



**OTIF**

Seminar in Islamabad, December 7<sup>th</sup> and 8<sup>th</sup> 2011

اسلامی جمہوریہ پاکستان

The Secretary General, Stefan Schimming

**Intergovernmental Organisation  
for international Carriage  
by Rail**

# **The Potential for Membership of COTIF**



## Intergovernmental Organisation for international Carriage by Rail

### Acknowledgement of economic context

- global interdependencies of financial and economic crisis
- Competition essentials of various transport modes:

#### Air

- highest costs
- sensitive emissions, quarrels about worldwide internalisation of CO<sub>2</sub> emission trading
- Infrastructure deficiencies such as noise, night flight bans, developing various restrictions

#### Maritime

- Infrastructure overload by container ship's size > 14'400 TEU
- congestions due to weak performing connections to the hinterland, lack of storage areas
- vulnerability to piracy and terrorism

#### Rail

- Environmentally friendly
- safe
- Infrastructure developments (new silkroad, „Eco-routes“, China)
- weak performance in terms of wasted time at border crossings

## Assets & downsides of globalisation

### The challenge of the famous one step ahead





## Intergovernmental Organisation for international Carriage by Rail

### Improvement of legal basis



## Assets & downsides of globalisation

### The challenge of the famous one step ahead

- Single regime Atlantic - Pacific  
Obstacles:
  - two regimes - two organisations
  - differences in history, structure, procedures, culture
  - geographical and infrastructural situation
- Intermediate solutions:
  - CIM/SMGS consignment note
  - Systems of uniform law for
    - Contracts of carriage by rail (CIM/CIV)
    - Use of wagons
    - Use of railway infrastructure
  - Carriage of dangerous goods by rail
  - Technical prescriptions for and admission of railway material
- Contributions to facilitation of border crossing



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**Apply, design & refine legal certainty**

**Interconnecting Berne with OTIF capitals**

**The legal landscape of COTIF**



- contracts for the international carriage of passengers (CIV) and goods (CIM)
- carriage of dangerous goods (RID)
- contracts of use of vehicles (CUV)
- contracts of use of railway infrastructure (CUI)
- validation of technical standards and adoption of uniform technical prescriptions for railway material (APTU)
- procedure for technical admission of railway vehicles and other railway material used in international traffic (ATMF)
- preparation of border crossing time reducing measures



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**Key aspects of the work programme**

**Apply, design & refine legal certainty**

**Interconnecting Berne with OTIF capitals**

**Rail facilitation – seamless transport**

**Technical interoperability**

**Interinstitutional interoperability**





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## Intergovernmental Organisation for international Carriage by Rail

### Key aspects of the work programme Chapter rail facilitation – seamless transport



## Apply, design & refine legal certainty Interconnecting Berne with OTIF capitals

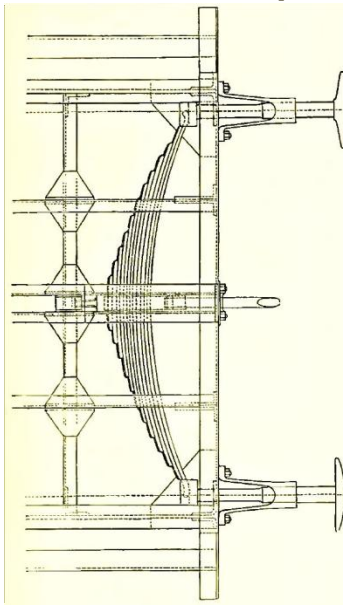
### OTIF longterm objectives

- create legal certainty in cross-border freight transport (especially transit)
- create a transcontinental railway law
- optimise the general infrastructure conditions
  - Railway infrastructure (design capacities for a v-max. of 120 km/h, double track, electrification)
  - Secondary installations (creation and access e.g. marshalling yards, workshops, fuel stations)
  - Creation and operation of compatible IT systems
- Creation of optimum personnel-specific conditions (manning level, qualification, social security)
- Cooperation with users (transport undertakings and their customers)



## Intergovernmental Organisation for international Carriage by Rail

### Key aspects of the work programme Chapter technical interoperability



## Apply, design & refine legal certainty

## Interconnecting Berne with OTIF capitals

### OTIF core issues: safety, efficiency and operational availability

- ongoing revision of the validation of technical standards and adoption of uniform technical prescriptions for railway material (APTU) aims to ensure the interoperability of technical systems and components necessary in international rail traffic
- Uniform rules concerning the technical admission of railway material used in international traffic (ATMF) aims at boosting cross-acceptance of vehicles:
  - Technical admission is granted either by issuing an “admission to operation” for a certain individual railway vehicle
  - or, in a simplified procedure, in two stages in the form of the “admission of a type of construction” for a particular design type and the subsequent admission to operation for individual vehicles corresponding to that type of construction



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Chapter Institutional interoperability**

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**Concentration of global knowledge within OTIF through**

- sustainable transport policy
  - securing the advantages of rail transport
  - developing trade
  - enhancing regional development
  - creating business opportunities
  - generate employment and foster social security
- > stability of societies, regions, states
- > peace in the sense of the aims and objectives of OSCE





# OTIF

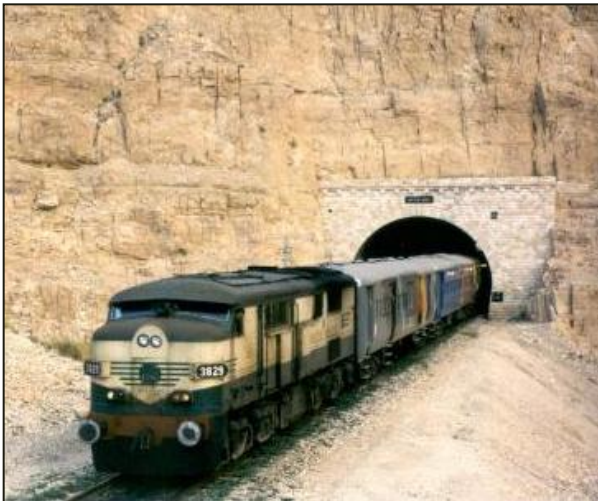
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**Key aspects of the work programme  
Chapter Institutional interoperability**



**Apply, design & refine legal certainty**

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**Concentration of global knowledge within OTIF through**

- Cooperation with international governmental organisations such as:  
UN/ECE, ECO, OSJD, ITF, GCC, OECD, UNIDROIT, UNCITRAL, OSCE,
- Cooperation with international non-governmental organisations such as:  
AEIP-VA, CER, CIT, EIM, ESC, FIATA, ICF, IDIT, IVT, UACF, UIC, UIP,  
UIRR, UITP, UNIFE
- Other organisations such as:  
CEN, CENELEC



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**Cooperation with ECO**

- Memorandum of understanding signed in 2009

**ECO pilot trains Islamabad  Istanbul inspired by COTIF – CIM**

- 11 days to travel 6500 km
- 8 hours stop at the border between Pakistan and Iran
- average speed of 24.6 km/h






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### Key aspects of the work programme Chapter Institutional interoperability



## Apply, design & refine legal certainty

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### Cooperation with UN/ECE in Geneva

- priority input into the development of a unified eurasian railway law
- joint development of international law on rail specific facilitation of border crossing procedures (e.g. the since November 30<sup>th</sup> 2011 in force Appendix 9 of the UN Convention of 1982 on the harmonization of frontier controls of goods, in particular devoted to the carriage of freight by rail)
- mutual exchange of knowledge concerning rail facilitation issues
- Common development of the prescription for international carriage of dangerous goods by rail: RID (streamlining also planned with OSJD)

### Cooperation with WCO in Brussels

- facilitation of specific eurasian rail freight border crossings requires in future close cooperation with the World Customs Organization



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## The intergovernmental Organisation Insight into a running system

### Human Resources - composition & appointments



- international composition of the Secretariat for rail specific tasks out of its Member states (senior grades and grades 1 to 3)
- administrative tasks rendered by locals (swiss nationality and/swiss residents)
- first Counsellor or Counsellor acts as deputy Secretary General
- The Secretary General is elected by the General Assembly
- appointment of Senior grades (first Counsellor, Counsellor, assistant Counsellor) by the Administrative Committee on the basis of proposition by Secretary General
- Appointment of grades 1 to 4 by Secretary General with approval of Administrative Committee
- grade 5 to 10, appointment by Secretary General



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## The intergovernmental Organisation Insight into a running system

### Human Resources - obligations of staff members

- the status: international civil servants
- they shall neither seek nor accept instructions from any government or from any other authority external to the Organisation
- they shall not accept any gift, remuneration or any other favour from any source external to the Organisation without first obtaining the approval of the Chairman of the Administrative Committee
- they shall exercise the utmost discretion in regard to all matters of official business which, owing to their nature or special instructions, must remain secret
- previous obligation shall not cease upon separation from service within the Organisation





## Intergovernmental Organisation for international Carriage by Rail

### Budgetary issues



## The intergovernmental Organisation Insight into a running system

### The annual expenditure reserves

- 75% for personnel expenditure (chapter 3)
- 13% for running costs (chapter 4)
- 12% for OTIF organs (chapter 5)

| Chapter                  | Expenditure                       |                     | Budget              | Budget              |
|--------------------------|-----------------------------------|---------------------|---------------------|---------------------|
| Article                  | 2010                              |                     | 2011                | 2012                |
| Heading                  | Description                       | CHF                 | CHF                 | CHF                 |
| 3                        | Personnel expenditure             | 2,612,246.51        | 3,008,039.00        | 2,985,100.00        |
| 4                        | Running costs                     | 867,273.30          | 655,369.00          | 568,700.00          |
| 5                        | OTIF organs, application of COTIF | 139,278.77          | 401,920.00          | 500,750.00          |
| 7                        | Reserve fund charges              | 24,598.70           | 0.00                | 128,000.00          |
| <b>Total expenditure</b> |                                   | <b>3,643,397.28</b> | <b>4,065,328.00</b> | <b>4,182,550.00</b> |



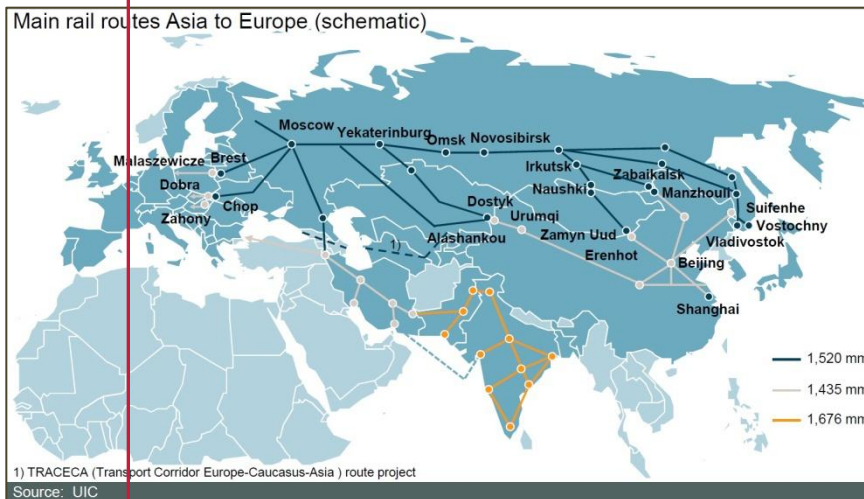
## Intergovernmental Organisation for international Carriage by Rail

### Budgetary issues

# The intergovernmental Organisation

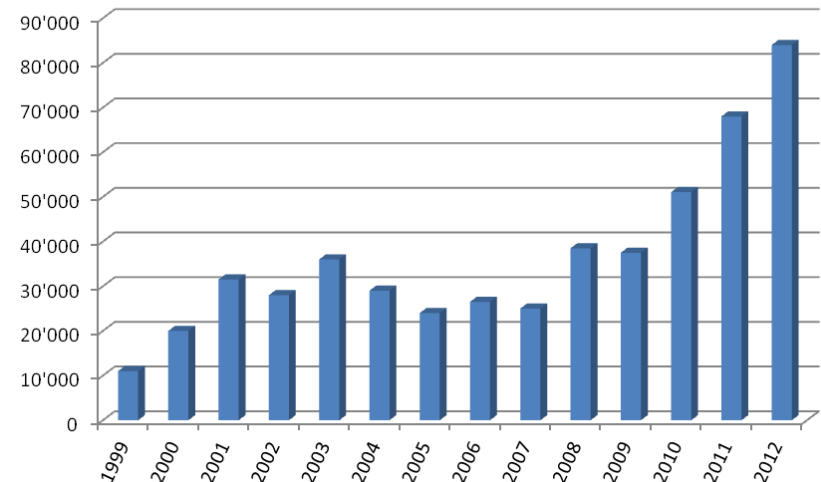
## Insight into a running system

### Development of travel expenses mirrors the geographic vision



### How travel costs have developed since 1999

■ Expenditure in CHF





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**Communication strategy**



**Information flow inbound and outbound**

- The Secretary General's Circular notes to the Member states  
electronic and paper transmission  
no specific periodicity
- The Bulletin of international carriage by rail  
electronic distribution since 2011  
4 editions per year



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### Communication strategy



## The intergovernmental Organisation Insight into a running system

### External communication of achievement, assets, visions

- distribution of Press releases concerning immediate OTIF subjects
- guest articles and interviews in the specialised international press landscape
- thematic Newsflash
- occasionally press conferences



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The Potential for Membership of COTIF

## Intergovernmental Organisation for international Carriage by Rail

### Associated Membership



## Legal bearings of Membership

### About commitment & assignment of duties

#### General conditions

- operation of railway infrastructure on the national territory
- advisory participation in the works of all organs except the Administrative Committee:

General Assembly  
Revision Committee  
Committee of Experts for the Carriage of Dangerous Goods  
Rail Facilitation Committee  
Committee of Technical Experts

- no possibility of designation in the Administrative Committee
- contribution to the expenditures by 0.25% of the annual Budget
- formal procedure according to procedures for full membership



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### Full Membership

#### Legally binding obligations



## Legal bearings of Membership

### About commitment & assignment of duties

- aspire to the general promotion, improvement and facilitation of international carriage by rail, in all its respects
- concentrate international cooperation within the framework of OTIF
- adopt all appropriate measures in order to facilitate and accelerate international rail traffic:
  - eliminate any useless procedure
  - simplify and standardise the formalities already required
  - simplify frontier checks
- facilitation of the conclusion of agreements between infrastructure managers intended to optimise international rail traffic
- participation in the organisations' working process, expressed by the necessity to obtain a quorum



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**150 years Pakistan Railways**

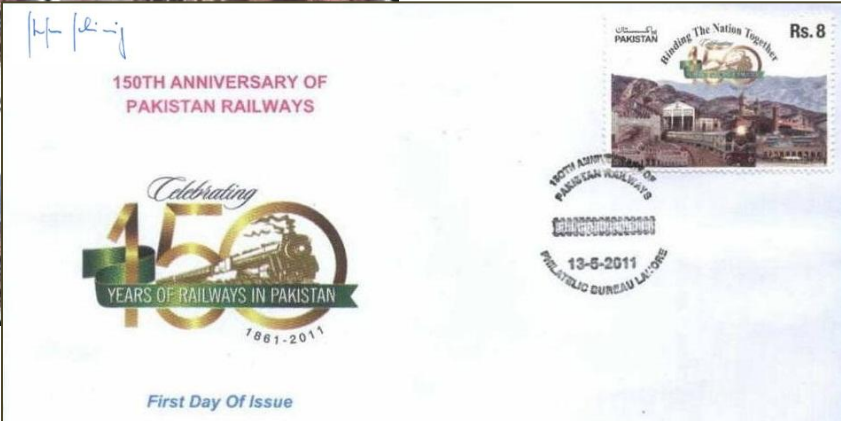
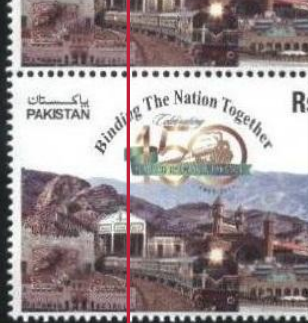
**Past & present in 2011  
outlook 2012**



... with the perspective of a warm welcome

to OTIF in 2012

& beyond ...






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The Secretary General, Stefan Schimming



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**COTIF**

**Connecting Capitals through  
joint development of a common legal framework**