

## **INTERNATIONAL TRANSPORT FORUM**

### **Joint ITF/UNECE/WB seminar on eliminating of obstacles at border-crossings (Paris, March 5-6, 2009)**

#### **REPORT Of the OSJD Deputy Chairman Mr. Viktor Zhukov**

Please let me on behalf of the Organization of Cooperation of Railways (OSJD) and from me personally to greet the participants of this seminar and to express particular gratitude to the organizers for the invitation to participate in such representative meeting.

With satisfaction I would like to note the currentness of the issues discussed at the Seminar. In its work OSJD is permanently facing with these issues, because the main activity of OSJD is to promote, develop and enhance the international transport between Europe and Asia. The length of the rail roads of the OSJD member countries is more then 280 000 kilometers. About 5,5 billion tons of cargos and about 4,2 billion passengers are carried along the rail roads of these countries per year. And natural is the fact that the time is playing a vital role on this area in providing the successful railway transportation, and time is money. In order to win in competitive battle there is a task to carry passengers faster, more comfortable, providing high quality service and cheaper. That is why OSJD in its work has to consider all these factors.

Analysis of transportations in OSJD member countries shows the annual increase in the volume of carried cargos, but it is not the same in all countries and not all, on our opinion, possibilities were used, because of the existing on the way of international transportation of cargos barriers. These are first of all border crossing problems, which reflect on the competitiveness of the railway transport and its efficiency.

On today's forum we examine in detail the issue of reduction of the obstacles at border crossings. Indeed this is the vital and serious issue, and as the practice demonstrates influencing on majority of factors such as development and keeping the trade dialog between our countries, keeping economic and financial prosperity of the participants of the passenger and cargo transportation process. Mode of transport depends largely on the border crossing conditions. It is connected first of all with existing cargo and passenger delays on border crossings. Railways can spend huge funds on modernization and improvement of its infrastructure, introduction of high speed parts, purchasing of high speed rolling stock, but all this efforts won't work, if after the high speed part our railway wagons will stop for a long waiting time to cross the border.

OSJD countries annually carry in international communication over 600 million tons of cargos through 200 border crossings.

There by the major part of wagons is delayed on border, some of wagons have waiting time about one month or even longer. Therefore the difficult-to-obtain wagons, the efficiency of their use, economic and financial characteristics are decreased, and the main thing is that the delivery time is missed and the clients loose the confidence to railway transport.

There is a question: why is it going on and what is necessary to do in order to reduce the waiting times?

The conducted researches have revealed and have shown set of the reasons influencing delays of passengers and cargoes at border crossings. We know them. Development of a considerable quantity of measures and recommendations became result of joint work of OSJD and UIC. These decisions have been considered. It is necessary to notice

that delays were reduced in 2 times. Lately there was a lot done by OSJD member countries, but still the situation has not been corrected, delays are still there.

It is necessary during the meeting with Ministers to organize a round table in order to discuss these questions and to inform them on recommendations.

It is necessary to notice that 50 % of problems are connected most of all with the organization, technology, interaction of participating structures in crossing of borders. Other half depends on the attitude of the states to border crossings; it is legislative and legal bases, a level of development of an infrastructure and financing.

In this connection in 2003 at the interdepartmental meeting in Sochi it has been decided to pay attention of the governments to the existing in this area problems for which purpose to hold the international conference on facilitation of conditions of border crossings under the aegis of the United Nations. This initiative has been supported by the United Nations Economic Commission for Europe. The working group on preparation of this conference has been organized. Since 2004 till today this group had been carried out the analysis of delays and had been prepared the program of actions for the countries on facilitation of border crossings by rail, envisaging the variety of measures in the passenger and cargo transportation, in particular such as:

- Creation of conditions of carrying out the joint customs and border control in order to avoid the double control;
- Carrying out of a part of the control operations under not on the border, but at internal stations;
- Application of electronic data exchange for preliminary informing on the cargo transported across the border;
- Measures on development of multilateral cooperation are provided;
- A series of measures on expansion of the legal issues, including expansion of introduction of new unified waybill CIM/SMGS;
- Cooperation of OTIF and OSJD concerning rapprochement of two legal systems – CIM and SMGS, including harmonization of rules of transportation of dangerous cargoes.

Unfortunately there are two systems of international transport laws existing on the Eurasian transport area, and we have to take it into account.

Transportation of cargoes under two legal documents, naturally, causes a number of inconveniences for clients and carriers require obligatory re-issue of transport documents at border crossings that leads to long delays of cargo and additional financial expenses. Distortions and errors in the re-issued documents also lead to a cargo delay.

The major direction of our work is the facilitation of border crossings by creation of the new unified waybill, satisfying the instructions both of CIM, and SMGS. Creation of uniform waybill CIM/SMGS and the Guide of its use are the results of this work.

The first experimental train with 1120 tons of the ferrous metals going from Ukraine to Germany started on July, 25th 2006 crossed the Ukrainian-Polish border without re-issue of transport documents. This demonstrated the possibilities and advantages of work on a new waybill. Today trains from Russia, Ukraine, Poland, Belarus and other countries runs successfully according to this system conditions.

Works on preparation of Annex № 9 concerning railway transport to the Convention on the coordination of the control of cargoes on border from 1982 were simultaneously conducted. All requirements and conditions of the control of cargoes at the border crossings are clearly defined in this Annex. One of points of this Annex provides adjustment of system of the statistical account of all delays of cargos and passengers. Only knowing level and the

reasons of the delays, by comparing them to the previous periods gives the opportunity to objectively estimate a situation and to take necessary measures. Currently project of Annex № 9 has been considered and approved at the meeting of 121<sup>st</sup> session of working group on the customs questions connected with transport of UNECE and has been submitted to Administrative committee «Conventions on the approval».

Besides, the new convention on facilitation of conditions of rail transportation of passengers and luggage through borders has been developed. But taking into account that some of the countries being part of the similar convention of 1952, have suggested not to consider this convention and to join the old one dated 1952, and only after that to make changes and the additions reflecting today's requirements into it.

High hopes have been connected with the convention on procedure of the international customs transit in which there is the recognition of SMGS waybill as the customs document. The convention is directed on reduction of border crossing time by rail, elimination of the unnecessary delays, etc. But since 2007 and on the present nobody except Ukraine has signed it.

The special attention is given to the decision of technical and technological questions. It is, first of all, carrying out of researches and working out by scientific research institutes of the measures, helping to reduce time of the control and border crossing by rail and definition of the list of obligatory requirements to the points of border crossings.

The text of the final document in the form of the declaration where it was supposed to pay attention of the countries' governments to existing problems on border crossings has been prepared and actions on elimination of the reasons influencing these delays were offered.

OSJD suggests and considers necessary to develop by the participants of a seminar recommendations to ministers of transport in order to present the recommendations for their consideration at a forum taking into account a material prepared by working group consisting of the representatives of the countries and the international organizations – UNECE, OTIF and OSJD.

The following block of problems which essentially influence reduction of time of border crossings is the issue of improvement of legal documents according to which procedures of the international rail customs transit of cargoes are carried out.

Improvement of SMGS and SMPS agreements, regulating condition transportation of passengers and cargoes in the international communication, are the major focus of OSJD attention. During the last few years the big work on improvement and actualization of SMGS was done. New texts of the Agreement and the Office instruction to the Agreement including all changes and the additions adopted after 1990 with those borrowed from CIM were published. Now there is a process of the revision of SMGS and CIM is going on in order to bring them closer to today's demands.

Next block of problems lies in the area of action of the states and the governments. The analysis of the reasons of non-fulfillment of some joint complex actions border crossing by rail transport shows that a number of problems exist in the field of responsibility and action of the states and governmental bodies of OSJD member countries. We have carried out a survey between OSJD member countries and have found that the majority of the countries have a government program "Border" in which priorities and measures on development of border crossings, conformity to their international requirements are defined. However not all countries have such programs. But even if such program exists, there is a question of its financing, its maintenance, integrity, and covering full scope of issues. In some cases the emphasis is on road border crossings. In this connection there is a necessity to recommend

all countries to prepare the government programs on development of the border crossings, covering all modes of transport and identifying their financing.

Taking into account all said above we suggest doing the following at a seminar and subsequently at a transport forum:

1. To prepare the project of the declaration or the message for ministers of transport where to reflect all basic directions of work concerning facilitation of border crossings by rail transport.
2. To consider and approve the program of actions of the countries on facilitation of border crossings where give the basic attention to:
  - Statistics gathering on implementation of norms of time and cargo delays on border crossings;
  - Definition of time specifications for each border crossing and the subsequent control of its implementation;
  - Creation of governmental programs on facilitation of the of the border crossing;
  - Assistance in signing and ratification of the Convention on customs transit;
  - Assistance in wider application of unified waybill CIM/SMGS in the international cargo communication;
  - Approval of the Annex 9 of the Convention on approval;
  - Joining the Convention of 1952;
  - Wider introduction of modern achievements of science and on the cargoes and passengers control;
  - Carrying out conference or forum on the problems of border crossing facilitation during 4 years period.
3. To consider actual measures and the recommendations accepted at the previous interdepartmental meetings.
4. To conclude «The Trust Contract» between the customs bodies of the corridor (about a joint liability).

It is offered to use OSJD materials and during the organization of the Round table within the framework of the International transport forum to discuss and prepare key recommendations for ministers of transport in order to let ministers select most significant of them. It is necessary to include key recommendations depending on the governments into the declaration (or message) to their governments.