



Brussels, 14 September 2017.

COOPERATION WITH RAILWAYS

- Panel discussion on Customs-Railway cooperation -

(Item XII. on the Agenda)

Introduction

1. A growing portion of goods in international trade, especially in some regions and countries, is being transported by railway and thus crossing borders, which implies the need for cooperation between railway companies and Customs administrations. The WCO has not held extensive discussions on Customs-Railway cooperation recently, in either the PTC or other WCO meetings. However, some initial steps have been taken to strengthen cooperation with international organizations dealing with railways, specifically on transit-related matters.
2. This item will be introduced by a panel discussion that will provide more insight on current projects and initiatives with a view to improving facilitation and control of cross-border movement of goods transported by rail. The panel will set the scene for a discussion that aims to explore challenges and opportunities of Customs-Railway cooperation at both national and regional levels.

Cooperation with the railway sector

3. Challenges concerning harmonization of transport documents, technical standards and the use of electronic records and simplification of Customs procedures require a stronger cooperation between Customs and railways towards trade facilitation and regional integration. Both Customs administrations and railways organizations understand the need for heightened cooperation in the light of the ever-increasing share of transcontinental transit via railways.
4. Until recently, the WCO did not have in place official cooperation channels with the railways transport sector, as opposed to other transport sectors (air, sea, road). In 2016, the WCO started to explore opportunities in working with two inter-governmental organizations dealing with railways: Organization for Cooperation of Railways (OSJD) and Intergovernmental Organisation for International Carriage by Rail (OTIF).
5. During the WCO Global Transit Conference the WCO signed a Memorandum of Understanding (MoU) with OTIF which is the first formal arrangement on cooperation

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between the WCO and a railway organization. OTIF covers primarily Western and Eastern Europe¹ and Middle East countries.

6. The spheres for more intensive cooperation encompass the removal of obstacles to the crossing of frontiers in international rail traffic, better information exchange, simplification of formalities, enhancement of security and further work on the acceptance of transport documents for Customs formalities.
7. The Parties to the MoU have committed to support each other with standard-development and technical assistance activities and to define and organize consultations and provide mutual assistance.
8. The WCO is now in the process of discussing cooperation with the OSJD which covers CIS countries, Asia and Eastern Europe.
9. Furthermore, there are private sector associations and other organizations dealing with railways, such as: International Rail Transport Committee (CIT), Coordinating Council on Trans-Siberian Transportation (CCTT), Union internationale des Chemins de Fer-International Union of Railways (UIC) and Community of European Railway and Infrastructure Companies (CER). More information on these organizations can be found in the Annex to this document.
10. The WCO has cooperated with all above mentioned railways organizations for the development of the Transit Guidelines and reflected their comments in the respective document.

Action required from the PTC

11. The PTC is expected to discuss Customs-Railway cooperation in terms of exploring opportunities for improved trade facilitation and controls of goods moving across borders by rail. The discussion will be kicked off by a panel, after which the PTC delegates will be invited to share:
 - national and regional experiences and railway-related projects;
 - the main challenges faced and opportunities for improvements at national and regional levels; and
 - the way cooperation at international level between WCO and railway organizations can best support progress in this area.

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¹ The Eastern European countries are both the Members of OTIF and OSJD. The Membership in both OTIF and OSJD can be found in the Annex to this document.

Information on international organizations dealing with railways

Intergovernmental Organisation for International Carriage by Rail (OTIF)

OTIF with its headquarters in Bern, was established by the Convention concerning International Carriage by Rail (COTIF Convention) that regulates freight and passenger contracts, dangerous goods regulation, and technical regulation for exchange of vehicles. OTIF has 49 Members (national states) plus 1 regional integration (European Union), in total 50 Members, mostly in Europe, northern Africa and Middle East (Albania, Algeria, Armenia, Austria, Azerbaijan, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iran, Iraq, Ireland, Italy, Jordan, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Macedonia (FYR), Monaco, Montenegro, Morocco, Netherlands, Norway, Pakistan, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Syria, Tunisia, Turkey, Ukraine, United Kingdom, European Union).

OTIF develops uniform legal regimes for:

- contracts of carriage of passengers and goods,
- ancillaries to the contract of carriage, such as the contract of use of wagons or infrastructure,
- rules for the transport of dangerous goods,
- technical provisions and the procedure for the technical approval of rolling stock.

The main transport document of OTIF is the CIM consignment note which is regulated by Appendix B to the COTIF Convention (Uniform Rules Concerning the Contract of International Carriage of Goods by Rail). CIM consignment note is a recognized transit Customs document. There are currently discussions in the EU about changing the rules for transit for railways. However, there is not much information available.

It is important to note that OTIF shares the competences with CIT (International Rail Transport Committee, also based in Bern) in terms of implementation of the railway law, and CER (Community of European Railways, based in Brussels) in terms of representation of the interests of European Railway companies. OTIF, CIT, and CER coordinate their work very closely.

WCO signed an MoU with OTIF in July 2017.

Organization for Cooperation of Railways (OSJD)

OSJD with its headquarters in Warsaw was founded in 1956 for the purpose of development of transport policy in the field of international railway passengers and freight traffic and facilitation of transport between Europe and Asia after World War II. Currently the organization includes 28 Members (Azerbaijan, Albania, Afghanistan, Belarus, Bulgaria, China, Cuba, Czech Republic, Democratic Peoples Republic of Korea, Estonia, Georgia, Hungary, Iran, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Mongolia, Poland, Romania, Russian Federation, Slovak Republic, Tajikistan, Turkmenistan, Uzbekistan, Ukraine, Vietnam). The founding Convention is the Convention on international through railway traffic.

The OSJD administers several intergovernmental agreements related to the railway traffic of passengers and freight. One of them is the Agreement on the railway transportation of freight (SMGS – the common acronym used for this Agreement comes from the acronym in Russian).

The SMGS Agreement regulates the main transport document which is accepted in all Members of the OSJD. However, the SMGS consignment note is not accepted by Customs as a Customs transit declaration (for comparison - CIM consignment note of OTIF is a recognized as a Customs transit declaration). The OSJD is aimed at cooperation with Customs authorities of their Member States on harmonization of requirements of Customs and transport authorities and unification of the transport document to meet the requirements of Customs.

Apart from trade facilitation in rail, the OSJD is dealing with a broad scope of issues related to transport policy, security of the railway transport, increase of competitiveness of the railway transport for international trade, development of technical standards for railway etc.

International Rail Transport Committee (CIT)

CIT, based in Bern, is an association of 216 undertakings and shipping companies that provide international passenger and freight services. CIT helps its Members to implement the COTIF Convention and supports the work of OTIF in administering the Annex B related to CIM.

CIT renders consultancy support to OTIF and reviews the EU legislation for the analysis of adherence of the COTIF Convention to EU law.

CIT also cooperates with the OSJD. Both parties work on the development of a joint consignment note – CIM/SMGS consignment note. This transport document is accepted by Customs administrations as a transit declaration in all countries that are Members of both OTIF and OSJD and is considered as a significant facilitation tool for trade in transit, especially in the context of the container trains going from China to Europe.

Community of European Railway and Infrastructure Companies (CER)

CER, based in Brussels, is an association of 70 railway undertakings, national associations as well as infrastructure managers and vehicle leasing companies from EU, EFTA, and associated Members of the EU. In principle CER works as a lobbying institution for representation of the interests of European railway companies in the European Commission. It works closely with OTIF.

It is important to note that OTIF, CIT and CER largely focus on the EU policy in railway transportation.

Coordinating Council on Trans-Siberian Transportation (CCTT)

CCTT is a non-commercial transport association with the headquarters in Moscow. It was founded in 1997 by the Ministry of Railway Communication of the Russian Federation (after the restructuring it is the state railways company Russian Railways), Deutsche Bahn (DB AG), Association of European Trans-Siberian Operators (GETO) and Korean International Freight Forwarders Association (KIFFA). Currently it includes more than 100 members, including railways of Europe, Asia and the CIS states, shipping companies, operators and forwarders, ports and stevedoring companies, state organizations, administrations and municipalities, telecom and marketing companies.

CCTT is an important player for policy development, coordination of interaction between all participants in the transportation and transit via the Trans-Siberian Route.

Union internationale des Chemins de Fer - International Union of Railways (UIC)

UIC is another association of railway companies and railway associations, based in Paris, with 194 Members worldwide.

UIC is the association for technical cooperation amongst railways, it coordinates the railway sector's position in negotiations with the supply industry; supports developing the overall coherence of the rail system at world level; develops strategies and initiatives to improve business performance and increase rail transport investment; executes and manages projects/activities related to research, development and technical efficiency of the railway sector.
