

EUROPEAN UNION - TACIS

Technical Assistance to the Southern Republics of the
CIS and Georgia - TRACECA

TRADE AND TRANSPORT SECTORS

Terms of Reference

for

Railways

-

Inter-state Tariff and Timetable Structure

ADDENDUM

Final Recipients:
TRACECA Region Ministries of Transport

Railways - Inter-state Tariff and Timetable Structure

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1. Introduction

1.1 The present addendum is based on certain considerations contained in the TOR - Inter-State Tariff and Timetable Structure

1.2 It firstly refers to points 1.7 and 1.8 of the introduction whereby general acknowledged financial information is given, such as the fact that "... each State now has its own national currency" and that the financial aspect of the current problem consists in "rampant inflation (now attenuated) and currency inconvertibilities".

1.3 It also relates to the second Objective as laid down under Point 2 of the ToR "the elimination of tariff discrimination throughout the region".

1.4 It finally is consistent with the Scope of Work summarised under point 3 of the ToR, as "the project is to encourage the setting of tariffs and timetables based on rational... financial criteria".

2. Financial objectives

In order to present to a customer of a Regional service a single clear tariff structure, it is required - as a first step - to analyse the present national currency inconvertibilities and to determine a common tariff-currency as well as the mechanism for the conversion of the different currencies into that single tariff-currency. This implies also the follow-up of the variations of the values, whereby strong variations should lead to the splitting of periods in order to preserve the real value of the past and present liabilities.

The most recent European best practice and international criteria are to be referred to. In this case, the results of the study concerning the convention of the exchange rates from the national currencies, existing and new, for the States of Eastern Europe, fixed by way of authority - monitored in 1992-1993 by the UIC (Union Internationale des Chemins de fer), presided by the Manager of BCC (Bureau Central de Compensation) -, should be implemented.

The second step should consist in establishing one or two " regional clearing centre" (as already described under point 4.2.5 of the ToR) whereby that co-ordination structure should receive the required financial information about the mutual debts and claims of all the transporting companies (rail, sea, road). These information, together with all those related to other areas of international collaboration, should be treated and cleared in a multilateral way in order to facilitate the remaining payments and to reduce the costs related to international payments.

The example of the Brussels Central Clearing House (BCC), with its 27 (railway and maritime) members, may well serve this purpose. The BCC succeeds in eliminating more than 77 % of the notified amounts (average value per year = 6.93 billion ECU). This means that only 1.55 billion ECU, per year, must really be paid by the debtor-members.

3. Scope of Work

3.1 Examine, in conjunction with the various state authorities and user organisations, the present national currency inconvertibilities and determine a commonly accepted tariff- and clearance currency; including any state legislative revision requirements necessary to promote the use of this currency as a payment-currency.

3.2 Establish the procedures for the conversion of all the currencies involved, as well as for the follow-up of their value fluctuations. Propose a formal mechanism for the splitting up of strongly varying currencies.

4. Outputs

4.1 Promote and assist in the establishment of a co-ordination structure (RCC = Regional Clearing Centre) and of the centralisation of the required financial information about reciprocal debts and claims of all transporting companies and for the multilateral clearance and settlement of them, in a cost effective way.

4.2 Recommend the required institutional and operational links with the Brussels Central Clearing House (BCC) and its regulations. This would ensure the future possibility of multilateral clearing of debts and claims towards and upon transporting companies (present and future members of the BCC) established outside the region.