

REPORT
ON THE ACTIVITY OF THE ORGANISATION
FOR CO-OPERATION BETWEEN RAILWAYS
FOR 2010

Introduction

In the year 2010 the activities of the Organization of Co-operation between Railways (OSJD) were focused on tackling the tasks of great importance as to improvement and development of international carriage of goods and passengers by rail, an increase in their competitiveness in the vast Eurasian area, consolidation of normative and legal basis in order to achieve the highest efficiency in the performance of the transport system and to meet the needs of the OSJD countries in freight and passenger transportation.

The majority of the Railways of the OSJD member countries acted in heavy conditions overcoming the consequences of the world economic crisis, which forced them to make additional efforts to solve the problems arising in that respect. It was characteristic that during the very period the railway transport demonstrated its leading part in the general transport system and its ability to adapt its capacity in order to unconditionally implement the full range of transport services.

In the last period many Railways of the OSJD member countries made significant modernization and improvement of their management structure to adapt it to the market conditions and requirements of the new century.

Therefore, special focus was on improvement of organization and technology of the transportation process, improvement of quality and an increase of the volumes of transportation, establishment of new container routes and creation of logistical centers and further technical growth of railway transport.

On the basis of comprehensive measures and recommendations developed by OSJD in conjunction with the ministries and railways, many railway lines were rebuilt, modernization of infrastructure in many OSJD transport corridors was carried out, which significantly increased the level of transportation of goods and passengers by the railways of the OSJD member countries, which enabled, from 1998 to 2010, to increase the volume of transported goods by more than 1.5 times and to transport, within a year, over 5.5 billion tons of goods and over 4 billion passengers.

This was promoted by purposeful and concentrated work carried out by all the railways of the OSJD member countries in the year 2010.

Thus, in 2010 the Chinese Railways put into operation 4986 kilometers of new railway lines, forwarded 1.68 billion passengers, which was more than the previous year's level by 9.9 %, transported 3.63 billion tons of goods, which exceeded the previous year's level by 9,3 %.

The Russian Railways increased the volume of their freight traffic by 8.7 %, inaugurated the first segment of the new double-track minor Novorossiysk tunnel and modernized the Navachinski tunnel on the section of Armavir-Tuapse. The successful construction of new railway lines was underway, 122 km of side tracks and 100 km of station tracks were been put into operation, 15 km of lines were electrified, 393 locomotives, 27000 freight wagons, 501 coaches and 677 multiple units were purchased in order to update the rolling stock.

In 2010 the carriage of goods under the cover of the common CIM/SMGS consignment note was efficiently performed on the second and third corridors of OSJD, thus automobile spare parts of the "Volkswagen" company were transported from the Republic of Slovakia to the city of Kaluga (Russia) on a regular basis. OSJD Corridor No.9 provided between Romania and Russia the transportation of products of the "Renault" company from the station of Klumesti to the station of Moscow

Paveletskaya by means of transit through Ukraine. On the fifth of March launched was the container transportation of automobile spare parts from France to the station of Vorotynsk of the Moscow railway to the “Peugeot” automobile manufacturing company.

The Ukrainian Railways successfully carried out their activity on modernization of the infrastructure on the railway lines of Kiev-Poltava-Donetsk, Kiev-Zhmerinka-Lvov in order to implement the high-speed traffic of passenger trains, on the comprehensive modernization of the line of Poltava-Burty-Koristovka intended for redirecting the freight train traffic to that line and separating the freight and passenger transport services. The UZ’s volumes of freight transportation increased by 10.6% as to the level of the year 2009; its volumes of international transportation grew by 9.8 %. In 2010 714 open wagon and 7 new electric trains were purchased.

In 2010 the Bulgarian Railways completed construction of the railway terminal for implementation of the combined inspections in Dragoman, which would enable to transport heavy-weight road transport vehicles by means of railway flat wagons through the whole territory of Bulgaria to the border with Turkey. Activities were successfully carried out with regard to the creation of intermodal terminals in Plovdiv and Sofia as well as construction of the Ruse-Varna railway line.

In 2010 the transportation by means of the railway-ferry crossing between the seaports of Varna (Bulgaria) and the Caucasus (Russia) increased 4 times as to the level of the year 2009.

The Iranian Railways, within the framework of extension of the railway network of the country, were engaged in construction of 4000 km of the railway lines. In 2010 after the completion of construction of the section of the railway of Kerman - Bam-Zahedan and with gaining a gateway to the railway network of Pakistan, the railway transport corridor was put into operation that was passing on the territory of three countries – Pakistan, Iran and Turkey, which made it possible to organize the container train service on the route of Abad-Teheran-Istanbul. The length of the railway line amounted to 6500 km, 2570 km of which were laid in Iran, 2006 km were built in Turkey and 1900 km were created in Pakistan.

Construction of the railway line of Koaf - Herat was underway; it would be 191 km long, 176 km - in Iran, 115 km - in Afghanistan. As of today the activities to construct the track substructure have been completed.

Construction of the railway to the border with Azerbaijan was in progress on the route of Qazvin-Rasht-Anzali-Astara. The railway line is 372 km long. 40% of the project’s physical development has been implemented.

The project was under implementation to connect with the railway of Iraq within the framework of the project to construct a ground bridge between the Persian Gulf and the Mediterranean Sea.

Construction of a railway line was planned on the route of Gorchan-Atrek-Bereket-Gyzylgaya-Uzen. The line is 910 km long and it aims to reduce the railway route of Iran-Turkmenistan-Kazakhstan and connect the railway networks of the countries of the Middle East with the seaports of the Persian Gulf.

In 2010, 52.7 km of the sections of the Latvian Railway included in OSJD railway transport corridors No.1a, 1k and 13 were reconstructed; the 6.4 km second main track was put into operation on the railway line of Indra-Bigosovo of the section of Daugavpils-Indra (the border of the Latvian Republic with the Republic of Belarus).

The Lithuanian Railways increased the volume of freight traffic by 12.6 % as compared with the level of the year 2009. Projects were successfully implemented with respect to development and improvement of the railway infrastructure of the sections of OSJD international transport corridors No.9 and No.13: the whole network of the railways of Lithuania were modernized in terms of communication facilities i.e. the train radio communication facilities of GSM-R standard were deployed; modernization of the signal system devices and power supply equipment on the section of Shaulyai – Klaipeda was completed; modernization of port railway stations of the Klaipeda railway node and comprehensive modernization of the infrastructure of the section of Kaunas – Kibartai was launched; design work on electrification of the section of state border - Kyana - New Vilna was commenced; designing work on modernization of the railway line of Vilnius - Kaunas for the passenger services at speeds of 160 km/hours was nearly completed; within the framework of construction of the “RailBaltica” railway line of the European gauge of track, activities were in progress to reconstruct the railway infrastructure of OSJD railway transport corridor No.13 on the railway section of Mockava - Sestokai.

In 2010 the “Lithuanian Railways” Joint-Stock Company continued its modernization and renewal of rolling stock. Modernization of the fleet of main locomotives was completed: 10 new ER20CF Siemens locomotives (in total 44 ER20CF Siemens locomotives were operating in the LG network) were purchased. Modernization of the fleet of shunting locomotives was in progress: six new TEM TMH shunting locomotives manufactured by the “Vilnius Locomotive Repair Depot” joint-stock company (LG subsidiary enterprise) were purchased, activities were also going on in order to update the fleet of passenger rolling stock: three new automobile rail cars manufactured in Poland and two double-deck electric trains manufactured in the Czech Republic were purchased.

The Hungarian Railways increased the volumes of their freight traffic by more than 10% in comparison with the last year’s level, including the international traffic – nearly by 15%. A new container train of the Rail Cargo Hungaria Company was running between the cities of Dyer and Kaluga on a regular basis.

The first stage of reconstruction of the wide gauge network was completed in the transshipment area of Zahony, 101 km of lines were electrified, 155 km of lines were equipped with the standard ERTMS/ETCS European railway traffic control system of the first level, 17 locomotives of V 63 type were equipped with the onboard facilities of the ETCS L1 automatic train signal system, parking lots of the P + R and P + B system were established in the area of 20 stations of the Budapest suburban network, in total for 1672 motor vehicles and 792 bicycles.

The Rail Cargo Hungaria Company purchased 100 open wagons with the enhanced carrying capacity of Eaos type. Service of branded freight trains without change of the locomotive between Hungary and Austria were provided by means of 29 dual-system locomotives of big capacity of the Tauri type.

The Railways of the Republic of Kazakhstan were successfully engaged in construction of the railway line of “Uzen – the border with Turkmenistan” which would be part of the new railway route of “North-south” and its total length would be 951 km, and in construction of the railway line of “Zhetygen – Korgac” with the length of 293 km. In 2010 the volume of transportation of goods in relation to 2009 increased by 8,1%, renewal of rolling stock was in progress, 1231 new freight wagons and 30 main diesel locomotives of the TЭ33A series and 22 passenger electric

locomotives of the KZ4A series (Peoples Republic of China), 2 electric trains composed of 20 coaches were purchased.

The Railway of Tajikistan commenced the implementation of the project to construct a main railway line which would connect Tajikistan, Afghanistan, Pakistan and Iran. The line would become part of the main railway of “China - Tajikistan - Afghanistan – Iran”, which would enable Tajikistan to obtain a gateway to the sea trading lines of communication.

Construction of a new 46-kilometer railway of “Vahdat – Yavan” was started; after placing it into operation, the time of freight delivery would considerably be reduced.

In 2010 the Uzbek Railways modernized 168 km of tracks. The section of Tukumagi - Angren was electrified by means of the 27.5 Kw alternating current, five passenger electric locomotives and 350 new freight wagons were purchased.

The Czech Railways finished their labour-intensive activities on modernization of OSJD international transport corridor 4, its branches 4g and 4b of the railway line of “Plana at Marianske Lazne – Heb” and Benesov – Strancice”. Reconstruction of the railway stations of Brno, Olomouc, Břeclav was in progress. In the capital city of Prague, construction of “New link” was completed between the stations of Prague - Main station and Prague - Masarika station with the stations of Prague - Libei, Prague - Vysocany and Prague - Golesovice.

In 2010 the Polish Railways increased the volume of freight traffic by 7,4 %. The Limited liability Company of “CNR CARGO Wagon” established in conjunction with the Chinese wagon manufacturer of “J Inan Railway Vehicles Equipment Co Ltd” which belongs to the group of China CNR Corporation would enable to start in the city of Szczecin the wagon assembling process by means of the component parts supplied from China.

In 2010 the Belarus Railway took active participation in implementation of two new projects with regard to organization of container block trains: “Moskvich” (on the route of Duisburg (Germany) - Malaszevice (Poland) - Brest - Moscow) and “Peugeot-Citroën” (on the route of Viesu (France) - Brest - Vorotynsk (Russia). In 2010 the Railway’s volume of freight traffic increased by 4.4% as compared with the volume of the year 2009.

The Azerbaijan Railway increased the volume of freight traffic by 7.5 % in comparison with the volume of the previous year. In the year 2010 the intensive construction of new railway line of “Baku - Tbilisi – Kars” was in progress.

The Romanian Railways constructed a 3,6 km electrified railway section which stretches from the base of the bridge at the Romanian part of the Danube River up to the crossing with the existing railway of Golenets - Kalafat, modernized 5.6 km of lines up to the station of Golenets, electrified 15,8 km of railway lines. Activities were energetically carried out on the modernization of 184.4 km of the existing railway lines as well as 17 stations. In 2010 a project was developed as to the construction of a new 38.6 km line of Vylchele - Rumninu Vylcha, which would enable to shorten the route of Bucharest – Sibiu by 117 km.

Approved by the XXX session of the Conference of OSJD Ministers, the implementation of the Programme for development of the network of fast-speed and high-speed passenger transport services occupied an outstanding position in the activities of the Railways of China, Russia, Poland, Ukraine, Belarus, Kazakhstan, Czech Republic, Uzbekistan and other countries.

Major achievement of the Russian Railways in 2010 was the adaptation of the “Sapsan” fast-speed passenger trains on the section of Moscow - St.-Petersburg to the conditions of the Russian railways in the first year of operation, as a result of which in 2010, as a whole, those trains transported more than two million passengers. In June of 2010, launched was traffic of the “Sapsan” fast-speed passenger trains in the direction of Moscow - Nizhni Novgorod (since December of 2010), and organized were transport services of the “Allegro” fast-speed trains between St.-Petersburg and Helsinki, the capital city of Finland.

Traffic in the direction of Kiev - Moscow was identified as priority with regard to the introduction of fast-speed traffic in the context of interstate transport services between Ukraine and Russia, to that end a set of activities was carried out on the route in order to reduce the train movement time, modernize the permanent way and minimize the stopping time.

The Chinese Railways placed into service the high-speed railway lines of Zhengzhou - Xian, Shanghai - Nanjing, Shanghai - Guangzhou. The operational length of the high-speed railway lines in the country has amounted to 5084 kilometers.

A new breakthrough in the field of development of railway technical innovations was observed. High-speed electric trains of new generation of the CRH-380A series were been put in operation, one of which reached the speed of 416.6 km/hour during the test run on the section of Shanghai - Guangzhou on the operational line, and the speed of 486.1 km/hour was reached in the testing section of Beijing - Shanghai.

High performance and efficiency of multimodal traffic stimulated the further buildup of that mode of transport, which made it possible to establish 23 new container routes on the railways of Belarus, Bulgaria, Hungary, Kazakhstan, China, Latvia, Lithuania, Mongolia, Poland, Russia, Romania, Slovakia, Uzbekistan, Ukraine, Czech Republic and Estonia.

Today more than 270 regular international container block trains run on the railways of the OSJD member countries.

In its activity, OSJD paid special attention to the issues with regard to facilitation of the border crossing procedures for the railway transport. It has to be noted that as a result of joint activities of OSJD with UNECE, EU, OTIF, ERA, UIC and OSJD member countries, finalized was draft Annex 9 concerning the railway transport to the “International Convention on the Harmonization of Frontier Controls of Goods, 1982”, and completed was development of measures and recommendations aimed at reduction of the time for border crossing by railway transport.

Notable in OSJD activity was work as to improvement of the OSJD legal base which defines the terms and rules for international rail transport (SMGS and SMPS Agreements), including as well work on the revision of these agreements, which made it possible to bring these documents to meet requirements and realias of the present time and to take into account all the changes occurring in the system of economic relations between the OSJD member countries.

In conjunction with CIT, fruitful work was carried out on the project of the “Common CIM/SMGS Consignment Note” and on extension of the area of its application, which enabled many railways and consignors to really feel and find positive opportunities for the application of the new common rail transport consignment note.

An important aspect in OSJD activity was continuation of work as to harmonization of the Rules for transportation of dangerous goods with the RID Rules, which made it possible to update Annex 2 to the SMGS Agreement CMFC with the RID Rules of 2011.

Activities were interestedly carried out to draw up and coordinate the train timetables and implement and agree the volumes of transportation of goods and improvement of PGV.

Work was purposefully conducted on development and approval of the leaflets on technical matters of the railways in the field of rolling stock, dimensions, railway track and engineering structures, systems of communication, data transmission and signal and interlocking systems, power supply and electric traction as well as organization of transportation by paperless technology, coding and informatics and in the field of the scientific and technical and economic information.

Work of importance of the OSJD member countries' Railways was related to consideration of the financial and accounting issues aimed at reduction of their mutual indebtedness.

In 2010, an outstanding position in the OSJD activities was occupied by work of the ad hoc working group on improvement of the OSJD basic documents, which enabled to prepare draft Convention on Through International Railway Traffic, including SMGS and SMPS Agreements as Annexes in the form of general provisions of the contracts for carriage of freight and passengers in international rail traffic as well as the OSJD Statute.

Work was successfully carried out by the joint OSJD/ERA Contact group on the comparative analysis of technical specifications of the 1520mm and 1435mm railway systems, which made it possible to create conditions for interaction of the railway systems in the EU countries and OSJD member countries.

Much attention was paid to the extension of co-operation with the international organizations, first of all, with UNECE, UNESCAP, OTIF, ERA, CIT, UIC, CCTT and other organizations.

OSJD Observers and OSJD Affiliated Enterprises actively participated in and produced a noticeable effect on OSJD activities.

Coordinated work on implementation of the planned comprehensive measures aimed at improvement and development of rail transportation enabled the majority of the OSJD member countries to noticeably increase the level of transportation of passengers and goods in the year 2010.

1. Progress of OSJD Activities by Aspects

1.1. Transport Policy and Development Strategy

In the reporting year the OSJD Commission on Transport Policy and Development Strategy continued developing the issues on the railway transport policy of OSJD, basic strategic objective of which was the coordinated development of the OSJD railway system, implementation of the comprehensive measures aimed at improvement of transportation and development of the OSJD transport corridors, facilitation of borders crossing procedures for international rail passenger and freight traffic, an increase in competitiveness of the railways in order to attract the

international transit traffic, an increase in the share of the railway transport on the transport market.

The railways took actions with regard to modernization and reconstruction of the railway sections, overall repairs of the track, electrification of individual lines, construction of high-speed lines, purchase of new rolling stock, an increase in the speed of passenger and freight trains with strengthening the engineering structures, construction of modern terminals and electronic communication development, which made it possible to increase the freight traffic on the OSJD transport corridors.

In the reporting year, the Commission approved and adopted the developed technical-operational passports for OSJD corridors No. 1, 6 and 10. Thus, work on the creation of uniform database (technical-operational passports) for 13 OSJD railway transport corridors was completed.

With a view of attraction of additional volumes of freight transportation and for the consignors and consignee's convenience to find respective, the general data of technical-operational passports for the all 13 railway transport corridors of OSJD became available on the OSJD Web-site. Subsequently, monitoring of the OSJD railway transport corridors would be organized.

Activities on the railway transport corridors carried out by the OSJD Committee in conjunction with the experts of OSJD member countries were greatly appreciated by the United Nations Economic Commission for Europe and it recommended them to implement them further on.

Ongoing work was carried out as to development of fast-speed and high-speed movement of passenger trains, which envisages development of implementation time for the national programmes with regard to the organization of introduction of high speeds in the OSJD member countries.

The experts took note of the information delivered by the representatives of the OSJD member countries in respect of the current status and progress of work on implementation of the national programme measures to increase the speeds of movement of passenger trains.

The meeting of experts confirmed the earlier identified route directions for organizing the fast-speed and high-speed movement of passenger trains.

Route direction 1: Kunovice-Warsaw-Terespo-Brest-Minsk-Krasnoe-Moscow-Nizhni Novgorod;

Route direction 2: Zgorzelec-Katowice-Mostika-Lvov-Kiev-Zernovo-Suzemka-Moscow;

Route Direction 3: Heb-Plzen-Prague-Czech Trebova-Brno-Breclav;

Route direction 4: Raika-Hedeshhalom-Dir-Budapest-Zahony-Tchop-Lvov-Zhmerinka-Kiev-Moscow;

Route direction 5: Vidin-Mesdra-Sofia-Plovdiv-Dimitrovgrad-Svilengrad (Sofia-Kulata/Sofia Kalotina, Plovdiv-Burgas);

Direction 6: Klaipeda-Shaulai-Vilnius-Minsk-Krasnoe-Moscow;

Direction 7: Buslovskaya-Vyborg-St.-Petersburg - Moscow;

Direction 8: Moscow-Kursk-Kharkov-Ilovaisk-Rostov-on-Don-Adler;

Direction 9: Sofia-Gorna Oryahovica-Ruse-Dzhurdzhu-Bucharest-Yassy-Ungheni-Chisinau-Kuchurgan-Razdelnaya-Zhmerinka-Kiev-Moscow;

Branch lines: *Gorna Oryahovica-Varna*;
Ruse-Varna.

Route direction 10: Tallinn-Valga-Lugazhi-Riga-Kaunas-Sestokai-Trakiski-Warsaw-Lodz-Wroclaw.

Work was actively conducted in respect of the issues on the railway transport policy.

The meeting of experts listened to the reports made by the representatives from the Republic of Kazakhstan, Latvian Republic, Lithuanian Republic, Russian Federation and Ukraine with regard to strategic development of the railway transport. The participants of the meeting discussed the issues in respect of strategic development of the countries which presented their reports and recommended the OSJD member countries to more actively agree the matters of coordination of development of the transport services and development strategy of the railway transport of the adjoining countries.

Noteworthy were the information material presented at the meeting of experts by representatives from the Republic of Kazakhstan, Latvian Republic, Lithuanian Republic, Russian Federation and Ukraine in respect of reforms on the railway transport. In the course of discussions, the participants of the meeting noted that there were different positions as to approaches, methods and rates for reforms to be conducted on the railway transport in the OSJD member countries. The participants of the meeting recommended the OSJD member countries which are at the initial stage of their reforms on the railway transport to consider positive and negative experience of the countries which significantly pushed forward the matters of reforms. The OSJD member countries participating in the theme came to the conclusion that was necessary to conduct regular analyses of those processes and an exchange of experience on reforms on the railway transport within the framework of OSJD.

The leading performer from the Republic of Kazakhstan made a presentation on “Study of experience in public-private partnership in the Republic of Kazakhstan and worldwide”, the representative from the Czech Republic as well presented some material on the theme of “Application of public-private partnership (PPP project) in the field of transport infrastructure in the Czech Republic”.

In the course of discussions it was noted that many states had a rather limited experience of application of public-private partnership in the field of the railway transport, which defines the necessity for further study and analysis of the use of the mechanisms of public-private partnership.

The leading performer from the Lithuanian Republic made a presentation as to “On progress of work of the OSJD/ERA Contact group on the interrelation of the 1520 mm and 1435 mm track gauge railway systems”.

In the period from 2007 to 2010 the OSJD/ERA Contact group finally developed the following documents:

- document No.1 “Subsystem: Infrastructure. Track and permanent way”;
- document No.2 "Energy".

Developed documents No.1 and 2 became available on the OSJD Web-site.

In the accounting year activities were going on with regard to document No.3 “CCS, interlocking and signal” and document No.6 “Locomotives and Multiple Unit Rolling Stock”.

Document No.6 “Locomotives and Multiple Unit Rolling Stock” was as good as completed but for addition of changes in the list (Section 2) of the normative documents and final agreement. The document would finally be agreed at the first meeting of the year 2011.

The representative from the ERA briefed the participants of the meeting on the Mandate of the European Commission dated 4 May 2010 on revision of the existing TSI (technical specifications of interoperability) with the incorporation of the parameters of the 1520 mm track gauge railway system in the TSI specifications according to the documents prepared by the OSJD/ERA Contact group.

The participants of the meeting of experts noted that activities of the OSJD/ERA Contact group were of importance and it was advisable to continue its activity.

Within the framework of the theme of “Development of the comprehensive measures aimed at facilitation of border crossing by international rail transport in communication between Europe and Asia”, information of representatives from the Republic of Bulgaria, People’s Republic of China, Lithuanian Republic, Republic of Poland, Russian Federation, Ukraine and Czech Republic was listened to in respect of the analysis of the reasons for delays of passenger and freight trains, execution of the actions aimed at facilitation of the state border crossing procedures.

A number of examples were demonstrated and the reasons for delays of wagons at the border (interchange) stations of some member countries of OSJD were specified, and recommendations were as well made as to facilitation of border crossing by international rail transport.

Within the framework of the theme under discussion, the Polish delegation presented its information on the analysis of performance of the border crossing stations as to functions performed by the border control and customs service when they make clearance of passenger and freight trains. Since 1 January 2011, the preliminary information shall be required on the goods imported by all the modes of transport into the EU territory in accordance with the provisions of the EU Customs Code. An entity which imports the goods or has undertaken the responsibility for transportation of freight in the EU territory by any mode of transport, the sea transport excluded, shall be obliged to transmit respective information to the electronic customs system two hours prior to import of the goods. The submitted electronic information will be exposed to the analysis of risks. The purpose of this new procedure is to ensure the EU territory security. The list of the concrete data required for the preliminary information, was specified in Annex 30a to European Commission’s Regulation No.2454/93.

With a view to elimination of delays of wagons due to untimely submission of the preliminary information to the customs service of the EU countries, it was reasonable for the railway administrations to go into the issues on coordination and

submission of the necessary information to the railways of the countries adjoining with the EU member countries.

Work was completed on draft Annex 9 “Facilitation of Borders Crossing Procedures for international rail transportation” to the “International Convention on the Harmonization of Frontier Controls of Goods, 1982». Draft Annex 9 was considered at the 9th session of the Administrative Committee of the ITC UNECE. The Administrative Committee agreed and transmitted draft Appendix 9 to the United Nations headquarters in New York for the procedures to be carried out stipulated by the United Nations Charter as to adoption of the text of Annex 9. If no remarks concerning the text of the proposed edition of Annex 9 were submitted within one year, three months after that the countries might perform the procedure of adoption in accordance with their national legislation.

Work was underway with regard to consultations to be conducted in the OSJD member countries as to feasibility and reasonability of accession to the International Convention to Facilitate the Crossing of Frontiers for Passengers and Baggage carried by Rail of 1952.

A representative of the working body of the OSJD Commission on Transport Policy and Development Strategy participated in the meeting of the Committee on facilitation of rail transportation established at OTIF where he was briefed on the purposes and objectives of the Committee. The OSJD Commission on Transport Policy and Development Strategy in co-operation with OTIF Committee on facilitation of rail transportation would further continue activities on facilitation of border crossing by rail transport.

The working body of the OSJD Commission on Transport Policy and Development Strategy summed up the parameters of statistics data produced by the OSJD member countries with regard to railway transportation for 2009, and the Bulletin of the OSJD statistics data on railway transportation” for 2009 was published.

It was noted that the operational length of the railway lines amounted to 279 878 km in 2009, and the extension of the electrified lines reached 5 457 km, while their total length equaled 118 123 km.

As a whole in 2009, the rates of the freight traffic growth decreased in comparison with the year 2008.

In the year 2009 3894 million passengers were transported. Passenger-kilometers increased by 7.81%.

The total number of diesel locomotives and electric locomotives amounted to 36 551 units. The fleet of coaches was equal to 99517 units. The fleet of freight wagons equaled 1 638 487 units.

The number of personnel decreased by 3.03 % and amounted to 3 828 076 persons. The summed up parameters of the “Bulletin of the OSJD statistics data on railway transportation” for 2009 were considered and agreed at the meeting of the AWG, meeting of experts concerning the statistics of railway transportation and meeting of the Commission on Transport Policy and Development Strategy.

The basic parameters of operational performance of the OSJD railway transport corridors for 2008 were generated by the example of OSJD railway transport corridors No.1 and No.5 according to the developed draft “Methodological recommendations for the formation of basic parameters of performance of the OSJD railway transport corridors and methodology to calculate such parameters”.

In accordance with draft Methodological Recommendations agreed by the AWG and OSJD Commission on Transport Policy and Development Strategy, a summary table of the parameters of performance of railway transport corridors No.1 and No.5 (with branch lines) was developed.

Under the decisions taken at the XXXVIII Conference of OSJD Ministers (15 - 18 June 2010, Czech Republic, Prague) with regard to monitoring to be conducted as to the operational performance, condition and development of infrastructure of the OSJD railway transport corridors, the participants of the meeting pointed out that it was necessary to continue activities on the calculation of basic parameters of the freight traffic volumes by all the OSJD railway transport corridors for the years 2008 and 2009.

In 2010 the STEI centers of the OSJD member countries continued to carry out formation and development of the national databases as to the scientific and technical and economic information the combination of which constitutes the international distributed databank – OSJD ADB.

The leading performer from the Russian Federation conducted an analysis on formation and usage of the international distributed databank on STEI for the year 2009 on the basis of the data which were supplied by the STEI centers of the OSJD member countries participating in the theme.

In accordance with the STEI centers' data as of 30 December 2009, the total information capacity of the OSJD ADB made up 877 508 documents. Added were 44 489 documents in 2009.

It was advisable to annually make inquiries from the STEI centers of the OSJD member countries in order to define the parameters of the functioning national databanks on STEI and specify the cumulative information capacities of the OSJD ADB.

In 2010 the leading performer from the Russian Federation provided support of the functioning of the software of the developed pilot-project of OSJD STI USS (uniform search system of scientific and technical information). The “entry point” into STI USS became available on the Web-site home page of the STEI centers of the OSJD member countries. Operation of the system within a year proved the efficiency of the software, a high level of stability and reliability of the functioning and the information security. No remarks as to the functioning of STI USS and no proposals concerning improvement of the software were submitted to the leading developer.

The search system possesses the following basic capacities:

- "simple" context search;
- advanced search with using the OSJD thesauruses and STI USS Classifier earlier developed within the framework of the work carried out on OSJD STEI, which were adapted and integrated into the system as intersystem dictionaries-reference guides;
- delivery of the results of search with the possibility to view the documents in detail.

The system was implemented in two languages: Russian and English languages.

The description of operating modes of Uniform search system, functional components and backup types were described by the leading performer in the Explanatory note to the pilot-project of OSJD STI USS. At the present time the national database of STEI center of the Russian Federation is connected with the OSJD STI USS.

The leading performer from the Russian Federation developed a format for request from STI USS to the national databases in order to be able to make programmes-converters and connect all the participants concerned to the pilot-project of the system. The format of request with examples was presented in the “Software” section of the Explanatory note.

The OSJD member countries which have acquired their databases implemented according to Web-technology and available in the Internet have been offered to join the pilot-project of OSJD STI USS.

In the course of 2010 the leading performers from the Latvian Republic and Russian Federation were engaged in management and support of the Web-site of STEI centers of OSJD in the Internet, available on the LDZ server at the following address: <http://www.rail-net.org/>.

In 2010 according to the information provided by the countries, changes and updates were made in the Web-pages of the STEI centers of the Republic of Belarus, Republic of Kazakhstan, Russian Federation, Slovak Republic and Estonian Republic. The “Plans” section of the Web-site head page was updated. III edition of Leaflet O 905/1 and a new edition of Annex No.1 were added to the “Leaflet” section.

A link to the Web-site of the STEI centers of OSJD member countries is available on the OSJD site (<http://www.osjd.org>) in the “Documents” section.

1.2. Transport Law

The legal basis to provide international rail transportation includes the Agreement on International Passenger Transport by Rail (SMPS) and Agreement on International Goods Transport by Rail (SMGS). In the past year work on improvement of the above-mentioned agreements was in the limelight of activities of the OSJD Commission on Transport Law. Co-operation between OSJD and OTIF was actively going on, which was aimed at harmonization of the international transport law. The ongoing work was carried out within the framework of activities of all the ad hoc working groups (AWG) of the Commission, which was connected with the development of provisions of the Convention on Through International Railway Traffic.

In execution of the assignment of the XXXVIII Conference of OSJD Ministers, the AWG on the revision of the SMPS Agreement has continued its work with regard to preparation of draft “General Provisions of the Agreement on International Transportation of Passengers” in international traffic as Annex to the Convention, the current text of the SMPS was taken as framework.

At the same time, development of the “Rules for the Transportation of Passengers and Luggage in International Traffic” was underway, stipulated by individual articles of draft “General Provisions of the Agreement on Transportation of Passengers” which are under development.

These rules would regulate the mutual relations between the passenger, consignor and consignee of luggage and participant of the transportation process on the basis of the contract of carriage.

In 2010 four meetings of the AWG on the revision of SMPS were held to develop and agree the draft “Rules for Transportations of Passengers and Luggage in International Traffic” which would consist of the following sections: “General

Provisions”, “Transportation of Passenger”, “Transportation of Luggage”, “Formal Report”, “Transport Charges” and “Claims”.

On 1 May 2010, changes and additions in the SMPS and Manual to the SMPS came into effect, which were developed in the course of SMPS revision in the previous years. At the present time the documents in question might be considered to meet the requirements of the reformed and modernized railways as well as adapted to the conditions of the market relations of the modern economies of the OSJD member countries.

In 2011 the AWG would continue its work on improvement of draft documents of “General Provisions of the Agreement on Transportation of Passengers”, Rules for their individual articles and will commence the development of draft documents that regulate the relations between carriers.

Pursuant to the decision of the XXXVIII Conference of OSJD Ministers, the AWG on the revision of the SMGS Agreement continued its work on preparation of draft “General Provisions of the Agreement on Transportation of Goods” as Annex to the Convention, the prepared text of the SMGS has been taken as framework. Development of draft “Rules for Transportation of Goods” stipulated by individual articles of draft “General Provisions” was in progress.

Three meetings of the AWG which were held in 2010 developed, considered and agreed the texts of the sections of the Rules for Transportation of Goods named as “Delivery of Goods”, “Sealing”, “Procedure for Lodging and Handling Claims” and “Operations with Goods en Route”.

Taking into account the specification of development of such documents, in parallel, correction of the articles of the General Provisions was underway and of already developed sections of the Rules for Transportation of Goods as well.

Thus, when development of each draft section mentioned above was in progress, amendments and changes were made in the section of “Transport Consignment Note”. Much work was carried out to define and agree the notion of “Loading Tackle” as well as to disclose the content and establish common approaches to and requirements for all the ways to specify the weight of goods on the railways of the SMGS participants.

Developed and agreed was draft section 4 of “Peculiarities of Consignment Note Filling-in” in view of the changed legal regulation of the contract of carriage in the section of “Transport Consignment Note”.

A justified proposal was prepared for the AWG with regard to improvement of the OSJD basic documents as to the necessity for division of the provisions regulating the interchange of wagons in international traffic as a vehicle and the provisions regulating the transportation of wagons as freight on their axes.

Reforms and reconstruction that were carried out for the last years on the railways of the SMGS participants produced a profound effect on the process of improvement and adaptation of the provisions of the acting Agreement.

The result of such an effect was development and adoption of changes and additions in the SMGS and SMGS Manual at the meetings of experts and meetings of the Commission in respect of the transport law last year.

According to the established procedure, the changes and additions mentioned above would come into force on 1 July 2011.

In this aspect of activity, for the year 2011 planned were great volumes of work to be carried out by the AWG on the issue of revision of the SMGS, and as well as by the OSJD Commission on Transport Law as a whole.

According to the changes and additions made in the international and national regulations, in 2010 work was in progress to update the Rules for transportation of dangerous goods (Annex 2 to SMGS Agreement) on the basis of recommendations of the United Nations, typical rules (16th edition) and RID-2011 in view of the specifications of operation of the railways of the OSJD member countries.

The meetings of the AWG in the field of Rules for transportation of dangerous goods, meetings of experts and meetings of the Commission were held to develop, agree and adopt changes and additions in Rules of transportations of dangerous goods with effect from 1 July 2011.

On the basis of the decision of the XXXVIII Conference of OSJD Ministers with regard to the beginning of development of draft “General Requirements for Transportation of Dangerous Goods in International Traffic” as Annex to the Convention, respective work was carried out to agree the status of the documents regulating the transportation of dangerous goods in international traffic and their position in the system of the OSJD regulatory legal acts.

In the current year the work on the draft document mentioned above is to be continued.

In the accounting period, the meetings on development of Annex 14 to the SMGS, meetings of experts and meetings of the Commission were held to develop, agree and adopt Chapter 8 of “Accommodation and Fastening of tracked vehicles” in the composition of the Rules for accommodation and fastening of goods in wagons and containers.

Changes and additions were made in the following chapters:

- Chapter 1 “Requirements for Accommodation and Fastening of goods on open rolling stock of 1520 mm track gauge”,
- Chapter 2 “Accommodation and Fastening of timber”,
- Chapter 3 “Accommodation and Fastening of metal products and scrap metal”,
- Chapter 5 “Accommodation and Fastening of goods with flat bearing”,
- Chapter 7 “Accommodation and Fastening of wheeled vehicles”,
- Chapter 9 “Accommodation and Fastening of containers and swap bodies”.

The changes and additions in the above mentioned chapters should come into force on 1 July 2011.

Development of chapter 11 of “Accommodation and Fastening of goods in covered wagons” was started and will be continued in the current year.

Pursuant to the decision of the XXXVIII Conference of OSJD Ministers, the AWG on development of Annex 14 to the SMGS started its work to draft the “Rules of Accommodation and Fastening of goods in wagons and containers”, stipulated by the individual articles of the draft document of “General provisions for the contract of carriage of goods in international traffic” that is under development.

The status of the documents which regulate such Rules in the system of the OSJD regulatory legal acts was specified.

The decision was taken that the “Rules of Accommodation and Fastening of goods in wagons and containers” must contain technical norms and parameters only.

In the current year the development of the draft document mentioned above will be continued.

In 2010 OSJD in conjunction with CIT continued taking actions within the framework of the project of “CIM/SMGS Transport Law Harmonization”. In their activities, the participants of this project from OSJD side followed the decision of the XXXVIII Conference of OSJD Ministers in order to continue their work aimed at improvement of “CIM/SMGS Consignment Note Manual” (Annex 22 to SMGS) and contribution towards wider deployment of the CIM/SMGS consignment note for transportation in the railway networks.

Thus, the result of the work mentioned above was adoption of changes and additions in relation to the scope of application of the Manual to the CIM/SMGS consignment note, in relation to the routes of application of the CIM/SMGS consignment note, lists of the re-consignment points.

In the past year the redrafted provisions of importance in respect of Annex 22 to the SMGS Agreement came into force, they were in relation to the CIM/SMGS responsibility, claims and formal report, and also the additions connected with usage of the Chinese language both in the naming of boxes of the blank forms of transport documents and their filling-in came into effect. Development of the CIM/SMGS electronic consignment note was completed and its usage was offered, being of recommendatory character for carriers.

In the current year transportation under the cover of the CIM/SMGS consignment note was carried out through four trans-European corridors along 50 routes.

More than half the volume of international traffic connected with the re-issuance of documents from one transport law to another (CIM/SMGS) was performed without carrying out the operations mentioned above owing to the application of the CIM/SMGS consignment note.

In transit communication, wagon load and container consignments through Poland under the cover of the CIM/SMGS consignment note amounted to more than 50 % in the first half of the year 2010, two thirds of which was made up by container transportation.

Transportation through Ukraine under the cover of the CIM/SMGS consignment note for the half-year accounted for 63% of the total volume of transportation crossing the borders of the transport law.

In Slovakia, such transportation made up about 30 % of the total amount.

It is to be noted that the overwhelming amount of transportation under the cover of the CIM/SMGS consignment note belonged to the container traffic sector.

Kazakhstan, Mongolia and Russia made their transport policy more active in the field of extension of the area of transportation with application of the CIM/SMGS consignment note.

In 2010 all the route directions on the Russian railways, railways of Mongolia and all the transit and individual directions of the railways of Kazakhstan opened for such transportation.

Interstate agreement is underway to be able to organize transportation under the cover of the CIM/SMGS consignment note on the railways of China.

The work of the Commission on Transport Law in relation to improvement and development of legal documents will be continued in all the aspects of its activities in the current year.

1.3. Freight traffic

In 2010 the activities of the OSJD Commission on Freight Traffic were aimed at improvement of the acting international agreements and contracts in the field of organization of combined transportation in the direction of Europe and Asia and transit freight rates; at updating the acting rules for the mutual application of freight wagons in international traffic with the purpose of their harmonization with the similar international normative documents, at harmonization of the uniform system of description and coding of goods transported on the OSJD railways; at planning and organization of container block-trains in communication Europe - Asia - Europe; at implementation of co-operation in the field of operation of the railways connected with an increase in efficiency and competitiveness of international traffic by rail in comparison with transportation by means of other modes of transport.

The issues, which are within the competence of the Commission, were considered at the meetings of the Commission according to the Work Plan of the OSJD working bodies for 2010.

The tariff issues were discussed within the framework of the acting agreements on Uniform Transit Tariff (ETT) and on International Railway Transit Tariff (MTT).

The parties to the ETT Agreement adopted changes and amendments into the ETT Agreement and ETT with effect from 10 July and 10 October 2010.

On 15 January 2010 the accession of the LLC Georgian railway (GR) to the ETT Agreement took place, whereof the corresponding changes were made in the ETT Agreement.

With the purpose of updating the MTT Agreement and MTT, the Parties to the MTT Agreement have adopted amendments and changes in the MTT Agreement and MTT with effect from 25 August and 1 October 2010.

According to the provisions the ETT Agreement and MTT Agreement, the OSJD Committee, as Administrator of ETT and MTT, prepared and published the updated texts of the ETT Agreement, MTT Agreement, ETT and MTT taking into account the adopted changes and amendments as of 1 January 2011.

The subject of "Update of the Agreement on Organizational and Operational Aspects of Combined Transportation in communication Europe – Asia" was considered at the meeting of experts of the OSJD Commission on Freight Traffic.

In 2010 approved or adopted were amendments to the Agreement as well as amendments to Annex II of "Important Locations for International Combined Transport" to the Agreement.

The OSJD Committee, as Administrator of the Agreement, transmitted information on the amendments' entry into force to all the parties to the Agreement for practical application.

In the accounting period, in respect to the subject of "Improvement of PGV Agreement and Updating of the Rules for the Use of Freight Wagons in international traffic (PGV)" the actions were taken as follows:

- Updating of the PGV Agreement;

- Updating of the PGV Agreement according to the proposals made by the railways of the Parties to the PGV Agreement;
- Updating of tariff rates of payment for the use of freight wagons in international traffic (Annex 34 to PGV) on the basis of actual costs to maintain the wagon fleet according to the data for 2009;
- PGV revision.

The issues mentioned above were considered by the Parties to the PGV Agreement at the meetings of the working subgroup of experts, representatives from the Parties to the Agreement and AWG on the revision of PGV, as a result of which the following actions was carried out:

- adopted were changes and amendments to PGV;
- agreed were changes and amendments to the Rules for the Use of Freight Wagons in international traffic, with further submission for approval by the XXVI Conference of OSJD General Directors (CGD);
- considered was the draft procedure for the calculation of tariff rates for the use of freight wagons in international traffic for 2011, which was prepared by the leading performer, OJSC “Russian Railways”; the draft was not agreed.

In 2010 the ad hoc working group on the revision of PGV started its work. According to the decision of the XXV CGD, representatives from ZC, CFR Marfa and ZSSK CARGO additionally joined the group. Four meetings of the group were held, at which:

- agreed was draft new structure of PGV;
- tentatively agreed were amendments to paragraphs 1-3 of the acting PGV taking into account the agreed new terms;
- agreed was the edition of sections 1, 2, 4-10 of Annex 1 to PGV “Technical Requirements for the wagons of the freight fleet in international traffic.

The meetings of the AWG on the revision of PGV also considered the issues connected with preparation of the Convention on Through International Railway Traffic as related to the use of freight wagons as well as with participation of private licensed carriers in the PGV Agreement.

In accordance with the decision of the Conference of OSJD General Directors, on 4 November 2010 a meeting of the AWG on the revision of PGV took place jointly with the group of experts on financial and accounting issues for consideration of the subject of “On Participation of Licensed Railway Carriers in the PGV Agreement and in the Agreement on the Rules for accounting in international passenger and freight railway traffic”.

The participants of the meeting exchanged views on the problematic issues and approved recommendations on their possible solution i.e. to make respective alterations and additions in the PGV Agreement and PGV and in the Agreement on the “Rules for accounting ...”.

The working body of the OSJD Commission on Freight Traffic prepared and transmitted to all the railways i.e. Parties to the Agreement on PGV the official edition of the Agreement on the Rules for the use of freight wagons in international traffic (PGV) with all the Annexes as of 1 January 2010 and as well as amendments to it with effect from 1 July 2010 and 1 January 2011.

The subject of “Technical facilities for combined traffic” was considered at the meeting of experts of the Commission.

No proposals were received from the OSJD railways with regard to update of OSJD Leaflet R 407 “Technical and Operational Requirements for Technical Facilities of Combined traffic”.

The Commission agreed the amendments (changes and additions) to OSJD Leaflet O+R 401 “General Terms for Registration and Operation of private freight wagons in international traffic” with their further submission for approval by the XXVI Conference of OSJD General Directors.

Experts of the Commission agreed the amendments to joint Leaflets of OSJD O 402/UIC O 430/5 the “Rules for exchange and use of freight wagons of new generation in communication between the railways of 1435 mm and 1520 mm track gauge”, which were transmitted for agreement in UIC.

By the results of work on the subject of “Improvement and Updating of Harmonized Nomenclature of Goods (GNG)”, presented were draft changes and additions in GNG prepared by the OJSC “Russian Railways” company, the leading designer of GNG in OSJD, with taking into account the proposals made by the OSJD railways applying GNG. The changes and additions mentioned above were approved at the XXV Conference of OSJD General Directors with effect from 1 July 2010.

The working body of the OSJD Commission on Freight Traffic prepared and sent forward to all the OSJD railways applying GNG the updated text of GNG as of 1 July 2010.

The subject of “Organization of large-capacity containers traffic in communication Europe-Asia” was discussed at the meeting of experts of the Commission.

The OJSC “Russian Railways” company, the leading performer, carried out the work on updating of the database on container and contrailer trains in international traffic on the basis of the data which have been received from the OSJD railways.

The summary information on the regular container trains and combined traffic on the OSJD railways, prepared by the leading performer, OJSC “Russian Railways”, jointly with the working body of the OSJD Commission on Freight Traffic, was published in the “OSJD Bulletin” journal, issue 6/2010.

As to the subtopic of “Creation of database of volumetric parameters of container transportations”, the leading performer UZ carried out work on preparation of database of the volumes of carriage of goods by large-capacity containers along the OSJD railways for 2009.

With regard to the subtopic of “Study of potentials for the organization of container traffic in communication China-countries of the Central Asia-countries of Europe (through the countries of the Balkan Peninsula)”, the leading performer BDZ EAD represented a new project i.e. the organization of a container train on the route of Saloniki (Greece)-Moscow (Russia) on the basis of the information material submitted by the OSJD railways concerned. Within the framework of the sub-subject, the leading performers BDZ EAD and KZH were engaged in development of a new version of the route for the organization of container traffic in communication China-countries of the Central Asia-countries of Europe (through the countries of the Balkan Peninsula) with the participation of CFM.

As to the subtopic of “Updating and support of the electronic version of the Reference Book of “Transportation of large-capacity containers and contrailer traffic in communication Europe-Asia”, the leading performer, OJSC “Russian Railways” company, carried out work on the updates and support of the electronic version of the

Reference Book in view of changes and additions which have been received from the OSJD railways. Updating of the electronic version of the Reference Book is conducted once within two years.

In the context of the usage (in international traffic) of new types of large-capacity containers the parameters of which mismatch the standard parameters of ISO series 1 and the application of which is not stipulated in SMGS, it was agreed to commence in 2011 the work on preparation of additions and proposals as to the rules for transportation of containers in international traffic with a view of attraction of additional volumes of container transportation by the railway transport.

The first group of the OSJD railways, European railways and railway operators (carriers) of Austria, Bulgaria, Bosnia and Herzegovina, Hungary, Germany, Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia, Croatia, Montenegro, Czech Republic and Switzerland considered the issue on development and coordination of international freight train timetables for the period of 2010-2011.

It was agreed to continue developing freight train timetables in Europe in 2011 within the framework of further co-operation with the international organization Forum Train Europe (FTE).

The subject of "Coordination of the volumes of carriage of goods in international traffic" was discussed at the meeting which was attended not only representatives from the OSJD railways but also delegations from foreign trade organizations of Socialist Republic Vietnam, Republic Kazakhstan, People's Republic of China, Korean People's Democratic Republic, Mongolia and Russian Federation.

Summed up were the results of implementation of the volumes of transportation of the foreign trade goods for 2009.

Agreed were the traffic volumes of export, import and transit goods for 2010 with their distribution by quarters and categories of goods for each border crossing point and as well as technical and organizational measures were developed to provide the implementation of the agreed volumes.

On 1-2 June 2010, in the city of Odessa (Ukraine), International Conference of OSJD took place on the subject of the "Main Trends in Development of Railway Freight Traffic under the conditions of the world economic crisis". The "PLASKE" JSC, OSJD Affiliated Enterprise, organized the Conference. The representatives from the ministries of transport, railways, transport organizations, transport companies and transport associations from 19 countries of Europe and Asia attended the Conference.

1.4. Passenger traffic

In 2010 the OSJD Commission on Passenger Traffic carried out its work in accordance with the Programme and Plan approved at the joint meeting of the Plenipotentiary Representatives from the Members of the Ministers Conference and Conference of General Directors (Authorized Representatives) as to organize passenger train movement, draw up and agree the train timetables and train makeup schemes, provide required conditions and services for passengers, develop passenger traffic by rail, fulfill the movement schedule of international passenger trains.

In the reporting year the OSJD Commission on Passenger Traffic agreed the train schedules of movement, makeup schemes of trains and allocation of coaches in them in international traffic for the years 2010-2011 for the 1st group of railways: BC,

BDZ, MAV, KZH, LG, CFM, PKP, OJSC “Russian Railways”, CFR, ZSSK, UZ and CD and for the years 2011 - 2012 for group the 2nd of railways: VZD, KZD, KZH, ZC, MTZ, OJSC “Russian Railways” and UZ.

With a view of reduction of costs, agreed was the combination of trains 11/12 Moscow-Warsaw and 21/22 Moscow-Prague with effect from 30 August 2010 with the movement under the schedule of train 21/22 in which the transport services of trailing coaches from Moscow, St.-Petersburg and Minsk to Amsterdam and Basel were preserved. With reference of the lack of the sufficient volume of passenger traffic, the transport services of trailing coaches from Moscow and Minsk to Budapest were cancelled. The transport services of coaches Moscow-Zagreb, Kiev-Zagreb were cancelled for the same reason.

On 23 September 2010 the transport services of the Moscow-Nice passenger train were launched on a weekly basis with the train makeup of OJSC “Russian Railways”.

The volumes of movement of international passenger trains of the 2nd group of railways remained as they were before, with the train schedules and train makeup schemes insignificantly updated.

OJSC “Russian Railways”, KZD and ZC agreed the speedup of the transport services of coaches Moscow – Tumangan by 24 hours, taking into account the changes mentioned above.

On the basis of the information material specified, “EuroAsia Rail – 2011” international passenger train timetable was published for the year 2011.

At the meetings on the issues with regard to the systems of ticket reservation, reference information service, rendering of services and mutual accounting for transportation, the experts of the railways agreed OSJD Leaflet R 103 “Recommendations for making the seats, couchettes and birth in sleeping cars” developed by BC, approved by OSJD Committee as Appendix 29 to the Agreement on the Rules for the Use of Freight Wagons in international traffic (hereinafter, PPV), regulating the arrangement of seats in coaches. The experts of the railways considered the following issues:

- the procedure agreed for adoption of changes in the joint OSJD/UIC Leaflets in the Russian language;
 - making changes in joint OSJD/UIC Leaflets 918-0, 918-1, 918-2, 919-3;
 - application of UIC Leaflet 918-6 “Electronic reservation of assistance to the persons with the limited mobility (PRM)-exchange of messages”;
 - application of UIC Leaflet 361-0 “Support of income from international passenger traffic carried out by the departments of passenger transport, information technology, internal financial audit, finance and all the other departments concerned;
 - agree the seat quotas for the issuance of return tickets for international trains when train timetables are agreed;
 - ticket issuance by means of electronic mode from the stations of other railways according to the “East – West” Tariff;
 - formation of payment sheets according to OSJD/UIC Leaflet 301 in respect of the issued tickets from and to the stations of the railways.
- Formation of accounts with regard to the global price, etc.

1.5. Infrastructure and Rolling Stock

The OSJD Commission on Infrastructure and Rolling Stock continued its activities in the year 2010 as to tackle urgent tasks in the technical field, taking into account the promising aspects of infrastructure and operational facilities of the railway transport.

The aspects of activities of the Commission were defined in view of the results of work carried out by the Commission in 2009 and decisions of the joint meeting of the Plenipotentiary Representatives of the Members of the Ministers Conference and Conference of General Directors (Authorized Representatives). In the year 2010 activities of the Commission were in progress on six subjects. In the course of the year, in total, 11 meetings of experts and Annual meeting of the Commission on Rolling Stock and Infrastructure were held.

Owing to the fruitful work of experts of the majority of 18 railway entities of the OSJD member countries participating in activities on the subjects of the Commission in 2010, positive results were gained: 11 new and 12 updated technical documents-recommendatory leaflets were adopted, besides newly drafted five and two updated obligatory and obligatory-recommendatory leaflets of were agreed with their subsequent submission for adoption at the XXVI Conference of General Directors in 2011.

As to the subject of the ***“Rolling stock gauges in international traffic in the context of interoperability requirements”***, activities were carried out in conjunction with UIC and in co-operation with OTIF.

The XXV Conference of General Directors approved Annex B “Space for the current collector at the top of minimum structure gauge. Requirements for the rolling stock to be loaded onto the ferry to joint obligatory OSJD O 500/UIC V 505-6 Leaflets “General rules for rolling stock gauges (without unloading freight or disembarking passengers) in interoperable international traffic”.

The meeting of experts made correction of the drafted first version of OSJD/UIC Leaflet 502-4 “Coordination of transportation of rolling stock as freight on its axes in international traffic between West-East and East-West”, considered all the information material and continued their work based on the approved Plan of work for the year 2010.

In a wide range of technical issues and in view of a great variety of the material used in the design of the permanent way and track substructure and engineering structures, work on subject 2 of ***“Rail Track and Engineering Structures”*** was divided into four sub-subjects, namely:

2.1. “Development of a set of issues on the rail, rail fastening, jointless tracks, their comprehensive diagnostics, mechanization of rail track-related work”;

2.2. “Consideration of a set of issues on the roadbed and engineering structures and their comprehensive diagnostics”;

2.3. “Technical standards and diagnostics of the railway track for the fast-speed/high-speed traffic”;

2.4. “Pre-stressed concrete sleepers, bars, switches and their diagnostics”.

In the meetings on the sub-subjects, the experts from 12 Railways took participation, namely: BC, NC “RI”, MAV, KZH, KZD, LDZ, LG, CFM, PKP, ZSR, UZ, CD/SZDC and representatives from six Affiliated Enterprises of OSJD:

“Dnepropetrovsk Switch Works” OJSC, “Murom Switch Works” OJSC, “Kertch Switch Works” LLC, “RAILTECH SLAVJANA” LLC, ELECTRO-THERMIT GmbH&Co.KG and “MostGeoCenter” LLC.

The experts of the railways of OSJD member countries produced the following good results in their work on the subject of “Railway track and engineering structures”:

- at the meetings of experts 27 individual technical matters were considered;
- the meeting of the Commission approved 2 new and 3 updated recommendatory leaflets;
- the meeting of the Commission approved and would submit two new obligatory-recommendatory leaflets for adoption at the XXVI Conference of General Directors in 2011.

The solution of technical and technological issues as to design, maintenance and reconstruction of the railway track and engineering structures in close co-operation of experts from the OSJD member countries plays a great part in traffic safety of trains and contributes much to higher efficiency of the invested capital.

In the past year the experts from the railways continued their activities on the subject of **“SFT and Communication”**. The experts elaborated and the Commission approved two new leaflets which regulate requirements for the selection of controllable and diagnosed parameters of the railway automated and telematics systems to provide electromagnetic compatibility of wire communication devices at border crossing points.

Besides three leaflets were updated and re-adopted. They specify requirements for organization of the connections of the railway telecommunication networks and also establish requirements and control facilities in order to provide safety of SFT systems and devices.

Application of the leaflets on the railways would contribute much to improvement of quality of technical diagnosing and monitoring of the devices of railway automatics and telemechanics and, as a result, to an increase in traffic safety as well as improvement of quality of communication at border crossing points.

In 2010, within the framework of the subject of **“Units of Power Supply and Electric Traction”**, experts from the railways developed and the meeting of the Commission approved 4 new leaflets aimed at ensuring the reliability of power supply units to organize the movement of trains with increased weight and length, at improvement of dynamic characteristics of the current collectors for high-speed rolling stock, at making more strict the technical-operational requirements for the technical diagnostics system of the contact network and at saving of electric power for traction of trains.

In view of the changed conditions and requirements, two leaflets currently in force were updated which contain recommendations on the introduction of progressive standards and modern equipment and materiel when external illumination for external territories of the railway locations is organized, and on fundamental provisions for electricity safety when electric work is carried out.

Implementation of the recommendations described in new and updated leaflets in the field of devices of power supply and electric traction would make it possible to provide reliable and economical functioning of electric devices.

The work of experts on the subject of the **“Rolling Stock for Railways. Technical Requirements for its Elements”** was aimed at the proximity and

harmonization of technical requirements for the railway rolling stock operating for international transport services, taking into account the intensive development of innovative technical solutions to be applied to design railway rolling stock and its components.

Experts from the railways, namely, BC, KZH, PKP, OJSC “Russian Railways” and UZ, as leading performers for the individual subtopics, took active participation in the development and updating of the leaflets on the topic mentioned above.

The meetings on the subtopics were attended by representatives from eleven railways, namely: BC, KZH, LDZ, LG, CFM, PKP, OJSC “Russian Railways”, CFR-Marfa, ZSR, ZSSK Cargo, UZ, representatives from UIC and LLC “AXTONE” which is an OSJD Affiliated Enterprise.

At the meeting of experts on the subtopic of “Railway Wagons” in which a representative from UIC participated, it was proposed to establish a joint OSJD/UIC working group to conduct an analysis of the automatic gauge change systems (AGCS). The meeting of the OSJD Commission on Infrastructure and Rolling Stock did not support the proposal and, while drafting the Plan of Work for 2011, it was suggested that the analysis should be carried out independently but with the participation of UIC.

The Plan of work of experts for the year 2011 contains items for the elaboration and updating of leaflets that will stipulate the unification of technical requirements and internal regulations, introduction of new designs and technical solutions as to resource saving technologies aimed at cost saving and safety of railway operation.

Work on the subject of the *“Comprehensive System for Diagnostics of Infrastructure”* was carried out separately at the meetings of the Commission’s experts on subjects 2, 3 and 4 on the basis of Leaflet O 733.

The Commission approved an addition to the 1st edition of Leaflet R 775 “Diagnostics of Engineering Structures”, information material on the diagnostics of tunnels and the 1st edition of Leaflet “Recommendations on Technical Diagnostics of the contact line network”.

The meeting of the Commission also agreed and would submit to the XXVI Conference of General Directors in 2011 updated root leaflet O733 on the subject of “Concept for development of the comprehensive system for diagnostics of the technical condition of the railway infrastructure elements” (III edition).

On the assumption of the above mentioned and of the briefly described results of the activities of the Commission on Infrastructure and Rolling Stock in 2010, one would take positive stock as to the outcome of activities, would make an impartial statement that activities were of a wide range and of a great variety with regard to the adoption of a number of concrete technical documents i.e. leaflets for the OSJD member countries’ good.

1.6. Coding and computer science

The OSJD Permanent Working Group on Coding and Informatics (PWG C&I) carried out its activities in 2010 in accordance with the decisions of the Conference of General Directors (Authorized Representatives) of the OSJD railways in co-operation with UIC, CIT, OTIF and ERA in favour of further development of the Euro-Asian

transport services. In particular, work was performed in the following aspects (subjects):

- “Coding and Informatics”;
- “Paperless Technology for the Carriage of Goods in International Traffic”;
- “Security of Information Resources and Information-Telecommunication Infrastructure”;
- “Information Support for Freight Traffic-Technical Specifications for Interoperability (TAF TSI)”;
- “Information Support for Passenger Traffic-Technical Specifications for Interoperability (TAP TSI)”;
- OSJD Web site.

The PWG C&I experts conducted their work on eleven leaflets on coding, one of which was submitted for approval by the XXVI Conference of General Directors.

The Joint UIC/OSJD group of “Coding and Informatics” developed and agreed a new procedure for the assignment of codes to the railway locations.

A blank form of application and procedure for making an application were transmitted to the OSJD and UIC member railways and they were published as well on the OSJD and UIC web sites in the working languages of the two organizations in June 2010.

A joint UIC/OSJD working group was established on interaction of the two systems as to freight wagon marking.

The first meeting of the Joint working group adopted the following recommendations and decisions:

- To adopt as a framework the principle for extension of the 8-character number of the wagon up to the 12-character number used at the railway junctions of the 1435 mm and 1520 mm track gauge systems;
- To adopt as a framework the draft table 1A of Leaflet 404-2, the table containing the list of characteristics for the wagons of the 1520 mm track gauge system was drafted by the working group within the PWG C&I;
- To elaborate a normative document which would specify the procedure for the unified electronic data exchange during when the freight wagons of the 1435 mm and 1520 mm track gauge systems to be exchanged.

The decision on finalization of Leaflet O+R 582-2 was approved in view of the results of work of the UIC/OSJD Joint working group as to interaction of the two systems of freight wagon marking and the decision on the suspension of work with regard to leaflets O+R 582-3 and O+R 582-4 before the development of Leaflet 582-2 was finished.

Within the framework of the joint RICS project in co-operation with UIC, work was carried out in respect of the assignment of 4-character codes according to the applications made by the railway undertakings. The table of the updated RICS codes application forms in 4 languages were published on the UIC Web site. In the course of the year 2010 68 new codes were allocated.

The leading performer, OJSC “Russian Railways”, added the table of the “Railway undertakings, infrastructure managers and other companies participating in railway transportation according to the RICS list of the names of railway undertakings in the Russian language, which is published on the OSJD Web site in the section of “Documents of PWG C&I in February 2010. The working body of the OSJD Committee OSZHD provides the updating of the information contained in the table on the annual basis.

In accordance with the decision of the XXV Conference of General Directors, co-ordination started with OTIF on how to fill in the register of Vehicle Keeper Marking (VKM) from the OSJD railway member side. In October 2010 the main page of the OSJD Web site acquired a reference link to the OTIF Web site and information on the rules for the registration of vehicle keepers in two languages.

The PWG C&I experts on paperless technology carried out their work in two aspects.

The experts of the leading performer, OJSC “Russian Railways”, continued their work to update Leaflets O+R 943 and O+R 944. The participants of the Annual meeting of the PWG C&I group agreed the updated leaflets and decided to have them submitted to be adopted by the XXVI Conference of General Directors.

Considered was the progress of work on the introduction of the project of “Information Support by Electronic Data on Transportation of goods in International Traffic” under the cover of the SMGS consignment note between the OSJD railways. The results of work of the PWG C&I encompass all the information in full from 9 railways of the OSJD member countries.

The PWG C&I experts on security of information resources and information-telecommunication infrastructure listened to the information delivered by the leading performer BC within the framework of the subject “Organization of information exchange between the railways of the OSJD member countries with the use of electronic digital signature” and after discussion the experts approved the information material proposed by BC.

Representatives from the OJSC “Russian Railways” company briefed the participants of the meeting on the detailed scheme of international information interaction with use of infrastructure of the public keys on the basis of technology of the “Trusted Third Party”.

The participants of the meeting of experts approved the work carried out by BC and OJSC “Russian Railways” companies in respect of establishment of the “testing ground” for the interaction of infrastructures on the basis of technology of the “Trusted Third Party”.

The annual meeting of the PWG C&I, on the basis of the official proposal made by UZ, decided to continue activities within the framework of the “testing ground” of the pilot project of interaction of the facilities for the cryptographic protection of information of BC, OJSC “Russian Railways” and UZ.

The PKP Informatika company organized an international seminar on the subject of “Technical Specifications for Interoperability” (TAF TSI and TAP TSI) with the participation of speakers from ERA, DB, HITRAIL and OSJD railways, namely, LDZ, LG, PKP and ZSR. The seminar was attended by experts from 14 countries (companies). The information material of the seminar (presentations) were transmitted to all the OSJD railways in electronic format and published on the OSJD Web-site as well.

In activities of the PWG C&I group, less than two thirds of OSJD members take participation, from the Asian side-experts from KZH participate only. In 2011 MTZ will be invited to work on two subjects. The plan of work for 2010 has been implemented completely with the addition of Joint working group on interaction of the two systems for freight wagon marking. The number of attendants at the meetings has increased in comparison with their number of 2009.

1.7. Finance and Accounting

According to the Plan of work for 2010 and decision of the XXV Conference of General Directors, activities of the Permanent Working Group on Finance and Accounting in 2010 were carried mainly in the following aspects:

- 1) Updating of the acting “Agreement on the Rules for Accounting in the International Passenger and Freight Railway Traffic” and the “Rules for Accounting in the International Passenger and Freight Railway Traffic”, taking into account the modern economic conditions of the OSJD railways operation and legislation of each country;
- 2) settlement of mutual accounts and work on debt redemption between the railways;
- 3) development of measures at expert level in order to improve the technology and reduce the accounting terms;
- 4) further co-operation with UIC on financial and accounting issues.

According to the Plan of Work, two meetings of the railways – parties to the “Agreement on the Rules...” were held in 2010. Representatives from the majority of the parties to the Agreement on the “Rules...” took participation in the activities of the PWG FA group, which contributed much to the adoption of competent decisions. Representatives from AZ and CD took participation in none of the meetings mentioned above.

In the course of the year 2010 the update of the acting Agreement on the “Rules ...” and “Rules for accounting ...” was carried out within the framework of PWG FA group, taking into account the proposals submitted and opinions shared by the railways-parties. On the basis of the conducted constructive and reasoned discussion, it was decided to make respective changes and additions in the “Rules for Accounting...” which were sent forward to the parties to the Agreement on the “Rules ...” and they came into force on the established dates. Three proposals on the reduction of the terms for accounting were adopted as continuation of work on further improvement of international accounting.

In view of the changes and additions made, work was performed with regard to the edition of the updated version of the Agreement on the “Rules ...” and “Rules for Accounting...” as of 15.02.2011. OSJD Information Book on mutual accounting in international passenger and freight railway traffic was republished that includes updated data on bank details and legal addresses of the accounting organizations, which were submitted by the railways-parties to the Agreement on the “Rules...”.

A special focus was on the work on debt redemption between the railways. As of 31.01.2011 the total debts equaled 248.2 million Swiss francs. The amount of debt, in equatable conditions, decreased by 16.7 %, in comparison with the debt amount of the last year (31.01.2010). LDZ, LG, CFM, JSC “Russian Railways”, ZSSK Cargo, UZ, XD and EVR had no debts in the reporting period. PKP, TDZ and GR were in insignificant debts (less than 10 thousand Swiss francs).

In view of the status and structure of debts and in accordance with the task assigned by the Conference of General Directors, much attention was focused on the issue concerning the long debts, which in full, unfortunately, has not been tackled for

several years. The issue was discussed at the meetings of experts and at the meetings of the PWG FA as well.

The OSJD Committee organized two bilateral meetings between KZD and KZH, KZD and JSC “Russian Railways”. At the first meeting, the controversial issues were not tackled and they were put off for the decision to be taken by the Commission on settlement of mutual accounting. The second issue as to debts between KZH and OJSC “Russian railways” company would be tackled according to the bilateral procedure.

In Moscow, a bilateral meeting was held between JSC “Russian Railways” company and ZC, at which all the issues with regard to debt were settled, therefore the report on the verification of accounting was signed and the amount of debt was finally verified between JSC “Russian railways” company and ZC and it was confirmed by the two parties.

A bilateral meeting between KZD and ZC was held as well.

In accordance with the decision of the Conference of General, a joint meeting of the PWG FA and AWG for the revision of PGV as to consideration of the participation of the licensed railway carriers in the Agreement on PGV and Agreement on the “Rules...”. The participants of meeting adopted joint recommendations with regard to the settlement of the issue of the participation of several railway carriers in the two Agreements.

Within last two years, work was carried out with regard to the issues on international transportation service taxation. Considered was the issue on accounting articles for freight traffic and, much more in detail, the issue on taxation of charges for the use of wagons. It was decided to make available the Taxation Information Reference Book in individual countries-parties to the Agreement on the “Rules...” (there are six countries so far) on the working platform of the PWG FA of the OSJD information Web site.

In accordance with the Plan of work of the PWG FA, the OJSC “Russian Railways” company organized a PWG FA seminar in Sochi on the subject of “Creation of the system for the corporate accounting under of the ongoing reforms on the railways of the OSJD member countries”. The representatives from 9 railways took participation in the seminar. After consideration of all the reports delivered, the participants of the seminar noted that the gained progress in formation of a new model of the system for accounting and tax account on the principles of organizational and functional centralization on a number of railways of the OSJD member countries. Noted was development of the system for electronic document flow as to accounts for international rail transportation.

As continuation of co-operation with UIC in the field of financial-accounting issues, International OSJD/UIC seminar was held on the subjects of “Principles and Problems of the use of wagons under GCU (OTIF) and PGV Agreement (OSJD)” and “Automation of Mutual Accounting”.

As to the first subject, a presentation was made by Mr. Bernard Schmidt, chief adviser on UIC freight traffic, which was followed by the discussion conducted with regard to the participation of several licensed railway carriers in the Agreement on PGV and Agreement on the “Rules for accounting...”.

As to the second subject, a presentation was delivered by the OJSC “Russian Railways” company with regard to the automation of mutual accounting.

2. Activity of OSJD Governing Bodies

2.1. OSJD Ministers Conference

The XXXVIII Conference of OSJD Ministers (15-18 June 2010, Czech Republic, Prague) considered the main issues of OSJD activity and adopted respective decisions:

- adopted and put into force with effect from 1 July 2010 were the amendment in the acting edition of the Agreement on Organizational and Operational Aspects of Combined Transportation in communication Europe – Asia;
- approved were the results of work of the OSJD Commission on Transport Policy and Development Strategy for the year 2009. Whereby, the Commission was tasked to conduct the monitoring of the operational work, condition and development of the infrastructure of the OSJD railway transport corridors to begin with 2011 and as well as to promote the implementation of the strategic objectives connected with an increase in efficiency and competitiveness of the railways of the OSJD member countries in the market of transport services in the Eurasian transport sector;
- approved were the results of work of the OSJD Commission on Transport Law for the year 2009;
- noted was the end of work of the Ad hoc Working Group on the revision of SMPS Agreement (AWG on SMPS revision) with regard to development of the updated text of SMPS and Manual to SMPS;
- the AWG on SMPS revision was charged to continue its work in respect of preparation of the draft provisions resulting from the draft Convention on Through International Railway Traffic and passenger transportation in international traffic;
- the AWG on SMGS revision was charged to continue its work in respect of preparation of the draft provisions resulting from the draft Convention on Through International Railway Traffic and concerning the freight transportation in international traffic;
- the AWG on development of Annex 14 to SMGS was charged to continue its work on the draft document of “Rules for Accommodation and Fastening of Goods in Wagons and Containers” and to start development of the draft document of “Rules for Accommodation and Fastening of Goods in Wagons and Containers” stipulated by the individual articles of the document of “General terms and conditions of the contract of international carriage of goods” to be developed;
- the AWG in the field of rules for transportation of dangerous goods was charged to continue its work to update Annex 2 to SMGS, and as well to start development of the draft document of the “General Requirements for Transportation of Dangerous Goods in international traffic” as Annexes to draft Convention;
- the OSJD Commission on Transport Law was charged to continue its work carried out jointly with UIC and aimed at improvement of the common “CIM/SMGS Consignment Note Manual”, to promote further a wider deployment of the common CIM/SMGS consignment note for transportation on the network of the railways of Kazakhstan, China and Mongolia;
- it was admitted inadvisable to conduct an International Conference in order to adopt the text of the OSJD Statute separately from adoption of the text of the Convention, since the provisions of draft Statute of OSJD are completely reflected in Chapter I of draft Convention;

- the AWG on improvement of fundamental documents of OSJD under the chairmanship of the Russian Federation was charged to continue its energetic activities as to preparation of the text of the draft Convention in conjunction with the working bodies of OSJD, including the ad hoc working groups on the revision of SMPS, SMGS and PGV;

- it was decided to initiate the procedure for adoption of the text of the Convention after the completion of development of its draft in the form of an international conference to be carried out in accordance with the Vienna Convention on the Law of Treaties under the guidance of the Chairman of OSJD Committee;

- adopted was distribution of posts in the OSJD Committee leadership, posts of Chairmen of OSJD Commissions and experts of the working bodies of OSJD with effect from 1 July 2010 till 30 June 2014 and the tenures as well were granted to the leadership of OSJD Committee with effect from the same date and duration;

The Conference approved the Report on OSJD activity for the year 2009 and Report of the Revision Commission for the year 2009 and as well as Budget of the OSJD Committee (final version for the year 2010 and preliminary version for the year 2011) and Program of Work of OSJD for 2011 and the years to come.

2.2. Conference of General Directors (Authorized Representatives) of OSJD Railways

On 19 - 23 April 2010 the XXV Conference of General Directors (Authorized Representatives) of the OSJD Railways was held in the city of Ulan Bator (Mongolia). The general directors and authorized representatives of the OSJD railways, OSJD observers and OSJD affiliated enterprises – representatives from 19 countries in total, in view of the flight situation throughout Europe, – participated in the meeting and the United Nations ESCAP representative was invited as well..

The Conference approved the results of work of the OSJD working bodies engaged in the field of their activities. In doing so the Conference adopted the following decisions:

- adopted were amendments in the Harmonized Nomenclature of Goods (GNG) and one OSJD Leaflet, with their entry into force on 1 July 2010;
- in the field of infrastructure and rolling stock, adopted were four leaflets of OSJD, one joint OSJD/UIC leaflet, one annex to a joint OSJD/UIC leaflet and eight OSJD leaflets were cancelled, accordingly;
- in the field of coding and informatics, adopted were two OSJD leaflets and two OSJD leaflets were cancelled, accordingly;
- the OSJD Committee was charged to organize a joint meeting of the *ad hoc* working group on the revision of PGV Agreement and group of experts on financial and accounting issues in order to consider the matter of the “Participation of the licensed railway carriers in the PGV Agreement and Agreement on the “Rules for accounting...””;
- it is recommended that the general directors of the railways which have long-term debts must take measures on the settlement of their debts;
- changes are made in to the Regulations for the Commission on the settlement of mutual accounting between the OSJD railways – parties to the “Agreement on the Rules for Accounting in International Passenger and Freight Railway Traffic”;

- adopted was the Program of Work of OSJD for 2011 and the years to come in the field of freight and passenger transportation, infrastructure and rolling stock, coding and informatics and financial and accounting issues as well;
- decision was made to organize work in order to manage the OSJD Web-site by using the Chinese language;
- the status of an affiliated enterprise was granted to the following companies: SC “Zakarpattinterport” open joint-stock company (Ukraine, Zakarpatskaya oblast, the city of Tchop), operator of freight railway terminals on the border of Ukraine (stations Tchop and Mukachevo)-Hungary-Slovakia;
- SC “Train Ukraine” limited liability company (Ukraine, Odessa), forwarding agent on grain freight and operator of wagons;
- “Kazphosphate” limited liability company (Republic of Kazakhstan, the city of Almaty), enterprise on research, development, extraction, processing and transportation of phosphide minerals;
- the OSJD Committee was charged to terminate the agreements on co-operation with three affiliated enterprises on grounds of long-term non-observance of the contract terms connected with the payment of their annual membership fees.

The Conference considered the information materials submitted to the Conference of Ministers and recommendations prepared for the conference, in particular, as to the Report on the OSJD activity for 2009, Budget of the OSJD Committee, distribution of posts in the Committee leadership, posts of chairmen and experts in the working bodies of OSJD for the tenure till 30 June 2014, draft documentation of the AWG on improvement of fundamental documents of OSJD, including the following as well:

- agreed were the drafted changes and additions to the acting agreement on organizational and operational aspects of combined transportation in communication Europe-Asia.

At the XXIII Conference of OSJD General Directors, the parties concerned approved the following documents:

- alterations and amendments made in the Agreement on the Rules for the Use of freight wagons in International Traffic (PGV) with their entry into force on 1 July 2010;

- new edition of “Cost Sheet for Repairs of Wagons in International Traffic” (Annex 13 to the Rules for the Use of Freight Wagons in international traffic (PGV) with its entry into force on 1 July 2010.

3. Participation of Observers and Affiliated Enterprises in the OSJD Activities

3.1. Co-operation with OSJD Observers

The Deutshce Bahn JSC (Germany Railway – DB AG), Organization of Greek Railways (OSE), National Society of French Railways (SNCF), Finnish Railways

(VR), Public Enterprise “Serbian Railways” (JIS) and CJSC Győr-Sopron-Ebenfurt Railway Co. (GySEV) enjoyed the status of OSJD Observer.

Remarkable was OSJD Observers’ active participation in the meetings of the OSJD Commissions and meetings of experts to discuss individual subjects. In particular, their participation was demonstrated in the activities concerning the development and coordination of the programme measures of the OSJD members countries as to establishment of a fast-speed and high-speed movement network, development of comprehensive measures aimed at facilitation of border crossing by international railway passenger and freight traffic in communication Europe-Asia, elaboration of the issues with regard to the railway transport policy of OSJD, update and improvement of SMGS and SMGS Manual, activities in the field of the Rules for transportation of dangerous goods, improvement of the Agreement on Uniform Transit Tariff (ETT) and update of ETT Tariff, improvement of the Agreement on international Railway Transit Tariff (MTT) and update of MTT Tariff, improvement and update of the Harmonized Nomenclature of Goods (GNG), organization of transportation of large-capacity containers in communication Europe-Asia, coordination of timetables for the movement of freight trains of the railways in international traffic and as well as the subject of facilities of energy supply and electric traction.

The representatives from OSJD Observers also took participation in the meetings of the governing bodies of OSJD.

3.2. Co-operation with OSJD Affiliated Enterprises

In view of the agreements concluded and cancelled by the OSJD Committee and the termination of co-operation at the initiative of the affiliated enterprise, the number of OSJD Affiliated Enterprises was reduced by one in the accounting period of time. In 2010 three enterprises signed an agreement on co-operation with OSJD. In the end of the year 2010, the number of the enterprises that concluded an agreement on co-operation with OSJD made up 31.

The majority of the cooperating enterprises work in the field of manufacture of hardware and equipment to meet the needs of the railways and transport construction. They took active participation in the activities of the Commission on Infrastructure and Rolling Stock, in drawing up the technical regulations concerning the issues of the permanent way and rolling stock, in the activities of the Permanent Working Group on Coding and Informatics.

It became characteristic of the affiliated enterprises joining the OSJD in the last years that they were basically referred to as licensed carriers, operators of rolling stock or forwarding agents. That is why the affiliated enterprises take more and more participation in the activities of the working bodies of OSJD and above all, in the activities of the OSJD Commission on Freight Traffic.

The OSJD Affiliated Enterprises not only took participation in the activities and meetings of the working bodies of OSJD but also organized similar events on occasion.

As guests invited to attend the Conference of OSJD General Directors, the representatives from the affiliated enterprises were present at the Conference, including the General Director of the “Dnepropetrovsk Switch Works” OJSC.

4. Co-operation with International Organizations

4.1. Co-operation with the United Nations Economic Commission for Europe (UNECE)

UNECE paid much attention in its activities to the issues of development of the Eurasian transport communications, an increase in the overall performance of the railway transport, facilitation of border crossing by international rail transport, development of the combined and multimodal transportation, transportation of dangerous goods and legal aspects.

OSJD is engaged in close co-operation with UNECE by means of participation in the activities of the following Working Parties:

- on Railway Transport (SC2),
- on Customs Questions Affecting Transport (WP30),
- on Transport Trends and Economics of (WP5),
- on Intermodal Transport and Logistics (WP24),
- on Transport of Dangerous Goods (WP15).

The Chairman of OSJD Committee Mr. Tadeusz Szozda took participation in the 72nd session of the Inland Transport Committee of UNECE (UNECE ITC), at which he delivered detailed presentation on the current objectives to be attained and activities to be carried out by OSJD in co-operation with UNECE.

Within the framework of co-operation with UNECE, work of importance was carried out to bring the OSJD transport corridors into conformity with the requirements of the European Agreement on Main International Railway Lines (AGC), and also joint actions were taken on facilitation of border crossing by international railway transport by means of joint preparation work to convene and conduct an international conference on facilitation of border crossing by international railway transport with the participation of representatives from the governments, border control authorities, railway administrations and other railway-related organizations concerned. During the course of this work, draft Annex 9 concerning the railway transport to the “Convention on the Harmonization of Frontier Controls of Goods, 1982” was prepared.

It has to be noted that in 2010 the text of draft Annex 9 was agreed by the UNECE Working Party (WP30) and approved by the 9th session of the Administrative Committee the “Convention on the Harmonization on 27 May 2010 and submitted to the United Nations for adoption. Earlier, in 2007, the United Nations adopted the Convention on International Customs Transit Procedures for the Carriage of Goods by Rail under Cover of SMGS Consignment Notes. This Convention has been signed by Ukraine only. In this connection, UNECE annually calls upon the OSJD member countries to tackle the issue concerning the signing of this Convention for the purpose of accession to it.

In 2010 according to the decision of the 63^d sessions of the Working Party of UNECE on Railway Transportation (SC2), the informal group of experts began its work with regard to the creation of a uniform transport law to regulate rail transportation in the Eurasian transport area. In the course of the expert group’s work, a position document was drafted in order to make a unified railway transport law and it was transmitted to all the countries concerned for consideration.

The 64th session of the UNECE SC2 Working Party that was held in November 2010 considered the position document and approved the document with a number of remarks made by the EU countries and submitted it to the 73d session of UNECE ITC for approval.

With a view of coordination of activities carried out by OSJD in order to harmonize and update the Rules for Transport of Dangerous Goods (Annex 2 to the SMGS Agreement) with RID Rules, OSJD representative engaged in this field of work took participation in all the sessions of the Working Party on Transport of Dangerous Goods of the UNECE ITC (WP15) in 2010.

4.2. Co-operation with United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)

For several years, co-operation was developed with UNESCAP within the framework of two joint projects which are as follows:

Project 1 “Planning and Organization of Demonstration Runs of Container Block-Trains along the Northern Corridor of the Trans-Asian Railway (TARW NC);

Project 2 “Operationalization of Eurasian Railway Routes with a particular focus on to the landlocked countries of Asia and the Caucasus.

In the accounting period, however, due to the lack of proposals made by the OSJD railways concerned, the performance of activities on the first project was not delivered, and since the leading performer was not specified, no work was carried out with regard to stage III of the second project.

The annual meeting of the OSJD Commission on Freight Traffic in the year 2010 supported the proposal of KZH, as the leading performer, about the performance of work concerning the two projects.

In 2011 the activities concerning the projects mentioned above will continue with the participation of UIC and CCTT.

4.3. Co-operation with Intergovernmental Organisation for International Carriage by Rail (OTIF)

Co-operation with OTIF in the field of development of international railway transport has been conducted since the year 2002 after signing the joint OSJD-OTIF document on co-operation named as “Common Point of View”.

In 2010, according to the plan of joint activities, co-operation was going on in the field of improvement of two legal systems of international transport law i.e. SMPS/CIV and SMGS/CIM, which was aimed at an increase of the level of transportation, facilitation of border crossing, development of transport corridors and hardware and equipment of rolling stock.

The representatives of the two organizations took participation in the meetings of OSJD and OTIF in order to discuss the issues on the above-mentioned subjects.

As a result of joint activities of OSJD and OTIF, the preparation of draft Annex 9 concerning the railway transport to the “Convention on the Harmonization of Frontier Controls of Goods, 1982” was finished, and elaboration of measures and recommendations was completed with regard to the reduction of time for crossing the borders by railway transport.

One of the aspects of great importance in the field of co-operation between OSJD and OTIF is improvement of the common CIM/SMGS consignment note and elaboration of the accompanying documents for the CIM/SMGS consignment note. The outcome of this joint activity was adoption of alterations and amendments relating to the scope of application of the CIM/SMGS consignment note, routes of application of the CIM/SMGS consignment note, lists of locations for re-consignments.

4.4. Co-operation with European Railway Agency (ERA)

In the accounting year, four meetings of the OSJD/ERA Contact Group were held on the basis of the Memorandum of Understanding for the year 2010.

In particular, the joint activities had the following objectives to attain at the given stage:

- analysis of technical specifications for the technical and operational compatibility of the 1520 mm railway system on the EU - CIS border;
- comparison of these specifications with the main specifications of the 1435 mm railway system;
- preparation of the information material (technical information) which may make up the basis for describing the main specifications of the 1520 mm railway system in the EU Technical Specifications for Interoperability (TSI);
- definition of measures for preservation and improvement of the existing technical and operational compatibility on the EU - CIS border.

The OSJD/ERA Contact Group has finally elaborated the following documents:

- document No.1 “Subsystem: Infrastructure, Track and Permanent Way” ;
- document No.2 “Energy”.

The above-mentioned documents are available on the OSJD Web site. Work was in progress with regard to document No.3 “CCS” and document No.6 “Locomotives and Multiple Units”.

The elaboration of document No.6 “Locomotives and Multiple Units” has practically been completed, except for making an addition of changes in the list (section 2) of normative documents and final agreement. The final agreement of the document would be conducted at the first meeting in the year 2011.

The ERA representative informed the participants of the meeting on the Mandate of the European Commission dated 4 May 2010 as to the revision of the existing TSI (Technical Specifications for Interoperability) with the inclusion of the specifications of the system of 1520mm railway system into those TSI in accordance with the documents prepared by the OSJD/ERA Contact Group.

The participants of the meeting of experts noted that the OSJD/ERA Contact Group’ activities were of importance and considered it advisable to continue those activities.

4.5. Co-operation with International Union of Railways (UIC)

In the year 2010 the co-operation with UIC continued developing. On 23 March 2010 there was a meeting held between the Chairman of OSJD Committee and Director General of UIC, during which the Memorandum of Co-

operation between OSJD and UIC for the years 2010-2015 was signed. In accordance with the principles stipulated by the Memorandum, on 15 September 2010 the meeting of representatives of OSJD Committee and UIC Freight Steering Committee (UIC FSC) was organized in Warsaw with the purpose of mutual familiarization with activities of the working bodies of the two organizations and in order to draw up an updated programme of co-operation for the years 2011-2015 which was agreed. The programme provides co-operation within the framework of 13 aspects ranging from information and documentation exchange to development of joint documents. The main aspect of co-operation is a global approach to the Eurasian transport system in view of interests of the railways, harmonization of operational and technical specifications of the railway transport in the field of activities of the two organizations. This process involves as well representatives from the railway industry with the purpose of strengthening the interoperability and increasing the efficiency of the railway transport.

In 2010 joint activities were carried out with regard to the uniform system for description and coding of goods in international traffic, technical requirements for rolling stock and gauges and other issues. There were seminars organized in which speakers from UIC participated as well.

Joint OSJD/UIC Group on “Coding and Informatics” successfully continued its activities and in doing so, the Group developed and agreed a new procedure for the assignment of codes to railway locations. “Joint OSJD/UIC Working Group on interaction of the two systems as to the marking of freight wagons” was established. And co-operation between OSJD and the UIC Steering Committee as to the issues NHM continues as well.

5. OSJD Committee’s Activities

5.1. General Issues

In 2010 the OSJD Committee continued its activity which was aimed to tackle the tasks defined by the fundamental documents and decisions of the governing bodies of OSJD. As Executive Body of OSJD, the OSJD Committee was engaged in coordination of activities in order to organize and implement the Programme and Plans of the working bodies of OSJD.

There were seven meetings of the OSJD Committee held to consider the results of work carried out by the Commissions and PWGs in the course of the year, including the reports on the meetings of the OSJD working, of other international organizations in which the members of the OSJD Committee took participation, and also draft decisions to be submitted to the governing bodies of OSJD for approval with regard to the issues on transport policy, transport law, combined transportation, technical issues and etc.

The OSJD Committee functioned as Secretariat in order to organize and conduct the XXV Conference of General Directors (authorized representatives) of the OSJD Railways in Ulan Bator, and the XXXVIII Conference of OSJD Ministers in Prague.

Among the most important issues which were tackled within the framework of OSJD activities there was work carried out on the revision of the Agreement on

International Freight Traffic by Rail (SMGS) and Agreement on International Passenger Traffic by Rail (SMPS), with regard to the electronic version of the common CIM/SMGS consignment note and improvement of the fundamental documents of OSJD.

Based on the concluded agreements and on the mutually beneficial basis, the OSJD Committee conducted its co-operation with the international organizations, OSJD Observers and Affiliated Enterprises. In accordance with the decision of the XXV Conference of General Directors, the OSJD Committee concluded three agreements with the affiliated enterprises.

According to the decision of the XXV Conference of General directors (authorized representatives) of the OSJD Railways and XXXVIII Conference of Ministers, the distribution of posts in the OSJD Committee leadership, of Chairmen and Experts in the working bodies of OSJD came into force with effect from 1 July 2010 till 30 June 2014.

In 2010 the representatives from 24 OSJD member countries worked at the OSJD Committee, there was no representative from Turkmenistan represented at the Committee. Representatives from such OSJD Members as Republic of Moldova and Socialist Republic of Vietnam finished their tenure at the OSJD Committee on 30 September 2010 and 31 December 2010, respectively.

Taking into account the fact, it is to point out the necessity for addressing the OSJD Members mentioned above and, above all, Turkmenistan as well as Moldova, requesting them to tackle the issue in order to mission their representatives to work at the OSJD Committee, which would contribute to much more successful and harmonious activities of the Executive Body of OSJD i.e. OSJD Committee.

Substitution of three staff members was conducted as well.

In 2010 the 101st meeting of the working bodies of OSJD was held 55 of which were organized at the OSJD Committee.

Like in the previous years, the OSJD Committee conducted the analysis on the OSJD member countries' participation in the activities of the Commissions and Permanent Working Groups of OSJD, which was aimed at the optimization of the OSJD's performance.

In January 2010 Mr. Helmut Melich from the Trans-European Railway (TER) visited the OSJD Committee. During the meeting, current issues of importance were discussed as to the railway transport in Europe and mutual co-operation within the framework of UNECE ITC.

The meeting with Mr. Jean-Pierre Loubinoux, UIC Director General, took place at the OSJD Committee in March 2010 with regard to further co-operation between OSJD and UIC in the years 2010-2015. During the meeting the Memorandum of Co-operation was signed.

In May 2010 joint OSJD/DG MOVE seminar was organized at which an information exchange took place as to the structure of the organizations and their activities to be carried out.

In October 2010 the OSJD Committee received from the Directorate-General for Mobility and Transport a drafted document of the "Memorandum of Understanding between OSJD and European Commission as to co-operation in the field of railway transport between the EU and OSJD member countries which are not EU members". In April 2011, in view of the opinion of 8 countries (Belarus, Bulgaria, Hungary, Latvia, Lithuania, Poland, Ukraine and Czech Republic) from 27 OSJD member

countries, the modified draft of the above mentioned Memorandum was considered at a special meeting of the OSJD Committee and the following decisions were delivered:

1. To agree the text of the “Memorandum of Understanding between OSJD and European Commission as to co-operation in the field of railway transport between the EU and OSJD member countries which are not EU members”.

2. According to the procedure stipulated by Item 2 of Article IV of the OSJD Committee’s Internal Regulation it is to request the Members of the OSJD Ministers Conference and Members of the Conference of General directors to empower the Chairman of the OSJD Committee for signing the Memorandum specified in item 1 of the present decision.

3. In case of the competence granted to sign the Memorandum, some necessary measures shall be taken with the EC Directorate-General for Mobility and Transport for its signing.

5.2. Publishing

In 2010 the publication of “OSJD Bulletin” journal was carried out according to the schedule. Four single issues and one double issue (issue No.3-4) of the journal were published in the Russian, Chinese and German languages. Translation into the German language was made by the DB AG. In 2010 the number of copies of each journal issue made up 3000 copies, including 1880 copies of which were published in Russian, 690 - in German and 430 - in Chinese.

The bulletin is forwarded to all the OSJD member countries, Railways-Observers and Affiliated Enterprises free of charge, and it is also supplied to the international organizations (UNECE, UNESCAP, OTIF, EC, CIT, OEC, TER, UIC, CCTT, UAR (Union of African Railways) and to private individuals on a paid basis (subscription). Besides, by means of free-of-charge exchange, the “OSJD Bulletin” journal was sent to the railway transport-related publishing houses of the Eurasian countries. Printed materials were distributed at the railway exhibitions, conferences and other events.

In 2010 published in the journal were articles information messages of the authors from Austria, Azerbaijan, Belarus, Bulgaria, Hungary, Vietnam, Germany, Greece, Kazakhstan, China, Latvia, Mongolia, Poland, Russia, Romania, Serbia, Slovakia, Uzbekistan, Ukraine, France, Czech Republic, Estonia, OSJD Committee, CCTT, CIT, UIC and UITP. Two issues of the journal were published on the eve of the Ministers Conference session in the Czech Republic and Conference of General Directors in Mongolia and were distributed in the course of those most important events.

The subjects of the published information material basically indicated the main decisions of the OSJD Conference of Ministers and OSJD Conferences of General Directors, Commissions and Permanent Working Groups, Expert and ad hoc working groups of OSJD. In the journal, published were the articles of heads and experts of the ministries and railways of the OSJD member countries, of Observers, Affiliated Enterprises, OSJD Committee and etc.

In the reporting year, the agreement was on co-operation between the OSJD Committee and the trade journals of “RZD-Partner” and “Transport-Ukraine”.

In addition to publication of the journal, the editing staff carried out the following work:

- developed and arranged were stands on OSJD activities, accommodated in the OSJD Committee’s premises, including the one devoted to the 55th anniversary of OSJD;
- information material was updated for the OSJD Web-site; the version of the Web site in the Chinese language was launched; preparation work was carried out to launch the version of the Web site in English;
- OSJD Information Reference Book was published in Russian, Chinese, German and English;
- prepared for publication was the Report on OSJD Activities for 2009 in 4 languages;
- in co-operation with the OSJD Commission on Transport Policy and Development Strategy, published was the OSJD Bulletin on Statistics Data on Railway Transport for 2009” in 4 languages;
- in co-operation with the OSJD Commission on Passenger Traffic, “EuroAsia Rail 2011” timetables for international passenger trains;
- calendars with the plan of OSJD meetings was published.

In the course of the year, during the meetings of the Commissions and Working Groups, the participants of the meetings were briefed how to use the closed (passworded) platforms on the OSJD Web site.