

RAIL BALTICA INFRASTRUCTURE MANAGEMENT MODEL IMPLEMENTATION

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INTRODUCTION

The Baltic States continue their commitment to advancing the *Rail Baltica* project and developing infrastructure management model that will offer streamlined, equal, non-discriminatory access to railway infrastructure for all railway undertakings.

Throughout 2024, it progressed on implementation of action plan which covers core areas of *Rail Baltica's* management framework. Expert Working Group (EWG) efforts have been bolstered by continued support from Shadow Operator and involvement of DG Reform. DG Reform provides a Technical Support Instrument which supports implementation of structural reform and provides technical expertise. This support shall last until mid-2026 and enrich the group's work with valuable solutions into the high-speed cross-border railway management and operations on *Rail Baltica*.

As it started already in 2023, the work has been performed in close cooperation with Operational Readiness Expert Group (OREG) and direct involvement in its activities, preparing the clear picture for the way forward the start of operations on *Rail Baltica* line.

At the same time some political sway around the *Rail Baltica* project and the need to plan its implementation in phases, uncertainties about the proposed scope of the first phase, slowed down progress on some matters.

Various analysis, stakeholder consultations and findings of best practice that were dedicated to the identified main topics provided further inputs and required next steps for model's implementation phase, with the model set to be completed and access to *Rail Baltica* railway infrastructure to be offered no less than 16 months before the 1st timetable year of *Rail Baltica* line.

The 4th Annual Progress Report reflects the progress of *Rail Baltica* infrastructure management model development across twelve focal areas during 2024.

While continuing development of the *Rail Baltica* infrastructure management model, EWG also engaged in various related work groups and formats dealing with specific areas of expertise and involving experts with certain knowledge.

PROGRESS OVERVIEW

Unified performance framework

1

The initial set of Key Performance Indicators (hereinafter - KPIs) devised to assess the *Rail Baltica* railway line's performance was established in 2021. These indicators largely retain their relevance, given that no new dimensions specifically linked to *Rail Baltica* have been identified since then. In 2023, new information was gathered, and additional data on maintainability-related KPIs were collected.

In 2024, there were no significant updates to the KPI system. The EWG is monitoring the work of the PRIME cooperation network in this field to adopt up-to-date railway system monitoring KPIs at the appropriate time.

In parallel, updates were made in the strategy related to the implementation of the RAMS standard, which, among other things, defines the targets for the reliability, availability, maintainability, and safety of the *Rail Baltica* system. This serves as an important foundation and starting point for the upcoming periods in verifying compliance with railway system requirements. The goal is to ensure that everything built meets the performance and operational requirements of the *Rail Baltica* railway system.

Uniform interface with railway undertakings

2

EWG progressed in investigating key areas critical to the development and implementation of standardized interface for railway infrastructure management and streamlining capacity as well as timetabling services for railway undertakings. For legal framework DG Reform's TSI instrument is engaged and the work on the matter will be continued next year. Regarding IT solution the following 3 options were identified. Initial idea was to jointly develop IT platform dedicated for *Rail Baltica* line by 3 IMs. Discussions and case analysis revealed some disadvantages of this approach therefore optional solution to have individual systems integrated between each other was also considered. This more efficient approach eliminates disadvantages of the previous option but maintains functionalities of one stop shop concept providing railway undertakings with seamless service and ensuring security requirements for infrastructure managers. The third option assessed is to use the established RNE tool, which is used by all European Rail Freight Corridors - Path Coordination System (PCS). LTG Infra has experience using this system to manage capacity bookings on North Sea - Baltic Corridor. In 2024 PCS system underwent major upgrade into PCS - Capacity Broker (PCS CB). However, the system was not launched on the planned date and postponed to the next year. Therefore, EWG is going to test the tool and assess the best way to employ this option in accordance with *Rail Baltica* requirements next year, as well as to collect feedback of the tool from RUs.

Another activity related to future access to railway undertakings was to structure and draft information for Network Statements that shall set out the nature of the infrastructure, which is

available to railway undertakings, and contain information setting out the conditions for access to the relevant railway infrastructure and service facilities connected to the network. The structure has been defined, drafting of general information part has been started. Joint efforts on the activity proved that further clarification among the 3 IMs is required before finishing the task.

Part of this activity was comparison of current network access requirements between 3 IMs. EWG has analysed and mapped current network access requirements. As a result of this task key differences were identified that would require further discussions and solutions on how to unify them.

Common charging principles

3

The main challenge is to ensure a market-responsive pricing policy during the initial years of operation. This primarily involves implementing a uniform methodology for defining direct costs but also requires preparing a broader, realistic analysis of market conditions. We clearly understand the key question from operators: "How much does a train-km cost on the *Rail Baltica* railway?" Answering this question requires substantial preparatory work to establish an efficient fee-setting system on the one hand and a cost-effective infrastructure management system on the other.

EWG started a joint effort with DG Reform Technical Support under Regulation (EU) 2021/240 for specialized expertise to develop common charging framework of the three infrastructure managers. Due to the uniqueness of the *Rail Baltica* infrastructure – as a cross-border infrastructure located and managed across the three Member States, but also perceived as a common therefore a tailored charging framework for *Rail Baltica* must be developed. This includes harmonized approach to the mark-up policy and ensuring IMs financial equilibrium by the states. The effort will be continued throughout 2025 and is planned to be finished in 2026 Q2.

Common capacity allocation

4

Since upcoming EU regulation on the capacity allocation (Proposal for a Regulation of the European Parliament and of the Council on the use of railway infrastructure capacity in the single European railway area, amending Directive 2012/34/EU and repealing Regulation (EU) No 913/2010) will affect, and hopefully also facilitate, the capacity allocation processes, main focus was on following the activities in the Council of EU and European Parliament.

In cooperation with the Ministry of Transport of Latvia, expert advice, including proposals for provisions for extended cooperation between infrastructure managers, were provided on the relevant Council documents.

As the legislative proceedings are still continuing, approaching the deliberation phase between the Council and the European Parliament, and seemingly will continue also in the first half of 2025, this work is being continued. Meanwhile it is necessary to note, that no progress in the EU institutions have been demonstrated in the 2nd half of 2024.

Cooperation that is extended beyond the railway infrastructure managers

5

EWG has continued its' active role in defining and implementing the Operational Readiness Plan of the RBGP which encompass the full spectrum of activities required to start operations on the *Rail Baltica* railway. The focus this year was on revision of activity descriptions and optimisation of the activities timetable.

The application of the Baltic States for the DG Reform Technical Support under Regulation (EU) 2021/240, have been accepted by the European Commission. At the IV quarter of the year, the consultant hired by the European Commission has started the tasks. The key outstanding questions are open access market potential and definition of services and market segments where PSO would be necessary; recommendations for overall cross-border PSO system structure for *Rail Baltica* as a common cross-border infrastructure; principles of cross-border PSO contracting. The EWG expects that a functional model will be set in place assuring the availability of the PSO model in time, thereby maximizing the utilization of the infrastructure and enhancing the socio-economic benefits of the RBGP.

Common safety management

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Previously developed checklist for the identification of Safety Management System requirements pursuant to Regulation 2018/762 and means of their fulfilment, which have been presented to the SO, was discussed with the SO experts.


It turned out, that it could not be simply mechanistic approach on fulfilment of the formal requirements, but a proper company culture system, which will encompass all the relevant safety culture elements, shall be established.

Meanwhile, the outcomes of other activities will become a core of the safety management system content. Deliverables for the fulfilment of essential part of the requirements are expected in upcoming years.

The working group has engaged Shadow Operator consultancy to progress with the development of a comprehensive Railway Security Strategy for *Rail Baltica*. The consultants provided study-level material which required additional input therefore safety experts from Infrastructure Managers were involved to improve on the content of the strategy.

So far Baseline Security Strategy for *Rail Baltica* Railway Infrastructure has been prepared. This document will be presented to all IBs for review to reach a mutual agreement on how the three countries will manage security both within the RBGP framework and when the *Rail Baltica* railway becomes operational.

7	Common external strategy
	<p>Development of the infrastructure management model for <i>Rail Baltica</i> will touch on many aspects related to the Baltic transport ecosystem and thus will require significant engagement with a variety of stakeholders which operate and perform in the railway sector. Therefore, stakeholder management is an integral component of <i>Rail Baltica</i> infrastructure management model development process.</p> <p>To create a foundation for further stakeholder management actions, the EWG has completed the Stakeholder Database which will be the centralized repository of stakeholder data to be used for tracking, analysis, management of interactions. Based on stakeholders mapping, different strategies for interaction with particular stakeholders' group have been identified.</p>

8	Extended cooperation beyond the Baltic States
	<p>EWG continued to follow and participate in <i>EuroLink</i> platform, which aims to create a harmonized European timetable for railway transport. Since <i>EuroLink</i> joining RailNetEurope (RNE) as a dedicated taskforce, this project is becoming a base for the future strategic capacity plan, as foreseen in the new draft capacity regulation.</p> <p>EWG has submitted updated data for the <i>EuroLink</i> members questionnaire, providing information about <i>Rail Baltica</i> line: market studies, modelling and assumptions, infrastructure development, concepts of train services and infrastructure capacity usage.</p> <p>Due to joining RNE, the plans for dedicated timetabling design sessions have been reviewed, addressing geographically broader group. The kick-off meeting for the Poland and <i>Rail Baltica</i> session is scheduled for January 2025.</p> <div style="text-align: center; margin: 20px 0;">  </div> <p>EWG experts continues to follow up the legislative proposal for establishing harmonised framework for the management of rail infrastructure capacity and rail traffic across the single European railway area, where possible providing comments and proposals, taking into account the foreseen <i>Rail Baltica</i> infrastructure management model.</p>

9	Traffic management
	<p>The discussions were continued on the traffic management model, addressing certain issues related to different security requirements and possibility to share traffic management responsibilities and information across the border.</p>

Functional operational requirements for the traffic management system, based on possible traffic management scenarios, were provided for the CCS system procurement specifications.

In 2024 Latvian IM on behalf of the Ministry of Transportation addressed experts to set up a Joint traffic management working group with RBR and JSC "Latvijas dzelzceļš" experts to work on joint decision regarding economically and technically best option for joint traffic command centre and back-up command centre location and implementation. Working group has developed joint report, that is coordinated and approved by the involved parties. The overall vision has been presented to the Ministry of Transportation and the approved report has been submitted for evaluation.

After operational and legal assessment LTG Infra concluded that when implementing CCS on Rail Baltica line and combining operational models the traffic management and decision-making function must remain in the hands of LTG Infra in all cases.

Service facilities

SO had delivered the document „Railway Local Facilities O&M Organisational Models Report“. The report defines the list for different kinds of organisational models for O&M. The scope of the report has been clustered in five different groups, four of them related to the type of Local Facilities and another one associated with the activities needed to manage the facilities at corporate level. The following are the five groups:

- Local Facilities group 1: Freight Terminal (international and regional / multimodal connection);
- Local Facilities group 2: IMF and IMP;
- Local Facilities group 3: Passenger Station (international and regional);
- Local Facilities group 4: Rolling Stock Maintenance Facility (Heavy and light maintenance);
- Group 5: Corporate level IM activities that need to be organised to properly manage the facilities at both national and global project level (e.g. Integrated Management System and RBGP coordination in the framework of the North Sea-Baltic Corridor).

A general and indicative deliverable clue steps for the Railway Facilities organisational models report is given below.

The perspectives to be adopted in the document are one of the following depending on the facilities functionalities:

- Infrastructure management at strategic level;
- Freight and passenger RU operations and this specific technical knowledge of operation analysis within Railway Infrastructure and local terminals / facilities;
- Infrastructure and facilities maintenance;
- Rolling stock maintenance and its specific technical knowledge of Rolling stock maintenance facilities, depots, and stabling areas.

The information and level of detail obtained from the SO report can be used to more precisely define future operating models, primarily concerning the determination of management models for freight terminals and depots.

Infrastructure maintenance strategy

The activity continued in the dedicated working party of the Operational Readiness Expert Group. Colleagues of RB Rail AS, with involvement of the EWG members, have developed the maintenance concept, which is part of the maintenance framework.

It refers to the overall approach or philosophy adopted by an organization regarding how it will manage the maintenance of its assets. It is a high-level philosophy or approach guiding maintenance decisions and thus sets the directions.

It outlines the fundamental principles and ideas that guide the maintenance activities within an organization.

The concept needs final review and formalization.

The preparation of the Maintenance Strategy under the same working setup have also been started and is in process. It is a more detailed and specific plan that operationalizes the maintenance concept. It involves the selection of specific maintenance tasks, schedules, and resources required to implement the maintenance concept effectively. It is a more detailed plan that operationalizes the concept by specifying the specific tasks, schedules, and resources needed for effective maintenance and thus provides the actionable steps to implement that direction.

It deals with the practical aspects of executing maintenance activities and achieving the goals set by the maintenance concept. Within this activity the list of rolling stock required for railway maintenance and rescue operations will also be prepared.

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Horizontal measures

This year EWG has continued work as a dedicated platform to develop *Rail Baltica* infrastructure management model. Part of the effort to reach the goal was to engage the mission of the Directorate-General for Structural Reform Support (DG REFORM) of the European Commission instrument to develop common approaches for effective implementation of the *Rail Baltica*.

The joint effort in this project shall focus on three specific areas:

- Development of a unified cross-border PSO;
- Development of a functional and institutional framework for a common cross-border infrastructure management system encompassing planning, construction, maintenance and operation. Charging framework is a crucial element of the infrastructure management system therefore this effort shall develop a tailored charging framework for *Rail Baltica*;
- Operation of the physical infrastructure required for train operations;

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- Development of an effective financing model for the overall *Rail Baltica* project.

It was expected that the Memorandum of Understanding on Cooperation in the Development and Implementation of Rail Baltica Infrastructure Management Model between OÜ "Rail Baltic Estonia", SIA "Eiropas dzelzceļa līnijas", AB "LTG Infra", signed in the January 2023, will be developed into more detailed co-operation agreement. However no particular issues have been identified, and the framework established by this Memorandum deemed being sufficient. Therefore EWG suggests to cancel this task, which could be renewed if needed.

CONCLUSION AND OUTLOOK

During 2024 the EWG has successfully continued assessment of various elements related to railway infrastructure management and is looking for solutions tailored specifically for *Rail Baltica* case and the objectives it has to achieve.

Further progress will build on independent expert advice and recommendations, making sure that *Rail Baltica* infrastructure management model reflects (and goes beyond) the best industry practice.

It is planned that in 2025 the core conclusions and proposals for further action will be reached under each of the identified main topics, allowing the *Rail Baltica* infrastructure management model to enter into the implementation phase.

For this purpose, the EWG plans to start State level and interinstitutional consultations, to make sure that the considerations and proposals developed by the EWG can be transposed and incorporated into the relevant national policies and legal environment.

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