Successful training programmes for members

CIT has recently started offering its members bespoke training on specific topics pertaining to passenger and freight traffic and infrastructure use. In 2018, training was provided at CFL Multimodal, LINEAS, MAV-START and at SNCF in the autumn, for a total of some 120 railway staff. Members wishing to organise such training are invited to contact the CIT General Secretariat to discuss their specific needs. In addition, CIT and OSJD held a joint seminar to encourage more states/railways to apply the CIM/SMGS consignment note, which was attended by over 50 participants.

# Transport law and transport policy



The world keeps growing smaller, as the mobility of people and goods increases and the digital dimension gains in importance. In this context, international transport law is constantly and actively evolving. CIT keeps abreast of these developments, digitalises its products, and exerts its influence to ensure its members' voices are heard. CIT keeps a particularly close eye on traffic between Asia and Europe, which offers huge future potential for the railways. China has an increasingly important role to play here, including for the unrestricted use of CIT products and the harmonised CIM/SMGS consignment note.



**The advantages of rail:** When it comes to the carriage of goods between China and Europe, rail transport offers clear advantages: up to 21 days quicker than sea shipping, up to 90% lower CO<sub>2</sub> emissions than road haulage, and up to 6 times cheaper than air freight.

Source: DHL conference on "The Future of Transport", 2018

# Highlights at a glance

## Swifter revision of the appendices to COTIF

The OTIF General Assembly has agreed a number of amendments to the revision process for COTIF. These will mean that, in future, changes to the appendices to the convention will enter into force in those states which have approved the amendments within three years. It will no longer be necessary for half of all OTIF Member States to actively approve the amendments, a process which to date has generally taken between five and seven years. The General Assembly also endorsed the creation of a working group of legal experts, in whose work CIT will participate as an observer. Among other matters, the group will examine the interfaces between customs law and transport law, as well as the issue of digitalisation in international traffic.

## Boosting east-west traffic

The “Legal interoperability between CIV/SMPS” Working Group held its 14th meeting in Prague in May 2018. The group’s priority is to draw up a framework contract for cross-border passenger transport services, the initial basis for which will be to prepare a checklist of the various legal regimes. The working group also addresses the application of EU data protection rules (GDPR) to transport services in third countries. In 2019, the group intends to explore these questions in more depth with selected railways.

## Monitoring the impact of the PRR

The PRR revision is well underway, and will have far-reaching consequences for railways across Europe. CIT is keeping a close eye on the revision in order to support its members in implementing the new law (see also the section on international passenger traffic, page 15). The revised regulation will likely also impact on CIV/SMPS east-west traffic. The CIT General Secretariat is monitoring developments in this connection, and will prepare a dedicated report on the matter.

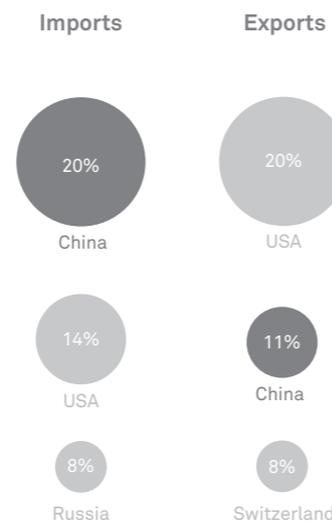
## Postal shipments by rail: 65 pilot schemes

To date, some 65 pilot projects trialling the sending of east-west postal consignments by rail have taken place. The task-force set up by the Universal Postal Union (UPU), in which CIT also played an active role, has used the results of the pilots as a basis for guidance informing stakeholders of the applicable postal, customs, and railway regulations. The task-force has now concluded its work. The next step will be for the UPU to set up a UPU-OSJD-OTIF contact committee, which CIT will attend as an observer.



# China – the key player in east-west traffic

China is number one:  
The EU-28’s three biggest trading partners in 2017



China’s economy continues to grow strongly. Trade in goods between the EU-28 and China has trebled since 2000, and China is now the EU-28’s biggest partner for the import of goods. The picture is no different on the east-west rail corridors, where most goods originate from China. There is huge potential to expand rail freight further along the Eurasian corridor, and CIT intends to seize the opportunity, alongside OSJD.

## China’s role increasingly prominent

In early 2018, China stated that it intended to step up its engagement in the CIT/OSJD “Legal interoperability between CIM/SMGS” project and make increasing use of the CIM/SMGS consignment note. Today, only a small number of Europe-bound container trains from China use this document, making rail transport more laborious than it needs to be. All the documentation needed to implement the CIM/SMGS consignment note is now being translated into Chinese. Furthermore, collaboration is underway with the Chinese railways, transport institutes and universities to develop a training programme for railway and customs staff.

## CIT/OSJD joint seminar

In September 2018, a CIT/OSJD joint seminar in Warsaw brought together more than 50 experts to pool their knowledge of applying the CIM/SMGS consignment note. Participants said that the administrative barriers in rail transport needed to be further reduced and use of the CIM/SMGS consignment note

increased, specifically at railways not yet using it (e.g. in Finland, Turkey, Afghanistan and Uzbekistan, among others). They also agreed that the electronic consignment note should also be implemented without delay. In early 2020, CIT and OSJD are planning to hold a joint seminar in support of the practical application of the electronic consignment note.

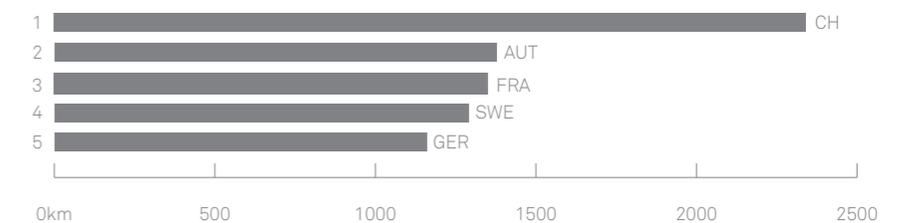
## Optimising our CIM/SMGS products

Since 1 January 2019, the CIT “CIM/SMGS Consignment Note” manual has been published in electronic form only. It is available in English, French and German, and can be signed using a digital signature. The Russian and Chinese versions are the responsibility of OSJD, but can be accessed via a link on the CIT website. From 1 July 2019, the electronic consignment note will also be available to both CIT and OSJD members as a closed system. The steering group finalised the functional, legal and technical specifications during 2018. CIT is also participating in the UNECE “Unified railway law” (URL) project, which is developing the necessary carriage documents on the basis of the harmonised CIM/SMGS consignment note.

# International passenger traffic



Passenger traffic in Europe increased during 2018. CIT is continually updating and digitalising its products, and supports its members in improving the rail passenger experience and maintaining rail's competitive edge vis-à-vis other transport modes. Sometimes, however, there can be tension between passenger needs and the railways' need to compete, as the PRR revision shows. CIT fights for balanced regulation and against burdensome rules of no benefit to anyone.



Top five for passenger traffic: Per capita, the Europeans who average the most rail travel every year are the inhabitants of the following countries: Number 1: Switzerland, 2341 km; Number 2: Austria, 1377 km; Number 3: France, 1351 km; Number 4: Sweden, 1290 km; Number 5: Germany, 1159 km.

Source: Eurostat, 2016 data, domestic and cross-border traffic

# Highlights at a glance

## CIT digital products

By late 2018, CIT had updated its passenger traffic products with a view to their digital publication. The digital products have been entering into force progressively since 1 January 2017. On request, the CIT General Secretariat can flag the changes made in order to facilitate translation into CIT members' respective national languages.

## Amended AIV and MIRT enter into force

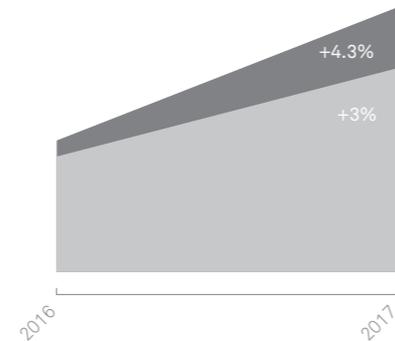
The Agreement concerning the Relationships between Transport Undertakings in respect of International Passenger Traffic by Rail (AIV) has undergone a number of amendments. For instance, the provisions on data protection have been updated, as has the section on accounting rules for refunds and compensation for reservations sold in connection with rail passes. For its part, the CIT Manual on international rail tickets (MIRT) has been redesigned to better align it with the needs of digitalisation and e-ticketing. In particular, it takes on board the provisions of the new UIC leaflets on ticket barcodes and layouts. All these changes entered into force on 9 December 2018.

## Information during strikes

Over 70 participants from UIC and CIT members attended the 2018 Passenger Claims Conference. The core focus – in particular due to the situation in France in the first half of 2018 – was on how to handle claims arising as a consequence of strikes. The experience shared by SNCF was met with great interest and sparked lively discussions, which concluded that during such strikes it was important to share information – with other railways, with all those involved in operation, and with passengers themselves – as early and openly as possible. Participants recommended including clearer provisions in the AIV on how to deal with strikes. The next Passenger Claims Conference will be held in Vienna on 25 September 2019.

## Success in court

The CIT General Secretariat regularly offers CIT members support in legal matters connected with the implementation of the PRR. In 2018, the Swedish railways (SJ) and Dutch railways (NS) both requested legal support and help making the case for the defence in specific cases. Both firms eventually won.



**Growth in passenger traffic:** Between 2016 and 2017, passenger traffic by rail in the EU grew: passengers + 4.3%, passenger kilometres + 3%

Source: Railway Statistics 2017, UIC

## CIV Committee

Enrico Trapazzo, Chair



## CIV Working Group

Isabelle Saintilan, Chair



# Passenger rights – the impact of the PRR revision

The foremost aim of passenger rail operators is to offer a good service at fair prices and to transport passengers safely, punctually and comfortably to their destination. Delays and disruption do occur, however, and passengers' wishes cannot always all be met. The EU Regulation on the rights and obligations of rail passengers (PRR) stipulates how to proceed in such cases.

## Far-reaching revision planned

The EU is presently undertaking a revision of a critical piece of legislation for railway undertakings, the PRR. The European Commission published its initial draft revision in September 2017. This foresaw a marked strengthening and enhancement of passenger rights. The parties affected by the revision then had the opportunity to respond to the proposal and submit input to the responsible committees of the European Parliament. CIT and CER also coordinated and provided submissions sharing their concerns at the proposed revision.

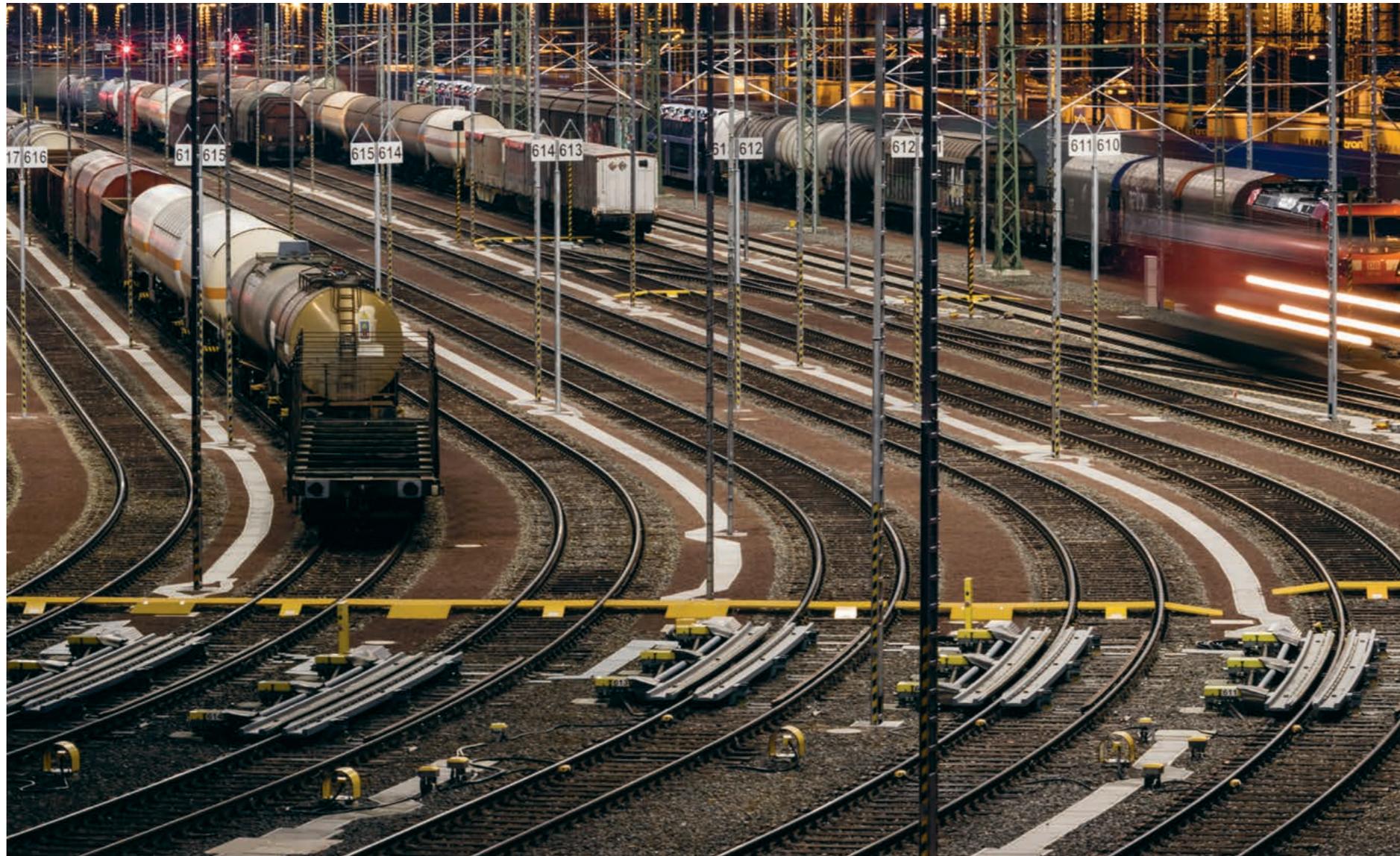
On 15 November 2018, the European Parliament voted through a draft revised PRR which extended and strengthened passenger rights to an even greater extent than the previous proposals. However, that is not necessarily the definitive version of the revised regulation, since the final decision rests with the European Council. Current estimates are that this should take place in late 2019/early 2020, meaning that the revised PRR is unlikely to enter into force before 2021.

## High costs for railways expected

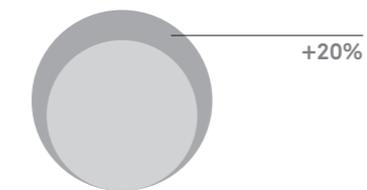
A number of the provisions contained in the current draft of the revised PRR would have a major impact on railway undertakings. For instance, the draft foresees full compensation for delays over two hours, with no clauses making allowance for force majeure. There would also be an obligation for new or modernised trains to provide enough space to park up to eight bicycles. CER estimates the cost to the rail sector at over one billion euros, should all the measures associated with the new rules be implemented. This would markedly weaken railways' competitiveness.

CIT and CER will continue to monitor discussions at EU level, stand up for their members' interests, and keep members informed of future developments.

# International freight traffic



The rail system is a complex world from both a technological and legal perspective. CIT strives to create simple, clear, and binding rules, in particular for international freight traffic, and supports its members with the practical implementation of said rules, thus helping rail freight operators to perform their services efficiently. Digitalisation brings with it further complexity, making it all the more important to create clarity in everyday business when using digital products and standards.



Up 20%: this is the amount by which capacity, punctuality, and reliability in rail traffic are set to improve thanks to digitalisation.

Source: "Digitale Schiene Deutschland" programme, DB AG, 2018

# Highlights at a glance

## Clarifying new models of carriage

The models of carriage used for international freight traffic continue to evolve. Alongside the traditional successive carriage, it is ever more frequent for movements to take place under other models, such as “purchase & sale” or “split contracts”. Yet these are often not clearly defined either legally or terminologically, which creates uncertainty for many CIT members as to the practical implementation of these models. In November 2018, therefore, the CIM Working Group began work on legal clarification of the various models and a mapping exercise involving visual aids to make them more comprehensible.

## Goods under public law restrictions

Some goods can only be carried under public law restrictions, such as dangerous goods (RID), waste, or military convoys. In late May 2018, a conference on this subject moderated by CIT Chairman Jean-Luc Dufournaud took place in Bern, with the aim of helping further develop the CIT products. It was seen at the conference that there remain many barriers to the fully digital performance of such movements, and that paper consignment notes continue to predominate. For railways, it is vital that their customers can supply transport data electronically so that it can then be made available for all parties involved.

## CIM electronic formal report

The CIM Working Group has continued its work finalising the functional and legal specifications for the electronic CIM formal report. Alongside this, RailData continues to work on designing the next version of the ORFEUS messages, with the aim of enabling CIM electronic formal reports to be attached to the electronic CIM consignment note during carriage in future. Work is due to conclude in 2020.

## Preventing misuse of seals

Sometimes seals are misused. That is why the CIT “Seals” expert group strives to develop common rules for all railway undertakings, in order to avoid misuse. The modification will be incorporated into the GTM-CIT. In addition the Checklist for Sealing Wagons will be updated during 2019.



*“Every week, we see further evidence that ongoing digitalisation will not only change people’s lives, but will also - indeed especially - radically reshape mobility, transport, and logistics.”*

Source: Professor Sebastian Kummer, Institute for Transport and Logistics Management, WU Vienna

## CIM Committee

Jean-Luc Dufournaud, Chair



## CIM Working Group

Cristian Cuenca, Chair



# Creating greater clarity in the digital world

Digitalisation is without doubt one of the modern era’s megatrends, and also affects transport. What until recently was seen as the far future, such as self-driving vehicles or smart freight trains, are rapidly becoming reality. CIT is thus consciously focusing on digitalisation as a priority, including in freight traffic. CIT members and their relationships with their customers, other carriers and authorities, are ever more profoundly affected.

## CIT strives to bring about clarity

Since 1 January 2017, all the CIT freight traffic products have been available digitally. The electronic CIM and CIM/SMGS consignment note for the carriage of goods in Eurasian freight traffic are growing in significance. Whilst it is clear that the trend is towards digitalisation, what is often not obvious for many CIT members is how to apply this in practice: which documents are accepted by authorities or courts in digital form? In what “language” or based on what standards is electronic communication to take place? On the subject of recognition of digital carriage documents by the courts, CIT has produced a report which was submitted to the OTIF Revision Committee in February 2018.

## Important EU initiatives

Various factors threaten to hinder further digitalisation of the daily rail freight business. For instance, there is no uniform acceptance by the authorities of information, documents and proofs supplied digitally by railways. The EU has therefore created the Digital

Transport and Logistics Forum (DTLF), a platform via which to share experience and push for harmonised acceptance of digital paperwork and the creation of digital corridor information systems. In 2019 CIT will continue working in the DTLF, alongside CER.

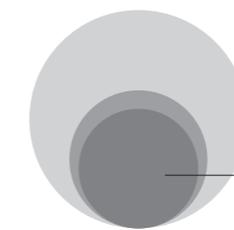
## Examination of the new EU regulation

In May 2018, the European Commission published a proposed regulation on electronic freight transport information (eFTI). CIT is analysing the proposal in close collaboration with CER, and will supply input via various channels. The regulation sets out the ways in which railway operators, administrations and authorities are to provide information in future. Under the proposal, digital information is to be provided by companies to authorities via a certified “eFTI platform”. CIT and CER will devote particular attention to the question of whether the cost-benefit ratio of the new proposal is a balanced one.

# Use of infrastructure



Telecommunications and electricity are two industries of central economic importance. Railways are another. In all these sectors of the economy, liberalisation has brought about a division: infrastructure and networks on one side, network access or traffic on the other. The interplay between infrastructure and traffic is the decisive factor in whether and how well this setup works as a coherent whole. Here the rail sector is something of a laggard, a trend CIT wishes to correct. This would benefit rail traffic as a whole and railway customers in particular.



30 - 40% of costs

The track access charges we pay infrastructure managers represent 30 – 40% of the cost of running a train.

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

# Highlights at a glance

## Berner Tage: an overview of infrastructure use

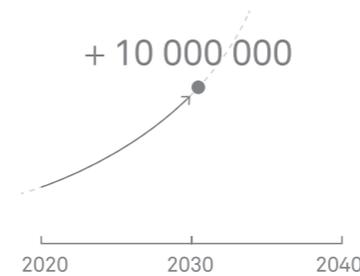
Attended by over 100 participants, the CIT “Berner Tage” on 1-2 March 2018 also focused on infrastructure use as a priority topic. The legal relationship between infrastructure managers and railway undertakings is crucial to the performance of rail-bound services, and must therefore be designed to be as simple and transparent as possible. At present, however, there remain many divergent rules and regulations and a host of unresolved issues. CIT expert Nina Scherf gave the conference a detailed overview of current legal developments and recent court rulings on relevant cases.

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

The use of railway infrastructure is governed by national contracts whose provisions often differ markedly from one another, for instance as regards the use and allocation of train paths. This legal fragmentation makes running efficient, cost-effective and customer-friendly rail services more difficult, especially in the freight sector. The CIT is therefore striving to develop a European Standard Contract for the Use of railway Infrastructure (E-SCU-I). The CUI Committee discussed this matter at length at its meetings during 2018, identified the elements to be included in a standard contract of use, and drew up some initial draft texts. The next step will be for CIT to seek balanced solutions for all participants in collaboration with RailNetEurope (RNE).

## Successful implementation of the E-GTC-I

The European General Terms & Conditions of use for railway Infrastructure (E-GTC-I) represent an off-the-shelf solution for infrastructure use developed by RNE and CIT. By supplying an international standard, the E-GTC-I are intended to simplify rail traffic requiring the use of several infrastructure managers. However, the E-GTC-I have not yet found widespread practical application. A project forming part of the “CEO Work Plan - Rail Freight in the 21st Century” intends to reverse this trend. The project is led by SBB Cargo, and has now notched up a major success: in 2018, Switzerland’s biggest infrastructure managers (SBB and BLS- Infrastruktur) included the E-GTC-I as an integral part of their General Terms & Conditions. The Dutch infrastructure manager also applies the E-GTC-I, and discussions with other infrastructure managers vis-à-vis a similar move are ongoing, specifically with regard to the “Rhine-Alpine” corridor.



Up to 10 million jobs: The planned investment in the EU’s TEN networks is set to create some 10 million jobs between now and 2030.

Source: DG Move (2015)

## CUI Committee

Adriaan Hagdorn, Chair



Alberto Gallo, Vice-Chair



# Improving the interplay between infrastructure and operations

In terms of infrastructure-traffic interaction, some branches of our national economies have made great strides, for example telecommunications services. Network access is easier and technical interoperability has been improved thanks to international standards. All of this benefits customers, who can access services easily and straightforwardly.

## Making up for lost time

The rail sector lags heavily behind these developments. National rules often differ and lack transparency, hindering cross-border traffic and disadvantaging rail significantly in competing with road and air transport. For CIT, the way for the railways to close the gap is by adopting standardised solutions. To this end, CIT seeks to partner constructively with infrastructure managers, RailNetEurope (RNE), and other organisations.

## Revision of CUI Uniform Rules

Starting in 2014, an OTIF working group has prepared a revision of the CUI Uniform Rules (CUI UR). To date, differing interpretations of the CUI UR have made the application thereof difficult. On one hand, there is a narrow interpretation which considers that they only encompass international carriage by rail. On the other hand, there is a broader interpretation which considers that they also cover these trains’ pre- or onward carriage in domestic traffic - and thereby domestic CIV and CIM movements. The aim

of the CUI UR revision was to eliminate this uncertainty. CIT has consistently argued in favour of taking as broad an interpretation as possible of the CUI UR in order to enable their application to national infrastructure usage contracts and thus overcome the barrier of legal fragmentation.

In autumn 2018, the OTIF General Assembly validated the revised CUI UR, thus endorsing the narrower interpretation. Though it will be several years before the revised rules enter into force, CIT will work upstream in order to carefully analyse the legal impact for railway undertakings ahead of time. Given the restricted scope of application of the CUI UR, it will be all the more important to develop contractual solutions which harmonise the use of domestic and international train paths.

# Multimodality



Digitalisation and multimodal transport are two overarching and mutually-reinforcing trends. For customers, it is rapidly becoming more important to link different transport modes: rail, sea, road and air. In 2018, CIT established rail-sea interaction as a priority workstream. In 2019, rail-road traffic will receive the same treatment, with new CIT products. What is vital is to establish simple, clear rules governing the legal interfaces between individual transport modes.



62% of sea shipping to and from the EU-28's ports had a non-EU starting point or destination, whilst 25% of shipments originated in or were destined for a different EU country. 10% of shipments were domestic.

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

# Highlights at a glance

## Year of multimodality

The European Commission declared 2018 to be the year of multimodality. In 2018, CIT also placed renewed emphasis on clarifying the legal interfaces within multimodal transport chains and facilitating multimodal transport. To this end, the Multimodality Committee, CIM Committee and CIT General Secretariat all worked closely together and established rail-sea carriage as a priority work area. This recognises the fact that carriage by inland waterway in Europe continues to grow and that sea shipping makes up some 76% of the total volume of the EU's external trade. Serving ports with high-capacity transport offers represents a major opportunity for railway undertakings.

## Air-rail multimodality

In both rail and air transport, customers are increasingly seeking attractive door-to-door offers, and expect to receive assistance with minimum bother and complication in the event of disruption. To enable this, it is important that the legal interfaces between carriers be as clear and straightforward as possible. In this context, the CIV Working Group has begun drawing up boilerplate contracts for multi-carrier collaboration. The primary focus is on connecting several separate contracts for passengers or issuing a single contract, either with substitute carriers or with several successive air and rail carriers. The CIV Committee is set to reach a decision on the boilerplate contracts in summer 2019.

## CIT multimodality seminar in 2019

During the "Year of multimodality" various specific initiatives and activities were started, not only by the EU but also by many other organisations, one of which was CIT. These will be of little consequence, however, if they are not pursued consistently and tenaciously during 2019 and beyond. In late October 2019, therefore, CIT intends to hold a seminar in Venice which will provide an overview of all the work done in 2018 and push for its translation into practice. Also on the agenda in 2019 are two workshops, one on rail-road and the other on rail-sea traffic, which CIT will organise in collaboration with partner organisations and CIT members. Look out for the report in CIT-Info.



Ports and railways - joined at the hip: the German example: Of all the ports in the EU-28, Germany's see the largest share of goods shipped in large containers (43% in 2016). And it is in Germany that by far the most large containers are moved by rail: 6 million in 2017.

Source: OECD, Transport Outlook 2017

## Multimodality Committee

Maria Kalimeri, Chair



## Multimodality Working Group

Erik Evtimov, Chair



## Better linking rail and sea

Multimodal transport is one of the modern era's megatrends, one that is only reinforced by increasing digitalisation. Optimum connections between different means of transport can markedly boost the efficiency and sustainability of each, whilst also reducing the costs. To enable this, however, the various links in the transport chain need to be linked simply and reliably, including across borders and legal regimes. This is a goal the European Commission committed to with its "Year of multimodality" in 2018, but it is one that CIT has pursued for many years.

### Rail-sea pilot

In order to foster multimodality, CIT has already developed two products which are now in force: the rail-sea GTC and the rail-sea boilerplate contract. It is now time to step up their application in practice, to which end CIT is working on a pilot project whereby the legal interfaces between the rail and sea modes will be described in more detail. The Baltiysk – Mukran sea route would be a suitable candidate for the pilot, should Baltic Port Rail Mukran (BPRM) wish to further multimodality by moving rail convoys between China and Germany via this sea route using the harmonised CIM/SMGS consignment note. This would markedly shorten the transport distance between China and Germany. As a first step, BPRM and the CIT General Secretariat are now striving to have the Baltiysk – Mukran sea route registered in the OTIF list of CIM sea/inland waterway shipping services.

### New guidelines for rail-inland waterway traffic

Within Europe, inland waterway traffic is growing in significance. This opens up further opportunities for multimodal transport in collaboration with rail, albeit the two modes are governed by different legal regimes. CIT is therefore working on guidelines to facilitate life for those dealing with the different legal bases. The Multimodality Committee discussed a first draft in November 2018.

### Checklist for road-rail traffic

As well as sea shipping, the CIT Multimodality Committee continues to devote significant attention to road haulage. In 2018, CIT and the IRU continued to work on the checklist for a framework contract in international rail-road freight traffic, taking as their basis the preliminary work done by various CIT bodies. The checklist is set to enter into force in around mid-2019, and will be jointly published with the IRU.

# Domestic matters



## General Assembly

The General Assembly took place at CIT Headquarters in Bern on 15 November 2018 and was chaired by CIT Chairman Jean-Luc Dufournaud (SNCF). It handled all the statutory items of business and approved the accounts and balance sheet for 2017 as well as the budget for 2019.

The General Assembly also conducted the necessary statutory elections. Former Vice-Chair Maria Sack (DB AG) was elected as the new Chair, and Maria Urbańska (PKP Cargo) the new Vice-Chair. Marie Wirtgen (SNCB) and Gilles Mugnier (SNCF) were elected as new members of the Executive Committee. Aikaterini Vitou (Trainose) was renewed for a second term on the Executive Committee.

The General Assembly also voted to clarify the statutes as concerns membership. Finally, the General Assembly bade farewell to outgoing Chairman Jean-Luc Dufournaud, thanking him for his legacy of success in serving CIT with a resounding round of applause.

The next CIT General Assembly will be held on 14 November 2019 in Bern.

## Executive Committee

As of 1 January 2019, the Executive Committee is composed as follows:

- Maria Sack (DB), Chair
- Maria Urbańska (PKP Cargo), 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 (SNCB)

The Executive Committee met on 26 April in Bern and 27 September in Paris, and dealt with all current items of business.



Marie Wirtgen  
Gilles Mugnier



## 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 2018, in addition to the Secretary General, the General Secretariat employed four lawyers, two railway experts and two secretaries, to a FTE (full-time equivalent) of 790%.

## 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 2018.

## 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). CIT has a total of 132 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 2018.

## The following railway undertakings joined CIT in 2018

Country	Company	Membership status	Date of joining
Romania	S.C. Rofersped S.A.	Full member	1.1.2018
Romania	SC Constantin Grup Srl	Full member	1.2.2018
France	Thello	Full member	1.4.2018
Austria	LTE Austria GmbH	Full member	1.5.2018
Romania	CER Fersped SA	Full member	15.5.2018
Bulgaria	DMV Ltd.	Full member	15.5.2018
Slovak Republic	I.G. Rail s.r.o., Zvolen	Full member	1.9.2018
Serbia	Pannon Rail Doo, Subotica	Full member	1.9.2018
Bulgaria	TBD-Tovarni Prevozi JSC	Full member	1.12.2018



# Balance Sheet 2018

The 2018 income statement closed with a surplus of CHF 5,492, increasing equity from CHF 376,322 to CHF 381,814.

On 11 March 2019, PricewaterhouseCoopers AG examined the financial statements and accounts, and recommended their approval. The auditors' report can be found on page 35 of the 2018 Annual Report.

	31.12.2018		31.12.2017	
	CHF	%	CHF	%
Cash	377,009	64.4	372,954	58.6
Trade accounts receivable	334,365	57.1	347,093	54.6
Allowance for doubtful accounts	-179,200	-30.6	-143,500	-22.6
Inventory / Publications	1	0.0	1	0.0
Accrued income and prepaid expenses	53,059	9.1	59,586	9.4
<b>Total current assets</b>	<b>585,233</b>	<b>100.0</b>	<b>636,135</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>585,234</b>	<b>100.0</b>	<b>636,136</b>	<b>100.0</b>
Trade accounts payable	23,938	4.1	20,018	3.1
Other current liabilities	36,073	6.2	39,533	6.2
Accrued expenses and deferred income	143,409	24.5	200,263	31.5
<b>Total current liabilities</b>	<b>203,420</b>	<b>34.8</b>	<b>259,814</b>	<b>40.8</b>
<b>Total liabilities</b>	<b>203,420</b>	<b>34.8</b>	<b>259,814</b>	<b>40.8</b>
Reserves 01.01.	376,321	64.3	374,901	58.8
Profit for the year	5,492	0.9	1,421	0.2
<b>Total reserves 31.12.</b>	<b>381,814</b>	<b>65.2</b>	<b>376,321</b>	<b>59.2</b>
<b>Total liabilities</b>	<b>585,234</b>	<b>100.0</b>	<b>636,136</b>	<b>100.0</b>

To be submitted for approval to the General Assembly on 14 November 2019.

# Accounts 2018

	Budget	Result	Result
	2018	01.01.-31.12 2018	01.01.-31.12 2017
	CHF	CHF	CHF
Member subscriptions	2,234,500	2,226,062	2,105,145
Events	30,000	33,370	6,230
Other services	250	223	535
<b>Gross revenues</b>	<b>2,264,750</b>	<b>2,259,654</b>	<b>2,111,910</b>
- Trade losses	-50,000	-33,536	0
- Change of allowance for doubtful accounts	-110,000	-35,700	-6,200
<b>Net revenues</b>	<b>2,104,750</b>	<b>2,190,419</b>	<b>2,105,710</b>
- Printing costs	-3,500	-11,317	-17,042
- Meeting costs	-94,950	-87,436	-105,881
- Costs of events	-107,000	-66,098	-41,889
- Public relations	-53,500	-39,889	-44,744
- Costs of services	-209,650	-258,391	-237,685
<b>Total costs of material and services</b>	<b>-468,600</b>	<b>-463,131</b>	<b>-447,242</b>
<b>Gross profit I</b>	<b>1,636,150</b>	<b>1,727,287</b>	<b>1,658,468</b>
- Salaries	-1,068,400	-1,198,830	-1,142,927
- Social security expenses	-257,700	-236,797	-234,310
- Other personnel costs	-39,000	-30,884	-31,722
<b>Total personnel costs</b>	<b>-1,365,100</b>	<b>-1,466,511</b>	<b>-1,408,958</b>
<b>Gross profit II</b>	<b>271,050</b>	<b>260,776</b>	<b>249,510</b>
- Costs of accommodation	-127,200	-126,867	-125,577
- Equipment and maintenance costs	-13,500	-3,373	-6,417
- Administration and IT	-122,700	-123,489	-115,356
<b>Total other operating expenses</b>	<b>-263,400</b>	<b>-253,729</b>	<b>-247,350</b>
<b>Operating result before interests</b>	<b>7,650</b>	<b>7,047</b>	<b>2,161</b>
+ Financial income	50	1,124	2,594
- Financial expense	-7,000	-2,140	-2,962
<b>Operating result</b>	<b>700</b>	<b>6,030</b>	<b>1,792</b>
+ extraordinary income	0	0	0
- taxes	-700	-538	-372
<b>Profit for the year</b>	<b>0</b>	<b>5,492</b>	<b>1,421</b>

To be submitted for approval to the General Assembly on 14 November 2019.

# Appendix to the 2018 and 2017 Annual Accounts

	31.12.2018 CHF	31.12.2017 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>8,316.00</b>	<b>9,979.20</b>
Due in more than a year	<b>0.00</b>	<b>18,295.20</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>20,693.30</b>	<b>19,196.85</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 11 April 2019, there were no significant events which could adversely affect the annual accounts or which have to be disclosed.		
<b>Increase of the profit for the year due to a net release of accruals</b>		
	<b>0.00</b>	<b>40,940.00</b>



## 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 2018.

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

	
Hans-Rudolf Burkhard	Naomi Hürzeler
Audit expert	Audit expert
Auditor in charge	

Bern, 11 April 2019

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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

### **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)

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

European General Terms and Conditions of Use of Railway Infrastructure

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

European Standard Contract of Use for Railway Infrastructure

### **GCC-CIV/PRR**

General Conditions of Carriage for Rail Passengers

### **GDPR**

General Data Protection Regulation

### **GDP CIT**

Guidelines on Protection of Privacy and Processing of Personal Data used in International Passenger Traffic by Rail

### **GLV-CIM**

CIM Consignment Note Manual

### **GLW-CUV**

CUV Wagon Note Manual

### **GTC**

General Terms and Conditions

### **GTM-CIT**

CIT Freight Traffic Manual

### **GTW-CIT**

CIT Wagon Manual

### **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

### **SMGS OSJD**

Convention concerning International Passenger Traffic by Rail

### **UIC**

International Union of Railways

### **UPU**

Universal Postal Union

### **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

