Working on rail freight corridors

A TRADE UNION MANUAL



> Anticipate
> Take action
> Work together

EUROPEAN TRANSPORT WORKERS' FEDERATION

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Table of contents


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1 Introduction

1.1 Goal of the WOC project

In 2010 the EU legislators adopted a Directive that obliges the EU Member States to establish 6 rail freight corridors (RFC) by 2013 and further 3 corridors by 2015. The objective of this corridor concept is to promote long distance seamless cross-border rail freight transport in Europe. For the European institutions it is one instrument to achieve the target of the EU Transport White Paper to shift 30% of long distance (> 300 km) freight transport from road to rail and shipping until 2030 and 50% until 2050. But the strategic decision to concentrate on long distance cross-border transport on defined corridors will have an effect on employment in the rail freight sector and on working conditions in particular of locomotive drivers employed by companies that are directly competing with each other on a corridor and between neighbouring countries along a corridor.

The ETF WOC project – **W**orking **O**n rail freight **C**orridors – aims to inform and raise awareness about those developments. It wants to contribute to a better understanding and anticipation of the impact of the development of seamless cross-border rail freight transport on the personnel in the rail sector and it aims to promote cross border trade union cooperation in order to better manage changes.
The development of cross-border services along rail freight corridors can include a concentration on full train services to the detriment of single wagon load production in rail freight transport. Some countries could become transit countries only with a considerable impact on employment in those countries. Differences in working conditions and pay in the countries along the corridor can result in social dumping practices between neighbouring countries. New companies entered and are entering the market, which raises the question of workers' representation, ensuring collective rights and cross-border cooperation of trade unions in order to exchange information on companies, conditions and practices. The two agreements of the European social partners cover only a part of the possible impact (working / rest time rules and qualification of drivers).

Trade unions and workers' representatives have to be aware about the potential business and therefore about employment developments on the respective corridors, they have to understand the corridor governance, understand the social impact and develop cross-border cooperation.

1.2 Methodology

The core of the project has been the organisation by the ETF of three workshops with trade union representatives and other ETF Members on three different Rail Freight Corridors. The three selected corridors are:

1. Rail Freight Corridor 3 "Central North - South Corridor"/RNE corridor 1 and 4; Countries involved: Sweden, Denmark, Germany and Italy;

2. Rail Freight Corridor 1 "Rhine-Alp-Corridor" and 2 "Benelux-France Corridor"/RNE 2 and 5; Countries involved: The Netherlands, Belgium, Germany, Luxembourg, France, (Swiss) and Italy;
3. Rail Freight Corridor 7 "Orient Corridor"/RNE 9; Countries involved: Austria, Hungary, Czech Republic, Slovakia and Romania.

In preparation to these workshops, TNO has collected information on the three selected corridors regarding the current and planned development of the corridor, and the development of rail freight business on those corridors. This has been done by studying existing documents. In addition, TNO has sent a questionnaire to all union representatives, in order to map the companies which are currently operating on the three selected corridors, to describe the company profiles, whether or not workers' representation structures and collective bargaining agreements exist, and to describe working conditions. This report is based upon the literature, the questionnaires and the debate in the workshops.

1.3 Goal of the manual

This trade union manual on rail freight corridors is a practical tool for trade unions and works council members to find on the one hand information and on the other hand suggestions for practical trade union action.

It has several objectives:

- To inform trade unions and works council members about the EU rail freight corridor concept, the structure and functioning of the corridors' management;
- To inform about some general trends in rail freight transport that might be considered when anticipating trends on the own corridor;
- Suggestions on how to gather information on the companies that are active on the particular corridors, their profile and the working conditions and what other kind of information is relevant for a useful mapping exercise;
- To make concrete suggestions for trade union action in order to anticipate developments and work together to fight social dumping.

Information given on the three selected corridors are examples for trade unions to undertake the same exercise for the other corridors that were not part of the ETF WOC project.
Monitoring the development of the rail freight market, gathering information on company profiles and concrete working conditions as well as developing cross-border trade union cooperation is an on-going and permanent process. This manual wants to help and motivate.

2. Rail Freight Corridors: An Introduction

In this chapter general information on the concept of the Rail Freight Corridors (RFCs) is given.

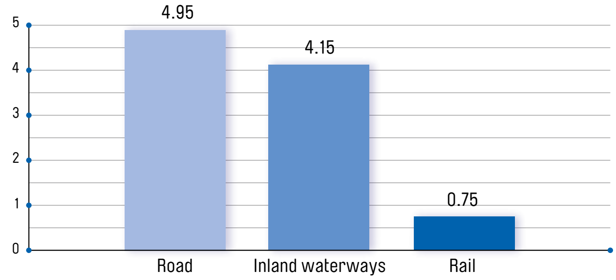
Content

1. The EU goal of seamless rail freight transport on transnational Rail Freight Corridors
2. What is a rail freight corridor?
3. The governance structure of a corridor
4. Corridor implementation plan and transport market study
5. Stay informed

2.1 The EU goal of seamless rail freight transport on transnational Rail Freight Corridors

Rail Freight Corridors are an instrument that shall make international rail freight transport faster and more efficient and shall contribute to more freight transport by rail, according to the European Commission and the European legislators. Nowadays, the environmental footprint of specific transport service is one of the most important parameters to assess the sustainability of the particular transport mode and transport sector in general. **Rail transport generates the lowest CO_2 emissions and is the most energy-efficient mode compared with road and waterborne transport**, as Figure 2.1 shows.

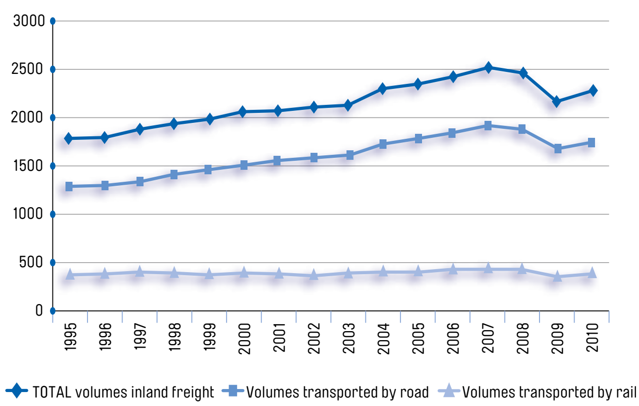
Figure 2.1 Transport of 100 tonnes of freight, Basel to Port of Rotterdam – CO_2 emissions comparison (tonnes)



Source: Ecological Transport Information Tool (EcoTransIT), 2012

However, most goods today are still transported by road, with a volume of goods transported in Europe in 2010 being 1,756 billion tkm [1], compared to 390 billion tkm transported by rail. There has been a growing imbalance between road and rail market shares over the years, as Figure 2.2 shows. Therefore, **policy measures are taken to reinforce the competitiveness of rail freight and stimuate a modal shift towards rail**.

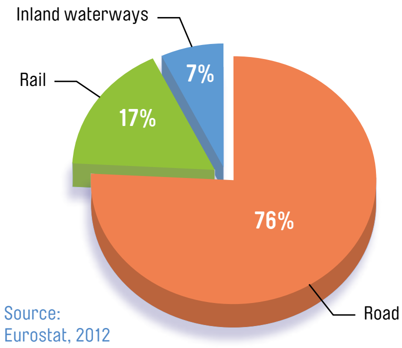
Figure 2.2 Volumes handled by rail and road freight transport in the EU-27, 1995-2010



Source: Eurostat, EU transport in figures: statistical pocket book 2012

1 Tkm = tonne-kilometre, the service of moving 1,000 kilogram of payload a distance of one kilometre.

Figure 2.3 Modal split of inland freight transport in the EU-27, 2010



The European Commission has formulated specific goals on freight transport in the 'White Paper. Roadmap to a Single European Transport Area-Towards a competitive and resource efficient transport system' (see Box 2.1).

Box 2.1 Goals of the 'White Paper, Roadmap to a Single European Transport Area 0 Towards a competitive and resource efficient transport system'

The roadmap holds 40 concrete initiatives for the next decade to build a competitive transport system that will increase mobility, remove major barriers in key areas and fuel growth and employment. On top, Europe's dependence on imported oil and cut carbon emissions in transport has to be reduced by 60% by 2050.
Key goals are:

- No more conventionally-fuelled cars in cities;
- 40% use of sustainable low carbon fuels in aviation; at least 40% cut in shipping emissions;
- A 50% shift of medium distance intercity passenger and freight journeys from road to rail and waterborne transport;
- All of which will contribute to a 60% cut in transport emissions by the middle of the century.

For the full text of the white paper: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52011DC0144:EN:NOT.

One of the main goals of the White Paper is to reach a shift of 30% in freight transport from road to rail and internal waterways in 2030. **The goal for the EU in 2050 is a 50% shift from road to rail/waterways. Transport services with a length of more than 300 km should shift from road to rail and internal waterways**. The length of 300 km is the minimum to be competitive with road transport in terms of customer costs. **The European Commission wants to reach the shift towards rail transport through the development of seamless rail freight transport on transnational Rail Freight Corridors** (EU Regulation 913/2010). Furthermore, **fostering competition and allowing new (private) rail operators entering the market are central aspects for the European Commission to increase the market share of rail freight transport**. Liberalisation policy to create a "Single European Railway Area", is the instrument to reach this, introduced through various Railway Packages[2]. The reality, however, shows a different situation. For example, in Germany there are no relevant really private rail freight companies in the market anymore. Private rail freight companies are overtaken by state owned rail companies which have built up transnational company structures.

2.2 What is a rail freight corridor?

What does the European Commission mean by seamless rail freight transport on transnational Rail Freight Corridors? **A Rail Freight Corridor (RFC) is an international pre-constructed train path**. In order to become operational, the RFCs should create "one-stop-shops", where operators should be able to request an international train path, instead of dealing with different national authorities. Furthermore, traffic management procedures have to be harmonized along the rail freight corridor and the infrastructure has to be shaped according to the market's requirements. Therefore, it is crucial to reinforce cooperation on all levels - and especially among Infrastructure Managers (also see Box 2.2) along selected RFCs. **In total, 9 corridors have been established across Europe of which six have to be completed at the end of 2013 and three at the end of 2015** (see Table 2.1). A RFC is completed when

2 For the railway packages see: http://ec.europa.eu/transport/modes/rail/packages/.

all of the action points in the implementation plan are executed. More information on the implementation plan is given in Section 2.4.

Traditionally, several activities take place at the borders along a corridor: locomotive changes, driver changes, checking of licenses, technical checks and control of goods. **Seamless freight transport will mean a reduction in change of locomotives and of locomotive drivers at the border stations, and more locomotive drivers will drive across the borders and for longer distances.** Technical checks at border stations will disappear and the checks can be done at any part of the corridor. Rail Freight Corridors are foremost designed for complete (block) trains and shuttle services (high volumes on standard route).

Table 2.1 List of Initial Rail Freight Corridors

Corridor	Member States	Principal routes	Latest date of implementation
1. Rhine-Alp Corridor	NL, BE, DE, IT	Zeebrugge-Antwerp/Rotterdam-Duisburg-[*Basel*]-Milan-Genova	10 Nov 2013
2. Benelux-France Corridor	NL, BE, FR, LU	Rotterdam-Antwerp-Luxemburg-Metz-Dijon-Lyon/[*Basel*]	10 Nov 2013
3. Central North-South Corridor	SE, DK, DE, AT, IT	Stockholm-Malmö-Copenhagen-Hamburg-Innsbruck-Verona-Palermo	10 Nov 2015
4. Atlantic Corridor	PT, ES, FR	Sines-Lisboa/Leixões- Madrid-*Medina del Campo/Bilbao/* San Sebastian-*Irun*-Bordeaux-Paris/*Le Havre*/Metz Sines-Elvas/Algeciras	10 Nov 2013
5. Balt-Adria Coridor (Baltic- Adriatic Corridor)	PL, CZ, SK, AT, IT, SI	Gdynia -Katowice-Ostrava/Zilina-*Bratislava*/Vienna-/*Klagenfurt - Udine- Venice/* Trieste/ Bologna/Ravenna//Graz-Maribor-Ljubljana-Koper/Trieste	10 Nov 2015
6. Mediterranean Corridor	ES, FR, IT, SI, HU	Almería-Valencia/Madrid-Zaragoza/Barcelona-Marseille-Lyon-Turin-*Milan-Verona - Padua/Venice* - Trieste/Koper-Ljubljana-Budapest-Zahony (Hungarian-Ukrainian border)	10 Nov 2013
7. Orient Corridor	CZ, AT, SK, HU, RO, BG, EL	Bucharest-Constanta Prague-Vienna/Bratislava-Budapest Vidin-Sofia-Thessaloniki-Athens	10 Nov 2013
8. Central East-West Corridor	DE, NL, BE, PL, LT,	Bremerhaven/Rotterdam/Antwerp-Aachen/Berlin-Warsaw-Terespol (Poland-Belarus border)/Kaunas	10 Nov 2015
9. Eastern Corridor (Czech-Slovak Corridor)	CZ, SK	Prague - Horni Lide - Žilina-Košice-ierna nad Tisou - (Slovak/Ukrainian border)	10 Nov 2013

Source: Handbook on the Regulation concerning a European rail network for competitive freight (Regulation EC 913/2010).

Box 2.2 Objectives of the Rhine-Alp Corridor (RFC 1)

The infrastructure managers involved in the Rhine-Alp corridor, together with the national Ministries of Transport, have set the objectives for the corridor Rotterdam-Genoa. The aim is to achieve improvements of an at least 30% higher quality, 30% more capacity and 30% less transport time. The means for achieving these goals are also defined: generating interoperability, eliminating infrastructure bottlenecks and the implementation of a total service concept. Numerous projects on these strategic topics, such as simplifying border clearance procedures, are part of the corridor programme. For more information see www.corridor1.eu

The EU Regulation that establishes the Rail Freight Corridors also defines administrative structures for the design and management of the corridors (governance). More specifically, the governance of a Rail Freight Corridor has the following tasks:

- Define and sell pre-arranged international train paths for freight in a single One-Stop-Shop per corridor (C-OSS);
- Harmonize traffic management procedures along the corridor (like train lengths and train weight gross);
- Publish the parameters of the whole corridor (railway infrastructure and terminals) and the conditions of access in a single document;
- Define performance objectives to be achieved by the corridor;
- Base the above activities on real market demand identified through market studies;
- Coordinate development works on infrastructure along the corridor in order to remove bottlenecks;
- Give sufficient priority for freight trains aiming at achieving the punctuality targets (although national legislation often gives priority to passenger transport first).

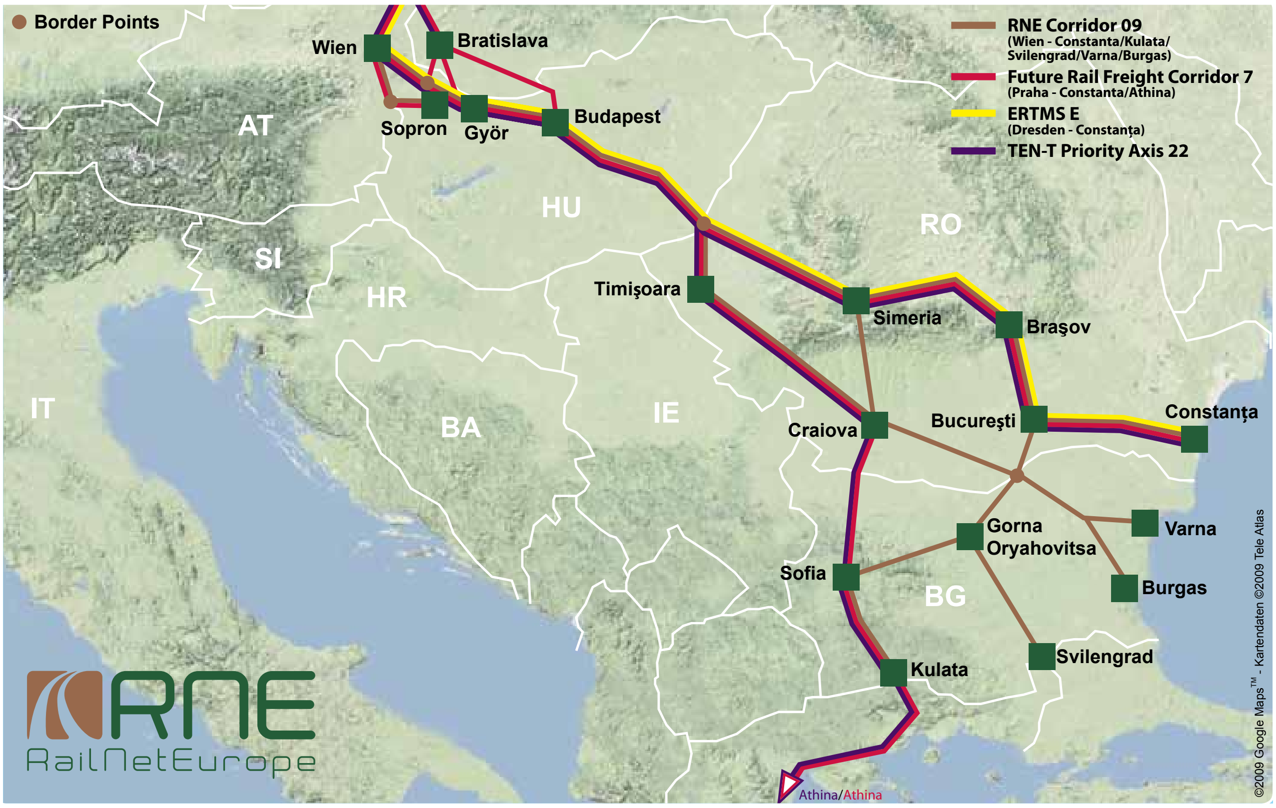
Box 2.3 Different corridor concepts

The concept of RFC (Rail Freight Corridor) is related to a number of other concepts. These concepts often overlap on certain parts of the rail network. Here we explain the different corridor concepts.

1. RFC corridors. An RFC is an international pre-constructed train path with "one-stop-shops", where operators should be able to request an international train path, instead of dealing with different national authorities. Traffic management procedures are harmonized along the RFC and the infrastructure is shaped according to the market's requirements.
2. RNE corridors. Rail Net Europe (RNE) is an association set up by a majority of European Rail Infrastructure Managers and Allocation Bodies to enable fast and easy access to European rail, as well as to increase the quality and efficiency of international rail traffic. RNE addresses the timetabling and capacity allocation issues on the corridors and coordinates the investments in infrastructure within Member States. For this purpose, the RNE has appointed their own corridors throughout the EU, which often overlap (partly) with the RFC corridors. The RNE is given the responsibility to organize the governance structure of the Rail Freight Corridors. See www.rne.eu for more information on the 11 different RNE-corridors.
3. The TEN-T (Trans-European Transport Network) focusses on infrastructure investments, including the rail network. Several TEN-T priority projects contain for instance the establishment of a bridge or tunnel. For more information on the thirty priority projects see http://ec.europa.eu/transport/themes/infrastructure/ten-t-implementation/priority-projects/index_en.htm.
4. ERTMS Corridors: The ERTMS (European Rail Traffic Management System) is a single Europe-wide standard for train control and command systems to promote interoperability. The implementation of ERTMS shall be promoted on so-called ERTMS Corridors; governance structures from ERTMS (if implemented) form the basis for the establishment of the RFCs. Therefore the RFCs are mostly compatible with one of the ERTMS corridors A to F. For more information see http://ec.europa.eu/transport/modes/rail/interoperability/ertms/.

With RFC number 7 we can illustrate the difference between corridor concepts, mentioned above. RFC 7 is highly compatible with the ERMTS corridor E, as Figure 2.4 illustrates. Furthermore, the TEN-T project Priority Axis 22 is an important part of the establishment of RFC 7. Without this project seamless transport is not yet possible.

Figure 2.4 Map of different corridor concepts.

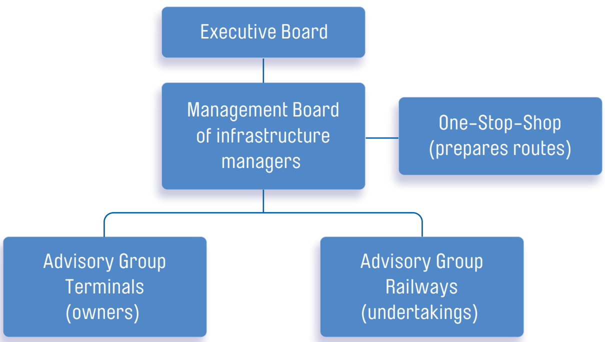


Source: retrack.demis.nl

2.3 The governance structure of a corridor

Each RFC has a governance structure in order to make the corridor functional. The governance structure of a RFC consists of an Executive Board, a Management Board, a one-stop-shop, and two Advisory Groups (see Figure 2.5).

Figure 2.5 Governance structure Rail Freight Corridor



- *Executive Board:* The Executive Board of a corridor is composed of representatives of the authorities of the Member States the train path runs through. The body is responsible for defining the general objectives of the freight corridor, supervising and taking measures necessary for the improvement of the project. The participation of each Member State is obligatory.
- *Management Board:* The Infrastructure Managers have to establish a Management Board. The tasks of the Management Board are proposing the railway lines and terminals to be designated to the corridor, establishing its structure and defining all internal work procedures and setting up the two Advisory Groups.
- *One Stop Shop:* The One-stop-shop is a coordination tool to plan routes. It provides all the information on allocation of capacity and on the conditions of use of the RFC. It should be corridor-oriented and not nationally oriented. The corridor-OSS is located in a single place physically and virtually (on internet).
- *Advisory Groups:* As mentioned, the Management Board shall set up two Advisory Groups. One is made up of railway undertakings interested in the use of the corridor. The other is made up of managers and owners of the terminals of the freight corridor including, where necessary, sea and inland waterway ports. These Advisory Groups may issue an opinion on any proposal by the Management Board which has direct consequences for them. It may also issue

own-initiative opinions. The Management Board has to take any of these opinions into account. The tasks of the Advisory Groups are studying the information and proposals shared by Management Board, the formulation of opinion on Management Board materials, internal discussion and meetings between Advisory Group member organizations, summarization of opinion of Advisory Group members, and the communication of the Advisory Group's position to the Management Board.

Box 2.4 Contact information of the three selected corridors (October 2013)

RFC 1: Corridor Rotterdam - Genoa
Programme Management Office
Hahnstraße 49
60528 Frankfurt am Main
Germany
Phone: +49 (0) 69 265-4544 1
info@corridor1.eu
http://www.corridor1.eu

RFC 3: Rhine-Alp Corridor
Management Board: Tommy Jonsson (Trafikverket),
Coordination group: Sophie Didier (DB Netz AG)
No address, e-mail and website available

RFC 7: Orient Corridor
Postal address: H-1087 Budapest, 54-60 Könyves Kálmán krt.
Secretariat e-mail: rfc7secretariat@mav.hu
http://www.rfc7.eu/

The importance of the Advisory Groups for trade unions

Within the governance structure described, in particular the Advisory Groups are important for the trade unions. In order to be able to anticipate and manage change in international rail freight, it is important to know the role and tasks of the Advisory Groups and get in contact with Advisory Group members of the relevant corridor. That way trade unions can not only try to have influence on the proposals made for the corridor, but also get in direct contact with the companies that are (or will become) active on the train path. The contact with the Advisory Groups can be established by checking the website of a corridor for the names of the Advisory Group members (for instance www.corridor1.eu and www.rfc7.eu). **The trade unions working together on a corridor can invite the chairman or another member of the Advisory Group to join a meeting in which developments and issues on the corridor are discussed.**

Working Groups

Each corridor furthermore can establish its own working groups composed by experts from each involved Infrastructure Manager (IM) of the Corridor. **The working groups are continuously working on topics of high significance to the corridor.** The Programme Infrastructure Manager (PIM) manages the working group. PIMs are delegates of the individual IM and responsible for the coordination and reporting of their national projects' implementation to the corridor organisation. Their double function ensures close communication and coordination of working group tasks and project requirements for the corridor programme. Each working group may consist of further permanent or temporary sub-working groups (see an example in Box 2.5).

Box 2.5 Working Groups on the RFC1

RFC 1 (Rhine-Alp corridor) at the moment has three working groups:

1. WG ERTMS;
2. WG Infrastructure & Terminals;
3. WG Traffic & Performance Management.

To illustrate, we here explain what the Working group ERTMS does (source http://www.corridor1.eu/working-groups.html). Due to the fact that RFC1 is an early implementer of ERTMS on an international level, considerable works on fundamental issues of interoperability and cross acceptance for an economic and smooth placing into service, is the main goal of the Working Group ERTMS. As a direct consequence, engineering rules, system functionalities, system performance, parameters and procedures as well as a concept for installation, testing and acceptance works must be analysed in detail, coordinated and harmonized. Furthermore, the Working Group informs, monitors and carries out activities for risk management and deals with the issue testing and cross acceptance.

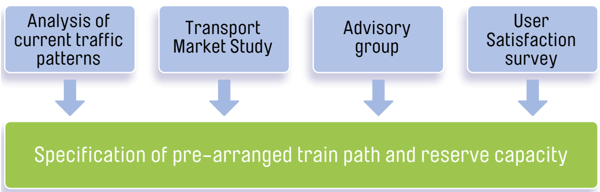
2.4 Corridor implementation plan and Transport Market Study

Each RFC should have an implementation plan that contains important information, such as a Transport Market Study (TMS). These plans will contain relevant information for trade unions with regard to corridor developments. The TMS provides important information for trade unions as it analyses the socioeconomic costs and benefits stemming from the establishment of the RFC. The study should, for instance, include information on the development of traffic and freight volumes on the specific RFC. It will also contain the types of goods, the modal split[3] and development of modal split. Furthermore, it will give information about the active and potential operators on a corridor and the needs and development plans of the terminals.

The Implementation Plan has to be completed six months before making the corridor operational, i.e. at latest 10 May 2013 for those RFCs to be established within three years and 10 May 2015 for those to be established within five years after entry into force of the Regulation. However, only a few of the RFCs have published their implementation plan (see also Box 2.6). RFC 6 for example, has a draft of its Implementation Plan published on http://www.corridord.eu/doc/further-information/implementation-plan_draft_RFC6_AG_190413.pdf. This plan contains information on, for instance, the RFC lines and terminals, maps of the corridor, measures necessary for creating the RFC, organisational structures, an analysis of the current situation, a description of the geographic and socioeconomic context, an assessment of customer needs, objectives of performance, an investment plan, priority criteria for the allocation of pre-arranged paths and information on who can be an authorised applicant in each country. Hence, the implementation plan of RFC 6 contains very relevant information for trade unions on the operators on a corridor and the development of the freight flows.

The 'Handbook on Regulation concerning a European rail network for competitive freight' (DG Move, 2001; p. 43) suggests to use four important sources for the specification of the pre-arranged train paths and applications regarding infrastructure capacity on a Rail Freight Corridor for freight trains crossing at least one border (see Figure 2.6). These sources will also contain relevant information for the unions to understand the infrastructure and development of the corridors.

Figure 2.6 Sources for information for the quantification of capacity needs (DG Move, 2001)



Box 2.6 Different stages of development of the rail freight corridors

Between corridors
The nine RFCs each differ in their stage of development. For instance RFC1 (Rhine-Alp corridor, Western Europe) is much more developed than RFC7 (Orient corridor, Central-Eastern Europe). At RFC1 there already is a considerable amount of cross-border activity. At RFC7 there is almost no cross-border activity. With 'cross-border activity' we mean that freight trains and/or drivers are crossing borders for more than 15 km.
The total number of drivers with a 2nd license at RFC1 is at least 1,200. At RFC7 this is approximately 250-325. Also the materials (locs) of companies active on RFC1 are more modern than the materials used at RFC7. This makes cross-border activity technically easier at RFC1 than at RFC7.

3 A **modal split** is the percentage of a particular type of transportation use. In freight transportation, this may be measured in mass

Within corridors
Furthermore, within an RFC, the various countries can differ in their stage of railway transport and infrastructure development. The Netherlands, Belgium, Luxembourg, Germany and Italy are the Member States RFC1 runs through. Some countries seem to be more advanced in the process of the corridor development, such as Germany and The Netherlands. The former incumbent rail freight companies were already privatised and reorganized in the '90s (in fact Deutsche Bahn AG bought the Dutch state owned cargo company) and do operate cross-border at a high level. The two former incumbents (now part of one big international group) have set up an agreement with each other on how to exploit the Dutch-German route together. An incumbent is a former national operator or former state-owned railway company.
On the other hand, in Italy, the process of decline in government subsidies has just begun. The focus on efficiency is threatening jobs in the former incumbent. A number of 1,000 jobs are under pressure. Shunting yards are about to be shut down. New companies compete aggressively on the market. The former incumbent can no longer operate with two drivers on one train, but still works with one driver and an assistant. In order to become more competitive, the working week was extended from 36 to 38 hours. Also, there is much less cross-border transport in Italy: here the locs and/or drivers are generally still changed at the border, due to the lack of multi-locs.
For the different models companies can use in cross-border transport with locs and/or personnel, see Chapter 3.

2.5 Stay informed

The establishment of the RFCs does not mean that the world changes from one day to the next. It is a gradual process which will continue to develop. Therefore, it is important to keep up-to-date and follow the developments. **How can trade unions get hold of the relevant and up-to-date information?** The most important is to get hold of the Transport Market Studies that have to be published for each Corridor and contain information on: the corridor geographic outline, an analysis of the current situation, the rail freight corridor infrastructure according to individual countries, a comparison of transport performances, a capacity analysis, a SWOT analysis, a traffic forecast, expected impact and planned investments and measures to improve freight performance.

- 'Handbook on Regulation concerning a European rail network for competitive freight.' http://ec.europa.eu/transport/modes/rail/infrastructures/doc/erncf_handbook_final_2011_06_30.pdf
- The website of the European Commission, Mobility and Transport regularly publishes new relevant studies and documents on the RFCs.
  http://ec.europa.eu/transport/modes/rail/infrastructures/rail_freight_oriented_network_en.htm
- Some of the RFCs have their own website, for instance: www.corridor1.eu, www.rfc7.eu.
- Other websites also post relevant information on the RFCs. For instance: corridor.eu has information on RFC6: http://corridord.eu/implementation-plan.html
  and on RFC 2: http://www.corridorc.eu/en/58/Présentations-RAG-TAG
- Implementation Plan RFC7 (final, including the Transport Market Study).
  http://www.rfc7.eu/ckfinder/userfiles/files/RFC7_Implementation_Plan_v10May2013.pdf
- Implementation Plan RFC1 (draft).
  http://www.corridor1.eu/tl_files/downloads/news/Draft%20Implementation%20Plan%20Corridor%201_V1.0.pdf
- Implementation Plan RFC6 (draft).
  http://www.corridord.eu/doc/further-information/implementation-plan_draft_RFC6_AG_190413.pdf
- Information on TEN-T projects:
  http://ec.europa.eu/transport/themes/infrastructure/index_en.htm
- Information on ERMTS system:
  http://www.ertms.net/

3. Understanding the Context: Reflecting on trends and developments in cross-border rail freight services

In this chapter information about the context of the Rail Freight Corridors is given, in order to strengthen the understanding of stimulating or adverse developments and their possible impact on labour.

Content
1. Technical, political and organisational developments in the European rail freight market
2. Development of freight flows and the economic context
3. Stimuli and barriers for seamless cross-border services
4. What does more seamless cross-border services mean for drivers on international transport?

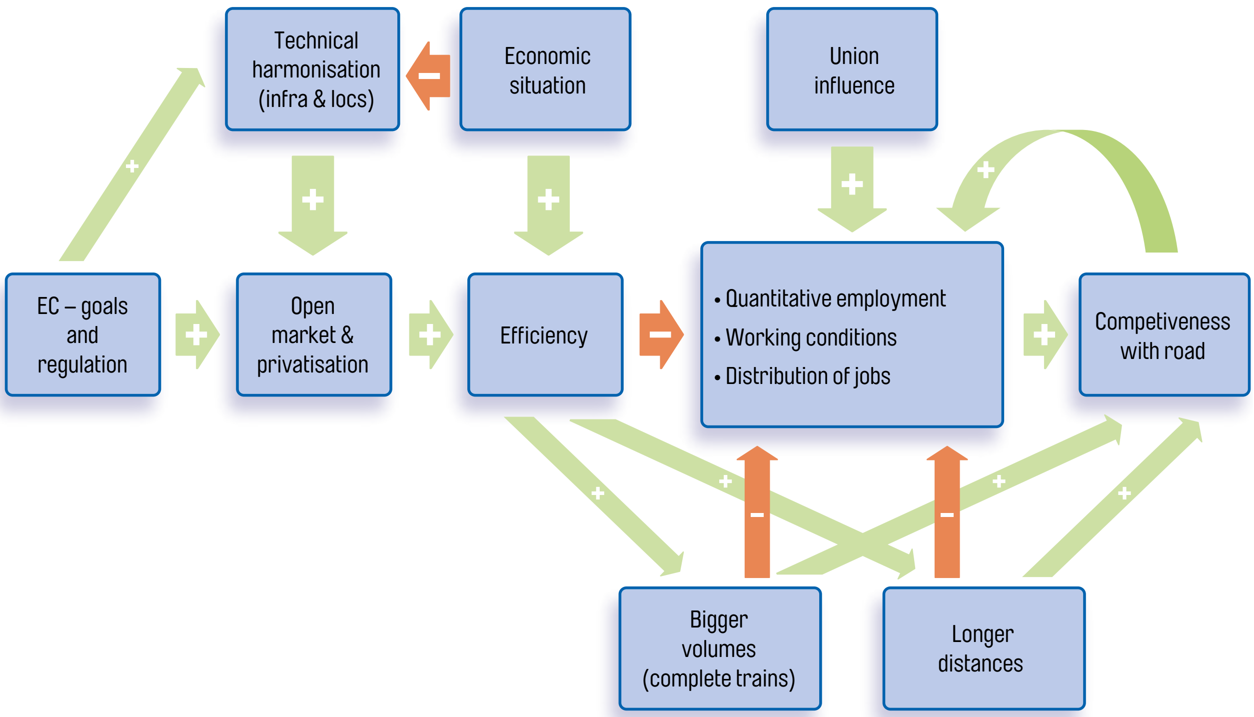
3.1 Technical, political and organisational developments in the European rail freight market

For trade unions it is important to have a certain understanding about the possible developments on the Rail Freight Corridors. This is necessary to develop trade union policies and strategies and to establish trade union cooperation across borders in due time. This chapter focusses on the developments that can stimulate or hinder seamless cross-border transport within the EU.
Figure 3.1 summarises the different developments in the context of the rail freight corridors. The most important development in the last decade has been the liberalisation of the European rail freight market in 2004 and the privatisation of operators, which was achieved by the EC policy goals and regulations.[4] Even though the effects of the open European Market are complex and difficult to analyse, a description of Figure 3.1 can increase our insight in this complexity and possible relationship with labour. The different parts of the figure are described below.

First of all, the crucial decision made by the European commission (EC) was *to stimulate an open market for rail freight operators*, with the purpose to foster competition *within* the sector and *between* transport sectors and to increase the market share of the rail freight on the transport market. For a functioning open European market, it is important to develop and *harmonise the infrastructure* (electric supply, technical traffic management systems and safety systems). Regarding the infrastructure, the EU has reserved funds for modernisation. However, in order to approve investments, the EU demands co-funding from Member States in which the investment will be made. **Member States often lack sufficient funds for improvement of the infrastructure** (especially in some of the Member States where modernisation is needed the most). **This means that the harmonisation of the infrastructure will take place at a different pace for different parts of the corridors.** A side effect of the investments in infrastructure is that the fees for using the infrastructure are rising. With the use of multi-locs, operators can overcome certain barriers like different electric supply and safety systems, although not all operators are able to invest in multi-locs.

4 Commission White Paper of 30 July 1996; DIRECTIVE 2004/50/EC, 29 April 2004 (see http://europa.eu/legislation_summaries/environment/tackling_climate_change/l24014_en.htm and http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX-:32004L0049R(01):EN:HTML:NOT).

Figure 3.1 Open market and privatization



The implementation of the European Rail Traffic Management System (ERTMS, see Chapter 2) is an important precondition for the harmonisation of the infrastructure, as well as Trans-European Transport Network (TEN-T, see Chapter 2) projects. Due to the fact that Member States often have different electricity supply and safety systems, operators have to operate with *multi-locs* for seamless border crossings. **The introduction of multi-locs is going slowly, because these locs request high and long term investments.** An additional barrier for the introduction of multi-locs, is that the Member States in which the loc will be operative, have to approve the type of locomotive (the manufacturer often only asks for approval from the Member State in which the loc is manufactured). This procedure of approval can take a year and more.

The liberalisation of the market has led to an increased focus on efficiency by all operators, and not just the newcomers on the market. This tendency to focus on efficiency is intensified by the *current economic situation*, that puts pressure on the transport market as a whole. Furthermore, a large number of new small operators have entered the European Market and mergers and take-overs have changed the organizational landscape, as will be discussed in more detail in Chapter 4.

This focus on operating more efficiently leads to *pressure on working conditions and employment* in rail freight companies and to a different *distribution of jobs* between countries. Competition between operators will increase and so will the pressure on working conditions: such as wages, working and driving time, flexibility in working hours, rests away from home, and training. For example, several operators in international rail freight have discovered the financial advantages of employing drivers from neighbouring countries, where the wage levels are lower. Furthermore, e.g. the Dutch and Hungarian former incumbents have had profound reorganisations in which a large part of the personnel lost their jobs. Also, for internationally operating companies, the maintenance of rolling stock can be carried out abroad and a choice can be made on where to carry out this type of work. This will no longer automatically be the home country of the operator.

There are different systems for rail freight transport: single wagon transport is used for small customers with low volumes; block trains are used for big customers with high volumes and door-to-door transport; container transport is increasingly used for intermodal transport. In theory, rail freight transport can be more competitive with road transport when the *volumes transported increase* because operators can offer complete trains (block trains) instead of single wagon load. Single wagon load is more costly because of shunting activities and are therefore less competitive with road. At the moment single wagon load is decreasing and more and more operators only offer complete trains. This development also has an impact on *working conditions and employment*. **The use of block trains will mean that services become less labour intensive.** In the Western part of the EU, shunting yards - and with it the employment on the shunting yards - are already disappearing because of the decline in single wagon load. In the Netherlands for example, the former incumbent is no longer offering single wagon load and in Belgium and Italy shunting yards are being closed as well. Not only the number of jobs of personnel working at the shunting yards is affected. Also, drivers have less waiting time due to shunting. Next to the shift from single load transports to block train transport, the increase of container transport (often used for intermodal transport) is an important development as well. **The use of container transport also means that services become less labour intensive.**

Rail freight transport can in particular be more competitive with road transport, when the distance is longer (over 300 km) and therefore more *long distance services* appear in rail freight. If the distance that goods are transported becomes longer, the chance that there will be cross-border service increases as well. This changes the role of individual Member States in the European rail freight sector and has an impact on *employment* in the different Member States. **Some Member States, that do not have (many) final destinations for the freight services, are primarily transit countries.** If a locomotive has to be changed at the border (no multi-loc), the staff is changed as well (see Section 3.4). However, if the locomotive can technically cross the border (multi-loc), it is not necessary to change the staff. This is a choice made by the company. Therefore, transit countries run the risk of losing employment. This also depends on the wage level in a certain country. If the wage level in the transit country is relatively high compared to the neighbouring countries (like for example in Denmark), the employment is threatened in this transit country.

When drivers are not changed at the borders, the increase in long distance services affects *working conditions*, in particular longer working hours and the number of days a driver will be away from home. In some companies (e.g. ERS Railways in the Netherlands) it is very common to rest one or two days away from home.[5] Resting abroad can have a negative impact on the work-life balance, but on the other hand, driving abroad can be a positive challenge for drivers. The extra license needed and the necessity to learn another language can be challenging as well. Driving in modern multi-locs often means having a more comfortable working space than in the older locs.

***Labour unions* try to counteract on the consequences the above mentioned developments have on working conditions**. This is done, for example, by creating a European minimum standard for driving hours and by limiting the number of rests away from home (see Chapter 5). In this way, the possibility to employ staff far away from the location where it is stationed, decreases. Furthermore, there is less possible impact on the distribution of jobs between Member States.

On the long term, the increasing distances and the larger volumes of goods transported and the costs saved due to an efficient use of infrastructure and materials, should in theory increase the *competitiveness with road transport*. This could guarantee a relative fair market share and the *maintenance* of employment in rail transport. Employment levels will not automatically rise with a better competitive position of the rail freight market (for example complete (block) trains lead to more competiveness, but also to less employment). However, a relatively sound financial situation of

5 The CER/ETF agreement allows a second consecutive rest away from home when negotiated between the social partners at national or company level. However, the ETF Railway Section decided that such a second rest away from home shall be negotiated only after consultation with the trade unions of the neighbouring countries.

operators does in theory form a better basis to negotiate good working conditions in the sector. As mentioned in Chapter 2, the goal of the European Commission is to encourage a shift from road to rail and waterways, in order to decrease CO2 levels. The European Commission strongly believes that an open market and modernisation of the rail freight infrastructure will stimulate this development in the long run. However, at the moment, the positive effects (such as the growing competitiveness to road) are not yet experienced by the trade unions. **In practice, trade unions observe the increased focus of operators on efficiency, as well as pressure on working conditions, employment and effects on the distribution of jobs.**

After this general introduction of the possible effects of the open market and technical developments, the next sections describe two crucial developments for rail freight: the development of the freight volumes in rail freight and the economy and the underlying factors which foster or limit seamless cross-border services.

3.2 Development of freight flows and the economic context

The above described developments in technology and market, combined with the economic context, imply that it is difficult to provide a reliable forecast about the rail freight market. The EC has commissioned studies that forecast the freight flows for all transport modes as well as for freight rail in particular (Freight Vision 2050, 2009; PWC, NEA & ISIS, 2012). These forecasts are based on the most plausible economical scenarios.

The results of the forecast studies issued by the European Commission seem quite positive for rail freight. For example, in the report of Freight Vision 2050, a growth in freight tonnes per kilometre of 48% is expected in 2020 and 78% in 2030 (to compare: the freight tonnes per kilometre by road is expected to grow with only 28% [2020] and 43% [2030]). A forecast regarding the freight volumes of the Ten-T priority project 22, which overlaps with the *Orient Corridor*, expects an *average annual* growth rate between 3.7% and 5.27% (depending on the future investments in infrastructure, although the report does not recommend the extra investments leading to the growth of 5.27%). Although we only described these numbers as an indication for possible growth, these numbers are quite positive for the freight volumes and this is positive for the employment in the sector as well (growing volumes do not necessary lead to growing employment; however, it is always better for employment than decreasing volumes).

The trade unions in the sector are less optimistic about the developments in the freight flows, due to their experience in the recent past. They observed that the volumes of rail freight decreased even faster than the freight volumes of road transport. And, more importantly, earlier forecasts have often not proven to be adequate. Although the forecasts mentioned above were made after the crisis, they might be too positive on the recovery of the economy. The recovery of the economy seems to last longer than expected by most experts.

Because the future development of the economy is highly uncertain, it is useful to think through two (extreme) scenarios (recovery or continuing crisis) and their possible impact on employment and working conditions (see Box 3.1 below and Figure 3.2).

Box 3.1 Two scenarios

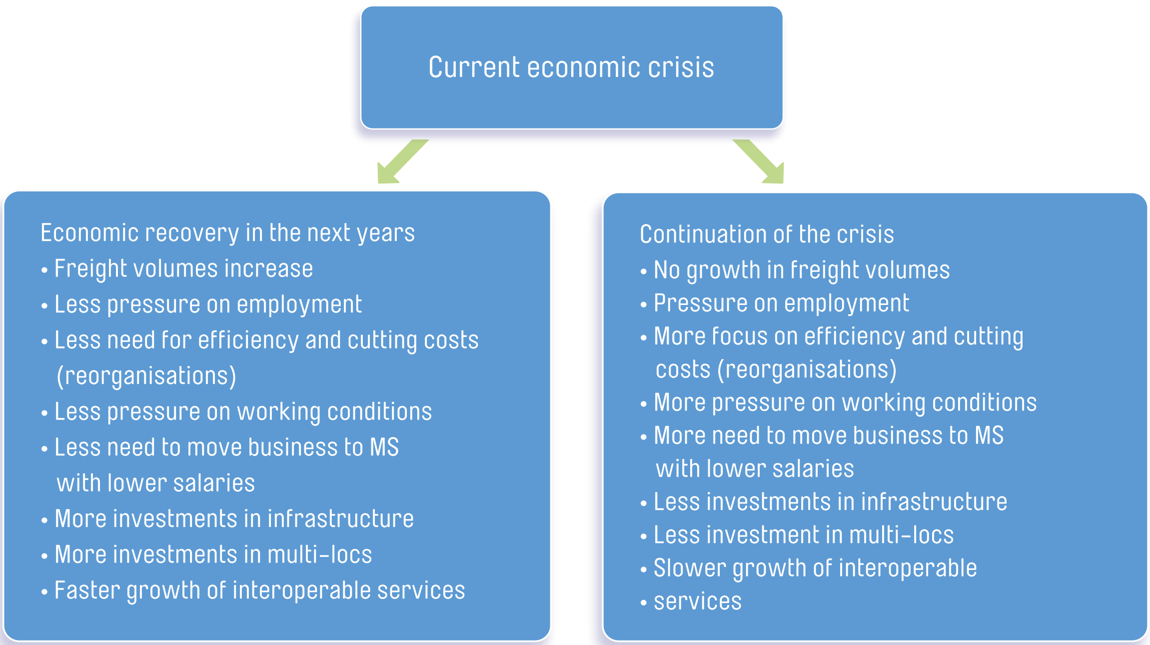
What if the economy recovers in the next years?
If the economy recovers fast in the next years and the volumes in rail freight increase, operators will probably need more personnel, there will be less external pressure to minimalize the working conditions (salaries, training budgets), to move business to countries with lower wages and to reorganize or downsize the companies. In some countries, a shortage of personnel (drivers) might occur and the working conditions are more likely to increase in order to compete for the scarce employees. At the moment, despite the economic downturn, some drivers in Germany are not fired, because

employers are afraid of a shortage of drivers after the crisis. If the economy recovers, the trend towards more international and cross-border services will continue and will probably go faster, due to higher demands for international transport and more financial means for the modernization of infrastructure and investments in multi-locs. This will mean that trade unions will be confronted with an even more and faster developing international market.

What if the economic crisis continues?

If the economic downturn continues for a number of years, operators will have to cut costs to survive and some will go bankrupt. There will be more need to reorganize companies and to reduce the number of staff employed, to keep wages, additional payment and investments in training as low as possible, and to move business (like maintenance) to the countries with the lowest wage levels. Furthermore, there will be less financial means available for investments in infrastructure and to remove bottlenecks on border crossings. Besides, there will be less investments in multi-locs, the internationalization and the increase of cross-border services will probably go more slowly. The main challenge for trade unions will be to soften the results of reorganisations and negotiate acceptable social plans.

Figure 3.2 **Summary of the two scenarios on future economic developments and the impact on labour**



Economic developments are very important, also for the rail freight sector. However, it should be remembered that economic growth and employment are indirectly related to each other and other developments influence employment as well. For example, the production model of complete train transport is of low labour intensity while single wagon load production is of higher labour intensity and the employment effects of economic growth could be countered by such developments.

3.3 Stimuli and barriers for Seamless Cross-border Services

As mentioned in Chapter 2, the European Commission aims for a shift from road transport to rail transport, in particular for *longer distances*. These long distance services tend to become more international and interoperable. In the recent past we have seen the number of cross-border services increase, especially in the Western and Northern part of the EU. The concept of the *rail freight corridors (RFCs)* is developed in order to stimulate seamless cross-border transport along the corridor. **The development of rail freight corridors is only one factor that stimulates seamless cross-border services.** Figure 3.3 shows all the different stimuli and barriers for seamless cross-border services. **In order to be able to cross the borders without any obstacles, national legislation needs harmonization and the infrastructure needs to be modernised and harmonised.**

Furthermore, the *European integration* increases the demand for international transport. **Most of the freight flows are already on a European scale.** For example, 55% of the freight flows on the ERTMS corridor B (which overlaps for an important part with the North-South RFC) is cross-border (PWC & NEA, 2008).

Cross-border freight is not necessarily transported by seamless cross-border services, because international traffic can be organised by changing locs at the border as well. However, transporting these flows without changing locs is more efficient, because changing locomotives at the border is time consuming and expensive. Changing locomotive drivers at the border takes just a few minutes but it demands higher organisational (logistical) efforts to make sure that the driver (like the locomotive) is at the place when the train arrives.

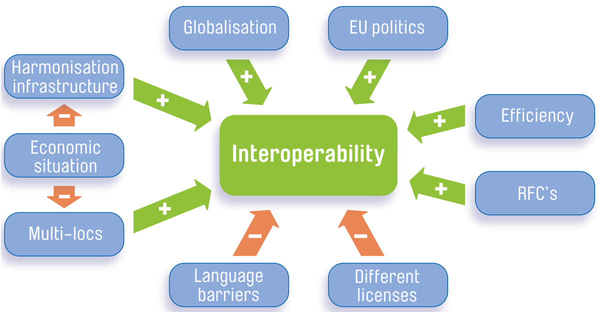
The harmonization and modernization of the infrastructure (removing bottlenecks near borders) and the introduction of multi-locs (that are capable to operate with different safety systems and electricity supplies) are also a stimulating factor. Although the *economic crisis* limits the investments in infrastructure and multi-locs at the moment.

There are some important barriers for cross-border transport:

- The need for different safety certificates (to allow an operator to operate in a certain country) in different Member States. This is due to different safety regulations and operational rules.
- The language barriers. Language barriers are an important barrier because Member States require a driver to speak the language of the Member State in which the driver is working.
- Differences in national legislation (such as admissible train lengths). Harmonisation of legislation and regulation are partly done by the introduction of the RFCs and the interoperability legislation and rules.
- The amount of drivers with a second or third license is still limited.[6] These drivers are not equally divided among the operators, though. Some companies, like ERS (Netherlands), only employ drivers with a second or third license, were other operators do not have any (like Europorte, France).

The main developments influencing seamless cross-border services are shown in Figure 3.3.

Figure 3.3 Seamless Cross Border Services



In some parts of the EU, seamless cross-border freight services are already the standard (parts of the Rhine corridor and North-South Corridor). **In other parts** (for instance the Orient Corridor), **almost all services are from border to border.** It is uncertain how fast this development towards more seamless cross-border services will go, partly because of the economic uncertainties. However, considering the external factors presented above, it is reasonable to expect that seamless cross-border freight services continue to be the future for rail freight in the majority of the EU.

6 Goudswaard A, Van der Torre W, Van Rooijen T, Kwantes JH, Roest Crollius AA, Kawabata Y. Implementation of Directive 2005/47/EC on the agreement on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services in the railway sector: Final Report. Hoofddorp: TNO, 2011.

3.4 Do seamless cross-border services automatically mean that locomotive drivers are more often crossing borders as well?

We can assume that full operational corridors, more cross-border freight-flows, more multi-locs, standardisation of infrastructure and regulations will increase the number of locomotive drivers employed in interoperable cross-border driving. The development towards more seamless cross-border transport however does not necessarily mean that drivers will cross borders as well. Drivers and locomotives are not necessarily interconnected. Box 3.2 describes the different models for the allocation of on-board staff to cross-border services.

Box 3.2 Company strategies in operating cross-border and employing drivers

Figure 3.4 shows the different strategies companies can have in operating cross-border. Most operators use a variety of these options.
As figure 3.4 shows, there are five possibilities for employing on-board staff (in particular drivers) on interoperable services:

1. The company employs staff in different countries, with satellite offices or subsidiaries for instance. To give an example: DB Rail and SNCF bought smaller companies in other Member States and employ workers in those countries to drive the trains across the border. The trains do cross the border but the drivers do not. The rules of the stationing country apply. The main restrictions come from national law and company agreements;
2. A company hires staff from other companies or from a temporary work agency. The company hires personnel abroad (licensed drivers). Again the rules of the stationing country apply. The main restrictions come from national law and company agreements;
3. A company can also have a partnership with another company. In this case the staff is not crossing the border as well. Companies divide a route and only drive on 'their national side' of the track;
4. A company can also have a different partnership with another company, in which staff is crossing the border (more than 15 km). In this case both operators exploit the route;
5. The fifth possibility is that the company's own staff crosses the border and drives the whole route without any agreements made with another company in the other countries.

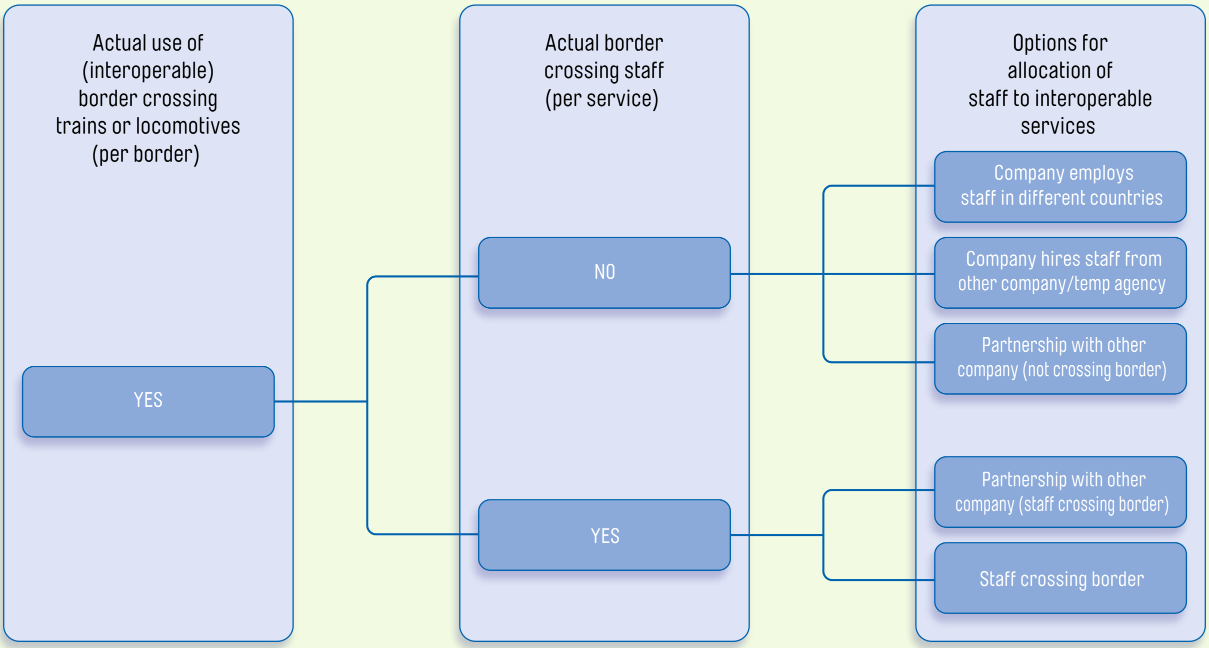
Besides these five options, there is a sixth possibility: employ own staff only in the other Member State. In that case, the directive on posted workers is applicable; this means that the regulations of the Member State in which the personnel is working are applicable. To give an example: if Polish workers only drive in Germany, the German working conditions apply for them.

Reasons why companies choose a strategy
Most companies do not solely use one of these options, but use a combination of options. There can be several reasons for companies to choose a strategy:

- A company can have (some) old locs which are technically not able to cross the border. To make use of those old locs, they sometimes choose not to cross the border;
- Companies may choose not to cross the border with their own staff because of the legal restraints, such as the Agreement rules with regard to the rest away from home or national regulations;
- Frequency of services and volume of freight flows are important as well. When an operator runs a lot of services between two countries, staff can change easily to another interoperable train in the opposite direction and continue to work (but in the same Member State);
- Costs of extra payment can prevent companies from crossing borders. Additional payment for working abroad can be a problem. This is also the case for costs of sleeping abroad;

- The costs of hiring personnel in another country can also be a factor;
- The availability of satellite offices of course is a necessity if a company wants to employ staff in different countries;
- Drivers with more licenses and agreements with other undertakings in exploiting the route are needed when a company wants to have a partnership with another company to both cross the border.

Figure 3.4 How companies operate cross-border



Impact on working conditions and distribution of jobs

When a company sends its own drivers abroad, this can have an impact on working conditions (driving long distances, rest away from home). This can have an impact on the distribution of jobs as well (development of transit countries in which drivers are not needed any more, for instance). The use of temporary employment agencies by companies from which they can hire personnel, can have an impact as well (increase of such business). However, little is known about the working conditions in these temporary employment agencies.

3.5 Seamless Cross-border services and the risk of social dumping

Due to the creation of a single European Transport Market, the increase of seamless cross-border rail freight services and the increasingly transnational organisation of rail freight companies, the risk of social dumping (see for definition Box 3.3) in European rail freight is present. The developments in the European rail freight market lead to higher pressure on companies to compete on working conditions and on wages. It stimulates companies, operating in countries with relatively high wage costs, to make use of services (for instance maintenance) and employment (in particular drivers) from neighbouring countries with lower wage levels.

For example, Denmark has relatively high wages in the rail freight sector. The neighbouring countries Sweden and Germany have lower wages (and more favourable working conditions in general). Operators on the corridor Sweden-Denmark-Germany can try to lower the prices of cross-border

services by only employing Swedish or German employees, which causes a loss of employment in Denmark. Prominent differences in wage levels also exist between Eastern and Western European countries, which causes a downward pressure on working conditions from Eastern to Western Europe.
Unions have responded to these situations with agreements with operators to employ personnel stationed on both sides of the border (see Chapter 5). Limiting the number of rests away from home is another way to narrow down the possibilities for social dumping.

Box 3.3 Social dumping

> "Social dumping is a practice involving the export of goods from a country with weak or poorly enforced labour standards, where the exporter's costs are artificially lower than its competitors in countries with higher standards, hence representing an unfair advantage in international trade. It results from differences in direct and indirect labour costs, which constitute a significant competitive advantage for enterprises in one country, with possible negative consequences for social and labour standards in other countries."
> (www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/socialdumping.htm)

3.6 Summary: What can unions do?

In this chapter we described a general background of the developments in international rail freight. It is important to understand that Rail Freight Corridors are part of a larger context. We described the possible impact of the open market and the privatisation in the sector, the importance of economic growth and the stimuli and barriers for seamless cross-border services. Regarding the stimuli and barriers for seamless cross-border services, important differences between Member States exist. Therefore, it is important for unions to monitor and analyse the different stimuli and barriers in their own country (in relation to the neighbouring countries), in order to understand how seamless cross-border services develop in their direct environment. Furthermore, unions can monitor the way operators employ personnel in these cross-border services (send own personnel cross-border or not) and what this means for employment and working conditions.

Box 3.4 shows some relevant questions unions can answer in order to understand the relevant developments and their impact on labour. In the next chapter we will discuss the different operators on the corridor and how to monitor the developments of the organisational landscape and the working conditions inside these organisations.

Box 3.4 Questions to understand developments and their impact on labour

The following questions can help to understand what developments are relevant:

- Are there changes in law and regulations concerning rail transport?
- What are the latest technical developments in rail transport?
- What is the economic situation in your country and neighbouring countries?
- What are the rail freight volume forecasts?
- What are the European and national political trends concerning rail transport?
- How do the companies operate cross border?

What impact does each of these developments have on:

- the amount of jobs in the railway transport sector;
- the distribution of jobs between sectors;
- the distribution of jobs between countries;
- the job content; and
- the working conditions?

4. Developments in the Organisational Landscape

In this chapter the organisational landscape on the rail freight corridors is described and a method is suggested for mapping this landscape and company characteristics.

Content

4.1 Developments in the organisational landscape

The last decade the organisational landscape of the European rail freight sector has been dynamic. **New small companies entered the market and mergers and takeovers became common**. Former incumbents took over new small companies or took over parts of former incumbents[7] in other Member States. Large groups were established. These large groups operate in different countries and often offer more logistic services than just rail freight. As a result of these developments in the organisational landscape, it is difficult to have an overview of the working conditions of the workers in the sector. Twenty years ago, with only the national incumbents as employers on a national network, the landscape was much easier to understand and to influence. Nowadays, unions have to put more effort in knowing all the different operators and their working conditions in order to be able to support the workers employed in the sector. With a higher number of small companies and less union influence, the pressure on working conditions is high. Besides, due to the open European market, there is a risk of social dumping. Therefore, in this chapter we will give information on the developments of the organisational landscape in general and in the second part of this chapter, we will describe a way to map the companies on a corridor.

The organisational landscape differs significantly between different Rail Freight Corridors and between Members States. For example, on the RFC1 (Rhine-Alp Corridor) former incumbents and smaller companies are organised into large international groups that dominate the market with interoperable services, while on RFC7 (Orient Corridor) the market is dominated by nationally orientated former incumbents and small companies and a big majority of the services run from border to border instead of cross-border. In Annex 1, the main facts on three selected corridors are described in further detail.

At the moment, in most Member States, the former incumbent is still the dominant player on the market with a market share of approximately 70-80%. The rest of the market share is divided among smaller players most of which have a market share of less than 10% (most of them even less than 5%). These small players, as well as the former incumbents, can be part of larger (international) groups though.

Due to the take-overs and mergers, large international groups appeared on the market. These large groups often have one or more former incumbents as a core and acquired smaller companies or parts of former incumbents abroad. The appearance of larger groups is especially relevant in the Western part of the EU. Examples of large international groups which are formed around former incumbents are: DB Group, SNCF Group, ÖBB Group. ÖBB has bought MAV CARGO Hungary (former incumbent) and the DB group bought the cargo parts of the former incumbent of the Netherlands and Denmark and the biggest operator in the UK (formerly EWS) (see Box 4.1). These groups offer a broad range of services, including other services than rail services. SNCF, for example acquired GEODIS, which also offers road transport (Geodis Calberson) (see Box 4.2).

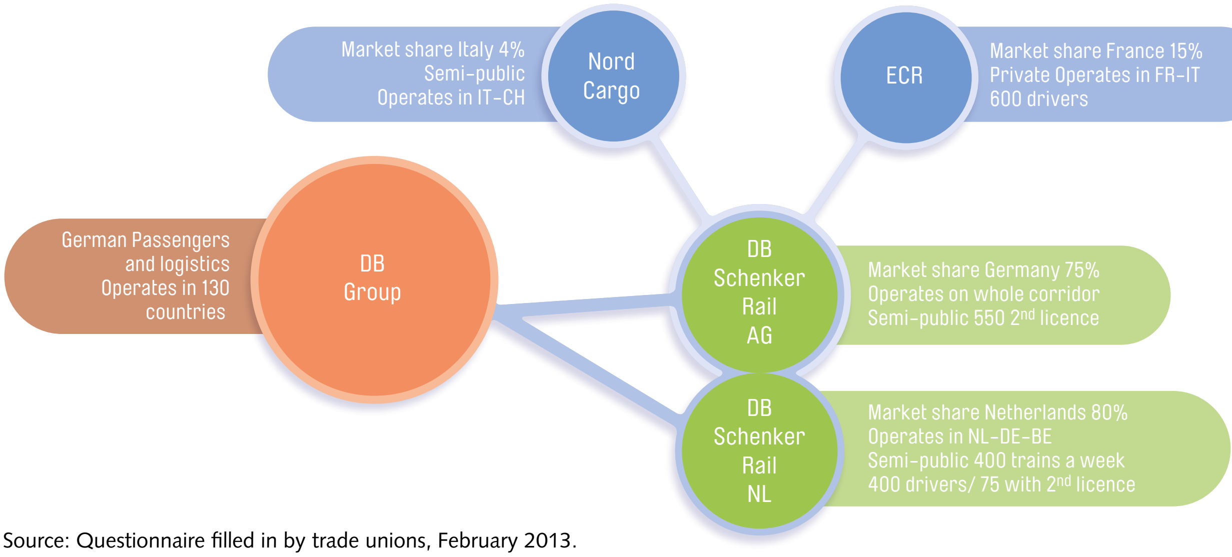
7 An incumbent is a former national operator or former state-owned railway company.

Table 4.1 Example: Operators in Slovakia and Germany

Operators in Slovakia (January 2013)	Operators in Germany (January 2013)
• ZSSKC (81,23%) • Metrans/Danubia (3,64%) • Express Rail (3,68%) • Central Railways (2,00%) • LOKO Rail (1,33%) • BRYNTIN Rail CZ (1,25%) • LTE (1,53%) • U.S. Steel Košice (1%) (And more very small operators active in the country)	• DB Schenker Rail AG (75%) • TX Logistics: 6% (daughter of Italian state railways) • Captrain: 5% (daughter of French state railways) • SBB Cargo Germany: 3% (Swiss state railways) • Häfer und Güterverkehr Köln AG: 3% (Rheinland) • CFL Cargo Germany: 1% (Luxembourg state railways) (And more very small operators active in the country)

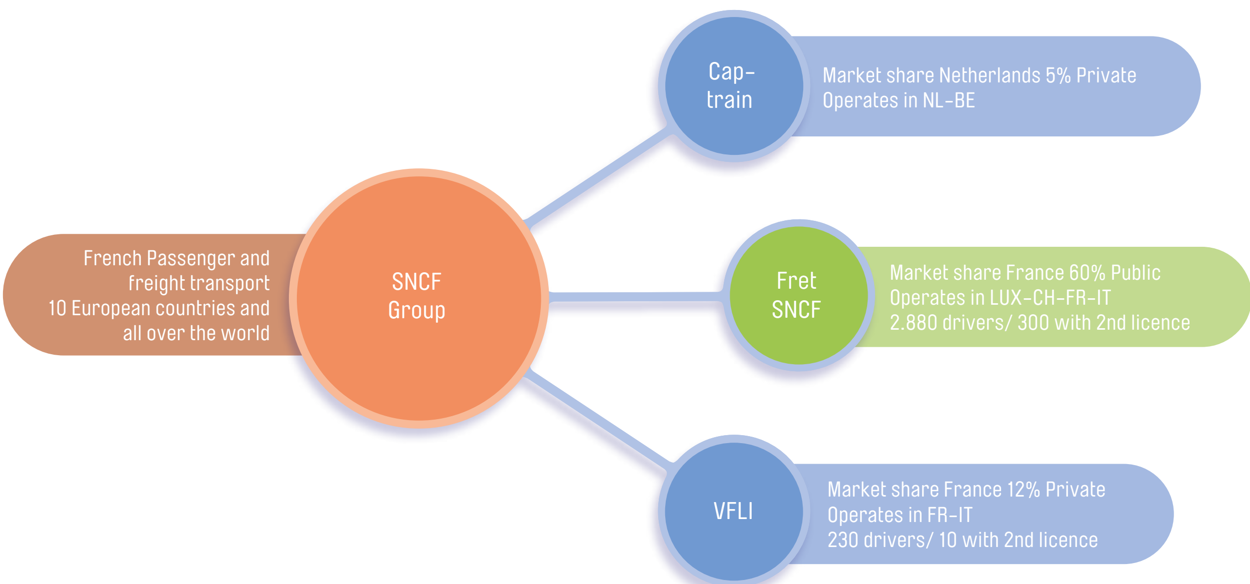
Source: Questionnaire filled in by trade unions, February 2013.

Box 4.1 Companies from DB Group, operating on the Rhine Alp Corridor



Source: Questionnaire filled in by trade unions, February 2013.

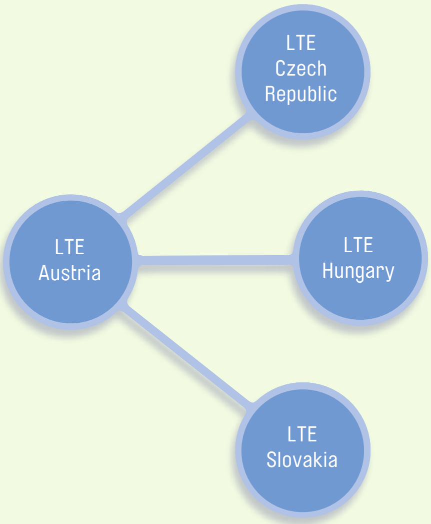
Box 4.2 Companies from SNCF Group, operating on the Rhine Alp Corridor



Source: Questionnaire filled in by trade unions, February 2013.

Not only large groups operate in more countries, also small new companies operate in multiple countries. Box 4.3 provides an example of this.

Box 4.3 LTE Group, presence on the Orient Corridor



LTE Group is a private railway organisation specialized in freight transportation and logistics since the year 2000. It has 100+ staff members divided over multiple countries. LTE Group has local presence in Austria, Hungary, Slovakia, the Czech Republic, the Netherlands, a partner company in Slovenia and two planned subsidiaries in Germany and Romania. Together these operators transported around 4 million tons of freight in 2012. On the Orient Corridor four small private companies of LTE are active. The LTE group is owned by GKB - Graz-Köflacher Bahn und Busbetrieb, a local Austrian operator which operates trains on a network southeast of Graz.

Source: Questionnaire filled in by trade unions, February 2013.

4.2 Differences between new small companies and former incumbents

Big former incumbents and new small operators seam to differ in their business strategies, in the ways in which staff is employed and in the working conditions. Although there are no 'hard figures' and exceptions are known, in general the following characteristics of the two types of companies are given by trade unions in the different Member States.

New small companies

- Small new companies are more competitive and focussed on efficiency. Most of them offer profitable segment services (specialized/niche companies) and focus on block/complete trains and do not offer single wagon load, which is labour intensive and less profitable.
- There is less union representation. The exact levels of union density are not known, but are supposed to be less than 20%.
- Due to the low union representation, little is known about the working conditions and the way personnel is employed in these companies. For the unions it is difficult and time consuming to approach all individual companies. Furthermore, these companies are not very cooperative to provide information on working conditions and business strategies, because they are afraid to lose their competitive advantages.
- Although a general and complete comparison on working conditions is not available, it is assumed that the working conditions in most small companies are in general less favourable compared to former incumbents. For example, there seems to be less room for training, longer driving hours, and more flexibility is expected from employees. As an example, cases of 24 hours on-call availability of drivers were reported. The (generally not unionised) employees within these companies do not complain as long as they get a reasonable salary and/or keep their job.
- Employees often have broader functions and a bigger variety of tasks compared to workers in former incumbents; for example, some driving combined with maintenance tasks, shunting tasks up to cleaning tasks.
- Small new companies seem to hire more personnel from temporary employment agencies

and/or other companies when driving cross-border. For example, if they do not have offices of subsidiaries abroad, cross-border services are only possible if the driver crosses the border as well, or a driver is hired abroad. They also look for other ways to employ staff, for example hiring pensioners, which can be cheaper.

Former incumbents

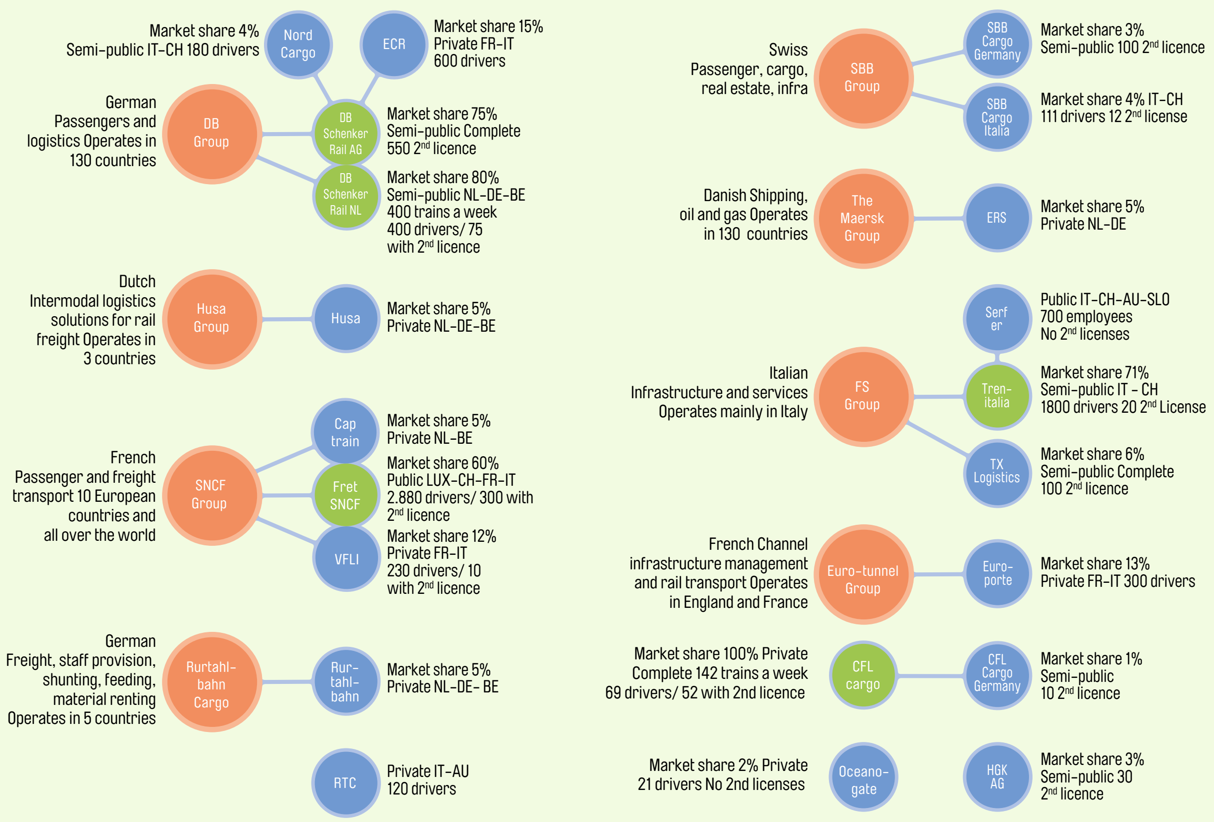
- Former incumbents often offer a broad range of freight services (often including single wagon load). They did have to make a change towards more efficient services after the liberalisation of the market and therefore there have been reorganisations in a number of former incumbents (for example NS Cargo [NL] and Rail Cargo Hungary).
- Former incumbents were often the initiators in mergers and take-overs: they bought small operators (often abroad) and are the core of the larger international groups. Besides taking over smaller players, parts of former incumbents of smaller Member States were also taken over by bigger incumbents in other countries. For example, the cargo part of the Dutch former incumbent has been taken over by DB Schenker Rail and the cargo part of Hungarian former incumbent by ÖBB (Austria).
- Buying small new operators does not automatically mean that business models and working conditions of these small companies are adjusted to the often better working conditions of the buyer. It is quite common that the former incumbents do not at all change the services offered, the business models and the working conditions. For unions, the advantage of a former incumbent buying a small new operator, is the possibility to contact the former incumbent regarding the working conditions in the daughter company. Unions in the well organised incumbent might have easier access to the workers in the new subsidiary.
- The national government in some Member States still owns (part of) the (former) incumbents (for example in Poland) and therefore influences the business strategy, working conditions and reorganisation plans with a broader perspective than efficiency only. This is particularly reported from Central and Eastern European countries.
- In general, the working conditions are highly formalised, covered by collective bargaining agreements and assumed to be better than the new small companies. However, the pressure on workers to increase productivity (and reduce employment) is high in incumbent companies with an internationalisation strategy in rail freight transport.
- Employees often have specialized functions; this is changing due to rationalisation pressure.
- Former incumbents either employ staff on both sides of the border (offices abroad), or make agreements with partners abroad; they less often hire personnel abroad. Former incumbents seem to hire less personnel form temporary employment agencies and don't seem to attract pensioners to work for them.
- There is a tradition of high union representation (often around 70% or 80%). Therefore, unions know these companies and the working conditions inside very well.

Box 4.4 Example of the organisational landscape (see for more facts Annex 1): The organisational landscape regarding the Rhine-Alp corridor (RFC1) and the Orient corridor (RFC7)

The Rhine-Alp corridor (RFC1) and the Orient corridor (RFC7) differ with respect to their organisational landscape. At the RFC1, large groups dominate the market. In contrast, at RFC7 there are many small private companies active. The figures below, show how the companies at the RFCs are linked to each other and provides general information on the companies. Pink means large group, green means former incumbent and blue means small private company. In Annex 1, a table with more specific information on the companies is provided.

RFC1

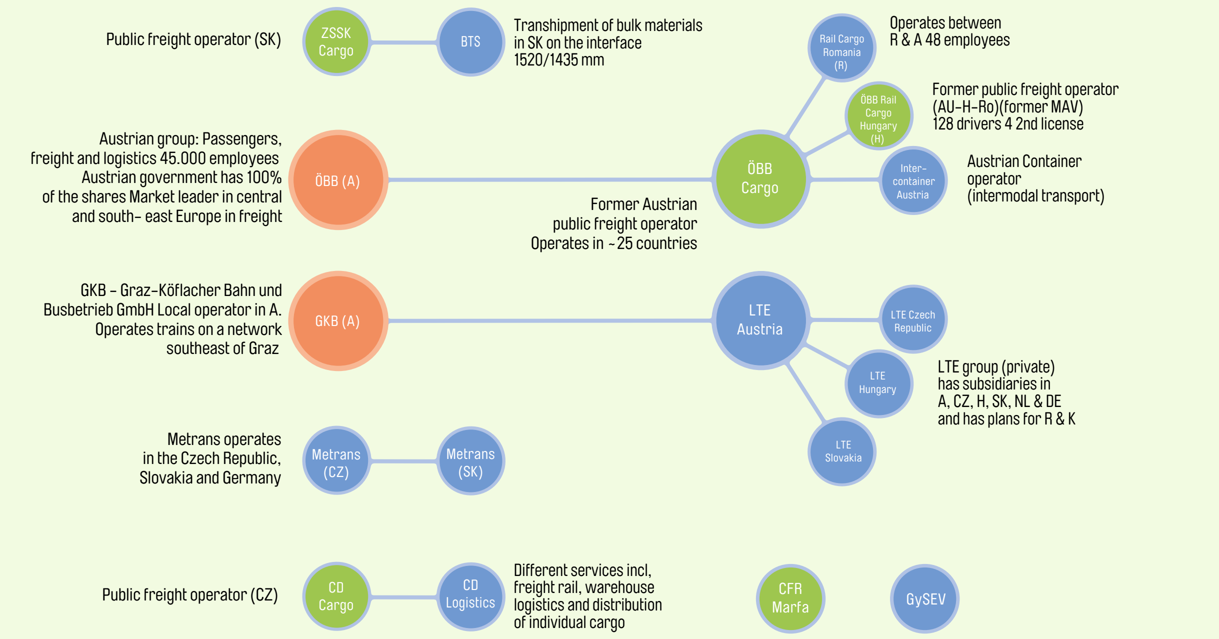
Several large international groups are behind the companies that operate internationally on the Rhine-Alp corridor. Sometimes these groups offer a lot more services than rail freight transport. They organize all their activities with their own resources. These groups often seem to take over smaller companies. Because there is relatively a small number of groups to build a relationship with, the trade unions can focus their attention more than is the case in a landscape with many small operators.



Source: Questionnaire filled in by trade unions, February 2013

RFC7

Compared to RFC1, there are many small operators active on the Orient corridor and there are only two large groups. The figure below does not show all the small operators active on the corridor, as there are so many and it differs day by day. The small operators can disappear as fast as they entered the market. Therefore, it is very difficult for trade unions to build a sustainable relationship and get information on what is going on in those companies. Furthermore, trade unions have to divide their attention between more companies on this corridor, than is the case with RFC1.



Source: Questionnaire filled in by trade unions, February 2013

4.3 Mapping exercise: steps to be taken

As can be concluded from the description above, it can be difficult to gain a clear view on the organisational landscape on a corridor. **The number of organisations that play a role in international rail freight is enormous and changes constantly.** In addition, organisations differ in the services they can provide. This means that it will take more effort for trade unions to keep up-to-date with respect to the number of companies active and the working conditions in these companies. **In order to anticipate change in the organisational landscape and prevent competition on working conditions, mapping the companies is an important and continuous activity for trade unions.** The unions need to know the companies that are operating on the corridor.

The mapping exercise takes two steps:

1. *Mapping companies starts with an inventory of the companies that operate on the corridor.* The examples from RFC1 and RFC7 (see Box 4.4) show how complex the organisational landscape can be and how different the corridors are in number and type of relevant stakeholders. The fact that each RFC should make a implementation plan makes the mapping exercise somewhat easier though. When the RFC has a Transport Market Study, this plan will give information about the active operators on the corridor and potential operators. In Annex 1, a more complete overview is provided of the companies active on three corridors (Rhine-Alp, Orient and North-South corridor) at the beginning of 2013. This can be a starting point for trade unions in their mapping exercise. Furthermore, the trade unions could ask different parties for more information for the mapping exercise: infrastructure managers, one-stop-shop, or colleagues working in traffic control centres responsible for parts of the corridor.
2. *The next step in the mapping exercise is to gather relevant information on working conditions from each of these companies.* When available, collective agreements can be used as a source of information. But many new private companies do not have a collective agreement. One could therefore use other relevant documents, such as year reports, but will also have to rely on union members, or 'old' colleagues within the companies. An inventory of company characteristics is important to get a thorough insight into the working conditions in the sector. One should, however, bear in

mind that comparison between companies and even between countries can be difficult, due to differences in the context. **Therefore, interactive sessions with the different trade unions on a corridor are necessary to understand the context of the specific working conditions and discuss or prioritise the most relevant issues**.

3. Another part of the mapping shall include *information on whether the workers are organised* in a/several union(s) and in which union(s), whether or not there is a works council or other elected employee representatives, and whether the company is covered by a collective bargaining agreement. **Union representatives, union members, members of works councils and collective bargaining agreements will provide a good source of information on the company characteristics (see below).**

4.4 Mapping exercise: inventory of relevant company characteristics

General company characteristic

The following general company characteristics are important to map, in order to understand the developments within the companies and their impact on labour.

- *Company size:* It is important to gather information about the number of employees of all professions in the company, since not only drivers are influenced by the developments in international rail freight. Also employees in maintenance and logistics can be influenced. For a big company with employees in different professions, such as driving, maintenance, shunting and technical checking, it is important to keep track on different contextual developments as well as their impact on employment. For example, there could be a decline in shunting yards, which can have a negative impact on the quantitative employment of shunters (see also Chapter 3).
- *Market share:* It is important to keep track of the development in the company's market share in order to see whether the existence of the company is threatened or growing. If a company has a large market share, this is an indication that the company will probably stay in the market for a sustained amount of time. If the market share is very small, the possibility that the company will disappear (or taken over by a bigger company) is higher.
- *Number of trains crossing the border:* If trade unions know how many trains actually do cross the border, they know if the company might enter into competition with other companies crossing the border. The number of multi-locs is specifically important to know, since they are a pre-condition for real seamless cross-border transport.
- *Safety certificates for multiple countries, drivers with second licenses:* To be allowed to operate in a certain country, an operator needs to have a safety certificate for this country. Therefore, the safety certificates owned by an operator can be an indicator for (the intention of) cross-border services. Furthermore, as different countries have their own licenses for drivers, second and third licenses are an indication for the amount of cross-border services as well, although operators can also choose to hire drivers abroad.
- *Company strategy/model:* Does the company offer more services than rail freight transport? If rail freight transport is not the core business of the company, there can be a risk for the employees, as the company can more easily decide to stop providing this service, or the rail freight part can be sold. Furthermore, the company can have less knowledge on specific safety issues. On the other hand, it can be an opportunity for the company to react more flexible to changing market demands. This can maintain jobs. Is it offering all rail services or only one segment like point-to-point container transport? Does it have an internationalisation strategy?
- *Ownership:* It is important to know who the owner of the company is. That way trade unions will understand who is in charge of the decisions and the strategy. For example, a new small private company can be part of a big international group. In that case, it is important for the employees in the small company to get in touch with the group to find out what the plans are for the smaller company.
- *Strategy model: regional, sector combined transport, whole corridor companies:* Because of the crisis, company strategies are constantly

changing and often hidden. But it is very important information to get a hold on as the fate of the employees depends on it. For example, when a company is primarily a management company (that is an intermediate company that only manages services, but does not execute these services itself), this can contain a risk for employees as the company can easily change the kind of services they manage.

Employment relations

- *Union membership and/or presence of a works council:* In general the union membership is higher in former public companies than in new private companies. Low union density makes it harder to get in contact with the company and get information on what is going on in practice. The more general development towards more individualisation means that union density is declining. This development will also have an impact on rail freight, a sector with a traditionally high union density. Young drivers often do not know what union membership can bring them. Close contact with union members is important to hear what is going on in practice and inform employees on what is legal and what is not. Also, individual employees in works councils can be a source of information.
- *Collective labour agreements and level of negotiation:* If the company has signed a collective agreement, more information is available on the working conditions agreed upon. What actually happens in practice is another thing, but the fact that the company did sign the agreement can be an indication that a dialogue is possible and at least there is contact between the trade union and the employer. With respect to collective agreements, there are a big differences between countries. In Norway, Sweden and Denmark there is one employer association for the trade union to talk to and make an agreement with. In the other countries this is not the case. There, agreements have to be made company by company. In the Northern countries unions also have the power to force companies to sign the collective agreement. The trade unions in these countries are allowed to stop trains, for instance, when a company refuses to sign the agreement. Enforcement and control often are part of these agreements. In Norway, the union has the right to inspect time schedules for instance. Still, what happens in practice remains difficult to get a grip on.

Working conditions

Of course, it is important to get information on the actual working conditions within the company in order to decide if and what action is needed. The following aspects are relevant for understanding the working conditions in international rail freight transport.

- *How the company employs staff (in particular drivers) to operate cross-border:* As shown in Chapter 3, more seamless cross-border transport does not automatically mean that drivers will cross more borders. Sometimes there is an agreement or a partnership between former incumbents from two neighbouring Member States. It is important for trade unions to know how a company employs staff to operate cross-border, because it can have an effect on the quantity, quality and distributions of jobs. Sending own personnel abroad seems to have the biggest impact on working conditions (driving long distances) and the distribution of jobs (development of transit countries for instance). The rise of temporary employment agencies is an important development as well. These agencies are a new counterpart for unions. Relatively little is known about the working conditions in these temporary employment agencies.
- *Wages:* It is good to know the wages that are paid by a company. But it is difficult to compare wages between countries, because of differences in living standards between countries and differences in the way wages are composed. Therefore it is important to know the average salary and the purchasing power of citizens of a Member State, to indicate if it can be considered high or low. Also, the elements the wages are composed of are relevant to know (for instance pensions, insurance, additional payments and years of employment). Taxes are calculated differently per country as well. **It might be better to look at the costs per kilometre instead of the wages. Companies do offer a price per kilometre to a customer. That is what companies compete on. Wages are only one part of the price.** Maybe

unions can gather information on the share of personnel costs to total costs.

- *Working hours:* Council Directive 2005/47/EC (18 July 2005) deals with driving time and rests for interoperable cross-border services (see Chapter 5 for more information). Since the Directive focusses on on-board staff, it is relevant for drivers in rail freight. However, gathering information on actual working hours is important, because the Directive sets minimum standards. Often actual working conditions are above the minimum level and it is relevant for other personnel. If there is a collective agreement at company level, the formal rules on working time are known. How many hours the drivers actually work is, of course, even more important to know. Furthermore, every company can have a specific way of calculating the driving/working time or deal with overtime. Therefore, it is important to ask about this context next to the formal working hours. To illustrate: the drivers of Trenitalia (Italy) drive, in certain cases (depending, for example, on the number of drivers in the cabin), a maximum of 6.5 hours during day time. The drivers of DB Schenker AG (Germany) drive a maximum of 9 hours during day time. Both companies may have different definitions of driving time though. For instance, is the definition the number of hours driving uninterrupted or not?
- *Rest at home and away from home:* Directive 2005/47/EC also deals with the rest away from home for drivers. If there is a collective agreement, the resting time is known. How many hours the drivers actually do rest in practice, is of course even more important to know. In terms of cross-border driving, this is important information as a company with less strict rules on rest away from home may decide to send drivers abroad more easily than a company with stricter rules. RTC (Italy), for instance, has a minimum rest at home of 16 hours. Green Cargo (Sweden) has a minimum rest at home of 11 hours. This means RTC has less flexibility in planning shifts than Green Cargo, as the rest between shifts is higher. Also RTC needs a higher capacity than Green Cargo to drive the same amount of hours.
- *Training for cross-border drivers:* Another European Directive[8] deals with competences a driver should have. This directive does not regulate the duration of the training though. Two companies operating on the same part of the corridor might have different practices with regard to formal training and the number of training days for new drivers and for continual training. One company may cut costs in this respect and the other does invest in it because of the safety reasons. But the comparison of companies with respect to training investments may not always give the complete picture. For instance, in The Netherlands there is a shift to regular education (public education provided by an independent educational institute) instead of training of new employees paid by the company. Students get an education of two years to become a driver, in which one gets an internship of 30 weeks with a company. At the end of the two years they take a practical exam at the company and a theoretical exam at school. In this case the company invests less in training of new employees, but it does lead to well-educated drivers.

8 DIRECTIVE 2004/49/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 29 April 2004 on safety on the Community's railways and amending Council Directive 95/18/EC on the licensing of railway undertakings and Directive 2001/14/EC on the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure and safety certification (Railway Safety Directive)
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX-:32004L0049:EN:NOT

- *Job content:* The job content of the different employees working for the company is important as well. Which jobs to include in the mapping exercises depends on the services a company provides and the different professions present. As for the drivers, it is important to know whether or not they have additional tasks. For instance, in the Belgium former incumbent, drivers also do administrative tasks, check safety labels, solve interferences within 30 minutes and are involved in shunting. Especially in small private companies, these tasks are not considered driving time, but make up 20-30% of the working time. In the former incumbents these additional tasks are part of the collective agreement. Some companies reduce personnel costs by letting drivers perform these tasks. This can, for instance, mean that there are no maintenance staff or shunters employed. This can be a threat for certain professions, such as shunters and administrative staff.
- *Trade union/CBA coverage:* Information on how many workers are organised in unions and whether the company is covered by a collective bargaining agreement, is relevant as well to indicate the profile of the company. If there is a high union density and a collective agreement, it is easier to get information on the strategy of the company via union members and maintain the dialogue with the employer. Otherwise, getting into contact with non-union member workers is probably the first step to take.

Box 4.5 provides suggestions where to get information on the above mentioned characteristics.

Box 4.5 How to get information on the characteristics

- Each RFC should publish an implementation plan six months before the RFC is implemented (although for most RFCs this deadline has not been achieved). This plan contains the names of companies active on the RFC.
- Company websites and annual reports often are available. The websites and annual reports mostly contain information on the company mission, ownership, number of employees, types of goods transported, other company services, and market share.
- Sometimes there are contact persons for the trade unions in the boards of the companies to get information on the company strategy.
- Collective agreements of course provide information on the formal working conditions.
- What if there is no collective agreement or what happens in practice is totally different than the formal agreements?
  - Information from drivers-meeting-other-drivers at the borders may be a very useful source of information.
  - Contact with small companies through old employees from the bigger (former public) companies, can be a good way to get information as well.

4.5 Summary: What can unions do?

This chapter described the developments in the organisational landscape and the differences between new small companies and former incumbents. In order to anticipate change in the organisational landscape and prevent competition on working conditions, mapping the companies is an important and continuous activity for trade unions. The steps to be taken in this mapping exercise are explained. Furthermore, the chapter provides an overview on how trade unions can get information on relevant characteristics of companies. Box 4.6. summarizes these different aspects. Of course the question remains, what can trade unions do when they have collected this information? If a certain company will be taken over by an international group for instance, the trade union with members in this one company can contact the trade union (from another country) that has contacts with the international group, in order to get advice in developing a strategy of action. If a new company on the market in one country turns out to be a subsidiary of a company in another country, trade unions from these two countries can cooperate with each other in bargaining with the employers. These are just a couple of examples. Chapter 5 provides an overview on the different levels trade unions can cooperate on, in order to anticipate change and fight competition on working conditions together.

Box 4.6 Summary of relevant company characteristics and working conditions to map

General company characteristics

- Company size: the number of employees of all professions, preferably divided into occupational groups.
- Market share in international rail freight.
- Number of trains crossing the border, preferably per neighbouring country.
- Safety certificates and drivers with second and third licenses.
- How the company employs staff (in particular drivers) to operate cross-border.
- Company strategy/model: does the company offer more services than rail freight transport? All rail freight services are concentrated on a segment or on a special product?
- Services: what services does the company provide?
- Ownership: who is the owner of the company? Where are the strategic decisions taken?
- Strategy model: regional, sector combined transport, whole corridor companies.

Employment relations

- Union membership and/or presence of works council.
- Collective labour agreements, including level of negotiations (sector, corporate, local).

Working conditions

- Wages: basic wage levels and additional benefits.
- Driving time and working time (including overtime).
- Rest at home and away from home: length, number of days.
- Training: formal training days, budget for training.
- Job content.

5. WOC – Anticipating Change and Trade Union Cooperation: possible actions

In this chapter an overview is provided of possible actions for unions to take in order to anticipate upon the development towards more seamless cross-border services on the Rail Freight Corridors and to develop a trade union response through cooperation along the corridors.

Content

The objective of rail freight corridors is to make rail freight transport cheaper, faster and more efficient and to considerably increase the freight volume transported across Europe on these corridors. On some corridors this can be a very dynamic process, on others a slow development in case the needed infrastructure is not available. An essential element is that the former cooperation among the national state owned railway operators will be replaced by competing companies, big and small, public and private, operating on the same route. Those developments can have considerable impact on employment and working conditions of railway workers:

- Employment: for example transit country or not; replacement of single wagon load production by point-to-point shuttle trains; concentration of shunting yards and terminals; replacement of technical checks of trains from the border stations to the departure points, etc.;
- Working conditions: mainly locomotive drivers might be affected by pressure on working conditions due to direct competition among rail operators, the appearance of temporary work agencies and social dumping.

It is important that trade unions develop the capacity to anticipate such developments and define a trade union strategy. Since we deal with international freight flows on the Rail Freight Corridors, trade union cooperation across the borders is an essential part of the strategy.

This chapter describes the possible actions that unions can take to anticipate on the developments towards more seamless cross border transport and the development in the context of the Rail Freight Corridors. Most of the actions suggested are meant for seamless cross-border services in general. However, most of the cross-border services will be concentrated on the corridor. Furthermore, it is important to realise that the amount of seamless cross-border transport differs significantly between the corridors and so will be the necessity to anticipate on it. The possible actions are divided into four levels: EU level, corridor level, national level and company level. Action can be taken simultaneously on all levels in order to be most effective.

The suggestions shall help unions from those corridor countries, in particular those that have not been part of the WOC project in their anticipation, strategy definition and cooperation: for example the Baltic-Adriatic-Corridor (RFC5), the Mediterranean Corridor (RFC6) or the Central East-West Corridor (RFC8).

5.1 Possible actions on EU level

Activities at EU level are focussed on influencing and/or defining framework conditions that apply to all railway companies and railway workers. Furthermore, the task of the ETF is to initiate and/or facilitate trade union cooperation across borders.

A meaningful social dialogue with CER and EIM

At EU level, the ETF represents the interests of the national unions. Although the differences between countries are large, there is a need to develop a minimum standard for working conditions in all Member States for cross-border transports to support employees and avoid social dumping. An important step is already taken with the Agreement between the ETF and Community of European Railways and Infrastructure managers (CER) in 2004 (see Box 5.1). The Agreement was made binding by the EC, with Directive 2005/47/EC. All Member States should have implemented this Directive at the present time. However, a concern is a lack of enforcement of these regulations and checks.

Box 5.1 Agreement between the CER and the ETF on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services in the railway sector

The purpose is to create minimal standards regarding certain working conditions and avoid social dumping and competition based on working conditions. Directive 2005/47/EC is the legal context for railway undertakings with regard to driving time and rests. It applies to mobile railway workers assigned to interoperable services carried. So if staff do not cross border, it does not apply (for example shunters, maintenance personnel and personnel operating within the borders of a Member State). If the staff does not cross a border, national regulation applies.

The Agreement stipulates the following rules:

- Driving time: max. 9 hours (day shift) and 8 hours (night shift);
- Driving time within two weeks period: max 80 hours;
- Breaks:
  - min. 30 minutes for shifts between 6 and 8 hours;
  - min. 45 minutes for shifts longer than 8 hours;
- Daily rest at home: min. 12 hours;
- Weekly rest: min. 24 hours plus the 12 hours daily rest period;
- Rest away from home:
- max. 1 (consecutive) rest away from home with a min. of 8 hours;
- negotiations on a second rest away from home could take place between the social partners at railway undertakings or national level. The ETF advices not to do this.

More initiatives are taken at the EU level. For example, the ETF is currently (2013) in dialogue with the CER and EC about checks and enforcement of driving and rest time. The ETF is lobbying the EU institutions to implement a digital tacograph to keep track on the actual driving time.

Provide the ETF with examples

If trade union members hear or see any violations regarding the regulations, they should report this to the ETF with very concrete cases. In some companies drivers have a business smart phone. It is possible to make pictures and videos (statements from drivers) of violations. That way the ETF can report this to the European Commission in order to take measures. The European Commission cannot take measures when there are no concrete indications of violation. Also providing concrete examples can be important input for the dialogue with employers.

Set up more European Works Councils

Approximately 10 million workers across the EU have the right to information and consultation on company decisions at European level through their EWCs. The Works Council Directives apply to companies with 1,000 or more employees, including at least 150 in two or more Member States. The unions have to take the initiative to form an EWC, when the Directive applies. EWCs bring together workers' representatives from all the EU Member States the company operates in, to meet with management, receive information and give their views on current strategies and decisions with a European dimension affecting the enterprise and its workforce. Of the estimated 2,000+ companies covered by the legislation, approximately one third has EWCs in operation. Many of these firms are large multinationals. In the rail sector three European Works Councils exist: ÖBB, DB and SNCF. A fourth could be established if the Italian unions take the initiative, which they are considering at the moment. The ÖBB European Works Council was established in 2011 and covers 16 countries in which ÖBB is stationed.[9] The Works Councils stimulate and facilitate cooperation between unions of the different Member States. They are very important to get informed by operators about cross-border business and help unions to focus on international developments in the sector. How to organize in newcomers on the market is a point of action we discuss below.

9 For more information on the EWCs see: http://www.worker-participation.eu/European-Works-Councils and the Database of European Works Council Agreements, www.ewcdb.eu.

Contact SLIC (Senior Labour Inspectors Committee)

The Senior Labour Inspectors' Committee (SLIC) was established in 1982 to assist the EC in monitoring the enforcement of EU legislation at the local level. The SLIC's objective is to achieve common principles of labour inspection in the field of occupational health and safety. Its role is to monitor the effective and equivalent enforcement of secondary Community law on health and safety at work, and to analyse the practical questions involved in monitoring the enforcement of legislation in this field. Cooperation with the European Senior Labour Inspectors Committee (SLIC) could be an action for trade unions. Members of the SLIC could be invited by trade unions along a specific corridor to think of strategies on how to get companies to follow the agreement. The SLIC contact person in 2013 is Arsenio Fernandez Rodriguez (DG Employment, Social Affairs & Inclusion, Health, Safety and Hygiene at Work, SLIC).
(see http://ec.europa.eu/social/main.jsp?catId=148&langId=en&intPageId=685)

5.2 Possible actions on corridor level and bilateral actions

On corridor level national unions have to deal with similar issues regarding the development of cross-border services in a particular RFC. Therefore, it is important to cooperate, for example by exchanging information about operators that are operating in different Members States along the corridor and take actions together to influence the working conditions in these companies (or at least coordinate their national initiatives regarding internationally operating companies). Again the need for this cooperation is depending on the amount of seamless cross-border services on a certain corridor. Depending on the issue, bilateral cooperation or cooperation between all unions along a corridor is necessary.

Be informed on the RFCs

First of all, unions have to be informed about the developments of the RFC. With the WOC project an important step is being made. The RFCs all develop a governance structure. This means there will be an organization with contact persons which will have relevant information on the corridor. The Transport Market Study of the RFC, a RFC website, the One-Stop-Shop of the RFC, the management board, the advisory groups and working groups, all are possible sources of information. We recommend to keep track of the RFC websites (if they already exist, such as corridor1.eu and rfc7.eu) or the RNE website (rne.eu). On this websites important documents, contact names and upcoming events are posted.

Create a trade union network

The first step is to create a network with unions in the Member States along the corridor. The ETF can support this by giving contact information regarding the unions in different Member States. An important step to create a network, at least along certain corridors, is being made in the WOC project. Social networks like "LinkedIn" are very useful to keep the contact information up-to-date and to communicate with each other. Due to the fact that drivers are difficult to contact, because they are always travelling and hardly meet each other, social networks like 'LinkedIn' or 'Facebook' can be important to contact individual drivers as well. A barrier in the communication between the different nationalities is the language problem. Therefore, it is recommended to appoint a union representative for the international relations who is able to communicate in different languages and it is recommended to stimulate participating in language courses if possible.

Develop a joint international agenda

By exchanging information regarding working conditions, concerns and national strategies, unions can develop a common agenda to address international issues. Joint agendas have to be made on EU level as well as on corridor level and for bilateral cooperation. It is possible that unions from different countries have conflicting interests (for example, more favourable working conditions in one country can lead to reduction of employment in this country and more employment in a neighbouring country). It is very important to discuss these conflicting interests as well in order to be able to find solutions or maybe even win-win situations. Unions which are competing with each other give the employers possibilities to take advantage of this. Moreover, unspoken conflicting interests can prevent that common interests on other issues are not being commonly addressed properly. A first step to address common interests is the development of a declaration in which the external stakeholders (governmental bodies, media, employers) are informed about the issues of concern.

Mapping companies and compare working conditions

To know which employers the unions have to deal with, it is important to map the companies on the corridor and to know which companies operate internationally. The One-Stop-Shops of the RFCs should have information on what companies operate or wish to operate on the RFC. Therefore the OSS of a RFC can be an important source in order to take the first step in mapping the companies. A framework to map companies and relevant working conditions was presented in Chapter 4.

It is important to compare the working conditions in different Member States to know where competition based on working conditions is possible. Comparing working conditions might be difficult though, due to different definitions and the fact that different aspects might not lead to the same 'ranking'. However, it is very important to map these differences because companies operating in different countries can take advantage of it.

Inform and support one another on issues like take-overs and development in working conditions

Furthermore, it is important to exchange current issues and initiatives taken regarding internationally operating companies, in order to understand how certain changes in working conditions and employment in one country can influence other countries. For example international take-overs and mergers can cause changes in the business strategies which are related to the employment and working conditions. In case of an international take-over, unions on both side of the border can take action to save jobs. Furthermore, it is important to exchange information regarding companies who seem to violate regulations in one country, because it can mean this violation happens in other countries as well. By exchanging this kind of information and the concerns of unions, a common strategy can be developed to act upon it. Furthermore, in case of accidents unions can give each other legal advice and advice on how to deal with the rise of small companies with few union members. Other information, like the experiences in the development of social plans during reorganisations, or experiences in creating a sector agreement can be very helpful for the national activities of unions.

Map trade union membership, workers' representation bodies and the existence of Collective Bargaining Agreements

The traditional incumbent railway companies are generally well organised and workers are covered by collective bargaining agreements. In order to avoid social dumping within the rail freight sector, nationally or on the corridors, it is essential that the employees in small competing companies are organised as well. Understanding the situation in the different companies is the first step to target non-organised companies. Unions might support each other across borders on the corridors by contacting non-organised drivers arriving at a terminal or in a station. Mutual information is important.

Approach Corridor Governance and advisory bodies

Knowing the role and the tasks of the Advisory Groups of the RFCs (see Chapter 2), it is most important for trade unions to get in contact with the Advisory Groups of the corridors their country is part of. That way trade unions can not only try to have influence on the proposals made for the corridor, but also get in direct contact with the companies that are or will become active on the train path. The contact with the Advisory Groups can be established by checking the website of a corridor for the names of the Advisory Group members (for instance www.corridor1.eu and www.rfc7.eu). The trade unions working together on a corridor can invite the chairman or another member of the Advisory Group to join a meeting in which developments and issues on the corridor are discussed. For the Rhine-Alp corridor there is already a list of company names which are member. Trade unions on this corridor can contact a friendly company first to build the relationship and try to find out what they discuss in the Advisory Group and what their plans are. Confidentiality concerns of course can make it hard to get the information, but it is worthwhile trying.

Demand salaries of the country in which employed (not in which stationed)

An example is an agreement between the unions of Austria, the Czech Republic, Hungary and Slovakia. They agreed on common goals and try to achieve those through national collective bargaining. They agreed, for example, to demand the salary of the country in which an international driver is employed. So, if a Hungarian driver crosses the border with Austria, he should receive a salary according to the Austrian collective agreement. A similar agreement is already implemented in Gysev, an operator owned by the Austrian and Hungarian States. The average salary in Austria is 2,415 Euro and in Hungary 489 Euro. A driver of ÖBB (Austria) makes 2,500 Euro per month and Hungarian Gysev Driver working Hungary makes 1,184 Euro. However, when a Hungarian driver of Gysev crosses the border and works in Austria, the wage increases to 1,919 euro per month. Furthermore, these unions also agreed to help each other during strikes. If the union on one side of the border is on strike, the unions on the other side of the border will not provide drivers to work in the country on strike.

Set up bilateral agreements

Between several neighbouring countries along a corridor bilateral agreements are made by companies and trade unions about employment along the corridor. This can be a useful way to fight competition between companies operating cross-border on the same part of the corridor route. In Scandinavia, the former incumbents exploiting the route, for instance, agreed on equal use of staff between the countries. The trade unions from Norway, Sweden and Denmark agreed to negotiate each in their country with their company 50:50 rules within the collective bargaining agreements. In Box 5.2 we describe the 50-50 agreement of DB Schenker Rail in more detail.

Box 5.2 50-50 agreement at DB Schenker Rail

DB Schenker Rail Germany and DB Schenker Rail Netherlands made a 50-50 agreement over a period of 5 years. This is not a formal agreement, but a gentleman's agreement. They agreed on the amount of driving hours on the Dutch-German track: they divide the total amount of driving hours equally over a period of five years. One year this may be 40% for the Dutch drivers and 60% for the German drivers. Another year this may be the other way around. You need a good relationship with mutual trust to get to such an agreement and it is certainly easier within the same transnational company. Works councils monitor if the agreement is respected.

Box 5.3 Sibelit

Sibelit is a joint venture set up by the national railway operators of Belgium, Luxembourg and France to cooperate on international services with office in Luxembourg. The unions of the three companies SNCB, SNCF and CFL cooperated to anticipate on the international developments and negotiated an agreement that arranged that drivers of all three nationalities were to be used and given salaries according to their own national regulations.

Point out to other drivers when the work is unsafe

Swedish drivers in Norway were driving more hours than allowed according to regulations. The Swedish drivers did not dare to stand up to their management. The Norwegian colleagues, however, stopped the Swedish trains in Norway and thereby forced the Swedish operator to obey the law regarding working time. This is an example of how drivers of other unions can prevent illegal activities without being afraid of losing their jobs.

5.3 Possible actions at national level

Share experiences regarding sector agreements

The national level is the familiar playground of the unions in rail transport. However, this level has become more complex due to the appearance of multiple (small) operators, which are often less visible for unions. A sector agreement is very useful to create a same level playing field within a country and an efficient instrument for unions to address problems in multiple companies. Discussing minimal wages seem to be most appropriate on the national level for example. In a number of countries sector agreements are agreed upon, but in other countries not. There are also important differences in the possibility to create one. In certain countries (Sweden and Denmark), all employers are member of the national employers' association, which can be approached by the union(s) to create a sector agreement. In Austria, the membership in the employers' association (Wirtschaftskammer) is even compulsory for companies. In other countries the employers are not members of a national association and have to be approached separately which makes an initiative to create a sector agreement

very complex. Unions can help each other by sharing experiences regarding the establishment of a sector agreement. Besides creating a same level playing field, sector agreements can be useful for comparing working conditions between countries.

5.4 Possible actions at company and workplace level

The company and workplace level are the lowest level on which action is necessary. A number of actions are proposed on this level.

More focus on small new companies

Working conditions in small new companies are less visible to unions and the union representation in these companies is often low. Although these small new companies individually only employ a limited amount of workers (including temporary workers employed through agencies), together they are relevant for the competition on working conditions because experiences show that the working conditions applied in these companies are less favourable and violations of labour law are assumed to be more common.
The first contact within new private companies is difficult to get. However, when there is just one employee who is able to show other employees the relevance of union membership, the number of members increases. Therefore communication with individual employees is important. Contact with smaller companies burdens heavily on union resources, but those employees are in need of union representation as well. On the other hand, some small companies are part of larger groups, in which case the mother organization can be approached. Unions should cover a geographical area instead of focussing on big operators, to avoid to be identified with specific companies.

Use drivers as ambassadors

It is recommended to keep close contact with employees when they switch companies (from a former incumbent to a small new company). This can be done with social media like LinkedIn (make a LinkedIn group as trade union(s)). Furthermore, individual members of the union can be ambassador when meeting other drivers (from other companies) during their work. In Italy, for instance, drivers who are union member encourage (young) new drivers (from private companies) to become a member as well, and point out the importance of membership. Trade unions can also try to contact new (future) railway workers through presentations on public schools specialised in railway professions, like for example in Norway, to explain the advantages of union membership. Additionally, unions can monitor the education programs to check whether sufficient attention is being paid to health aspects, safety, etc.

Inform works councils

Many companies have a works council. Trade unions can inform the members of these works councils about EU regulation on cross-border transport. Sometimes the workers themselves agree to work with bad working conditions, because they do not know what is legal. Trade unions can give the right information.

5.5 Summary: What can unions do?

Summarising, the following possible actions can be taken to anticipate the developments towards more seamless cross-border services.

Level	Possible actions
EU-level	A meaningful social dialogue with EIM and CER to create legislation for workers employed on cross-border services.
	Provide ETF with concrete examples in which regulations are not followed, in order to address the problem at the European Commission and for the dialogue with employers.
	Set up more EU Works councils. EWCs bring together workers' representatives from all the EU Member States the company operates in, to meet with management, receive information and give their views on current strategies and decisions affecting the enterprise and its workforce.
	Contact the Senior Labour Inspectors Committee (SLIC) regarding international inspections.
Corridor level & bilateral	Be informed on the RFCs and governance structures.
	Create a network of unions in Member States along a corridor (LinkedIn can be used as an instrument). Appoint union representatives as for international relations, with the necessary language skills.
	Develop a joint international agenda.
	Map companies operating in the different countries along the corridor and compare working conditions between countries and companies.
	Inform each other for example on: take-overs and mergers, companies who violate the rules, experiences with social plans and the development of sector agreements, support each other with legal advice in case of accidents, how to deal with small companies.
	Map trade union membership, workers' representation bodies and the existence of Collective Bargaining Agreements.
	Approach corridor governance and advisory bodies.
	Demand salaries of countries in which an international driver is employed.
	Set up bilateral agreements (for example 50-50 agreements).
	Point out to drivers, report and take action when their work is unsafe.
National level	Share experiences regarding sector agreements.
Company and workplace level	Focus more on small new companies (including temporary work agencies). Acquire knowledge about the working conditions and organize workers' representation in small (new) companies (social media can be a useful instrument).
	Use drivers as ambassadors. Drivers who are union member can encourage (young) drivers (from private companies) to become a member as well and point out the importance of membership.
	Inform works councils within the companies (for example about the EU regulation on cross-border transport)

In this chapter we presented an overview of possible actions that trade unions can take in order to anticipate the developments in seamless cross-border services. Which action on which level should be taken is dependent on the specific context of the corridor and the Member States involved. However, three steps are common to all corridors:

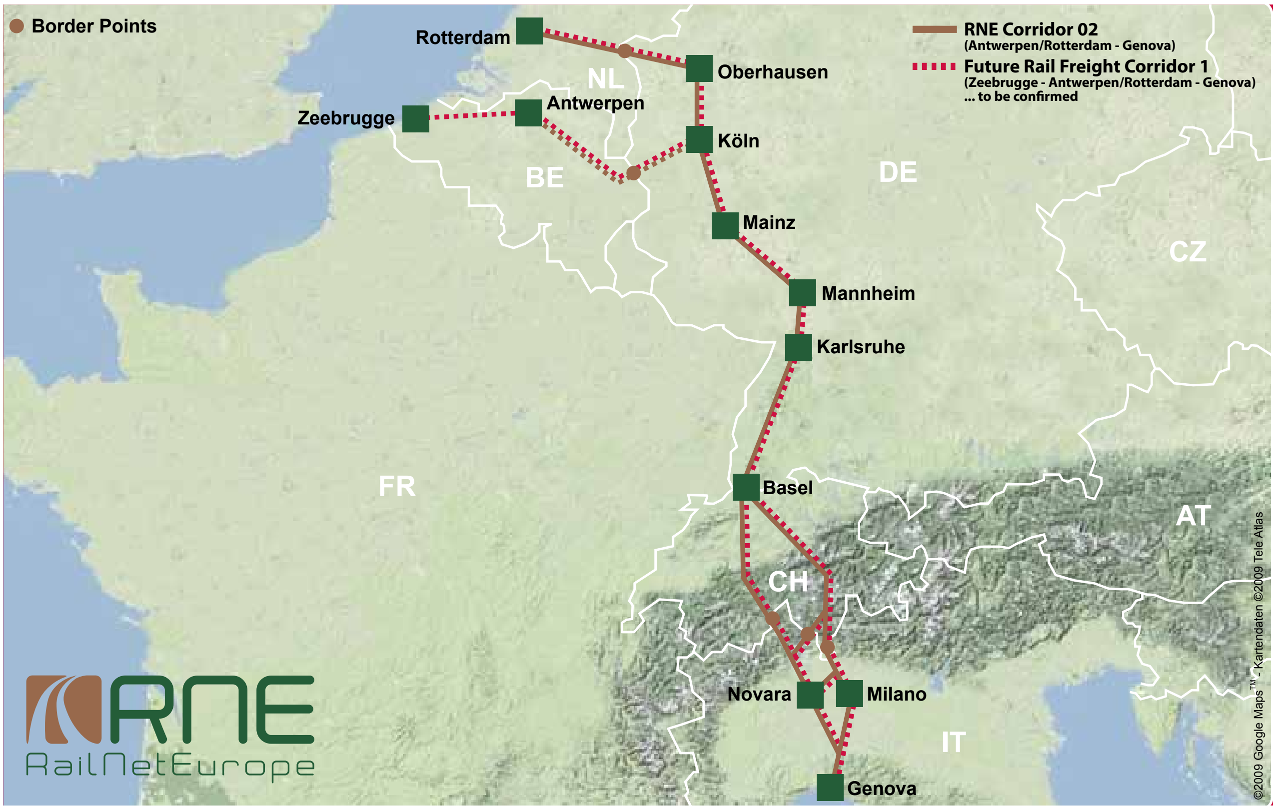
1. Analyse the developments in the context that lead to seamless cross-border services (Chapter 3). The first step is to analyse the developments in seamless cross-border services on a certain corridor. On the North-South corridor for example, context factors lead towards more seamless cross-border services compared to the Orient corridor. More seamless cross-border services often increase the importance of the need for cooperation between labour unions of the unions in the Member States involved;
2. Map the companies operating on the corridor and their working conditions (Chapter 4). The second step is to map the operators on a certain corridor, their way to employ personnel in cross-border services (own personnel crossing the border or not) and the working conditions within these operators. These companies and working conditions should be compared to each other to see which (potential) problems (will) exist;
3. Choose the appropriate action (Chapter 5). Based on the importance of trade union cooperation and the potential problems based on step 1 and 2, appropriate actions should be taken. For example, if an incumbent in a Member State takes over an incumbent in another Member State (ÖBB takes over RCH) a 50-50 agreement might be useful to protect employment when working conditions differ between the countries. Another example: small companies become more dominant on a certain corridor, which is the case on the Orient corridor, therefore it is important to organise the employees in these companies.

Annex 1a
Rhine-Alp corridor (RFC1) – facts and figures

For the Working on Rail Freight Corridors (WOC) project, ETF organised three workshops with trade unions on three different corridors. Here, we map one of the three corridors to show how a corridor can develop. All the information is provided by the trade unions participating in the workshops. We have to make note of the fact that the information is not static nor fully complete. However, it does provide us with a relevant overview to understand what is happening on the corridors.

Name	Rail Freight Corridor 1 (RFC1)
Characteristics	› Line Distance: • Rotterdam - Genoa: 1,400 km • Zeebrugge - Genoa: 1,500 km
	› Total line kilometres: 2,500 km
	› Track kilometres: 4,900 km + 9 new tunnels with 130 km length
	› countries: The Netherlands, Belgium, Germany, Switzerland, Italy
	› Infrastructure managers and allocation body: ProRail, Infrabel, DB Netz, SBB Infrastruktur, BLS Netz, Trasse Schweiz, RFI
	› Largest transport volume in Europe - about to double from 2005 (28.3 bn tkm) to 2020 (58.9 bn tkm)
	› 4 sea ports, 6 inland ports
	› Approximately 50 intermodal terminals
	› Approximately 20 companies operate cross-border on the corridor and the total number of drivers with a second license is at least 1,200.
Implementation	The corridor should be ready in November 2013.
RNE compatability	The RFC1 combines two RNE corridors (2 and 5, see www.rne.eu).
Contact	Stefan Wendel, Programme Director stefan.wendel@corridor1.eu
Interesting links	› www.rne.eu: 'corridor info' on corridor 2 and 5 is relevant for RFC1.
	› www.corridor1.eu: important events are posted and the implementation plan of RFC1 should become available on this website.
Map	The following maps (Figure A1) give an overview of the corridor, the overlap with other corridor concepts (RNE, ERMTS Ten-T projects).
	Figure A2 shows its main stations and the companies operating on the corridor, situation June 2013.
	Table A1 gives information of companies operating on the corridor. Source: workshop ETF (not a complete overview).

Antwerpen / Rotterdam – Köln – Mannheim – Basel – Genova



Rotterdam / Antwerpen – Luxembourg / Paris – Lyon / Basel

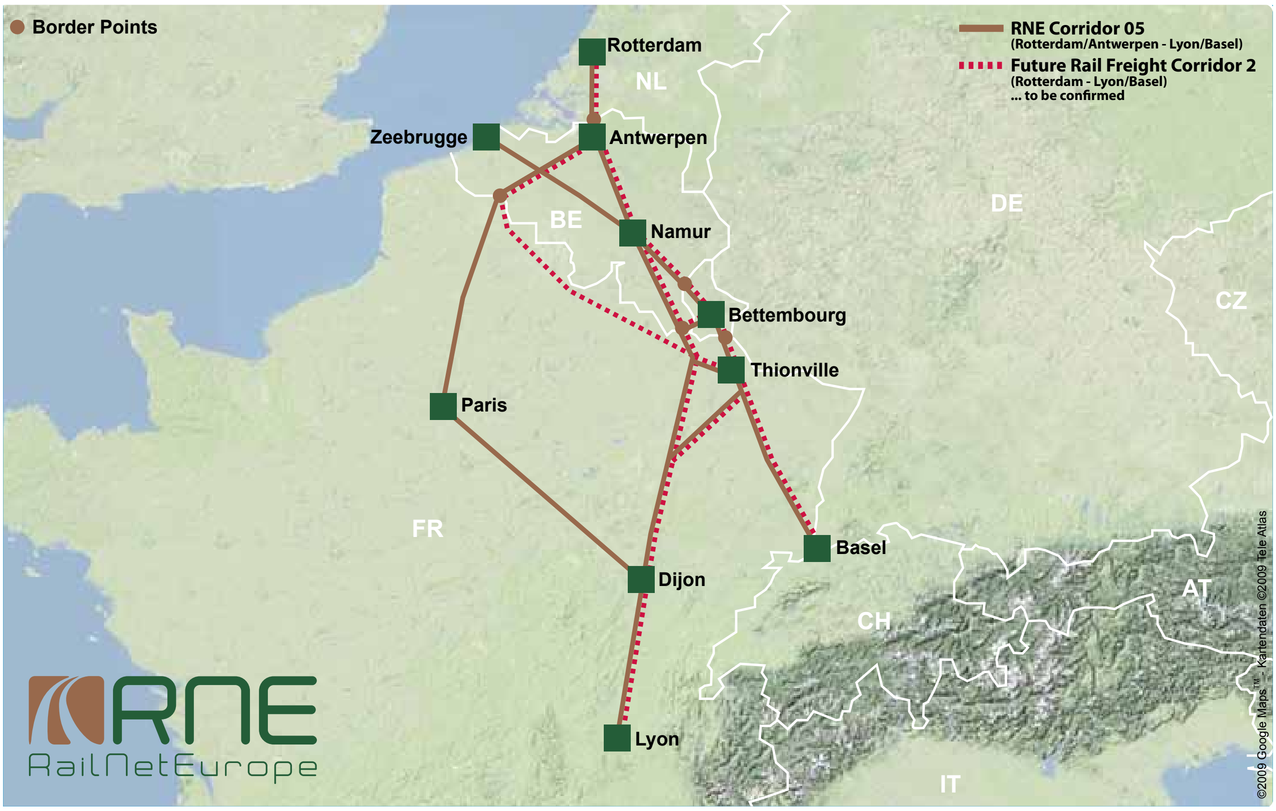


Figure A2 Mapping the Rhine-Alp corridor, February 2013

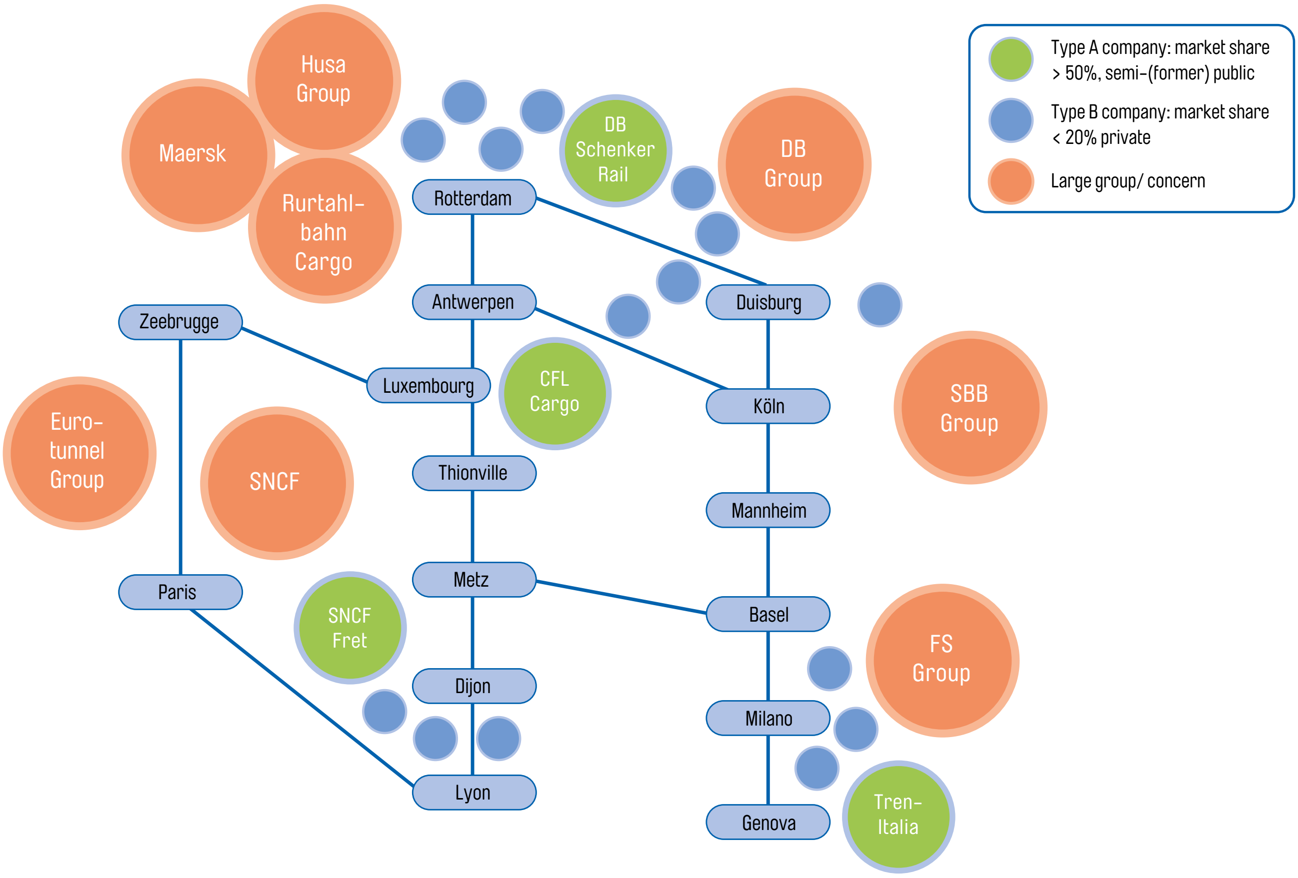


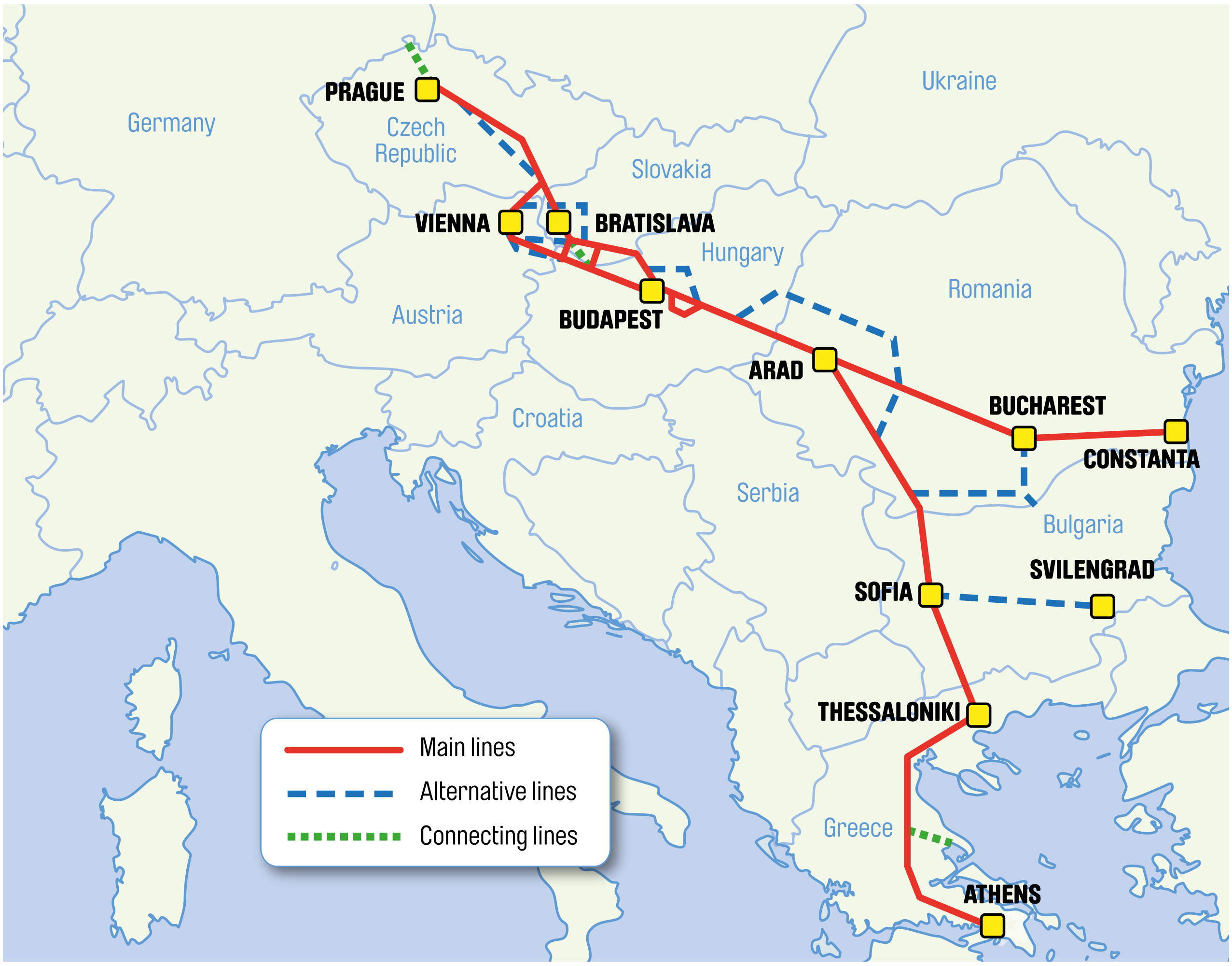
Table A1 **Information on companies active on RFC1. Source: trade unions participation in the WOC project and company websites**

Company name	Public/private	National market share	Active on part of corridor	Nr drivers total/ Nr drivers 2 license
DB Group: German, Passengers and logistics, Operates in 130 countries				
DB Schenker Rail NL	Semi-public	80% (NL)	NL-DE-BE	400/75
DB Schenker Rail AG (DE)	Semi-public	75% (DE)	Complete	?/550
Nordcargo (IT)	Semi-public	4% (IT)	IT-CH	?
ECR (FR)	Private	15% (FR)	FR-IT	600/?
SNCF Group: French, Passenger and freight transport, operates in 10 European countries and all over the world				
Captrain (NL)	Private	5% (NL)	NL-BE	?
Captrain (DE)	Semi-public	5% (DE)	?	?
Fret SNCF	Public	60% (FR)	LX-CH-FR-IT	2.880/300
VFLI (FR)	Private	12% (FR)	FR-IT	230/10
SBB Group: Swiss, Passenger, cargo, real estate, infra				
SBB Cargo Germany	Semi-public	3% (DE)	?	?/100
SBB Cargo Italia	?	4% (IT)	IT-CH	?
Oceanogate (IT)	Private	2% (IT)	?	24/?
Husa Group: Dutch, Intermodal logistics solutions for rail freight , Operates in 3 countries				
Husa (NL)	Private	5% (NL)	NL-DE-BE	?
Rurtahlbahn Cargo: German, Freight, staff provision, shunting, feeding, material renting, Operates in 5 countries				
Rurtahlbahn (NL)	Private	5% (NL)	NL-DE-BE	?
The Maersk Group: Danish, Shipping, oil and gas, Operates in 130 countries				
ERS (NL)	Private	5% (NL)	NL-DE	?
FS Group: Italian, Infrastructure and services, Operates mainly in Italy				
Trenitalia (IT)	Semi-public	71% (IT)	IT-CH-?	2,106/?
TX Logistics	Semi-public	6% (DE)	Complete	?/100
Eurotunnel Group: French, Channel infrastructure management and rail transport Operates in England and France				
Europorte	Private	13% (FR)	FR-IT	300/0
CFL Cargo (LX)	Private	100% (LUX)	Complete	69/52
CFL Cargo (DE)	Semi-public	1% (DE)	?	?/10
HGK AG (DE)	Semi-public	3% (DE)	?	?/30

Annex 1b
Orient corridor (RFC7) – facts and figures

For the Working on Rail Freight Corridors (WOC) project, ETF organised three workshops with trade unions on three different corridors. Here, we map the Orient Corridor to show how a corridor can develop. All the information is provided by the trade unions participating in the workshops. We have to make note of the fact that the information is not static nor fully complete. However, it does provide us with a relevant overview to understand what is happening on the corridors.

Name	Rail Freight Corridor 7 (RFC7)
Characteristics	› Length of main lines: 3,900 km, length of main lines and alternative lines: 5,900 km
	› 7 countries: Austria, Hungary, Czech Republic, Romania, Slovakia, Bulgaria, Greece
	› 8 infrastructure managers and 1 capacity allocation body: ÖBB Infrastructure (Austria), SZDC (Czech Republic), ZSR (Slovakia), MÁV (Hungary), GYSEV (Hungary and Austria), VPE (Hungary), CFR (Romania), NRIC (Bulgaria), OSE (Greece)
	› 5 important port terminals and 5 inland terminals are connected
	› At least 8 companies operate cross-border on the corridor and the total number of drivers with a second license is at least 305.
	› Relatively little seamless cross-border services (compared to other RFCs)
Implementation	The corridor should be ready in November 2013.
RNE compatability	The RFC7 combines two RNE corridors (9 and 10, see www.rne.eu).
Contact	Chairman Mr László Mosóczi (MÁV) RFC7 Secretariat: rfc7secretariat@mav.hu
Interesting links	› www.rne.eu: 'corridor info' on RNE corridor 9 and 10 is relevant for RFC7. › http://www.rfc7.eu: important information and events are posted, like the implementation plan
Map	The following maps give an overview of the corridor, the overlap with other corridor concepts (RNE, ERMTS Ten-T projects). Figure A3 shows its main stations and the companies operating on the corridor as was the situation in April 2013. Table A2 gives information of companies operating on the corridor (Bulgaria and Greece excluded). Source: workshop ETF (not a complete overview).



Hamburg – Dresden – Praha – Bratislava – Budapest

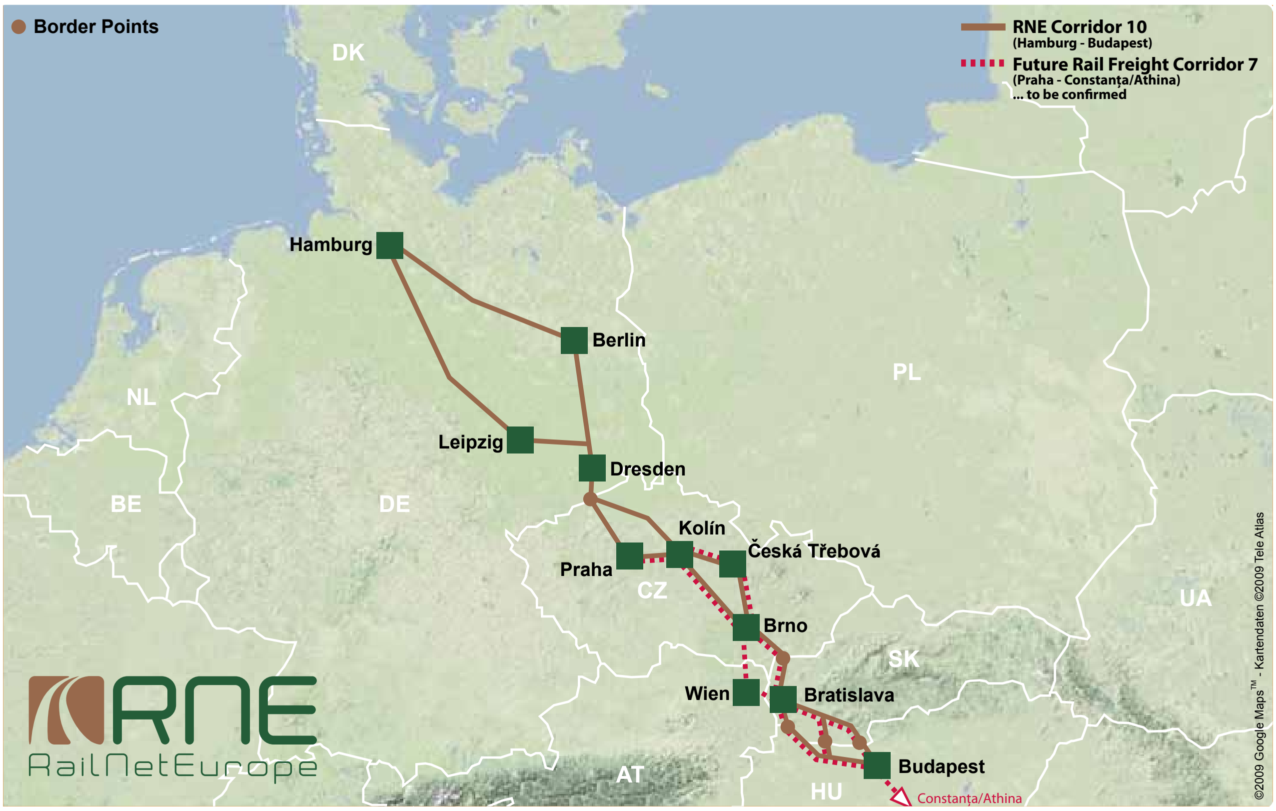


Figure A3 Maps of RFC7 (source: RNE website: www.rne.eu)
Wien – Budapest – Bucureşti – Constanţa/Kulata/Svilengrad/Varna/Burgas

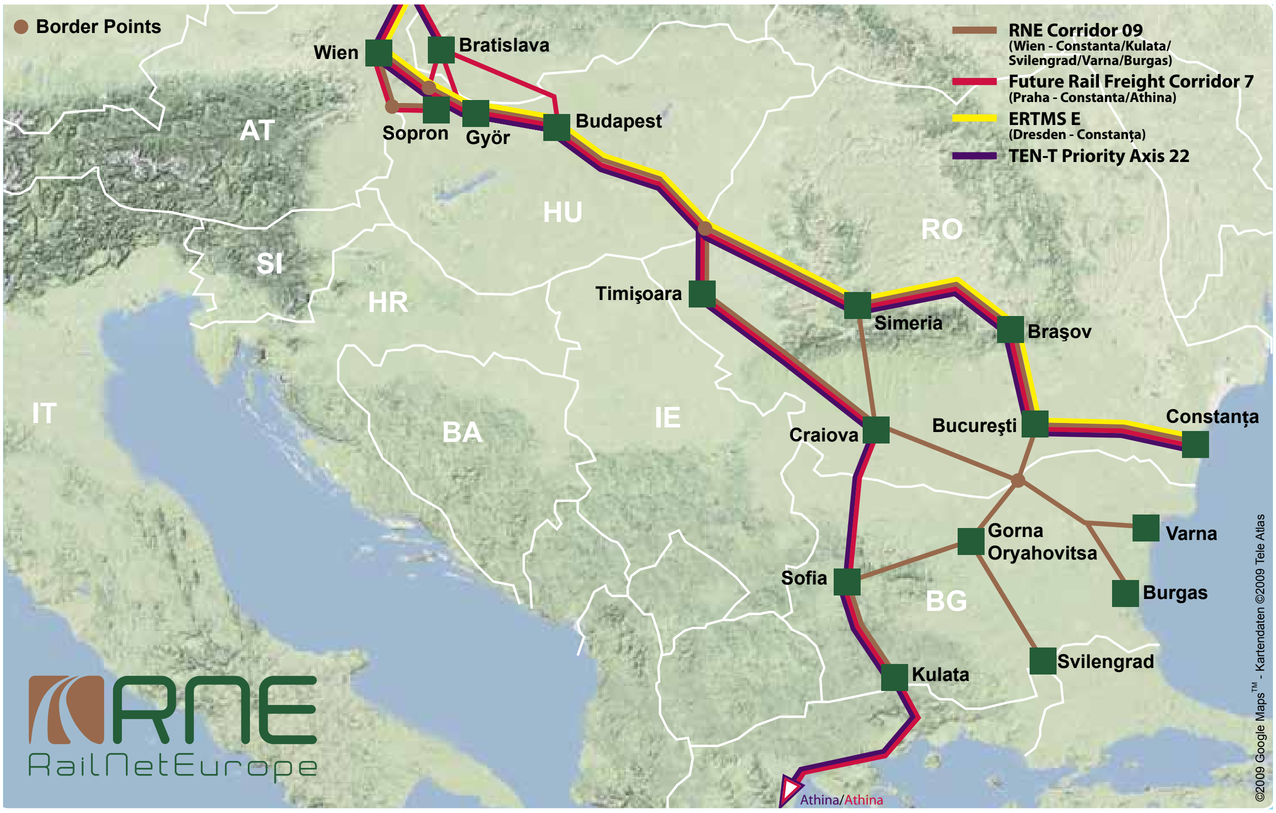


Figure A4 Mapping the Orient corridor, April 2013 (Greece and Bulgaria excluded)

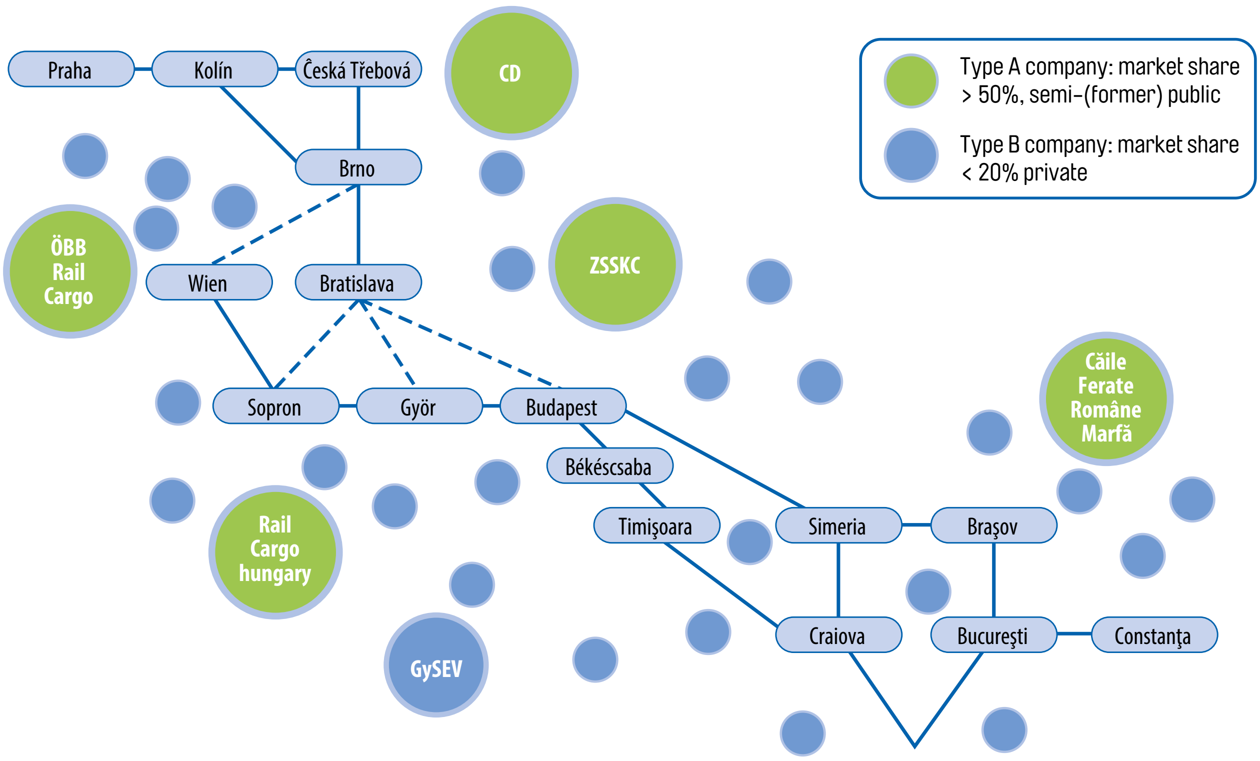


Table A2 **Information on companies active on RFC7. Source: trade unions participation in the WOC project and company websites (this is not a complete overview and Greece and Bulgaria are excluded)**

Company name	Public/private	National market share	Active on part of corridor	Nr drivers total/ Nr drivers 2 license
ÖBB Austrian passengers and Logistic group				
ÖBB Rail Cargo Austria (A)	Semi-public	~80% (A)	Breclav - Vienna - Hegyeshalom	4,100/150-200
ÖBB Rail Cargo Hungary (H)	Semi-public	71.96%	?	?
GKB - Graz-Köflacher Bahn und Busbetrieb GmbH, a local operator in Austria				
LTE (A)	Private	~2.4% (A)	Breclav - Vienna - Hegyeshalom	20/13
LTE (CZ, H, SK)	Private	0.28% (H)	?	?
The Operators below do not belong to a large international group				
Wiener Lokal-bahnen Cargo GmbHv (A)	Public	~2.7% (A)	Breclav - Vienna - Hegyeshalom	35/0
Gy SEV (H)	Semi-public	12.59% (H)	Hegyeshalom - Gyor	230/60
CD Cargo (CZ)	Public	87% (CZ)	Decin - Bad Schandau	24/?
Breclav - Kuty	1,608/35	71% (IT)	IT-CH-?	2,106/?
ZSSK Cargo (SK)	Public	82.23%	?	1,130/47
CFR Marfa	?	45%?	?	?
RCH	?	?	Hegyeshalom-Curtici (Austrian border-Romanian border)	128/4

Annex 1c
Central North South corridor (RFC3) – facts and figures

For the Working on Rail Freight Corridors (WOC) project, ETF organised three workshops with trade unions on three different corridors. Here, we map the North-South corridor to show how a corridor can develop. All the information is provided by the trade unions participating in the workshops. We have to make note of the fact that the information is not static nor fully complete. However, it does provide us with a relevant overview to understand what is happening on the corridors.

Name	Rail Freight Corridor 7 (RFC7)
Characteristics	› 6 countries: Norway, Sweden, Denmark, Germany, Austria, Italy › 7 infrastructure managers: Jernbaneverket (Norway), Trafikverket (Sweden), The Öresundsbro Konsortium (Denmark/Sweden), Banedanmark (Denmark), DB Netz AG (Germany), ÖBB Infrastruktur AG (Austria) , Rete Ferroviaria Italiana S.p.A (Italy) › 13 port terminals, 6 inland terminals › Approximately 17 companies operate cross-border on the corridor and the total number of drivers with a second license is at least 965.
Implementation	The corridor should be ready in November 2015.
RNE compatability	The RFC3 combines two RNE corridors (1 and 4, see www.rne.eu).
Contact	anagement Board: Tommy Jonsson (Trafikverket) Coordination group: Sophie Didier (DB Netz AG)
Map	The following map gives an overview of the corridor. Figure A6 shows its main stations and the companies operating on the corridor, situation June 2013. Table A3 gives information of companies operating on the corridor. Source: workshop ETF (not a complete overview).

Figure A5 Map of RFC3

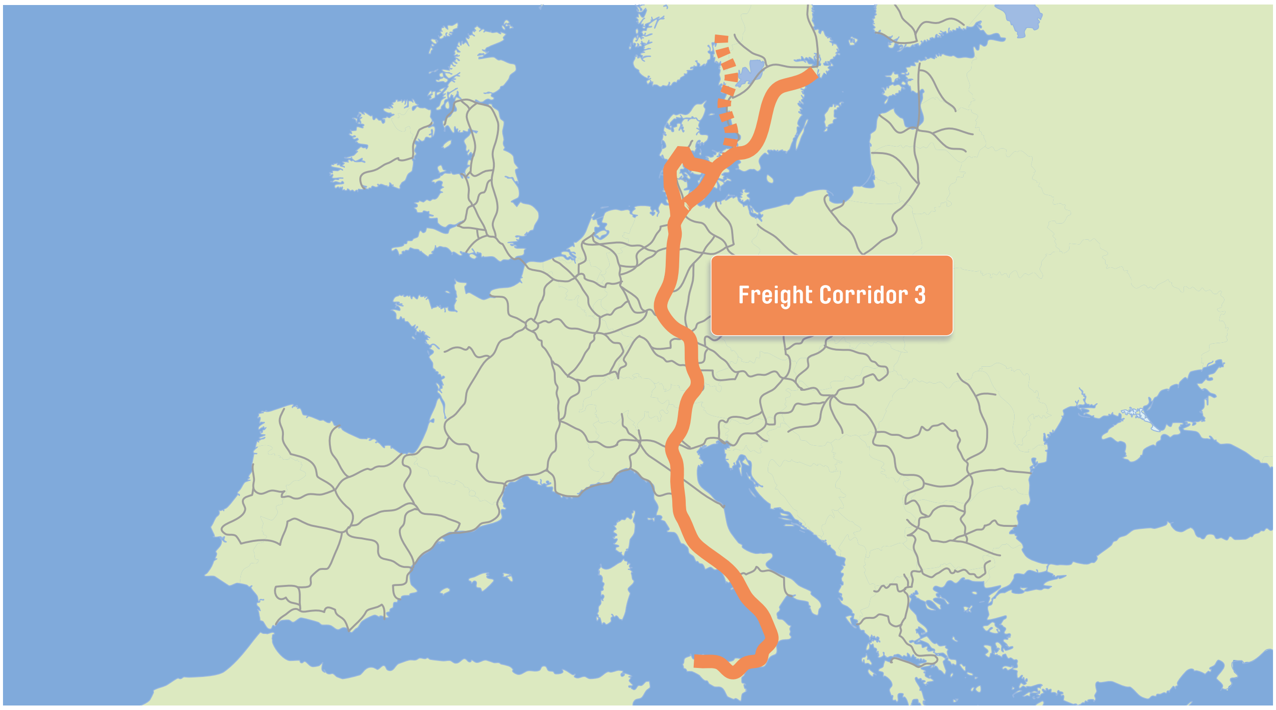


Figure A6 Mapping the Central North South corridor, April 2013

Table A3 Information on companies active on RFC3. Source: trade unions participation in the WOC project and company websites

Company name	Public/private	National market share	Active on part of corridor	Nr drivers total/ Nr drivers 2 license
DB Group				
DB Schenker Rail AG	Semi-public	75% (DE)	Complete	?/550
Green Cargo AB	Public	72% (SE)	SE-DK-Norway-DE	950/75
DB Schenker Rail Scandinavia AS	Semi-public	3% (SE)	?	?
Nordcargo	Semi-public	4% (IT)	IT-CH	?
RTC	Private	(IT)	?	200/100
HCP Group				
Hector Rail	Private	6% (SE)	SE-DE-DK	?
FS Group				
Trenitalia	Semi-public	71% (IT)	IT-CH-?	2,106/?
TX Logistik AB	Private	3% (SE)	Complete	?
TX Logistics	Private	6% (DE)	Complete	?/100
SBB Group				
SBB cargo Germany	Semi-public	3% (DE)	?	?/100
SBB Cargo Italia	?	4% (IT)	IT-CH	?
HCP Group				
Captrain Benelux	Semi-public	5% (DE)	?	?
Oceanogate	Private	2% (IT)	?	24/?
CFL Cargo Germany (part of CFL Cargo)	Semi-public	1% (DE)	?	?/10
HGK AG	Semi-public	3% (DE)	?	?/30
Rush Rail	Private	3% (SE)	Scandinavia	?
Captrain	Semi-public	5% (DE)	?	?

Annex 2
Cross sector workshop on strategic terminals

Introduction

The last workshop in the WOC project had a more experimental character and a broader focus. The participants explored the possibilities of union cooperation between different transport sectors. The focus was on strategic terminals, where different transport modes (and employees) meet.

Strategic Terminals: presentations and site visits

First of all, information on strategic terminals was presented. External experts gave presentations on the port of Rotterdam (sea / rail / road / inland waterways), the inland port of Basel (rail/road/ inland waterways) and an ETF affiliate made observations on the situation in rail/road terminals in Germany, in particular as a contact point for stationary and mobile railway workers and road transport workers. These presentations provided a general background regarding the development of these terminals, regarding the different transport modes and employment and working conditions in these terminals.

Furthermore, the participants visited different sites in the port of Rotterdam. The "Maasvlakte 2" (new developed area of the Port of Rotterdam) and its information centre were visited. Afterwards two companies, EMO (transhipment terminal for coal and iron ore) and Rail Service Centre Rotterdam, were visited. The participants could get a clear picture on the working conditions in these companies, the growing importance of technology and the potential for cooperation between workers of different transport modes.

Discussion on cross sector union cooperation

The presentation and site visits provided useful input for the explorative discussion on cross-sector-union-cooperation in and around strategic terminals. There were participants representing dockers, employees in the inland waterways, the road transport sector and the rail sector. It was noticed that employees of different sectors do not often meet and mostly only for a very short time in terminals. Therefore, union-cooperation is not expected to grow automatically on the shop floor. Besides, there are lot of differences between the sectors (union density, working conditions, collective agreements) and between the countries (labour laws, cooperation between unions) which make cooperation difficult.

However, it was also noticed that there are topics of common interest, as is shown with the example of the "Flag of Convenience" campaign. Here, dockers and seafarers cooperated to take action against bad labour conditions and safety measures on seagoing vessels. These conditions were caused by the fact that ship owners can register their ships in other countries, were the safety regulations and labour laws are less strict and therefore less costly (like Panama). On all levels, from shop floor to the international social dialogue, cooperation led to an effective strategy to improve the working conditions of the seafarers and the safety situation on board of the ships. An important part of the ship owners paid a contribution to a fund, managed by the International Transport Workers' Federation (ITF), from which inspectors for safety and working conditions who go on board of ships were paid. The dockers could take action against ships with bad working conditions, by not unloading and loading the ships. Because of the help of the dockers, the seafarers did not run the risk to get fired.

Inspired by the example of the seafarers and dockers, a common interest between the unions in rail and road was discussed during the workshop. Bad working conditions in the road sector (especially for the self-employed) are not only bad for the workers in the road sector itself, but also for the workers in the rail sector, because this sector is directly competing with road transport. Bad working conditions in the road sector lead to downward pressures on the working conditions in the rail sector as well. An example to improve working conditions in the road sector could be taken from Australia, where social partners in the road sector agreed to stop destructive competition through underbidding and to make customers pay a minimal (fair) price. This concept was supported by law and the unions made sure that these laws were enforced with financial help of the employers.

The participants agreed that the exploration of cooperation between sectors should in an initial step be focussed on the cooperation between the road and rail sector. A starting point could be to analyse certain strategic terminals where labour unions have a strong position and problems are urgent. The ETF will explore the possibilities to create a project to support this idea.

Annex 3 – WOC Questionnaire

Introduction

Dear colleagues and project partners,

Thank you for your co-operation in the ETF WOC project, Working on Rail Freight Corridors, managed by ETF.

The project has a focus on the following corridors:

- RFC 1 'Rhine-Alp' and RFC 2 'Benelux-France' corridor (RNE2 and 5), involving the **Netherlands, Belgium, Luxembourg, Germany, France** and **Italy**
- RFC 7 'Orient-Corridor' (RNE 9), involving **Austria, Hungary, Czech Republic, Slovakia** and **Romania**
- RFC 3 'Central-North-South' Corridor (RNE 1 and 4), involving **Sweden, Denmark, Germany** and **Italy**

The overall aim of the project is to deepen our knowledge of the developments of rail freight business on the Rail Freight Corridors in Europe and the impact of these developments on working conditions and employment with a particular view on cross-border rail freight operations. The first step is a **mapping** of the companies that are operating on the three selected corridors and of the working conditions in those companies.
For this purpose we rely on your knowledge about your country. As discussed at the kick-off meeting of the WOC project, we ask you to provide us with information about the specific Rail Freight Corridor in your country and fill in this questionnaire as much as possible. If your country is involved in more than one of the three selected corridors (applies to Germany and Italy), please include information on all corridors in one questionnaire.

The questionnaire consists of two separate parts:
1. Part 1. Overview of companies on the corridor *(please fill in only one questionnaire for your country)*
2. Part 2. Company profile and working conditions *(please make as many copies as you need to fill in a questionnaire for each company)*

In part 1 we ask you to identify the most important rail freight operators on your part of the international corridor(s) that employ drivers. We ask you to fill in part 2 for these selection of companies. In your choice of companies bear in mind that you describe the biggest companies, but also some small ones since they can be of high interest for the project. Please fill in the form below for each of the companies. For part 2 it might be useful to contact a union representative in the company.

ETF is supported by TNO in the project. TNO has developed the questionnaire in order to prepare the regional workshops. Please fill in the questionnaire in English or German and return the document to: Sarike.Verbiest@tno.nl with copy to a.albertazzi@etf-europe.org not later than **Wednesday 25 January 2013.** If you have any questions you can also contact Sarike on this email address.

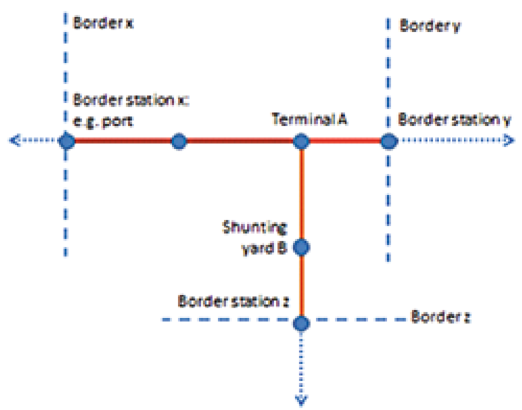
Best regards,
Sabine Trier

WOC Questionnaire
Part 1. Overview of companies on the corridor

In this part of the questionnaire we ask you to provide information on the selected corridor that is crossing your country, the most important terminals and the main companies active. If your country is involved in more than one corridor, please include information on all corridors in one questionnaire.

A. Please draw - on the next page - a picture of the corridor(s) and the main stations/terminals in your country. What are the border stations, important terminals and shunting yards?
See the example below

Example:



Draw your picture on this sheet (if you draw it by hand, please do make a scan of it).

B. What rail freight companies operate cross border on your part of the corridor? Fill in the table below for each company (insert more rows if necessary)

1. Which are the main rail freight companies operating in your country? What is there market share in rail freight transport in your country (if possible)? (list the companies with their name and market share below, insert more rows if necessary)

Company name	Market Share in your country (estimate of %)

2. Which of these rail freight companies are active in cross border transport: What rail freight transport companies operate cross border on your part of the corridor?

Name of company	On what part of the corridor does the company operate? (more tracks possible)	In which country is the head quarter situated?	Is the company part of a larger group/ concern? (if so, give the name)	Type of service: does the company also deliver other services than rail freight transport? If so, what services?

3. Other companies of interest: Are there other companies than rail freight transport companies which operate on the corridor (e.g. responsible for shunting, maintenance, logistics).				
Name of company	On what part of the corridor does the company operate?	In which country is the head quarter situated?	Is the company part of a larger group/ concern? (if so, give the name)	Type of service: what type of services does the company deliver?

C. Short description of the most important terminals on the corridor in your country

Name of the terminal	Port or inland terminal	Types of transport	Average number of trains per week	Supporting single wagon/block trains?	Main company/ companies responsible for handling the trains in the terminal (name and services/role)

B. Developments on the corridor

1. What are **the most important developments (opportunities or threats) regarding employment and working conditions on the corridor** in your country in cross border freight transport? Such as, organizational developments (privatization, mergers, take overs etc), technical developments (technical bottle necks, safety systems), economic development (crisis, competition with road transport), legislation etc.
Please describe the most important developments and the impact you expect on employment and/or working conditions?

Most important developments (opportunities or threats)	Impact on employment and/or working conditions
1.	
2.	
3.	
4.	

Thank you for your effort.

Please return the document to: Sarike.Verbiest@tno.nl with a copy to a.albertazzi@etf-europe.org not later than Wednesday 25 January 2013

WOC Questionnaire
Part 2. Company profile and working conditions

In this part of the questionnaire we ask you to fill in one form per company.
Please make a copy of the form for each company you want to describe.

1. Name respondent	…….
2. Function/role	…….
3. Contact information	Telephone: Email:

A. General information of the company

4. Company name	…….
5. Is this a private or public company?	Private/public/semi-public
6. Ownership: is the company part of a larger group or concern? If yes: which group/concern *(fill in the questionnaire for the part of the company that is active in your country, not for the concern as a whole)*	No, Yes, this company is part of …….
7. Does the company have subsidiaries?	No Yes, namely …….
8. Does the company co-operate with companies in other countries? If yes, what type of co-operation?	No Yes, namely …….
9. Type of production, type of clients/goods	Single wagon load/block trains Consumer goods/raw materials/… Dependent on one or a few clients/many different clients …….
10. Number of trains per week on this part of the corridor	…….
11. Is this a growing company?	…….
12. Mergers or takeovers: has this company been involved in any mergers or takeovers in the past year? Or do you expect this in the coming year?	…….
13. Additional remarks on the general profile of the company:	…….

B. Information on employment and employment relations in the company

1. Total number of employees in the company (not in the group)	…….
2. Total number of drivers	…….
3. Total number of drivers in the company with a 2nd license /certificate that allows driving in another country	…….
4. Does the company have employee representation? If yes, what type of representation? (worker council, union, other)	No Yes, …….
5. What percentage of employees are union member (estimate %)?	…….
6. What unions are represented in this company?	……. ……. …….
7. Collective agreement: does the company have a collective employment agreement? If yes, what type of agreement?	No Yes, national/sector/company agreement/other …….
8. Does the company hire personnel from other companies or temporary work agencies? If yes, from what company/temp agency? for what jobs? how many workers are hired on average ?	……. ……. …….
9. Does the company employ workers from other countries? If yes, from what country and for what jobs?	No Yes, namely …….
10. Does the personnel in this company work in other countries? If yes, in what country?	No Yes, namely …….
11. Are there any agreements about the employment conditions for workers in other countries, such as wages or working hours?	No Yes, namely …….
12. Are there examples of social dumping? If yes, please explain.	…….
13. Are there initiatives to counteract social dumping in relation to this company? If yes, please explain.	…….
14. Additional remarks on the employment relations in this company?	…….

C. Working conditions for drivers in the company

C1. Working hours

1. What is the maximum driving period (per day and per week)?	Maximum driving period for a day shift: … Maximum driving period for a night shift: … Maximum driving period in a two-week period: …
2. What is the working time (per day and per week)?	Maximum working time per day: … Maximum working time per week: …
3. What is the minimum daily/weekly rest at home?	Minimum daily rest at home? Minimum weekly rest at home?
4. What is the minimum daily rest away from home?	Minimum daily rest away from home: …
5. What is the minimum amount and duration of breaks per day?	…….
6. Is there a second consecutive rest away from home negotiated? If yes, who negotiated this second rest away from home and what is the compensation?	No/yes
7. Do the workers rest away from home?	No/yes
8. Does there exist paid overtime?	No/yes
9. Are there tasks/activities for drivers that do not count as working time, but prevent drivers from going home or taking a break, such as waiting time? What kind of tasks/activities are those?	…….

C2. Wages

10. What is the average salary of a driver at the company, excluding additional payment for the inconvenient working hours?	
11. What is the average percentage of additional payment for inconvenient working hours?	
12. What is the average salary in your country (to compare)?	

C3. Secondary labour conditions

13. Are there important secondary labour conditions in this company that are worth mentioning? What are those? *Such as, collective insurance, pension schemes/arrangements, a reimbursement for dinner during breaks, childcare, lease car, compensation for rest away from home.*	

C4. Job content

14. Is there a description of tasks available for drivers at the company?	
15. Do drivers carry out other tasks than driving? If yes, which?	
16. Is there information on the time available for each task? Is the available time realistic?	
17. Are there any issues with regard to the job content that are worth mentioning?	

C5. Social life / work-life balance

18. As far as you have information about work-life balance of the drivers: In what way can drivers influence their work-life balance/ how much freedom do drivers have to combine work and social life (such as individual influence on their work schedule)?	
19. What are problems you know from, regarding the work-social life balance?	

C6. Training and skills

20. What kind of training/education do new drivers get?	
21. How many hours/days of training do they get?	
22. What kind of training/education do the present drivers get to keep up and develop their skills and knowledge?	
23. What is the frequency and duration of that training/ schooling?	

C7. Overall view

24. Do you consider this company to be a good employer? Can you give an example of a good / bad practice in this company?	
25. What are the most important developments in this company in relation to the workings conditions of the drivers? What are your main concerns with regard to this company?	

Thank you for your effort.

Please return the document to: Sarike.Verbiest@tno.nl with copy to a.albertazzi@etf-europe.org not later than Wednesday 25 January 2013

With the support of the European Union

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