SIXTH FRAMEWORK PROGRAMME
PRIORITY 1.6.2
Sustainable Surface Transport

CATRIN
Cost Allocation of TRansport INfrastructure cost

TRANSPORT INFRASTRUCTURE ADMINISTRATIONS
AND MANAGEMENT IN NMS
Annex to Deliverable D4
TO BE A NEW MEMBER STATE – WHAT DOES IT MEAN
FOR PRICING POLICY

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1. **INTRODUCTION**

This report is attached to the Deliverable 4 of CATRIN. The overall objective of D4 is to ‘review of important issues in transport policy’ and to provide an indication on the general assumptions, preconditions and key factors for ensuring a fair and efficient pricing policy at country level.

Administration and infrastructure management is one of the preconditions of pricing reform. The structure of institutional arrangement in the EU new member states (eight of them entering the EU in May 2004 / excluding Malta and Cyprus; and 2 joining the EU in 2007) in all transport modes is analysed in the report.

The report describes the current situation as of January 2008.

2. **ROAD TRANSPORT**

2.1 **Roads administrations in NMS – general remarks**

Traditionally, the success of a road administration has been measured by efficiency and fulfilment of the objectives set by the higher authorities, and by the quality of the products and services offered. Nowadays, the satisfaction of customers has been given more emphasis. A satisfied customer whose expectations have been fulfilled indicates efficient and high-quality performance. The key issues facing the road transport system and road administrations include¹:

- decreasing road budgets,
- demand for greater transparency in road administration performance,
- separation of the traditional roles of road administrations: production and administration,
- change to customer focus instead of expert knows best attitude,
- demand for greater efficiency in all operations,
- demand for better results and quality,
- demand for more co-ordination and co-operation across the transport sector,
- demand for performance improvements to be implemented more rapidly than in the past,
- new management aspects, demand for an open and broad understanding of the mobility problems facing society,
- demand for more data and more efficient data management.

The role of the Government in ex-socialist countries is thus reoriented from its former task of directly managing transport enterprises, to assuring that competition among private

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transport operators is fair, protecting the public interest in safety, the environment and social working conditions.

Administration and management of road infrastructure has been subject to a number of organisational and legal changes similarly as other sectors of economy in 10 NMS in recent years. This process has not yet been fully completed, moreover there are vital differences between countries. The main driving forces behind those changes could be contributed to:

1) Development of free-market economy,
2) Changes in transport sector due to introduction of free-market
3) Introduction of UE regulations
4) World Bank requirements accompanying various support projects in NMS road infrastructure modernization programmes.

Although transformation of administration and management has been achieved along different patches in NMS, the whole group has similar goals, of which most important are:

● efficient use of financial resources for road network modernization,
● better division of tasks and responsibilities among various road administrations allowing for better decision-making,
● broader functions performed by road infrastructure managers (e.g. new methods of information about current road conditions, traffic management, safety),
● development of organizational and legal framework under which private capital could be employed in road infrastructure investments.

Transformation of economy towards free-market has created necessary conditions for competition especially in the area of investment and modernization tasks. Change occurring in transport market has facilitated increasing demand for road transport services (average growth of 4-6% p.a.) which in turn further intensifies tasks facing road administrations in regard to both modernizations and regular maintenance.

One of the most notable indications of road management transformation in NMS is its decentralization. According to World Bank those tendencies are visible in most developed as well as developing countries and are conducted in order to:

1) to establish the most appropriate, sustainable balance in the allocation of administrative and financing responsibilities;

2) to maximize accountability and efficiency and allow for the necessary redistributive transfers from the richer to the poorer regions all with a minimum of distortion;

3) to establish the sustainability of the proposed administrative system;

4) to set up the local agencies, generally more responsive to local needs and realities, and can be made more easily accountable to road users.

A road decentralization strategy, however, should be based on a careful assessment of the feasibility of the various options, which depends heavily on country conditions, including on the institutional, technical and financial capacities of the central and regional agencies, and on political support. The recent development of highway management systems and road data bases favors greater centralization of decision-making. The objective is to achieve common

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standards throughout the entire network, and compensate for the lack of technical expertise at the local level. In this context, head offices should retain at least network-level planning and monitoring functions, funding and some supervision functions over the decentralized units.

The process of road network management decentralization in 10 NMS is slower than in EU-15. In 2004 in EU-15 roads with the status of state road constituted only 8.9%, in the same time in 10 new members this number reached 15.2% of whole road network (see table 1).

Table 1 Administrative structure of road network – 10NMS and EU-15 in %, as of 2004.

<table>
<thead>
<tr>
<th></th>
<th>Motorways</th>
<th>State roads</th>
<th>Provincial roads</th>
<th>Communal roads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>1.7%</td>
<td>15.4%</td>
<td>20.8%</td>
<td>62.1%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0.4%</td>
<td>4.8%</td>
<td>38.2%</td>
<td>56.6%</td>
</tr>
<tr>
<td>Estonia</td>
<td>0.2%</td>
<td>31.0%</td>
<td>0.0%</td>
<td>68.8%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>0.5%</td>
<td>26.4%</td>
<td>73.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Latvia</td>
<td>0.0%</td>
<td>34.2%</td>
<td>53.5%</td>
<td>12.3%</td>
</tr>
<tr>
<td>Poland</td>
<td>0.1%</td>
<td>4.8%</td>
<td>41.6%</td>
<td>53.5%</td>
</tr>
<tr>
<td>Romania</td>
<td>0.2%</td>
<td>12.5%</td>
<td>49.2%</td>
<td>38.1%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1.8%</td>
<td>18.8%</td>
<td>21.0%</td>
<td>58.5%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>2.8%</td>
<td>97.2%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Hungary</td>
<td>0.3%</td>
<td>19.0%</td>
<td>33.4%</td>
<td>47.2%</td>
</tr>
<tr>
<td><strong>Total 10 NMS</strong></td>
<td><strong>0.3%</strong></td>
<td><strong>14.9%</strong></td>
<td><strong>39.8%</strong></td>
<td><strong>44.9%</strong></td>
</tr>
<tr>
<td><strong>Total EU-15</strong></td>
<td><strong>1.4%</strong></td>
<td><strong>7.5%</strong></td>
<td><strong>25.3%</strong></td>
<td><strong>65.8%</strong></td>
</tr>
</tbody>
</table>


In smaller states of Slovenia, Estonia, Lithuania, Latvia the role of state roads remains important with its share in total network ranging from 26% to as much as 97%. In bigger states of Poland and Hungary the state has reduced its administration to manage roads below 5% of total network (notably this number is lower than in EU-15 where average indicator shows 7.5% of state administrators).

Road building and modernization related expenditure is very high, resulting in higher risk of corruption. The key issue is creation of mechanisms and instruments preventing those activities. The results of worldwide research in that context are currently closely scrutinized in NMS and being introduced in reforming road management and administration.

2.2 Bulgarian roads administrations

Bulgaria’s road network is of critical importance for trade with the European Union as well as for the integration of the country’s remote regions in the European market. However, limited funds for road rehabilitation and maintenance have led in the past to a deterioration of a large percentage of roads, which may be depriving Bulgaria from an important source of economic growth. In addition, road accidents have become an increasing issue with the growth in motorization, with Bulgaria having a traffic fatality rate twice as high as the

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3 Ibidem.
European Union’s average. Bulgarian road network [2005] is composed of: 331 km motorways, 2969 km state roads, 4012 km provincial roads and 11976 communal roads.

In Bulgaria new Roads Act entered into force in April 2000 regulating ownership, operation, management, construction and repairs of road infrastructure. In the framework of the 1999 Road Traffic Act, a number of secondary acts have been issued over the last year, relating to the acquis on road traffic safety, driver's qualifications, vehicle road worthiness tests, registration and statistics. Road transport administration was reorganised in January 2000. An inter-agency commission on road traffic safety has been established.

Pursuant to the Road Act, the overall management and control of the road policy in the Republic of Bulgaria is implemented by the Road Executive Agency with the Ministry of Regional Development and Public Works. The Road Executive Agency (REA), which manages the main road network, is financed within the State budget. Its main sources of revenues are budget transfers and income from vignettes (vignettes for access to the national road network were introduced for trucks in 2004 and for passenger cars in 2005). The organisational structure of REA features two levels:

- Head Office (REA) located in Sofia.
- Twenty seven Regional Road Administrations (RRAs) based on territorial principle.

REA is an independent legal entity, which main responsibilities include:

- Implementation of the Government policy in the road sector;
- Development of the road network and the adjoining infrastructure to a level which is compatible with the needs of the national economy and the international community;
- Management and maintenance of the existing road network;
- Elaboration of studies, analyses and prognoses for the further development of the NRN;
- Preparation and execution of tenders for roads projects;
- Issuance of permits to road hauliers for road goods vehicles exceeding the permissible weights and dimensions;
- Drawing up and submitting tariff scales for approval for use of the National Road Network and its infrastructure and organizing collection of road user charges;
- Development and updating design, construction and maintenance standards and specifications and harmonize these with the relevant standards and specifications of the EU;
- Promotion of scientific approach and the best of the world practice in roads.

In World Bank opinion main issues in the road and road transport sub-sectors are:

1) REA's relatively weak capacity to assess its priorities and prepare sound expenditure plans,
2) the insufficient allocation of funds to road maintenance (only about 34% of all expenditures for road works).

2.3 Czech road administrations

Czech transport policy 2005-2013 declares what the state and its executive structures must implement (international linkages, contracts), what they intend to implement (safety, sustainable development, economy, ecology, public health), and what can be implemented (financial aspects) in the field of transport.

Road transport is the most preferred and most used type of transportation. It is among the most flexible means of transportation and enables connection in bordering cities in the framework of the entire country, and also easily connects with the other cities throughout Europe. The development of highway transportation leans mainly of the construction of freeways, which the Czech Republic in working on intensively.\(^\text{11}\)

Development of transport infrastructure is an important objective of the public sector and is guaranteed by the state through legislation. According to the Act on Road Communications, motorways and class I roads may only be owned by the state, which is a guarantor of their suitability for the needs of road users.\(^\text{12}\)

Czech road network [2006] is composed of: 633 km motorways, 6 505 km state roads, 48 778 km provincial roads and 72 927 km communal roads.

The Road and Motorway Directorate of the Czech Republic (RSD CR) is a national contributory organisation, founded by the Ministry of Transport and Communications on January 1, 1997. The organisation fulfils the following main tasks in the framework of its basic subject of activity:\(^\text{13}\):

- Management of motorways and roads of the 1st class including components and facilities of these communications according to §12 and a subsequent Act No. 13/1997 Coll., concerning roads, as amended, together with related rights and obligations and related ground
- Guarantees maintenance and repairs of motorways and roads of the 1st Class, including components and facilities of these roads and acquisition of further assets necessary for management of these assets
- Guarantees groundwork for determination of conceptions in the field of roads and motorways
- Guarantees realisation of approved transportation policy and conception in the field of roads and motorways, guarantees their development and territorial protection
- Co-operates with respective bodies of national authorities and provides groundwork for their activity

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Processes groundwork, proposals and reasoning for acquiring and optimal allocation of funds for roads and motorways
Guarantees unified technical policy of the branch, participates in the processing of technical regulations and processes groundwork for them
Guarantees administration of the central documentation and statistics of roads and motorways and guarantees editions of road maps
Guarantees the information system of the road management including the road database and guarantees winter information service concerning traffic ability of roads and motorways
Provides counselling, consulting and service activity in the field of road management and analysis of the development of road accident rate including proposals of measures
Guarantees overall activities concerning road and motorway management and maintenance
Guarantees the working of the Centre of Bridge maskeshifts
Guarantees tasks of economic mobilisation preparations.

The Road and Motorway Directorate of the Czech Republic has its headquarters in Prague and it is divided into sections of:
1) internal affairs,
2) construction section,
3) operations section
4) commercial and economic section.

The organisation has two motorway divisions in Prague and Brno and 13 regional investment road administrations. Investment activity for motorways is guaranteed at divisions in Prague and Brno and for first class roads at 13 regional investment road administrations. Operations section guarantees management, maintenance and repairs of roads and roads with limited access, or expressways. Management, maintenance and repairs of motorways are performed by 16 Centers of Administration and Maintenance of motorways. RMD CR uses also Centers of Road Maintenance in order to guarantee first class road maintenance on contractual basis.

In Czech Supreme Audit Office (SAO) opinion, management efficiency of Road and Motorway Directorate (RMD) still unsatisfactory (orders did not follow the Public Order Placement law, wrong grounds evidence, inadequate debt collection, and unlimited usage of company cars for private purposes, etc.)

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14 Ibidem.
2.4 Estonian road administrations

Estonian road network [2005] is composed of: 99 km motorways\textsuperscript{16}, 16470 km state roads and 34 977 communal roads.

In Estonia road infrastructure, the government has identified major roads supporting its transit and development strategy as Via Baltica in the western part of the country, the Tallinn-Narva road connecting Tallinn to St. Petersburg in Russia, and the Tallinn-Tartu-Luhamaa road connecting Estonia's two largest metropolitan areas and extending east to Moscow. Via Baltica has received financial support from the European Union (EU) because of its link to other European states, and funds from the IBRD-supported Highway Maintenance Project were used to improve the Tallinn-Narva road to an acceptable standard\textsuperscript{17}.

Estonian Road Administration (ERA) is a government agency, which operates within the administrative area of the Ministry of Economic Affairs and Communications, has a directing function, exercises state supervision and applies enforcement powers of the state on the basis and to the extent prescribed by law.

The main functions of the Estonian Road Administration are\textsuperscript{18}:

1. organising road management and creating conditions for safe traffic on the roads in the state ownership,
2. exercising state supervision over the compliance with the requirements established by legislation regulating the ERA’s area of activity and, where necessary, applying enforcement powers of the state,
3. participating in the development of the legislation regulating the ERA’s area of activity and making recommendations for amending and supplementing legislation, including improving Estonian terminology,
4. participating in the development of policies, strategies, and development plans in the ERA’s area of activity,
5. preparing and implementing projects in the ERA’s area of activity, including participating in the preparation and implementation of international projects.

Estonian Road Administration administers the following state agencies:

- Local agency of the Road Administration:
- the Road Administration of Northern Region;

Offices under the administration of the Road Administration: Kagu Road Office, Pärnu Road Office, Saarte Road Office, Tartu Road Office, Viru Road Office.

The area of activity of the Road Administration of Northern Region includes fulfilling the management and national supervision function within the scope of the duties prescribed by law, and applying enforcement powers of the state in the area of road management and


traffic safety on the grounds and in the extent established by legislation in Harju, Järva and Rapla counties. The Road Administration of Northern Region does not perform maintenance works, but acts as the contracting authority for such works.

Pursuant to the Roads Act, from 2003 a sum equivalent to 75% of the fuel excise duty (with the exception of fuels with fiscal marking) and 25% of the excise duty imposed on fuels with fiscal marking is earmarked for road management purposes. The funding allocated for road management (national roads and local roads) is determined under the Roads Act. In 2006, 10% of the excise amount allocated for roads was assigned to local roads. Since 2003, the calculated amount of funding for national roads is upon preparing the state budget considered to include all sources of financing – public revenue, European Union assistance and owner’s income. Thus, the amount allocated to roads from fuel excise is the smaller the larger the proportion of foreign assistance. Owner’s income reflects the services the road offices render to other institutions, which in essence is turnover. Expenses are incurred in order to receive income. The difference between income and expenses forms a profit, which the road offices use as an additional resource in road management works and for acquiring road management machinery and equipment. Following Estonia’s accession to the European Union the country may apply for support for the development of the environment and transport infrastructure from the Cohesion Fund (CF) of the European Union19.

2.5 Hungarian road administrations

Total public road length is 160 000 km in Hungary today [2007]20. The road network of Hungary consists of public roads and private roads. The public road network consists of national roads owned by the State and local roads owned by municipalities. Length of national roads including high-speed roads is 30 560 km in 2005. Length of local roads including rural ones according to the latest survey is about 139 800 km. The national road network bears about 70% of total road traffic21.

In Hungary the Ministry of Economy and Transport is responsible in general for the professional management of road transport. The Road Transport Department within the Ministry carries out everyday management tasks like financing, development, maintenance and operation of the national public road network.

In Hungary significant changes have taken place in the field of Road Administration since 1990 when the transition of economy began. The county level of Road Administration was organised on a spatial administrative basis while the central organisation unit was the powerful Road Management and Co-ordination Directorate. Based on the development of the market economy in 1996 partly the central unit and all district units have been transferred to non-profit companies still owned by the Ministry of Transport. 21 non-profit companies have been established: 19 for county level road administration tasks, one for motorway

19 Ibidem.
administration tasks and another for central technical and information background activities. County Public Road Directorates became County State Road Management Companies.

The activities of the operators of the national roads are harmonised by the managing organisation founded by the Ministry for Economy and Transport. Based on a decree of the ministry the following organisational bodies carry out its tasks:

- Directorate for Road Management and Co-operation (UKIG)
- State Road Technical and Information Public Company (ÁKMI)
- State Motorway Management Public Limited Company (ÁAK)
- County-level Public Road Management Companies

Main tasks of the Hungarian Roads Management Company are:

- Operation of the road network
- Maintenance of the road network
- Traffic engineering tasks
- Engineering work in development projects
- Legal activities
- Business activities, accounting, controlling

The State Motorway Management Company’s job (ÁAK Zrt.) is the operation and maintenance of the parts of Hungary's high speed road network under its management, as well as the control of the road-use authorisation on toll sections. Executives of the State Motorway Management Co. Ltd., created in August 2000 by the merger of ÉKMA Ltd., NYUMA Ltd. and ÁAFK Ltd. set the following goals for the company:

- Highest-quality (A) operation according to motorway regulations;
- Attain a consistently high-quality system by refurbishing corroded motorway sections;
- Consistently high-quality service at rest stops;
- Uniform toll system;
- State-of-the-art, standard-equipped engineering bureau facilities;
- Equality in labour and wage conditions;

ÁAK Co. Ltd. manages motorway operation in central and regional units. The central unit of operation is the Operations Directorate, which coordinates the work of the department of operations, the department of transport technology and network management, the department of mechanics and energetics, and the warranty department, as well as the engineering bureaus. The regional units of motorway operation are the engineering bureaus. Specialized engineers are in charge of managing and monitoring operations.

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22 Ibidem.
In 2005 a new merger resulted in one big central road administration unit including all county level entities. The new Hungarian Public Roads are State owned non-profit company unifying Technical and Information Services on National Roads and 19 County State Road Management Companies. The new organisation provides almost all functions of central Road Administration and preserves the regional operating system. The aim of this centralisation was considerable savings in State budget. Moreover the new organisation is capable of receiving loans according to its size\textsuperscript{25}.

2.6 Latvian road administrations

Latvia’s road network is balanced and well developed with 20 309 km of state and 31787 km of provincial roads.

In Latvia the institutions in the road sector have been going through drastic changes since independence. The Latvian Road Department of the Ministry of Transport has been in the forefront of the transformation process. The Latvian Road Administration manages about 20,000 km of roads; the road construction and design companies have been privatized entirely. Road maintenance and capital improvement are contracted out to the private sector on a competitive bidding basis. Latvia has become increasingly aware of the environmental impact of road traffic and road activities, and has introduced new environmental laws to mitigate their negative impacts\textsuperscript{26}. In 1990 the basic principles for reorganization of the road sector structure based on the idea of separating state functions from the executive ones were worked out. The following tasks were set for the road sector:

- privatization of state construction enterprises;
- separation of management functions from executive functions in road routine maintenance, establishment of independent state enterprises for road routine maintenance;
- partial delegation of state functions to contractors;
- maximum commercialization of works and introduction of competition.

The Ministry of Transport in terms of the Road Transport Department has delegated a wide range of its responsibilities to the Administration of Road Transport which, similar to such type of agencies in Europe and in the world, acts as an independent legal entity with the purpose of providing state services for the people involved in the road transport industry\textsuperscript{27}.

The reorganization was implemented into three stages. At the 1st stage (1991 - 1993) the privatization of road sector enterprises was carried out to the extent stipulated in the basic principles. Besides large construction enterprises a number of small and middle size companies were established. Real competition started to form. State and municipal road funds were set up with the first revenue coming directly from road users - the annual vehicle tax. At the 2nd stage (1994 - 1995) the first steps towards tendering out of road routine maintenance works to contractors were made. Non-profit organizations state enterprises for road routine maintenance were set up which established their relations with the Latvian Road

\textsuperscript{25} A. Gyulas, op. cit.
\textsuperscript{26} Latvian Transport. World Bank. \url{http://go.worldbank.org/XC0UXH7FO0}.
\textsuperscript{27} Latvia. Administration of Road Transport. \url{http://www.randburg.com/lv/road_transp_admin.html}.
Administration on the basis of enterprise statutes and mutual agreements. Road management units were set up in each district for the management of state roads, control of contract execution, evaluation and commissioning of performed works. This meant that it was the beginning of separating customer's and contractor's functions in road routine maintenance. Regional road management bodies managing state roads were set up. At the 3rd stage (1996 - 1998) preliminary work for introducing completely free entrepreneurship in the road sector was performed. Normative documents were prepared strictly determining which works were road routine maintenance works and which - road periodic maintenance works. The reorganization of state road maintenance enterprises was carried out. Instead of 26 non-profit state enterprises dealing with road routine maintenance, four large regional state joint stock companies were established. The newly established companies performed road routine maintenance as profit organizations and were no more subordinate to the Latvian Road Administration28.

Since 26 October 2004 the Latvian State Roads is a State Joint Stock Company that operates according to Company Statutes and the Agreement “On Road Sector Management” signed with its main client – the Ministry of Transport of the Republic of Latvia. The State Joint Stock Company “Latvian State Roads” is 100% owned by the state. The shares are managed by the Ministry of Transport of the Republic of Latvia. State Joint Stock Company “Latvian State Roads” is the legal successor of the former Latvian Road Administration and now fulfils the same road administration and management functions29.

Tasks of the Latvian State Roads are to:
- implement the counting, registration, management and protection of state roads,
- prepare the strategy for state road network preservation and development,
- administer the state road financing,
- organise public procurement in the road sector,
- organise and control road network design, construction, repairs and maintenance,
- prepare legal acts of the branch and control their implementation,
- co-ordinate traffic safety organisation on roads,
- supervise the construction, maintenance and protection of parish, company and household roads.

Additional tasks of the Latvian State Roads are:
- consulting and services in the road sector;
- organisation of training, seminars and conferences;
- business activities for better implementation of targets and tasks set in the Statutes.


2.7 Lithuanian road administrations

According to their capacity, social and economical significance, all the roads in Lithuania are divided into: national, local and urban. National roads are divided into main, national and regional roads. National roads on the basis of exclusive property rights belong to the State. Local roads are divided into public and internal roads. Public roads and streets by property right belong to the municipalities, while internal roads may belong to the state, municipalities and other legal and/or natural persons.

Lithuania decided to join the AGR agreement by the Decree of the Government of 28 July 1993, and the agreement was signed by Lithuania on 27 August 1993. 6 main Lithuanian roads have been included into the E-network roads of Europe in the period from 1996 to 2000: E 28, E 67, E 77, E 85, E 262 and E 27230. Lithuanian road network [2006] is composed of: 417 km motorways, 21 313 km state roads, 57 986 km provincial and communal roads.

The Lithuanian Road Administration (LRA) under the Ministry of Transport and Communications is an institution established by the Government of the Republic of Lithuania and is in charge of organising and co-ordinating the rehabilitation, maintenance and development of roads of national significance. The main goal of the LRA is to meet the needs of the society and road users. It also aims at working efficiently and effectively towards creating favourable conditions for traffic to make the road transport communication on Lithuanian roads of national significance safe, fast, convenient and environmentally friendly. The work of the LRA is economically justifiable and creative, the decisions transparent and accessible to the society. The co-operation with all participants of the transport sector is based on respect and good partnership. The working principles aim at harmonising the experience and tradition with new methods of road management. The LRA provides services to the society in full awareness that all roads (main, national and regional) are vitally important for the country; the situation of the road network predetermines and contributes to the economic viability and power of the state, welfare of the population, competitiveness of business31.

The Lithuanian Road Administration aims32:
- to satisfy the needs of the society and road users.
- to work economically and efficiently when creating adequate traffic conditions seeking to achieve that the transport on the roads of national significance would be safe, fast, convenient and environment-friendly.
- to develop the roads and their network.
- the top priority is to ensure traffic safety.

The Lithuanian Road Administration tasks33:

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33 Ibidem.
1. To implement the state policy regarding the road maintenance and development formulated by the Seimas of the Republic of Lithuania.

2. To implement the programmes on road maintenance and development drafted by the Ministry of Transport and Communications.

3. To organize the development, modernisation and functioning of the network of the roads of national significance.

In the late 90s, under the Government's stringent stabilization program to reduce inflation, Lithuanian Road Administration’s (LRA) had to cut its budget for pavement maintenance operations leading to deterioration of physical infrastructure. Since then, the road sector financing situation has significantly improved with the creation of a road fund (already closed) and the provision of loans by IFIs, including IBRD. These resources have enabled LRA to address maintenance needs and partially the maintenance backlog. Road construction companies have been privatized, and road maintenance is contracted out to the private sector on a competitive bidding basis.

Lithuanian State Road Enterprises:
- Alytus Regional Road Administration
- Kaunas Regional Road Administration
- Klaipeda Regional Road Administration
- Marijampole Regional Road Administration
- Panevezys Regional Road Administration
- Siauliai Regional Road Administration
- Taurage Regional Road Administration
- Telsiai Regional Road Administration
- Utena Regional Road Administration
- Vilnius Regional Road Administration
- Motorway Administration "Automagistrale"

Since the year 2000 the road funding from the state budget has been increasing; as a result, it increased from MEUR 148 in the year 2000 to ca. MEUR 244 in 2006. It is expected that the contribution from the national budget into the road sector remains at the same level, whereas the EU support is likely to increase.

2.8 Polish road administrations

The administrative and managerial model for Polish road infrastructure management has been established in late 90-ties of XX century while necessary legal and organisational changes had been introduced. The final design has been implemented in legal acts of 1998 accompanying territorial and constitutional reforms. The term „road infrastructure manager” has been formally admitted to law. In accordance with of new regulations in force from 1999 this term could be used in regard to: governmental administrative unit and local authority unit

which is responsible for all tasks related to: planning, construction, modernizations, maintenance and protection of roads. The managing bodies for different road categories are:

1) state roads - Generalny Dyrektor Dróg Krajowych i Autostrad (GDDKiA),
2) voivodship roads - voivodship governing authority
3) powiat roads - powiat governing authority,
4) gmina roads - gmina governing authority.

While Poland's infrastructure has changed substantially over the past decade, it is clear that further infrastructure development, including policies, institutions and investments to support an appropriate modal mix, will be required as an important basis for improved competitiveness, economic growth and environmental benefits. Planning, financing and managing the provision and maintenance of infrastructure remain the responsibility of the Ministry of Infrastructure (MoI).

Polish road network [2006] is composed of: 18 439 km national roads (663 km motorways), 28 504 km voivodship roads, 127 722 km district roads and 207 951 communal roads.

The General Directorate for National Roads and Motorways (GDDKiA) is the central authority of the government administration competent for the issues related to national roads. He acts as the administrator of national roads and implements the state budget as far as national roads are concerned. The Director General for National Roads and Motorways is also responsible for the following:

- participation in the implementation of transport policy in the roads sector,
- collecting of data and elaboration of information on the network of national roads,
- supervision of the preparation of road infrastructure for the national defence purpose,
- issuing permits for a single passage during a specified period of time and along a specified route for non-standard vehicles,
- cooperation with the road administrations of other countries and with the international organisations,
- cooperation with regional authorities in the scope of development and maintenance of road infrastructure,
- management of national road traffic,
- protection of historic road,
- tasks associated with preparation and coordination of construction and operation works or operation of the toll motorways

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36 This reflects territorial organization of Poland: voivodship represents highest administrative unit and is divided into powiats which in turn are divided into gminas.


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- charging tolls in accordance with the acts on toll motorways and on the National Road Fund (Krajowy Fundusz Drogowy).

GDDKiA is divided into departments of: Research, Planning, Project Setup, Department of EU Projects and Implementation of Projects, Department for Public-Private Partnership and Cooperation with External Entities, Road and Bridge Management Department, Department of Economics and Finance, Legal and Organisational Department, Administration Department, Defence Affairs Section. 16 regional divisions of GDDKiA are located in all voivodships.

Main problems in a management of Polish roads are\(^\text{39}\): 1) limited number of contractors operating on Polish market, 2) legal barriers (public procurement, environment), 3) complicated procedures between ministries, 4) bad experience in concessions resulting in lack of trust for PPP.

### 2.9 Romanian road administrations

Romania’s road network totals 198 755 km of which 100 173 km is paved (including 264 km of expressways). Many of the roads are in poor condition due to insufficient funding for required reconstruction and rehabilitation\(^\text{40}\). Public roads in Romania (excluding street networks) are classified in a three-tier system: national roads (9 141 km), district roads (app. 36 000 km), and communal roads (app. 28 000 km). In addition there are approximately 30 000 km village roads serving the rural villages' needs, and farming related activities.

The national roads are administered and managed by the National Company for Motorways and National Roads (RNCMNR)\(^\text{41}\) - an entity under the Ministry of Transports, Constructions and Tourism. Its activity field is the administration, design, construction, upgrading, rehabilitation, repair, maintenance and operation of the national roads with a view to ensure the traffic flow while also providing adequate traffic safety conditions.

To fulfil its responsibilities the National Administration of Roads R.A. has a central body comprising 8 functional and specialised divisions, a Technical Road Surveys and Computer Center (CESTRIN), 7 Regional Roads and Bridges Directorates (Bucharest, Craiova, Timisoara, Cluj, Brasov, Iasi and Constanta), 44 national roads departments, 22 tolling and border crossing control plazas and 2 tolling and control plazas on the Danube bridges\(^\text{42}\).

In association with Romanian and foreign companies, the Romanian National Administration of Roads-R.A. has established 5 mix companies with legal personality having the headquarters in Romania.

The district (county) roads are administered by the County Council and managed by the County's technical department. The communal roads are administered and managed by the

\(^{41}\) [http://www.andnet.ro](http://www.andnet.ro)
village councils aided by the County council's technical office. Road financing was arranged through a Road Fund, which received 45% of the fuel excise tax and a vignette. This fuel excise tax income was shared between national (65%) and county roads (35%). The road fund income covered administrative expenses, routine maintenance, loan service payments, and limited rehabilitation costs of the national roads. It covered also, as main source of financing, parts of the costs of county roads' rehabilitation and maintenance, even though insufficient. Recently, the Government has issued a Policy Letter for the road sector. It includes, inter alia, a study to modernize Romanian road fund and road financing.43

Romania is upgrading its infrastructure by building new roads and infrastructure elements and improving the capacity and quality of traffic. Since 1993 Romania's plans for accession to the European Union have led to an increased emphasis on effectiveness and efficiency of the road transport system, and plans have been prepared and implemented for restructuring the road sector. Progress in the restructuring is charted in the areas of road sector financing, management, and regulatory and institutional development. Efficiencies have resulted from greater specificity of operations and increased use of competition. There have been remarkably few losses resulting from this process. The approach adopted in Romania provides a simple framework that has potential for application throughout Central and Eastern Europe, and perhaps more widely, for improving the effectiveness and efficiency of road network management arrangements44.

2.10 Slovak road administrations

Slovak road network [2007] is composed of: 368 km motorways, 135 km expressways, 3 341 km state roads (I class), 3 729 km provincial roads (II class) and 35 621 km local (III class) and communal roads45.

In the area of roads infrastructure, one of the important steps was the beginning of the transformation of the Slovak Roads Administration. As part of decentralization and modernization of the public administration and associated laws, on January 1, 2004, 14000 kilometres of II and III class roads, representing 81 percent of the entire road network, came under the administration of the self-administration regions. In conformity with the Government Program Declarations, the Ministry began work on creating the mechanism and conditions for the entry of private capital to the construction of motorways. A significant change in the road transport sector was the formation of regional and district offices for road transport at and land communications, on the basis of Act no. 534/2003 Coll. on the Organization of the State Administration46.

The transformation of the Slovak Road Administration has been brought about by the steps taken towards the decentralisation and modernisation of public administration, namely the transfer of class II and III roads from state ownership to self-governing regions. The transformation will have two stages. In the first stage, roads and almost all road administration and maintenance centres will be separated from the Slovak Road Administration. The Slovak Road Administration will be responsible exclusively for class I roads. The motorway company was created 01.01.2005\textsuperscript{47}. The Slovak Road Administration will have to closely co-operate with self-governing regions to ensure the rational and effective course of the transformation.

Slovenská správa ciest (hereinafter referred to as „SSC“) is an independent non-profit organisation established on 1 January 1996 by the Ministry of Transport, Posts and Telecommunications of the Slovak Republic that executes for motorways, expressways, 1st, 2nd and 3rd class roads („roads“ or „road network“) transport planning, keeping of central technical databases, central databank, technical development, including related conceptual, coordination and methodological activities, administration of 1st class roads and land owned by the Slovak Republic, including investment activity for 1st class roads. The statutory body of SSC is director general who represents SSC outwards, manages its activity, acts on its behalf in all matters and answers for results of its financial operations to the Minister of Transport, Posts and Telecommunications of the Slovak Republic\textsuperscript{48}.

2.11 Slovenian road administrations

The total length of road network in Slovenia in 2006 reached 38 562 km, of which 6 341 km were state roads (580 km motorways and expressways, 958 km major and main roads, 4 887 km regional roads), and 32 200 km local roads (in competence of local administration). Of those 13 812 km are counted as local roads and 18 326 km as public paths\textsuperscript{49}.

The road administration of Slovenia is organised at two levels: governmental and local. Management of state roads is controlled by two institutions\textsuperscript{50}:

- main and regional roads are managed by DRSC (Direkcija Republike Slovenije za ceste - The Directorate of the Republic of Slovenia for Roads)
- motorways are managed by DARS (Družbe za avtoceste v Republiki Sloveniji - Motorway Company in the Republic of Slovenia)

The Directorate of the Republic of Slovenia for Roads (DRSC) is a body within the Ministry of Transport. It undertakes: professional-technical, developmental, organisational and administrative tasks relating to the construction, maintenance and protection of main and regional roads as well as some expressways; tasks relating to transport in road freight and passenger traffic; and vehicle type approval. Other tasks of the Directorate of RS for Roads

\textsuperscript{47} National Motorway Company (Narodna Dialnicna Spolocnost). \url{http://www.ndsas.sk/index/index.php?ids=2}.
\textsuperscript{48} Slovenská Správa Ciest \url{http://www.ssc.sk/user/view_page.php?page_id=383}.
\textsuperscript{50} Državne ceste Slovenije. \url{http://www.mzp.gov.si/si/delovna_podrocja/ceste/drzavne_cesta/?type=98}.
include the preparation of proposals for investment in state roads for which it is responsible, and coordination of project planning, construction and maintenance of roads and road structures. The Directorate collects and processes various data required for assessment of roads investments, and undertakes tasks assigned by the National Assembly, the Government and the Ministry of Transport. DRSC organises its work processes within the following units:

- sector for planning and analyses,
- sector for road management,
- sector for maintenance and safety,
- sector for investments,
- sector for transport of road freight and passenger traffic,
- sector for vehicles,
- Office for legal and general matters and information science,
- Financial office,
- Office for public procurement and realization of the annual business plan,
- Office for Road System Records and Archives,
- Office for international cooperation and technical provisions.

The Road Directorate of the Republic of Slovenia has been collecting data on national roads since 1954 and keeping computerized records of road-related data in the form of a road data bank since 1974. The register of public roads was designed as a computerized collection of attribute data serving as information for road management and for the elaboration of plans and studies required for different decision-making levels. With its road sectioning and stationing system it also consists of a universal list of codes enabling the collection of different road network-related data.

In accordance with the Public Roads Act of 6 May 1997, the Road Directorate of the Republic of Slovenia is responsible for the planning, construction and maintenance of the national cycle network. The development of non-motorised traffic, cycling infrastructure design and the use of bicycles are promoted through national strategy and transport policy anywhere in the country where it is possible and appropriate. Slovenia aims to encourage changes in transport mode selection in towns and to replace at least some daily car trips with cycling. The number of people becoming engaged in recreational cycling in quiet, friendly environments outside major towns is increasing rapidly. The reasons are, in particular, tourism, amateur sports activities and preventive health care. Therefore, experts in urban planning and transport experts are gradually devoting more and more of their attention to cycling and walking projects.

DARS (Motorway Company in the Republic of Slovenia) is a joint-stock company. The company was established by law and entered in the companies' register on 7th December 1993. In accordance with the decisions of the National Assembly of the Republic of Slovenia, DARS d.d. is in charge of financial engineering, preparing, organising and managing

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construction and maintenance of the motorway network, and is responsible for the management of motorways in the Republic of Slovenia. Since 1st January 1994, DARS d.d. has had its head office in Celje and a branch in Ljubljana. By way of contract on 1st January 1994, the Republic of Slovenia transferred the management of all existing motorways, as well as relevant infrastructure and plant, to DARS d.d. Thus, DARS d.d. has assumed the right to collect motorway tolls as a source of income necessary for the management and maintenance of Slovenia's motorway network, as well as an important source for building new ones. 

Local authorities (občinske ceste) are responsible for the administration of local roads in Slovenia. The rules of the management are defined in special legal regulations.

3. RAIL TRANSPORT

3.1 Railway network management in NMS – general remarks

Railway transportation is closely related to railway infrastructure which has direct impact on efficiency, reliability and safety of this mode of transportation.

The European railways are specific and completely different in comparison to e.g. American railways. The main reason for higher costs on infrastructure in the EU than in the USA consists in the double nature of performed traffic (freight and passengers) and the inevitably higher technical requirements for combining both services. Besides, those costs are also linked to heavier social and public service roles that European railways traditionally fulfil. The lower cost in the US networks is mainly due to the almost exclusive priority given to freight in comparison to passengers and the huge economies of scale and scope recouped over a continental network. Higher costs are shown in Asia including heavy renewal investments in developing countries and very costly but highly performing passenger dedicated networks in Japan. The expansion of the EU railway networks with 10 more systems (Cyprus and Malta not having one) creates great opportunities in the long run for rail freight, given the extra capacity on east-West axes, very high growth rate of east-west trade in the Union and the higher market share of rail freight in the East. However, the new member states will have to be incorporated in what is already an ambitious and complex reform programme, with major restructuring. There may also be significant implications for EUwide infrastructures.

Management patterns in rail infrastructure organization evolve under the influence of EU law, knowledge and experience (the first, second and third railway packages). In World Bank opinion the main topics of those reforms are:

• Basic reforms, such as separation of policy-making, regulatory roles and enterprise functions, have already been introduced in EU member and candidate countries as well as other countries of the region; they remain, though, a challenge for some CIS countries.

• Redrawing the roles of the government, converting the technical inspectorate into the rail regulator, advancing fiscal decentralization and capacity improvement of regional and municipal governments, and establishing fair competition rules are necessary elements of railway reform but are yet to be undertaken in many countries.

• Unbundling of operations along business lines and introduction of transparent and modern cost accounting and information systems are essential to improve efficiency and financial sustainability of rail transport.

• Closure of uneconomic lines and further reductions in staff numbers will be necessary in order to make railway operations financially viable.

• Many railways should focus on core business functions and should, therefore, divest non-core services (schools, hotels, etc) as soon as possible.

• Redefining the roles of the government, converting the technical inspectorate into the rail regulator, advancing fiscal decentralization and capacity improvement of regional and municipal governments, and establishing fair competition rules, are necessary elements of railway reform but are yet to be undertaken in many countries.

• Rolling stock renewal, track rehabilitation, and modernization of signalization (signaling) are necessary to improve safety, eliminate speed restrictions and thus increase competitiveness (particularly through eliminating speed restrictions).

• Non-discrimination of track access rights and liberalization of freight tariffs at reasonable, transparent and realistic charges, are necessary to improve competition and service quality.

• Liberalization of freight tariffs and non-discriminatory track access at reasonable, transparent and realistic charges are also important.

  Directive 2001/12/EC of the European Parliament and of the Council of 26 February 2001 amending Council Directive 91/440/EEC on the development of the Community's railways specifies that independent organisational entities must be specified for transport operations and infrastructure management. Essential functions, such as rail capacity allocation, infrastructure charging and licensing be separated from transport operations to enable new rail operators fair access to the rail market. Railway undertakings are also required to set up separate accounts for passenger and freight operations.

  Although there is common obligation to introduction of similar regulations among all members in regard to railways management in fact there are different schemes employed in various states.
Table 2 NMS railways industry structure, structure of capacity allocation and %-subsidies of Infrastructure Managers income

<table>
<thead>
<tr>
<th>Country</th>
<th>Industry structure</th>
<th>Structure of capacity allocation</th>
<th>% subsidies of IM income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Česká Republika (Czech Republic)</td>
<td>S</td>
<td>Within IM (completely separated)</td>
<td>100% (2002)</td>
</tr>
<tr>
<td>Eesti (Estonia)</td>
<td>I freight</td>
<td>Within IM (not fully separated)</td>
<td>0%</td>
</tr>
<tr>
<td>Latvija (Latvia)</td>
<td>I</td>
<td>Within IM (under holding company)</td>
<td>0%</td>
</tr>
<tr>
<td>Lietuva (Lithuania)</td>
<td>I</td>
<td>Full independent body</td>
<td>0% (only subsidies through concessionary fares)</td>
</tr>
<tr>
<td>Magyarország (Hungary)</td>
<td>I</td>
<td>Full independent body</td>
<td>-20% (ECMT, 2005)</td>
</tr>
<tr>
<td>Polska (Poland)</td>
<td>I</td>
<td>Within IM (under holding company)</td>
<td>~8% (ECMT, 2005)</td>
</tr>
<tr>
<td>Slovenija (Slovenia)</td>
<td>S</td>
<td>Within IM (not fully separated and in cooperation with an independent body)</td>
<td>~88% (ECMT, 2005)</td>
</tr>
<tr>
<td>Slovenská Republika (Slovakia)</td>
<td>S</td>
<td>Within IM (completely separated)</td>
<td>42%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>n.d.</td>
<td>Full independent body</td>
<td>n.d.</td>
</tr>
<tr>
<td>Romania</td>
<td>n.d.</td>
<td>n.d.</td>
<td>n.d.</td>
</tr>
</tbody>
</table>


Table 2 gives an overview concerning whether separation between the Infrastructure Manager and the operators is in place, the independence of infrastructure management and to what extent the Infrastructure Manager is funded with public funding. As for the organisation of infrastructure and operations we consider two options: vertical separation (denoted with S in the table) and vertical integration (denoted I in the table). Vertical separation (S) concerns the situation where the infrastructure manager is not allowed to operate services on that infrastructure. Vertical integration (I) refers to where the infrastructure manager is allowed to operate services on that infrastructure (this category includes holding company structures). A majority of countries have adopted vertical separation as the basis for the industry structure, using the holding company structure. The highest level of independence regarding the capacity allocation function is achieved when the body responsible for this task is independent not only from operations but also from the infrastructure manager (e.g. Lithuania and Hungary). Table 2 also highlights the significant variation among the Member States concerning the percentage of subsidies of the infrastructure manager’s income. The subsidy proportion varies from 0% (e.g. Estonia, Latvia and Lithuania) to 100% (e.g. Czech Republic).

3.2 Bulgarian railway infrastructure administration

Bulgarian railways institutional reforms are aimed at producing:

- independent management

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railway liberalisation
equal access to infrastructure
setting the obligations of the state regarding infrastructure and public services
financial stabilisation
increasing the railways’ efficiency and ability to compete
guaranteeing access for private operators
concessioning infrastructure projects.

On 2001 the Bulgarian government resolved to liberalize the market of transport services and therefore divided NC BDZ into forwarder and railway infrastructure. Based on the Railway Law in 2002 the Bulgarian Government separated the infrastructure and rail service parts of NC BDZ into two new independent companies complying with the main EU railway regulations. The law also created the base for the opening of the railway infrastructure to competing rail service suppliers. All relevant regulations have been formulated and a powerful Railway Administration Executive Agency has been created to regulate the railway sub-sector. After the separation the railway sector has gradually improved its performance.

The National Company "Railway Infrastructure" (NRIC) is founded on 01.01.2002, when in accordance with the Railway act the National Company "Bulgarian State Railways" (NC BDZ) was divided into NRIC and BDZ EAD. It is successor of the National Company "Bulgarian State Railways" (NC BDZ) and assumed a part from the assets and liabilities on its balance sheet as of 01.01.2002 in the part, referring to the railway infrastructure.

The basic management bodies of the National Company "Railway Infrastructure" in compliance with the Railway Transport Act are the Minister of Transport and Communications, Management Board and Director General. The NRIC is managed by Management Board and directed and controlled by Director General. The main subject of activity of the NRIC is:

• Ensuring the usage of the railway infrastructure by licensed forwarders on equal conditions;
• Accomplishment of activities on the development, repair, maintenance and exploitation of the railway infrastructure;
• Collection of infrastructure fees at amount, defined by the Council of Ministers, based on proposal of the Minister of Transport and Communications;
• Development of trains traffic schedules, coordinated with the forwarders and for the passenger transports - also with the municipalities;

- Management of the train activity in the railway infrastructure, observing the requirements on safety, reliability and security;
- Acceptance of all orders for transportation by the forwarders;
- Acceptance and fulfilment of all orders, originating from the obligations for rendering public services;
- Elaboration, maintenance and storage of registrar, containing data for the land and sites within the railway infrastructure;
- Implementation of the investment policy on the development and modernization, maintenance and repair of the railway infrastructure for applying the European criteria and standards.

The NRIC organizes, performs and is charged with the fulfilment of its obligations on the long-term agreements, concluded between the company and state. The company organizes its overall activity on the grounds of research, prognosis and programs for development of the railway infrastructure in compliance with this agreement. The activities in the company are regulated by provisions of the Railway Transport Act, subordinated legislative deeds for its application, international agreements for railway transportation, on which the Republic of Bulgaria is a party, and take into account the directives of the European Commission.

Bulgarian State Railways, Operating Company (BDZ EAD) is registered as one-owner Shareholding Company, 100% state owned property. Subject of activity: Railway operator - providing railway transport services for passenger travel and/or freight transport for domestic or international communications and all kind of other activities, unless the same are not prohibited by the Law. The only owner of the company capital is the State - The Council of Ministers. Its Board of Directors (Chairperson plus four members) is appointed by the Government. Chairperson of the Board is Vice-Minister of Transport and Communications of Bulgaria. The Chairperson of the Board of Directors is appointed by the State; the Executive Director refers to the Board.

The Railway Regulator (Executive Agency Railway Administration - EARA) has been appointed within the Ministry of Transport and is charged with the responsibility of administering the relationship between the NRIC and BDZ EAD, implementing the performance contracts under the Public Service Obligation to control the government’s tariff policy as well as issuing licenses and operating permits to road operators. The Railway Regulator is also responsible for control of tariffs charged for track access by the NRIC. EU directives regarding the legal and institutional structures for railways have been met in Bulgaria as a result of implementing the rehabilitation project. Most non-core activities have been separated from the operating companies. The process of separating the remaining non-core activities continues and additional staff reductions are planned. Open access is available in theory, though no private rail operators have yet been established. The first objective of the project was, to sum up, substantially achieved.


However, in 2005 the Commission stressed the need to increase the capacity of the rail administrations, particularly the infrastructure manager and the regulatory body. Officials at the Railway Regulator advised the World Bank PPAR mission that the railway operating company, as a commercial organization, has considerable autonomy with respect to pricing and the provision of services. However, the operator must consider the social implications of such decisions. These implications include the low incomes of the majority of the travelling public in Bulgaria and the fact that all citizens have a “right to transport,” with the implication that this is a right to rail transport. If this is indeed the position of the Bulgarian government, then such service levels should be fully supported financially, as a part of the PSO payments to the BDZ EAD for social services. The Railway Regulator also has the authority to issue road service permits to bus operators. There is some element of protection of the railway passenger service inherent in the method used to determine the eligibility of proposed bus routes for issuing of operating authority. For example, the World Bank PPAR mission was told that a bus may not operate from a location near the railway station to within 15 minutes of the departure of a train, if the bus and train would traverse the same route. Issuing of such permits is termed “unfair competition” for the railway. In rural areas, if a railway line exists, generally applications for a bus permit would be denied.

3.3 Czech railway infrastructure administration

In Czech Republic organization of rail transport has changed due to the adoption and gradual implementation of Act No. 77/2002 Coll., on Czech Railways, joint stock company, the Railway Infrastructure Administration, state organization (hereinafter CR, a.s. and RIA), executing the function of railway infrastructure owner. Act No. 266/1994 Coll. has opened access to the railway infrastructure to other licensed carriers. Railway infrastructure charges have been established in rail transport and they are based on marginal costs. Rail transport will focus primarily on quick and quality passenger transport (long-distance and regional) based on lines operating at regular intervals, on quick freight transport integrated into the logistics process (in connection with public logistics centres) ensuring door-to-door services, and on quality suburban or urban mass transport routed along the busiest traffic directions, including inclusion of the railway into integrated transport systems.

In Czech Ministry of Transport the Department for Railways, Railway and Combined Transport, is responsible for the following (examples): • Ensuring the execution of state supervision, and state supervision in matters concerning railways, • Ensuring legislative activity in the matter of rail systems and combined transport, • Assignment of feasibility studies and zoning and technical studies for the development of the railway transportation

route, ● Drafting of conceptual plans for the development and modernisation of railway transportation routes and combined transport, ● Elaboration of a concept for the privatisation of railway lines, etc.

The Rail Authority (Drážní úřad) has been established by Section 53 of the Act no. 266/1994 Coll., as amended on rail systems. It is an administrative authority independent from the Ministry of Transport. It is an organisational element of the State with a registered office in Prague. It is financed from the state budget through the budget of the Ministry of Transport. The Rail Authority exercises the function of state administration in the matters of rail systems except matters in which the Ministry of Transport or the municipalities are responsible. The Rail Authority as a rail administrative authority is a special building authority for the construction of rail infrastructure and related infrastructure elements, and it is responsible for issuing official permits for the operation of rail systems and for licensing to railway undertakings. It also issues safety certificates for carriers, for operating the rail transport on the national railway network and regional railway network, driving licences for driving rail vehicles, operability certificate of specified technological pressure, gas, electric, lifting and transport equipment and rail vehicles, certificates of competence for performing revisions, inspections and tests of specified technological equipment in operation. It supervises a transport of dangerous goods. The Rail Authority is also responsible for registers of rolling stock, infrastructure and vehicle keeper marking.

For the implementation of the new Safety Directive (2004/49/EC) the Ministry of Transport, the Rail Authority and Rail Safety Inspection Office are the most involved. The tasks and responsibilities of these three bodies are as follows: The Ministry of Transport assures the transposition/implementation of the Directive into the national law, the Rail Authority acts as the national safety authority and the Rail Safety Inspection Office acts as the national investigation body. The Rail Safety Inspection Office is an independent state body which investigates rail accidents and incidents and performs state supervision of the whole Czech rail system. The Office employs 61 staff in five offices across the Czech Republic based in Ostrava, Brno, Praha, Plzen and Ceske Budejovice. The Rail Safety Inspection Office was established on 1 January 2003 in compliance with Act No. 77/2002, and was among the first of its kind in Europe. The Rail Safety Inspection Office performs state supervision in rail-related matters of more than 900 rail infrastructure and transport operators, and investigates the causes of accidents and incidents of both domestic and foreign operators within the Czech rail system. This specific and responsible role is supported by nearly fifty inspectors, covering the whole territory of The Czech Republic.

A crucial intervention in the organizational structure of the Czech railway transport was the splitting of Czech Railways, state organization into two successor entities - Česke Dráhy (CD), Czech Railways, joint-stock company and Správa Železniční Dopravní Cesty.

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(SZDC), Railway Infrastructure Administration (RIA)\textsuperscript{71}, state organization following the Parliament Act of the Czech Republic No. 77/2002 Coll. dated 5th February 2002. Both successor entities were established on 1st January 2003.

Česke Dráhy (Czech Railways), joint stock company offers transport and other services on the railway based on an order and contractual relations, ensures operation on national as well as regional lines and carries out the infrastructure maintenance, repairs and modernization. In freight as well as passenger transport they compete for orders not only on a liberalized railway market, but also on the whole transport market including other modes of transport too. In addition to CD, some regional parts of the Czech railway network are used by other Freight Railways Undertakings. Conditions of use have been set out in the Track Act including the requirement for an operating licence, certificate of forwarder (both issued by the Track Authority), and a contract of exercise of railway transport that has to be drawn up between the freight railway undertaking and the infrastructure manager\textsuperscript{72}.

Railway Infrastructure Administration (RIA) became the guarantor of operability, modernization and development of the railway system of the Czech Republic. RIA has taken over management of the state property mainly represented by the railway infrastructure. It fulfils the role of a rail owner, providing operation, operability, modernization and development of the railway infrastructure\textsuperscript{73}:

- management with assets defined in § 20 Act No. 77/2002 Coll.
- providing operation of the railway infrastructure
- providing operability of the railway infrastructure
- providing development and modernization of the railway infrastructure
- management with defined payables and receivables of Czech Railways, s.o., arising before establishment of Czech Railways, joint-stock company
- allocation of the infrastructure capacity on the national and regional rail owned by the Czech Republic

It allocates path capacity on a national and regional rail owned by the Czech Republic. It issues a network statement and fulfils all the obligations of the infrastructure manager as specified in the 2001/14/EC directive\textsuperscript{74}. There is an agreed price for utilizing the rail. The price is set and collected by SŽDC. The collected charges are used to cover cost for maintenance and operation of the railway infrastructure. The price for utilizing the railway infrastructure is regulated. Conditions will be set by Annex No. 4 to the assessment of MoF published in Price Bulletin. Particulars will be set by Network Statement - national and regional - issued by SŽDC\textsuperscript{75}.

\textsuperscript{71} Správa Železniční Dopravní Cesty (Railway Infrastructure Administration). \texttt{http://www.szdc.cz/}.


\textsuperscript{73} Sprava Zelezniční Dopravní Cesty (SZDC). \texttt{http://www.szdc.cz/}.


\textsuperscript{75} Sprava Zelezniční Dopravní Cesty (SZDC), ibidem.
3.4 Estonian railway infrastructure administration

The total length of the railway lines in Estonia is ca 1200 km, of which the length of the public railways network is 900 km. As railways handle a major part of rapidly increasing international cargo transport and transit, the main problem is insufficient capacity of main railway lines and border stations and serious backlog in the technical condition of infrastructure and rolling stock. This results in very low travel speed on railway lines as well as problems with traffic safety and environmental protection.

The following organizations play a central role in Estonia’s railway sector:

- Estonian Ministry of Economic Affairs and Communications
- Estonian Competition Board
- Railway Inspectorate
- Infrastructure Managers
- Railway Undertakings

The Ministry of Economic Affairs and Communications is responsible for Estonia’s transport policy covering traffic by road, rail, air and sea. The Railways Division is responsible for rail policy and the state, through the ministry, holds a 100% stake in the Edelaraudtee AS infrastructure manager and a 34% stake in Eesti Raudtee AS infrastructure manager76. The Ministry of Economic Affairs and Communications, Estonia participates in several EU development projects related to the Trans-European transport network TEN-T, such as the creation of the modern railway connection “Rail Baltica” passing through the Baltic states77.

Estonian Competition Board (Konkurentsiamet78) was established on 21th October 1993 and it is subordinated to the Ministry of Economic Affairs and Communications. The main tasks of the Competition Board are: ● to exercise supervision in respect of compliance with the Competition Act and the corresponding regulations; ● to investigate the agreements and contracts restricting competition; ● to process the cases of abuse of dominant position by undertakings; ● to examine the competitive situation in different goods markets and to make proposals to improve the competitive situation; ● to prepare measures facilitating competition and to make proposals for the adoption or amendment of legal acts; ● to exercise control in respect of concentrations; ● to co-operate with competition authorities of other states and alliances of states; ● to organise training in competition law issues and disseminate competition related information.

Formed in 1999, the Estonian railway administration performs many of the roles of a typical Railways Inspectorate and is due to be transformed into an inspectorate / regulatory body to support the EC legislation and accession in 200479.

78 Estonian Competition Board (Konkurentsiamet) - http://vana.konkurentsiamet.ee/?id=10641
79 Eesti Raudtee, http://www.evr.ee/?id=1313
Estonian Railway Inspectorate (Raudteeinspektsoon\textsuperscript{80}) is a governmental organisation under supervision of the Ministry of Economic Affairs and Communications of the Republic of Estonia that represents in fulfilling its tasks the State. The objective of the Railway Inspectorate is to perform national surveillance in the scope stipulated by the law and apply national enforcement in the railway field on the basis and in the scope stipulated in the law. The Inspection also carries the functions of the implementation agency of the European Union funds and performs, in the scope stipulated by the law, as the distribution organ of the railway infrastructure capacity. Estonian Railway Inspectorate is an organisation in a rapidly changing economic environment, i.e. ongoing development and continuous specification of its role and tasks as a national regulator.

In Estonia, there are two public railway infrastructure managers: • Estonian Railways Ltd. (693 km), • South-West Railways Infrastructure Ltd. (320 km). Estonian Railways Ltd is both infrastructure manager and railway undertaking at the same time, South-West Railways Ltd has different companies for passenger traffic and infrastructure management. They operate on their own infrastructure (they are the owners) and charge operators who want to acquire track access.

South- West Railways Ltd. is concern and is divided for five separate undertakings – Edelaraudtee AS, Edelaraudtee Veeremäe OÜ, AS Ühinenee Depood, Edelaraudtee Infrastruktuuri AS, Edelaraudtee Halduse OÜ. The South-West Railways Ltd’s infrastructure is only used by their own railway undertaking, while Estonian Railways Ltd. infrastructure is used also by other railway undertakings. South-West Railways Ltd. has subsidiary for the public passenger service. South-West Railways Ltd. is passenger and freight operator. Passenger traffic forms about 95 per cent of all traffic on South-West Railways Infrastructure Ltd’s infrastructure. Estonian Railways Ltd must also keep separate accounting of revenues and costs relating to the areas of transport services and infrastructure management. Estonian Railways Ltd. has infrastructure service department within the company structure doing IM tasks. Edelaraudtee Ltd. has created a separate company “Edelaraudtee Infrastruktuuri AS” (100% shares are owned by a mother company) to deal with infrastructure management\textsuperscript{81}.

Estonia’s railways have been privatized: Edelaraudtee\textsuperscript{82} was transferred to private ownership by February 2001, and Eesti Raudtee\textsuperscript{83} (Estonian Railways) was privatized in 2001 with the Government retaining a 34% share. Major maintenance and reconstruction works on the track are carried out by outside contractors\textsuperscript{84}.

Edelaraudtee AS (South West Railway) was founded in 1997. The company is mainly known by its diesel trains, which carry passengers on the routes Tallinn-Viljandi-Pärnu, Tallinn-Tartu, Tallinn-Narva, Tartu-Valga and Tartu-Orava. Edelaraudtee commenced operations as an independent business in January 1997 in anticipation of rail privatisation.

\textsuperscript{80} Estonian Railway Inspectorate (Raudteeinspektsoon) - http://www.rinsp.ee/atp/?lang=en.
\textsuperscript{82} Edelaraudtee AS. http://www.edel.ee/?lang=3&PHPSESSID=92e8e201950780036782deb2cf24f48.
legislation approved by parliament during the same year. In 2000 Edelaraudtee, which also owns the South Western narrow-gauge lines and runs passenger trains elsewhere, was sold to the former British company GB Railways via its subsidiary GB Railways Eesti AS. Subsequently, management and marketing of Edelaraudtee was taken over by AS Go Rail, which also operates long-distance international passenger services to/from Estonia\textsuperscript{85}. Edelaraudtee Infrastruktuuri AS manages 219 km of main lines and 79 km of station tracks. There are no electrified or double-track sections on the infrastructure of the entrepreneur\textsuperscript{86}.

Äktiaselts Eesti Raudtee (EVR - Estonian Railway Ltd) is the state-owned company founded on 1 January 1992. Its task was the management of Estonian railways. The biggest public railway network belongs to AS Eesti Raudtee, the length of the main lines being 800 km and the length of station tracks 470 km. 133 km of the infrastructure of the railway entrepreneur is electrified. The length if the double track is 107 km. AS Eesti Raudtee was further transformed pursuant to the privatisation scheme approved by the Government. In 1999 the Government introduced a significant change in the privatisation plans of Eesti Raudtee, namely, it was decided to surrender the signing of concession and instead sell 66% of majority shares. Resulting from this change, a task was imposed on the Estonian Privatisation Agency to sell the shares of AS Eesti Raudtee by way of international tender with preliminary negotiations. Pursuant to the decision of the Government, in April 2000 the Estonian Privatisation Agency announced the privatisation of 66% of the shares of AS Eesti Raudtee by way of two-round international competition. On 2th March 2001 the General Director of the Estonian Privatisation Agency invited BRS to sign the agreement on the privatisation of 66% of AS Eesti Raudtee shares and the privatisation and shareholder agreement; the final coming into force of the privatisation and shareholder agreement was made dependent on the payment of purchasing price\textsuperscript{87}.

3.5 Hungarian railway infrastructure administrations

Hungarian Railways operates [2006] of 7 950 km of standard gauge tracks of which 2 848 km electrified\textsuperscript{88}. Only the standard gauge railways are operated by the State Railways. Narrow gauge railways (176 km) are run by State Forest companies or local non-profit organisations. Broad gauge network is 36 km. Based on Act no. CLXXXIII of 2005, railway infrastructures in Hungary are classified in five regional categories. These serve different purposes and various conditions must be fulfilled in order to operate and use them\textsuperscript{89}:

1. National infrastructures (include 2830 kilometres of lines as part of the Trans-European freight service infrastructure),

\textsuperscript{85} Edelaraudtee AS (Estonia), Railway Systems and Operators. Jane's World Railways. \texttt{http://www.janes.com/extracts/extract/jwr/jwr_9301.html}

\textsuperscript{86} Railway Sector in Estonia. Raudteeinspetsioon. \texttt{http://www.rinsp.ee/atp/?id=1087}.

\textsuperscript{87} History of Estonian Railways. Eesti Raudtee. \texttt{http://www.evr.ee/?id=1313}.

\textsuperscript{88} Data of DG TREN – Energy & Transport in Figures 2006, Table 3.5.3. \texttt{http://ec.europa.eu/dgs/energy_transport/figures/pocketbook/2006_en.htm}

\textsuperscript{89} Hungarian Rail Office (Magyar Vasúti Hivatal) - \texttt{http://vasutihivatal.gov.hu/palyahalozatok}.
2. Regional infrastructures - only narrow-gauge tracks belong to this group utilizing 480 kilometres of railways,
3. Suburban infrastructures,
4. Municipal infrastructures of 210 kilometres in length (with ski-lifts of approximately 25 kilometres in length),
5. Private infrastructures.

Key stakeholders in the Hungarian rail industry are (see Table 3): 1) government: The Ministry of Economy and Transport, 2) regulatory bodies: Hungarian Rail Office, Railway Capacity Allocation Office, National Transport Authority, Transportation Safety Bureau and Hungarian Competition Authority, 3) infrastructure manager and capacity allocation: Infrastructure Division of MÁV and Infrastructure Division of GYSEV, 4) railway undertakings.

**Table 3 Hungarian institutions involved in carrying out public tasks in railway transport**

<table>
<thead>
<tr>
<th>Abbreviations &amp; English</th>
<th>Hungarian name</th>
<th>English name</th>
</tr>
</thead>
<tbody>
<tr>
<td>GKM (MET)</td>
<td>Gazdasági és Közlekedési Minisztérium</td>
<td>Ministry of Economy and Transport</td>
</tr>
<tr>
<td>MVH (HRO)</td>
<td>Magyar Vasúti Hivatal</td>
<td>Hungarian Rail Office</td>
</tr>
<tr>
<td>VPE (RCAO)</td>
<td>Vasúti Pályakapacitás- elosztó Kft</td>
<td>Railway Capacity Allocation Office</td>
</tr>
<tr>
<td>NKH (NTA)</td>
<td>Nemzeti Közlekedési Hatóság Központi Hivatala</td>
<td>Central Office of National Transport Authority</td>
</tr>
<tr>
<td>GVH (HCA)</td>
<td>Gazdasági Versenyhivatal</td>
<td>Hungarian Competition Authority</td>
</tr>
<tr>
<td>KBSZ (TSB)</td>
<td>Közlekedésbiztonsági Szervezet</td>
<td>Transportation Safety Bureau</td>
</tr>
<tr>
<td>MAV</td>
<td>Magyar Allamvasutak Zrt.</td>
<td>Hungarian State Railways</td>
</tr>
<tr>
<td>Raaberbahn GYSEV</td>
<td>Raab-Oedenburg-Ebenfurter Eisenbahn Győr-Sopron-Ebenfurthi Vasút Zrt.</td>
<td>Győr-Sopron-Ebenfurth Railway</td>
</tr>
</tbody>
</table>


Hungarian Ministry of Economy and Transport (GKM) leads on making sustainable improvements in the real economic performance and also has responsibilities for the development of the industry, domestic and external trade, infrastructure, with special attention given to transportation infrastructure and of the info-communication sector. Strengthening competitiveness, influencing the economic environment towards a favourable direction, reinforcing the micro, small and medium sized enterprises, as well as promoting the inflow of foreign direct investments are among the Ministry’s accentuated tasks90.

Hungarian Rail Office – HRO - (Magyar Vasúti Hivatal - MVH)91, established on 1 January 2006, is a regulatory body and licensing authority. In Hungary all freight, passenger and infrastructure services have to be licensed. The Hungarian Rail Office is a licensing authority under the scope of Council Directive 95/18/EC and is a successor of previous licensing authorities (similar national licensing scheme for regional, suburban, local and

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private railways, and for the two national infrastructure managers, MÁV Zrt and GySEV Zrt (Raaberbahn)). The Hungarian Rail Office approves the general terms of agreement for all rail passenger carriers in Hungary. A new Passenger Rights Ombudsman was appointed on 31 August 2007. HRO will be responsible for the implementation of the forthcoming Community legislation. The current tasks are stipulated by national railway law\textsuperscript{92}.

The mission of the Hungarian Rail Office is to ensure equal access rights for all railway undertakings of the European market to the Hungarian infrastructure. The Hungarian Rail Office both as a regulatory body and licensing authority is working on the development of this environment-friendly industry with the means of setting competitive infrastructure prices, controlling compliance with laws and contractual obligations. The Hungarian Rail Office takes into account the interests of the consumers, the industry stakeholders and taxpayers, who contribute to the development of Hungarian railways. The most important task of the Hungarian Rail Office is the monitoring and modification of railway infrastructure access charges (namely infrastructure, railway stations). The Hungarian Rail Office analyzes the developments of the rail freight, passenger and infrastructure markets and summarizes all legally binding regulatory and licensing decisions in „Quarterly Market Reports”

Hungarian body allocating path capacity is the Railway Capacity Allocation Office - Vasúti Pályakapacitás-elosztó Kft. (VPE)\textsuperscript{93} who is the member of RNE\textsuperscript{94}, association of European infrastructure managers. VPE is a limited company, established in 2004, in 100% owned by the Hungarian State. Detailed data on the Hungarian railway infrastructure must be stipulated in the Network Statement to be prepared by the infrastructure manager and the capacity allocating body.

Hungarian National Transport Authority – NTA - (Nemzeti Közlekedési Hatóság - NKH)\textsuperscript{95} is a new organisation, set up since 1 July 2007 (legal basis: Government Decree 236/2006 on the National Transport Authority and Government Decree 51/1994 on the tasks and powers of the Railway Authority). The organisation of NTA is independent from the Ministry of Economy and Transport (GKM) with a separate budget; GKM carries out supervisory tasks. The Central Office of NTA carries out the official tasks of second instance in respect of the Centre of Priority Issues managing the authorisation affairs of the nationwide public railway transport and of the 7 regional transport authorities managing the authorisation affairs of the local railway transport\textsuperscript{96}.

The Hungarian Competition Authority – HCA - (Gazdasági Versenyhivatal - GVH) is a government agency. It monitors and enforces competition in all sectors including the

\textsuperscript{92} D. Antal: Liberalisation of the Hungarian Rail Industry. VDV Congress in Halle, 26th September 2007. \url{http://vasutihivatal.gov.hu/hatteranyagok/tanulmanyok_hivatal}.

\textsuperscript{93} Capacity Allocation Office (Vasúti Pályakapacitás-elosztó Kft.) - \url{http://www.vpe.hu}.

\textsuperscript{94} RailNetEurope (RNE) - \url{http://www.railneteurope.com/cont/index.aspx}. Infrastructure managers of European railways share a common objective to eliminate the problematic interfaces in cross-border traffic – by European rail network use, by access to comprehensive information, by offering alternative train routes for all customers. The key element of this cooperation is RailNetEurope (RNE).

\textsuperscript{95} National Transport Authority (Nemzeti Közlekedési Hatóság) - \url{http://www.nkh.hu} (no english text in the www).

railway sector in line with domestic legislation under the Law prohibiting the limitation of competition of 1996\textsuperscript{97}. Its English name used in the early years of operation was Office of Economic Competition. It was established by Act LXXXVI of 1990 on the prohibition of unfair market practices, and started its operation on 1 January 1991. The enactment of the prohibition of anticompetitive behaviour and the setting up of the authority was motivated by the will of protecting the freedom and fairness of competition. By Hungary's accession to the European Union, the GVH became a member of the European Competition Network that consists of the national competition authorities of the EU Member States and the DG Competition of the European Commission. As from the same time, the GVH is required to apply EC competition law under certain conditions. The task of the GVH in relation to the fairness and freedom of competition is to enforce the competition rules for the benefit of the public in a way, which increases long-term consumer welfare and competitiveness at the same time. Furthermore, it promotes competition in general and, where no competition exists on the market, the GVH endeavours to create competition and promotes appropriate state regulation to be put in place. The activities of the GVH in connection with the safeguarding of competition rest on the following three pillars. 1) competition supervision proceedings - the enforcement of the national and the Community competition law; 2) competition advocacy - the GVH tries to influence state decisions; 3) competition culture - the objective of the GVH is to contribute to the development of competition culture by the dissemination of knowledge about competition policy, in order to raise public awareness of competition issues, and by the promotion of the development of competition-related legal and economic activities of public interest\textsuperscript{98}.


The national railway safety authority is the Centre of Priority Issues, Railway Authority Directorate in Hungary\textsuperscript{100}. It is defined as the nationwide transport authority of first instance under the guidance of the Central Office of National Transport Authority whose president appoints its director. There are also 7 regional transport inspectorates for managing authorisation affairs at the county level. The Centre of Priority Issues provides railway undertakings with safety certificate and infrastructure managers with safety authorisation based on their application and attached documents according to the Decree 40/2006 of Minister of Economy and Transport on rules for railway safety certificate, safety


\textsuperscript{98} Hungarian Competition Authority (Gazdasági Versenyhivatal). http://www.gvh.hu/gvh/alpha?do=2&st=2&pg=99&m5_doc=2349&m171_act=1

\textsuperscript{99} Közlekedésbiztonsági Szervezet (Transportation Safety Bureau) http://www.kbsz.hu .(www page only in hungarian language).

\textsuperscript{100} Közép-Magyarországi Regionális Igazgatóság - http://www.nkh.hu/content/view/4317/5509/lang.hu . (www only in hungarian language).
authorisation, safety report and certain authorisation proceedings. When necessary (but at least once in five years time), the Centre of Priority Issues checks whether the company having the certificate still meets the relevant requirements\(^{101}\).

List of the Hungarian railway undertakings in 2007: MÁV (Hungarian State Railways - Magyar Államvasutak)\(^{102}\), MÁV Cargo, MMV (Hungarian Private Railways Limited - Magyar Magánvasút Zrt.), Floyd (Floyd Kft - Hungarian private rail undertaking), GySEV - Győr-Sopron-Ebenfurthi Vasút (Hungaro-Austrian regional railway company), MÁV Hajdú Vasútépítő Kft (MÁV Hajdú Vasútépítő Kft - Hungarian private rail undertaking), CER Vasúti Zrt, Magyar Magánvasút ZRt. (MMV), Mátrai Erőmű Zrt., MÁV-Hajdú Vasútépítő Kft., Train Hungary Magánvasút Kft, Budapesti Helyiérdekű Vasút (BHÉV), MÁV narrow gauge lines, ÁEV narrow gauge lines, Floyd ZRt.

### 3.6 Latvian railway infrastructure administration

The railway in Latvia has developed in a specific historical and economic context, and there are reasonable grounds for the local railway system to be organized as it stands at the moment\(^{103}\). In 2000 the Parliament adopted Law on Railway Carriage which regulates relationship between railway operators and their clients. The main aspects regulated by this Law are carriage of passengers and their luggage, carriage of dangerous goods, liability of carriers. According to the Law on Railway the infrastructure may be national or private. Total length of railway lines in Latvia is 2,417 km (rail gauge is 1520 mm, analogue with the gauge of railway network of neighbouring countries - Russia, CIS). Transit transportation by rail accounts for approximately 85% of the total amount of cargoes transported by rail - mainly from ports of Russia and Belarus to ports of Latvia (East – West transit corridor)\(^{104}\). The national rail infrastructure is divided to strategic and regional one, as well as to three categories\(^{105}\): first category is 961 km, second category is 641 km and third category is 322 km.

The following organisations play a central role in Latvian Railway sector\(^{106}\):

- Ministry of Transport
- State Railway Administration
- State Railway Technical Inspectorate
- Competition Council


\(^{102}\) Magyar Államvasutak (Hungarian State Railways) - [http://www.mav.hu](http://www.mav.hu) (www only in hungarian language).


\(^{104}\) Transit Latvia - [http://www.transport.lv/?sadala=211](http://www.transport.lv/?sadala=211).


- Public Services Regulation Commission (or Public Utility Commission)
- Latvian Railway (LDZ) – infrastructure manager.

Ministry of Transport (Satiksmes Ministrija)\(^{107}\) is a leading institution of state administration of transport and communication branches which elaborates legal acts and policy planning documents regulating the branch. It provides the implementation of the transport policy. Fields of activities are: 1) Qualitative, transport infrastructure integrated in common Eurasian transport system, entrepreneurial environment and safe traffic, 2) Qualitative, accessible to everyone public transport services, 3) Harmonized and stable legal environment of communication sector accessible to everyone and qualitative electronic communication and postal services, 4) Accessible, competitive transit services with increased added value. Railway Department is responsible for: ● liberalization of the railway field, promotion of competition, coordination of the process of restructuring, ● improvement of the quality of the railway carriage and traffic safety, ● improvement of the quality of the passenger transportation, modernization of the rolling stock, ● coordination of the process of restructuring in the railway field\(^{108}\).

State Railway Administration (SRA) is in charge of implementation of state railway policy, issuing licences to cargo operators, dispute settlement between operators and infrastructure management, environmental railway strategy, risk assessment, market monitoring and promotion of competition. SRA also is holder of the state registers of infrastructure and rolling stock\(^{109}\). The State Railway Administration (established in 1999), working under supervision of the Ministry of Transport, as regulatory body is responsible for issuing of freight operator licences and, in situation, than public use infrastructure manager act also as an operator, for capacity allocation on public use tracks. In 2001 some functions were passed to joint regulatory body - The Public Utilities Commission, which works under supervision of the Ministry of Economy. The Public Utilities Commission in field of railways is responsible for passenger services and is issuing also the passenger operator licences. Besides that, the commission is determining the methodology of calculation of the track access charges, and in present situation, than public use infrastructure manager act also as an operator, also determines these charges. The State Railway Technical Inspectorate (established 1999), working under supervision of the Ministry of Transport, as a safety authority is responsible for issuing of the safety certificates\(^{110}\).

The Latvian Railway Administration is a public institution operating under the auspices of the Ministry of Transport and financed by the State Budget. Its main tasks and responsibilities are listed in the Law “On Railways” (April 1998). They include\(^{111}\):

- Verifying compliance with applicable requirements of draft contracts for railway carriage orders
- Compiling a register of rolling stock
- Issuing carrier licences (for freight only)
- Promoting competition
- Consumer protection
- Dispute arbitration
- Hearing appeals from railway undertakings against decisions related to charging and capacity allocation.

State Railway Technical Inspectorate (Valsts Dzelzcēļa Tehniskā Inspekcija)\textsuperscript{112} is a state administrative institution, subordinate to the Ministry of Transport in a form of supervision. It is in charge of most of the safety tasks in Latvian Railways and will be given more powers under new amendments to the Latvian Railway Law. They are issuing of the safety certificates and safety permits (authorizations) as well as licensing of the train drivers. The main functions of the State Railway Technical Inspectorate are\textsuperscript{113}:

- control of compliance with the requirements prescribed in laws and other legislation concerning railway operations and safety issues;
- control of the readiness and operations of systems of the railway for civil defence, and for the prevention of emergency situations (accidents) and the rectification of the consequences of accidents,
- investigation of train and shunting operation accidents (on the request of National Investigation Body (NIB)) and occurrences of violations, and participation in investigation of accidents that have occurred on railways (on the request of NIB);
- control of the organisation and conduct of the rectification of the consequences of accidents after rolling stock accidents; and control of granting of permission to use new or reconstructed railway infrastructure
- facilities as well as rolling stock, and verification of their compliance with the requirements of the Regulations on Railway Technical Operations and the labour protection regulations.
- issue of safety certificates to railway undertakings, in accordance with the normative acts;
- issue of safety permits (authorizations) to infrastructure managers, repairing companies in accordance with the normative acts;
- issue of certificates of professional competence in the regulated fields in accordance with the normative acts.

In the Latvian railways sector competition is being introduced with the granting of freight transport licences to two private companies. In October 2000, the law on public service regulators was adopted, which provides for the establishment of a regulatory authority covering rail transport. As a result, the railway sector is already largely aligned with the

\textsuperscript{112} "Latvijas Vēstnesis" 6 (3164) 12.01.2005 - \url{http://www.likumi.lv/doc.php?id=99302}.

\textsuperscript{113} ERAIL Monograph Latvia, op. cit.
acquis, with only a few issues such as the transport of dangerous goods by rail remaining to be settled. A law on carriage by rail was adopted in 2001. It regulates relations between operator and client, terms for the carriage of various goods and procedures for filling out freight consignment papers. As part of the restructuring of the joint stock company "Latvian Railways", a separate passenger transport operator for inland transport, the subsidiary joint stock company "Passenger Train", was set up in 2002. The interoperability acquis still has to be transposed and existing legislation needs to be modified regarding charges, cross-subsidy and licensing.114

Rail infrastructure manager in Latvia is Latvijas Dzelzceļš (LDz) – Latvian Railway. LDz is a joint stock company (wholly owned by the State), covering the provision of infrastructure management and passenger & freight railway services.

On 4 July 2007 the reorganization of the Latvian Railway (LDz) was filed in the Register of Enterprise of the Republic of Latvia. With this the reorganization of LDz has been completed. It was already started up in 1999 but in the final stage was directed in compliance with the Cabinet of Ministers protocol decision (dated 10 May 2005). The restructuring and reorganization of such a big company like the Latvian Railway in fact means a considerable alteration of all the economic sector structures, though there is no visible indication of this process. If up to now the basis of LDz business was the organization of transportation, then after reorganization the principal activity of LDz business is the realization of public use infrastructure services, as well as the maintenance and development of the railway tracks in this respect to ensure the transportation business is available to everyone in order to become a railway carrier and complies with the defined legal requirements of the EU and the Republic of Latvia.

The State Joint-stock Company Latvijas dzelzceļš as a holding company is a railway infrastructure manager, which ensures the basic and supplementary services of infrastructure for all the carriers on an equal footing, as well as manages the subsidiary companies. As a result of the reorganization, the requirements of the EU directives on the liberalized market in the railway sector are fulfilled; the maintenance of the railway infrastructure and the distribution of capacity are separated from the transportation on the public use railway. LDz reorganization fully ensures the transparency in the finances due to the clearly defined work, responsibility and the expenses of activities.115

In the process of restructuring, a concern was formed and it consists of Mother Company State JSC “Latvijas dzelzceļš” (Latvian Railway) and seven daughter companies 116:

- AS “Pasažieru vilciens” (JSC Passenger Train),
- AS “Starptautiskie pasažieru pārvaldījumi” (JSC International Passenger Transportations),
- AS “VRC Zasulauks” (JSC VRC Zasulauks),
- SIA “Dzelzceļa apstāde” (Railway Security Ltd),
- SIA “LDz infrastruktūra” (LDz Infrastructure Ltd),

• SIA “LDz Cargo” (LDz Cargo Ltd),
• SIA “LDz ritošā sastāva serviss” (LDz Rolling Stock Service Ltd.)

The activities of infrastructure manager are outlined in 1998 Railway Law and its following amendments. Since the state owns 100% of LDZ shares, there is still some political influence on the company. Some high staff positions are appointed with the supervision of the State or Ministry. Ownership rights of LDZ are exercised via the Ministry of Transport, Shareholders Meeting and Managing Board of the company. Internal audit of the company is performed yearly.

3.7 Lithuanian railway infrastructure administration

The total Lithuanian rail network is 2001 km, 1811 km of which is of 1520 mm gauge, 21.8 km are European Standard, 1435 km of double track and 122 km electrified lines. Freight is received at 97 stations and passenger tickets are sold at 157 stations. Lithuanian Railways have 2 locomotives, 1 diesel and 3 wagon depots.

Lithuanian Railways (LR) is a profitable state owned company. The present railway sector is rather backward in technical, economic, technological and organizational terms in relation to the modern interacting railway systems of EU Members. Insufficient funding for maintenance and development has led to obsolescence of the rolling stock, lack of spare parts, and limited train speed. These difficulties are unlikely to become a bottleneck in the near future, given the existing spare capacity of LR. Railway restructuring needs to continue in the following: separate commercial operations from rail administration, reduce over-capacity, rationalize tariffs, raise safety levels, and improve railway services.

Public tasks are distinguished according to the following clusters of activities: 1) separation, licensing and charging, 2) interoperability and safety, 3) state aid, competition and public service obligations, 4) statistics. The following organisations are involved in one or more of these clusters of activities:

• Ministry of Transport and Communications (MTC)
• State Railway Inspectorate (SRI)
• Competition Council (CC)
• Lietuvos Geležinkeliai (LG), Infrastructure Manager

The Ministry of Transport and Communications (MTC) in Lithuania shall be authorized by laws and other legal acts to perform the functions of administration in the areas of transport (air, water, railway, and road transport), post and electronic communications and implement the State policy in these areas. In the field of rail transport MTC: 1) conclude

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public service contracts with railway companies (carriers) in accordance with the established procedure, 2) examine the complaints of railway companies (carriers) related to the decisions taken by the public railway infrastructure manager on the regulations of the public railway infrastructure network, allocation of the public railway infrastructure capacity, charging scheme for the use of the public railway infrastructure, the amount or structure of the charge.

In the organization of the implementation of rail transport state policy a more important role is played by the Railway Transport Division, which participates in the preparation of the Programme of the Government of the Republic of Lithuania and the plans of strategic activity of the Ministry, coordinates their implementation in the railway transport system; prepares the drafts of laws and other legislative acts related to railway transport issues, approximates them to the legislative acts of the European Union and appropriate international legal standards, within the scope of its competence coordinates the implementation of legislative acts; within the scope of its competence implements Lithuania’s obligations related to the membership in the European Union.

Lithuanian railway restructuring needs to continue in the following: separate commercial operations from rail administration, reduce over-capacity, rationalize tariffs, raise safety levels, and improve railway services.

In 2002 Lithuania established the State Railway Inspectorate (SRI) which handles the functions of a regulatory authority and is responsible to the Ministry of Transport. Further laws for the regulation of Lithuanian railway transport are currently being discussed, but will not be adopted until Lithuania accedes to the EU. The SRI is responsible for issuing licences, safety certificates and for resolving conflicts between infrastructure managers and rail users. In principle, Lithuania grants both domestic and foreign RUs free and non-discriminatory access to its railway infrastructure. Legislation for the issue of licences and safety certificates and on train path access and the train path pricing system is currently being reformed.

The State Railway Inspectorate (SRI) is a budgetary institution, which was established by the Government of the Republic of Lithuania. SRI is funded from the budget of the Republic of Lithuania (National budget) according to the requirement of the laws. Starting from 2002 the role of SRI in the Lithuanian Railway Transport Market has been changing. The State Railway Inspectorate (SRI), on 29th of August, 2002 received an authorisation from Lithuanian Government to carry out the missions of the Railway Transport Market Regulator (before SRI was responsible only for security issues in railway transport sector). This function was performed by SRI until 19 of August, 2004 when this function was delegated by the Government of the Republic of Lithuania to the Ministry of Transport and Communications (again this function will be performed by the SRI after establishment of the state undertaking for administration of public infrastructure – infrastructure manager).

The Competition Council of the Republic of Lithuania (Konkurencijos Taryba)\textsuperscript{125} plays a symbolic role in the Lithuanian Railway Transport market as of yet. Since there is only one operator in the market, work in regulating competition in the market will be possible only in the future. The main task of the Competition Council is to apply the Law on Competition. In addition to the supervision of the Law on Competition, the Competition Council performs supervision of the Law on Monitoring of State Aid to Undertakings and also carries out functions assigned by the Law on Prices and the Law on Advertising. Under the Law on Competition the Council is responsible for controlling of: 1) agreements that restrict competition, 2) abuses of dominant positions, 3) concentrations which create or strengthen a dominant position with the effect of eliminating or restricting competition, 4) unfair competition, 5) anti-competitive activities of public and local authorities.

Lietuvos Geležinkeliai\textsuperscript{126} (LG) is a designated infrastructure manager in Lithuania (since 2001). It is also a sole railway undertaking in the Lithuanian Railway Transport Market. The accounts of LG acting as infrastructure manager and acting as railway undertaking are separated. At present time LG has four structural divisions – three have been restructured and renamed and one has been newly created. There is planed to set up the new infrastructure manager – state undertaking for administration of public infrastructure – infrastructure manager. LG is totally responsible for maintenance and development of railway infrastructure and herefore has to make considerable investments into the renovation of railways, signalling system, telecommunication facilities, rolling-stock renewal as well as into instalment of different cargo movement tracing and electronic booking systems.

The technical level of the Lithuanian rail sector infrastructure is still below the European one. Therefore, the modernization and development of the Lithuanian railway sector infrastructure is a basic condition of its successful integration into the European railway system. Priority is given to the renovation and modernization of the railway sector infrastructure on the international transport corridors. The main attention in the development of the railway sector infrastructure is being paid to ensure the technical interoperability of Lithuanian railways with the European railways, to meet the contemporary requirements of safety and environment protection, to increase the load of railways and the running speed of trains, to promote combined carriage activities\textsuperscript{127}.

### 3.8 Polish railway infrastructure administrations

Polish rail network totals [2006] 20 176 km on witch 544 km of 1520 mm gauge. The standard gauge lines in total constitute 94.50% of the operated ones while those of the 1520 mm gauge – 2.37%, and narrow-gauge lines – 3.05%\textsuperscript{128}.

\textsuperscript{125} The Competition Council of the Republic of Lithuania (Konkurencijos Taryba) \url{http://www.konkuren.lt/english/index.php}.
\textsuperscript{126} Lietuvos Geležinkeliai (JSC "Lithuanian Railways") \url{http://www.litrail.lt/wps/portal}.
The Ministry of Infrastructure develops the overall transport policy and is responsible for issuing operating licences to railway undertakings. It also deals with the capacity allocation framework and issues the licence to PKP Infrastructure. The main function of the Railway Department of the Ministry of Infrastructure is to prepare legal acts concerning the Railway functioning and regulation. The new Law on Railway Transport (March 2003) was prepared by this office. In some cases Minister of Infrastructure can mediate between various parties (i.e. unions, operators etc.)\(^{129}\).

Since the beginning of the economic transformation at the turn of the 1990s, the Government has been addressing the need to adapt Polish Railways (PKP) to the demands of a market economy. Based on the Railway Restructuring and Privatization Law enacted in 2000, PKP has been going through a period of fundamental structural reform, in particular in organizational and labour restructuring. The previously monolithic company has been split into a number of separate businesses within a holding company structure, the largest of which being railway infrastructure, cargo, and regional passenger services. Among other reasons, this is to allow open access for any operator of freight trains and international passenger trains, a policy being required by the EU\(^{130}\).

The manager of the largest railway line network is the PKP PLK SA that manages 21,994.05 km of the lines including 19,111.25 km operated ones. This number includes 145.0 km of the 1520 mm gauge lines. PKP LHS Sp. z o.o. operates 394.65 km lines of the 1520 mm gauge. Total length of the managed narrow-gauge lines is 692.53 km, of which 624.57 km are operated. There are 11,442.31 km lines of national importance and they are managed exclusively by the PKP PLK SA. On the other hand, also other entities own electrified lines of a total length of 11,944.36 km\(^{131}\).

As of July 1st 2003 according to the art. 74 of Railway Transport Act (“Ustawa z dnia 28 marca 2003 r. o transporcie kolejowym (Dz.U. Nr 86, poz. 789)”) the Main Railway Inspectorate was transformed into Urząd Transportu Kolejowego - UTK (The Railway Transport Office - RTO)\(^{132}\). The Railway Inspectorate was responsible for the safety certification of the rolling stock and railway undertakings. The new Polish Law on Railway Transport of 2003 has given the President of the organization the main regulatory powers in the area of the Polish Railways. The President of the RTO is in charge of licensing, safety certification, setting of charges, dispute settlement over many issues and the competition supervision in the Polish Railways. Most of the organizational structure and staff of RTO were kept from the previous inspectorate. The President of the RTO is appointed by the Prime Minister on a proposal of the Minister of Infrastructure and is subordinate to the above mentioned Minister. Every year the President of the RTO presents to the Minister of Infrastructure the evaluation of the state of the railway traffic safety. The Law on Railway

**References:**


130 Transport in Poland. World Bank. [http://go.worldbank.org/JV2F1L5OW0](http://go.worldbank.org/JV2F1L5OW0).

131 J. Dyduch, op. cit.

Transport of 28th March 2003 regulates the basic rules of railway safety and according to this Law the President of the RTO inter alia is responsible for:

- supervision of keeping of the rules of safety in the railway transport,
- supervision of the correct maintenance and operation of the railway lines and railway sidings,
- supervision of safety of transport of dangerous goods, appointment of the commission and authorisation of advisers on safety of transport of the dangerous goods,
- chairing of the works of past-accidental commission on railway catastrophes and supervision over other past-accidental commissions,
- undertaking action for improvement of the railway transport safety,
- approval of the internal railway regulations,
- control of the fulfilment of duties regarding railway safety by railway managers, operators and railway sidings users,
- control of complying with regulations and execution of decisions and rules in the field of railway,
- stopping of the railway traffic or limitation of traffic on the railway line or section in case of danger to the safety of the railway traffic or transport of people and goods,
- issue of the safety certificates and permission of operation.

The Law on Railway Transport requires the safety certificates from the infrastructure manager, railways operator and user of the railway siding.

The Office of Competition and Consumer Protection was established in 1990 as the Antimonopoly Office (AO). A significant change took place in 1996, when after the reform of the central administration, the AO received its present name – the Office of Competition and Consumer Protection – OCCP (Urząd Ochrony Konkurencji i Konsumentów – UOKiK.). Since 2004 the President of the OCCP has been opining state aid projects granted to undertakings as a part of aid schemes and individual decisions before they are notified to the European Commission, which is the sole competent body to determine state aid’s compliance with the Single Market. On the basis of reports of entities granting aid and of the aid beneficiaries the President prepares annual reports on state aid – mostly on its effectiveness and efficiency as well as on their impact on competition. On 16th February 2007 a new Act of competition and consumer protection was adopted. In order to improve the effectiveness of the OCCP’s operations, the Act eliminated the institution of proceedings launched upon a motion with regard to practices restricting competition and infringing collective consumer interests. The Act empowers the President of the OCCP to impose fines on undertakings who have infringe collective consumer interest. The Department of Competition Protection (DCP) by the Office for Competition and Consumer Protection has lost its main legal power over the regulation of competition in Polish Railways after the establishment of the Office for

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133 ERAIL Monograph Poland, op. cit.

Railway Transport in 2003. Nevertheless, since the RTO has been set up very recently, the President of the OCCP still retains some powers of monitoring of competition in the market (i.e. assisting RTO). Nevertheless, the main competence of OCCP is handling railway passenger complaints.

PKP Group was established in 2001 as a result of restructuring of the State-Owned Enterprise Polish State Railways. The reform was aimed at separation of railway operating activity and managing railway lines as well as set up independent commercial entities. The PKP Group is made up of a mother company, i.e. the PKP S.A. and subsidiary companies. The following companies were covered by consolidation of financial statements in 2006:

1. Polish State Railways Joint Stock Company (PKP JSC), Polskie Koleje Państwowe Spółka Akcyjna (PKP S.A.)
2. PKP Cargo Joint Stock Company (PKP CARGO JSC), PKP Cargo Spółka Akcyjna (PKP CARGO S.A.)
3. PKP Broad-Gauge Metallurgical Line Ltd (PKP LHS), PKP Linia Hutnicza Szerokotorowa Sp. z o.o. (PKP LHS)
4. PKP Regional Services Ltd (PKP PR), PKP Przewozy Regionalne Sp. z o.o. (PKP PR)
5. PKP Intercity Ltd (PKP IC), PKP Intercity Sp. z o.o. (PKP IC)
6. PKP Rapid Urban Rail in Tri-City Ltd (PKP SKM), PKP Szybka Kolej Miejska w Trójmieście Sp. z o.o. (PKP SKM)
7. PKP Warsaw Commuter Rail Ltd (PKP WKD), PKP Warszawska Kolej Dojazdowa Sp. z o.o. (PKP WKD)
8. PKP Polish Railway Lines Joint-Stock Company (PKP PLK JSC), PKP Polskie Linie Kolejowe Spółka Akcyjna (PKP PLK S.A.)
9. PKP Power Engineering Ltd (PKP EN), PKP Energetyka Sp. z o.o. (PKP EN)
10. PKP information Technology Ltd (PKP IT), PKP Informatyka Sp. z o.o. (PKP IT)
11. Railway Telecommunication Ltd (TK), Telekomunikacja Kolejowa Sp. z o.o. (TK)

Polish State Railways, (PKP SA) is the joint stock company that has commenced its business activities on 1st January 2001 taking over all rights and commitments of the state-owned enterprise Polish Railways. PKP SA company’s business activities are to: manage and maintain railway lines, run business in the field of both domestic and international rail transport of goods and people as well as provide related services, execute the restructuring programme of Polish State Railways and manage the PKP group work. The only shareholder of PKP SA is the Treasury, that is the Polish state.

PKP Polish Railway Lines JSC (PKP PLK S.A.) is a company of PKP Group responsible for management of national railway network. Main product of PKP PLK S.A. is timetable constructed according to clients - passenger or freight railway operator -order, sold on the contractual basis as a train path. PKP Polish Railway Lines JSC offers:

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137 ERAIL Monograph Poland, op. cit.
- construction of timetable
- granting railway lines to operators
- running railway traffic
- use of railway lines area for commercial purposes
- investment services

The task of 8 regional divisions of the PKP PLK is to provide technical efficiency of railway lines for safe railway traffic, hold overall management and supervision over subordinate departments and their activity, granting access to railway lines to operators according to separate regulations, supervision and coordination within the range of technical and operational efficiency of infrastructure parts granted to operators, run investment activity on railway lines, cooperation with local governments and economic entities within the scope of attracting new operators on the area of the Division. Main tasks of 27 railway lines establishments are to realise contracts on granting lines and their sections - execution of train journeys, run railway traffic according to timetable and maintain operated lines and other infrastructure elements in good technical and operational condition ensuring safety and the best quality of railway traffic, renting railway area for side tracking and storing of railway rolling stock, devices, materials etc., provide technical rescuing, performing function of substitute investor in the field of railway infrastructure, technical and economical consultancy.

Railway network being managed by PKP Polish Railway Lines JSC and granted to railway operators covers ca. 20 thou. km of railway lines. Railway network is divided into lines of national and local importance. Lines of national importance are characterized in Regulation of the Council of Ministers dated 8th February 2000 on the register of railway lines of national importance due to economic, social, defence or ecological reasons. Lines of significant importance for international railway transit pass through Polish territory. These lines are covered by international agreements AGC and AGTC. There are 1500 stations operated on the network of PKP Polish Railway Lines JSC. There are also over 14 600 level crossings with roads and pedestrian passages, including 3 000 guarded by workers on the lines. PKP Polish Railway Lines maintains over 26 500 structures, including almost 7 000 bridges and viaducts.

3.9 Romanian railway infrastructure administrations

The railway network in Romania comprised in 2004 22 298 km of track, of which 36% electrified and 27% double track. In terms of size and scale of operations, railways are comparable with larger EU railways. However, as in other centrally planned economies, Romanian railways had very short lengths of haul, averaging only 250 km. Consequently, the railways experienced a dramatic fall in freight and passenger volumes from the peak volumes recorded in 1989 mainly due to the decline in GDP and competition from road transport. The railways could not finance maintenance and investment in facilities and equipment. Railways covered the losses by accumulating arrears to the state and through debt to other creditors. As a result, the Government launched a railway reform program in 1996 – supported by World
Bank, EBRD, EU-PHARE. The previous state railway company (SNCFR) was initially separated into five companies, subsequently merged into three: infrastructure (CFR), freight (Marfa), and passenger (Calatori), with the state as the sole shareholder in all three. The restructuring also created a regulatory agency (AFER) within MTCT, in addition to the Ministry’s railway department that coordinates the operations of the railway companies

In the rail sector, Romania is in the process of restructuring to meet the challenge of operating in a true market environment where the latest European regulations apply. Three main priorities have been identified - to consolidate the restructuring process that began in 1997, to improve the railway's infrastructure, and to modernise its passenger services.

Concerning railway administration: separation, licensing and charging, interoperability and safety, state aid, competition and public service obligations, and statistics, the following Romanian organisations are involved in one or more of these clusters of activities:

- Ministry of Transport (MT), involved in separation, licensing, state aid, competition, public service obligations and statistics
- Railway Supervision Council (CSF), - new
- Romanian Railway Authority (AFER), which is the technical special body of the MT, issuing licences for railway operators.
- National Company of Railways (CFR S.A) – Infrastructure Manager, involved in charging, interoperability, safety, state aid, statistics
- CFR Marfa - Freight operating undertaking (National Operator);
- CFR Calatori - Passenger operating undertaking (National Operator);
- National Society of Romanian Railways: Continues to exist as an autonomous entity, whose main task is the administration of debts that existed at the time of the restructuring of the railway sector;
- Society for the Railway Management Services SMF: Deals with financial and accountancy services, administration of the external credits and the provision of legal services.

Romanian Ministry of Transport (MT) is one of the fifteen ministries of the Government of Romania [2007]. The Ministry of Transports is organized and functions in conformity with the provisions of the Government Decision no. 229/2005, has juridical personality and is the state authority in the field of transports. In his long list of tasks (53 points), linked with the railway infrastructure are (No of listed tasks):

- 6) elaborates the development strategies of the infrastructures

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7) grounds and elaborates the necessary founds from the state budget for its fields of activity
21) provides the administration and development of the transport infrastructures and of the equipment of national interest from the national transport system
22) provides without discrimination to all the users equal access to the transport infrastructures open to the public access
27) elaborates and submits to the approval of the Government the fees for the utilization of the railway infrastructure and any other fees which have to be approved by the Government
28) classifies the transport infrastructures in conformity with the national and international standards;
29) establishes by means of the norms an unitary way of presentation for the informational system regarding the public transport for persons, in the area of administration of the transport infrastructure of public interest
30) elaborates and submits to the approval of the Government the plan of the national transport network having as an object the transport of persons and goods between the cities of the country, as well as the connection of the national transport infrastructures to the main international transport infrastructures
31) signs, on behalf of the state, contracts of activity with the national company that administers the railway infrastructure, with the national companies or the commercial companies providing public transport for persons

In accordance with the provisions of Article 2 from the Organization and Functioning Regulations of the Railway Supervision Council (Consiliul Superior Feroviar) \(^ {143} \), approved by Government Decision no. 812/2005 The Railway Supervision Council is independent, as far as the organizational, legal and decision-making aspects are concerned and with regard to the financial decisions, of:
  - the railway infrastructure managers;
  - the railway infrastructure charging bodies;
  - the railway infrastructure capacity allocation bodies;
  - and the railway undertakings.

Attributions of Railway Supervision Council are:
1. analyzes and settles all the appeals against the decisions taken by the railway infrastructure manager or, if the case may be, by the railway undertaking with regard to:
   a) the network statement;
   b) the criteria included in the network statement;
   c) the procedure of railway infrastructure capacity allocation and its results;
   d) the charging system;

e) the level or structure of the railway infrastructure charges, which it has to pay or which it could have the obligation to pay;

f) the safety certificate, the application and control of the safety norms and regulations;

2. supervises and makes sure that the charges established by the railway infrastructure manager are in accordance with the legal provisions in force and have a non-discriminatory nature;

3. authorizes the negotiations between the applicants and the railway infrastructure manager with regard to the railway infrastructure access charge;

4. supervises the negotiations between the applicants and the railway infrastructure manager with regard to the level of the railway infrastructure access charges and interferes immediately if the negotiations could be non-compliant with the legal provisions in force;

5. decides on all the appeals and takes the necessary measures for remediying the situation, within a maximum deadline of a month from receiving the whole information;

6. monitors the competition on the market of railway transport services, inclusively on the freight railway transport market, without infringing the legal provisions regarding the competition and the activity of the relevant public institutes / authorities in the field;

7. takes the necessary measures for its proper functioning;

8. collaborates with the ministries and other public authorities in order to fulfil its tasks;

9. regularly analyses the compliance with the legal framework in its activity field and makes improvement proposals, in accordance with the regulations of the European Union;

10. performs information exchanges with the similar supervision bodies in the EU member-states and candidate-states on their activity and their decision-making principles and practices, so that its decision-making principles may be harmonized with those of the supervision bodies in the EU member-states.

11. The Supervision Council shall fulfill any other specific task set down in the law.

Autoritatea Feroviara Romana – AFER144 (Romanian Railway Authority) is set up and is functioning according to the provisions of the Government Ordinance No. 95/1998 on setting up public companies subordinated to the Ministry of Transports. AFER is a public office with legal structure, subordinated to the Ministry of Transports entirely financed by extra-budgetary funds, functioning according to the regulations in force. AFER is the specialized technical body of the Ministry of Transports notified to ensure, mainly the state inspection and the safety control of the railway and subway transport, the railway register specific activity, the licensing of railway undertakings, the authorization and the technical survey of domestic suppliers of products and services in the railway field, the examination and certificates granting, in case, for the staff working in the field of the traffic survey, the investigation of the railway events and accidents. Bodies that operate in AFER:

- RRSA - Romanian Railway Safety Authority
- RRNB - Romanian Railway Notified Body
- RRIB - Romanian Railway Investigating Body
- RRLB - Romanian Railway Licensing Body

National Company of Railways (CFR S.A.) is the Romanian railway infrastructure manager responsible for the public rail infrastructure. Its main offering is access to the rail infrastructure for the train operating companies. The company was established in 1998. The CFR - SA National Railways Company is engaged in the national-interest public activity of railway transportation and in meeting the country’s defence needs, with the following activities:

- management of the railway infrastructure and its availability for railway operators, according to the law;
- development and modernisation of the Romanian railway infrastructure in accordance with European standards, in order to secure compatibility and interoperability with European railway transportation systems;
- organisation, planning, coordination and control of administration, exploitation, maintenance and repairs on the railway infrastructure;
- management of auxiliary railway assets.
- the company manages two types of infrastructure:
  - public infrastructure, such as main lines and marshalling yards, tunnels, viaducts, train control systems, on which it holds a 50 years concession from the Ministry of Transports;
  - private infrastructure, such as land, buildings, other lines and stations, which it owns.

The state also provides financial support to CFR SA for investment. Some state funding is also paid to CFR SA for ongoing costs, but the amount does not cover the actual sum involved. This is partly because there is a significant amount of track that is no longer required and partly because there is a backlog of deferred maintenance that has accumulated over the past decade. Until recently, access charges were much higher for freight trains than for passengers, partly because the state did not reimburse the full cost of public service compensation for passenger services, meaning that CFR Marfa had to cross-subsidise them. In 2003 for example, charges were k3·6/train-km for CFR Marfa and k1·0/train-km for CFR Calatori. This undermined CFR Marfa's competitiveness and reduced CFR SA's revenue which it needed to maintain the track and pay its staff. Consequently the access charge system has gradually been changed to eliminate these undesirable effects.

3.10 Slovak railway infrastructure administrations

Most of the main line railways in Slovakia are standard gauge (1435mm), but a Russian gauge (1520mm) line connects the steelworks at Hutníky (near Košice) to the Ukrainian border. Railways of the Slovak Republic has 3665 kilometres of railroads, of which 2484 are one track and 1023 km are two tracks, 52 km are narrow tracks and 106 are wider tracks than standard and they have 10 149 switches. In the Slovak rail network there are 1472

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145 [http://www.cfr.ro](http://www.cfr.ro)
146 ERAIL Monograph Romania, op. cit.
147 Wolf-Dietrich Geitz, op. cit.
km of electrified railways, of which 735 km are with one directional track system 3 kV and 707 km with variable track system 25 kV/50 Hz\textsuperscript{148}.

Key stakeholders in the Slovak rail industry are: 1) government: The Ministry of Transport, Post and Telecommunications and The Ministry of Finance, 2) regulatory bodies: Štátny Dráhový Úrad (SDU) - State Railways Authority and Anti Trust Office of The Slovak Republic, 3) infrastructure manager and capacity allocation: ŽSR (Railways of the Slovak Republic), 4) railway undertakings.

The process of complex transformation of the Railway Company continued by the creation of two independent bodies on January 1, 2005: Railway Company Slovakia – rail passenger operator; and Railway Company Cargo Slovakia – rail freight operator. The chief reason for the division was the fact that there were different enterprenial philosophies as well as mutual relationships towards the government. Passenger transport is generally focused on providing public services, whereas freight transport is business-oriented. The aforementioned division will enable the railways to maintain their position in the transport market and achieve positive economic results, also conditioned by the privatisation of the Railway Company operating in freight transport\textsuperscript{149}.

The Ministry of Transport, Post and Telecommunications (MTPT) is responsible for the Slovak Republic’s transport policy covering traffic by road, rail, air and sea. In the field of railway transport the measures of the MTPT are\textsuperscript{150}:

- In long-term create and develop relationships between the state and parties involved in the transportation market, mainly in transparent licence issuing/assignment,
- Legislatively form of conditions in the transport market and establishment of a regulatory framework according to EU legislation,
- Establish a regulatory office, administratively, financially and legally independent of railway companies,
- Create conditions for companies in the railway transport market for high quality, price-adequate and safe transport services,
- Secure liberalisation of international and home freight railway transport in the whole Slovak railway network until January 1, 2006, respectively January 1, 2007, focusing on improvement of competitiveness and support of proper economic competition,
- Create conditions for international passenger transport liberalisation in compliance with EU approach.

The Ministry of Finance acts as an economic regulator for the infrastructure manager and manages aspects of the charging framework. The level and structure of charges for the provision of rail infrastructure are overseen by the Ministry and changed when necessary.

\textsuperscript{148} Railway’s network of Slovak railway. \url{http://fpedas.uniza.sk/~kzd/kpzzu/slovak_railways.html}.


\textsuperscript{150} Ibidem.
Railway regulatory body in Slovak Republic is Štátny Dráhový Úrad (SDU) - State Railways Authority - issues operating licences to provide rail transport services in the Slovak Republic151.

Conforming with the *acquis communautaire* (article 10.7 of Directive 2001/12/EC and in articles 30 and 31 of Directive 2001/14/EC.), the main task of the Regulatory Body is to ensure a fair and non-discriminatory access to the rail network and services152. In Slovak Republic from 2005 this task ensures the Railway Regulatory Authority (URZD - Úrad pre Reguláciu Železničnej Dopravy)153. Railway Regulatory Authority (URZD) was established according to the decision of Minister of Transport, Posts and Telecommunications of the Slovak Republic on 1st November 2005. Its competence and duties are set in the setting document no.: 2340/M-2005 from 28/10/2005 and by the Act of the National Council of the Slovak Republic No. 164/1996 Coll. on railroads and on amendments of the Act No. 455/1991 Coll. on Small Trade Business as last amended. Railway Regulatory Authority as the competent railroad administration authority (DSÚ) within the scope of competence (from 1/11/2005)154:

1) of special building Office in the field of state building administration in the matters of railways (nationwide, regional, and sidings), special tracks and cable ways executes the following activities;

2) of state administration in the matters of railways (nationwide and regional, and sidings), special tracks and cable ways, rolling stock of the given railroads within the scope of the Act on the railroads and URZD Statute, it executes following activities;

3) of state professional supervision for railways operation, railways transport operation and safety on the given railroads, controls: insuring the safe railroad operation and safe railroad transport operation.

In the field of the given competence the activities are taken based on the impulses and submission of the involved subjects, as well as activities based on the impulses of the URZD itself (especially in the case of state supervision on the railroads). URZD as the price regulator in the field of railways is entitled by the generally binding legal regulation to lay down scope of regulation and details on the price regulation system, as well as the scope of the economically justifiable costs and reasonable profit, which is used when regulating the price.

Železnice Slovenskej Republiky (ŽSR), Slovak Republic Railways is the state-owned railway infrastructure operator in Slovakia. The company was established in 1993 as a successor of the Československé Státní Drahy in Slovakia. Until 1996 it had formal and since then de-facto monopoly on railroad transportation in the country. Since 2002 a law divided the company: ŽSR was left with infrastructure maintenance and personal and cargo transport

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was moved into company "Železničná Spoločnost', a. s." (ZSSK). In 2005 this new company was further split into "Železničná Spoločnost Slovensko, a. s." (ZSSK) providing personal transport services and "Železničná Spoločnosť Cargo Slovakia, a. s." (ZSSK Cargo) providing cargo services. All the companies are state owned.

ŽSR is an infrastructure manager – it provides transport services as well as other related activities in the line with the state transport policy and market demands. Since 1 January 2002 the main mission of ZSR is as follows:

- management and operation of railway infrastructure;
- provision of operation-related services;
- founding and operating of railway, telecommunication and wireless networks;
- construction, regulation and maintenance of railway and funicular infrastructure;
- other business activities as recorded in the Commercial Register.

ŽSR is responsible especially for: (i) administration and operation of the railway network; (ii) providing railway network services; and (iii) construction and maintenance of railways in Slovakia. ZSR supplies traffic and transport services on the railway network according to the requirements of the Slovak government. ZSR is fully owned and controlled by the Slovak Republic through the Ministry of Transport, Post and Telecommunications ("Ministry of Transport"), which approves ZSR's financial plans and the maintenance, reconstruction, modernisation and development of railway infrastructure, as well as reviewing ZSR's compliance with public-interest obligations and state policy principles. With regard to business activities, ZSR is focused on the supply of railway capacities to its two major customers - fully state-owned companies ZSSK CARGO and ZSSK, currently generating over 97% of ZSR's revenue from track access charges.

3.11 Slovenian railway infrastructure administrations

Slovenia may have one of the smallest national railways in Europe with a network of just 1229 km, but it has one of the highest market shares for freight in Europe at 41%, and traffic is growing strongly. The present day Slovenian Railways is a modern network with electrified main lines and high speed passenger trains on major corridors. Slovenian Railways operates 1,229 km of standard gauge tracks, of which 331 km as double track, and reaches all regions of the country. Electrification is provided by a 3KV DC system and covers about 503 km.

Key stakeholders in the Slovenian rail industry are: 1) government: The Ministry of Transport, 2) regulatory bodies: Transport Inspectorate of the Republic of Slovenia, Agency

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158 D. Briginshaw: Slovenian railways puts its faith in block trains. http://findarticles.com/p/articles/mi_m0BQQ/is_7_44/ai_n6131830 .
for the Management of Public Railway Infrastructure Investment and Competition Protection Office, 3) infrastructure manager and capacity allocation: Railway Transport Agency (successor of the SV Slovenian Railways), 4) railway undertakings.

The Ministry of Transport performs tasks in the field of railway transport, air transport, maritime and inland waterway transport and road transport (with the exception of road transport safety control), as well as tasks in the field of transport infrastructure and cableway installations. The Ministry is structured into offices that perform duties falling within the competencies of the Ministry:\(^{160}\)

- Transport Directorate
- International Relations Directorate
- Roads Directorate
- Railways and cableway Directorate
- Civil Aviation Directorate
- Maritime Directorate.

Bodies under the responsibility of the Ministry perform operational tasks, whereas Inspectorates carry out control tasks. The mission of the Ministry of Transport is to provide conditions for high-speed, reliable and economically efficient transport of passengers and goods from the source to the destination of traffic flows while maintaining the utmost degree of safety. In order to realize its mission, the Ministry of Transport has to provide co-ordinated, reliable and cost-effective functioning of the overall transport system.

Transport Inspectorate of the Republic of Slovenia was established by the 1999 Railway Transport Act to supervise and oversee the implementation of the Act. It is a part of the Ministry of Transport, and has a general remit to be responsible for supervision of the provision of a safe and orderly railway transport services. Pursuant to the Decree on administrative bodies within ministries, the Transport Inspectorate is responsible for inspection supervision of the implementation of regulations in the areas of road and railway transport, transport infrastructure associated with these two types of transport, cableway installations and the safety of ski-slope operations. Inspection supervision is performed by specially authorised and responsible inspectors, who are autonomous in carrying out their work within the limits of their powers:\(^{161}\)

The Inspector can order irregularities to be solved within a given timescale, as well as prohibit the provision of rail services from undertakings that do not have a valid licence or safety certificate for such services, or does not fulfil the conditions on the basis of which such a document was issued. The Transport Inspectorate is an independent body within the Ministry and manage the following tasks:\(^{162}\):

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• control the procedures, used at the safe operation and proper maintenance of the installed infrastructure equipment according the valid regulations,
• control of the availability and maintenance of the rolling stock, according the valid regulations,
• control of the construction and maintenance of railway tracks and stations,
• supervision of the activities in case that the existed equipment will be modernised or the new equipment will be installed,
• supervision of the railway worked staff, their qualifications and education,
• cooperation with other bodies in preparing the proposals of the new acts, regulations,
• other tasks, determined by the act or other regulations, or tasks, assigned to the Transport Inspectorate by the authority, to the structure of which it belong.

Slovenian Agency for the Management of Public Railway Infrastructure Investment is responsible for the organisation, handling, and management of investments in the public railway infrastructure at all stages. In addition, it revises project documentation, and concludes public service contracts on railway services, the management of the public railway infrastructure, and the management of railway stations, and supervises both the implementation thereof and the manager's other tasks\textsuperscript{163}.

Competition Protection Office of the Republic of Slovenia (Urad Republike Slovenije za Varstvo Konkurence)\textsuperscript{164} have the role of engaging in the so-called "competition advocacy", i.e. activities aimed at the strengthening of competition culture. The Prevention of the Restriction of Competition Act envisages, in order to carry out the tasks foreseen in the Act, the establishment of an Office for the Protection of Competition, which is independent and autonomous in exercising its tasks. The Office supervises the application of the provisions of this Act, monitors and analyses situations on the market, conducts procedures and issues decisions in accordance with the Act, submits its opinions to the National Assembly and the Government on general issues under its competence, and in accordance with the Council Regulation on the Implementation of the Rules on Competition laid down in Articles 81 and 82 of the EC Treaty, conducts procedures concerning violations of provisions contained in these two articles. The Office also assesses alleged restrictive agreements referred to in Article 5 and abuses of a dominant position mentioned in Article 10 of the ZPOmK. Following receipt of a notification, it examines whether a concentration is compatible with the rules on competition, and after the procedure is concluded, it approves, prohibits or conditionally approves the concentration.

Competition Protection Office of the Republic of Slovenia (hereinafter: the Office) was established on 21 October 1994. It is organised as a body within the Ministry of the Economy, however, it is independent in carrying out the tasks of competition protection\textsuperscript{165}.

\textsuperscript{163} Slovenian Agency for the Management of Public Railway Infrastructure Investment. \url{http://www.mzp.gov.si/fileadmin/mzp.gov.si/pageuploads/Razno/4_12_07_Agency_for_the_Management_o_f_Public_Railway_01.pdf}
\textsuperscript{164} Competition Protection Office of the Republic of Slovenia (Urad Republike Slovenije za Varstvo Konkurence). \url{http://www.uvk.gov.si/en}.
\textsuperscript{165} Competition Protection Office – Annual Report 2006.
Office is in the administrative procedure competent for investigating restrictive practices, control of concentrations and application of legislation.

Slovenian railway infrastructure is managed by Railway Transport Agency (RTA), Javna Agencija za Železniski Promet Republike Slovenije (AZP), created in 2003 (transformed in February 2007) on the framework of law on railway reform in the Republic of Slovenia. RTA is an independent corporation of public law, which performs professional, technical, developmental and some administrative and monitoring tasks in the field of transport according to provisions regulated by the Railway Transport Act, Safety Railway Transport Act and Resolution of the Foundation of the Agency. Railway Transport Agency is a manager of public railway infrastructure (PRI) that assures - above all in the interest of users - a surveyable and impartial activity of the market in the field of railway transport. Activities of RTA, provided by Railway Transport Act 166:

- to assure conditions for the provision of obligatory management public services, provided by the Railway Transport Act;
- to implement financing of the management public services;
- to manage complaints procedures in connection with allocation of train paths and charges of the use of railway infrastructure;
- to prepare expert bases for the charges of the use of PRI;
- to monitor adjustment, elaborating and performing of the timetables and their confirmation;
- to pass and divest licenses and safety certificates;
- to pass licenses and approvals according to the Safety Railway Transport Act;
- to organize elaboration of research and development projects in the field of public railway infrastructure and transport of passengers in railway traffic;
- to build a new public railway infrastructure;
- to elaborate drafts of the annual and medium-term plans for maintenance and modernizing and a draft of the National programme of PRI’s development;
- to prepare starting-points for discussions on international cooperation and collaboration in preparation of international contracts in the field of railway transport, other activities provided by the acts or other regulations or tasks, defined by the body to which the Agency belongs.

Infrastructure manager of public railway infrastructure in the Republic of Slovenia is the competent authority for the design of and publishing of the Network Statement. The Network Statement was prepared in compliance with - The Railway Transport Act– official consolidated text – ZzelP-UPB4 (Official Gazette RS, No. 44/07) 167.

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166 Javna Agencija za Železniski Promet Republike Slovenije (Railway Transport Agency).

Railway transport is operated by Holding Slovenske železnice, d. o. o. (SŽ)\textsuperscript{168}. Slovenske železnice carries goods in domestic and international freight transport. In addition to rail transport – from the station of dispatch to the destination station or to an industrial track – we also provide road consignment delivery as well as door-to-door transport services. SŽ provides also the inland and international transport of passengers and offers many attractive possibilities for private and official journeys by train.

Railway infrastructure, which consists of land, tracks, devices and buildings, is considered the common good. The state secures funds from the national budget on a yearly basis for the maintenance and development of infrastructure and to cover the gap between the costs of and revenues from passenger and multi-modal transport\textsuperscript{169}.

### 4. AIR TRANSPORT

#### 4.1 Airports management in NMS – general remarks

After liberalising the air transport market by the creation of the internal market and addressing the "saturation of the skies" through the Single European Sky initiative, the Commission will now focus on airports. Capacity will not be able to match demand and risks are becoming the most constraining factor on air transport. The knock-on network effects of this weakest link threaten the efficiency of the whole air transport chain. Since air transport is seen as a 'motor' for economic growth, this in turn risks undermining the overall competitiveness of the European economy. Airport capacity is a function of both runway and ground infrastructure. The runway capacity corresponds to the maximum number of aircraft landing and/or taking off, taking into account physical constraints which have an impact on safety like wake turbulences vortices. The ground infrastructure capacity corresponds to the physical lay out of the terminals (parking spaces and boarding gates, etc.) and the efficiency of their management\textsuperscript{170}.

The hierarchy of European airports is influenced by numerous factors. One of the basic factors is the liberalization of air transportation. The age of liberalization acts is also an important factor. Central European countries joined the ‘open sky’ idea relatively late on the eve of the 21st century. Previously before accepting low cost carriers in their skies only the central airport serving the capital city and the main urban areas in countries like Poland, Czech Republic or Slovakia had international air-transport importance. The others were only local, usually and connected only with central airport (domestic routes). There were some exceptions – Krakow and Gdansk had international connections soon after receiving their

\textsuperscript{168} Holding Slovenske železnice, d. o. o. (SŽ) - \url{http://www.slo-zeleznice.si} .

\textsuperscript{169} Transport in Slovenia. World Bank. \url{http://go.worldbank.org/R2LEM4D2C0}.

Transport infrastructure administrations and management in NMS. Annex to CATRIN D4

Civil aviation function. Many Central European airports were managed by the army, and thus there were considerable barriers for their spatial development.

Regulation has changed in the last 15 years and today European airports are regulated under systems with very different regulatory power. The central problem for regulation is the regulator has asymmetric information about the demand and cost functions and that the regulator must design a contract to set incentives for the regulated firm. While high powered regulation sets incentives for cost reductions and productive efficiency, an efficient price structure low powered regulation does not. This power is largely determined by whether the regulated prices are cost based or price capped, but also by the decisions on the scope of regulation as well as risk sharing arrangements. Many authorities in Europe regulate airport charges according to principles of cost relatedness. The charges should create just enough revenues to cover total costs including the depreciation of capital and a normal rate of return on capital. The structure of charges should also be cost related, namely each charge should reflect its costs. In Europe many of the public airport systems like Greece, Poland and Finland set their charges in this way. Charges are supposed to be set according to ICAO principles of cost relatedness. CAA’s and Departments of Transport which operate and manage airports directly follow this principle. In the case of formally privatized airports such as most German airports the regulator approves charges only if they are cost related171.

The formation of the EU common market and the rise of the low-cost carrier, the increased utilization of larger regional jets, conversion of former military airfields into commercial service airports and the growth and expansion of the number of regional carriers have been the key drivers for the growth of regional airports. Regional airports present a dilemma in the EU. On the one hand they provide needed capacity in areas where major airports have become congested. Regional airports have become progressively more important in the European aviation network. Traffic growth is increasingly spread over smaller airports in the European airport hierarchy as entry by airlines, especially LCCs, has been via secondary airfields. The regional airport has provided two important outcomes for Europe; first, airports have increased access to aviation markets for a large proportion of the population and, second they have increased competition among airlines which has resulted in lower fares, increased frequencies and more destinations172.

After liberalising the air transport market by the creation of the internal market and addressing the "saturation of the skies" through the Single European Sky initiative, the Commission will now focus on airports. Capacity will not be able to match demand and risks becoming the most constraining factor on air transport. The knock-on network effects of this weakest link threaten the efficiency of the whole air transport chain. Since air transport is seen as a 'motor' for economic growth, this in turn risks undermining the overall competitiveness of the European economy. Regional airports are important to the development of an integrated European air transport network. In this respect, it would be desirable to unlock existing latent

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172 Ibidem.
capacity at regional airports provided that Member States respect Community legal instruments relating to state aids. Global Navigation Satellite Systems could play a significant role for increasing capacity and flexibility of operations at those airports without increasing the cost of local infrastructure. Member States should endeavour to improve the accessibility of such airports by rail and road to allow them to act as reliever airports.\footnote{An action plan for airport capacity, efficiency and safety in Europe. Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions. COM(2006) 819 final. http://ec.europa.eu/transport/air_portal/airports/doc/2007_capacity_en.pdf.}

The capacity of an airport is dependent on the demand for one or more of its limiting components, such as the runway system, aircraft parking positions, gates, passenger terminal throughput (e.g. check-in and baggage delivery) and surface access. Good management of these areas will determine the extent to which the airport can reach its full capacity potential. Without an expansion in capacity or resolution of the problem by other means, an airport becomes congested at certain times. This occurs when the demand for one or more of its limiting components exceeds capacity in a certain time period. Due to an imbalance between the demand for worldwide air transport and the availability of adequate airport facilities/infrastructure and airspace systems to meet such demand, the number of congested airports worldwide is growing. As a result, the airline industry is increasingly subjected to serious operational disruptions, with a significant number of delayed departures and arrivals, which result in significant economic penalties. This adverse situation, which negatively impacts passengers, shippers, air traffic control agencies throughout the world as well as airports, has been the subject of intense consideration by Governments in recent years. Some have considered the introduction of various traffic distribution formulae to help relieve the congestion at busy airports. IATA is opposed in principle to the imposition of such rules because they can be impractical in the context of an international air transport system. Airline schedules, by their nature, involve more than one airport, often in different countries or continents. Any solution that is likely to ease the problem in one location must therefore be considered in an international context, with the active involvement of airlines and others directly involved in the air transport industry\footnote{IATA Worldwide Scheduling Guidelines Effective December 2005, 12th Edition. http://www.iata.org/NR/ContentConnector/CS2000/SiteInterface/sites/whatwedo/scheduling/file/fdc/WSG-12thEd.pdf.}.

For the purposes of schedule clearance, there are three broad categories of airports\footnote{Ibidem.}:  

- Level 1 describes those airports whose capacities are adequate to meet the demands of users. Such airports are recognised from a schedule clearance viewpoint as non-coordinated.
- Level 2 describes airports where the demand is approaching capacity and a more formal level of co-operation is required to avoid reaching, if at all possible, an over-capacity situation. These airports are referred to as schedules facilitated.
- Level 3 describes those airports where demand exceeds capacity during the relevant period and it is impossible to resolve the problem through voluntary co-operation between
airlines and where, after consultation with all the parties involved, there are no possibilities of resolving the serious problems in the short term. In this scenario, formal procedures need to be implemented at the airport to allocate available capacity and coordinate schedules. Airports with such high levels of congestion are referred to as coordinated.

The designated level of an airport will be reviewed by IATA Management after receipt of valid justification and explanation by the appropriate airport managing body and then distributed by IATA to the airlines affected.

In Eastern Europe passenger traffic is more concentrated at one particular international airport than in most of the states of Western Europe. When analysing the situation of the new member states and the ‘old’ EU countries in terms of airport capacity and efficiency, clear differences and clear similarities can be shown. Differences arise mainly from the different historical backgrounds and similarities stem from the harmonisation of the legal and financial system in these countries with EU standards. In general differences are decreasing year by year, as the integration into Europe is wider and wider. NMS are harmonising their standards with those in the EU and they are trying to use the same capacity enhancement techniques. However, due to the significant differences of the past to find similar solutions to the present and future problems is not always possible. Capacity bottlenecks at major EU airports are mainly due to a shortage of runways, ATC, or en-route capacity, whereas in the accession countries runway capacity usually exceeds terminal and apron capacity. Most of the terminals of the NMS can serve more passengers than they serve today, the level of service is to be upgraded at many airports.  

All 10 NMS are the members of ICAO and 8 countries are the members of Eurocontrol. Four countries (Bulgaria, Czech Republic, Hungary and Poland) are the members of EUACA. EUACA Members and Associate Members manage access to more than 100 airports throughout the EU and the neighbouring countries from the Canary Islands in the South West to Finland in the North-East. The EUACA represents the views of the European Coordinators. Coordinators are responsible for managing supply and demand at the busiest airports worldwide through the process of allocating slots to airlines. Coordinators often look after many airports in their home country. Demand from airlines has grown steadily over the years and there is no sign that the rate of growth will slow down. Unfortunately airport infrastructure is not growing at the same pace. Consequently the work of the Coordinator, already heavily regulated by Brussels, is likely to become ever more complex and heavily regulated in the future.

Key stakeholders in the NMS air infrastructure are:

- government,

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179 The European Union - Airport Coordinators Association (EUACA) - [http://www.euaca.org](http://www.euaca.org).
- regulatory bodies,
- airport infrastructure managers (slot coordinators),
- airport undertakings.

4.2 Bulgarian airport management

There are 214 airfields in Bulgaria (civil, military and private)\(^{180}\) on which 132 with paved runways\(^{181}\), 31 with Code ICAO\(^{182}\), 11 with Code IATA (on which 5 international)\(^{183}\). The biggest Bulgarian airport is Sofia-Vrazhdebna Airport. Plovdiv International airport is mainly used for charter flights for the ski resort of Pamporovo. The international airports of Varna, Gorna Oryahovitsa Airport and Bourgas-Sarafovo are used for local flights from Sofia, as well as for charter flights during the summer, serving the beach resorts around these 2 cities on the Black Sea coast\(^{184}\).

Nowadays civil aviation in Bulgaria faces the challenges of air transport liberalization in Europe, and makes efforts to harmonize the national aviation legislation in unison with the EU requirements in the hope of reaching the EU standards conductive to Bulgaria's earliest integration in the EU.

In the field of air transport the rights and obligations of the Bulgarian Minister of Transport are to\(^{185}\):
- create safe conditions for civil air transport,
- organize and supervise technically the investigation of aviation accidents,
- issue a certificates of qualification to the radio operators of the aerial mobile radio service, the aerial mobile-satellite radio service,
- organise the control of compliance with conditions for executing public transportation of passengers, freight and the documents for performing transportation services.

Regulatory body of Bulgarian air transport is Directorate General "Civil Aviation Administration" (DG CAA)\(^{186}\). The DG CAA shall be a state budget supported legal entity within the Ministry of Transport, headquartered in Sofia, and a secondary principal of budgetary loans. DG CAA shall constitute of five regional departments - airport administrations as provided for in Article 48a, par.4 of the Civil Aviation Act. The DG CAA shall perform the functions of a Civil Aviation Administration in accordance with the Civil


\(^{183}\) Aviationweb déjà vu - [http://avia-dejavu.net/europwz.htm](http://avia-dejavu.net/europwz.htm)


Aviation Act and the International Conventions and Arrangements, which the Republic of Bulgaria is a party. It is a national control authority with regard to the safe and effective operation of air navigation service providers.

Aircraft Accident Investigation Unit (AAIU)\(^{187}\) was established in October 2001 in accordance with the provisions of: Annex 13 for aircraft accident and incident investigation to the Chicago Convention, Council Directive 94/56 establishing the fundamental principles governing the investigation of civil aviation accidents and incidents and Article 3 of the Regulation No:13 of the Ministry of Transport for aircraft accident investigation, dated 27 January 1999. In 2004 the Civil Aviation Act was revised and amended and Article 16d was created which represents the legal provision for the establishment of the AAIU. The main functions of the AAIU as described in Article 16d of the Civil Aviation Act are:

- maintain a system for obligatory and voluntary reporting of aviation events: aviation accidents, serious incidents and incidents;
- organize and control technically the investigation of aviation accidents and serious incidents, and support the work of the committees created for this purpose;
- maintain an archive for the investigations and an information database for the aviation events;
- prepare and distribute an information bulletin for the aviation events;
- in the investigation of aviation events, analyse the actions of the physical and legal entities in the sphere of aviation and the functioning of the objects and facilities connected with the concrete event.

The Team of Slot Coordination Sofia is responsible for allocation of the airport slots at Airport Sofia – coordinated airport – Level - 2. The airport slots for landing and take off have to be requested from the coordinator for all flights of aircraft, including the general aviation (except of emergency landings, flights connected with a human life saving, search and rescue flights)\(^{188}\).

In the early 90-ies, economic transformations began in Bulgaria based on the principles of market development of the economy. With a decision of the Council of Ministers of the Republic of Bulgaria Sofia Airport became identified as an independent company. As a commercial enterprise, Sofia Airport performs several business activities in parallel with its main role as a designated airport operator\(^{189}\). Fraport Twin Star Airport Management AD is from 2006 responsible for modernizing, expanding and operating Varna (VAR) and Burgas (BOJ) airports in Bulgaria’s Black Sea region\(^{190}\). The operator is controlled by Germany’s Fraport which bid for the 35-year contract in partnership with Varna-based company BM Star. The concessionaire has vowed to inject 403 million Euro in the two airports during the lifespan of the arrangement. Fraport said it will pay 60% of an investment of EUR 403 million over the 35 year concession. The investments will be made in new


\(^{188}\) Team of Slot Coordination Sofia - [http://www.sofia-airport.bg/slotcoord](http://www.sofia-airport.bg/slotcoord).


\(^{190}\) Fraport Twin Star Airport Management AD - [http://www.fraport.de/cms/default/rubrik/19/19971.htm](http://www.fraport.de/cms/default/rubrik/19/19971.htm).
terminal facilities, vehicles and equipment and expanding apron areas at the airports over the life of the concession Fraport will be the lead partner, with a 60% share, in a consortium with BM Star of Bulgaria.

4.3 Czech airport management

In Czech Republic in 2007 are 122 airfields (civil, military and private) on which 45 with paved runways\textsuperscript{191}, 102 with Code ICAO\textsuperscript{192}, 10 with Code IATA (on which 6 international)\textsuperscript{193}.

The Czech Ministry of Transport regulates civil air transportation within the Czech Republic. It also regulates the development of the Czech civil airport infrastructure. Some companies previously managed by the Czech Ministry of Transport have been transformed into state-owned enterprises that operate as independent entities. Some of the companies have been privatized and have the status of joint stock companies. However, majority ownership is still maintained by the state through the National Property Fund. Only four international airports are still under the supervision of the Czech Airports Administration (CAA), but these four, Prague, Brno, Karlovy Vary, and Ostrava constitute the major upcoming projects in airport infrastructure. Other airports have been privatized and are owned primarily by local municipalities. Plans for development of these airports are still being discussed. Liberec, a city in the North Central part of the country is currently completing plans for construction of an airport. Privatization and upgrading of international and regional airports will create demands for products and technologies for airport infrastructure including information technologies, and security systems\textsuperscript{194}.

Regulatory body of Czech air transport is Civil Aviation Authority Czech Republic (Úřad pro Civilní Letectví) established in 1997 by Section 3 of the Act No. 49/1997 Coll. on civil aviation\textsuperscript{195}. CAA CZ executes the state administration in civil aviation matters in the main following areas:

- aircraft and personnel register
- certificate of airworthiness of aeronautical products, aircraft and of individually manufactured aircraft
- performing airworthiness reviews,
- personnel licensing,
- type of airport determination and airport operating permit issuance,

\textsuperscript{193} List of airports in the Czech Republic. Wikipedia EN. \url{http://en.wikipedia.org/wiki/List_of_airports_in_the_Czech_Republic}.
\textsuperscript{194} Czech Republic Overview \url{http://www.bis.doc.gov/defenseindustrialbaseprograms/osies/exportmarketguides/european/czechrep.pdf}.
\textsuperscript{195} Úřad pro Civilní Letectví (Civil Aviation Authority Czech Republic) \url{http://www.caa.cz/en/index.php?menu=166&mm=166&stranka=194}.
special building authority for aviation structures,
• issuance of air operator certificate,
• Airworthiness Directives (national basis),
• other duties set out by special regulations.

Air Traffic Management and Aerodromes Department of the Czech Ministry of Transport decides airport as an airport with scheduled traffic or as a coordinated airport; assigns free slot times.

On 19 December 2002 the Director General of the Civil Aviation Department of the Ministry of Transport, Mr. Josef Turecký, issued a decision on the authorization of an independent slot coordinator at the airport Prague - Ruzyně. The decision became effective on 23 December 2002 and it is fully compatible with the EU requirements. Since 1 January 2003 the slot coordinator activities are exercised by an interest association of legal persons called “Slot Coordination Prague“. Admission to this association, whose founding members are the Czech Airports Authority, the Czech Airlines, Travel Servis a.s. and Fischer Air s.r.o., is open to other entities active in the civil aviation area. The Slot Coordination Prague is a body responsible for allocation of the airport slots at Airport Prague Ruzyně – Level 3 – coordinated airport. Slot Coordination Prague has been established on the 01st January 2003 as the Professional Association of Legal Entities including the following companies: Prague Airport, Czech Airlines & Travel Service.

Czech airports are administrated by the independent enterprises or specific bodies, public or private. The most important airport is Letiště Praha (Prague Airport). In Letiště Pardubice (Pardubice Airport) civil airport operator is the East Bohemian Airport a.s. (proprietor and shareholder is City of Pardubice Municipality of Pardubice). Since 1st July 2002, Brno Airport has been privately managed by Airport Brno Ltd., company has obtained a 50 years concession to operate Brno Airport.

Letiště Praha, s.p. is a state enterprise founded by the Ministry of Transport of the Czech Republic. Letiště Praha, s.p. was founded on 1 June 1995. In September 2006, the Czech government decided to transform Letiště Praha, s.p. Prague Airport) into a public limited company, thus taking the first step on the path to privatization. In its operations, Letiště Praha, s.p. works closely with the Ministry of Transport of the Czech Republic, the Civil Aviation Authority, Řízení letového provozu České republiky, státní podnik (Air Traffic Control), airlines, public administration authorities in and outside the aviation sector, airport users and, not least, the City of Prague and municipalities in the vicinity of the airport. The main mission of Letiště Praha, s.p. is to act as the administrator and operator of the international civil Prague Airport and to take care of the airport's development. It offers services to the travelling and non-travelling public, airlines, carriers and other airport users. The principal services provided by the Company include passenger and baggage handling, the

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carriage of cargo and postal items, and the transfer of passengers and their luggage from aircraft to aircraft. It also lets facilities in the structures under its management, mainly for the handling of passengers, goods and mail at the airport, as well as parking and aircraft servicing. Letiště Praha, s.p. manages airport operations, allocates stands for aircraft handling, and lets other airport premises for commercial purposes. Letiště Praha, s.p. is responsible for the safety of air transport, including the performance of all related services (the provision of security, rescue and fire services)\textsuperscript{199}.

Other airports - in Klatovy, Kunovice, Mnichovo Hradiště, Olomouc and Pardubice - also have status of public international airports. These are smaller and do not operate flights for travel agencies. Around 60 airports serve as public domestic airports, which are mostly used by sporting pilots and owners of small private aircrafts. All other airports in the Czech Republic - private and military airports - serve only for a very restricted group of users and access is not usually possible for other people.\textsuperscript{200}

4.4 Estonian airport management

There are 29 airfields in Estonia. 14 airports have paved runways while the remaining 15 airports have unpaved runways\textsuperscript{201}, 13 with Code ICAO, 5 with Code IATA (of which 1 international)\textsuperscript{202}.

According to the Estonian Aviation Law, Article 37, the Minister of Economic Affairs and Communications is responsible for the procedures for the flight safety of civil airline operations.

Regulatory body of Estonian air transport is the Estonian Civil Aviation Administration (ECAA) who is a government agency which operates within the area of government of the Ministry of Economic Affairs and Communications, which has a directing function, exercises state supervision and applies enforcement powers of the state on the bases and to the extent prescribed by law. Main function of Estonian CAA, based on intellectual and material resources, is to ensure aviation safety and execute aviation policy at the national level and in co-operation with other states and international aviation organisations at international level. ECAA activities are aimed at implementing national economic policy in the field of civil aviation and ensuring safety in aviation.\textsuperscript{203}

Air accident investigation in Estonia is in the scope of the Government of Estonia, who is responsible for aviation security. Civil Aviation Administration of the Republic of Estonia is in charge of supervision. Investigation is carried out by the Crisis Management Department reporting to the Minister of Economic Affairs and Communications (ME&C)\textsuperscript{204}.

\textsuperscript{199} Airport Prague Annual Report 2006 (Letiště Praha s.p.).


\textsuperscript{203} Lennuamet (Estonian Civil Aviation Administration – ECAA) http://www.ecaa.ee/atp/?id=229.

\textsuperscript{204} Air infrastructure of Estonia –
Estonian Civil Aviation Administration (ECAA) has a flight safety supervision system enabling effective implementation of state supervision in compliance with all the requirements of the International Civil Aviation Organisation (ICAO), the Joint Aviation Authorities (JAA) and the European Aviation Safety Agency (EASA).

There isn’t any independent slot coordinator at Tallin Airport. In Estonia, the right to operate services is assigned on the basis of bilateral air transport agreements. Airport slots are reportedly equally and freely accessible to all airlines. Government-owned companies operate Estonian airports. They operate at a minimum profit thanks to the government support for the maintenance of runways and for investments.

The Tallinn Airport is Estonia's largest civil airport. Tallinn Airport Ltd operates and develops Tallinn Airport and provides services to companies doing business at the airport. Its sole shareholder is the Republic of Estonia who manages the investment through the Ministry of Economic Affairs and Communications.205 Tallinn Airport is funded by its own budget from air traffic fees.

Other the most important airports in Estonia are as follows: ● Ruhnu Airfield: Owned by Kuressaare Airport Limited, ● Parnu Airport, ● Tartu Airport. Few of the other airports in Estonia are as follows: Tapa Airfield, Kihnu Airfield, Rapla Airfield, Narva Airfield, Viljandi Airfield, Kuressaare Airport, Tallinn Airport, Kihnu Airfield, Kuressaare Airport, Kardla Airport.

4.5 Hungarian airport management

On Hungary is 46 airfields on which 20 with paved runways206, 31 with Code ICAO, 7 with Code IATA207 out of which currently 5 are served by scheduled international flights (Budapest, Debrecen, Sármellék (FlyBalaton), Győr-Pér and Pécs-Pogány).

The main national stakeholders involved in air transport in Hungary are the following:

- Ministry of Economy and Transport,
- Civil Aviation Authority of Hungary (CAA),
- HungaroControl,
- Civil Aviation Safety Bureau (CASB),
- Airports managers.

Hungarian Ministry of Economy and Transport in the field of aviation is focused on the development of international airports, modernization of regional airports, development of air traffic services, improvement airspace security, and harmonization of air traffic control systems and procedures with EU norms208. In order to enable discrimination-free competition

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and meet EU requirements, capacity and slot allocations for railway and air transport will be administered by an independent track management organization and, respectively, by HungaroControl, the Hungarian Air Navigation Service split off of LRI, the Air Traffic and Airport Administration. From 2006 the government’s main focus currently is on the privatisation of both Budapest Airport and Malév Hungarian Airlines.

The Hungarian Civil Aviation Administration was reorganised in April 2002 in order to better carry out its new tasks under the EU acquis and other international regulations. The reorganised body was renamed the Civil Aviation Authority of Hungary (CAA)\(^{209}\).

Civil Aviation Authority of Hungary (CAA) was created in 2002 by separation of the Ministry\(^{210}\). His official name in 2007 was the Directorate for Air Transport of the National Transport Authority (DAT)\(^{211}\). The Hungarian State is expected to designate the CAA of Hungary as the National Supervisory Authority. Civil Aviation Authority of Hungary’s tasks are: administration and supervision. Organizational Structure of CAA of Hungary: 1) Flight Supervision and Certification Department ATM and CNS Inspection I (licence inspection of air traffic controller, certification of NAVAIDS and ATM systems, evaluation of safety programmes of the airport operators, drafting regulations and amendments in the field of aerodromes and NAVAIDS), 2) Flight Supervision and Certification Department ATM and CNS Inspection II (certification and inspection of communicational systems, navigational aid and radars, frequency management, inspection of airports, flight procedures and NAVAIDS).

The necessary departments, such as Aviation and Supervision & Licensing, were formally set up, but in practice it is clear that they are not yet able to carry out their future tasks\(^{212}\).

HungaroControl Hungarian Air Navigation Services (Magyar Légiforgalmi Szolgálat Zrt.) was founded on 01 January 2002, as an economically independent budgetary institution, which took over the task of providing air navigation services in the airspace of the Republic of Hungary, and on its designated airfields, primarily on Budapest-Ferihegy Airport. HungaroControl is the organisation appointed by law to provide air navigation services in the Hungarian airspace, and to train air navigation personnel. The company's mission is to provide a safe and reliable service in an efficient, environmentally aware, client centred, objective and transparent way in the designated airspace. As a result of its transformation into a business organization, and the termination of the former budgetary institution, from 1 January 2007 HungaroControl Hungarian Air Navigation Services Pte. Ltd. Co. fulfils its statutory obligations in the form of a single member private limited company. With the establishment of HungaroControl, Hungary adopted the system of threefold separation


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commonly used in air transport all over the world, which means that not only the air carrier, but the operator of the airport and the national air navigation service provider became independent companies. Being an integrated (civil and military) air navigation service provider, HungaroControl guarantees the safety of all aircraft operated in accordance with the rules of general air traffic, ranging from aircraft departing or landing at Budapest-Ferihegy Airport to overflying traffic in upper airspace. The goal of HungaroControl is to become a service provider that plays a key role in Central Europe in achieving the European Union and EUROCONTROL’s joint aim, the Single European Sky 213.

Hungarian Civil Aviation Safety Bureau (CASB) was founded 1st January 2002 to comply with EU directive 94/56/EC. CASB reports to the Ministry of Economy and Transport. The CASB is functionally independent of the CAA and it is also functionally independent of the judicial authorities. However if crime is suspected, on special written request it is obliged to provide the judicial authorities with any documentation. The reverse of this process also applies, and the judicial authorities are also obliged to provide any necessary information214. From 2007 CASB is a part of Transportation Safety Bureau (Közlekedésbiztonsági Szervezet)215.

The Air Traffic and Airport Administration (LRI), previously managing Budapest Ferihegy Airport, was split up into two separate companies on 1 January 2002. One is HungaroControl, supervised by the Ministry of Economic Affairs and Transport, responsible for managing air traffic control, and Budapest Airport Inc. (BA), responsible for the management of Ferihegy International Airport. The BA, owned by the State Privatization and Holding Co./APV Rt., issued a tender in June 2005 for the sale of a 75 percent minus one vote stake. Five bidders, comprising British Airport Authority, Macquarie Airports (Australia), Hochtief of Germany, Fraport of Germany and Copenhagen Airports, were short-listed. The final round was won by British Airport Authority (BAA) in December, 2005 by paying 1.83 billion EUR for a 75 % stake in Budapest Airport and a 75-year management contract concerning almost any business done at Ferihegy216.

FlyBalaton Airport (slot coordination level 1 - non-coordinated airport) is a limited company with ownership structure of 40 % Hungarian and 60% Irish. In 2004, with the accession to the EU, significant increases in operating costs and infrastructure were required to meet the new security regulations. The local municipalities did not have sufficient funds to meet these requirements and a 1999 year lease was agreed with Cape Clear Aviation. Debrecen Airport (slot coordination level 1 - non-coordinated airport) is 100% owned by Local Authority of Debrecen. As a result of the development throughout the 1990’s the

Hungarian Government approved the airport as a commercial airport in 2001 open for both domestic and international flights. Gyor –Per Airport (slot coordination level 1 - non-coordinated airport) is owned in 94% by private and 6% by public foundation\(^\text{217}\).

### 4.6 Latvian airport management

According to the data of the CIA in Latvia there are 42 airfields [2007] on which 21 with paved runways\(^\text{218}\), 4 with code ICAO and 4 with code IATA\(^\text{219}\).

In the sphere of the air transport competence of the Latvian Minister of Transport is focused on elaboration of legal acts and policy planning documents regulating the branch. There is Department of Aviation responsible for air transport matter, divided on\(^\text{220}\): 1) Unit of Air Policy and Legal Acts, 2) Unit of Economics and Planning.

The state regulatory function of the Latvian air transport is being carried out by the Latvian Civil Aviation Agency - CAA (Civilās Aviācijas Aģentūra)\(^\text{221}\). His mission is to enact out national policy on aviation and aviation safety and to ensure that international aviation obligations are met. The Latvian CAA is a professional and progressive organization. As an equal and active stakeholder it has organically merged in European and Global aviation civil aviation environment, and it ensures high level of flight safety.

Air transport security in Latvia is under the competence of CAA’s Aviation Security Division, which tasks are:
- development of normative documents for Civil Aviation protection against illegal implications in harmony with EK Regulation requirements and control to this documentation,
- supervise airports and air operators security actions in conformity with the National civil aviation security programme requirements,
- support to air operators security actions,
- approve training programmes to airports and air operators on civil aviation security maintenance,
- supervision of aviation security action to official cargo agent operations,
- evaluate and give resolution to air operators on dangerous goods transportation,
- prepares year reports on aviation security and inspections control.

Functioning of Latvian airport is under the competence of CAA’s Aerodrome Standards and Safety Division, which tasks are:
- develops regulations in field of aerodrome operation,

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\(^{217}\) Air Transport Infrastructure – Hungary, op. cit.


\(^{221}\) Latvian Civil Aviation Agency (Civilās Aviācijas Aģentūra) - http://www.caa.lv/index_en.php?m=10&c=Start.
• certifies civil aviation aerodromes, issues certificates and provides State supervision of aerodromes and their operators,
• provides authorization to operation and building of specific aerodrome systems and objects which could affect the flight safety,
• provides State supervision to aerodrome designing, building and operation from flight safety perspective,
• provides authorization to construction, installation and placement of objects that are potentially dangerous for aircraft flights,
• represents Civil Aviation Agency of Latvia in work and management groups of international organizations in the aerodrome field.

Rīga International Airport is one of three notable airports in Latvia. The other two are the Liepāja International Airport and the Ventspils Airport. Riga International Airport (RIX)\(^{222}\) is a state joint-stock company of the Republic of Latvia. The owner of all shares is the Republic of Latvia. The holder of state capital share is the Ministry of Transport of the Republic of Latvia. Riga International Airport is one of the fastest growing in the world. Built in 1973 and renovated in 2001, the airport (‘lidosta’ in Latvian) has seen a steady increase in passengers in recent years. Liepāja International Airport (\(^{223}\)) is a regional airport in western Latvia which is certified for international air traffic. Liepaja airfield was built in 1940 and until 1960 it was used as military airfield. In 1960 airport was transferred civil aviation. In the 1st of June 1998 the sole owner of Aviacompany Liepaja Ltd. became Liepaja City Council. At present Liepaja airport serves charter, business and general aviation flights.

In Latvia there isn’t any independent slot coordinator at Riga Airport or other international airports.

4.7 Lithuanian airport management

According to the data of the CIA in Lithuania there are 87 airfields on which 30 with paved runways\(^{224}\), 38 with code ICAO and 7 with code IATA. Four airports have international status (Vilnius, Kaunas, Palanga and Šiauliai) and 34 airports with code ICAO have domestic status\(^{225}\).

In the sphere of the air transport competences of the Minister of Transport and Communications of the Republic of Lithuania embrace\(^{226}\):

• the publication of laws and other legal acts to perform the functions of administration in the area of air transport,

\(^{222}\) Riga International Airport (RIX) - [http://www.riga-airport.com/?id=324](http://www.riga-airport.com/?id=324)


• announce that the airport has timetables to be agreed on or is coordinated, appoint the coordinator of the airport timetables or the slot coordinator of the airport, and establish a slot coordination committee of the airport,
• establish the conditions and procedure for the carriage of passengers, goods, luggage, mail and dangerous goods by air transport,

The state regulatory function of the air transport is being carried out by the Civil Aviation Department of the Ministry of Transport and Communications, whereas the state management of the civil aviation is being carried out by the Civil Aviation Administration within the scope of its competence. The budgetary institution Civilinės Aviacijos Administracija (Civil Aviation Administration - CAA) was set up on 2 July 2001 after reorganisation of the State Enterprise „Civil Aviation Directorate of the Republic of Lithuania“. In compliance with the national acquis implementation programme (NAPP) of the Government of the Republic of Lithuania, creates the basis of the legal acts for the regulation of civil aviation Its functions are:

• within competence delegated, implementation of the strategy of the state civil aviation development,
• definition of the civil aviation requirements in the cases outlined by the Law on Aviation of the Republic of Lithuania,
• state oversight of civil aviation,
• accomplishment of the national civil aviation security programme,

On the basis of ICAO standards and recommendations, EU requirements CAA ensures the oversight of flight safety and aviation security in Lithuania. CAA creates and improves the system of flight safety and aviation security, which incorporates:

• drafting and approval of standards, requirements and regulations,
• implementation of standards, requirements and regulations,
• control over compliance of standards, requirements and regulations,
• improvement of standards, requirements and regulations,

Aerodrome Division of the CAA has the competences of:

• assessment of serviceability of civil aerodromes and issuance of Operation Certificates,
• control over the special requirements for the design, construction and serviceability of the aerodromes and their premises,
• control over the requirements for aircraft noise emissions and fire fighting protection in civil aviation,
• control over the readiness for search and rescue by civil aviation enterprises,
• agreement upon the construction in the aerodrome protection and sanitary areas.

227 Civilinės Aviacijos Administracija (Civil Aviation Administration).
228 Ibidem.
229 Ibidem.
Slot coordination in Lithuanian airports is regulated by art. 43 of Law on Aviation of the Republic of Lithuania of 17th October 2000 as follows:\footnote{Law on Aviation of the Republic of Lithuania - \url{http://www.caa.lt/en.php/legislation/aviation_law/517} .}


2) Endeavouring to implement co-ordination detailed in this Article, part 1, the Ministry of Transport shall declare the airport where the operations are relieved by producing time tables or which is under co-ordination, define conditions and procedures for co-ordination of the aircraft arrival and departure and appoint a person for production of the time tables or a coordinator of slots and establish the Committee for co-ordination of slots in the co-ordinated airport.

3) The airport co-ordinator of slots shall not be liable by civil responsibility for damage made in performing functions detailed in the regulation provided for in this Article, part 1, except the cases when the damage is premeditated or done with great inadvertence.

In Lithuania coordinated airport means an airport where an air carrier or any other operator of the aircraft shall have a slot allocated to him by a coordinator. This provision shall not apply to the State flights, emergency landing and the flights for humanitarian purposes.

Air navigation services in the airspace of the Republic of Lithuania are rendered by the State Enterprise Oro navigacija (Air Navigation)\footnote{SE “Oro Navigacija - \url{http://www.ans.lt/index.php?lang=2&wai=0} .}. Communications, navigation and surveillance services are provided all over the Vilnius Flight Information Region. Flight safety in this region is ensured by the currently operating communications, navigation and surveillance facilities, meeting the international civil aviation standards. Maintenance of the facilities is performed by highly-qualified specialists. The enterprise annually allocates considerable funds for their skills development and it means investment not only into successful solution of everyday issues, but also investment into the future. The Lithuanian Flight Information Region (FIR) encompasses the airspace extending over Lithuania’s territory and part of the Baltic Sea. Vilnius Aerodrome Control Centre focuses on arrivals to/departures from Vilnius. This modernized centre comprises the aerodrome and approach control units, where appropriately qualified air traffic controllers are employed.

Aircraft Accident Investigation in Lithuania is on competences of Chief Investigator of Accidents and Incidents at Ministry of Transport and Communications (Orlaivių Avarijų Tyrimas Orlaivių avarijų bei incidentų tyrimo vadovas)\footnote{AIP Lithuania - \url{http://www.ans.lt/data/aip/general/gen11.pdf} .}. The procedures for the classification, investigation of aircraft accidents and incidents as well as reporting thereon shall be established by the Minister for Transport and Communications. The Minister for Transport and Communications shall appoint a permanent investigator-in-charge for investigation of the accidents and incidents and grant him authorization, necessary means and
financial resources for immediate organization of accident or incident investigation. For the investigation of more complicated accidents and incidents the investigator-in-charge shall set up a commission. In special cases the Government of the Republic of Lithuania may appoint a special investigation commission.

Four state-managed international airports operate in Lithuania. Vilnius, Palanga and Kaunas airports are civil airports. They render services to regular and charter flights for passengers and goods. Šiauliai airport is a military airport, but the flights of civil aircraft are also permitted. Šiauliai airport renders services to charter flights for passengers and goods.

The State Enterprise Vilnius International Airport (Tarptautinis Vilniaus Oro Uostas)\(^{233}\) is an independent company since 30 September 1991. His incorporator is the Ministry of Transport and Communications of the Republic of Lithuania. The State Enterprise Vilnius International Airport Vilnius airport has a sufficiently well developed infrastructure required for the provision of services to passengers and handling of goods, good prospects for development, possibilities to attract airlines companies and passengers. With respect to geographical deployment of the airports and division of market in Lithuania, Vilnius airport operates diplomatic, business, and tourism flights.

The State Enterprise Kaunas International Airport has the longest runway in Lithuania (3,250 m long) which can be operated without any restrictions. The reconstruction of the arrival premises of the passenger terminal has increased the throughput capacity of the passenger flow in the airport. Now Kaunas airport can handle up to 500 thousand passengers annually. The State Enterprise Palanga International Airport relates its future and prospects to the development of business and tourism of Klaipėda city and all the territory of Western Lithuania and South-Western Latvia, as well as to foreign investments\(^{234}\).

4.8 Polish airport management

According to the data of the CIA in Poland there are 123 airfields [2007] on which 83 with paved runways\(^{235}\), 54 with code ICAO and 12 with code IATA\(^{236}\).

The bodies regulating air sector in Poland are:

- Ministry of Infrastructure
- Civil Aviation Office – CAO (Urząd Lotnictwa Cywilnego),
- Polish Air Navigation Services Agency (Polska Agencja Żeglugi Powietrznej),
- State Commission for Air Accident Investigation (Państwowa Komisja Badania Wypadków Lotniczych - (PKBWĻ))
- Polish Airports State Enterprise – PASE (PP (Porty Lotnicze).

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The government acting on the motion of minister responsible for transport accepts the programme of development of airport network and land based air service facilities as part of transport infrastructure. It also accepts governmental development programmes in regard to air sector. Ministry responsible for transport supervises civil aviation and The Office of Civil Aviation (CAA- Civil Aviation Authority).\(^237\)

The Civil Aviation Office of the Republic of Poland, as a civil aviation authority, is responsible for providing and maintaining safe and efficient aviation services to, from and within Poland. The President of the Civil Aviation Office performs functions of aviation administration and aviation supervision authority in the following areas among others:\(^238\):

- compliance with legal provisions relating to the civil aviation & commercial aviation,
- operation of aircraft & certification of entities conducting activity in civil aviation,
- airworthiness of aeronautical equipment & the competency of the flight personnel,
- registers of: aircraft, aerodromes, aviation ground facilities, flight personnel, & landing areas,
- co-operation with the authorities to which the state aviation is subordinated & with other organisational units in air traffic management & in ensuring air traffic safety & services,
- co-operation with the aviation administration & supervision authorities of foreign states, local government authorities in matters related to civil aviation, ICAO & other international civil aviation organisations,
- flight safety in civil aviation, including the examination & evaluation of safety levels in civil aviation,
- application of civil aviation regulations,
- approving the boundaries of manoeuvring area of the aerodrome,
- international agreements - preparation & negotiations, legislative acts in civil aviation
- National Civil Aviation Security Programme & National Civil Aviation Facilitation Programme -designing & direct supervision over its implementation,
- aerodrome security protection programs & security protection programs provided by entities conducting commercial activities in civil aviation & supervising implementation of such programs,
- organisation of aviation medical examination services,
- co-ordination of local town & country plans in municipalities where a new aerodrome location is projected or an existing aerodrome & ground aviation facilities are to be modernised.

The area of the Polish Air Navigation Services Agency - PANSA (Polska Agencja Żeglugi Powietrznej)\(^239\) is the Flight Information Region Warszawa better known as FIR WARSZAWA. Its borderline on the ground coincides with the state's borderline, and in the North, it goes beyond Polish territorial waters until it meets neighbouring FIRs. Airspace in

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FIR is divided into two parts: controlled and uncontrolled. Air traffic services operate in both of them. Every aircraft in the controlled airspace is provided with air traffic control service. The service is established to prevent aircraft from colliding in the air, from colliding with obstacles and other aircraft in the movement area, and to improve and maintain air traffic flow in order. Controlled airspace consists of airways, where air traffic control is fulfilled by area control service (ACC), terminal control areas (TMA), where air traffic control is fulfilled by approach control service (APP) providing air traffic control service for arriving and departing aircraft, and control zones (CTR), where air traffic control is fulfilled by aerodrome control service (TWR) providing ATC service for aerodrome traffic.

The task of Państwowa Komisja Badania Wypadków Lotniczych (State Commission for Air Accident Investigation - PKBWL) is investigation of all air accidents and control of relevant activities. The aim of each investigation is set as establishing conditions, reasons and actions undertaken by participants in every accident. The Commission does not look for responsibilities and guilt, its actions are rather considered a measure to establish better practice in future in order to avoid accidents. Final reports with recommendations are basis for CAA administrative decisions in regard to safety. Slot Allocation Coordinators In Polish Airports are new bodies created from 2005 in the structure of PLL LOT (WAWSPLO). Actually this coordination is as follow: Warsaw – SMA Level 2, Gdansk – SMA Level 2, Katowice - SMA Level 2, Krakow - SMA Level 2, Poznan - SMA Level 2, Rzeszow - SMA Level 2, Szczecin - SMA Level 2, Wroclaw - SMA Level 2.

Polish Airports State Enterprise (Przedsiębiorstwo Państwowe Porty Lotnicze - PPL) was established pursuant to a statutory law of 23th October 1987 as the successor and continuator of the activities formerly performed by Air Traffic and Commercial Airports Administration created in 1959. The company constructs and operates commercial airports, renders services to Polish and foreign carriers, provides services to airline passengers. PPL operates Warsaw Frederic Chopin Airport, Rzeszów - Jasionka Airport and Zielona Góra - Babimost Airport. In addition, it owns shares in commercial law companies, such as the airports in: Bydgoszcz, Gdansk, Katowice, Krakow, Poznań, Szczecin, Szczytno-Szymany and Wroclaw. Polish airports provide full scope of aircraft, passenger and air mail handling. Such activities are performed by highly specialized companies, in the majority of which PPL owns shares. The present requirements for the level of airline and passenger service necessitate the use of modern engineering resources. Our equipment and systems allow us to provide a high standard of services.

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240 State Commission for Air Accident Investigation in Poland


In 1992, in Polish Airports State Enterprise structures the Air Traffic Agency came into existence. The agency concentrates its activity on modernization and extension of the air traffic and navigation systems, and on personnel training and raising qualifications. Fulfilling the Council of Ministers' Defensive Affairs Committee decision, dated March 7, 1996, the Minister of Transport and Water Management in coordination with Minister of National Defence in a decision dated July 31, 1996 appointed military-and-civil the Organizing Unitary Air Traffic Management System Unit. On April 1, 2007, by virtue of the December 8, 2006 Act, as an independent unit, isolated from "Polish Airports" State Enterprise structures, the Polish Air Navigation Services Agency started its duty.

### 4.9 Romanian airport management

In Romania there are 61 airfields (civil, military and private) on which 25 with paved runways\(^{243}\), 22 with Code ICAO, 17 with Code IATA\(^{244}\) out of which currently 9 are served by scheduled international flights.

The bodies regulating air transport sector in Romania are:

- Ministry of Public Works, Transport and Housing - Directorate General of Civil Aviation,
- Romanian Civil Aviation Authority,
- Romanian Air Traffic Services Administration,
- General Directorate of Accident Transport Investigation,
- Managers of airports.

Ministry of Public Works, Transport and Housing having the quality of specialized organism of the central public administration, fulfils the following main attributions in the field of aviation\(^ {245}\):

- stimulates the extension of the international financing through the World Bank or from private sources aiming at speeding the modernization of the air infrastructure,
- stimulate, encourage, consolidate and liberalize the national transport market creating a competitive system, especially for the rail and air transport,
- provides without discrimination to all the users equal access to the transport infrastructures open to the public access,
- has the competence of an authority for the implementation of the major projects regarding the transport infrastructure.

Within the Ministry there are two departments dedicated to civil aviation - the Directorate General of Air Transport and Airports (DGCA) and Directorate of Air Transport Investigation (DoATI)\(^ {246}\), part of the General Directorate of Accident Transport Investigation

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\(^{243}\) CIA The World Factbook. Romania Transportation


\(^{246}\) By Government Decree No.367/2007, the former Inspectorate for Civil Aviation (ICA) has been transformed into the Directorate of Air Transport Investigation (DoATI), part of the General Directorate of Accident Transport Investigation (GDoATI) from Ministry of Transport (MoT).
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(GDoATI). The Directorate of Air Transport Investigation (DoATI) is the independent body responsible for technical investigations of the civil aviation accidents and serious incidents. The DGCA is responsible for high level policy and regulations, whilst the day to day regulatory functions are delegated to the Civil Aeronautical Authority of Romania (RCAA). Air traffic services are provided by the Romanian Air Traffic Services Administration (ROMATSA), which is a State agency. Before 2007 the SICA conducted the official and independent investigations of accidents and serious incidents247.

Romanian Civil Aviation Authority – RCAA (Autoritatea Aeronautica Civila Romana)248 is the autonomous organization of national public interest, established by Decision no. 405/1993 of the Romanian Government. RCAA is a full member of Joint Aviation Authorities (JAA), fulfils the task of providing regulatory and overflight activities for air traffic management in compliance with Romanian's commitment as member state of Eurocontrol, ensures oversight of Romanian air operators, aeronautical industry, licensing of aeronautical personnel and authorises the operational ATM system of ROMATSA. As specialized technical body delegate by the state authority of civil aviation, RCAA provides the regulating and oversight management of Romanian civil aviation. By delegation RCAA:

- elaborates and implements Romanian civil aeronautical regulations,
- licenses civil aeronautical personnel,
- certifies civil aviation products and services,
- registers, inspect and check civil aircraft,
- verifies, inspects, supervises and authorises civil aviation organizations,
- provides safety regulation and oversight in ATM,
- certifies civil airports and approves the technical documentations for development projects and programmes in the airport area,
- ensures compliance with provisions of international agreements and arrangements to which Romania is a part.

Romanian Air Traffic Services Administration (ROMATSA)249 provides air navigation services to all aircraft being of a nationality and being registered in state which is ICAO member, wherever the aircraft would be, as long as the services are in no disagreement with the rules published in the state having the jurisdiction over the flown territory. the tasks of the air traffic services provided by ROMATSA are as follows:

a) to prevent the air collision between aircraft,
b) to prevent the ground collision between aircraft on the manoeuvring surface and the blocking of this,
c) to reduce the delays and to maintain a smooth air traffic flow,

248 Autoritatea Aeronautica Civila Romana (Romanian Civil Aviation Authority) - http://www.caa.ro/en/index.html
d) to provide information and recommendations to the airborne aircraft in view of assuring efficient and safe flight operations,
e) to inform the appointed organizations / units concerned with the aircraft under emergency conditions, whenever these organizations / units are in need of support for search and rescue operations and to grant them assistance, on request.

ROMATSA is an autonomous, economically independent organisation. ROMATSA operates the en-route facilities of Bucuresti ACC which presently has three physical locations (Bucuresti as main location, Arad and Constanta as secondary locations) and all the civil Aerodrome Control Towers and the Approach Control unit within Bucuresti FIR.

Created in 2007 General Directorate of Accident Transport Investigation (GDoATI) conducts the investigations for all accidents and incidents evolving civil aviation aircraft.

Romania’s airport network consists of 16 controlled civil aerodromes – published in the AIP Romania, ensuring a good covering of all the territory. From administrative point of view, 4 airports are considered airports of national interest and are owned by the State, represented by MoT (Bucuresti Henri Coanda Intl. Airport, Bucuresti Băneasa-Aurel Vlaicu Intl. Airport, Timișoara – Traian Vuia Intl. Airport and Constanta –Mihail Kogalniceanu Intl. Airport). 12 airports are of local interest and are owned by the local county authorities, and one aerodrome (Tuzla) is private. However, all these 16 aerodromes are placed under RCAA’s safety oversight.

4.10 Slovak airport management

In Slovakia are found 32 airfields on which 20 with paved runways, 9 with Code ICAO, 6 with Code IATA out of which currently 5 are served by scheduled international flights (Bratislava, Kosice, Poprad, Sliac, Piestany).

The main national stakeholders involved in air transport in Slovakia are the following:

- Ministry of Transport, Post and Telecommunications,
- Civil Aviation Authority of the Slovak Republic (CAA),
- Air Navigation Services Provider (Letecké Prevádzková Služby SR)
- Permanent Commission for aircraft accidents and incidents investigation,
- Airport infrastructure managers.

In the range of the issues of air transport the Ministry of Transport, Post and Telecommunications of the Slovak Republic is a central body of state administration and it is a superior body of The State Aviation Inspection. Conforming to the governmental document “Transport Policy of the Slovak Republic Until 2015”, in the field of air transport Ministry of Transport, Post and Telecommunications of the Slovak Republic:

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- enables transparent access of air operators to the transport market while respecting the European regulatory rules,
- preserves the public character of airport infrastructure through a specific status of airport infrastructure property,
- secures efficient airspace utilisation with provision of air transport security and safety,
- legislatively formulates conditions in the transport market and thus create a liberal regulatory framework in accordance with EU legislation,
- performs the public airport operation according to the principles of regulated equal economic competition,
- implements EU legislation regarding the creation of Single European Sky.

In the area of air transport, framework legislation is in place but not entirely in line with the acquis, in particular with regard to licensing, security and ground handling. Secondary legislation is still being adopted in order to complete alignment with the acquis, including Joint Aviation Requirements (JARs) implementation. Full membership of the Joint Aviation Authorities remains to be achieved through the implementation of an Action Plan; Slovakia should make particular efforts to become a member before accession as required by the *acquis* and irrespective of the setting up of the European Aviation Safety Agency (EASA)\(^{254}\).

In fulfilling the strategic intentions of Slovak Republic in air transport it is necessary to have a regulatory body reflecting the concord with defined conditions for service providers in the context of European transport policy and EU legal environment. Sustainable development of air transport services must be achieved on a regional level, as prescribed by EU. With regard to the transformation of Slovak Airport Administration and airport privatisation it is necessary to preserve the public character of airport infrastructure and to enable transparent access of air carriers to the air transport market with efficient use of airspace by securing safety, operation and protection of civil aviation. Due to the constantly growing importance of air transport in relation to economic growth, the issue of efficient airspace use is gaining importance. Within the reform of obsolete management architecture of European air transport it is important to focus on improving the efficiency and safety of air transport in the form of transforming flight navigation control in the EU – Single European Sky\(^{255}\).

Civil Aviation Authority of the Slovak Republic (Letecký Úrad Slovenskej Republiky)\(^{256}\) is funded directly by the State via the Ministry of Transport, Post and Telecommunications of the Slovak Republic (MoT). It is directly supervised by the Ministry of Transport, Post and Telecommunications of the Slovak Republic. Powers and competences

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\(^{255}\) Transport Policy of the Slovak Republic Until 2015, op. cit.

\(^{256}\) Letecký Úrad Slovenskej Republiky - [http://www.caa.sk/slovak/index.htm](http://www.caa.sk/slovak/index.htm)
of the Civil Aviation Authority of the Slovak Republic as given by the civil aviation act no. 143/1998 coll. on civil aviation\textsuperscript{257}. Civil Aviation Authority competence embraces:

- safety oversight in the field of civil aviation,
- the role of a special building authority for civil aviation,
- check of documents and conditions for continuing airworthiness of aircraft,
- co-ordination of civil and military aviation,
- specification of terms and conditions of construction and operation of flying sport vehicles,
- issues and validates licenses of the aviation personnel,
- fines legal entities and private persons authorised to do business in civil aviation,
- security programmes for civil aviation protection and their changes.

Civil Aviation Authority monitors and evaluates quality level and safety of air traffic services provision as well as other services provided for air operations, stipulates requirements for their execution, approves related documentation and takes remedial measures. For the acts in law and based on peculiar regulation the Civil Aviation Authority collects administrative charges. Other activities of the Civil Aviation Authority are realised based on settlement. Type and amount of the settlement is specified in generally binding legal regulation issued by the Ministry of Transport, Posts and Telecommunications.

organisation responsible for the Slovak air navigation services are the Air Navigation Services Provider (Letecke Prevadzkova Sluzby SR)\textsuperscript{258}. The mission of LPS SR is the provision of air navigation services in airspace and on assigned aerodromes of the Slovak Republic. Every passenger on scheduled or charter flight over the territory of the Slovak Republic is an indirect client of Letové prevádzkové služby Slovenskej republiky štátny podnik (LPS SR), a state enterprise. Air traffic controllers control flights of aircraft over flying, departing and landing to/from an airport or taxiing on the ground. The basic goal of LPS SR is to prevent collisions of aircraft in the air and on the ground, to maintain safe and well-organized air traffic flow and to provide advice and information necessary for safe flight in airspace and on assigned aerodromes of the Slovak Republic. The goal of LPS SR for the future is a further increase of the capacity of the airspace of the Slovak Republic and to minimize delays as much as possible while maintaining required level of safety.

Recent years have seen a strong move towards the private sector. The state is in the process of privatising the two largest airports (Bratislava and Kosice) and the remaining smaller airports have all been transferred to regional authority ownership. The joint stock company named Letisko M. R. Stefánik - Airport Bratislava, a. s. (BTS) was established in May 2004 from the partly state subsidised organisation - Slovak Airports Authority. The joint stock company is fully owned by the state (Ministry of Transport, Post and Telecommunications of the Slovak Republic). The change in legal status which took place in


May 2004 is designed to improve the efficiency of airport operation. A joint stock company aims to achieve good business results and to provide the best service to customers and passengers. The transformation of Letisko M.R.Stefánik Bratislava will be finalised by merging with a strategic investor259. Current ownership structure of the Airport Kosice, a.s. is public - 100 % owned by the Ministry of Transportation, Post and Telecommunications of the Slovak Republic. From 1st January 2005 Poprad-Tatry Airport has been operated by the state owned joint-stock company Letisko Poprad-Tatry, a.s.. During the first half of 2005 local and regional municipalities became shareholders of the airport operating company. Current ownership structure of the airport Sliac Airport – is mixed operation and ownership - military and civilian. The civilian part is operated by the State owned joint stock company Airport Sliac, Inc.; a major share of the joint stock company is expected to be transferred to the local regional / city authorities in the near future. The Republic of Slovakia’s Ministry of Transport is currently the exclusive holder of all shares in Piešťany Airport Inc. It has been decided by the government that during 2005, 33% of the shares will be transferred to Piešťany town, 33% will be transferred to the region, and 34% will be held by government (for a maximum duration of 5 years). The Piešťany town and region shares will be publicly traded260.

4.11 Slovenian airport management

In Slovenia are found 14 airfields on which 6 with paved runways261, 14 with Code ICAO, 3 with Code IATA262 out of which currently 3 are served by scheduled international flights (Ljublana, Maribor, Portorož).

The main national stakeholders involved in air transport in Slovenia are the following:
- Ministry of Transport,
- Civil Aviation Authority of the Republic of Slovenia (CAA),
- Slovenia Control, Slovenian Air Navigation Services, Limited,
- Aircraft accident and incident investigation office (AAIIO),
- Airports managers.

In Slovenia air transport matters are under the political and legal competences of the Ministry of Transport. The Ministry of Transport is responsible for setting and control of airspace policy, and regulation of airspace design and classification, including the navigation and communications infrastructure. In the area of civil aviation, the Ministry of Transport has pursued a very active policy on the preparation of regulations for those issues that are managed at the national level, while it has become strongly involved in the preparation of regulations at the European Union level, as well as their implementation in the Republic of Slovenia, where it is of paramount importance that Slovenia’s industry implements common regulations as thoroughly as possible so as to have access to business niches and assert its

260  Air Transport Infrastructure - The Slovak Republic, op. cit.
261  CIA The World Factbook. Slovenia Transportation
  https://www.cia.gov/library/publications/the-world-factbook/geos/si.html#Trans
position in third countries. Certainly, Slovenia has also been upgrading and expanding the capacity of its airports and navigation facilities serving air traffic.\textsuperscript{263}

The Civil Aviation Authority (CAA) is a body within the Ministry of Transport. The CAA is funded from the budget of the Republic of Slovenia.\textsuperscript{264} In terms of regulatory and supervisory functions, the Civil Aviation Directorate ensures the Slovenian aeronautical industry is a successful presence in the internal market of the EU and in markets of third countries. In this respect, the priorities are oriented towards the design and production of ultra-light aircraft, and to the maintenance of commercial passenger and freight aircraft. In the Republic of Slovenia, special attention is given to the safety and protection of civil aviation, and to the control of aircraft from third countries.\textsuperscript{265} The Civil Aviation Directorate are responsible for:

- settling the legal property relations with Aerodrom Ljubljana d.d., Aerodrom Maribor d.o.o., the public company Air Traffic Control of Slovenia (Kontrola zračnega prometa Slovenije, d.o.o.) and other users of real property of the RS,
- reducing costs, implementing rules from the EU regulations on the “single European sky” and keeping abreast of and introducing modern aviation standards on an ongoing basis,
- greater safety: modernising air traffic control and fulfilment of safety, organisational and oversight requirements from the EU “single European sky” regulations,
- facilitate user-friendly air travel for persons with limited mobility.

Air Navigation Services at international Airports in Ljubljana, Maribor and Portorož are provided by the public company Slovenia Control - Slovenian Air Navigation Services, Limited (Kontrola Zračnega Prometa Slovenije, d.o.o.).\textsuperscript{267} The Ministry of Defence is responsible for the provision of Services at Cerklije Airport. Air Navigation Services at airfield consist of the Aeronautical Flight Information Services (AFIS). Slovenia Control applies allocated funds from the budget of the Republic of Slovenia. The source of these budget funds is the income attributable to the activity of the company. The CAA supervises the services provided by Slovenia Control by checking compliance with the applicable regulations.\textsuperscript{268}

The public company Slovenia Control, Limited went into operation on 1 May 2004. The registered office of the company is located in Ljubljana but its activity is also performed in the units at international airports. This Company provides air navigation services as provided by the existing legislation. The main role of Slovenia Control is to ensure safe and expeditious air traffic in Slovenian airspace. This includes air traffic management, air traffic

\textsuperscript{263} Slovenia's aviation acceleration - http://www.publicservice.co.uk/feature_story.asp?id=8488&topic=Transport.


\textsuperscript{265} Slovenia's aviation acceleration, op. cit.


\textsuperscript{267} Kontrola Zračnega Prometa Slovenije, d.o.o. - http://www.sloveniacontrol.si/eng.

\textsuperscript{268} Air Transport Infrastructure – Slovenia. Study on the Functioning of the Internal Market, op. cit.
control, editing and issuing of publications and collection and publication of relevant information pertaining to the whole territory of the Republic of Slovenia and its airspace. Slovenia Control, Limited provides control of the arriving, departing and en-route traffic in Slovenian airspace from the Area Control Centre in Ljubljana and Aerodrome Control Towers in Brnik, Portotrož and Maribor. Meteorological information is provided by the Environmental Agency of the Republic of Slovenia.\textsuperscript{269}

Slovenian Aircraft Accident and Incident Investigation Office (AAIIIO) is responsible for Air Accident Investigations. The organisation is funded from the State budget. The AAIIIO is fully independent of the aviation regulatory bodies and is not supervised by the State.\textsuperscript{270} In the structure of Ministry of Transport there are the Aircraft Accident and Incident Investigation Division\textsuperscript{271}. In opinion of EUROCONTROL both the CAA and the Ministry’s Investigation Office (AAIB) have little power due to limited resources.\textsuperscript{272}

Slovenian airports are managed by independent undertakings but the Ljubljana Airport is 49 percent state owned. This airport has the level 1 category - non-coordinated airport. Aerodrom Ljubljana d.d. is registered as a public limited company since 28 January 1997. 49% shares are participating preference shares owned by the Republic of Slovenia and carrying limited voting rights. Ordinary, freely transferable shares account for 51% and are being traded on the Ljubljana Stock Exchange since 8 October 1997. Within FIR Ljubljana the airspace is divided into CTA, TMA and CTR. ATC is provided by Slovenia Control. Aerodrom Maribor d.o.o. has the level 1 category - non-coordinated airport. The airport is managed entirely by Aerodrom Maribor Ltd. Current ownership structure of the airport: \begin{itemize}
\item airside belongs to State of Slovenia,
\item landside belongs to private company,
\item passenger terminal is in 65% public and in 35% private.
\end{itemize} Aerodrom Portorož d.o.o. has the level 1 category - non-coordinated airport. Managing director is responsible to make assembly of the owners according to the contract signed between the investors. Ownership split is: \begin{itemize}
\item Aerodrom Ljubljana d.d. 30.36%,
\item Commune of Piran 28.83%,
\item Istrabenz d.d. 15.23%,
\item Luka Koper d.d. 15.23%,
\item CPK d.d. 10.25%.
\end{itemize}

5. WATERBORNE TRANSPORT

5.1 Seaports and inland waterway ports in NMS – general remarks

The new port hierarchy in Europe is reflected by two main developments: 1) the changes in the European container port system, 2) the renewed role of smaller ports. In Southern Europe new hubs have emerged (e.g. Marsaxlokk, Gioia Tauro, Taranto and

\textsuperscript{269} Kontrola Zračnega Prometa Slovenije, d.o.o., op. cit.

\textsuperscript{270} Air Transport Infrastructure – Slovenia. Study on the Functioning of the Internal Market, op. cit.

\textsuperscript{271} Aircraft Accident and Incident Investigation Division - \url{http://www.mzp.gov.si/en/about_the_ministry/organization}.

Cagliari). The success of these ports is partly the result of the fact that a call involves a minimal diversion for a mainline vessel transiting the Mediterranean. Competition between European container ports focuses mainly on their capacity to attract the maximum container volume in order to justify direct calls. The Baltic and Atlantic ports have been linked for some time now to the major European ports by sea routes, as they had already been abandoned by large vessels. In some cases, feeders are facing competition from inland modes. Smaller ports traditionally serve a more local hinterland. In many cases specific industries in the vicinity of the port generate the cargo volumes. Smaller ports often show a high degree of specialisation in a limited number of commodities, such as minor bulks (e.g. grain, sand or fertilizers) or conventional cargo (e.g. forest products, cars or fruit).273

To assess each country’s proximity to seaports we took the following into consideration: 1) the average geographic area covered per main seaport (expressed in thousands of square kilometres per main seaport); this indicator identifies the density of seaports in a country, 2) the average gross weight of goods handled per main seaport (expressed in millions of tonnes per main seaport); this indicator identifies the infrastructure for handling large volumes of goods at seaports. Clearly the Netherlands (with the Rotterdam harbour) and Belgium (with the Antwerp harbour) score best on their proximity to main seaports. Germany scores high on the average gross weight handled at seaports (especially the Hamburg and Bremen harbours) but scores low on the number of harbours in relation to the German geographic area. A lot of the new 2004 accession countries score high on their proximity to main seaports (like Latvia, Estonia and Lithuania). At the bottom of the list Romania that handled a significant amount of freight at its two main seaports, however it scores lowest on the number of seaports in relation to the Romanian geographic area. The Eastern Europe region will experience the largest implications of EU enlargement. Most of the 10 new EU countries are situated in this region in addition to some of the other possible future EU countries. Since most of the current European distribution centres are located in the Benelux region or France, many companies will establish an additional satellite warehouse or regional distribution centre in Eastern Europe because these regions cannot be reached within a reasonable timeframe from the EDC’s in the Benelux and France. In terms of attractiveness in locating Eastern Europe regional distribution centres the following ranking applies274:

1. Germany
2. Poland
3. Hungary
4. Czech Republic
5. Bulgaria
6. Slovakia
7. Romania
8. Austria

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9. Slovenia

Only in 7 NMS exist the seaports, situated on three different sea markets: Baltic (Poland, Lithuania, Latvia, Estonia), Black Sea (Bulgaria i Romania), Slovenia (Adriatic). In comparison with North Sea maritime hubs, the ports of NMS are situated peripherally, however in the list of 40 the biggest EU’s seaports there are 4 NMS’s ports (million tons loaded in 2004):275:

- Constantza (Romania) – 50,4
- Tallin (Estonia) – 37,3
- Ventspils (Latvia) – 27,8
- Riga (Latvia) – 24,0

Other important NMS seaports are:

- Gdansk (Poland) – 23,3
- Klaipeda (Lithuania) – 20,3
- Szczecin (Poland) – 15,6
- Gdynia (Poland) – 14,2
- Bourgas (Bulgaria) – 14,0
- Koper (Slovenia) – 12,4
- Szczecin (Poland) – 10,0
- Varna (Bulgaria) – 9,5
- Świnoujście (Poland) – 9,2
- Liepaja (Latvia) – 4,5

Constanța Port is both a maritime and a river port. Daily, more than 200 river vessels are in the port for cargo loading or unloading or waiting to be operated. The connection of the port with the Danube River is made through the Danube-Black Sea Canal, which represents one of the main strengths of Constanța Port. Due to low costs and important cargo volumes that can be carried, the Danube is one of the most advantageous modes of transport, an efficient alternative to the European rail and road congested transport. Constanța Port has a handling capacity of 100 million tons per year. The port is the main container hub in the Black Sea and all direct lines between Asia and Black Sea:276.

Port of Tallinn is the biggest port authority in Estonia and as far as both cargo and passenger traffic are taken into account, the biggest port on the shores of the Baltic Sea. Port of Tallinn is one of the fastest developing ports in the Baltic Sea. All harbours are navigable all the year round and easily approachable with depths of up to 18 meters enabling them to receive all vessels able to pass the Danish Straits. All port facilities have security plans approved by the national maritime authority and compliant with ISPS requirements:277.


The chief role of Latvia’s ports is to process transit cargo. At the port of Rīga, general cargo, containers and oil products are transhipped. The port of Ventspils has the greatest turnover of all Latvian and Baltic Sea ports. Tankers load their cargo at the largest oil and oil products terminal on the Baltic Sea. The port of Ventspils has one of the largest terminals for handling potassium salts, and it has the largest terminal for handling liquid chemicals. In 2000 a container terminal began functioning there as well278.

Except Slovenia, all „maritime” NMS are the members of European Sea Ports Organisation (ESPO)279.

Inland waterway transport has limited importance in NMS traffic, existing systems have to be upgraded where they exist (Hungary, Poland, Czech Republic). All major cross-border waterways are of European interest. On the territory of NMS only the river Danube, the longest river in the EU, have European importance. The Danube is navigable by ocean ships from the Black Sea to Brăila in Romania and by river ships to Kelheim in Bavaria. Since the construction of the German Rhine–Main–Danube Canal in 1992, the river has been part of a trans-European waterway from Rotterdam on the North Sea to Sulina on the Black Sea (3500 km). In 1994 the Danube was declared one of ten Pan-European transport corridors, routes in Central and Eastern Europe that required major investment over the following ten to fifteen years. The amount of goods transported on the Danube increased to about 100 million tons in 1987280. River Oder is navigable over a large part of its total length, as far upstream as to the town of Koźle, where the river connects to the Gliwicki Canal. The upstream part of the river is canalized and permits larger barges (up to CEMT Class IV) to navigate between the industrial sites around the Wrocław area. River Vistula is navigable, but large parts of its course do not meet the requirements of modern inland navigation. From the Baltic Sea to Bydgoszcz (where the Bydgoszcz Canal connects to the river), Vistula can accommodate modest river vessels of CEMT class II. Further upstream the river does not have enough depth to allow river barges to navigate.

In the list of the members of the Inland Navigation Europe (INE)281 there aren’t stakeholders from NMS.

5.2 Bulgarian seaport and IWW infrastructure management

The Bulgarian seaport sector comprises 5 ports of national importance - the Ports of Varna, Bourgas, Russe, Lom and Vidin - and 24 ports of regional importance. Bulgarian ports have a total handling capacity of more than 50 million tons.

In the matters of Bulgarian seaports until 2000 the decision-making bodies was the Minister of Transport and Communications, the Board of Directors and the General Director of the National Company “Ports”. Bulgarian sea and inland ports were united in an incorporated public liability company - National Company “Ports” - with 100% government

shareholding. The head of the National Company “Ports” was the Minister of Transport and Communications. In 2000 National Company “Ports” was transformed in the Executive Agency "Port Administration", founded after the Law on maritime spaces, inner waterways and ports in the Republic of Bulgaria and after the acting Structure Regulations. Executive Agency "Port Administration" is:

- a corporate body of the Ministry of transport. It consolidates regional divisions in Varna, Bourgas, Rousse and Lom. Its legal authority covers all ports without the navy ones.
- Keep a register book of all ports in the Republic of Bulgaria;
- Control the observance of the requirements for free access and application of equal competitive conditions for port operators;
- Assist the Minister of Transport and Communications in carrying out control over performance of concession contracts;
- Collect, process and provide port statistic information;
- Carry out other activities established by a Law or an act of the Council of Ministers.

Management of the seaport infrastructure in Bulgaria is in the hands of the Bulgarian Ports Infrastructure Company, a state company of the Ministry of Transport, which from 2006 manages the infrastructure of the public transport ports of national importance. Among the basic activities of the company regarding these ports are:

- Construction, rehabilitation and reconstruction;
- Maintenance of the existing and building of new access channels, port water areas, sea and river depots for dumping of dredging mass, piers, protective installations, etc;
- Organization of the ports’ activity and management of their property;
- Securing the access to the ports;
- Realization of ships’ navigation;
- Collecting on Tariff 5 and expanding of:
  - channel taxes
  - tonnage ship taxes
  - linear quay taxes
  - light taxes
  - taxes for refuse management – result of shipping activity;
- Signing of contracts with port operators for the performing of services in the refuse management, resulting from the shipping activity;
- Signing of contracts for performing of attending services.
- Maintenance and keeping of a register, containing port infrastructure data;

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285 Държавно предприятие “Пристанищна инфраструктура” (Bulgarian Ports Infrastructure Company) - http://www.bgports.bg.
• Assisting the Minister of Transport in the monitoring of the concession contracts implementation and the contracts with sole-trader companies for the performing of port services and attending activities;
• Organization of the collection, maintenance in up to date condition and the conceding of specialized data for the objects from the cadastre and the property register. Preparation of specialized maps, registers and information systems.
• Preparation of a project for National Program for Development of Ports and its presentation to the Minister of Transport; work on the actualization and implementation of the National Program
• Accepting of annual investment programs for ports’ construction, reconstruction, rehabilitation and maintenance and their proposing for approving by the Minister of Transport.

The functions of control ports and port activities in order to provide safety, operational suitability and security are in the competences of the Directorate "Port Administration - Varna", the Directorate "Port Administration – Bourgas", the Directorate "Port Administration - Rousse" and the Directorate "Port Administration - Lom".

Administration of inland waterway infrastructure in Bulgaria is in competences of the Executive Agency "Maritime administration".286 The Agency shall execute the following functions:
• perform functions related to the safety of shipping in the sea spaces and inland waterways of the Republic of Bulgaria;
• ensure the actual liaison between the government and ships flying the Bulgarian flag;
• exercise control on the observation of shipping safety requirements by Bulgarian and foreign ships;
• prepare and issue certificates of competency to seafarers;
• perform functions related to the living and working conditions onboard ships;
• exercise control on traffic in canals, ports of the Republic of Bulgaria and other duly defined regions;
• perform search and rescue of people, vessels and aircraft in distress;
• exercise control on protection of the marine environment and the Danube river from pollution from ships;
• regulate the movement and manoeuvring of vessels in harbours;
• control and supervise the navigational conditions ensuring shipping safety;
• coordinate the activity of the agency, on realization of control for execution of the measures of regulation the fleet capacity;
• ensure the function of intermediate unit for sectoral operative program "Transport-2007-20013, and realize the functions, determined from the governing authority on the program;

execute and coordinate the functions of the agency, related to the organizational and technical assistance of the activity of fund "Inland Waterways" (in force from the date of joining of Republic of Bulgaria to the European Union).

A special administrative body competent in the matters of the Danube river is Bulgarian Executive Agency for Exploration and Maintenance of the Danube River (EA EMDR)\textsuperscript{287}. The EA EMDR is part of the Ministry of Transport and Communications and it is an administrative structure to provide administrative support and other related activities to a certain Minister. The Agency takes participates in the Danube Commission in Budapest, in the Working group for the Inland waterway transport within the UN ECE based in Geneva, the Joint Bulgarian Romanian Commission for the Rousse - Giurgiu bridge, as well as in the activity of numerous other international organizations, related to the infrastructure, environment and other problems of the Danube river and on the internal European waterways.

5.3 Czech IWW infrastructure management

Czech Republic as landlocked country does not have the seaports. The Czech Republics access to the sea has been traditionally secured by the Elbe River to seaports in Northern Germany, the Netherlands and Belgium using a network of inland ports on the European waterways\textsuperscript{288}. In spite of the lack of seaports, Czech Republic has a public administration of maritime issues. In the Ministry of Transport there exists Division for Maritime Navigation working in the sphere of elaborating the material aspects of laws and implementation regulations, in the field of maritime navigation; preparation of materials for draft laws, and ensuring that they are discussed, in co-operation with the Legislative Section\textsuperscript{289}.

The Labe is the largest Czech river and it is the most frequented waterway being a single connection allowing the vessels to sail from the Czech Republic not only to Hamburg but also to other ports such as Szczecin, Rotterdam, Dunkerque, Nancy, Basel or even to ports on the Danube River\textsuperscript{290}. The unstable water level of the Labe between Ústí nad Labem and the German border is the only problem of this connection. Currently, a new double-dam solution is being discussed, which could improve this section's navigability\textsuperscript{291}.

Czech Ministry of Transport is divided on departments, sections and divisions. For the matters of water transport there is responsible the Navigation Department divided on 3

\textsuperscript{287} Извънните Агенция "Проучване И Поддържане На Река Дунав" (Bulgarian Executive Agency for Exploration and Maintenance of the Danube River - \url{http://www.appd-bg.org/en}.


\textsuperscript{290} R. Kadlec: Danube - Odra - Labe Canal. Directorate of the Waterways of the CR. \url{http://www.aquamedia.at/templates/_printversion.cfm/id/4301}.

Transport infrastructure administrations and management in NMS. Annex to CATRIN D4

divisions: 1) Inland Navigation Division, 2) Maritime Navigation Division, 3) Navigation Division. Inland Navigation Division works in the sphere of the drafting of the material aspects of laws and implementation regulations, in the sphere of inland navigation; preparation of materials for draft laws, and ensuring that they are discussed, in cooperation with the Legislative Section. Gives its opinions on the issuing of permits for the operation of water transportation. Studies the issues involved in the concept of a fleet, its renewal, and related problems. Ensures the work related to the responsibilities of the Ministry, as the appellate body in administrative procedures conducted by the first-instance navigation body – the State Navigation Administration (Státní plavební správa). Takes care of multilateral and bilateral international relations, in the sphere of inland navigation.

In the country, there are 13 river ports that are completely privately owned. Another 10 are „public ports” which - although they are also in private ownership - are obliged to give access to all ships. In addition, there are 20 or so transshipment stations.

5.4 Estonian seaport infrastructure management

In Estonia seaports are operated as public limited companies based on corporate law, the Estonian Commercial Code and other relevant legal acts of the Republic of Estonia. The Estonian Ports Act regulates the obligations of port authorities in the fulfilment of safety requirements and procedures relating to State supervision in ports. The Estonian Maritime Administration, a governmental unit under the Ministry of Economic Affairs and Communications, aims to ensure safe navigation in Estonian territorial and inland waters. It controls marine traffic safety, offers lighthouse and hydrographical services and issues diplomas and service records. It also offers vessel traffic services, including pilotage and icebreaker service. His principal aims are to ensure safe navigation in Estonian territorial and inland waters, perform Flag State Implementation and Port State Control activities. The Administration also issues certificates of competency and endorsements for seafarers, maintains the Small Craft Register, investigates marine casualties, carries out the installation and maintenance of aids to navigation, performs hydrographic surveys, compiles both electronic and paper navigational charts and publishes information publications concerning safe navigation. Additionally, the Administration also monitors vessel traffic in Estonian waters through the radar and AIS network and arranges icebreaker service in ice conditions. The fleet of the Administration consists of an ice breaker, buoy tender ships and hydrographic survey ships. In addition to the bilateral contacts the Administration represents Estonia in different international maritime organizations. Estonia has been a member country of the International Maritime Organization (IMO) since 1992.

295 The Estonian Maritime Administration - http://www.vta.ee/atp/?id=1706
Port of Tallinn is a state-owned limited liability company, is the biggest port authority in Estonia and as far as both cargo and passenger traffic are taken into account, the biggest port on the shores of the Baltic Sea\(^{296}\).

The Port of Tallinn operates as a landlord\(^{297}\) type of port; it is not providing any cargo handling itself. It administers the infrastructure of the harbours (land, quays, etc.), looks after its development, receives vessels, sends them to the roads and ensures safe navigation in the port waters. Port superstructure, or in other words everything that enables to pass cargo through the port gate, remains in the realm of operators. The port leases territories to terminal operators through building titles, this way it incites the operators to invest into superstructure and technology. Obligations of port authorities include ensuring safe vessel traffic and order in the port. According to the Ports Act, a harbour master has the duty to ensure conditions for the safe manoeuvring and berthing of ships in a port, roadstead or dock, for the loading of ships and other necessary activities. Ensuring of fire precaution on the port area and the objects located there is provided in “General Requirements of Fire Precaution”, approved by the Minister of Internal Affairs of the Republic of Estonia and the general fire precaution instructions of the port. Companies operating in the port shall ensure the fulfilment of the fire precaution requirements on the port territory at their use and/or at other objects. The port owner inspects the fulfilment of the fire precaution requirements on the port territory; the requirements introduced by the port owner for ensuring fire safety are compulsory\(^{298}\).

The Estonian Association of Port Operators was established on the 1st of April 2002. It was created mainly because Port of Tallinn Ltd., that owns the biggest harbours in Tallinn, Muuga and Paldiski, functions as a land-lord type of port with the main functions as the traditional port services, safe navigation and the development and rental of the infrastructure. Therefore all the operations with transit and export goods are carried out by operator-firms that have contracts with the Port of Tallinn for the use of the port's infrastructure. One of the most important aims of the Association is to organise co-operation of its members in communications with the state organs, Port administration and the other parties of the logistic chain - Estonian Railway, National Customs Board, the Board of Border Guard, etc. This task is especially important, because the efficient servicing of the international transit business through Estonia and sustainable development of its competitiveness depend directly on the co-operation of the different elements of Estonian logistic chain\(^{299}\).

### 8.2.2.1. Lithuanian seaport infrastructure management

Under the Lithuanian Maritime Safety Law, companies rendering services related to maritime safety must be certified pursuant to the procedure established by the Minister of

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296 Port of Tallin - [http://www.ts.ee](http://www.ts.ee).

297 With the growing move for privatisation of the seaports all over the world subsequent to reforms, private sector participation in operations and infrastructure activities of seaports has increased substantially over the last few years. This has resulted in a radical change in the organisational model of ports, converting from Service Port model to Landlord Port model, where port authority retains the port infra-structure and regulatory functions, whereas the port services are provided by private operators.


Transport and Communications. Port-based enterprises, offices and organisations conduct their operations independently and in conformity with the laws governing their operations. The said enterprises, offices and organisations are obliged to follow the requirements of the Law on Klaipeda State Seaport and the Regulations on Port Operations\textsuperscript{300}. Minister of Transport and Communication organize the management of State sea ports\textsuperscript{301}.

In Lithuania, the land territory, the port waters, the hydrotechnical equipment, the quay-walls, the navigation channel and routes, the aids to navigation and other infrastructure objects belong to the State.

State Enterprise Klaipeda State Seaport Authority is the main transport hub and the gate of Lithuania to the world. Before the restoration of independence of Lithuania in 1991 there were two separate ports: sea commercial port and fishing port. In the territory of the port there were about 20 enterprises and organizations that belonged to different authorities. When the independence of Lithuania was restored in 1991, there was founded Klaipeda port authority by the Decree of the Government of Lithuania and in 1992 Klaipeda port got the status of state seaport. In 1996 there was promulgated the law on Klaipeda State Seaport, which states that the land and water territory, the quay-walls, hydro-technical equipment navigation routes, canals and other objects of infrastructure – belong to the state and cannot be privatized. The state manages all those objects and assures their activities via State Enterprise Klaipeda State Seaport Authority, the main objective of which is – to permanently develop the port, maintain its competitiveness and increase cargo handling volumes\textsuperscript{302}.

Klaipeda State Seaport Authority is responsible for the management of state-owned objects that are within the territory of the port and the Port Authority is responsible for the reconstruction and modernization of the port infrastructure. Independent stevedoring companies, as well as shipbuilding and ship repair yards, operate within the port area, on the basis of land lease contact agreements concluded with the Port Authority. The Port companies use the superstructure - handling and ship repair equipment, warehouses and etc. – and all stevedoring companies are private. There are eight specialized stevedoring companies in Klaipeda Seaport: Klaipeda Stevedoring Company (KLASCO) is the largest in Lithuania, handling more than half of the cargo through the port, which comprises a general cargo port, an international ferry terminal and a container terminal, which opened in 1999. In Lithuania, the operation of port infrastructure generates a profit (operating margin around 50 %, return on equity around 7 %) which is invested in port facilities. Revenues from port activities (mainly from port dues and land leasing) balance the financing of new public investment in Port of Klaipeda\textsuperscript{303}.

\textsuperscript{301}Regulations of the Ministry of Transport and Communications of the Republic of Lithuania.
\textsuperscript{302}Klaipeda State Seaport - http://www.portofklaipeda.lt/en.php/general_information/port_structure_and_management/port_authority/271
8.2.2.2. Latvian seaport infrastructure management

The ports in Latvia are operating as landlord ports according to the “Law on Ports”, adopted in 1994 as an umbrella law for the port sector. This model of port management provides that the port authority, acting as a non-profit entity, only manages the infrastructure and looks after the policing of port operations. The actual provision of port services is the responsibility of the private sector that rents port sites from the port authority\(^{304}\).

Latvia has three large ports – Ventspils, Riga, and Liepaja – and seven small ports. Port land may be a property of the state, local government or other legal entities or physical persons. Only the state and local government are entitled to buy port land and it is forbidden for the Port Authority to sell the port land. Port waters are the property of the state and both these and state land is assigned into the possession of the respective port authority. This excludes that state land which serves as railroad infrastructure: these areas are administered as part of the state public railroad infrastructure. Port Authorities in Latvia are non-profit organizations. The financial resources at the disposal of the Port Authority may be used only for the maintenance and development of the port and its infrastructure and for performing its functions. Port Authorities finance new public investments in Latvian ports. Neither the Port Authority, the state nor local Governments subsidize ship or cargo handling activities in the port. Within the framework of the Public Investment Program, Government has provided sovereign guarantees for loans aimed at the development of the infrastructure. The Port Authorities repay the loans\(^{305}\).

According to the Latvian “Law on Ports”, the exclusive rights for pilotage, lease of port land, environmental protection, dredging and general security services are granted only to the port authority. The maintenance of the port hydro-technical constructions, waterways, floating navigation equipment and devices and port aquatory are also and exclusively the responsibility of the port authority.

The Freeport of Riga is managed by the Freeport of Riga Authority. The highest decision-making body of the Freeport of Riga Authority is the Board. The administrative staff of the Freeport of Riga Authority is managed by the Chief Executive Officer. The main functions performed by the Freeport of Riga Authority are as follows\(^{306}\): determine port fees and tariff ceiling, monitor the compliance of operations of undertakings, control the protection of the territory of the Freeport, enter into contracts with undertakings.

5.5 Hungarian IWW infrastructure management

Hungary is in a privileged position for both commercial inland shipping and recreational boating, with many gently-sloping and readily navigated rivers in the vast Hungarian plain. The Danube runs through the heart of the country, from km 1858 to km


1433, a distance of 425km, of which the first 150km is shared with Slovakia on the left bank. The Tisza, the most important left bank tributary of the Danube, also runs north-south through vast, fertile plains, and has seen extensive multi-purpose development, although the value of the works completed to date is restricted by the long detour via Serbia to navigate from one river to the other. Hence the long-standing Hungarian project for a Danube-Tisza Canal. A further limiting factor (which also applies in many other regions of Europe), is the aggravation of summer low-water levels due to large-scale flow diversion for irrigation. This makes navigability particularly uncertain in the free-flowing lower reaches around Szeged307.

Hungary is a country being isolated from sea and mainly relies on its foreign trade relations. After completion of Danube-Main canal, the country will have an additional access to the sea. Despite Hungary's dependence on foreign trade and the importance of accesses to the sea, no adequate investments have been made in inland shipping and port network for decades. Also, the potential for waterborne competition for international container and bulk traffic, with the national railroad (MAV)308, a substantial source of foreign currency earnings, may serve to diminish political support for any vigorous and competitive water-borne system, be the vessels Hungarian or of foreign flag308.

Water Management in Hungary is in the hands of National General Directorate for Environment Nature and Water309. The competences of this Directorate are:

- Water licensing:
- 1st degree: regional water authorities
- 2nd degree: National Water Authority

Chief Inspectorate of Environment Protection and Water (Water licensing 2nd degree) is composed of:
- 12 Regional Inspectorates of Environment Protection (Environmental licensing),
- 12 Regional Water Inspectorates (Water licensing 1st degree).

5.6 Polish seaport and IWW infrastructure management

There are 13 ports operating in Poland. These are: Gdansk, Gdynia, Darlowo, Elblag, Hel, Kolobrzeg, Leba, Police, Puck, Stepnica, Szczecin/Swinoujscie, Trzebiez and Wladyslawowo. Commercial traffic is reported for ports such as: Gdansk, Gdynia, Elblag, Kolobrzeg, Police, Stepnica, Szczecin/Swinoujscie and occasionally Wladyslawowo. Other ports comprise fishing and yacht harbours. Among the aforementioned, only Gdansk, Gdynia and Szczecin/Swinoujscie play a pivotal role in terms of the national economy. These ports developed strategies that aim to improve their offer, first and foremost they relate to the expansion of the capacity to handle container ships, ro-ro vessels, as well as ferries and

passenger traffic. Local port strategies usually provide for the upgrading of the tourism-related capacity. 

Gdynia, Gdańsk, Szczecin and Świnoujście are seaports of fundamental importance for the national economy. Cargo turnover in Polish seaports has stabilized at 55-60 million tonnes. Gdansk with its deep Północny Port records the highest turnover. The Act on Sea Ports and Harbours of 1996 forms the basis of Polish port policy. The Act stresses the public function of ports and puts forward a number of rules on clear and transparent relations between the Polish government and the port authorities. On 30 July 2004, the Act of November 23, 2002 amending the Act on Sea Ports and Harbours was published in the Journal of Laws (no 169/2004, it. 1766). This amendment stipulates the rules and regulations on port charges levied by the port managing entities. Ports holding a basic position in terms of maritime commerce are governed by port authorities in a form of joint stock companies with a minimum share owned by the State Treasury of 51% and shares owned by competent local authorities according to the location of ports. Currently, there are three port authorities: Port of Gdansk Authority SA, Port of Gdynia Authority SA and Authority of Szczecin/Swinoujscie Seaports SA. Other ports remain under the responsibility of the governing communes or Maritime Offices. Acting on behalf of Maritime Offices in ports are Harbour Master’s or Harbour Boatswain’s Offices. An exception to that rule is the Port of “Police” that is owned by the Chemicals Manufacturing Plant.

The Maritime Administration is responsible for all sea-related matters in scope of governmental competence as established under the law of 21 March 1991 „Ustawa o obszarach morskich Rzeczypospolitej Polskiej i administracji morskiej” and other supplementary acts. The Maritime Administration jurisdiction covers all sea areas on which Polish influence is extorted – ports and harbors, internal waters, territorial sea and to the degree regulated by international law in Polish sea economic zone as well as costal areas especially in the so called “technical zone”. Administration is represented by Maritime Offices based in Gdynia, Szczecin and Słupsk.

As for inland water transport administrative function is performed by Office of Inland Navigation (Urząd Żeglugi Śródlądowej) which acts under the law of 21 December 2000 – „Ustawa o żegludze śródlądowej”. The tasks of the Office include all relevant activities in regard to:

- control of safety of inland navigation,
- vessel inspections and accident investigation,
- control of obedience to navigation law by carriers and control of appropriate documents
- control of use of funds from Inland Navigation Fund (Fundusz Żeglugi Śródlądowej) and Reserve Fund (Fundusz Rezerwowy),
- inland ship registry,
- issuance of vessel and personnel documents,
- local law regulations.

311  Ibidem.
5.7 Romanian seaport and IWW infrastructure management

The Romanian water transport network includes seaports, river ports, and inland waterways. Constanta, its major seaport and the largest on the Black Sea, is linked via the Danube to Serbia, Hungary, and Austria, and then via the Rhine-Main-Danube Canal to the Rhine as far as Rotterdam on the North Sea. The ports of Constanta, Midia, Mangalia, and Tomis are operated by the 100% state-owned joint stock company National Company Maritime Ports Administration Constanta (MPAC). MPAC is a member of EcoPorts, the European Intermodal Association (EIA), International Association of Ports and Harbours (IAPH), the International Association of Cities and Ports (IACP), and is a corresponding member of Inland Navigation Europe (INE). The Danube – Black Sea Canal linking the port to the inland waterways is owned by the State and operated by the National Company for Navigable Channels Administration (Compania Nationala Administratia Canalelor Navigabile S.A), based in Constanta, formally a commercial company owned by the MTCT. Otherwise, the water transport infrastructure is managed by:

- the National Company for Administration of the Danube Maritime Ports in Galati (Compania Nationala Administratia Porturilor Dunarii Maritime S.A.),
- the National Company for Danube River Port Administration in Giurgiu (Compania Nationala Administratia Porturilor Dunarii Fluviale S.A.),
- the Autonomous Agency for Management of the Lower Danube (Regia Autonoma Administratia Fluviala a Dunarii de Jos) located in Galati.

The Port of Constanta is the main Romanian port and the largest port in the Black Sea. It offers a link between the developed countries of Western Europe, and the emerging markets of Central Europe, with the raw resource from the CIS, Central Asia and Transcaucasus, and with containerised cargoes from the Far East. Its two satellite ports, Midia and Mangalia, are located nearby, and share functions with the main port.

The Romanian sector of the Danube River, between Bazias and Sulina, has a total length of 1,075 km of which 320 km is entirely on Romanian territory. The remainder is shared as a State Border with Ukraine (55 km), Moldova (0.97 km), Bulgaria (470 km) and Serbia and Montenegro (230 km). In practice this means that rehabilitation projects on all but the section where Romania has sole responsibility, must be agreed and coordinated by both countries and put into effect at the same time. Altogether Romania has 32 inland waterway ports with a total capacity of 52 million tonnes / year. Among these, thirteen are part of the TEN-T network. Five river/sea ports namely Constanta, Braila, Galati, Tulcea, and Sulina have a total traffic capacity of approximately 34 million tonnes / year, and allow access to sea-going vessels of up to 25,000 dwt of capacity, 180 m in length, and a usual maximum 6.9 m draught (limited by the depth of the Sulina Canal). Romanian river ports, under the responsibility of the company for Danube River Port Administration, have a total of 16,200 m of quays, of which some 20% are said to be over 60 years old and urgently in need of

reconstruction, with another 65% in poor physical condition due to lack of funds for maintenance and repairs\textsuperscript{314}.

The Romanian Waters National Administration, created in 2002 by the Government Decision no.107, is the National Authority in charge with all the strategies regarding the management and exploitation of the water resources, and administrates the national network of hydrological, hydro-geological and quality measurements of the public waters. The Romanian Waters National Administration - a state owned enterprise of national interest, is a Romanian legal person under the authority of the Ministry of Agriculture, Forests, Waters and Environment, functioning with economic management and financial autonomy, according to the legislation in force and to the present regulations. The Romanian Waters National Administration has a structure formed of Water Directorates, organized as basins and groups of basins, The National Hydrology and Water Management Institute, The Stânca Costesti Multiple Winning as well as other subordinated units regulated in Annex 2 of the present emergency ordinance\textsuperscript{315}.

The Romanian Waters National Administration follows the national strategies and policies for the quantitative and qualitative management of the water resources. For this purpose it studies the resources, working for a long term preservation and rational use against exhaustion and turbidity, and for preventing the destructive actions of waters, pursuing the ecological reconstruction of the water courses, and ensuring hydrological and geological monitoring. The Romanian Waters follows the legislation compatible with the UE regulations regarding the water resource management and the preservation of the aquatic ecosystems and the water areas. In this respect, it is in charge with and responsible for the ways the surface and underground waters on the Romanian territory are used and for the water management operations and it collaborates with all the owners of other operations regarding the waters. The Romanian Waters National Administration administrates the public waters and the infrastructure of the National Water Management System consisted of reservoirs, embankments against floods, channels, drains, redirecting flows between basins, water intakes and other specialized operations as well as the infrastructure of the hydrologic, hydro-geological and quality monitoring national systems, within its patrimony, for a better acknowledgment and unitary management at national level of surface and underground waters.

5.8 Slovak IWW infrastructure management

The development of transport infrastructure of water transport of the Slovak Republic is focused mainly on improving the navigation conditions in the Slovak section of Danube in the section Komárno - Budapest, and namely by implementing the judgment of International judicial court in Hague in the suit of the Slovak Republic and Hungarian Republic on the contract on construction and operation of the waterworks system on Danube Gabčíkovo - Nagymaros. According to the opinion of experts of the Slovak Republic, the burdensome

\textsuperscript{314} Ibidem.

\textsuperscript{315} The Romanian Waters National Administration - http://www.rowater.ro/ViewTopic.asp?Topic=1001&lang=EN.
navigation locations on this section of Danube can be steady eliminated only by damming the Danube level by the so called lower degree, what would be also in compliance with the recommendation of the Danube commission on the gradual construction of waterworks on Danube with the aim of improving the navigation conditions on the whole navigable section of Danube. Here one has to mention that, according to the AGN agreement on main inland waterways of international importance, the Danube is a magisterial waterway (artery) with the notation E 80. A gradual realisation of the Váh waterway enables the connection up to Žilina in the time-horizon about 2006 - 2010 with the possibility of canal interconnection to Polish Oder. According to the AGN agreement, the Váh waterway is the national waterway of international importance with the notation E 81. The length of the Váh waterway after its completing will be 253 km plus the future canal interconnection to Oder. Slovak inland water ports are: public ports – Bratislava, Komarno, Sturovo; ports on the river Vah, ports on other SR waterways.316

In accordance with the Act No. 347/1990 Coll., on ministry organisations and other central authorities of SR state administration last amended, SR Ministry of the Land Economy is the central authority of the state administration for the water economy, under which belong care after waterways, their maintenance and building of new waterways. Narrow co-operation between both ministries, which will be in included in the Concept of SR Waterway Transport Development is therefore necessary.

Slovak Watermanagement Enterprise, s. e. (SWME) Banská Štiavnica – professional organization for administration, operation and maintenance of water courses, water reservoirs, flood control, maintenance of navigation way, care for surface waters quality and inspection of ecological aspects of water management and for administration and operation of hydromelioration facilities and small water streams. The SWME was established in 1997 by fusion of four state enterprises. Their original structure has been observed on the principle of hydrological catchments. The aim of this transformation was providing of an uniform standard of water management activities, the emphasis being put on utilization of already developed material-technical basis, and qualified personnel, as well as providing efficient economical mechanisms for financing water management activities in the expect of the former river basin authorities by enforcement such economic measures which would eliminate the negative impact of the location rent on the enterprise economics. The operation practice has proved, that the division of the SWME into lower organization units according to hydrologic situation in Slovakia is correct. Respective branch enterprises administer complete hydrological units (sub-catchments), thus complex solution of operation problems is provided, as well as protection from harmful effects of water, and other activities concerning the economics of the enterprise and also the global Slovak economics. This method of management in case of flood events provides prompt concentration of capacities from the whole Slovak territory to rescue works in the most afflicted areas, the professional experience of workers being an important contribution317.

5.9 Slovenian seaport infrastructure management

In Slovenia there is only one seaport – Koper. Responsibilities of the port authority and port administration are in the hands of the Slovenian Maritime Directorate established on 1 January 1995 as a maritime administration which is a part of the Ministry of Transport. The Slovenian Maritime Directorate carries out a wide range of tasks encompassing all aspects of maritime activity and covers provisions about the safety of navigation, development of port infrastructure, search and rescue operation, pollution prevention, seaways, ports and harbours, ships survey, issuing of certificates and documents required to be carried on board ships, port state control, registration of ships and pleasure boats, issuing of seafarers certificate. The main tasks are the economic development of port infrastructure and safety at sea, inland waters and lakes. 

The internal logistics and tasks of The Slovenian Maritime Administration are performed by internal units:

- Sector: Harbour Master office; is performing all tasks regarding maritime traffic, safety at sea and the prevention of pollution at sea,
- Sector for the investments, real estate and finance; deal with the economic development of the port infrastructure, the use of public goods and the performing of public services,
- Port State Control; is performing all tasks regarding the inspection of safety at sea; The Slovenian Maritime Administration takes care of the environment through the Maritime Safety Inspectors employed in this sector. The activities of these Inspectors cover the inspection on prevention of pollution from ships. According to the Paris Memorandum of Understanding on Port State Control they should inspect 25% of vessels which enter the port of Koper,
- Sector for the maritime documents and general affairs; is responsible for the co-ordination of general affairs between sectors, for international co-operation and legal affairs that have a common interest for the administration.

Luka Koper is the holding company of the group. Services offered by affiliated companies linked to the group, encompass the entire offer of the port's services. The company's organisation is conceived in a manner to ensure the quality and efficient performance of port's activities and to meet customers' requirements. In the Port of Koper, the company Luka Koper performs also the security operations within its own specialised department that ensures physical and technical protection of the people, property and fire protection. The security service is organised according the national regulations (private security law of the Republic of Slovenia), and it has a national license for the security service. For the Port of Koper, being the only international cargo port in the Republic of Slovenia, primary port infrastructure (such as piers, gates, adjacent land, etc.) belongs to the State and secondary port infrastructure (such as roads, rails, fences, power, telecommunications, water and waste waters installations, etc.) represents the 51% capital value for the States share in the

company Luka Koper and the recognition of the Luka Koper concession rights in the port of Koper. Port infrastructure is owned by the Republic of Slovenia, the local community and private persons. The Republic of Slovenia, acting via the local community, decides on concessions or awards the management and development of port infrastructure to the port administrator. Access routes, railway tracks, entrances, fences, sewage and water systems, electrical installations, lighting and telecommunication installations in the cargo port of Koper represent an investment of the Republic of Slovenia in the share capital of Luka Koper\textsuperscript{320}.

\textsuperscript{320} Ibidem.
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