Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

4 February 1999 [shall come into force on 25 February 1999];

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17 July 2008 [shall come into force on 13 August 2008];

7 May 2009 [shall come into force on 2 June 2009];

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13 May 2010 [shall come into force on 2 June 2010];

17 June 2010 [shall come into force on 8 July 2010];

23 September 2010 [shall come into force on 14 October 2010];

16 December 2010 [shall come into force on 1 January 2011];

14 April 2011 [shall come into force on 1 June 2011];

28 February 2013 [shall come into force on 27 March 2013];

12 September 2013 [shall come into force on 1 January 2014];

6 November 2013 [shall come into force on 1 January 2014];

18 September 2014 [shall come into force on 8 October 2014];

16 October 2014 [shall come into force on 12 November 2014];

25 February 2016 [shall come into force on 10 March 2016];

7 December 2017 [shall come into force on 3 January 2018];

25 October 2018 [shall come into force on 28 November 2018];

6 June 2019 [shall come into force on 3 July 2019];

7 November 2019 [shall come into force on 5 December 2019];

13 February 2020 [shall come into force on 27 February 2020];

15 June 2021 [shall come into force on 29 June 2021].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Railway Law**

**Chapter I General Provisions**

**Section 1. Terms Used in this Law**

The following terms are used in this Law:

1) [13 February 2020];

2) **railway operation**– an activity that ensures the functioning of a railway, and also the use, maintenance, and development of the railway infrastructure, and use of the rolling stock;

3) **development of railway infrastructure**– a set of measures [establishment, construction, upgrading (improvement) of infrastructure, capacity enhancement] which, according to the transport policy planning documents, is carried out in order to substantially increase the speed of rail transport services, improve the safety, quality and other technical capabilities of the railway;

4) **railway infrastructure capacity**– a possibility to plan train paths that are requested for a railway line for a specific period of time;

5) **use of railway infrastructure**– services which are provided by the railway infrastructure manager to another person, on a contractual basis, granting the right to use the railway infrastructure;

6) **maintenance of railway infrastructure**– a set of measures (technical maintenance, renewal of the infrastructure) which is continuously carried out by the railway infrastructure manager in order to ensure that use of the railway infrastructure objects is in compliance with the Railway Technical Operations Regulations, and also any other railway infrastructure works intended to maintain the condition and capacities of the existing infrastructure;

7) **rail transport services**– services which are provided for passenger or freight carriage, on a contractual basis, for inland or international traffic by railway;

8) **public procurement of rail transport services**– rail passenger and freight services and associated other services which are paid for fully or in part by State or local government funds;

9) **railway specialist** – a person whose work is directly related to railway traffic, who has special education or who is specially trained and who in order to be entitled to work in the relevant profession has according to specified procedures submitted documents certifying qualifications (a railway specialist certificate or professional competence certificate);

10) **Railway Technical Operations Regulations**– regulations issued by the Cabinet which govern the basic railway technical operations requirements;

11) **railway right of way**– an area of land which is an integral part of the railway infrastructure and which is intended for the placement of railway infrastructure objects in order to ensure the development of the railway infrastructure and the safe operations, and also to protect people and the environment from harmful effects of the railway;

12) **railway infrastructure manager**– a business entity or an institution which is responsible for the operation of the railway infrastructure, including train path allocation, traffic management and determination of infrastructure charge, and also for the maintenance, renewal, and development of the railway infrastructure in the network, and participates in the development thereof in accordance with the procedures laid down in laws and regulations. The railway infrastructure manager manages the railway infrastructure by ensuring operation, maintenance, renewal, and development thereof, plans, organises, and supervises the movement of trains and other rolling stock over the railway infrastructure tracks under its management, and also is responsible for the management of the railway infrastructure control and safety systems and, in cases where the law does not provide for restrictions, performs the essential functions of the railway infrastructure manager. Separate functions of the railway infrastructure manager may be performed by different institutions or merchants in compliance with the provisions of Section 6.3 of this Law;

13) **route**– a pre-selected path of movement of rolling stock between two end points in a specified time period;

14) **railway undertaking**– a commercial company which has received a railway undertaking licence to conduct rail (passenger or freight) transport services between stations (also for shunting) and for this purpose ensures traction, or a commercial company which has received a railway undertaking licence and provides only traction services between stations, and also performs shunting;

15) **access right to railway infrastructure**– the rights of a railway undertaking or a shunter to use the public-use railway infrastructure after a single safety certificate has been received and a contract has been concluded with the railway infrastructure manager;

16) **rolling stock** – locomotives, cars, multiple units, power cars, drivable self-propelled cars, track repair equipment, cranes, and other machinery and devices which because of their technical features are able to or do move by rail;

17) **means of traction** – locomotives, power cars, and similar rolling stock by means of which the primary energy (electrical, mechanical, or hydraulic energy) is converted into the mechanical energy of train movement;

18) **train**– an assembly of cars or other rolling stock coupled with one or more means of traction, which assembly has been assigned a train number and equipped with special signalling devices;

19) **tariff**– a system of rates by means of which the charges for rail transport services or for other services offered by the railway are determined;

20) **safety permit**– a document which certifies the capacity of a specific business entity to operate in the relevant area of commercial activity in the railways sector, taking into account the safety requirements;

21) **earth structure**– an earthen construction complex which is acquired in working the surface of the ground and which is intended for the locating of a superstructure, ensuring the solidity of tracks and the protection thereof against atmospheric waters and ground water;

22) **safety management system**– a set of organisational measures which has been implemented by a railway infrastructure manager, a railway undertaking, and a shunter in order to guarantee safe management of their activities;

23) **essential functions of the railway infrastructure manager**– a decision-making on allocation of capacity, train path allocation, including both the definition and the assessment of availability and the allocation of individual train paths, and decision-making on infrastructure charges, including determination and collection of the charges;

24) **alternative route**– another route between the same origin and destination where the two routes can be interchanged for the provision of the respective freight or passenger services of the railway undertaking;

25) **viable alternative**– access to another service facility which is economically acceptable to the railway undertaking, and allows it to provide the respective freight or passenger service;

26) **service facility**– an installation (also ground area, building, and equipment) which has been specially arranged, as a whole or in part, to allow the supply of one or more services referred to in Section 12.1, Paragraph two, three, or four of this Law;

27) **operator of a service facility**– any merchant or its structural unit responsible for managing one or more service facilities or providing one or more services referred to in Section 12.1, Paragraphs two, three, and four of this Law to a railway undertaking;

28) **licence of a railway undertaking**– an authorisation issued by the licensing authority to a commercial company by which the right of such commercial company to provide rail transport services as a railway undertaking is recognised. The abovementioned rights may be limited to the provision of specific types of services;

29) **licensing authority**– an institution responsible for granting licences of a railway undertaking;

30) **reasonable profit**– a rate of return on own capital that takes account of the risk (including that to revenue) incurred by the operator of a service facility, or the absence of such risk. The abovementioned rate is in line with the average rate for the relevant sector in recent years;

31) **applicant undertaking**– a railway undertaking in case when carriage is taking place from a country other than a European Union Member State (hereinafter – the third country), or to the third country. In other cases – a railway undertaking or another person with a public-service or commercial interest in procuring infrastructure capacity for conducting carriage;

32) **congested infrastructure**– a railway line of public-use railway infrastructure in which demand for infrastructure capacity cannot be fully satisfied during certain periods of time even after mutual coordination of the different requests for capacity;

33)‧**capacity enhancement plan**– a measure or a set of measures with a calendar schedule drawn up for their implementation to alleviate the capacity constraints which led to the declaration of a railway line of public-use railway infrastructure as a congested infrastructure;

34) **coordination**– the process through which the performer of the essential functions of the public-use railway infrastructure manager and applicant undertakings attempt to resolve situations in which there are conflicting applications for infrastructure capacity;

35) **framework agreement**– a legally binding general agreement setting out the rights and obligations of an applicant undertaking and the performer of the essential functions of the public-use railway infrastructure manager, and also infrastructure manager (if its area of activity is concerned) in relation to the infrastructure capacity to be allocated and the charges to be levied over a period of time exceeding the term of validity of one working timetable period;

36) **network**– the entire railway infrastructure managed by a railway infrastructure manager;

37) **network statement**– a statement which sets out in detail the general rules, deadlines, procedures and criteria for charging, charge collection, and capacity allocation schemes, and also other information required to enable applications for infrastructure capacity;

38) **train path**– a part of the infrastructure capacity needed to run a train between two places over a given period of time;

39) **working timetable**– the aggregate of data defining all planned train movements on the relevant infrastructure during the period of time for which such aggregate of data is in effect;

40) **storage siding**– sidings specifically dedicated to temporary parking of railway vehicles between two assignments;

41) **heavy maintenance**– work that is not carried out routinely as part of day-to-day operations and requires the rolling stock unit to be removed from service;

42) **charging scheme**– the rules for charging developed and approved by the performer of the essential functions of the public-use railway infrastructure manager which are applied to all railway undertakings and shunters in the relevant network;

43) **charge collection scheme**– the rules for charge collection developed and approved by the performer of the essential functions of the public-use railway infrastructure manager which are applied to all railway undertakings and shunters in the relevant network;

44) **capacity allocation scheme**– the rules for capacity allocation developed and approved by the performer of the essential functions of the public-use railway infrastructure manager which are applied to all railway undertakings in the relevant network;

45) **renewal of the railway infrastructure**– major railway infrastructure substitution works related to capital expenditure which does not change its general operational indicators;

46) **upgrading of the railway infrastructure**– major railway infrastructure modification works related to capital expenditure which improve its general operational indicators.

47) **development of the railway infrastructure**– planning of the network, planning of finances and investments, and also development of the infrastructure;

48) **vertically integrated undertaking**– a group of companies referred to in this Clause, except for the public-use railway infrastructure manager and the railway undertaking provided that they are mutually independent State capital companies, or a business entity if:

a) the group of companies, using the term “control” within the meaning of Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation), is a business entity under control of the public-use railway infrastructure manager which concurrently controls one or several railway undertakings that provide rail transport services in the network of the relevant public-use railway infrastructure manager, or one or several railway undertakings under control of the public-use railway infrastructure manager that provide rail transport services in the network of the relevant public-use railway infrastructure manager, or one or several railway undertakings under control of the public-use railway infrastructure manager that provide rail transport services in the network of the relevant public-use railway infrastructure manager;

b) the business entity consisting of individual units, including the public-use railway infrastructure manager and one or several units that provide rail transport services as a railway undertaking in the network of the relevant public-use railway infrastructure manager and do not have a status of a separate legal entity;

49) **high-speed passenger services**– rail passenger services that are provided without stops between two points separated by more than 200 kilometres on specially constructed high-speed lines which are equipped for speed of not less than 250 kilometres per hour and which allow trains to run at this speed on average;

50) **common safety methods**– the methods specified in the directly applicable legal acts of the European Union governing the field of railway safety which characterise the assessment of safety levels, the attainment of safety targets, and the compliance with other safety requirements, including a method for risk evaluation and assessment; a method for assessing compliance with the requirements for issuing a single safety certificate or a safety permit; a monitoring method which is applied by the State Railway Technical Inspectorate or the respective body of another European Union Member State; a supervision method which is applied by railway undertakings, shunters, public-use railway infrastructure managers, and entities in charge of maintenance; a method for assessing the safety indicators of safety levels and railway undertakings, shunters, and public-use railway infrastructure managers; a method for assessing the attainment of safety targets and any other methods covering the process of safety management system. Where applicable, the common safety methods may provide for involvement of an independent assessment body;

51) **common safety targets**– the minimum safety levels specified in the directly applicable legal acts of the European Union governing the field of railway safety which should be attained by the European Union rail system in general and, where possible, by different parts thereof. The common safety targets may be expressed by risk acceptance criteria or safety target levels that shall especially take into account the risks to the public and the individual risk to passengers, staff, including employees or contractors, users of level crossings and other persons, and also the individual risk to trespassers;

52) **technical specification for interoperability**– the directly applicable legal acts of the European Union governing the field of railway interoperability which applies to any subsystem or part of the subsystem and the objective of which is to attain compliance with the essential requirements laid down for the European Union rail system, subsystems and railway interoperability constituents, and also to ensure interoperability of the European Union rail system;

53) **entity in charge of maintenance**– a business entity that is in charge of the maintenance of a vehicle corresponds to the requirements laid down in Section 35.2 of this Law and has been registered as such with the national vehicle register;

54) **shunter**– a business entity that is not a railway undertaking but in ensuring traction performs shunting operations in stations and private-use railway infrastructure lines connected to the stations, and also operates the train service between such stations which is not carriage by rail, including a business entity which only ensures traction for such purposes;

55) **consignor**– a person who sends freight on his or her behalf or behalf of a third party according to a contract of carriage;

56) **consignee**– a person who receives freight according to a contract of carriage. If the freight is moved without a contract of carriage, a consignee shall be considered any person who takes over the freight after moving thereof;

57) **carrier**– a railway undertaking that performs carriage according to a contract of carriage;

58) **light rail**– an urban or suburban railway transport system the maximum longitudinal compressive force of which is 800 kilonewtons in the vehicle coupling section. The light rail systems may use their own individual lines or a road together with road traffic, and they do not usually exchange with long-distance passenger or freight traffic;

59) **interoperability**– the ability of the European Union rail system to allow the safe and uninterrupted movement of trains which accomplish the required level of performance;

60) **interoperability constituents**– any individual component, group of components, subassembly or complete assembly of equipment incorporated or intended to be incorporated into the subsystem referred to in Section 43.2 of this Law that covers both tangible and intangible objects, for example, software, and upon which the interoperability depends either directly or indirectly;

61) **placing in service**– any and all activities after completion of which the subsystem referred to in Section 43.2 of this Law is transferred as ready to use;

62) **to place on the market**– the first making available on the European Union market of an interoperability constituent, the subsystem referred to in Section 43.2 of this Law, or a vehicle which is ready to function into its designed operating state;

63) **national requirements**– the legal acts applicable to railway undertakings, shunters, railway infrastructure managers, or any other persons which include railway safety or technical requirements that are not the railway safety or technical requirements laid down in the European Union legislation and which are communicated to the European Union Agency for Railways and the European Commission, using the information system referred to in Article 27 of Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004 (hereinafter – Regulation (EU) No 2016/796);

64) **tram-train**– a vehicle which is intended for combined use both in the light railway infrastructure and the other railway infrastructure;

65) **loader**– a business entity that loads packaged freights, small containers, or portable tanks into or onto a wagon or container, or loads a container, a break-bulk container, a multiple-element gas container, a tank container, a portable tank, or a road vehicle onto a wagon;

66) **unloader**– a business entity that unloads a container, a break-bulk container, a multiple-element gas container, a tank container, or a portable tank from a wagon, or a business entity that unloads packaged freights, small containers, or portable tanks from a wagon or container, or a business entity that empties freights from a tank (tank wagon, demountable tank, portable tank, or tank container), a battery wagon, a multiple-element gas container, a break-bulk wagon, a big or small container, or break-bulk container;

67) **filler**– a business entity that fills a freight tank (including a tank container, a wagon with demountable tank, a portable tank, or a tank container), a battery wagon or multiple-element gas container, and also loads into a freight wagon, a big or small container for break-bulk purposes;

68) **vehicle**– a set of the rolling stock consisting of one or several structural or functional subsystems referred to in Section 43.2 of this Law;

69) **contact point of the European Union Agency for Railways**– the information and communication system referred to in Article 12 of Regulation (EU) No 2016/796;

70) **applicant**– any person requesting an authorisation for placing a vehicle or type of vehicle on the market, to obtain an operational authorisation for the subsystem referred to in Section 43.2 of this Law, or to obtain a single safety certificate;

71) **vehicle keeper**– a natural or legal person who is an owner of vehicle or a person with the right to use it and who has been registered as such with the national vehicle register referred to in Section 36.1 of this Law;

72) **type of activity of the railway undertaking or shunter**– a type of activity that is characterised by carriage of passengers, whether or not incorporating high-speed rail transport services, freight carriage, whether or not incorporating carriage of dangerous goods, and only shunting operations;

73) **scope of activity of the railway undertaking or shunter**– the scope of activity which is characterised by the number of passengers or freight volume, and the size of the railway undertaking or shunter which is characterised by the number of employees working in the railway sector;

74) **specific case**– a situation when any part of the rail system needs special provisions in the technical specification for interoperability, either temporarily or permanently, because of geographical, topographical, or urban environment constraints or because of constraints affecting compatibility with the existing system, in particular with the rail lines and networks isolated from the rest of the European Union railway network, with the loading gauge, the track gauge or space between the tracks and vehicles strictly intended for local, regional, or historical purposes, and also vehicles originating from or destined for third countries.

[*4 March 2004; 24 May 2007; 23 September 2010; 25 February 2016; 6 June 2019; 13 February 2020; 15 June 2021*]

**Section 2. Purpose of the Law**

This Law governs the principles of railway operation and traffic safety, and also the railway management procedures.

**Section 2.1 Exceptions to the Application of this Law**

(1) The Law shall not be applicable to the track infrastructure, including infrastructure for trams, metro, light rail, tram-trains, etc. which is functionally separated from the railway infrastructure and intended for the passenger transport in the urban area or for the carriage within the territory of a company, and also to the rolling stock operating in such infrastructure.

(2) Section 5.1, Paragraph one, Section 9, Paragraphs two, three and four, Sections 10.1, 12.1, 12.2 and 13.1, and also Section 23, Paragraphs four, five, six, seven, eight and nine of this Law shall not be applicable to the railway undertakings which only provide urban, suburban or regional rail transport services in non-connected networks of rail infrastructure transport services of local and regional significance or in networks only intended for urban or suburban rail transport services.

(3) Notwithstanding the provisions laid down in Paragraph two of this Section, if the railway undertaking referred to in this Paragraph is directly or indirectly controlled by a business entity or a body that provides or integrates rail transport services other than urban, suburban, or regional services, Section 23, Paragraphs four, five, and six of this Law shall be applicable. As regards such business entity of rail transport services, Section 13, Paragraph four and Section 23, Paragraph nine of this Law defining a relationship between the business entity of rail transport services and the business entity or body which controls it directly or indirectly shall also be applicable.

[*6 June 2019*]

**Section 3. Definition of a Railway**

A railway is a system of transport which, as an organisational and technical whole, comprises:

1) the railway infrastructure;

2) the rolling stock and buildings and structures necessary for its functioning;

3) railway undertakings;

4) railway infrastructure managers;

5) persons who, on assignment from a railway undertaking, a shunter, an operator of service facility, a consignee, a consignor, or a railway infrastructure manager, ensure the relevant technological processes (the construction, repairs, and technical maintenance of the railway infrastructure technical equipment, the construction, repairs, and technical maintenance of railway rolling stock and shunting operations in a station);

6) service facilities;

7) operators of service facilities;

8) shunters;

9) entities in charge of maintenance.

[*4 March 2004; 6 October 2005; 25 February 2016; 13 February 2020* / *The new wording of Clause 5, and Clauses 8 and 9 shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 3.1 European Union Rail System**

(1) The European Union rail system shall include lines, stations, and terminals forming the European Union railway network and fixed equipment of various types which is required to ensure safe and continuous operation of the European Union rail system, and also the rolling stock to be operated within this network.

(2) The European Union railway network is a railway infrastructure in the European Union Member States consisting of the following:

1) specially built high-speed lines which are equipped for speeds equal to or greater than 250 kilometres per hour;

2) specially upgraded high-speed lines which are equipped for speeds of around 200 kilometres per hour;

3) specially upgraded high-speed lines that have special features as a result of topographical, relief, or urban environment constraints on which the speed must be adapted to each specific case. This category includes interconnecting lines between the high-speed and conventional networks, lines through stations, accesses to terminals, depots, and other sections travelled at conventional speed by high-speed rolling stock;

4) conventional lines intended for carriage of passengers;

5) conventional lines intended for mixed traffic (carriage of passengers and freight traffic);

6) conventional lines intended for freight traffic;

7) passenger hubs;

8) freight hubs which include intermodal terminals;

9) lines connecting the elements referred to in Clauses 1, 2, 3, 4, 5, 6, 7, and 8 of this Paragraph.

(3) The rolling stock of the European Union rail system referred to in Paragraph one of this Section shall include vehicles which may travel on all the European Union railway network or part thereof, and also specially designed vehicles which are operated in the high-speed lines of different types referred to in Paragraph two of this Section.

(4) The Cabinet shall determine the essential requirements for the European Union rail system, subsystems and interoperability constituents, including interfaces (hereinafter – the essential requirements).

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Chapter II Railway Infrastructure**

**Section 4. Railway Infrastructure**

(1) The railway infrastructure is a complex engineering structure which comprises:

1) railway superstructure [rails (tracks), switches, cross-ties, ballast, and other components of the superstructure], level crossings and crossings;

2) ground beneath tracks (earth structure and railway right of way) and engineering structures (bridges, overpasses, scaffold bridges, culverts, drainage installations, communication line conduits, retaining walls or protective walls, tunnels, covered cuttings, other underpasses, etc.);

3) boundary markings and protective plantings;

4) railway signalling, central control and interlocking communications systems, facilities to ensure the safe movement of trains and the regulation of switch positions and signals, signal lights, signal indicators, and fixed signals;

5) railway telecommunications networks;

6) aerial and underground railway electric supply cables, catenary, transformer and traction substations;

7) railway stations, passing and stopping places;

8) buildings and structures necessary for the maintenance, repair, and use of the railway infrastructure objects and rolling stock;

9) special infrastructure for passenger and freight access to railway platforms, including special access roads and pedestrian roads for passengers.

(2) The railway infrastructure also comprises the airspace and underground within the railway right of way insofar as necessary for the operation and protection of the railway infrastructure objects and for railway traffic.

[*4 March 2004; 6 June 2019* / *Amendment to Paragraph one, Clause 8 regarding the supplementation of the Clause with the words “and rolling stock” shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 5. Classification, Use, and Ownership of the Railway Infrastructure**

(1) The railway infrastructure shall be classified according to its use as follows:

1) public-use railway infrastructure. It is open for the provision of freight and passenger services or technological processes, by following the principle of equality, and it is registered in the railway infrastructure register as a public-use railway infrastructure. Public-use railway infrastructure status shall be granted by a Cabinet order;

2) private-use railway infrastructure. Its tracks are used by its owner or other persons on behalf of the owner or with the permission of the owner for ensuring carriage or a commercial company’s technological processes, and it is registered in the railway infrastructure register as a private-use railway infrastructure.

(2) The railway infrastructure as a whole, or separate objects within the infrastructure, may belong to the State, local government, or to another legal or natural person.

(21) In accordance with the requirements of the laws and regulations governing the field of railways and the equipment and special features of the railway infrastructure, the railway infrastructure manager shall issue documents in respect of the use of the railway infrastructure which are publicly accessible on the website of the railway infrastructure manager.

(3) The private-use railway infrastructure, if needed to get from one service facility to another service facility, serves or can serve more than one final customer, or is located in the service facility (except for the paths situated within railway repair workshops, depots, or locomotive sheds), is comparable to a service facility in relation to its use, charge set for the services provided therein, and closing conditions. The owner of such infrastructure has the obligations specified for the operator of a service facility, and the provisions of Sections 5.1, 11.2, Section 12.1, Paragraphs two, three, and four, and Section 12.2 of this Law are applied. The abovementioned owner shall be subject to the supervision and control of the State Railway Administration.

(4) If a part of the public-use railway infrastructure is no longer needed to get from one service facility to another service facility, it does not serve or cannot serve more than one final customer, or is not located in the service facility, its owner or legal possessor may request the State Railway Administration to register the relevant infrastructure part in the railway infrastructure register as a private-use railway infrastructure.

[*4 March 2004; 24 May 2007; 25 February 2016*]

**Section 5.1 Access to Railway Infrastructure**

(1) A railway undertaking shall be granted, under equitable, non-discriminatory and transparent conditions, the right to access the public-use railway infrastructure for the purpose of operating all types of rail freight services. That right shall include also access to the infrastructure connecting maritime and inland ports and other service facilities referred to in Section 12.1, Paragraph two of this Law, and to the infrastructure serving or potentially serving more than one final customer.

(2) Without prejudice to the application of provisions of Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70, a railway undertaking shall, under equitable, non-discriminatory, and transparent conditions, be granted the right to access the public-use railway infrastructure for provision of rail passenger services. The railway undertaking has the right to pick up and set down passengers at any station or stopping place. That right shall include also access to the infrastructure connecting the service facilities referred to in Section 12.1, Paragraph two of this Law.

(3) In order to develop the market for high-speed passenger services and to promote optimal use of the available railway infrastructure and competitiveness of high-speed passenger services, the requirements which the State Railway Administration has stipulated in accordance with the relevant European Union implementing act may be applied to the high-speed passenger services for the purpose of exercising the access rights provided for in this Section.

(4) Performers of individual technological processes operating on assignment from a railway undertaking, an infrastructure manager, an operator of a service facility, a consignee, or a consignor shall be granted the right to access the infrastructure referred to in Section 5, Paragraph one, Clause 1 of this Law on the basis of the contract concluded with the infrastructure manager and by using the spare capacity.

(5) The Cabinet may justly restrict the access rights determined in this Section to the services which are provided in a direction to or from a third country in the network the track gauge of which is different from the main railway network within the European Union if cross-border services result in the distortion of competition. The relevant access rights may also be restricted if access to the railway infrastructure and associated services in a third country is not given in a non-discriminatory manner.

(6) Shunters shall be granted the right to access the infrastructure referred to in Section 5, Paragraph one, Clause 1 of this Law on the basis of the contract concluded with the infrastructure manager and by using the spare capacity.

(7) In order to ensure the right of railway undertakings to access frontier railway lines of the public-use railway infrastructure, the Cabinet shall determine the requirements and the procedures by which a public-use railway infrastructure manager, under equitable, non-discriminatory, and transparent conditions, provides settlement and accounting services to the railway undertakings for the use of wagons and means of traction owned by foreign business entities and the use of information systems, and also shall determine any other services necessary for the performance of rail transport services and resulting from the participation of the railway infrastructure manager in the international railway organisations and from the contracts for the provision of cross-border service which have been concluded by and between the public-use railway infrastructure manager and commercial companies of bordering countries.

(8) Services of a public-use railway infrastructure manager which are provided to railway undertakings in accordance with the procedures referred to in Paragraph seven of this Section shall be comparable to the services provided by service facilities in terms of conditions for use and determination of charges. The public-use railway infrastructure manager has the obligations specified for the operator of a service facility, and the provisions of this Section, Section 11.2, Section 12.1, Paragraphs two, three, and four, and Section 12.2 shall be applied. The provision of the abovementioned services shall be subject to the supervision and control of the State Railway Administration.

[*25 February 2016; 6 June 2019; 13 February 2020* / *Paragraphs six, seven, and eight shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 5.2 Restrictions on the Access to Railway Infrastructure and the Right to Pick up and Set down Passengers**

(1) The right provided for in Section 5.1, Paragraphs two and three of this Law to access railway infrastructure may be restricted to the provision of passenger services between a specific place of departure and a specific place of destination if one or several State or local government contracts entered into for the public procurement of the provision of rail passenger services relate to the same route or an alternative route and if the exercise of such right would compromise the economic equilibrium of the relevant State or local government contract entered into for the public procurement of the provision of rail passenger services.

(2) In order to determine whether the economic equilibrium of the State or local government contract concluded for the public procurement of the provision of rail passenger services would be compromised, the State Railway Administration shall perform an economic analysis and base its decision on the criteria established in accordance with the relevant European Union implementing act. The State Railway Administration shall assess the economic equilibrium if, within a month after receipt of information on the passenger service provided for in Section 27, Paragraph five of this Law, an application from a competent authority that has concluded a State or local government contract for the public procurement of the provision of rail passenger services, or an application from any other interested competent authority that has the right to restrict access to railway infrastructure, or an application from a railway undertaking that performs a procurement contract in the relevant route of passenger service within the territory of Latvia, or an application from a railway infrastructure manager, or an application of a performer of the essential functions of the public-use railway infrastructure manager has been received.

(3) The competent authority which has concluded a State or local government contract for the public procurement of the provision of rail passenger services and railway undertakings providing public transport services shall ensure that the State Railway Administration receives information necessary for taking a justified decision. The State Railway Administration shall examine the received information and, where necessary, request the necessary information from other persons involved and initiate consultations with such persons within a month after receipt thereof. Where necessary, the State Railway Administration shall consult with all the relevant persons. The State Railway Administration shall inform the persons involved of the time period for taking a decision which is not longer than six weeks after receipt of all the relevant information, and shall notify the decision taken in the case in accordance with the procedures laid down by the Administrative Procedure Law, insofar as not prescribed by Commission Implementing Regulation (EU) No 869/2014 of 11 August 2014 on new rail passenger services.

(4) The State Railway Administration shall justify the decision taken. It shall include conditions under which the competent authority that has concluded a State or local government contract for the public procurement of the provision of rail passenger services, the railway undertaking that performs a procurement contract in the relevant route of passenger service within the territory of Latvia, a public-use railway infrastructure manager, the performer of the essential functions of the public-use railway infrastructure manager, or the railway undertaking that seeks to access railway infrastructure may, within a month after notification of the decision, suggest that the State Railway Administration re-initiates an administrative procedure.

(5) If the State Railway Administration establishes that the passenger service provided for in Section 27, Paragraph five of this Law would compromise the economic equilibrium of the State or local government contract entered into for the public procurement of the provision of rail passenger services, it shall indicate the possible changes in the relevant service which would ensure fulfilment of the conditions for the granting of the access rights provided for in Section 5.1, Paragraph two of this Law.

(6) If after performance of the analysis referred to in Paragraphs two, three and four of this Section the State Railway Administration establishes that the intended high-speed passenger service between a specific place of departure and a specific place of destination would compromise the economic equilibrium of a State or local government contract entered into for the public procurement of the provision of rail passenger services with regard to the same route or an alternative route, the State Railway Administration shall indicate the possible changes in the relevant service which would ensure fulfilment of the conditions for the granting of the access rights provided for in Section 5.1, Paragraphs two and three of this Law. Such changes might constitute modification of the intended service.

[*6 June 2019*]

**Section 6. State Public-use Railway Infrastructure**

(1) The State public-use railway infrastructure (the public-use railway infrastructure belonging to the State or the public-use railway infrastructure under management of the person referred to in Paragraph two of this Section) is developed to meet the needs of national economy and its development, the interests of stable transportation, and the requirements of environmental protection.

(2) The State public-use railway infrastructure manager, except for the performance of the essential functions of the infrastructure manager in the cases referred to in Section 13.1, Paragraph one of this Law, shall be a State stock company. By a Cabinet order individual objects of the State public-use railway infrastructure may be handed over into the management of other persons.

[*23 September 2010; 25 February 2016*]

**Section 6.1 Independence of the Railway Infrastructure Manager**

(1) A railway infrastructure manager shall be responsible for the operation, maintenance, and renewal of the railway infrastructure in the network and shall ensure the development of the railway infrastructure of the relevant network in accordance with this Law.

(2) None of the other legal entities in a vertically integrated undertaking may have a decisive influence on decisions taken by a public-use railway infrastructure manager (or, where appropriate, the performer of the essential functions of the public-use railway infrastructure manager) with regard to the essential functions of the railway infrastructure manager. In the cases referred to in Section 1, Clause 48, Sub-clause “b” of this Law the essential functions of the railway infrastructure manager shall be performed by a business entity or an institution independent in its legal structure, organisation and decision-making from any railway undertaking.

(3) Members of a council and board of a public-use railway infrastructure manager and managers directly subordinate thereto shall act in a non-discriminatory manner, and objectivity thereof shall not be affected by any conflicts of interest.

(4) A public-use railway infrastructure manager shall be organised as an entity legally separated from any railway undertaking but in vertically integrated undertakings it shall be separated from any other legal persons that are part of a group of companies or, where applicable, from any units that are part of a business entity.

(5) One and the same person may not be simultaneously appointed or employed:

1) as a member of the board of a public-use railway infrastructure manager and as a member of the board of a railway undertaking operating in the relevant network;

2) as a person who is responsible for the decision-making with regard to the essential functions of a public-use railway infrastructure manager and as a member of the board of a railway undertaking operating in the relevant network;

3) where a council has been established – as a member of the council of a public-use railway infrastructure manager and as a member of the council of a railway undertaking operating in the relevant network;

4) as a member of the council of a business entity that is part of a vertically integrated undertaking and concurrently controls both a railway undertaking operating in the relevant network and a public-use railway infrastructure manager, and as a member of the board of the abovementioned public-use railway infrastructure manager.

(6) In vertically integrated undertakings members of the board of a public-use railway infrastructure manager and persons who are responsible for the decision-making with regard to the essential functions of a railway infrastructure manager shall not receive any performance-based remuneration from a legal entity that is part of a vertically integrated undertaking, and also shall not receive any bonuses which are mainly related to financial results of specific railway undertakings. The relevant persons may, however, be offered incentives which are related to the general operation of the railway system.

(7) If various entities that are part of a vertically integrated undertaking have common information systems, only staff of the performer of the essential functions of the public-use railway infrastructure manager who has been granted such right, and also persons invited for operation of a performer of the essential functions of a public-use railway infrastructure manager under authorisation of the performer of the essential functions shall have access to sensitive information (information containing a trade secret which only refers to the essential functions of the public-use railway infrastructure manager). Sensitive information shall not be passed further on to other entities that are part of the vertically integrated undertaking.

(8) If the essential functions of the railway infrastructure manager are performed by a business entity or a body independent in its legal structure, organisation, and decision-making from any railway undertaking, Paragraph four and Paragraph five, Clauses 3 and 4 of this Section shall not be applicable thereto. The provisions of Paragraph five, Clause 1 and Paragraph six of this Section shall apply by analogy to the heads of departments responsible for the railway infrastructure management and the provision of rail transport services. The provisions which refer to the essential functions of the railway infrastructure manager shall be applicable to an independent performer of the essential functions of the railway infrastructure manager.

(9) The provisions of Paragraph one of this Section shall not affect the decision-making rights laid down in laws and regulations with regard to the development and financing of the railway infrastructure and the competence specified by laws and regulations with regard to the adoption of a legal framework on financing of infrastructure, determination of charges, and also capacity allocation.

[*6 June 2019*]

**Section 6.2 Objectivity of a Railway Infrastructure Manager with Regard to the Traffic Management and Maintenance Planning**

(1) A public-use railway infrastructure manager shall perform functions of the traffic management and maintenance planning in a transparent and non-discriminatory manner. Persons who are responsible for the decision-making with regard to the relevant functions may not be affected by any conflicts of interest.

(2) If there are any disruptions in the traffic management which refer to railway undertakings, a public-use railway infrastructure manager shall ensure that the railway undertakings have full and timely access to the relevant information. If railway undertakings are granted further access to the traffic management process, the public-use railway infrastructure manager shall manage this task in a transparent and non-discriminatory manner.

(3) A public-use railway infrastructure manager shall consult with applicants the long-term planning of comprehensive maintenance or renewal of the public-use railway infrastructure and shall, as far as possible, take into account their views. The public-use railway infrastructure manager shall schedule maintenance works in a non-discriminatory manner.

[*6 June 2019*]

**Section 6.3 Outsourcing of Functions of a Railway Infrastructure Manager and Separation of Functions**

(1) Provided that there is no conflict of interest and confidentiality of sensitive information is ensured, a public-use railway infrastructure manager is entitled to:

1) outsource functions of a public-use railway infrastructure manager to another business entity provided that this business entity is not a railway undertaking, does not control a railway undertaking or is not controlled by a railway undertaking. In a vertically integrated undertaking the essential functions may not be outsourced to another entity of the vertically integrated undertaking, unless such entity only performs the essential functions of a public-use railway infrastructure manager;

2) outsource performance of works and associated tasks which refer to the development, maintenance, and renewal of the public-use railway infrastructure to railway undertakings or business entities that control railway undertakings or are controlled by a railway undertaking.

(2) A public-use railway infrastructure manager shall monitor implementation of the functions of a railway infrastructure manager referred to in Section 1, Paragraph one, Clause 12 of this Law. Any merchant or institution which performs any of the essential functions of the public-use railway infrastructure manager shall comply with Sections 6.1, 6.2, 6.4 and 13.1 of this Law.

(3) By derogation from provisions of Section 6.1, Paragraphs one, two and three of this Law, functions of public-use railway infrastructure management may be performed by different public-use railway infrastructure managers, including parties to public-private partnership agreements, provided that they all comply with the requirements laid down in Section 6.1, Paragraphs four, five, six and seven and Sections 6.2, 6.4 and 13.1 of this Law and assume responsibility for the implementation of the relevant functions.

(4) A public-use railway infrastructure manager may, under supervision of the State Railway Administration, conclude cooperation contracts with one or several railway undertakings in a non-discriminatory manner and for the benefit of customers, for example, in order to reduce costs or improve operation in the part of the network to which the contract refers. The State Railway Administration shall monitor the execution of such contracts and may recommend termination thereof in justified cases.

[*6 June 2019*]

**Section 6.4 Financial Transparency**

(1) A public-use railway infrastructure manager may only use income obtained from activities of the management of a public-use railway infrastructure network, including public funds, to finance its own commercial activities, including to service loans. The public-use railway infrastructure manager may also use such income to pay dividends to the owners of capital shares which may include any private participants (shareholders), except for the business entities that are part of a vertically integrated undertaking and concurrently control both a railway undertaking and the relevant public-use railway infrastructure manager.

(2) A public-use railway infrastructure manager shall neither directly nor indirectly grant loans to a railway undertaking operating in its network.

(3) A railway undertaking shall neither directly nor indirectly grant loans to a public-use railway infrastructure manager in whose network it operates.

(4) Loans among entities of a vertically integrated undertaking shall only be granted, disbursed, and serviced at market rates and under conditions reflecting the individual risk profile of the relevant entity.

(5) Loan agreements awarded among entities of a vertically integrated undertaking granted before 24 December 2016 may remain in effect until maturity provided that loan agreements were concluded at market rates, loans were disbursed and are serviced.

(6) Any services offered by another entity of a vertically integrated undertaking to a public-use railway infrastructure manager shall be provided by paying for them in market prices or in prices which reflect production costs plus a reasonable margin of profit.

(7) In vertically integrated undertakings debts of a public-use railway infrastructure manager shall be clearly separated from debts of other legal entities. These debts shall be serviced separately. This shall not preclude final payment of debts through a legal entity that is part of a vertically integrated undertaking which concurrently controls both a railway undertaking and the relevant public-use railway infrastructure manager, or any other legal entity within the undertaking.

(8) Accounts of a public-use railway infrastructure manager and other legal entities in a vertically integrated undertaking shall be kept so as to ensure compliance with this Section and to provide a possibility to keep separate accounts and ensure transparent financial flows in the undertaking.

(9) A public-use railway infrastructure manager in a vertically integrated undertaking shall retain accounting records regarding all commercial and financial relationships with other legal entities within the relevant undertaking.

[*6 June 2019*]

**Section 6.5 Coordination Mechanisms**

(1) The appropriate coordination mechanisms are introduced among the main public-use railway infrastructure manager, the performer of the essential functions of a public-use railway infrastructure manager and all the interested railway undertakings as well as the known and possible applicants where representatives of users of the freight and passenger services and institutions of public persons are invited to participate. The State Railway Administration may participate as an observer.

(2) Coordination shall concern, inter alia, the following:

1) the needs of applicant undertakings related to the maintenance and development of the public-use railway infrastructure capacity;

2) the content of the user-oriented performance targets included in the contracts referred to in Section 10.1 of this Law and the incentives referred to in Paragraph one thereof and their implementation;

3) the content and implementation of the network statement referred to in Section 28 of this Law;

4) the intermodality and interoperability issues;

5) any other issue related to the conditions for the access, the use of a public-use railway infrastructure, and the quality of services of a public-use railway infrastructure manager.

(3) A public-use railway infrastructure manager shall, in cooperation with the interested parties, prepare and publish coordination guidelines for the issues referred to in Paragraph two of this Section. Coordination shall take place at least once a year, and a public-use railway infrastructure manager shall publish on its website an overview regarding activities carried out in accordance with this Section.

(4) Coordination performed in accordance with this Section shall not restrict the right of an applicant undertaking to submit a complaint to the State Railway Administration and the competence of the State Railway Administration in the sector of rail transport laid down in laws and regulations in performing functions of a regulatory body.

[*6 June 2019*]

**Section 6.6 Network of the European Rail Infrastructure Managers**

(1) In order to promote effective and efficient provision of rail services in the European Union, the main railway infrastructure manager shall participate in the network of the European Rail Infrastructure Managers and cooperate with it. The relevant network convenes regular meetings in order to:

1) develop the railway infrastructure in the European Union;

2) support timely and efficient implementation of a Single European Railway Area;

3) exchange best practices;

4) monitor and benchmark performance results;

5) contribute to the market monitoring measures taken by the European Commission;

6) address shortcomings in cross-border issues;

7) discuss cooperation in cross-border issues of the calculation of charges and the infrastructure capacity allocation.

(2) Coordination performed in accordance with this Section shall not restrict the right of an applicant undertaking to submit a complaint to the State Railway Administration and the competence of the State Railway Administration in the sector of rail transport laid down in laws and regulations in performing functions of a regulatory body.

[*6 June 2019*]

**Section 7. Classification of the Public-use Railway Infrastructure According to its Functional Role and Technical Capabilities**

(1) The public-use railway infrastructure shall be classified according to its functional role as follows:

1) railway infrastructure of strategic (State) importance (services the main passenger and freight traffic flow);

2) railway infrastructure of regional importance (significant locally).

(11) In strategically and regionally important railway infrastructure shall be included also station tracks adjacent thereto or associated with it, tracks of special importance, sidings, buffer stops, and other tracks.

(2) Strategically and regionally important railway infrastructure shall be classified into categories according to its technical capabilities. The draft system for classifying the railway infrastructure shall be prepared by the Ministry of Transport and approved by the Cabinet.

(3) The Cabinet shall determine the railway infrastructure of strategic and regional importance.

[*4 March 2004*]

**Section 7.1 Heritage Railway**

(1) Heritage railway is the railway tracks, engineering structures, equipment, buildings, rolling stock of the narrow-gauge railway line Gulbene–Alūksne. Railway right of way shall also be part of heritage railway.

(2) Objects of heritage railway shall be managed by their owners (possessors).

(3) In order to preserve heritage railway and to promote its use according to the functions, and also cooperation of State and local government authorities, owners (possessors) of objects of heritage railway and non-governmental organisations, implementing the best practice of museum railways possible, the Advisory Council for Heritage Railway shall be established and it will consist of representatives of the Ministry of Transport, the Ministry of Culture, the State Railway Administration, the State Railway Technical Inspectorate, the State Inspection for Heritage Protection, Gulbene Municipality Council, Alūksne Municipality Council, the persons involved in the management of objects of heritage railway and interested associations and foundations, the objective of which according to the articles of association is the preservation of the respective cultural and historical heritage. The by-laws of the Council shall be approved by the Cabinet, but the personnel – by the Minister for Transport. The rights, functions, and operational procedures, and also the procedures by which the persons referred to in this Section shall delegate representatives for work in the Council shall be determined in the by-laws.

(4) The heritage railway infrastructure shall hold the status of a public-use railway infrastructure of regional significance.

(5) The requirements of Chapter VII.1 of this Law shall not apply to the heritage railway.

(6) The State Railway Administration, on the basis of proposals of the Council referred to in Paragraph three of this Section, shall decide on assigning the funding resources referred to in Paragraph eight of this Section to owners (possessors) of objects of heritage railway. Funding resources shall be assigned for the following purposes only:

1) preservation and popularisation of the heritage railway referred to in Paragraph one of this Section;

2) educating the public regarding the railway sector and popularisation of the railway sector;

3) purchase and restoration of historic rolling stock and other machinery related to heritage railway;

4) use of the narrow-gauge railway line for carriage.

(7) Each year by 1 September, the Council referred to in Paragraph three of this Section shall prepare proposals regarding distribution of funding resources among owners (possessors) of objects of heritage railway for the subsequent year and submit such proposals to the State Railway Administration for taking of a decision to assign funding resources.

(8) Each year the public-use railway infrastructure manager shall provide for funding for executing the decision of the State Railway Administration referred to in Paragraph seven of this Section in the amount of 0.25 per cent from the total amount of the railway infrastructure funding referred to in Section 10, Paragraph two, Clauses 1 and 2 of this Law for the previous year.

(9) The public-use railway infrastructure manager shall assign the funding provided for in Paragraph eight of this Section each quarter, transferring a part of the funding provided for in Paragraph eight of this Section to the respective recipient of the funding by 10th date of the first month of the respective quarter according to the decision of the State Railway Administration. A fourth part of the planned funding shall be transferred in each of the first three quarters. The total amount of this funding shall be clarified when performing the final payment in the relevant year.

(10) Recipients of the funding shall prepare a report on its utilisation and shall submit for review to the Council referred to in Paragraph three of this Section not later than by 30 April of the year following the reporting year. The submitted reports on utilisation of the funding shall be approved by the State Railway Administration on the basis of recommendations of the Council.

[*6 November 2013; 13 February 2020 / Amendment to Paragraph five regarding the replacement of the word and number “Section 43” with the word and number “Chapter VII.1” shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 8. Registration and Inventory**

(1) The railway infrastructure in Latvia shall be subject to State registration and inventory.

(2) The creation of the railway infrastructure register and the establishment of inventory in conformity with the appropriate infrastructure classification shall be in accordance with procedures stipulated by the Cabinet.

(3) Use of unregistered infrastructure and granting for use is prohibited.

[*4 March 2004*]

**Section 9. Maintenance and Development of the Railway Infrastructure**

(1) The maintenance and development of the public-use railway infrastructure shall be financed in accordance with its functional role and category, and in accordance with the Railway Technical Operations Regulations.

(2) The State public-use railway infrastructure shall be developed as necessary, taking into account the general needs of the European Union, and also the need to cooperate with the neighbouring third countries. For that purpose, the Ministry of Transport after consultation with the interested parties shall develop and the Cabinet shall approve an indicative rail infrastructure development strategy the purpose of which is to meet the future mobility needs in terms of maintenance, renewal and development of the infrastructure based on sustainable financing of the railway system. Such strategy shall cover a time period of at least five years and shall be renewable.

(3) In accordance with this Law the State joint stock company (the State public-use railway infrastructure manager) which, according to the general policy stipulated by the State and the strategy referred to in Paragraph two of this Section, adopts a business plan including an investment and financial programme shall be responsible for the maintenance and development of the State public-use railway infrastructure. The plan shall be designed to ensure optimal and efficient use, provision and development of the infrastructure, concurrently ensuring financial balance and providing means for achieving these objectives. Before approval of the business plan, the abovementioned infrastructure manager shall ensure that known applicant undertakings and, upon their request, potential applicant undertakings can access the relevant information and can express their views on the content of the business plan regarding the conditions for access and use and the nature, provision and development of the infrastructure. The business plan may be a part of the medium-term strategy of the infrastructure manager.

(4) The State shall ensure that, under normal conditions of economic activity and over a reasonable period of time which shall not exceed five years, the profit and loss statement of a State public-use railway infrastructure manager shall at least balance income from infrastructure charges, surpluses from other commercial activities, non-refundable incomes from private sources and State funding, on the one hand, including advance payments from the State, where appropriate, and infrastructure expenditure, on the other hand. Taking into account the possible long-term objective of the user to cover the infrastructure costs for all modes of transport with the direct charges of users on the basis of fair, non-discriminatory competition between the various modes of transport, where rail transport is able to compete with other modes of transport, in accordance with the rules for charging specified in this Law, the State may request the State public-use railway infrastructure manager referred to in Section 6 of this Law to balance his revenue and expenditures without State funding.

(5) During the development of the Draft Annual State Budget Law the Ministry of Transport may, according to the specific procedures, submit a request for granting of the funds from the State budget for the maintenance of the State public-use railway infrastructure.

(6) The maintenance and development of a railway infrastructure belonging to local governments, commercial companies, other legal or natural persons shall be financed by their owners.

[*25 February 2016*]

**Section 10. Funding of the Public-use Railway Infrastructure**

(1) The funds for the maintenance and development of the State public-use railway infrastructure, and also the funds for other payments provided for in this Law shall form the funding of the railway infrastructure to be managed by the public-use railway infrastructure manager.

(2) The funding of the railway infrastructure shall be formed by:

1) revenue from charge for the minimum access package referred to in Section 12.1, Paragraph one of this Law;

2) revenue from leasing the land belonging to the State on which the public-use railway infrastructure is located (Section 15, Paragraph two);

3) profit from services of the operator of the service facility owned by the State public-use railway infrastructure manager referred to in Section 6 of this Law;

4) State funding (Section 9, Paragraphs four and five);

5) profit from other commercial activity;

6) non-refundable revenue from private sources.

[*1 December 2009; 25 February 2016*]

**Section 10.1 Costs of the Infrastructure and Accounting**

(1) The State public-use railway infrastructure manager referred to in Section 6 of this Law shall, with regard to safety and necessity to maintain and improve the quality of the infrastructure service, be ensured with incentives to reduce the costs of maintaining and developing infrastructure and the level of access charges.

(2) Taking into account the competence of the State regarding planning and financing of maintaining and development of the railway infrastructure and, where applicable, the State budget planning principles, the Ministry of Transport and the State public-use railway infrastructure manager referred to in Section 6 of this Law shall conclude a contract covering a time period of not less than five years which conforms at least to the provisions specified in Section 10.2 of this Law and according to which the incentives referred to in Paragraph one of this Section are applied. The provisions of the contract and the structure of the payments to be made for funding the State public-use railway infrastructure manager referred to in Section 6 of this Law shall be agreed in advance to cover the whole of the contractual period.

(3) Not later than a month prior to signing of the contract referred to in Paragraph two of this Section the parties thereof shall inform the performer of the essential functions of the public-use railway infrastructure manager, the applicant undertakings and, upon their request, potential applicant undertakings and allow them to express their views on the content of the contract. The contract shall be published within one month of concluding it, and the State public-use railway infrastructure manager referred to in Section 6 of this Law shall ensure the consistency between the provisions of the contract and the business plan.

(4) The State public-use railway infrastructure manager referred to in Section 6 of this Law shall develop and maintain a register of its assets and such assets for the managing of which it is responsible. This register shall be used to assess the financing needed to maintain the assets. This shall be accompanied by detailed information on expenditures on renewal and upgrading of the infrastructure.

(5) The State public-use railway infrastructure manager referred to in Section 6 of this Law shall establish a method for apportioning costs to the different categories of services offered to railway undertakings and shall inform the performer of the essential functions of such method if the manager itself does not perform the essential functions, and shall provide him or her with all the information necessary for the development of the charging scheme. The abovementioned method shall be updated on the basis of the best international practice.

[*25 February 2016*]

**Section 10.2 Provisions of the Contract between the Ministry of Transport and the Public-use Railway Infrastructure Manager**

The contract between the Ministry of Transport and the public-use railway infrastructure manager shall have at least the following elements:

1) the scope of the contract as regards infrastructure and service facilities, structuring in accordance with Section 12.1 of this Law. It shall cover all aspects of the infrastructure management, also maintenance and renewal of the infrastructure already in operation. If necessary, construction of a new infrastructure may also be included in the contract;

2) the structure of payments or funds allocated to the infrastructure services listed in Section 12.1 of this Law, to maintenance and renewal, and to dealing with existing infrastructure maintenance and renewal backlogs. Where appropriate, the structure of payments or funds allocated to a new infrastructure may be covered by the contract;

3) user-oriented performance targets in the form of indicators and quality criteria covering the following elements:

a) train performance and customer satisfaction;

b) network capacity;

c) asset management;

d) activity volumes;

e) safety levels;

f) environmental protection;

4) the amount of possible infrastructure maintenance backlog and the assets which will be phased out of use and therefore trigger different financial flows;

5) the incentives referred to in Section 10.1, Paragraph one of this Law;

6) the minimum reporting obligations for the infrastructure manager in terms of content and frequency of reporting, including information to be published annually;

7) the agreed duration of the agreement which shall be synchronised and consistent with the duration of the infrastructure manager’s business plan, concession, or safety permit accordingly, and the charging legal framework set by the State;

8) rules for dealing with major disruptions of operations and emergency situations, including contingency plans and provisions regarding early termination of the contract and timely information to users;

9) remedial measures to be taken if either of the parties is in breach of its contractual obligations, or exceptional circumstances affecting the availability of public funding have occurred; the contract includes the conditions and procedures for renegotiation and early termination of the contract;

10) the procedures for the control of the execution of the contract.

[*25 February 2016*]

**Section 11. Charging Principles for Access to a Public-use Railway Infrastructure and Charge Discounts**

(1) A charging scheme in relation to the minimum access package referred to in Section 12.1, Paragraph one of this Law and access to the infrastructure connecting the infrastructure and service facilities, after consultations with the applicant undertakings and the public-use railway infrastructure manager, shall be developed and approved by the performer of the essential functions of the public-use railway infrastructure manager and submitted to the public-use railway infrastructure manager for inclusion in the network statement. Except for the cases where specific arrangements are made in accordance with Section 11.1, Paragraph ten of this Law, the performer of the essential functions of the public-use railway infrastructure manager shall ensure that the abovementioned charging scheme in use is based on the same principles over the whole of the relevant network and that the application of the charging scheme results in equivalent and non-discriminatory charges for different railway undertakings that provide services of an equivalent nature in similar parts of the market.

(2) The charges for the minimum access package referred to in Section 12.1, Paragraph one of this Law and for access to the infrastructure connecting the infrastructure and service facilities shall be determined in conformity with the direct costs of operating the train service and in accordance with the provisions of Paragraphs three and four of this Section, and also Section 11.1 of this Law.

(3) Additional charges which reflect the scarcity of capacity of an identifiable section of the infrastructure during time periods of congestion may be added to the charges referred to in Paragraph two of this Section. If a capacity enhancement plan is not developed or if the actions identified in the capacity enhancement plan are not fulfilled, the performer of the essential functions of the public-use railway infrastructure manager shall take a decision to cease the levy of such additional charges to the relevant infrastructure. If the capacity enhancement plan cannot be executed due to reasons beyond control or if the options available are not economically or financially viable, the performer of the essential functions of the public-use railway infrastructure manager may, subject to a permission of the State Railway Administration, continue to levy the additional charges which reflect the scarcity of capacity of an identifiable section of the infrastructure during time periods of congestion.

(4) The charges referred to in Paragraph two of this Section may be modified to take into account the costs of environmental effects caused by the rail traffic. Any such modification shall be differentiated according to the magnitude of the effect caused. When applying the charges for the costs of noise effects caused by the freight rolling stock, the performer of the essential functions of the public-use railway infrastructure manager shall observe the Commission Implementing Regulation (EU) 2015/429 of 13 March 2015 setting out the modalities to be followed for the application of the charging for the cost of noise effects.

(5) Any such modification of the infrastructure charge referred to in Paragraph four of this Section (for taking into account the costs of noise reduction measures) shall promote the retrofitting of wagons with the most economically viable low-noise braking technology available. Inclusion of environmental protection costs into the infrastructure charge, if thus the overall revenue accruing to the infrastructure manager is increased, is allowed only if such charge is applied to carriage of goods by road in accordance with the Law on the Road User Charge. If charging of environmental protection costs generates additional revenue, the infrastructure manager shall use such revenue for implementation of environmental protection measures according to the railway environmental protection policy. The performer of the essential functions of the public-use railway infrastructure manager shall ensure that the necessary information is kept and that the origin of the charging of environmental protection costs and its application can be traced.

(6) Paragraphs four and five of this Section shall not be applied to the rolling stock units that are used or are intended to be used for carriage from the third countries or to the third countries with a railway network with a track gauge of 1520 millimetres.

(7) To avoid undesirable disproportionate fluctuations, the charges referred to in Paragraphs two, three, and four of this Section may be set as the average value for appropriate volume of train services and periods. The relative magnitude of such charges shall be related to the costs attributable to the train services.

(8) Notwithstanding the direct cost principle laid down in Paragraph two of this Section, any discount on the charges levied on a railway undertaking by the performer of the essential functions of the public-use infrastructure manager, for any service, shall comply with the following criteria:

1) the discounts shall be limited to the actual saving of the administrative costs to the infrastructure manager (except for the case referred to in Clause 2 of this Paragraph) and, upon determining the level of discount, no account may be taken of cost savings already internalised in the charge levied;

2) the performer of the essential functions of the infrastructure manager may introduce similar discount conditions provided for in the charging scheme available to all users of the infrastructure in relation to specified traffic flows, providing for time-limited discounts to encourage the development of new rail services, or discounts encouraging the use of considerably underutilised lines;

3) discounts may relate only to charges levied for a specific infrastructure section;

4) similar discount conditions, applied in a non-discriminatory manner to any railway undertaking, provided for in the charging scheme shall apply for similar services.

(9) Schemes according to which charges for access to public-use railway infrastructure are calculated shall encourage the railway undertakings and the public-use railway infrastructure manager to minimise disruption and improve the performance of the railway network through a performance scheme. Such scheme may include penalties for actions which disrupt the operation of the network, compensation for those who suffer losses from disruption, and bonuses that reward better-than-planned performance. The basic principles of the performance scheme applied throughout the network shall be determined by the Cabinet.

(10) The public-use railway infrastructure managers (the performers of the essential functions of the infrastructure manager) shall cooperate to enable the application of efficient charging schemes for access to public-use railway infrastructure and to coordinate the charging or to charge for the operation of train services which cross more than one infrastructure network of the rail system within the European Union. Optimal competitiveness of international rail services and efficient use of the railway networks shall be especially promoted, to this end appropriate procedures shall be developed. Such cooperation is implemented to enable efficient application of the mark-ups referred to in Section 11.1 of this Law and the railway network performance schemes referred to in Paragraph nine of this Section, if the traffic crosses more than one network of the rail system infrastructure within the European Union.

(11) A railway infrastructure manager and a railway undertaking may be compensated, in a non-discriminatory manner, such environmental protection, accident and infrastructure costs which are not covered by competitive transport modes. In each specific case, the Cabinet shall take a decision to grant compensation, on the amount and the procedures for paying them, taking into account the following conditions:

1) where a railway undertaking receiving compensation enjoys an exclusive right, the compensation shall be accompanied by comparable benefits to users;

2) the methodology used and calculations performed enable to demonstrate the specific uncharged costs not covered by competitive transport modes.

(12) A complaint regarding the scheme which is applied when calculating the charge for the minimum access package referred to in Section 12.1, Paragraph one of this Law and for access to infrastructure connecting the infrastructure and service facilities, or a complaint regarding the already determined charge may be submitted by the owner of the public-use railway infrastructure, the public-use railway infrastructure manager not performing the essential functions of the manager, the applicant undertaking, or the railway undertaking to the State Railway Administration not later that within one month from the day it was published.

[*25 February 2016*]

**Section 11.1 Exceptions to Application of Charging Principles for Access to Public-use Railway Infrastructure**

(1) In order to obtain full recovery of the costs incurred by the public-use railway infrastructure manager the performer of the essential functions of the public-use railway infrastructure manager may, if the market can bear this, levy mark-ups on the charges for the minimum access package referred to in Section 12.1, Paragraph one of this Law and for access to infrastructure connecting the infrastructure and service facilities.

(2) Before approving the levy of mark-ups, the performer of the essential functions of the public-use railway infrastructure manager shall evaluate their relevance in at least the following market segments and choose the most important of them:

1) passenger and freight services;

2) trains transporting dangerous goods and other freight trains;

3) domestic and international transport;

4) combined transport and direct trains;

5) suburban (regional) passenger services and interurban passenger services;

6) block trains and single wagon load trains;

7) regular train services and occasional train services.

(3) The performer of the essential functions of the public-use railway infrastructure manager may further distinguish market segments according to freight or passengers carried.

(4) Market segments in which railway undertakings are not operating at the relevant moment but may provide services during the period of validity of the charging system for charges for the minimum access package referred to in Section 12.1, Paragraph one of this Law and for access to infrastructure connecting the infrastructure and service facilities shall also be defined. In relation to the abovementioned market segments the mark-ups shall not be applied.

(5) The performer of the essential functions of the public-use railway infrastructure manager shall submit information to the public-use railway infrastructure manager which shall include the list of those market segments in which mark-ups are applied. The list of market segments shall contain at least the three following segments:

1) freight services;

2) passenger services provided within the framework of a public service contract;

3) other passenger services.

(6) The list of market segments shall be published in the network statement and shall be reviewed at least every five years. This list shall be monitored by the State Railway Administration.

(7) The mark-ups shall be applied on the basis of efficient, transparent, and non-discriminatory principles, while guaranteeing optimal competitiveness of rail and taking into account the productivity increases achieved by railway undertakings. The level of charges shall not exclude the use of the public-use railway infrastructure by market segments which can pay at least the direct costs, and also a rate of return which the market can bear.

(8) If the performer of the essential functions of the public-use railway infrastructure manager intends to amend essential elements of the charging conditions referred to in Paragraphs one, two, three, and four of this Section, it shall publish them on the website at least three months in advance of the deadline for the publication of the network statement according to Section 28, Paragraph five of this Law.

(9) For the freight carriage from and to third countries whose track gauge is 1520 millimetres, the performer of the essential functions of the public-use railway infrastructure manager may set higher charges in order to obtain full costs recovery of the costs incurred.

(10) For specific future investment projects, or specific investment projects that have been completed after 1988, the performer of the essential functions of the public-use railway infrastructure manager may set or continue to set higher charges on the basis of the long-term costs of such projects if they increase efficiency or cost-effectiveness or both indicators and could not otherwise be or have been undertaken. Such a charging calculation may also incorporate agreements on the sharing of the risk associated with new investments.

(11) To prevent discrimination, any average and marginal charges set by the performer of the essential functions of the public-use railway infrastructure manager for equivalent use of the infrastructure are comparable and that comparable services in the same market segment are subject to the same charges. The performer of the essential functions of the public-use railway infrastructure manager shall submit information to the public-use railway infrastructure manager, indicating that the charging conditions meet these requirements. The public-use railway infrastructure manager shall show them in the network statement in so far as this can be done without disclosing confidential economic activity information.

[*25 February 2016*]

**Section 11.2 Charging Principles for Services Provided at a Service Facility**

(1) The charges for services provided by the operator of a service facility shall be determined by the operator of a service facility.

(2) Track access charges within the service facilities referred to in Section 12.1, Paragraph two of this Law and charges for services provided in such facilities shall not exceed the costs of providing it, plus a reasonable profit.

(3) Where the services referred to in Section 12.1, Paragraphs three and four of this Law as additional and ancillary services are provided by only one operator of a service facility, the charge imposed for such a service shall not exceed the costs of providing it, plus a reasonable profit.

(4) The operator of the facility who provides the services referred to in Section 12.1, Paragraphs two, three, and four of this Law shall, in accordance with Section 28 of this Law, inform the infrastructure manager regarding the charges to be included in the network statement or shall indicate a website where such information is made available free of charge in an electronic format.

(5) The charges for the use of the service facility shall be paid to the operator of the service facility and used to fund their economic activity.

(6) The operator of the service facility shall provide the State Railway Administration with all the necessary information on the charges imposed and shall be able to demonstrate to the railway undertaking that the charges for the provided services actually invoiced to the railway undertaking, taking into account the provisions of this Section, have been calculated in compliance with the information indicated in the network statement.

[*25 February 2016*]

**Section 12. Charging and Collection of Charges for Access to a Public-use Railway Infrastructure**

(1) A decision on the calculated charges for the minimum access package referred to in Section 12.1, Paragraph one of this Law and for access to infrastructure connecting the infrastructure and service facilities shall be taken by the performer of the essential functions of the public-use railway infrastructure manager and it shall submit all the necessary information thereon to the State Railway Administration. The performer of the essential functions of the public-use railway infrastructure manager is able to demonstrate to the railway undertaking that the abovementioned charges actually invoiced to the railway undertaking, taking into account the relevant provisions of this Law, have been calculated in compliance with the information indicated in the network statement. The performer of the essential functions of the public-use railway infrastructure manager shall publish decisions on the amount of charges on its website, indicating the date of publishing these decisions.

(2) The public-use railway infrastructure manager shall, according to the charge collection scheme developed and approved (after consultations with the applicant undertakings and public-use railway infrastructure manager) by the performer of the essential functions of the public-use railway infrastructure manager, collect the charges for the minimum access package referred to in Section 12.1, Paragraph one of this Law and for access to infrastructure connecting the infrastructure and service facilities. The public-use railway infrastructure manager shall use the received charges to fund its economic activity. The performer of the essential functions of the public-use railway infrastructure manager shall submit the charge collection scheme to the public-use railway infrastructure manager for inclusion in the network statement.

(3) The performer of the essential functions of the public-use railway infrastructure manager may take a decision by which a charge for capacity used for the infrastructure maintenance shall be calculated. Such charges shall not exceed the revenue not obtained by the public-use railway infrastructure manager due to maintenance works.

(4) The performer of the essential functions of the public-use railway infrastructure manager may take a decision by which a relevant charge for part of capacity allocated but not used is calculated. Such non-usage charge shall provide incentives for efficient use of capacity and it is mandatory on applicant undertakings that are allocated train paths but who regularly fail to use allocated paths or part of them.

(5) The performer of the essential functions of the public-use railway infrastructure manager shall submit information to the public-use railway infrastructure manager indicating criteria according to which, on the basis of principles specified in Cabinet Regulations referred to in Section 27, Paragraph ten of this Law, it is determined that the train paths are not used. These criteria shall be published in the network statement, and the compliance with them shall be monitored by the State Railway Administration.

(6) The charges referred to in Paragraph four of this Section shall be covered by the applicant undertaking or the railway undertaking appointed in accordance with Section 27, Paragraph two of this Law.

(7) The performer of the essential functions of the public-use railway infrastructure manager shall, upon request, inform any interested party of the infrastructure capacity which has already been allocated to railway undertakings and which is used by them.

(8) The public-use railway infrastructure manager shall ensure that, on the basis of a scheme applied to railway undertakings when calculating the payment for the minimum access package referred to in Section 12.1, Paragraph one of this Law and for access to infrastructure connecting the infrastructure and service facilities, the actual payment complies with the provisions referred to in the network statement.

(9) The owner of the public-use railway infrastructure, the public-use railway infrastructure manager, the applicant undertaking, or the railway undertaking may submit a complaint regarding the charge collection scheme to the State Railway Administration not later that within one month from the day it was published.

(10) The railway undertaking may submit a complaint regarding the actual payment for access to the public-use railway infrastructure to the State Railway Administration not later that within one month from the day of receiving the relevant invoice.

[*25 February 2016*]

**Section 12.1 Services to Be Supplied to Railway Undertakings**

(1) The railway infrastructure managers shall supply to all railway undertakings, in a non-discriminatory manner, the minimum access package which comprises:

1) handling of requests for railway infrastructure capacity;

2) the right to use capacity which is granted;

3) use of the railway infrastructure (also track points and junctions);

4) train control including signalling, regulation, dispatching and the communication and provision of information on train movement;

5) use of electrical supply equipment for traction current, where available;

6) all other information required to implement or operate the service for which capacity has been granted.

(2) Operators of service facilities shall supply in a non-discriminatory manner to all railway undertakings access (including track access) to the following service facilities, if any, and to the services supplied in these facilities:

1) passenger stations, their buildings (also suitable locations for ticketing service), and other facilities (also travel information displays);

2) freight terminals;

3) marshalling yards and train formation facilities, including shunting facilities;

4) storage sidings;

5) maintenance facilities, with the exception of heavy maintenance facilities dedicated to such types of rolling stock requiring specific facilities;

6) other technical facilities, including railway rolling stock cleaning and washing facilities;

7) maritime and inland port facilities which are linked to rail activities;

8) relief facilities for preventing consequences of accidents;

9) refuelling facilities and supply of fuel in these facilities (charges for fuel shall be shown on the invoices separately).

(3) Where the operator of a service facility provides any of the following services as additional services, it shall supply them upon request to all railway undertakings in a non-discriminatory manner:

1) traction electricity supply (charges for which shall be shown on the invoices separately from charges for using the electrical supply equipment) without prejudice to the application of the laws and regulations in the field of electricity market and use;

2) pre-heating of passenger trains (wagons);

3) services in relation to carriage of dangerous goods and abnormal train movement.

(4) Railway undertakings may request, as ancillary services, further services from the railway infrastructure manager or from operators of a service facility, and they may comprise:

1) access to telecommunication networks;

2) provision of supplementary information;

3) technical inspection of rolling stock;

4) ticket-selling services in passenger stations;

5) heavy maintenance services supplied at the service facilities dedicated to such types of rolling stock requiring specific facilities.

(5) The infrastructure manager and the operator of a service facility do not have an obligation to supply the services referred to in Paragraph four of this Section. Where the infrastructure manager or the operator of a service facility decides to offer to the railway undertakings any of these services, it shall be supplied, upon request, in a non-discriminatory manner.

[*25 February 2016* / *See Paragraph 40 of Transitional Provisions*]

**Section 12.2 Operation of the Operator of a Service Facility**

(1) To guarantee full transparency and non-discrimination of access to the service facilities referred to in Section 12.1, Paragraph two, Clauses 1, 2, 3, 4, 7, and 9 of this Law, and the supply of services in these facilities where the operator of such a service facility, as a separate entity, in one legal person is under direct or indirect control of an entity which conducts commercial activity connected with provision of rail transport services, and if such legal person holds a dominant position in national rail transport services market for which this service facility is used, the operation of the operator of such service facility shall be organised in such a way that the operator is independent of the entity which conducts commercial activity connected with provision of rail transport services in terms of organisation and decision-making. Such independence shall not imply the requirement of the establishment of a separate legal person for service facilities and may be fulfilled with the organisation of distinct entities within a single legal person.

(2) As regards all the service facilities referred to in Section 12.1, Paragraph two of this Law, the operator and the performer of commercial activity connected with provision of rail transport services shall ensure separate accounts, also a separate balance sheet and profit and loss statement.

(3) Where operation of a service facility is ensured by an infrastructure manager or the operator of a service facility, as a separate entity, in one legal person is under direct or indirect control of an entity which conducts commercial activity connected with railway infrastructure management, it shall be considered proven that the requirements of Paragraphs one and two of this Section are complied with, if the requirements laid down in Section 13.1 of this Law in relation to the independence of the performer of the essential functions of the infrastructure manager have been fulfilled.

(4) Requests by railway undertakings for access to, and supply of services in the service facility referred to in Section 12.1, Paragraph two of this Law shall be answered within a reasonable time limit set by the State Railway Administration. Such requests may only be refused if there are viable alternatives allowing the railway undertaking to provide the respective freight or passenger service on the same or alternative routes under economically acceptable conditions. This shall not oblige the operator of the service facility to make investments in resources or service facility in order to accommodate all requests by railway undertakings.

(5) Where requests by railway undertakings concern access to the service facility referred to in Section 12.1, Paragraph two, Clause 1, 2, 3, 4, 7, or 9 of this Law and managed by the operator of a service facility referred to in Paragraphs one and three of this Section, or the rights to receive services in such a service facility, the operator thereof shall justify in writing any decision on refusal and indicate viable alternatives in other service facilities.

(6) Where the operator of a service facility referred to in Section 12.1, Paragraph two of this Law encounters conflicts between different requests, it shall attempt to meet all requests in so far as possible. If no viable alternative is available and it is not possible to accommodate all requests for capacity for the relevant facility on the basis of demonstrated needs, the railway undertaking may complain to the State Railway Administration which shall examine the circumstances of the case and take action, where appropriate, to ensure that an appropriate part of the capacity is granted to the abovementioned railway undertaking.

(7) Where any service facility referred to in Section 12.1, Paragraph two of this Law has not been in use for at least two consecutive years and interest by a railway undertaking for access to this facility has been expressed to the operator of the abovementioned service facility on the basis of demonstrated needs, its owner shall notify of the lease or rent of the whole or part of the service facility for the provision of railway service facility services, unless the operator of the abovementioned service facility demonstrates that an ongoing process of reconversion prevents its use by any railway undertaking.

(8) [13 February 2020]

[*25 February 2016; 13 February 2020; 15 June 2021*]

**Section 12.3 Responsibility of a Railway Undertaking for Late Payment for the Use of the Minimum Access Package or for the Use of the Access to the Infrastructure**

(1) A railway undertaking shall be obliged to pay the lawful interest (Section 1765 of the Civil Law) to a public-use railway infrastructure manager or an operator of a service facility in case of the late payment for the use of the minimum access package referred to in Section 12.1, Paragraph one of this Law or for the use of the access to the infrastructure referred to in Section 12.1, Paragraph two of this Law which in this case amounts to 0.1 per cent a day for the time period from the day set out for the relevant payment (including) to the day when this payment for the use of the public-use railway infrastructure is made (not including) but not more than 10 per cent of amount of the payment specified in the relevant invoice. A railway undertaking and a railway infrastructure manager or an operator of a service facility may also mutually agree on application of other means for the reinforcement of obligation rights.

(2) In an exceptional case where there are objective grounds for the failure to comply with obligations and the performance of public passenger transport is threatened, a railway undertaking that provides passenger transport by rail under a contract for the public procurement of the provision of public transport services may agree with a railway infrastructure manager or an operator of a service facility on non-application of the lawful interest for late payment referred to in Paragraph one of this Section with regard to the failure to comply with the time period for the payment of the invoices which have been issued for the services provided to the railway undertaking referred to in Section 12.1, Paragraphs one and two of this Law by a public-use railway infrastructure manager or a relevant operator of a service facility which is concurrently also a public-use railway infrastructure manager or is a part of one group of companies together with the public-use railway infrastructure manager.

[*7 December 2017*]

**Section 13. Separation of the Functions of an Infrastructure Manager**

(1) If a public-use railway infrastructure manager who does not perform the essential functions of a railway infrastructure manager is also a railway undertaking, then it shall ensure a separate accounting system (financial report) and publication thereof, and also the opening and management of separate current accounts. The funds allocated by the State or local governments to the relevant public-use railway infrastructure manager may not be transferred to the railway undertaking and vice versa.

(2) If a public-use railway infrastructure manager who does not perform the essential functions of a railway infrastructure manager is also a railway undertaking, then it shall ensure that separate structural units perform such types of commercial activity.

(3) [23 September 2010 / See Paragraph 34 of the Transitional Provisions]

(4) The accounts for the area of activity connected with the provision of rail transport services and area of activity connected with the railway infrastructure management shall be kept in a way that allows for monitoring of the prohibition on transferring public, local government, and European Union funds received for one area of activity to another area of activity, and for the monitoring of the use of income from charges for the services referred to in Section 12.1, Paragraph one of this Law and profit from other commercial activity.

[*4 March 2004; 24 November 2005; 23 September 2010; 28 February 2013; 25 February 2016*]

**Section 13.1 Independence in Ensuring the Activities of the Performer of the Essential Functions of the Public-use Railway Infrastructure Manager**

(1) The essential functions of a public-use railway infrastructure manager may not be performed by:

1) a public-use railway infrastructure manager which is also a railway undertaking;

2) a public-use railway infrastructure manager in cases where the railway undertaking is a company dependent on a vertically integrated undertaking but the dominant undertaking (capital company) of such vertically integrated undertaking is the public-use railway infrastructure manager;

3) a public-use railway infrastructure manager in cases where it is a company dependent on a vertically integrated undertaking but the dominant undertaking (capital company) of such vertically integrated undertaking is the railway undertaking;

4) State authorities to which the performance of regulatory functions in the sector of rail transport has been entrusted;

5) another entity of a vertically integrated undertaking in a vertically integrated undertaking which is not the public-use railway infrastructure manager if it performs not only the essential functions of the public-use railway infrastructure manager.

(2) If the dominant undertaking (capital company) of any vertically integrated undertaking is a public-use railway infrastructure manager, but the company dependent on such vertically integrated undertaking is a railway undertaking, the essential functions of the public-use railway infrastructure manager shall be performed by another company (capital company) dependent on such vertically integrated undertaking which is not a railway undertaking itself and, in accordance with the requirements laid down in this Section, is independent in the performance of the essential functions of the public-use railway infrastructure manager. If there is no such company (capital company) dependent on a vertically integrated undertaking, another capital company or authority that complies with the requirements of independence laid down in this Section, the Cabinet shall determine the performer of the essential functions of the public-use railway infrastructure manager.

(3) The costs for the performance of the essential functions of the public-use railway infrastructure manager shall be included in the charges for the use of the public-use railway infrastructure. The performer of the essential functions shall determine the funding necessary for the performance of the essential functions according to the charging scheme and in compliance with the general principles of financial management and staff management of the vertically integrated undertaking. The procedures for making the payments for the performance of the essential functions of the railway infrastructure manager shall be determined by the performer of the essential functions of the public-use railway infrastructure manager in the charge collection scheme.

(4) The independence of the performer of the essential functions of the public-use railway infrastructure manager shall be ensured, in compliance with the following provisions:

1) members of the board and executive employees of the performer of the essential functions of the public-use railway infrastructure manager whose competence includes decision-making regarding the performance of the essential functions of the public-use railway infrastructure manager, may not be participants (shareholders) of any capital company which provides services of a railway undertaking, and may not take up office or otherwise be involved in any of the structures of the railway undertaking. This prohibition in respect of any office in the structures of any railway undertaking and obtaining of capital shares (stocks) of such undertakings shall remain in effect for two years after a member of the board or a manager whose competence includes decision-making regarding the performance of the essential functions of the public-use railway infrastructure manager has left office. Change of offices of members of the board and executive employees thereof of the performer of the essential functions whose competence includes decision-making regarding the performance of the essential functions of the public-use railway infrastructure manager may not raise a conflict of interests;

2) the personnel of the performer of the essential functions of the public-use railway infrastructure manager shall be provided with separate premises with protected access. The internal rules or contracts shall include requirements which anticipate that the contact by personnel with the railway undertakings in relation to the performance of the essential functions of the public-use railway infrastructure manager shall only be performed within the scope of official communication;

3) the performer of the essential functions of the public-use railway infrastructure manager shall ensure data confidentiality and confidentiality of the commercial information thereof which it has received from railway undertakings when performing its functions;

4) the railway undertaking or any other legal entity may not have a decisive influence on the public-use railway infrastructure manager with regard to its essential functions in cases where the law does not provide for restrictions to the public-use railway infrastructure manager to perform its essential functions;

5) the railway undertaking or any other legal entity in a vertically integrated undertaking may not have a decisive influence on the appointment and dismissal of persons who are responsible for the decision-making with regard to the essential functions of a public-use railway infrastructure manager in cases where the law does not provide for restrictions to the public-use railway infrastructure manager to perform its essential functions.

(5) If the performer of the essential functions of the public-use railway infrastructure manager and the railway undertaking are part of the same vertically integrated undertaking where neither of them is the dominant undertaking (capital company) of such vertically integrated undertaking, the independence of the performer of the essential functions of the public-use railway infrastructure shall, in addition to the provisions referred to in Paragraph four of this Section, be ensured by complying with the following conditions:

1) members of the board and executive employees of the performer of the essential functions of the public-use railway infrastructure manager whose competence includes decision-making regarding the performance of the essential functions of the public-use railway infrastructure manager, may not be participants (shareholders) of any managing company (capital company) and may not take up office or otherwise be involved in any of the structures of the managing company (capital company);

2) members of the board of the performer of the essential functions of the public-use railway infrastructure manager shall be ensured with the rights to take decisions independently from the railway undertaking and the managing company (capital company) in respect of the essential functions of the public-use railway infrastructure manager. The managing company (capital company) is allowed to approve the annual accounts of the performer of the essential functions of the public-use railway infrastructure manager, but is not permitted to perform any activities in respect of the performance of the essential functions of the public-use railway infrastructure manager;

3) there are no justified suspicions regarding the professional independence or competence of a board member of the performer of the essential functions of the public-use railway infrastructure manager;

4) the performer of the essential functions of the public-use railway infrastructure manager shall formulate a programme for requirements of independence in which the duties and measures of specific employees shall be determined to be performed in order to prevent an unequal attitude towards railway undertakings and to ensure adequate control over the compliance therewith. Each year until 1 April the performer of the essential functions of the public-use railway infrastructure manager shall submit a notification to the State Railway Administration regarding the measures performed. The State Railway Administration shall publish this notification on the website thereof. After evaluation of the notification the State Railway Administration shall provide an opinion regarding the sufficiency of measures performed to ensure independence and indicate the shortcomings, if any, and also the time periods within which these shortcomings should be rectified;

5) the performer of the essential functions of the public-use railway infrastructure manager has the required personnel at the disposal thereof;

6) the performer of the essential functions of the public-use railway infrastructure manager shall ensure the confidentiality of the commercial information which it has received from the managing company (commercial company) when performing its functions;

7) the railway undertaking or any other legal entity may not have a decisive influence on the performer of the essential functions of the public-use railway infrastructure manager with regard to its essential functions;

8) the railway undertaking or any other legal entity in a vertically integrated undertaking may not have a decisive influence on the appointment and dismissal of members of the board or executive employees thereof whose competence includes decision-making regarding the performance of the essential functions of the public-use railway infrastructure manager.

(6) The State Railway Administration shall monitor the compliance with the requirements of independence by the performer of the essential functions of the public-use railway infrastructure manager provided for in Paragraphs four and five of this Section and examine the complaints of railway undertakings regarding violations of these requirements of independence. In such cases the State Railway Administration may take a decision to perform measures for ensuring the relevant requirements of independence, determining a reasonable time period for the implementation thereof.

(7) If the performer of the essential functions of the public-use railway infrastructure manager and the railway undertaking are part of the same vertically integrated undertaking where neither of them is the dominant undertaking (capital company) of such vertically integrated undertaking, the State Railway Administration shall monitor the professional independence of members of the board of the performer of the essential functions of the public-use railway infrastructure manager. The following measures shall be performed to ensure monitoring:

1) prior to the anticipated election of a member of the board of the performer of the essential functions of the public-use railway infrastructure manager the candidate for the member of the board shall submit a statement to the meeting of the State Railway Administration and participants (shareholders) of the performer of the essential functions of the public-use railway infrastructure manager that he or she complies with the criteria referred to in Paragraph four, Clause 1 and Paragraph five, Clauses 1 and 3 of this Section. If the State Railway Administration has a reason to believe that the information provided in the statement is false, i.e., the candidate for a member of the board does not comply with any of the criteria laid down in this Law, then it shall, within three weeks from the day of receipt of the statement, take a decision on non-compliance of the candidate for a member of the board with the abovementioned criteria and submit it without delay to the meeting of the participants (shareholders) of the performer of the essential functions of the public-use railway infrastructure manager and issue it to the candidate for a member of the board. The decision of the State Railway Administration with which the non-compliance of a candidate for a member of the board has been determined and which accordingly prevents the meeting of participants from electing this person to the board may be appealed in court within one month in accordance with the procedures laid down in laws and regulations. The appeal of the decision of the State Railway Administration shall not suspend the operation thereof;

2) a member of the board of the performer of the essential functions of the public-use railway infrastructure manager shall immediately inform the State Railway Administration regarding any attempts to influence him or her in respect of the performance of the essential functions of the public-use railway infrastructure manager;

3) if a member of the board of the performer of the essential functions of the public-use railway infrastructure manager no longer complies with the criteria laid down in Paragraph four, Clause 1 and Paragraph five, Clauses 1 and 3 of this Section, this member of the board has a duty to leave the office of a member of the board voluntarily. If he or she does not do so or if the relevant member of the board is not removed from office at the meeting of participants of the performer of the essential functions of the public-use railway infrastructure manager at its own initiative, the State Railway Administration has a duty to request from the participant (shareholder) of the performer of the essential functions of the public-use railway infrastructure manager that such member of the board is removed from office without delay. The participant (shareholder) and the removed member of the board of the performer of the essential functions of the public-use railway infrastructure manager may appeal this decision of the State Railway Administration in court in accordance with the procedures laid down in laws and regulations. The appeal of the decision of the State Railway Administration shall not suspend the operation thereof;

4) if it is intended to remove a member of the board from office before expiry of the term of office, prior to the meeting of participants (shareholders) at which it is planned to remove the member of the board from office, the participant (shareholder) of the performer of the essential functions of the public-use railway infrastructure manager shall provide the State Railway Administration with a detailed explanation of the reasons for removal. A member of the board may only be removed due to an important reason, which is considered to be a gross violation of authorisation, non-performance or inadequate performance of duties, the inability to manage a capital company, a loss of trust or the obstructions specified by law for holding or combining office. The State Railway Administration shall, without delay, but not later than within three weeks from the day of receipt of the justification from the participant (shareholder) of the performer of the essential functions of the public-use railway infrastructure manager, submit the decision to the meeting of participants (shareholders) of the performer of the essential functions of the public-use railway infrastructure manager with which a consent is given for the planned removal of the board member from office, or object, if there are justified doubts regarding the adequacy of the submitted reason for removal. The public-use railway infrastructure manager and the performer of the essential functions of the public-use railway infrastructure manager may appeal this decision of the State Railway Administration to a court in accordance with the procedures laid down in laws and regulations. The appeal of the decision of the State Railway Administration shall not suspend the operation thereof;

5) the participant (shareholder) of the performer of the essential functions of the public-use railway infrastructure manager does not need to receive a consent from the State Railway Administration if such member of the board is planned to be removed from the office before the expiry of the determined term of office on whom a security measure in the form of an arrest or prohibition on specific employment has been imposed in accordance with the Criminal Procedure Law that prevents him or her from fulfilling the duties of a member of the board of the performer of the essential functions of the public-use railway infrastructure manager, or if the rights of this member of the board to engage in a specific or all types of commercial activities or to take up an office in the administrative institutions of commercial companies has been deprived or restricted based on a ruling made in a criminal proceeding or administrative violation procedure. The participant (shareholder) of the performer of the essential functions of the public-use railway infrastructure manager shall, without delay, submit to the State Railway Administration the relevant justifying document regarding the security measures applied to the member of the board or removal or restriction of rights, which it shall take note of;

6) the participant (shareholder) of the performer of the essential functions of the public-use railway infrastructure manager shall, six months prior to expiry of the term of office, inform the State Railway Administration of appointment of the board member of the performer of the essential functions of the public-use railway infrastructure manager for a new term of office or substantiate his or her removal after the end of the term of office. The State Railway Administration shall, without delay, not later than within three weeks from the day of receipt of the justification from the participant (shareholder) of the performer of the essential functions of the public-use railway infrastructure manager, submit the decision to the meeting of participants (shareholders) of the performer of the essential functions of the public-use railway infrastructure manager with which a consent is given for the planned removal of the board member from office after expiry of the term of office, or object if there are doubts regarding the adequacy of the submitted justification. The participant (shareholder) of the performer of the essential functions of the public-use railway infrastructure manager and the board member of the performer of the essential functions of the public-use railway infrastructure manager regarding whom a decision of the State Railway Administration has been taken may appeal such decision of the State Railway Administration in court in accordance with the procedures laid down in laws and regulations. The appeal of the decision of the State Railway Administration shall not suspend the operation thereof.

[*23 September 2010; 25 February 2016; 6 June 2019*]

**Section 13.2 Rights of the Performer of the Essential Functions of the Public-use Railway Infrastructure Manager to Request Information**

(1) Upon performing the functions specified in the law the performer of the essential functions of the public-use railway infrastructure manager is entitled to request and receive from the public-use railway infrastructure manager who does not perform the essential functions of the manager and from the applicant undertakings the information required for the performance of the functions thereof irrespective of the status of accessibility to this information.

(2) Officials and employees of the performer of the essential functions of the public-use railway infrastructure manager, and also persons invited to the activities of the performer of the essential functions of the public-use railway infrastructure manager are prohibited from publicly or otherwise disclosing information or restricted access information related to the performance of the functions thereof, which has become known to them upon fulfilling the duties of service or otherwise on the activities of the public-use railway infrastructure manager who does not perform the essential functions of the manager, or of the applicant undertakings, including the commercial activities, except for cases specifically specified in laws and regulations.

[*14 April 2011; 13 February 2020*]

**Section 14. Suspension of Train Movement and Closing Lines**

(1) In situations where, due to non-compliance with the Railway Technical Operations Regulations or other technical regulations, traffic safety, human life, health or the environment could be endangered or is endangered, the public-use railway infrastructure manager is entitled to temporarily suspend the movement of trains along the tracks and also the operations of a station, or to reduce the railway capacity of the tracks in order to perform technical engineering work (restoration and repair) and to resume regular traffic as soon as possible. The infrastructure manager shall notify the railway undertakings, the State Railway Administration, the State Railway Technical Inspectorate (Section 33), and the relevant local government of suspending the train movement.

(2) If a private-use railway infrastructure manager fails to observe the Railway Technical Operations Regulations, the public-use railway infrastructure manager, on the basis of an order of the State Railway Technical Inspectorate, shall disconnect the tracks directly connected to the relevant private-use railway infrastructure.

(3) If the State public-use railway infrastructure manager considers it necessary to close an economically disadvantageous line, or a line whose technical condition cannot be maintained in compliance with the Railway Technical Operations Regulations due to insufficient resources and on which traffic safety cannot be guaranteed, the manager shall submit a substantiated proposal regarding the closing of this line to the Ministry of Transport, with the findings of the State Railway Technical Inspectorate attached.

(4) If closing of a public-use line is recommended, the Ministry of Transport shall request that the State Railway Administration, the relevant local governments, and the Ministry of Environmental Protection and Regional Development provide an opinion regarding this within two months. After receipt of the opinion, the Ministry of Transport shall prepare the necessary documents for the Cabinet to take a decision to close the line.

[*4 March 2004; 17 July 2008; 16 December 2010; 25 February 2016*]

**Section 15. Public-Use Railway Infrastructure Land**

(1) Land in the State public-use railway infrastructure right of way is the property of the State, except for the case referred to in Paragraph 1.1 of this Section. Such State land may not be sold, gifted, or otherwise alienated. If railway infrastructure items owned by the State public-use railway infrastructure manager referred to in Section 6 of this Law are situated or are planned to be located on the railway right of way or in the land owned by or escheat to the State in the person of the Ministry of Transport, such land owned by or escheat to the State in the person of the Ministry of Transport shall be transferred to its possession by the Minister for Transport.

(11) The owner of the land of such part of the railway right of way where State public-use railway infrastructure is located on scaffold bridges, galleries, bridges, overpasses, or in tunnels may be a derived public person, a State capital company, a capital company controlled by a public person, or a capital company which is the owner of a bus station if the land forms part of the territory of the bus station in accordance with the procedures laid down in laws and regulations. In such cases the public-use railway infrastructure manager shall agree with the owner of the land on the restriction on the right to use property in accordance with Paragraph 2.2 of this Section.

(2) The State public-use railway infrastructure manager referred to in Section 6 of this Law may transfer for use the land owned by or escheat to the State transferred to its possession (Paragraph one of this Section), or encumber with servitudes for the purpose of constructing buildings, structures, surface and underground communications systems, or for performing other economic activities. In such cases the State public-use railway infrastructure manager shall act in the name of the State. A decision on leasing with the right of superficies of the land owned by or escheat to the State referred to in this Paragraph shall be taken by the Cabinet. The Cabinet shall issue regulations regarding the transfer for use of the land owned by or escheated to the State referred to in this Paragraph, or encumbrance with servitude for the purpose of constructing buildings, structures, surface and underground communications systems, or for performing other economic activities.

(21) If it is intended to construct a State-owned public-use railway infrastructure on or in the land owned by or escheated to the State, the Minister for Transport shall authorise a project implementer to act with the land necessary for the implementation of the relevant construction design and with the buildings (structures) located thereon according to the observations of technical operations of the railway infrastructure.

(22) If in the case referred to in Paragraph 1.1 of this Section the immovable property owned by or under jurisdiction of the State or the immovable property owned by a derived public person, a State capital company, a capital company controlled by a public person, or a capital company which is the owner of a bus station is necessary for the construction and operation of the State public-use railway infrastructure owned by the State, the restriction on the right to use may be imposed in respect of the relevant immovable property by concluding a written contract. In such case the public-use railway infrastructure manager in the name of the State shall coordinate with the owner of the immovable property the location of the infrastructure, the conditions for the restriction on the right to use, and the procedures for compensating expenses related to rebuilding, demolition, or relocation of structures and engineering communication systems. After conclusion of a written contract, the user of the land shall, within one year, pay a lump sum compensation to the owner thereof for the restriction on the right to use according to their agreement, but not more than 20 per cent of the cadastral value of the encumbered share of the immovable property in the year of registration of the restriction.

(3) The State public-use railway infrastructure manager and the operator of a service facility shall have servitude rights over land owned by other legal and natural persons on which railway infrastructure items are located. The servitude shall be established in accordance with the procedures laid down in the Law. The user of the land shall pay compensation to its owner for the servitude in accordance with their agreement, but not more than five percent annually of the cadastral value of the land.

(4) The State public-use railway infrastructure manager, in conformity with the laws and other laws and regulations enacted regarding land matters, has the right to cross an area of land which is adjacent to the right of way and not owned by it in order to have access to the infrastructure items.

(5) The State in the person of the Ministry of Transport shall have the pre-emption rights for the land and other immovable property in the State public-use railway infrastructure right of way.

(6) The restriction on the right to use property referred to in Paragraph 2.2 of this Section shall be corroborated in the Land Register on the basis of the statement issued by the public-use railway infrastructure manager and the contract referred to in Paragraph 2.2 of this Section.

[*25 February 2016; 6 June 2019; 15 June 2021*]

**Section 16. Railway Right of Way**

(1) The boundaries of the railway right of way in spatial plans shall be determined in compliance with current building standards in effect for the relevant construction facility.

(2) The draft regulations for use of the railway right of way shall be prepared by the Ministry of Transport and approved by the Cabinet.

(3) In cases where the railway right of way overlaps with another type of restricted zone or a protective zone, the most stringent requirements and the greatest minimal width shall be in effect. All types of activity in these areas shall be harmonised by the interested institutions.

(4) A railway infrastructure manager is entitled to change (reduce) the boundaries of the railway right of way and to waive the right to use the land taking into account the relevant laws and regulations and building standards.

[*4 March 2004*]

**Section 17. Restrictions on Activities in the Railway Right of Way**

(1) Other legal and natural persons may carry out any type of activity within the railway right of way only with the permission of and under the supervision of the railway infrastructure manager. The public-use railway infrastructure manager shall, within the railway right of way referred to in Section 15, Paragraph 1.1 of this Law, coordinate with the owner of the land the permission for other legal and natural persons to carry out any type of activity that is not related to the performance of the functions of the public-use railway infrastructure manager.

(2) If in connection with permitted construction work, renovations, and repairs or other activities by legal and natural persons the reconstruction of railway infrastructure objects becomes necessary, this shall be performed and financed by the interested party.

(3) Any placement, transfer, and renovation of communications in the railway right of way must not diminish the operational quality of the railway infrastructure objects and traffic safety.

(4) Communications facilities existing in the railway right of way shall be maintained by their owner.

(5) It is prohibited to place objects on railway tracks which may disturb the railway traffic, and it is prohibited, without an authorisation of a railway infrastructure manager, to place materials or objects closer than 2.5 meters from the outer track of railway tracks which may disturb or hinder the railway traffic.

(6) It is prohibited to drive animals in an unauthorised place in the railway right of way or, without an authorisation of a railway infrastructure manager, to graze animals in the railway right of way.

[*7 November 2019; 15 June 2021*]

**Section 18. Railway Protective Zones**

(1) In accordance with the Law on Protective Zones, railway protective zones shall be formed in order to protect the railway from undesirable external effects, safeguard people and the environment from harmful effects of the railway and also ensure effective and safe railway operation and opportunities for development.

(2) The railway protective zone shall be maintained by the relevant railway infrastructure manager from his own resources, but if the rights for the use of this land have been transferred to another person – by the land user.

(3) The maintenance of the railway infrastructure and the actions of the owner of the land in the protective zone must not deteriorate the hydrological conditions in the protective zone, nor disturb the functioning of the protective zone or land amelioration systems or structures that adjoin or intersect it.

(4) The owner or the user of the protective zone of the railway must not deny the use of roads or access ways to the railway infrastructure manager in order that a specialised railway infrastructure maintenance vehicle may have access to the railway infrastructure objects so that maintenance work may be carried out and supervised. Upon exercising rights to access railway infrastructure objects, the obligation of the railway infrastructure manager shall be to do so, as much as possible, with care and not damaging planted fields or cutting down trees.

(5) The relevant railway infrastructure manager shall compensate for all losses which have been incurred by the property owner due to actions of a railway infrastructure manager.

**Section 19. Stations, Passing and Stopping Places**

(1) The station is an aggregate of railway infrastructure objects which occupies a designated part of the railway right of way and ensures the performance of rail transport operations.

(2) Passing places are technological switching places in one-way lines at which location of the track is intended for the needs of crossing and overtaking of train to increase train throughput capacity of a railway line.

(3) Stopping places are locations where a train stops. They have no track spread and they are intended only for the boarding and alighting of passengers.

(4) [6 October 2005]

(5) Stations, passing and stopping places which are public-use railway infrastructure objects shall be opened, closed and their names assigned in accordance with the procedures stipulated by the Cabinet.

[*4 March 2004; 6 October 2005*]

**Section 20. Level Crossings and Crossings**

(1) A level crossing is the intersection of a rail line with a motor road on one level equipped with such devices as are required to guarantee the safety of railway and motor vehicle traffic.

(2) Level crossings shall be classified, depending on the characteristics of the motor roads that intersect them, as follows:

1) public-use level crossings (State motor roads, local government roads, or city streets intersect the tracks);

2) individual user level crossings (roads belonging to other persons intersect the tracks, and such level crossing is used in accordance with a contract concluded with the relevant railway infrastructure manager).

(3) A crossing is a specially constructed and equipped location where pedestrians or livestock cross tracks.

(4) Crossings shall be classified as follows:

1) public-use crossings (installed to satisfy community needs, by which pedestrians and livestock cross tracks);

2) individual user crossings (installed for private use after a request is made by an individual person and used in accordance with a contract concluded with the relevant railway infrastructure manager).

(5) Installation and equipping of new individual service level crossings and crossings shall be carried out at the expense of the interested party.

(6) Installation and maintenance of public-use level crossings and crossings shall be financed from the funds of the funding of the railway infrastructure and the State motor vehicle road fund.

(7) The Cabinet shall determine the procedures for installing, equipping, servicing, and closing of level crossings and crossings.

[*4 March 2004; 17 July 2008; 1 December 2009*]

**Section 21. Obligation to Verify Compliance**

The construction of engineering structures and communication systems which intersect tracks at various levels shall be verified to be in compliance with the railway construction regulations as issued by the Cabinet, in accordance with the procedures laid down therein.

**Section 22. Construction Procedures of Railway Infrastructure Objects**

Railway infrastructure objects are specialised structures. The procedures for the designing and construction of railway infrastructure objects, and also the procedures by which they shall be accepted for service shall be determined by the Cabinet.

[*14 June 2007; 15 June 2021*]

**Section 22.1 Acceptance of the Actions Envisaged in Relation to Railway Structures and Objects**

If in accordance with the law On Environmental Impact Assessment an environmental impact assessment statement has been prepared and an opinion of the competent authority has been received in relation to establishment of the State public-use railway infrastructure objects or making of essential changes therein and if such facility is included in the trans-European transport network (TEN-T) and its list of priority projects, the Cabinet shall take a decision to accept the actions envisaged, assessing the opinion of the relevant local governments.

[*25 February 2016*]

**Chapter III Railway Undertaking**

**Section 23. Principles of Operation for a Railway Undertaking**

(1) A railway undertaking shall carry on its operations in accordance with this Law, other laws and laws and regulations.

(2) A railway undertaking shall be administratively and economically independent in its operations, and also in determining its rail transport services and carriage charges.

(3) [25 February 2016]

(4) The railway undertaking as a commercial company (regardless of the ownership) shall be managed according to the principles which apply to commercial companies. This shall also apply to the public service obligations imposed on the railway undertaking by the State and to public service contracts which it concludes with the competent authorities of the State.

(5) The railway undertaking shall design its business plans including their investment and financing programmes. Such plans shall be designed to achieve the financial equilibrium of the railway undertaking and to achieve other technical, commercial, and financial management objectives. The plans shall also indicate the means of attaining those objectives.

(6) On the basis of the general policy guidelines issued by the State and taking into account national plans and contracts (which may be multiannual), also investment and financing plans, the railway undertaking shall, in particular, be free to:

1) establish their internal organisation in compliance with the provisions of Section 13.1 of this Law;

2) control the supply and marketing of services and fix their pricing;

3) take decisions on staff, assets, and own procurement;

4) expand their market share, develop new technologies and new services, and implement any innovative management techniques;

5) establish new activities in fields associated with the railway economic activity.

(7) Paragraph six of this Section shall be applied without prejudice to the provisions of Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70 (hereinafter – Regulation No 1370).

(8) The railway undertaking shall prepare and publish profit and loss statements and balance sheets separately for economic activity relating to the provision of rail freight services and for activities relating to the provision of rail passenger services. The funds paid for activities relating to the provision of carriage services as public-service remits shall be shown separately in accordance with Article 7 of Regulation (EC) No 1370/2007 in the relevant accounts and shall not be transferred to activities relating to the provision of other transport services or any other economic activity.

(9) The accounts for the area of activity connected with the provision of rail freight services and area of activity connected with the provision of rail passenger services shall be kept in a way that allows to monitor the compliance with the prohibition on transferring public, local government, and European Union funds paid to one area of activity to another area of activity.

[*23 November 2000; 4 March 2004; 14 June 2007; 25 February 2016*]

**Section 24. Procedures for Concluding the State or Local Government Contracts for the Public Procurement of Rail Transport Services**

(1) State or local government contracts for the public procurement of rail transport services shall be concluded in accordance with the requirements of this Law and other laws and regulations.

(2) The State and the local governments (hereinafter also – the ordering party) are, in the interests of the community, entitled to require that the railway undertaking, in the fulfilment of public procurement of rail transport services, ensures that:

1) rail transport services comply with the criteria of the ordering party regarding speed, regularity, frequency, volume and other specifications;

2) [12 June 2008];

3) the provision of services is adjusted to actual market demand and other factors.

(3) A railway undertaking shall fulfil public procurement of rail transport services on a contractual basis.

(4) [12 June 2008]

(5) A draft contract for public procurement of rail transport services shall be prepared by the ordering party in agreement with a railway undertaking, interested ministries and authorities, or with the relevant local government.

(6) A draft contract for public procurement of rail freight services shall be submitted for coordination to the State Railway Administration.

(7) [12 June 2008]

(8) [4 March 2004]

(9) In the event a contract for public procurement of rail transport services is concluded, the railway undertaking shall open a separate current account for payments for the fulfilment of the public procurement of rail transport services and such funds shall be shown separately in accounting documents. The railway undertaking is not entitled to use funds which have been paid for public procurement of rail transport services for other transport services which it provides or for other types of commercial activities which it performs.

(10) Contracts for public procurement of rail freight services as have been concluded shall be registered and their fulfilment shall be controlled by the State Railway Administration.

(11) [14 June 2007]

[*6 February 2003; 4 March 2004; 24 November 2005; 14 June 2007; 12 June 2008*]

**Section 25. Content of a Contract for the Public Procurement of Rail Transport Services**

(1) A contract for the public procurement of rail transport services which is concluded in accordance with Section 24 of this Law shall specify:

1) type of services to be rendered and their technical specifications;

2) arrangements regarding the provision of services to be rendered;

3) payment to the railway undertaking for services rendered or compensation for losses incurred in connection with the services rendered;

4) arrangements regarding payments and compensation;

5) responsibility for the execution of the contract;

6) carriage charges (railway tariff) determined by the ordering party and discounts for such.

(2) A contract for the public procurement of rail transport services may include provisions about State or local government investments and railway undertaking loan guarantees, the obligations of the railway undertaking, as a result of investments, to reduce the cost of services provided, to improve the quality of services and to renew rolling stock, and also other rights and obligations of the parties.

[*4 March 2004*]

**Section 25.1 Organisation of Rail Transport Services of Military Freight**

(1) Prior to concluding a contract regarding rail transport services of military freight intended for the support of foreign armed forces, or in cases where the ordering party of rail transport services of military freight intended for the support of the National Armed Forces is not the National Armed Forces or the Ministry of Defence, the ordering party shall be required to receive authorisation from the Ministry of Defence. The ordering party has a duty to submit a copy of the document from the Ministry of Defence certifying authorisation to the railway undertaking prior to concluding the contract in question.

(2) The Ministry of Defence is entitled to request that the railway undertaking when fulfilling the public procurement of rail transport services of military freight and the public-use railway infrastructure manager, within the competence thereof, ensure the compliance of the rail transport services with the criteria specified by the ordering party.

(3) In case of danger to the State, the Cabinet has the right to decide on organisation and performance (including loading and unloading) of priority rail transport services of military freight necessary for the State defence needs.

[*23 October 2010; 25 February 2016*]

**Section 25.2 Passenger Services the Main Purpose of which is to Transport Passengers between Stations Located in Different European Union Member States**

[6 June 2019]

**Chapter IV Coordination of the Movement of Rolling Stock and Allocation of the Public-use Railway Infrastructure Capacity**

[*4 March 2004*]

**Section 26. Coordination of the Movement of Rolling Stock**

(1) Public-use railway infrastructure managers shall coordinate the movement of trains and other rolling stock over their tracks, and also in the junctions with railway infrastructure tracks which belong to other persons.

(2) If a railway undertaking performs carriage over the tracks belonging to two or more railway infrastructure managers, the relevant railway infrastructure managers have a duty to cooperate.

**Section 27. Allocation of Public-use Railway Infrastructure Capacity**

(1) The performer of the essential functions of the public-use railway infrastructure manager shall be responsible for the allocation of railway infrastructure capacity and shall, in particular, ensure that the infrastructure capacity is granted in a fair and non-discriminatory manner.

(2) Requests for infrastructure capacity may be made by applicant undertakings. To be able to use infrastructure capacity, the applicant undertakings which are not railway undertakings shall appoint a railway undertaking that concludes a contract with the infrastructure manager in accordance with Section 27.1 of this Law. The applicant undertaking may request that the infrastructure manager concludes a contract granting the applicant itself the right to pay for the use of railway infrastructure.

(3) The priority of the allocation of the public-use railway infrastructure capacity is given to those rail transport services that are provided on the basis of the State or local government contract for public procurement of rail transport services, and also for the support of foreign armed forces or the National Armed Forces, and to services which are provided fully or in part by using the State public-use railway infrastructure intended or constructed for special purposes (high-speed, freight and similar carriage). The public-use railway infrastructure manager may request compensation for losses, including losses arising in other European Union Member States, incurred by the manager when complying with the specified carriage priorities.

(4) The performer of the essential functions of the public-use railway infrastructure manager may set requirements with regard to applicant undertakings to ensure the justified expectations regarding future revenue of the public-use railway infrastructure manager and use of the infrastructure. Such requirements shall be appropriate, transparent, and non-discriminatory. They may only include the provision of a financial guarantee not exceeding an appropriate level proportional to the scope of carriage provided for the applicant undertaking, and assurance of the capability of the applicant undertaking to prepare conforming bids for infrastructure capacity. Upon determining the abovementioned requirements, the criteria included in Commission Implementing Regulation (EU) 2015/10 of 6 January 2015 on criteria for applicants for rail infrastructure capacity and repealing Implementing Regulation (EU) No 870/2014 (hereinafter – Implementing Regulation (EU) 2015/10) shall be observed. The regulatory body determined in Implementing Regulation (EU) 2015/10 shall be the State Railway Administration.

(5) If an applicant plans to request a railway infrastructure capacity in order to provide a passenger transport service in the territory of Latvia where the right to access railway infrastructure is restricted in accordance with Section 5.2 of this Law, it shall inform the performer of the essential functions of the railway infrastructure manager, the railway infrastructure manager and the State Railway Administration not later than 18 months prior to entry into effect of a working timetable to which the request for infrastructure capacity refers. In order to allow the State Railway Administration to assess the potential economic impact on the existing State or local government contracts for the public procurement of the provision of rail passenger services, the State Railway Administration shall ensure that, without undue delay and not later than within 10 days, a competent authority that has entered into the State or local government contract for the public procurement of the provision of rail passenger services and the railway undertaking which performs this public procurement contract in the relevant route of passenger service within the territory of Latvia, and also any other interested competent authority that has the right to restrict access to railway infrastructure in accordance with Section 5.2 of this Law is informed.

(6) Applications regarding the request for capacity shall be examined in conformity with the procedures stipulated by the Cabinet referred to in Paragraph ten of this Section, and also with the public-use railway infrastructure capacity available and, in conformity with the priorities specified in the law, already allocated.

(7) The applicant undertakings may be granted the right to use infrastructure capacity for a maximum duration of one working timetable period. The performer of the essential functions of the railway infrastructure manager, and also the infrastructure manager, if this concerns its area of activities, and the applicant undertaking may conclude a framework agreement referred to in Section 27.2 of this Law for the use of the relevant railway infrastructure capacity for a time period exceeding validity period of one working timetable. The applicant undertaking which is a party to the framework agreement shall submit its request for infrastructure capacity according to the abovementioned agreement.

(8) The applicant undertaking which has been granted a specific infrastructure capacity has no right to transfer such capacity to others in return for payment or free of charge, except for the case when this capacity is used by the railway undertaking upon assignment from the applicant undertaking which is not a railway undertaking. A different transfer of infrastructure capacity is prohibited and leads to exclusion from the further infrastructure capacity allocation process.

(9) Where, after coordination of the requested capacity and consultation with applicant undertakings, it is not possible to satisfy requests for infrastructure capacity adequately, the performer of the essential functions of the public-use railway infrastructure manager shall immediately declare that the relevant section of infrastructure is congested. This shall also be done for infrastructure the capacity of which may become insufficient in the near future.

(10) The Cabinet shall determine:

1) the procedures for scheduling and coordinating the working timetable, allocating public-use railway infrastructure capacity (and also the actions of the performer of the essential functions of the infrastructure manager and the infrastructure manager if the infrastructure is congested), and the procedures for cooperation in allocating the infrastructure capacity on more than one network;

2) the content of application for performing carriage and notification of performing maintenance work, the documents to be appended thereto, the procedures for examination thereof;

3) content of the capacity enhancement plan;

4) actions for organising train movement, also in case of disruptions and in case the infrastructure capacity is requested after development of the working timetable;

5) the principles according to which the criteria is developed to determine the failure to use paths or part of them.

(11) The performer of the essential functions of the public-use railway infrastructure manager may, taking into account the Cabinet regulations referred to in Paragraph ten of this Section, develop and approve the capacity allocation scheme to be published on its website and submitted to the public-use railway infrastructure manager for inclusion in the network statement.

(12) The State Railway Administration shall examine disputes between an owner of a public-use railway infrastructure, a public-use railway infrastructure manager, a performer of the essential functions of the public-use railway infrastructure manager, a railway undertaking, and the applicant undertaking regarding allocation of the capacity of a public-use railway infrastructure, and also regarding the decision of a performer of the essential functions of the public-use railway infrastructure manager to designate trains to a specific railway undertaking, to refuse to allocate infrastructure capacity or on the regulations of capacity offers, and take decisions binding to the parties. Complaints regarding the allocation of public-use railway infrastructure capacity or regarding refusal to allocate infrastructure capacity may be submitted within one month after publication of the capacity allocation plan or notification of the refusal to allocate infrastructure capacity.

(13) The State Railway Administration shall take a decision on a dispute in relation to the allocation of infrastructure capacity, on refusal to allocate infrastructure capacity, or on the regulations of capacity offers within the time period referred to in Section 31, Paragraph 2.2 of this Law, and the owner of a public-use railway infrastructure, the public-use railway infrastructure manager, the performer of the essential functions of the public-use railway infrastructure manager, the railway undertaking, and the applicant undertaking may appeal it in court in accordance with the procedures laid down in the law. The State Railway Administration shall take a decision with which it confirms that the decision of the performer of the essential functions of the public-use railway infrastructure manager does not need amending, or shall request the amendment of the decision in accordance with its instructions, but in respect of discriminatory measures shall decide which measures should be performed in order to prevent the recurrence of such violations.

[*25 February 2016; 6 June 2019*]

**Section 27.1 Contracts of the Railway Undertaking and the Railway Infrastructure Manager**

The railway undertaking shall conclude the necessary contracts with the manager of the public-use railway infrastructure used. The conditions of such contracts shall be non-discriminatory and transparent.

[*25 February 2016*]

**Section 27.2 Framework Agreement**

(1) The performer of the essential functions of the public-use railway infrastructure manager, and also the infrastructure manager, if its area of activity is concerned, and the applicant undertaking may conclude a framework agreement. It shall specify the characteristics of the infrastructure capacity required by and offered to the applicant undertaking over a period of time exceeding one working timetable period. The framework agreement shall not specify a train path in detail, but shall meet the legitimate commercial needs of the applicant undertaking. Such a framework agreement shall be subject to prior approval of the State Railway Administration.

(2) The framework agreement shall not be such as to preclude the use of the relevant infrastructure by other applicant undertakings or public-use railway infrastructure manager.

(3) The framework agreement shall allow for the amendment or limitation of its terms to enable better use to be made of the railway infrastructure. The text of a framework agreement may contain penalties should it be necessary to modify or terminate the agreement.

(4) The framework agreement shall, in principle, cover a time period of five years, renewable for time periods equal to their original duration. The performer of the essential functions of the public-use railway infrastructure manager may agree to a shorter or longer time period. Any period longer than five years shall be justified by the existence of commercial contracts, specialised investments or risks.

(5) For services using the specialised infrastructure referred to in Section 27.3 of this Law which requires substantial and long-term investments, duly justified by the applicant undertaking, the framework agreement may be concluded for a time period of 15 years. Any time period longer than 15 years shall be permissible only in exceptional cases, for example, in relation to a large-scale, long-term investment, and particularly where such investment is covered by contractual commitments, also a multiannual amortisation plan. In such cases, the text of the framework agreement may set out the detailed characteristics of the capacity which is to be provided to the applicant undertaking for the duration of the framework agreement. The abovementioned characteristics may include the frequency, volume, and quality of train paths. The performer of the essential functions of the public-use railway infrastructure manager may reduce reserved capacity which, over a time period of at least one month, has been used less than the threshold quota provided for in the network statement, and this has not happened due to non-economic reasons beyond the applicant undertaking’s control.

(6) While respecting trade secret, the general nature of each framework agreement shall be made available to any interested party.

[*25 February 2016; 13 February 2020* / *Amendments to Paragraphs four and five shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 27.3 Specialised Infrastructure**

(1) Infrastructure capacity shall be considered to be available for the use of all types of services which conform to the characteristics necessary for operation on the train path.

(2) Where alternative routes are available, the performer of the essential functions of the public-use railway infrastructure manager may, after consultations with the interested parties, designate a particular infrastructure for use by specific types of carriage. Where such designation has occurred, the performer of the essential functions of the public-use railway infrastructure manager may give priority to a specific type of carriage when allocating infrastructure capacity. Such designation shall not prevent the use of this infrastructure by other types of carriage when infrastructure capacity is available.

(3) If infrastructure has the status of a specialised infrastructure, it shall be indicated in the network statement.

[*25 February 2016*]

**Section 28. Network Statement**

(1) The public-use railway infrastructure manager shall, after consultations with the interested parties, develop and publish a network statement to be obtained for a fee which shall not exceed the publication costs of the abovementioned statement. The network statement shall be published in at least the official language and another official language of the European Union. The content of the network statement shall be available free of charge in electronic format on the website of the public-use railway infrastructure manager. The network statement shall also be available on a website created jointly by the relevant infrastructure managers within the framework of their cooperation, if the traffic crosses more than one network of the rail system within the European Union.

(2) The network statement shall set out the nature of the infrastructure which is available to railway undertakings, and contain information setting out the conditions for access to the relevant railway infrastructure. The network statement shall also contain information setting out the conditions for access to service facilities connected to the network of the infrastructure manager and for supply of services in these facilities or indicate a website where such information is made available free of charge.

(3) The content of the network statement shall be determined by the Cabinet.

(4) The network statement shall be kept up to date and amended as necessary.

(5) The network statement shall be published at least four months in advance of the deadline for requests for infrastructure capacity.

(6) The charging system (scheme) and charging rules applied to international freight services from and to third countries whose track gauge is 1520 millimetres shall be published by the performer of the essential functions of the public-use railway infrastructure manager on its website at least two months prior to entry into effect of the relevant infrastructure charge, and they shall not be included in the network statement.

[*25 February 2016*]

**Chapter V State Administration in the Rail Transport Sector**

**Section 29. Competence of the Ministry of Transport in the Rail Transport Sector**

The State policy with respect to rail transport sector shall be implemented by the Ministry of Transport in conformity with the transport policy planning documents.

[*25 February 2016*]

**Section 30. State Railway Administration**

(1) State administration of rail transport sector shall be implemented by the State Railway Administration.

(2) The State Railway Administration is subordinate to the Ministry of Transport, which is realised in the form of supervision.

(21) Each year the State Railway Administration shall grant funding from the funding resources specified in Section 10, Paragraph two, Clauses 1 and 2 of this Law in the amount of 0.37 % from the total amount of the funding of the railway infrastructure referred to in Section 10, Paragraph two, Clauses 1 and 2 of this Law for the previous year.

(22) The public-use railway infrastructure manager shall allocate the funding provided for in Paragraph 2.1 of this Section in parts – once per quarter until the 10th date of the first month of the quarter in question, transferring part of the funding provided for in Section 2.1 of this Law to the account of the State Railway Administration. One-quarter of the planned funding provided for in Paragraph 2.1 of this Section shall be transferred for each of the first three quarters. The total amount of this funding shall be clarified when performing the final payment in the relevant year.

(23) The State Railway Administration shall be the regulatory body in Latvia referred to in legal acts of the European Union governing the field of railway.

(3) [4 March 2004]

(4) The State Railway Administration shall be managed by a Director who shall be nominated by the Minister for Transport and appointed and released from his or her position by the Cabinet. Persons who comply with the requirements of the State Civil Service Law and have an appropriate competence and relevant experience in the field of railway may be candidates for the position of the Director of the State Railway Administration.

(41) Neither the Cabinet, nor the Minister for Transport, or other persons may give instructions to the Director of the State Railway Administration and other officials in cases related to performance of the complaint handling function and market monitoring function of the State Railway Administration in the field of railway, and also in relation to staffing and staff management. In the abovementioned cases, the State Railway Administration need not coordinate the statement with the Ministry of Transport.

(5) The regulatory functions of the State Railway Administration and the functions of examination of the disputed administrative acts and actual actions shall be performed by separate structural units.

[*11 November 1999; 10 April 2003; 4 March 2004; 1 December 2009; 23 September 2010; 25 February 2016; 6 June 2019*]

**Section 31. Functions of the State Railway Administration**

(1) The State Railway Administration shall fulfil the following functions:

1) [23 November 2010];

2) coordinate draft contracts for public procurement of rail freight services;

3) after contracts for public procurement of rail freight services have been concluded, register them and control the execution of such contracts;

4) [23 November 2000];

5) provide to the Minister for Transport information requested regarding the activities of and decisions taken by the Administration;

6) within the scope of its competence, promote effective and rational operations by railway undertakings;

7) [23 November 2000];

8) handle the complaints of the applicant undertaking if it believes that it has been unfairly treated, discriminated against, or is in any other way aggrieved, and in particular complaints regarding the decisions taken by the public-use railway infrastructure manager, the performer of the essential functions of the infrastructure manager, or, where appropriate, the railway undertaking, or the operator of a service facility concerning:

a) the network statement in its provisional and final versions;

b) the criteria referred to in the network statement;

c) the capacity allocation process and its result;

d) the charging and charge collection schemes;

e) the payment of infrastructure charge in such volume or structure which is, or may be, required from the applicant undertaking;

f) arrangements for access in accordance with Sections 5.1, 5.2, 12.1, and 12.2 of this Law;

g) access to and charging for services in accordance with Sections 12.1 and 12.2 of this Law;

h) traffic management;

i) renewal planning and scheduled or unscheduled maintenance of the railway infrastructure, insofar as it does not relate to the control and monitoring of technical operations;

j) the compliance with the requirements laid down in Sections 6.1, 6.2, 6.3, 6.4 and 13.1 of this Law, including the requirements for the conflict of interests;

9) monitor the competitive situation in the rail service markets, especially in the high-speed passenger service market, and activities of the public-use railway infrastructure manager, the performer of the essential functions of the railway infrastructure manager, and the operator of service facility in the issues specified in Clause 8, Sub-clauses “a”, “b”, “c”, “d”, “e”, “f”, “g”, “h”, “i”, and “j” of this Paragraph without prejudice to the right of institutions monitoring compliance with the competition law in rail service markets. Upon its own initiative and with a view to prevent discrimination against the applicant undertaking, controls the issues specified in Clause 8, Sub-clauses “a”, “b”, “c”, “d”, “e”, “f”, “g”, “h”, “i”, and “j” of this Paragraph, and, in particular, check whether the network statement contains any discriminatory clauses or creates discretionary powers for the public-use railway infrastructure manager, the performer of the essential functions of the public-use railway infrastructure manager or the operator of service facility that may be used to discriminate against the applicant undertaking;

10) develop railway environmental protection policy which shall be approved by the Minister for Transport, develop and approve an action programme, and maintain a self-operating system for regulation of environmental protection;

11) evaluate the risks that the railway infrastructure poses to the health of people and the environment, and implement the measures required to reduce such risks;

12) perform infrastructure registration and take decisions to register a public-use railway infrastructure as a private-use railway infrastructure in the case referred to in Section 5, Paragraph four of this Law;

13) perform the registration of rolling stock in accordance with the procedures stipulated by the Cabinet;

14) issue railway undertaking licences for the performance of rail transport services;

15) provide opinions on separate public-use railway sections or the closing of lines in accordance with Section 14, Paragraph four of this Law;

16) publish all the decisions taken in respect of market regulation;

17) exchange information on its work and decision-making principles and practices with the relevant authorities of other European Union Member States;

18) monitor the compliance with the requirements of independence of the public-use railway infrastructure manager provided for in Section 13.1, Paragraphs four and five of this Law in implementation of the essential functions, examine the complaints of railway undertakings referred to in Paragraph six of this Section regarding violations of the requirements of independence and take appropriate decisions;

19) in the cases and in accordance with the procedures laid down in Section 13.1, Paragraph seven of this Law monitor changes in the composition of the board of the performer of the essential functions of the public-use railway infrastructure manager;

20) take decisions to divide the funding resources provided for heritage railway and to approve reports on utilisation of the funding, and control the utilisation of such funding resources for the intended purpose;

21) ensure that the charge set by the performer of the essential functions of the infrastructure manager conforms to the charging rules provided for in this Law and is non-discriminatory, monitor negotiations between applicant undertakings and the performer of the essential functions of the infrastructure manager concerning the amount of the infrastructure charge, and intervene if negotiations are likely to violate the requirements of this Law;

22) regularly and, in any case, at least every two years, consult representatives of users of the rail freight and passenger services, to take into account their views on the rail market.

(2) The State Railway Administration, upon fulfilling its functions in accordance with this Law and other laws, shall comply with the State policy in the rail transport sector and the national transport development programme.

(21) The State Railway Administration has the right to carry out audits or suggest carrying out external audits of infrastructure managers, operators of service facilities and, where relevant, railway undertakings in order to verify compliance with the provisions of Section 13, Paragraphs one and four, and Section 23, Paragraphs eight and nine of this Law with regard to accounting separation, and also with provisions of Section 6.4 of this Law regarding financial transparency, moreover, the State Railway Administration has the relevant right in a vertically integrated company with regard to all the relevant legal entities that are part of the vertically integrated undertaking. The accounting information to be submitted to the State Railway Administration upon request shall be determined by the Cabinet. Without prejudice to the powers of the national authorities responsible for State aid issues, the State Railway Administration may also draw conclusions from this information concerning State aid issues. It shall report to the abovementioned authorities regarding such conclusions.

(22) The State Railway Administration shall consider any complaints and, as appropriate, shall ask for the relevant information and initiate consultations with all relevant parties, within one month from receipt of the complaint. It shall decide on any complaints, take measures to remedy the situation, and inform the relevant parties of its reasoned decision within a pre-determined, reasonable time, and, in any case, within six weeks from receipt of all the relevant information. Upon performing the function referred to in Paragraph one, Clause 9 of this Section and without prejudice to the powers of competition authorities to ensure competition in rail service markets, the State Railway Administration shall, upon its own initiative, decide on the measures to be taken with a view to prevent discrimination against applicant undertakings, market distortion and other undesirable trends in these markets, in particular with reference to the issues specified in Paragraph one, Clause 8, Sub-clauses “a”, “b”, “c”, “d”, “e”, “f”, “g”, “h”, “i”, and “j” of this Section.

(23) The State Railway Administration shall monitor the financial flows referred to in Section 6.4, Paragraph one, the loans referred to in Paragraphs four and five and the debts referred to in Paragraph seven of this Law.

(24) The State Railway Administration shall assess the cooperation agreements between the public-use railway infrastructure manager and one or several railway undertakings referred to in Section 6.3, Paragraph four of this Law prior to entering into thereof, supervise the performance of such agreements and may recommend termination thereof in justified cases.

(25) A decision of the State Railway Administration shall be binding on all parties covered by that decision.

(26) In case of the double value of percentage referred to in Article 7(1) of Commission Implementing Regulation (EU) 2015/909 of 12 June 2015 on the modalities for the calculation of the cost that is directly incurred as a result of operating the train service, the State Railway Administration in the case referred to in Paragraph one, Clause 9 of this Section may perform the inspection of calculation of the direct costs in all network in a simplified manner.

(3) Decisions of the State Railway Administration may be appealed to the court in accordance with the procedures laid down in laws and other laws and regulations. A decision of the State Railway Administration to issue a licence for the performance of rail transport services, a decision to register a railway infrastructure (tracks), a decision to register railway rolling stock, a decision taken when performing the functions referred to in Paragraph one, Clause 8 or 9 of this Section, a decision to allocate public-use railway infrastructure capacity or to grant capacity, to refuse to grant capacity or on the conditions of capacity offers, a decision to ensure the independence of the performer of the essential functions of the public-use railway infrastructure manager, including members of the board and executive employees thereof whose competence includes decision-making regarding the performance of the essential functions of the public-use railway infrastructure manager, a decision to divide the funding resources provided for heritage railway, and also an appeal of a decision to examine a dispute and prevent discrimination shall not suspend its operation.

[*23 November 2000; 10 April 2003; 4 March 2004; 6 October 2005; 7 May 2009; 23 September 2010; 6 November 2013; 25 February 2016; 6 June 2019*]

**Section 32. Right of the State Railway Administration to Request Information**

(1) The State Railway Administration is entitled to request and receive the information necessary to fulfil its functions from the public-use railway infrastructure manager, the performer of the essential functions of the infrastructure manager, the applicant undertaking, the operator of the service facility, any involved third person, and railway undertakings.

(2) The information requested shall be provided within a reasonable period of time determined by the State Railway Administration and not exceeding one month. In exceptional cases, the State Railway Administration authorises a time-limited extension which shall not exceed two additional weeks. Information to be supplied to the State Railway Administration shall include all data which is required by the State Railway Administration within the framework of its complaint handling function and in its function of monitoring the competition in the rail services markets in accordance with Section 31, Paragraph one, Clause 9 of this Law. The abovementioned information shall include data which are necessary for statistical and market observation purposes.

(3) When carrying out audits of infrastructure managers, operators of service facilities and, where relevant, railway undertakings in the case provided for in Section 31, Paragraph 2.1 of this Law, the State Railway Administration is authorised to request the infrastructure manager, operators of service facilities, and all undertakings or other organisations performing or integrating different types of rail transport services or infrastructure management in accordance with Sections 12.1 and 12.2, and Section 13, Paragraphs one and two of this Law to provide all or part of the accounting information with a sufficient level of detail as deemed necessary and proportionate.

[*25 February 2016*]

**Section 32.1 Cooperation of the State Railway Administration with Authorities of other European Union Member States to which the Performance of Regulatory Functions in the Sector of Rail Transport has been Entrusted**

(1) The State Railway Administration shall provide information to authorities of other European Union Member States to which the performance of regulatory functions in the sector of rail transport has been entrusted (hereinafter – the railway regulatory bodies) on its work and decision-making principles and practices, including on the main issues of their procedures and on the problems of interpreting transposed European Union railway law.

(2) The State Railway Administration shall cooperate with the railway regulatory bodies, including through working arrangements, for the purposes of mutual assistance in their market monitoring tasks and handling complaints or investigations.

(3) In the case of a complaint or an own-initiative investigation of the State Railway Administration on issues of access or charging relating to an international train path, and also within the framework of monitoring competition on the market related to international rail transport services, the State Railway Administration shall consult the railway regulatory bodies of all other Member States through which the international train path concerned runs, and shall request all necessary information from them before taking its decision. If the railway regulatory bodies request such information from the State Railway Administration, the State Railway Administration shall provide them with all the information that they have the right to request in accordance with the laws and regulations in the field of rail transport. This information may only be used for the purpose of handling the complaint or investigation, and the State Railway Administration shall transfer it to the relevant railway regulatory bodies in order for those bodies to take measures in relation to the parties concerned.

(31) If decisions of the State Railway Administration and one or several other railway regulatory bodies are necessary for the issues related to international rail transport service, the State Railway Administration shall cooperate with the relevant railway regulatory bodies.

(4) The railway infrastructure managers (performers of the essential functions) who, upon cooperation with other infrastructure managers (performers of the essential functions), allocate capacity in more than one network of the rail system infrastructure shall, without delay, provide all the information necessary for the purpose of handling the complaint or investigation referred to in Paragraph three of this Section and requested by the State Railway Administration. The State Railway Administration has the right to transfer such information on the international train path concerned to the railway regulatory bodies referred to in Paragraph three of this Section.

(5) The State Railway Administration may ask the European Commission to participate in the activities referred to in Paragraphs two, three, 3.1, and four of this Section for the purpose of facilitating cooperation with the railway regulatory bodies.

[*25 February 2016; 6 June 2019*]

**Section 33. Agency for Control and Supervision of Railway Technical Operations**

(1) In Latvia, the control and supervision of railway technical operations shall be performed by the State Railway Technical Inspectorate which is organisationally and legally independent and independent in decision-making from railway undertakings, shunters, railway infrastructure managers, from submitters of the submissions regarding issues within the competence of the State Railway Technical Inspectorate and from an institution which has concluded a State or local government contract for the public procurement of carriage by rail, and also from any other entities that are ordering parties of the design or construction, renewal, or upgrading of a subsystem.

(11) The national safety authority in Latvia referred to in the directly applicable legal acts of the European Union governing railway safety shall be the State Railway Technical Inspectorate which has the necessary human resources and appropriate financing available.

(12) The State Railway Technical Inspectorate shall perform its functions in an open, non-discriminatory, and transparent manner, in particular by hearing all the stakeholders and substantiating the decisions taken.

(2) The State Railway Technical Inspectorate is subordinate to the Ministry of Transport, which is realised in the form of supervision.

(3) The main functions of the State Railway Technical Inspectorate are:

1) to control compliance with the requirements laid down in laws and other laws and regulations concerning railway operations and safety issues;

2) to supervise the performance of safety and protection measures (including measures on prevention, reaction, and liquidation of consequences) in the movement of dangerous goods by rail;

3) to supervise how participants in the rail system investigate and record railway traffic accidents;

4) to control the organisation and performance of works related to the elimination of consequences of rolling stock accidents;

5) to examine railway infrastructure building designs and to take decisions in respect of them, issue building permits and control how participants in the construction of railway infrastructure comply with the requirements of this Law and other laws and regulations governing construction;

6) to issue, renew, amend, and revoke single safety certificates in the case referred to in Section 34.1, Paragraph five of this Law;

7) to issue, renew, amend, and revoke safety permits and to check how a recipient of the safety permit complies with the conditions included therein and the requirements of the laws and regulations in the field of rail transport;

8) issue professional competence certificates in the regulated spheres in accordance with laws and regulations;

9) to exchange information on its work and decision-making principles and practices with the relevant authorities of other European Union Member States, in particular within the network established by the European Union Agency for Railways;

10) issue train driver’s licences;

11) keep the register of train drivers’ licences;

12) to issue, renew, amend, and revoke an authorisation for placing a vehicle on the market in the case referred to in Section 43.5, Paragraph four of this Law;

13) provide information on obligations of the interested parties of the railway sector in relation to Commission Regulation (EU) No 1305/2014 of 11 December 2014 on the technical specification for interoperability relating to the telematics applications for freight subsystem of the rail system in the European Union and repealing the Regulation (EC) No 62/2006 and Commission Regulation (EU) No 454/2011 of 5 May 2011 on the technical specification for interoperability relating to the subsystem ‘telematics applications for passenger services’ of the trans-European rail system;

14) to recognise assessment bodies within the meaning of Commission Implementing Regulation (EU) No 402/2013 of 30 April 2013 on the common safety method for risk evaluation and assessment and repealing Regulation (EC) No 352/2009;

15) to maintain records of safety indicators and to assess safety levels;

16) to develop and publish annual safety plans describing measures for the achievement of common safety targets;

17) in accordance with Section 43.4 of this Law, to grant authorisations to place in service the trackside control-command and signalling, energy and infrastructure systems which form the European Union rail system;

18) in the case referred to in Section 34.1, Paragraph four of this Law, to participate in the process which allows the European Union Agency for Railways to issue, renew, amend, and revoke single safety certificates;

19) in accordance with Section 36.6 of this Law, to supervise railway undertakings, shunters, and public-use railway infrastructure managers;

20) to supervise how the entities in charge of maintenance referred to in Section 36.4, Paragraph three of this Law and other participants in the rail system implement the necessary risk management measures;

21) to assist (for example, by providing the necessary information) the European Union Agency for Railways to supervise the development of railway safety at the European Union level;

22) to issue, renew, amend, and revoke certificates which are granted to the entities in charge of maintenance;

23) in accordance with Section 43.3 of this Law, to monitor that interoperability constituents correspond to the essential requirements;

24) in the case referred to in Section 43.5, Paragraph three of this Law, to participate in the process which allows the European Union Agency for Railways to issue, renew, amend, and revoke authorisations for placing a vehicle on the market, and in the case referred to in Section 43.5, Paragraph fifteen of this Law, to participate in the process which allows the European Union Agency for Railways to issue, renew, amend, and revoke permits for placing a type of vehicle on the market;

25) to ascertain that the number has been allocated to a vehicle in accordance with the laws and regulations regarding the registration of rolling stock;

26) to monitor that the laws and regulations in the field of railway safety and technical requirements correspond to the applicable legal acts of the European Union, and notify the European Union Agency for Railways and the European Commission of any laws and regulations and drafts thereof which provide for the national requirements.

(31) The functions falling within the competence of the State Railway Technical Inspectorate may not be delegated to a railway infrastructure manager, a railway undertaking, a shunter, or any other persons, and also any entities that are the ordering parties of design or construction, renewal, or upgrading of a subsystem.

(32) The State Railway Technical Inspectorate shall publish and send an annual report to the European Union Agency for Railways by 30 September. The report shall include the following information:

1) development of railway safety, including the aggregated common safety indicators in Latvia;

2) changes in the laws and regulations with regard to the railway safety;

3) granting of safety certificates and safety permits;

4) results on the supervision of railway infrastructure managers, railway undertakings, and shunters, and relevant experience, including the number and results of checks and audits;

5) certification of the entities in charge of maintenance referred to in Section 35.2, Paragraph seven of this Law;

6) experience of railway undertakings, shunters, and railway infrastructure managers in the application of the relevant common safety methods.

(4) The State Railway Technical Inspectorate, within its area of authority, is entitled:

1) to verify compliance with the Railway Technical Operations Regulations regardless of ownership of the objects to be inspected;

2) to temporarily suspend train traffic, reduce traffic speed, and prohibit the operation of technical equipment if the lives or health of people, the safety of traffic, or the environment are endangered;

3) to prohibit the use of rolling stock or track until deficiencies are fully eliminated, if their use can or does endanger the lives or health of people, the safety of traffic, or the environment;

4) to give binding instructions regarding compliance with the Railway Technical Operations Regulations to all legal and natural persons operating within the railway system;

5) to verify whether commission members of a business entity and the persons who are responsible for the performance of the knowledge examination of railway specialists of the business entity comply with the qualification requirements;

6) to conduct all checks, audits, and investigatory activities without restrictions which are necessary for the performance of the tasks assigned thereto, and to access all appropriate documents, premises and territories, objects and equipment of railway infrastructure managers, railway undertakings, and shunters, and also, where necessary, of any participant in the rail system referred to in Section 36.4 of this Law.

(41) The State Railway Technical Inspectorate is a State administration institution which is financed from the revenues for the paid services provided and other own revenues, gifts, donations, foreign financial assistance, and funding sources specified in Section 10, Paragraph two, Clauses 1 and 2 of this Law. The State Railway Technical Inspectorate is not financed from the State budget. Charges for the services provided by the State Railway Technical Inspectorate and part of the revenues from the funding sources specified in Section 10, Paragraph two, Clauses 1 and 2 of this Law shall be transferred to the account of the State Railway Technical Inspectorate with the Treasury and only used to ensure the functioning of the Inspectorate.

(5) Each year the State Railway Technical Inspectorate shall be granted funding from the funding resources specified in Section 10, Paragraph two, Clauses 1 and 2 of this Law in the amount of 0.43 % from the total amount of the funding of the railway infrastructure referred to in Section 10, Paragraph two, Clauses 1 and 2 of this Law for the previous year.

(6) The public-use railway infrastructure manager shall allocate the funding provided for in Paragraph 5 of this Section in parts – once per quarter until the 10th date of the first month of the quarter in question, transferring part of the funding provided for in Paragraph 5 of this Section to the account of the State Railway Technical Inspectorate. One-quarter of the planned funding provided for in Paragraph five of this Section shall be transferred for each of the first three quarters. The total amount of this funding shall be clarified when performing the final payment in the relevant year.

(7) The State Railway Technical Inspectorate shall conclude a cooperation agreement with the European Union Agency for Railways in accordance with Article 76 of Regulation (EU) No 2016/796.

(8) In addition to the agreement referred to in Paragraph seven of this Section, the State Railway Technical Inspectorate shall conclude a multilateral agreement with the relevant Estonian and Lithuanian authorities and the European Union Agency for Railways in accordance with Article 76 of Regulation (EU) No 2016/796.

(9) Upon responding to requests and applications, the State Railway Technical Inspectorate shall, without delay, not later than within one month, send its information requests and take all decisions within four months after the applicant has provided the relevant information.

[*11 November 1999; 10 April 2003; 4 March 2004; 6 October 2005; 24 May 2007; 14 June 2007; 7 May 2009; 1 December 2009; 13 May 2010; 17 June 2010; 28 February 2013; 18 September 2014; 25 February 2016; 13 February 2020 / The new wording of Paragraph one, the new wording of Paragraph three, Clauses 6, 7, and 12, and also Paragraph three, Clauses 15–26, Paragraphs 3.1 and 3.2, Paragraph four, Clause 6, and Paragraph nine shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 33.1 Transport Accident and Incident Investigation Bureau**

(1) In the case of serious railway accidents, investigatory activities shall be organised, carried out, and controlled by the Transport Accident and Incident Investigation Bureau – a direct State administration institution under supervision of the Ministry of Transport. The Transport Accident and Incident Investigation Bureau has an independent division where at least one investigator is able to fulfil the functions of the responsible investigator after a railway traffic accident.

(2) Organisationally, legally and in its decision-making the Transport Accident and Incident Investigation Bureau is independent from the railway infrastructure manager, the railway undertaking, the shunter, and the railway technical operations control and supervision authority, the European Union Agency for Railways, and also from an authority which is responsible for the determination and collection of railway infrastructure charge, the allocation of railway infrastructure capacity, or the implementation of State administration in the field of rail transport, from the conformity assessment body, and from the persons whose interests may be in contradiction with the tasks of the Transport Accident and Incident Investigation Bureau.

(21) Upon investigating a railway traffic accident, investigators of the Transport Accident and Incident Investigation Bureau shall not require or receive any instructions and shall control the course of investigation of railway road traffic accidents without restrictions.

(22) Upon investigating railway accidents, the Transport Accident and Incident Investigation Bureau shall exchange information and cooperate with officials who are authorised to perform pre-trial criminal proceedings. The Transport Accident and Incident Investigation Bureau may access physical evidence, provided that a permission of the person directing the proceedings has been received.

(3) Upon performing an investigation of railway accidents, investigators of the Transport Accident and Incident Investigation Bureau have the right to:

1) freely access the site of the railway accident, the rolling stock involved in the accident, the relevant railway infrastructure, the traffic control-command and signalling equipment;

2) without delay commence the collection for examination or analysis of direct evidence, the wreck and fragments of the rolling stock, and the railway infrastructure equipment or the components thereof;

3) have access to the content of rolling stock data registration devices, voice communications recording devices, and the control-command and signalling equipment registration devices and to use it;

4) become acquainted with the mortal remains of the victims and the results of examinations of injured persons;

5) become acquainted with the results of the interrogation and questioning and testimonies of the railway specialists involved in the railway accident, other persons involved in the accident, and also witnesses;

6) question the railway specialists involved in the railway accident, other persons involved in the accident, and also witnesses;

7) access the information and documentation of the State Railway Technical Inspectorate, the railway infrastructure manager, the railway undertaking, or the shunter involved in the accident and the entity in charge of maintenance;

8) specify when the rolling stock, its parts or fragments, wrecks, freight and other appurtenances may be removed from the site of the incident, and also to destroy in accordance with the procedures laid down in the laws and regulations;

9) invite police officers to determine whether the railway specialists involved in the railway accident are under the influence of alcoholic, narcotic, psychotropic, or toxic substances or to escort these persons to a medical treatment institution for the determination of the influence of the abovementioned substances.

(4) Investigators of the Transport Accident and Incident Investigation Bureau, within the scope of their competence, also have the right to perform operations specified in other laws and regulations.

(41) The Transport Accident and Incident Investigation Bureau shall exchange information with the relevant authorities of other European Union Member States on its work and decision-making principles and practices in order to develop common investigation techniques, to establish common principles for the control of compliance with the safety recommendations, and to adapt to the scientific and technical development.

(5) The Transport Accident and Incident Investigation Bureau shall be granted funding for the investigation of transport accidents from the funding resources specified in Section 10, Paragraph two, Clauses 1 and 2 of this Law in the amount of 0.12 % from the total amount of the funding of the railway infrastructure referred to in Section 10, Paragraph two, Clauses 1 and 2 of this Law for the previous year.

(6) The public-use railway infrastructure manager shall allocate the funding provided for in Paragraph 5 of this Section in parts – once per quarter until the 10th date of the first month of the quarter in question, transferring part of the funding provided for in Paragraph 5 of this Section to the account of the Transport Accident and Incident Investigation Bureau. One-quarter of the planned funding provided for in Paragraph five of this Section shall be transferred for each of the first three quarters. The total amount of this funding is clarified when performing the final payment in the relevant year.

(7) Investigators of the Transport Accident and Incident Investigation Bureau have service identification documents. Sample service identification document and the procedures for issuing and cancelling a service identification document shall be approved by the Cabinet.

[*24 May 2007; 12 June 2008; 1 December 2009; 28 February 2013* / *Amendments to Paragraph one, the new wording of Paragraph two, Paragraphs 2.1 and 2.2, the new wording of Paragraph three, Clause 7, and Paragraph 4.1 shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 33.2 Framework for Information-sharing and Cooperation of the State Railway Administration and the State Railway Technical Inspectorate**

The State Railway Administration and the State Railway Technical Inspectorate shall jointly develop a framework for information-sharing and cooperation aimed at preventing adverse effects on competition or safety in the railway market. This framework shall include a mechanism for the State Railway Administration to provide the State Railway Technical Inspectorate with recommendations on issues that may affect competition in the railway market and for the State Railway Technical Inspectorate to provide the State Railway Administration with recommendations on issues that may affect safety. Without prejudice to the independence of each authority within the field of their respective competences, each authority shall examine any such recommendation before taking its decisions. If the relevant authority decides to deviate from these recommendations, it shall give reasons in its decisions.

[*25 February 2016*]

**Section 33.3 Protection of Passenger Rights**

(1) The authority referred to in Article 30 of Regulation (EC) No 1371/2007 of the European Parliament and of the Council of 23 October 2007on rail passengers’ rights and obligations (hereinafter – Regulation (EC) No 1371/2007) responsible for the enforcement of this Regulation (except Articles 21 and 26 thereof) in domestic passenger services is the Road Transport Administration and in international passenger carriage services – the State Railway Administration.

(2) The authority referred to in Article 30 of Regulation (EC) No 1371/2007 responsible for the enforcement of Articles 21 and 26 of this Regulation shall be the State Railway Technical Inspectorate.

(3) In order to provide assistance to passengers in cases of significant disturbance in services within the meaning of Article 18 of Regulation (EC) No 1371/2007, a railway undertaking that provides passenger services shall draw up a contingency plan and coordinate it with the relevant institution referred to in Paragraph one of this Section.

[*25 February 2016; 6 June 2019*]

**Section 33.4 Notification of National Requirements**

(1) The State Railway Technical Inspectorate shall, in accordance with the procedures laid down in Articles 25, 26, and 27 of Regulation (EU) No 2016/796, notify the European Union Agency for Railways and the European Commission of the laws and regulations of Latvia which:

1) determine the regulatory framework that refers to the existing safety methods not covering the common safety methods;

2) determine the regulatory framework for the operation of rail network in the fields not yet covered by the technical specifications for interoperability;

3) determine the regulatory framework as an urgent preventative measure, in particular after a railway traffic accident;

4) review the regulatory framework in the legal acts which have already been notified;

5) determine the regulatory framework for the requirements for the staff performing tasks critical to safety, including the criteria for the selection of staff, the physical and mental health condition and vocational training not yet covered by the technical specifications for interoperability or any other legal acts of the European Union;

6) determine the regulatory framework in the fields where the technical specifications for interoperability do not cover or do not fully cover specific aspects of the essential requirements, including in open questions;

7) in accordance with the procedure provided for in Section 43.2, Paragraph eight of this Law, determine non-application of one or several technical specifications for interoperability or parts thereof;

8) determine the requirements applicable in a specific case which are not included in the relevant technical specification for interoperability;

9) determine the requirements for specification of the existing systems the objective of which is solely to assess the technical compatibility of a vehicle and rail network;

10) determine the regulatory framework with regard to rail networks and vehicles to which the technical specifications for interoperability are not applicable.

(2) The State Railway Technical Inspectorate shall post on its website on the Internet the information on the national requirements which are notified in accordance with Paragraph one of this Section.

(3) The notification procedure laid down in the laws and regulations regarding the procedures by which State administration institutions provide information on draft technical regulations shall not be applicable to the national requirements notified in accordance with this Section.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of the Transitional Provisions*]

**Chapter VI Railway Undertaking Licence, Single Safety Certificate, Safety Permit, and Entity in Charge of Maintenance**

[*13 February 2020* / *The new wording of the title of the Chapter shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 34. Railway Undertaking Licence**

(1) To provide rail transport services in the territory of Latvia, the commercial company needs a railway undertaking licence valid in the territory of the European Union. The State Railway Administration shall be the licensing authority in Latvia.

(2) A commercial company established in Latvia has a right to apply for receipt of a railway undertaking licence in Latvia.

(3) The railway undertaking licence shall not be issued or its validity shall not be extended where the requirements laid down in the laws and regulations regarding the licensing of railway undertakings for receipt of a licence have not been complied with. A commercial company which is responsible for the relevant requirements has the right to receive a railway undertaking licence.

(4) A railway undertaking licence shall not, in itself, entitle the holder to access the railway infrastructure.

(5) A commercial company applying for a railway undertaking licence shall be required to be able to demonstrate to the State Railway Administration before the start of its activities that it will at any time be able to meet the requirements relating to good repute, financial fitness, professional competence and cover for its civil liability which are the necessary basic requirements for receiving the railway undertaking licence. For the abovementioned purpose, each commercial company applying for a railway undertaking licence shall also provide all the relevant information.

(6) The Cabinet shall determine the requirements for receiving the railway undertaking licence in relation to the mode of transport, good repute, financial fitness, professional competence and cover for civil liability, and also suspension and revocation criteria for railway undertaking licence and the procedures for granting, suspension, and revocation of railway undertaking licences.

(7) A State fee shall be paid for issuing of the railway undertaking licence. The amount and payment procedures thereof shall be determined by the Cabinet. The fee received for issuing of the railway undertaking licence shall be paid into the State budget.

(8) A railway undertaking licence shall be valid throughout the territory of the European Union. A railway undertaking licence issued by the licensing authority of another European Union Member States shall also be valid in Latvia.

(9) A railway undertaking licence shall be valid as long as the recipient thereof fulfils the obligations laid down in this Section. The State Railway Administration may provide for a review of the validity of the railway undertaking licence. If so, the review of the validity of the licence shall be carried out at least every five years.

(10) Where the State Railway Administration issues a railway undertaking licence, suspends its operation, revokes or amends a railway undertaking licence, the State Railway Administration shall immediately inform the European Railway Agency thereof.

[*25 February 2016*]

**Section 34.1 Single Safety Certificate**

(1) The right to access the public-use railway infrastructure shall only be granted to the railway undertakings and the shunters that have obtained a single safety certificate issued by the European Union Agency for Railways in accordance with Regulation (EU) No 2016/796 or the State Railway Technical Inspectorate in the case referred to in Paragraph five of this Section.

(2) The single safety certificate shall certify that the holder thereof has established its own safety management system and is able to operate safely in the intended area of operation formed by a network, networks or parts thereof in one or several European Union Member States where the operation is planned.

(3) An applicant shall submit an application for obtaining the single safety certificate by using a contact point of the European Union Agency for Railways. The relevant type of activity of the railway undertaking or the shunter and the scope of activity of the railway undertaking or the shunter, and also the intended area of operation shall be indicated in the application. The application shall be accompanied by documentation, including documentary evidence, regarding the fact that the railway undertaking or the shunter has established its own safety management system in accordance with Section 36.5 of this Law, corresponds to the requirements laid down in the technical specifications for interoperability, common safety methods, and common safety targets, to the requirements of other laws and regulations indicated by the applicant and, where applicable, also to the national requirements, so that risks are controlled and services are provided safely.

(4) If the area of operation is located not only in Latvia but also in another European Union Member State, the application shall be examined and the single safety certificate shall be issued by the European Union Agency for Railways in accordance with Article 14 of Regulation (EU) No 2016/796.

(5) If the area of operation is only located in Latvia, the applicant may request in the application that the single safety certificate is issued by the State Railway Technical Inspectorate. The procedures for issuing, renewing, amending, or revoking the single safety certificate, and also the criteria and procedures for the issue, renewal, amending, and revocation thereof shall be determined by Commission Implementing Regulation (EU) 2018/763 of 9 April 2018 establishing practical arrangements for issuing single safety certificates to railway undertakings pursuant to Directive (EU) 2016/798 of the European Parliament and of the Council, and repealing Commission Regulation (EC) No 653/2007. The Cabinet shall determine the procedures for applying the requirements of the abovementioned Regulation in Latvia.

(6) Submission of applications and documents, request for and circulation of all information, and also notification of decisions to the applicant shall occur through a contact point of the European Union Agency for Railways.

(7) Upon assessing the application for obtaining the single safety certificate, the State Railway Technical Inspectorate may visit the facility of the applicant and carry out examinations and audits. The State Railway Technical Inspectorate shall, within one month after receipt of the application, inform the applicant that the documentation is complete or request relevant additional information.

(8) After the applicant has submitted all required information, the State Railway Technical Inspectorate shall, within four months, issue the single safety certificate or take the decision to refuse to issue the certificate and inform the applicant of this decision.

(9) Each decision to refuse to issue the single safety certificate shall be substantiated accordingly. The applicant may, within one month after receipt of the decision, request that the State Railway Technical Inspectorate reviews its decision. The State Railway Technical Inspectorate shall, within two months from the day a request for review is received, confirm or set aside the decision taken.

(10) The decision by the State Railway Technical Inspectorate may be appealed to a court in accordance with the procedures laid down in the Administrative Procedure Law.

(11) The single safety certificate issued by the State Railway Technical Inspectorate shall be renewed following an application of the railway undertaking or the shunter at least once every five years. If the type of activity of the railway undertaking or the shunter or the scope of activity of the railway undertaking or the shunter has changed significantly, the certificate shall be updated fully or partly.

(12) The single safety certificate issued by the State Railway Technical Inspectorate shall be valid without extending the area of operation outside Latvia to the stations near the borders in Estonia or Lithuania which are intended for cross-border operations if the applicant has indicated in the application that it is intended to travel to such stations, and the State Railway Technical Inspectorate has consulted the relevant authorities of the countries involved and has received approval.

(13) The single safety certificate may be issued to a railway undertaking for the following frontier railway lines of the public-use railway infrastructure: State border–Indra–Daugavpils, State border–Zilupe–Rēzekne, State border–Kārsava–Rēzekne, without concluding a contract with a third country transport operator, provided that an appropriate safety level is ensured under a contract of the railway undertaking and the public-use railway infrastructure manager for the provision of services in the case referred to in Section 5.1, Paragraph seven of this Law.

(14) If the railway undertaking or the shunter has the single safety certificate issued by the State Railway Technical Inspectorate and it wishes to extend its area of operation in Latvia, an application shall be submitted to the State Railway Technical Inspectorate through a contact point of the European Union Agency for Railways.

(15) If the railway undertaking or the shunter has the single safety certificate issued by the State Railway Technical Inspectorate and it wishes to extend its area of operation outside Latvia, an application shall be submitted to the European Union Agency for Railways through a contact point of the European Union Agency for Railways.

(16) It shall be allowed for a transport operator of a third country which is a neighbouring country of Latvia, on behalf and under responsibility of the railway undertaking or the railway infrastructure manager, to reach the station of destination of the public-use railway lines State border–Indra–Daugavpils, State border–Zilupe–Rēzekne, State border–Kārsava–Rēzekne, without obtaining the single safety certificate if an appropriate safety level is ensured under a cross-border agreement between Latvia and this third country or contractual obligations between the third country transport operators and the railway undertaking that has the single safety certificate, or the railway infrastructure manager that has the safety permit in order to operate in the respective lines, provided that the aspects of the abovementioned contractual obligations related to safety are appropriately reflected in the safety management system.

(17) Review or appeal of a decision by the State Railway Technical Inspectorate to issue, renew, amend, or revoke the single safety certificate shall not suspend the operation thereof.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 35. Safety Certificate**

[13 February 2020 / See Paragraph 56 of Transitional Provisions]

**Section 35.1 Safety Permit**

(1) A railway infrastructure manager and persons who are engaged in the commercial activities referred to in Section 3, Clause 5 of this Law must obtain a safety permit.

(2) The Cabinet shall determine the criteria and procedures for issuing, renewing, amending, and revoking a safety permit.

(3) Review or appeal of a decision to issue, renew, amend, or revoke a safety permit shall not suspend the operation thereof.

(4) The State Railway Technical Inspectorate shall, within four months after an applicant has submitted all required information, and also the requested additional information, issue a safety permit or take a decision to refuse to issue it and inform the applicant of this decision.

[*13 February 2020* / *The new wording of Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 35.2 Entity in Charge of Maintenance**

(1) Without prejudice to the responsibility of railway undertakings, shunters, and railway infrastructure managers for safe operation of a train referred to in Section 36.4 of this Law, upon establishing a system for the maintenance of vehicles an entity in charge of maintenance shall ensure safe operation of the vehicles for the maintenance of which it is responsible. The system for the maintenance of vehicles shall ensure the following:

1) the performance of maintenance of vehicles according to the maintenance documentation of each vehicle, the existing national requirements, and the relevant requirements of the technical specifications for interoperability;

2) the implementation of the risk evaluation and assessment methods referred to in the common safety methods, where necessary, cooperating with other participants in the rail system;

3) the fact that, upon applying the common safety method for supervision, contracting entities implement risk control measures, and compliance with this requirement may be demonstrated by the contracts concluded which are presented upon request of the European Union Agency for Railways or the State Railway Technical Inspectorate;

4) the traceability of maintenance activities.

(2) The maintenance system shall consist of the following functions:

1) the management function – to supervise and coordinate the fulfilment of the maintenance functions referred to in Clauses 2, 3, and 4 of this Paragraph and to ensure safe operation of a vehicle in the rail system;

2) the maintenance development function – to ensure management of the maintenance documentation, including configuration management, on the basis of the constructional and operational data, and also the performance results and the experience gained;

3) the maintenance management function – to withdraw a vehicle for the performance of maintenance and to resume the operation thereof after maintenance;

4) the maintenance performance function – to ensure the maintenance necessary for a vehicle or parts thereof, including to issue documentation in respect of an authorisation for the operation after maintenance.

(3) An entity in charge of maintenance shall perform the management function referred to in Paragraph two, Clause 1 of this Section itself. All or some of the maintenance functions referred to in Paragraph two, Clauses 2, 3, and 4 of this Section or parts thereof may be assigned to other contracting entities.

(4) An entity in charge of maintenance shall ensure that the performance of all the functions referred to in Paragraph two of this Section complies with the requirements laid down for entities in charge of maintenance and with the criteria for the evaluation thereof. The Cabinet shall determine the requirements for entities in charge of maintenance and the criteria for the evaluation thereof.

(5) Irrespective of the case referred to in Paragraph seven of this Section, the State Railway Technical Inspectorate shall certify an entity in charge of maintenance and grant to it a certificate of the entity in charge of maintenance. The Cabinet shall determine the vehicles for the maintenance of which the entities in charge of maintenance require a certificate of the entity in charge of maintenance. The Cabinet shall determine the procedures by which the State Railway Technical Inspectorate shall issue, renew, amend, or revoke a certificate of the entity in charge of maintenance, the requirements for issue, renewal, amending, and revocation thereof, and also the evaluation criteria. Such certificate shall be valid throughout the European Union, and a relevant certificate issued in another European Union Member State shall be valid in Latvia.

(6) The contracting entities of an entity in charge of maintenance that fulfil the maintenance function referred to in Paragraph two, Clause 4 of this Section shall, according to their activities carried out, apply requirements which are laid down for the entities in charge of maintenance, including the criteria for the evaluation thereof.

(7) Upon implementing the maintenance system an entity in charge of maintenance of vehicles with a track gauge of 1520 mm shall apply the requirements referred to in this Section which have been laid down for the entities in charge of maintenance of the vehicles with a track gauge of 1520 mm. The State Railway Technical Inspectorate shall certify the entity in charge of maintenance of vehicles with a track gauge of 1520 mm and grant to it the certificate of the entity in charge of maintenance. The Cabinet shall determine the procedures by which the State Railway Technical Inspectorate shall issue, renew, amend, or revoke a certificate of the entity in charge of maintenance of vehicles with a track gauge of 1520 mm, and also the requirements for issue, renewal, amending, and revocation thereof and the evaluation criteria. Such certificate shall only be valid in Latvia.

(8) If an entity in charge of maintenance is a railway undertaking, a shunter, or a railway infrastructure manager, in the case referred to in Paragraph five or seven of this Section the compliance of the entity in charge of maintenance with the certification conditions shall be verified in a procedure for deciding to issue a single safety certificate to a railway undertaking or a shunter or to issue a safety permit to a railway infrastructure manager.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Chapter VII Traffic Safety and Social Guarantees of Railway Specialists**

[*16 October 2014* / *Amendment in relation to the supplementation the title of Chapter with words “and Social Guarantees of Railway Specialists” shall come into force on 1 December 2015. See Paragraph 39 of the Transitional Provisions*]

**Section 36. Binding Effect of the Railway Technical Operations Regulations**

Commercial companies, and also other legal persons and natural persons involved in railway activities shall ensure conformity with the Railway Technical Operations Regulations and shall guarantee traffic safety. The railway traffic safety requirements are also binding upon other legal persons and natural persons the activities of which occur directly near railways and may endanger railway traffic safety.

[*4 March 2004*]

**Section 36.1 Rolling Stock, Operation Thereof, and the National Vehicle Register**

(1) An owner or user of the rolling stock shall, in conformity with the Railway Technical Operations Regulations, ensure the maintenance of the rolling stock and the operation thereof so that it does not endanger human life and health, railway traffic safety, and the environment.

(2) [13 February 2020]

(3) [13 February 2020]

(31) The State Railway Administration shall ensure and maintain the national vehicle register. The national vehicle register shall be available to the State Railway Technical Inspectorate and the Transport Accident and Incident Investigation Bureau. Railway undertakings and railway infrastructure managers, and also persons or organisations which register a vehicle or which have been indicated in the national vehicle register have the right to access the national vehicle register to the extent specified in the laws and regulations regarding the procedures for registering rolling stock.

(4) Upon registering a vehicle with the national vehicle register, it shall be allocated the European Vehicle Number. If the rolling stock to be used on a track gauge of 1520 mm is used or intended to be used not only in the European Union but also for carriage to and from countries which are not European Union Member States and where different numbering systems are used, a vehicle shall be allocated a number which is compatible with the numbering system used in the relevant countries. Prior to using a vehicle, the vehicle keeper shall mark the vehicle with the number allocated thereto.

(5) It is prohibited to arbitrarily close a main break stop-valve of wagons in a train or arbitrarily stop a train with an emergency brake by disconnecting an air brake line or otherwise.

(6) It is prohibited to ride on the rolling stock in places not intended for this purpose, and embark onto or disembark from a moving train.

[*17 June 2010; 13 February 2020; 7 November 2019 / Paragraphs five and six shall come into force on 1 July 2020. See Paragraph 54 of Transitional Provisions*]

**Section 36.2 Liability of the Manufacturer, Performer of Repair Work, Owner or User of the Rolling Stock, Supplier of Goods and Provider of Services**

[13 February 2020 / See Paragraph 56 of Transitional Provisions]

**Section 36.3 Removal or Covering of Railway Signals**

It is prohibited to change readings of railway signals, to move or cover railway signals without an authorisation of the holder of the railway signals.

[*7 November 2019 / Section shall come into force on 1 July 2020. See Paragraph 54 of Transitional Provisions*]

**Section 36.4 Role of the Participants in the Rail System in the Development and Improving of Railway Safety**

(1) In order to develop and improve railway safety, participants in the rail system and the State administration institutions in Latvia shall, according to the competence thereof:

1) ensure overall maintenance of railway safety and, where reasonably practicable, continuously improve it by taking into account the laws and regulations, the directly applicable legal acts of the European Union, and the international provisions, and also technical and scientific progress, and giving priority to the prevention of accidents;

2) apply the laws and regulations in an open and non-discriminatory manner promoting development of a unified rail transport system;

3) ensure the use of a systemic approach in measures for the development and improving of railway safety.

(2) Railway undertakings, shunters, and public-use railway infrastructure managers shall:

1) be responsible for the operational safety of the rail system and the associated risk control. They shall be responsible for direct users of their parts of the system, customers, relevant employees, and other participants in the rail system referred to in Paragraph three of this Section, including for the purchase of materials and services;

2) introduce and implement the necessary risk control measures by using the common risk evaluation and assessment method, where applicable, cooperating with each other, and also with other participants in the rail system;

3) implement safety management systems by taking into account the risks associated with activities of other participants in the rail system and third parties;

4) where applicable, upon concluding a contract ensure that other participants in the rail system which are referred to in Paragraph three of this Section and might affect safe operation of the rail system implement risk control measures;

5) upon applying the common safety method for supervision to the supervision processes ensure that contracting entities implement risk control measures, and compliance with this requirement may be demonstrated by the contracts concluded which are presented upon request of the European Union Agency for Railways or the State Railway Technical Inspectorate.

(3) Without prejudice to the responsibility of railway undertakings, shunters, and public-use railway infrastructure managers referred to in Paragraph two of this Section, entities in charge of maintenance and all other participants in the rail system which might affect safe operation of the rail system, including private-use railway infrastructure managers, manufacturers, maintenance and repair providers, vehicle keepers, service providers, carriers, consignors, consignees, loaders, unloaders and fillers, and also any entities that are ordering parties of the design or construction, renewal, or upgrading of a subsystem shall:

1) implement the necessary risk control measures, where applicable, cooperating with other participants in the rail system;

2) ensure compliance of subsystems, equipment, devices, and services provided with the specified requirements and conditions for use so that the relevant railway undertakings, shunters, or railway infrastructure managers could use them safely.

(4) Railway undertakings, shunters, public-use railway infrastructure managers, and any participant in the rail system referred to in Paragraph three of this Section which identifies a safety risk or is informed thereof in respect of defects and non-conformities of construction or malfunctions of technical equipment, including defects of structural subsystems, shall, according to their competence:

1) take all the necessary remedial actions in order to remove the safety risk identified;

2) inform the relevant parties concerned of this risk so that they could take any necessary remedial action and ensure continuous compliance of the rail system with the safety indicators.

(5) If railway undertakings or shunters exchange vehicles, any participant in the rail system concerned shall also exchange all the information necessary for the safe operation thereof, including information on the condition and history of the relevant vehicles, and also documents and bills of lading to trace maintenance and loading operations.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 36.5 Safety Management System**

(1) Railway undertakings, shunters, and public-use railway infrastructure managers shall establish their own safety management systems in order to ensure that the rail system may achieve at least the common safety targets, corresponds to the requirements laid down in the technical specifications for interoperability and that the relevant common safety methods are applied and the national requirements notified in accordance with Section 33.4, Paragraph one of this Law are complied with.

(2) The safety management system shall be documented in all the relevant parts, and the division of responsibilities shall be described in the organisational structure of a railway undertaking, a shunter, or a public-use railway infrastructure manager. It shall demonstrate how control is ensured at different management levels, how the staff and the representatives thereof on all levels are involved and how continuous improvement of the safety management system is ensured. The safety management system shall clearly indicate consistent application of human knowledge and methods. Upon using the safety management system, railway undertakings, shunters, and public-use railway infrastructure managers shall promote the culture of mutual confidence, trust, and learning which encourages the staff to improve safety while simultaneously ensuring confidentiality.

(3) The Cabinet shall determine the key elements of the safety management system.

(4) The safety management system shall be adjusted to the type and scope of activity to be performed, the area of operation, and other circumstances. The system shall ensure control of all the risks associated with the activity of a railway undertaking, a shunter, or a public-use railway infrastructure manager, including the provision of maintenance services, without prejudice to the duties of an entity in charge of maintenance indicated in Section 35.2 of this Law, the supply of materials, and the use of services of contracting entities. The safety management system shall also take into account the risks resulting from any activities which are performed by other participants in the rail system referred to in Section 36.4 of this Law.

(5) Any public-use railway infrastructure manager shall take into account in its safety management system the impact of activities of different railway undertakings and shunters on the network and ensure that all railway undertakings and shunters are able to operate in accordance with the technical specifications for interoperability and the national requirements, and also the conditions of a single safety certificate.

(6) The task of the safety management system shall be to coordinate emergency procedures of a public-use railway infrastructure manager with all railway undertakings and shunters that use the infrastructure thereof, and with emergency services in order to promote prompt involvement of rescue services, and with any other party which might be involved in case of an emergency. Cooperation between the relevant cross-border railway infrastructure manager shall provide for coordination and preparedness of emergency services on both sides of the border.

(7) Railway undertakings, shunters, and public-use railway infrastructure managers shall, by 31 May each year, submit to the State Railway Technical Inspectorate an annual safety report on the previous calendar year. The Cabinet shall determine the information to be included in the safety report.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 36.6 Supervision of Railway Undertakings, Shunters, and Public-use Railway Infrastructure Managers**

(1) The State Railway Technical Inspectorate shall supervise that railway undertakings, shunters, and public-use railway infrastructure managers continuously fulfil their obligation to use the safety management system referred to in Section 36.5 of this Law.

(2) For this purpose the State Railway Technical Inspectorate shall apply the principles set out in Commission Delegated Regulation (EU) 2018/761 of 16 February 2018 establishing common safety methods for supervision by national safety authorities after the issue of a single safety certificate or a safety authorisation pursuant to Directive (EU) 2016/798 of the European Parliament and of the Council and repealing Commission Regulation (EU) No 1077/2012, ensuring that it is in particular verified in supervision activities how railway undertakings, shunters, and public-use railway infrastructure managers apply the following:

1) the safety management system in order to monitor the efficiency thereof;

2) individual or partial elements of the safety management system, including operational activities, maintenance and material provision, and involvement of contracting entities in order to monitor efficiency of such elements;

3) the relevant common safety methods.

(3) The State Railway Technical Inspectorate shall verify how entities in charge of maintenance apply the common safety methods.

(4) Railway undertakings and shunters shall, at least two months prior to commencing any new activity, inform the State Railway Technical Inspectorate so that it could plan for supervision activities. Railway undertakings and shunters shall submit to the State Railway Technical Inspectorate information on the staff involved and the types of vehicles.

(5) A holder of the single safety certificate shall immediately inform the State Railway Technical Inspectorate of any significant changes in the information referred to in Paragraph four of this Section.

(6) The State Railway Technical Inspectorate shall ensure supervision in respect of the compliance with the provisions of the applicable laws and regulations and directly applicable legal acts of the European Union regarding working, driving, and rest times of train drivers.

(7) If the State Railway Technical Inspectorate establishes that a holder of the single safety certificate issued by the European Union Agency for Railways no longer satisfies the certification conditions, it shall request that the European Union Agency for Railways restricts or revokes the abovementioned certificate.

(8) If the State Railway Technical Inspectorate has issued the single safety certificate itself in accordance with Section 34.1, Paragraph five of this Law and establishes that the holder of the single safety certificate no longer satisfies the certification conditions, it shall restrict or revoke the certificate by substantiating its decision and inform the European Union Agency for Railways of this decision.

(9) A holder of the single safety certificate the certificate of which has been restricted or revoked by the State Railway Technical Inspectorate has the right to, in accordance with Section 34.1, Paragraphs nine and ten of this Law, request review of the relevant decision and to appeal it.

(10) If during supervision the State Railway Technical Inspectorate identifies a serious safety risk, it may, at any moment, apply temporary safety measures, including immediately restrict or suspend the relevant activities. If the single safety certificate has been issued by the European Union Agency for Railways, the State Railway Technical Inspectorate shall immediately inform the European Union Agency for Railways thereof and submit evidence substantiating its decision.

(11) If the European Union Agency for Railways has requested the State Railway Technical Inspectorate to withdraw or adjust the temporary safety measures, the State Railway Technical Inspectorate shall cooperate with the European Union Agency for Railways in order to arrive at a mutually acceptable solution, where necessary, also involving the holder of the single safety certificate in this process. If an agreement is not reached, the decision by the State Railway Technical Inspectorate to apply temporary measures shall be maintained.

(12) The decision by the State Railway Technical Inspectorate on the temporary safety measures may be appealed to a court. Appeal of the decision shall not suspend the operation thereof, and the temporary safety measures shall be applied until the moment the legal proceedings are completed under a final ruling in the case.

(13) If the temporary safety measures are applied for more than three months, the State Railway Technical Inspectorate may act in accordance with the requirements of Paragraph seven or eight of this Section.

(14) The State Railway Technical Inspectorate shall supervise the trackside control-command and signalling, energy and infrastructure subsystems and request the compliance thereof with the essential requirements. The State Railway Technical Inspectorate shall perform supervision activities in respect of cross-border railway infrastructure, cooperating with the relevant supervisory bodies of other European Union Member States. If the State Railway Technical Inspectorate establishes that a public-use railway infrastructure manager no longer satisfies the conditions of the safety permit, it shall restrict or revoke the abovementioned safety permit, substantiating its decision.

(15) Without prejudice to the duties of railway infrastructure managers, railway undertakings, and shunters referred to in Section 36.4, Paragraph two of this Law, upon supervising efficiency of the safety management systems of public-use railway infrastructure managers, railway undertakings, and shunters the State Railway Technical Inspectorate may take into account how the performance of other participants in the rail system referred to in Section 36.4, Paragraph three of this Law, including training centres, affects the safety.

(16) The State Railway Technical Inspectorate shall cooperate with the relevant supervisory bodies of other European Union Member States, coordinating supervision activities in respect of the holder of the single safety certificate whose area of operation is in Latvia in order to ensure that any significant information on the specific holder of the single safety certificate, in particular regarding known risks and safety indicators, is shared. The State Railway Technical Inspectorate shall inform the relevant supervisory bodies of other European Union Member States and the European Union Agency for Railways if it finds that the holder of the single safety certificate fails to take the necessary risk control measures. The abovementioned cooperation shall ensure that supervision is sufficiently extensive and duplication of reviews and audits is prevented. The State Railway Technical Inspectorate may, in cooperation with the relevant supervisory bodies of other European Union Member States, develop a common supervision plan in order to ensure the performance of periodic audits and other reviews, taking into account the type and scope of carriage in each relevant European Union Member State.

(17) The State Railway Technical Inspectorate shall draw up notifications in order to warn the public-use railway infrastructure managers and the holders of the single safety certificate regarding the fact that they fail to comply with the requirements of Paragraph two of this Section.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 37. Railway Specialist**

(1) In order to guarantee safe operation of the railway and traffic safety, all railway specialists involved in railway operations are required to have sufficiently broad and deep knowledge of work organisation relevant to the carrying out of operations and the Railway Technical Operations Regulations.

(2) The Cabinet shall determine the lists of railway specialist professions, the pertinent qualification requirements and criteria for railway specialists, the procedures for the examination of knowledge or skills, the procedures for issuing, renewing, and revoking railway specialist certificates and professional competence certificates, the requirements relating to persons who train the specialists, and also the training programs and lists of technical resources. The contesting and appeal of a decision to issue, suspend, or revoke a professional competence certificate shall not suspend the operation thereof.

(3) [7 May 2009]

(4) A railway specialist is liable to be disciplined in accordance with the procedures laid down in laws and other laws and regulations.

(5) The conditions of Paragraph two of this Section shall not be applied in respect of train drivers, but Section 37.1 of this Law shall be applicable.

(6) The Cabinet shall determine such professions of railway specialists in which the persons employed are ensured the creation of supplementary pension savings in private pension funds or in life insurance with accumulation of funds.

(7) An employer who is a railway undertaking, a shunter, a railway infrastructure manager, an operator of a service facility, or the person referred to in Section 3, Clause 5 of this Law shall make contributions in private pension funds or bonuses in life insurance with accumulation of funds for the persons employed in the professions of railway specialists referred to in Paragraph six of this Section. The amount and regularity of employer contributions or bonuses, and the age at which supplementary pension or life insurance compensation is to be disbursed shall be determined in the collective agreement.

(8) If the cross-border carriage of passengers or freights is operated to another European Union Member State more than 15 kilometres from the State border of Latvia, also the provisions contained in the Agreement between the Community of European Railways (CER) and the European Transport Workers’ Federation (ETF) on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services in the railway sector, or more favourable provisions for the legal condition of employees shall be included in the collective agreement or employment contract.

[*4 March 2004; 6 October 2005; 7 May 2009; 13 May 2010; 16 October 2014; 25 February 2016; 13 February 2020* / *Amendment to Paragraph seven regarding the supplementation of the Paragraph with the words “shunter”, and Paragraph eight shall come into force on 16 June 2020*. *See Paragraph 56 of Transitional Provisions*]

**Section 37.1 Train Driver**

(1) A train driver’s licence shall allow a person assigned by a railway undertaking, a shunter, or an infrastructure manager or such person who is engaged in the commercial activities referred to in Section 3, Clause 5 of this Law, to responsibly and safely drive trains or separate means of traction corresponding to the relevant category of the driving licence, to train persons in driving trains or separate means of traction, and to perform other activities permitted in laws and regulations when participating in railway traffic.

(2) The rights of a person to drive a train or means of traction in a railway line shall be certified by a valid driver’s licence issued by a European Union Member State, the relevant entry in the register of train drivers’ licences, and the harmonised complementary certificate.

(3) The driver’s licence specified in Paragraph one of this Section shall not be necessary when driving means of traction which are being operated in the tram system and in railway networks whose operation is separated from the rest of the railway system and which are only used by railway infrastructure owners to provide their freight or passenger services and only for the purposes related to history and tourism.

(4) The harmonised complementary certificate shall be issued by the employer of a train driver – a railway infrastructure manager, a railway undertaking, a shunter, or a person engaged in the commercial activities referred to in Section 3, Clause 5 of this Law. The railway lines where the train driver is permitted to drive and the rolling stock that he or she is permitted to operate shall be indicated therein. The harmonised complementary certificate shall be drawn up in accordance with the requirements of Article 2 of Commission Regulation (EU) No 36/2010 of 3 December 2009 on Community models for train driving licences, complementary certificates, certified copies of complementary certificates and application forms for train driving licences, under Directive 2007/59/EC of the European Parliament and the Council (hereinafter – Regulation No 36/2010).

(5) A train driver’s licence is evidence that a driver complies with the mandatory medical requirements, he or she has basic education and general vocational skills. The train driver, the institution which issued the train driver’s licence, and the period of validity of the licence shall be indicated in the train driver’s licence. Train driver’s licence shall be drawn up in accordance with the requirements of Article 1 of Regulation No 36/2010.

(6) The harmonised complementary certificate shall not be necessary for a train driver who drives a train or means of traction together with a train driver who has a harmonised complementary certificate, if the railway infrastructure manager has been notified thereof.

(7) The issuer of the harmonised complementary certificates has the following duties:

1) to keep the register of harmonised complementary certificates or ensure the keeping thereof. The Cabinet shall determine the procedures and extent for keeping the register of harmonised complementary certificates;

2) to cooperate with the State Railway Technical Inspectorate in order to ensure access to information on train driver licences and the exchange of this information.

(8) The Cabinet shall determine the conditions and procedures for obtaining of the train driver’s qualification, for acquiring and renewing train driver’s licences, and also the conditions and procedures for issuing, suspending, revoking, and renewing train driver’s licences and harmonised complementary certificates.

(9) The dispute or appeal of a decision to issue, suspend, revoke, or renew a train driver’s licence shall not suspend the operation thereof.

[*13 May 2010; 13 February 2020* / *Amendment to Paragraphs one and four regarding the supplementation of the Paragraphs with the words “shunter” shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 38. Increased Danger Zone**

(1) The territory where rail traffic takes place and where shunting, loading, and unloading operations are carried out is an increased danger zone.

(2) Only railway staff performing their duties shall be allowed in increased danger zones, except for specially indicated locations (crossings and level crossings, platforms, etc.).

(3) It is prohibited to walk along tracks, cross them outside the indicated places, or cross a level crossing if there is a prohibitive signal.

[*7 November 2019* / *Paragraph three shall come into force on 1 July 2020. See Paragraph 54 of Transitional Provisions*]

**Section 39. Guarding of Railway Objects**

(1) Guarding of railway objects that are owned by or in possession of legal or natural persons, including during carriage, shall be the responsibility of the owner.

(2) Railway objects include freight and other valuables, territory of the railway commercial companies, structures, buildings, premises, rolling stock, and equipment.

(3) Guarding of the State public-use railway infrastructure objects shall be mandatory. The Cabinet shall determine the list of State public-use railway infrastructure objects which it is mandatory to guard and the procedures for the guarding of such objects.

(4) Persons guarding railway objects shall have uniforms, identifying insignia, and identification cards.

(5) Persons guarding railway objects have the right to:

1) require persons to cease violations of the law and comply with the procedures applicable to the facility being guarded;

2) detain and deliver over to police custody without delay any violator of the law or persons trespassing on the facility being guarded;

3) check passes or other identification documents, as is required in accordance with any guarding instructions the compliance with which is controlled by the person guarding the railway object;

4) inspect the transport and freight at checkpoints of the facility being guarded.

(6) If a violation of the law which involves the endangerment of the facility being guarded or other property or the violation of transport procedures or safety regulations has been committed, thus creating actual danger to the life or health of people, the facility being guarded, or the persons who guard railway objects, railway specialists have the right to require that the person ceases the violations of the law and complies with the procedures applicable to the facility being guarded, and, in cases of non-compliance, to deliver the violator to the police without delay in order to determine his or her identity.

[*4 March 2004; 7 November 2019* / *Amendment to Paragraph six regarding the deletion of the words “and to make a report” shall come into force on 1 July 2020. See Paragraph 54 of Transitional Provisions*]

**Section 40. Investigation of Railway Accidents**

(1) A railway accident is a serious railway accident, a significant accident, a violation of railway traffic safety, or an incident that has occurred in railway traffic.

(11) A serious railway accident is an accident of railway traffic in which as a result of the collision of trains or in relation to a train derailment at least one person has died or bodily injury has been made to at least five persons who have been hospitalised for more than 24 hours due to this accident, or great harm has been done to rolling stock, railway infrastructure, or the environment, and also other similar railway traffic accidents which obviously have an undesirable impact on the regulation of railway safety or safety management. As great harm shall be deemed to be such losses, which the Transport Accident and Incident Investigation Bureau has immediately assessed as in total equivalent to at least 2 million euros.

(12) An incident is any other event which is not a violation of railway traffic safety, a significant accident, or a serious railway accident and which has or may have an impact on the railway traffic safety.

(2) The Cabinet shall determine the procedures for the classification, investigation, and registration of railway traffic accidents.

(21) Upon investigating railway traffic accidents, persons who perform such investigations have the right to become acquainted with the opinions of medical treatment institutions and to receive from them information on the health condition of persons injured in a railway traffic accident.

(3) A railway infrastructure manager has the right to request that a railway undertaking transfers resources at its disposal which are necessary so that normal traffic can be renewed as soon as possible after a railway accident. The Cabinet shall determine the procedures for the transfer of resources and compensation of the value thereof.

[*4 March 2004; 24 November 2005; 24 May 2007; 14 June 2007; 13 May 2010; 23 September 2010; 12 September 2013; 13 February 2020* / *The new wording of Paragraph one, and Paragraph 1.2 shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 41. Actions in Emergency Situations on Railways**

(1) Private individuals who are involved in railway operations, in emergency situations (fires, natural disasters, accidents, and other emergency situations) shall act in accordance with the Law on Civil Defence and other laws and regulations.

(2) A railway infrastructure manager, a shunter, and a railway undertaking, in situations where accidents result from railway operations, shall, without delay, rectify the consequences of the accident.

(3) After a serious railway accident or significant accident a railway undertaking or a shunter respectively shall provide assistance to the victims in respect of complaint procedures in accordance with the directly applicable legal acts of the European Union, in particular Regulation (EC) No 1371/2007, without prejudice to obligations of other persons. Upon providing such assistance any means of communication shall be used, and also psychological support shall be provided to victims in a railway traffic accident and the families thereof.

[*6 October 2005* / *Amendment to Paragraph two regarding the supplementation thereof with the words “shunter”, and Paragraph three shall come into force on 16 June 2020*. *See Paragraph 56 of Transitional Provisions*]

**Section 42. International Agreements**

(1) If an international agreement which the *Saeima* has ratified provides for different regulations than are in the laws of the Republic of Latvia, the regulations in the international agreement shall be applied. Upon performing international carriage, international agreements binding upon the Republic of Latvia shall be observed in relation to international rail transport.

(2) Railway undertakings and railway infrastructure managers have the right to represent themselves and to conclude agreements with international railway organisations, foreign commercial companies, and the associations thereof.

(3) [13 February 2020]

[*4 March 2004; 13 February 2020* / *See Paragraph 56 of Transitional Provisions*]

**Section 43. Interoperability of the Trans-European Rail System**

[13 February 2020 / See Paragraph 56 of Transitional Provisions]

**Chapter VII1 Requirements for Ensuring Interoperability of the European Union Rail System**

[*13 February 2020* / *Chapter shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 43.1 Purpose of Interoperability**

(1) The provisions of this Chapter shall be complied with in order to ensure interoperability of the rail system, so that the requirements of the European Union in the field of railway safety are complied with in order to determine the optimum level of technical harmonisation which would allow to promote, improve, and develop rail transport services in the European Union and with third countries, and also to enhance completion of establishment of the Single European Railway Area and gradual establishment of the internal market. The abovementioned provisions shall apply to the design, construction, placing in service, large modification works, use, and maintenance of parts of the European Union rail system, and also the use of the European Union rail system, the professional qualification of the staff involved in maintenance, and the health and safety conditions applicable thereto.

(2) Interoperability shall provide for the requirements for interoperability constituents, interfaces, and procedures of a subsystem, and also general compatibility conditions which are necessary to achieve interoperability of the European Union rail system.

(3) The technical specifications for interoperability shall allow to maintain compatibility of the existing rail system, providing for specific cases for each technical specification for interoperability in respect of both the network, vehicles and the loading gauge, the track gauge or space between the tracks and vehicles originating from or destined for third countries.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 43.2 Subsystems**

(1) The European Union rail system consists of structural and functional subsystems.

(2) The structural subsystems are as follows:

1) an infrastructure subsystem;

2) an energy supply subsystem;

3) a trackside control-command and signalling subsystem;

4) an on-board control-command and signalling subsystem;

5) a rolling stock subsystem.

(3) The functional subsystems are as follows:

1) a traffic operation and management subsystem;

2) a maintenance subsystem;

3) a subsystem for telematics applications for the carriage of passengers and freights.

(4) One technical specification for interoperability shall apply to each subsystem. Where necessary, several technical specifications for interoperability may be applied to a subsystem, and one technical specification for interoperability may apply to several subsystems.

(5) The fixed subsystems shall correspond to the technical specifications for interoperability and national requirements which are valid at the moment of submitting a request for the issue of a permit for placing a fixed subsystem in service. Vehicles shall correspond to the technical specifications for interoperability and national requirements which are valid at the moment of submitting a request for the issue of an authorisation for placing a vehicle on the market. Correspondence of the fixed subsystems and vehicles shall be ensured constantly in the entire period of the use thereof.

(6) An applicant may only place on the market mobile subsystems which constitute rolling stock subsystems and on-board control-command and signalling subsystems if such subsystems have been designed, constructed, and installed in accordance with the essential requirements, the conformity thereof has been assessed, and the relevant declarations have been drawn up in respect thereof.

(7) It shall be allowed to place structural subsystems in service in the European Union rail system if they are designed, constructed, or manufactured and installed in accordance with the essential requirements and the requirements of the relevant technical specifications for interoperability, the conformity thereof has been assessed, and the relevant declarations have been drawn up in respect thereof.

(8) The Cabinet shall determine the procedures by which the State Railway Technical Inspectorate shall take a decision to allow an applicant not to apply one or several technical specifications for interoperability or parts thereof.

(9) The Cabinet shall determine the requirements for the placement of subsystems on the market and the conformity assessment thereof.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 43.3 Interoperability Constituents**

(1) Interoperability constituents may only be placed on the market for use in the European Union rail system if they allow to achieve interoperability of the European Union rail system and correspond to the essential requirements, provided that they are used in the intended area of operation, properly installed and maintained. It shall be allowed to make the interoperability constituents available on the market for use outside the European Union rail system, and also for other purposes.

(2) The Cabinet shall determine the requirements for the placement of interoperability constituents on the market and the conformity assessment thereof.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 43.4 Permit for Placing Fixed Installations in Service**

(1) Trackside control-command and signalling, energy supply, and infrastructure subsystems shall only be placed in service if they have been designed, constructed, and installed in accordance with the essential requirements, and a relevant permit has been received in accordance with Paragraph three of this Section.

(2) The State Railway Technical Inspectorate shall allow to place in service the energy supply, infrastructure, and trackside control-command and signalling subsystems which are located or operated in the territory of Latvia.

(3) The State Railway Technical Inspectorate shall provide detailed instructions as to how to receive the permits referred to in this Section. A document containing instructions for the submission of an application shall be made available to an applicant free of charge setting out and explaining the requirements for obtaining the abovementioned permits and specifying the documents to be submitted. The State Railway Technical Inspectorate shall cooperate with the European Union Agency for Railways in the dissemination of such information. The Cabinet shall determine the procedures by which the State Railway Technical Inspectorate shall submit, suspend, and revoke the permits for placing fixed installations in service.

(4) In order to ensure coherent implementation and interoperability of the European Rail Traffic Management System (ERTMS) in the European Union in respect of trackside control-command and signalling subsystems in which the European Train Control System (ETCS) or equipment of the global system for mobile communication for railways (GSMR) is used, an applicant shall submit to the State Railway Technical Inspectorate a positive decision by the European Union Agency for Railways which has been taken in accordance with Article 22 of Regulation (EU) No 2016/796 and the documents confirming correspondence to the result of the procedure referred to in Article 30(2) of Regulation (EU) No 2016/796, if after receipt of a positive decision draft public procurement specifications or a description of the intended technical solutions have been changed.

(5) The State Railway Technical Inspectorate shall, within one month after receipt of a request from an applicant, inform the applicant that the documentation is complete or require additional information, specifying a reasonable time period for the submission thereof. The State Railway Technical Inspectorate shall verify the completeness, conformity, and consistency of the documentation and in respect of the ERTMS fixed trackside equipment – the compliance with the decisions by the European Union Agency for Railways referred to in Paragraph four of this Section. After receipt and verification of all the requested information the State Railway Technical Inspectorate shall, within four months, issue a permit for placing fixed installations in service or take a decision to refuse to issue of the permit and inform the applicant of this decision.

(6) The State Railway Technical Inspectorate shall substantiate accordingly the decision to refuse to grant a permit for placing a fixed installation in service. The applicant may, within one month after receipt of the decision, request that the State Railway Technical Inspectorate reviews its decision. The State Railway Technical Inspectorate shall, within two months from the day a request for review is received, confirm or set aside the decision taken. The decision by the State Railway Technical Inspectorate may be appealed to a court in accordance with the procedures laid down in the Administrative Procedure Law. The review and appeal of the decision of the State Railway Technical Inspectorate shall not suspend the operation thereof.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 43.5 Authorisation for Placing a Vehicle on the Market**

(1) An applicant shall only place a vehicle on the market after obtaining an authorisation for placing a vehicle on the market issued by the European Union Agency for Railways in accordance with Regulation (EU) No 2016/796 or the State Railway Technical Inspectorate in the case referred to in Paragraph four of this Section.

(2) In order to obtain an authorisation for placing a vehicle on the market, an applicant shall submit a relevant application through a contact point of the European Union Agency for Railways. The application shall indicate the area of operation of the vehicle that is a network, networks or parts thereof in one or several European Union Member States where it is intended to use the vehicle, and the application shall be accompanied by documentary evidence related to the verification of technical compatibility of the vehicle and the area of operation of network.

(3) If the area of operation covers a network or networks not only in Latvia but also in another European Union Member State, the application shall be examined and the authorisation for placing a vehicle on the market shall be issued by the European Union Agency for Railways in accordance with Article 20 of Regulation (EU) No 2016/796.

(4) If the area of operation covers a network or networks only in Latvia, the applicant may request in the application that the State Railway Technical Inspectorate issues the authorisation for placing a vehicle on the market. The procedures for issuing, restoring, amending, or revoking the authorisation for placing a vehicle or type of vehicle on the market, the criteria for issuing, restoring, amending, and revoking the authorisation and the granting procedures shall be laid down in Commission Implementing Regulation (EU) 2018/545 of 4 April 2018 establishing practical arrangements for the railway vehicle authorisation and railway vehicle type authorisation process pursuant to Directive (EU) 2016/797 of the European Parliament and of the Council. The Cabinet shall determine the procedures for applying the requirements of the abovementioned Regulation in Latvia.

(5) Submission of applications and documents, request for and circulation of all information, and notification of decisions to the applicant shall occur through a contact point of the European Union Agency for Railways.

(6) The State Railway Technical Inspectorate shall, within a month after receipt of the application, inform the submitter that the documentation is complete or require relevant additional information.

(7) In order to obtain documentary evidence about technical compatibility, upon assessing the application for obtaining the authorisation for placing a vehicle on the market or if there is a reasonable doubt, the State Railway Technical Inspectorate may request that the vehicle is tested in the network. In such case the State Railway Technical Inspectorate shall issue to the applicant a temporary permission to use the vehicle for practical tests in the network. The railway infrastructure manager shall, through consultation with the applicant, perform all the necessary activities in order to ensure that any practical tests may occur within three months after receipt of the application from the applicant. The State Railway Technical Inspectorate shall take measures to ensure that these tests may take place.

(8) After the applicant has submitted all the required information, the State Railway Technical Inspectorate shall, within four months, issue the authorisation for placing a vehicle on the market or take the decision to refuse to issue the authorisation and inform the applicant of this decision.

(9) The State Railway Technical Inspectorate shall substantiate accordingly the decision to refuse to grant the authorisation for placing a vehicle on the market. The applicant may, within one month after receipt of the decision, request that the State Railway Technical Inspectorate reviews its decision. The State Railway Technical Inspectorate shall, within two months from the day a request for review is received, confirm or set aside the decision taken.

(10) The decision by the State Railway Technical Inspectorate may be appealed to a court in accordance with the procedures laid down in the Administrative Procedure Law. The review and appeal of the decision of the State Railway Technical Inspectorate shall not suspend the operation thereof.

(11) If the area of operation of a vehicle covers only the territory of Latvia and if one or several technical specifications for interoperability or parts thereof are not appropriate, the State Railway Technical Inspectorate shall only issue the authorisation for placing a vehicle on the market after application of the procedure referred to in Section 43.2, Paragraph eight of this Law.

(12) The authorisation for placing a vehicle on the market issued by the State Railway Technical Inspectorate shall be valid without extending the area of operation outside Latvia to the stations near the borders in Estonia or Lithuania if the applicant has indicated in the application that it is intended to travel to such stations, and the State Railway Technical Inspectorate has consulted the relevant authorities of the countries involved and received relevant approval.

(13) If the applicant has the authorisation for placing a vehicle on the market issued by the State Railway Technical Inspectorate and it wishes to extend its area of operation in Latvia, the applicant shall submit an application to the State Railway Technical Inspectorate through a contact point of the European Union Agency for Railways.

(14) If the applicant has the authorisation for placing a vehicle on the market issued by the State Railway Technical Inspectorate and it wishes to extend its area of operation outside Latvia, the applicant shall submit an application to the European Union Agency for Railways through a contact point of the European Union Agency for Railways.

(15) If the applicant so requests, the European Union Agency for Railways or the State Railway Technical Inspectorate shall, concurrently with the authorisation for placing a vehicle on the market, issue an authorisation for placing a type of vehicle on the market related to the same area of operation of the vehicle. Submission of an application for obtaining the authorisation for a type of vehicle, request for and circulation of all information, and also notification of decisions to the applicant shall occur through a contact point of the European Union Agency for Railways.

(16) This Section shall not be applicable to locomotives or self-propelled trains of third countries coming into the public-use railway lines State border–Indra–Daugavpils, State border–Zilupe–Rēzekne, or State border–Kārsava–Rēzekne to the station which is intended for cross-border operations if the conformity of such vehicles with the essential requirements, in accordance with the provisions of Section 34.1, Paragraph fifteen of this Law, is ensured by the railway undertaking or shunter involved, using its own safety management system.

(17) If the vehicle keeper is a natural or legal person in Latvia, the State Railway Technical Inspectorate shall decide on an authorisation for placing on the market of freight wagons and passenger wagons on a track gauge of 1520 mm which are used together with third countries and to which the authorisation for a vehicle has been issued in any of these third countries. In such case Paragraphs one, two, three, four, five, six, seven, eight, nine, ten, eleven, twelve, thirteen, fourteen, and fifteen of this Section shall not be applicable. The Cabinet shall determine the procedures by which the State Railway Technical Inspectorate shall issue, suspend, renew, amend or revoke the authorisation for placing on the market of freight wagons and passenger wagons on a track gauge of 1520 mm.

(18) If the vehicle keeper is not a natural or legal person in Latvia, this Section shall not be applicable to the freight wagons and passenger wagons on a track gauge of 1520 mm which are used together with third countries and to which the authorisation for a vehicle has been issued in any of these third countries if the railway undertaking or shunter involved ensures conformity of the abovementioned vehicles with the essential requirements, using its own safety management system.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 43.6 Registration of a Vehicle Prior to the Use Thereof**

(1) Prior to using a vehicle for the first time and after granting the authorisation for placing thereof on the market in accordance with Section 43.5 of this Law, the vehicle shall be registered in the national vehicle register referred to in Section 36.1, Paragraph 3.1 of this Law.

(2) If the area of operation of the vehicle covers only the territory of Latvia, it shall be registered in Latvia.

(3) If the area of operation of the vehicle covers not only the territory of Latvia but also other European Union Member States, it shall be registered in Latvia or another relevant Member State.

(4) In order to verify technical compatibility of the vehicle and the network, the parametric values indicated in the authorisation for placing the vehicle on the market shall be used in combination with the parametric values indicated in the railway infrastructure register.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 43.7 Obligations of Participants of the European Union Rail System Prior to Using the Authorised Vehicles**

(1) Prior to using a vehicle in the area of operation indicated in the authorisation for placing thereof on the market, the railway undertaking or shunter involved shall verify the following:

1) whether the vehicle has the authorisation for placing on the market in accordance with Section 43.5 of this Law and whether it has been registered in accordance with Section 43.6 of this Law, except for a case where the authorisation has been first granted to the vehicle in a third country and the authorisation for placing on the market is not required for use thereof in Latvia in accordance with the conditions of Section 43.5, Paragraph sixteen or eighteen of this Law, and the relevant vehicle data, at least the data about the vehicle keeper, the data about the entity in charge of maintenance, and the data about restrictions of use of the vehicle are available to the railway undertaking or shunter in the register of vehicles of the third country;

2) whether the vehicle is compatible with the route on the basis of the infrastructure register, the relevant technical specifications for interoperability, or any other relevant information which is provided by the railway infrastructure manager free of charge within a month from the day of receipt of a request if there is no such register or it is incomplete;

3) whether the vehicle has been properly integrated in the train where it is intended to be operated, taking into account the safety management system referred to in Section 36.5 of this Law and the technical specifications for interoperability in respect of the traffic operation and management.

(2) Upon applying Paragraph one of this Section, the railway undertaking or shunter may perform verifications in cooperation with the railway infrastructure manager. The railway infrastructure manager shall, in consultation with the railway undertaking or shunter, ensure that any verifications may occur within three months after receipt of a request from an applicant undertaking.

(3) Prior to using any vehicle in the network, the entity in charge of maintenance thereof shall be assigned, and this entity shall be registered in the national vehicle register in accordance with Section 43.6 of this Law.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Section 43.8 Non-conformity of a Vehicle or Type of Vehicle with the Essential Requirements**

(1) If a railway undertaking or a shunter establishes during operation that a vehicle used by it does not conform to any of the applicable essential requirements, it shall take the corrective measures necessary for ensuring the conformity of the vehicle. Moreover, it may inform the European Union Agency for Railways, the State Railway Technical Inspectorate, and any other relevant authorities of a country concerned of the measures taken. If the railway undertaking or the shunter has evidence that the non-conformity was already present when the authorisation for placing a vehicle on the market was issued, it shall inform the European Union Agency for Railways, the State Railway Technical Inspectorate, and any other relevant authorities of a country concerned.

(2) If during performance of the supervision provided for in Section 36.6 of this Law or otherwise, it has become known to the State Railway Technical Inspectorate that a vehicle or a type of a vehicle which has been granted the authorisation for placing on the market by the European Union Agency for Railways or the State Railway Technical Inspectorate and which is used for the intended purposes, does not conform to any of the applicable essential requirements, the State Railway Technical Inspectorate shall inform the railway undertaking or the shunter that uses the vehicle or the type of the vehicle and request that it takes the corrective measures necessary for ensuring the conformity of the vehicle.

(3) If in the cases referred to in Paragraphs one and two of this Section the corrective measures taken by the railway undertaking or the shunter do not ensure the conformity to the applicable essential requirements and such non-conformity poses a serious safety risk, the State Railway Technical Inspectorate may, in accordance with Section 36.6, Paragraph ten of this Law, apply temporary safety measures according to its supervision tasks. The State Railway Technical Inspectorate or the European Union Agency for Railways may apply temporary suspension of the authorisation for a type of vehicle in accordance with Regulation (EU) No 2016/796. The decision by the State Railway Technical Inspectorate may be appealed to a court in accordance with the procedures laid down in the Administrative Procedure Law. The review and appeal of the decision of the State Railway Technical Inspectorate shall not suspend the operation thereof.

(4) In the cases referred to in Paragraph three of this Law the European Union Agency for Railways or the State Railway Technical Inspectorate which has issued the authorisation may, upon review of efficiency of any measures taken to prevent a serious safety risk, take a decision to revoke or amend the authorisation if it has been proved that any of the essential requirements was not complied with at the moment of issuing the authorisation. For this purpose, the holder shall be notified of the decision to revoke or amend the authorisation for placing a vehicle or a type of a vehicle on the market, substantiating the relevant decision. The holder of the authorisation may request review of the decision within a month after receipt of the decision by the European Union Agency for Railways or the State Railway Technical Inspectorate. In the relevant case the decision to revoke the authorisation shall be temporarily suspended. The European Union Agency for Railways or the State Railway Technical Inspectorate shall, within a month after the day of receipt of the request, confirm or set aside its decision. If the European Union Agency for Railways and the State Railway Technical Inspectorate fail to reach an agreement on the need to restrict or revoke the authorisation, the procedure provided for in Regulation (EU) No 2016/796 shall be applied. If as a result of such procedure the authorisation for a vehicle should be neither restricted nor revoked, the temporary safety measures referred to in Paragraph three of this Section shall be repealed.

(5) If the decision by the European Union Agency for Railways is confirmed, the holder of the authorisation for a vehicle may appeal it in accordance with the procedures laid down in Regulation (EU) No 2016/796. If the decision by the State Railway Technical Inspectorate is confirmed, the holder of the authorisation for a vehicle may, within two months after notification of the relevant decision, request that the State Railway Technical Inspectorate reviews it. The decision by the State Railway Technical Inspectorate may be appealed to a court in accordance with the procedures laid down in the Administrative Procedure Law.

(6) If the State Railway Technical Inspectorate takes a decision to revoke the authorisation for placing a vehicle on the market, it shall inform the State Railway Administration of this decision. The State Railway Administration shall make a relevant entry in the national vehicle register.

(7) If the State Railway Technical Inspectorate takes a decision to revoke the authorisation for placing a type of vehicle on the market, it shall inform the European Union Agency for Railways of this decision. The State Railway Technical Inspectorate shall inform railway undertakings and shunters that use the same type of vehicles in Latvia as those with regard to which the State Railway Technical Inspectorate or the European Union Agency for Railways has taken a decision to revoke the authorisation for placing a vehicle or a type of a vehicle on the market. Railway undertakings and shunters shall first verify whether the same non-conformity is present, applying the procedure provided for in this Section.

(8) If the authorisation for placing a vehicle on the market has been revoked, the relevant vehicle shall no longer be used, and the area of operation thereof shall not be extended. If the authorisation for placing a type of vehicle on the market has been revoked, the vehicles constructed under this authorisation shall not be placed on the market or if they have already been placed on the market, they shall be withdrawn. Such vehicle or type of vehicle may only be placed on the market under a new authorisation issued in accordance with the requirements of Section 43.5 of this Law.

(9) If in the cases provided for in Paragraphs one and two of this Section the non-conformity with the essential requirements only affects a part of the area of operation of the relevant vehicle, and such non-conformity has already been present at the moment when the authorisation for placing thereof on the market was issued, the authorisation shall be amended, so that it does not include the relevant parts of the area of operation.

[*13 February 2020* / *Section shall come into force on 16 June 2020. See Paragraph 56 of Transitional Provisions*]

**Chapter VIII Administrative Violations in the Field of Rail Traffic Safety and Competence in the Administrative Violation Proceedings**

[*7 November 2019 / Section shall come into force on 1 July 2020. See Paragraph 54 of Transitional Provisions*]

**Section 44. Endangering Safe Operation of Railway**

(1) For driving animals in an unauthorised place in the railway right of way or for grazing animals in the railway right of way without an authorisation, a warning or a fine of up to three units of fine shall be imposed on a natural person but a fine of up to fourteen units of fine shall be imposed on a legal person.

(2) For walking along railway tracks, crossing tracks outside the indicated places, or crossing level crossings if there is a prohibitive signal, a warning or a fine of up to twenty-five units of fine shall be imposed.

(3) For placing materials or objects closer than 2.5 meters from the outer track of railway tracks which may disturb or hinder the railway traffic and if an authorisation of a railway infrastructure manager has not been received, a warning or a fine of up to fifty-six units of fine shall be imposed on a natural person but a fine of up to five hundred and eighty units of fine shall be imposed on a legal person.

(4) For placing objects on railway tracks which may disturb the railway traffic, a fine of up to fourteen units of fine shall be imposed.

(5) For arbitrarily entering a guarded railway object, a fine from fourteen to seventy units of fine shall be imposed.

(6) For changing readings of railway signals without an authorisation or for moving or covering railway signals without an authorisation, a fine from fourteen to seventy units of fine shall be imposed on a natural person but a fine from seventy to one hundred and forty units of fine shall be imposed on a legal person.

[*7 November 2019 / Section shall come into force on 1 July 2020. See Paragraph 54 of Transitional Provisions*]

**Section 45. Violation of Regulations Regarding the Use of Means of Rail Transport**

(1) For arbitrarily closing a main break stop-valve of wagons in a train without an authorisation or for arbitrarily stopping a train with an emergency brake by disconnecting an air brake line or otherwise, a fine of up to seventy units of fine shall be imposed.

(2) For riding on the rolling stock in places not intended for this purpose, embarking onto or disembarking from a moving freight or passenger train or for riding on automatic couplings, wagon steps, or roofs of a freight or passenger train, a fine of up to seventy units of fine shall be imposed.

[*7 November 2019 / Section shall come into force on 1 July 2020. See Paragraph 54 of Transitional Provisions*]

**Section 46. Violation of Regulations Regarding Railway Technical Operations**

For the violation of the regulations regarding railway technical operations, a fine of up to two thousand units of fine shall be imposed on a legal person.

[*7 November 2019 / Section shall come into force on 1 July 2020. See Paragraph 54 of Transitional Provisions*]

**Section 47. Competence in the Administrative Violation Proceedings**

(1) The State Railway Technical Inspectorate shall conduct administrative offence proceedings regarding the offences referred to in Section 44, Paragraphs three and six, and Section 46 of this Law.

(2) The State Police shall conduct administrative offence proceedings regarding the offences referred to in Section 44, Paragraphs one, two, four, and five, and Section 45 of this Law.

[*7 November 2019 / Section shall come into force on 1 July 2020. See Paragraph 54 of Transitional Provisions*]

**Transitional Provisions**

1. Sections 10, 30, 31, 32, 33, and 34 of this Law are applicable as of 1 July 1999.

[*4 February 1999*]

2. The requirement to receive a railway undertaking licence (Section 34) by 1 September 1999 shall not apply to undertakings (companies) which, in accordance with their articles of association, have in fact begun rail transport services prior to the adoption of this Law.

[*4 February 1999*]

3. Prior to the issuing of regulations by the Cabinet, the provisions of this Law shall be fulfilled in accordance with laws and regulations as is in force, insofar as it is not in contradiction with this Law.

4. The Cabinet shall establish the Railway Technical Inspectorate by 1 July 1999.

5. The methods for the calculation of the public-use railway infrastructure user charges up until they are determined in accordance with this Law (Section 12) shall be approved by the Minister for Transport.

[*4 February 1999*]

6. The Cabinet shall, by 1 December 2003, determine the procedures by which the State or local government contract for the public procurement of the provision of rail passenger services shall be organised and coordinated, and also the procedures by which contract for the public procurement of the provision of rail passenger services shall be coordinated and concluded.

[*6 February 2003*]

7. In order to prevent cross-subsidisation in rail transport, in 2004 the charge for the use of the railway infrastructure compensated to the passenger railway undertakings may not be less than the levies from the excise tax on petroleum products for diesel fuel used for rail transport services intended for railway infrastructure fund in 2003.

[*30 October 2003*]

8. Section 13, Paragraph three and Section 27, Paragraph four of this Law shall come into force on 1 May 2004.

[*4 March 2004*]

9. Within six months after the coming into force of this Law, the Cabinet shall issue the regulations provided for in Section 7, Paragraph two; Section 16, Paragraph two; Section 35.1, Paragraph two; Section 39, Paragraph three and Section 40, Paragraph three of the Law.

[*4 March 2004*]

10. [24 May 2007]

11. Until the day of the coming into force of the relevant Cabinet regulations, but not later than by 1 June 2004, Cabinet Regulation No. 410 of 20 October 1998, Methodology for Subdivision of Strategic and Regionally Important Railway Infrastructures into Categories, shall be applied insofar as it is not in contradiction with this Law.

[*4 March 2004*]

12. Until the day of coming into force of the relevant Cabinet Regulations, but not later than by 1 January 2005, the following Cabinet Regulations shall be applied insofar as they are not in contradiction with this Law:

1) Cabinet Regulation No. 111 of 23 March 1999, Railway Administration By-laws;

2) Cabinet Regulation No. 211 of 15 June 1999, Railway Technical Inspectorate By-laws.

[*4 March 2004*]

13. The terms “commercial company” and “business entity” in this Law shall be understood also as an undertaking or company, but the term “commercial activity” – also as entrepreneurial activity within the meaning of the Law on Entrepreneurial Activity.

[*4 March 2004; 24 May 2007*]

14. The Cabinet shall, within six months after coming into force of this Law, issue the regulations provided for in Section 19, Paragraph five of this Law.

[*6 October 2005*]

15. The Cabinet shall by 1 January 2006 issue the regulations provided for in Section 27, Paragraph twelve, Section 28, Section 31, Paragraph one, Clause 13, Section 36.1, Paragraphs three and four, and Section 37, Paragraph two of this Law.

[*6 October 2005*]

16. Until the day of coming into force of the Cabinet regulations referred to in Section 27, Paragraph twelve, Section 31, Paragraph one, Clause 13, and Section 37, Paragraph two of this Law, but not later than by 1 January 2006, the following regulations of the Ministry of Transport shall be applied insofar as they are not in contradiction with this Law:

1) Regulation of the Ministry of Transport No. 21 of 4 August 2004, Procedures for the Allocation of Public-use Railway Infrastructure Capacity;

2) Regulation of the Ministry of Transport No. 25 of 13 September 2001, Procedures for the Registration of Railway Rolling Stock;

3) Regulation of the Ministry of Transport No. 1 of 6 January 2005, Regulations regarding the Issuing of a Certificate of a Train Driver’s Instructor, Train Driver, Train Driver’s Assistant, the Extension and Cancellation of the Period of Validity thereof;

4) Regulation of the Ministry of Transport No. 2 of 6 January 2005, Regulations regarding the Railway Specialist Vocational Qualification.

[*6 October 2005*]

17. The Cabinet shall by 1 July 2006 issue the regulations provided for in Section 25.1, Paragraph four of this Law.

[*24 November 2005*]

18. [24 May 2007]

19. The new wording of Section 35 of this Law shall come into force on 1 January 2008. The Cabinet shall, by 1 January 2008, issue the regulations referred to in Section 35, Paragraph four (new wording) of this Law.

[*24 May 2007*]

20. Safety certificates which have been issued up to the day of coming into force of the amendments referred to in Paragraph 19 of the Transitional Provisions of this Law shall be valid up to the term of validity indicated therein.

[*24 May 2007*]

21. The Cabinet shall, by 1 November 2007, issue the regulations referred to in Section 43, Paragraph three of this Law regarding the mutual interoperability of the Trans-European Rail System. Until the day of coming into force of the relevant regulations, but not later than by 1 November 2007, Cabinet Regulation No. 1025 of 19 December 2006, Regulations regarding the Mutual Interoperability of Trans-European Rail Systems, shall be applied insofar as it is not in contradiction with this Law.

[*24 May 2007*]

22. The new text of Section 33.1 of this Law and amendments to Section 40, Paragraph 1.1 of this Law shall come into force on 1 July 2007.

[*24 May 2007*]

23. The Cabinet shall, by 1 January 2008, issue the regulations referred to in the second sentence of Section 22 of this Law regarding the procedures for the design and construction of railway infrastructure objects, and also the procedures by which they shall be accepted for service. Until the day of coming into force of the relevant regulations, but not later than by 1 January 2008, Cabinet Regulation No. 394 of 2 December 1997, Railway Building Regulations, shall be applied insofar as it is not in contradiction with this Law.

[*14 June 2007*]

24. Amendments to Section 23 of this Law regarding the deletion of the second sentence of Paragraph two and amendments to Section 33 of this Law regarding the expression of Clause 5 of Paragraph three in a new wording shall come into force on 1 January 2008.

[*14 June 2007*]

25. Amendment to Section 14, Paragraph one of this Law regarding the deletion of the word “and regional” and amendment to Paragraph four regarding the replacement of the words “relevant district local government” with the words “relevant local governments” shall come into force on 1 July 2009.

[*17 July 2008*]

26. The Cabinet shall issue by 1 January 2010 the regulations provided for in Section 25.2, Paragraph three of this Law.

[*10 September 2009*]

27. Until the day of the coming into force of the regulations referred to in Section 35.1, Paragraph two of this Law, which regulate the criteria and procedures for the issue, suspension and revocation of a safety certificate, but not later than by 1 December 2010, Cabinet Regulation No. 616 of 23 August 2005, Procedures for the Issue, Revocation and Suspension of Safety Certificates, shall be applicable insofar as it is not in contradiction with this Law.

[*13 May 2010*]

28. Amendment to Section 37 of this Law regarding the supplementation thereof with Paragraph five shall come into force on 1 November 2011.

[*13 May 2010*]

29. Section 37.1, Paragraphs two, three, four, five, six, seven, eight and nine of this Law shall be applicable from 1 November 2011 and until this time Section 37, Paragraph two of this Law shall regulate the conditions for the acquisition, suspension and loss of a driver’s licence.

[*13 May 2010*]

30. Driver’s licences and certificates which, in compliance with Paragraph 29 of these Transitional Provisions and the conditions of Section 37, Paragraph two of this Law, have been issued until 31 October 2011 shall be in effect until expiry of the period of validity thereof and shall certify the driver’s rights specified in Section 37.1 of this Law.

[*13 May 2010*]

31. The register of harmonised complementary certificates referred to in Section 37.1, Paragraph seven, Clause 1 of this Law shall be established until 31 October 2011.

[*13 May 2010*]

32. The Cabinet shall issue by 1 September 2010 the regulations referred to in Section 37.1, Paragraph seven, Clause 1 and Paragraph eight of this Law.

[*13 May 2010*]

33. The Cabinet shall issue by 1 January 2011 the regulation referred to in Section 36.1, Paragraph two regarding the procedures for the construction, upgrading, renewal repair and conformity assessment of the rolling stock, as well as the procedures by which rolling stock shall be accepted in service. Until the day of coming into force of the relevant regulations, but not later than until 1 November 2010, Cabinet Regulation No. 610 of 25 July 2006, Procedures for the Renewal Repair and Upgrading of Rolling Stock, and Cabinet Regulation No. 713 of 29 August 2006, Procedures by which Newly Constructed Rolling Stock or Rolling Stock which has had Renewal Repair or Upgrading Shall be Accepted in Service, shall be in force insofar as they are not in contradiction with this Law.

[*17 June 2010; 23 September 2010*]

34. The amendments to this Law which provide for a new wording of Section 1, Clause 12, the first sentence of Section 6, Paragraph two, Section 11, Paragraph one, Section 12, Paragraphs four, five, eight and thirteen, Section 13, Paragraphs one and two, Section 27, Paragraphs one and four and the second sentence of Paragraph nine, and the second sentence of Section 31, Paragraph three, the deletion of Section 12, Paragraph ten, Section 13, Paragraph three and Section 27, Paragraph five, and amendments which provide for supplementing the Law with Section 13.1, supplementing Section 1 with Clause 23, supplementing Section 12 with Paragraphs 2.1, 5.1, fourteen and fifteen, supplementing Section 27 with Paragraphs thirteen and fourteen, supplementing Section 31, Paragraph one with Clauses 18 and 19, as well as the amendments which provide for the replacement of the words “the infrastructure manager” in Section 27, Paragraph ten with the words and figure “In accordance with Section 12, Paragraph four of this Law, the performer of the essential functions of a public-use railway infrastructure manager ”, shall come into force on 1 January 2011.

[*23 September 2010*]

35. The State joint stock company referred to in Section 6, Paragraph two of this Law shall establish a capital company in the form of a joint stock company which shall start performing the essential functions of the railway infrastructure manager from 1 January 2011 – taking of decisions on the charge for the use of a railway infrastructure, the allocation of capacity of the railway infrastructure, and also taking of decisions to designate trains of a particular railway undertaking. The requirements of Section 7, Paragraph two and Section 98, Paragraph three of the Law on State and Local Government Capital Shares and Capital Companies shall not be applicable to the establishment of this joint stock company.

[*23 September 2010*]

36. Until 30 June 2011 the Public Utilities Commission shall determine the procedures referred to in Section 12, Paragraph 2.1 of this Law for applying charges for the use of railway infrastructure and the procedures for settling accounts for charges for the use of railway infrastructure.

[*23 September 2010* / *Section 12, Paragraph 2.1 shall be included in the wording of the Law on 1 January 2011. See Paragraph 34 of the Transitional Provisions*]

37. The Cabinet shall, by 1 January 2011, issue the regulations referred to in Section 40, Paragraph two of this Law regarding the procedures for the classification, investigation, and registration of railway traffic accidents. Until the day of coming into force of the relevant regulations, but not later than until 1 January 2011, Cabinet Regulation No. 393 of 6 October 1998, Procedures for the Investigation of Railway Traffic Accidents, shall be applicable, insofar as it is not in contradiction with this Law.

[*23 September 2010*]

38. [7 December 2017]

39. Amendments to this Law which provide for the supplementation of the title of Chapter VII and the supplementation of Section 37 with Paragraphs six and seven shall come into force on 1 December 2015. The Cabinet shall, by 1 February 2015, issue the regulations referred to in Section 37, Paragraph six of this Law regarding such professions of railway specialists the persons employed in which are ensured the creation of supplementary pension savings in private pension funds or in life insurance with accumulation of funds.

[*16 October 2014*]

40. The performer of the essential functions of the public-use railway infrastructure manager after consultations with the applicant undertakings and the public-use railway infrastructure manager shall develop and by 3 July 2017 approve the charging scheme in relation to the minimum access package referred to in Section 12.1, Paragraph one of this Law and access to infrastructure connecting the infrastructure and service facilities, and also the collection scheme of the abovementioned charges. Until this term the Decision No. 1/10 of 16 June 2011, Procedures for the Settlement of the Charge for the Use of the Public-use Railway Infrastructure, Decision No. 1/11 of 16 June 2011, Procedures for the Application of the Charges for the Use of the Public-use Railway Infrastructure, and Decision No. 1/21 of the Public Utilities Commission of 21 September 2011, Methods for Calculation of the Charges for the Use of the Public-use Railway Infrastructure for Carriage shall be applied insofar as they are not in contradiction with this Law. These decisions of the Public Utilities Commission are repealed from the day when the charging scheme and the charge collection scheme approved by the performer of the essential functions of the public-use railway infrastructure manager enter into effect.

[*25 February 2016*]

41. Until determination of the charges referred to in Section 10, Paragraph two, Clause 1 of this Law the relevant funding is provided by the charges set by the performer of the essential functions of the public-use railway infrastructure manager for use of the public-use railway infrastructure.

[*25 February 2016*]

42. A complaint of a railway undertaking regarding non-compliance with the procedures of the settlement referred to in Paragraph 40 of the Transitional Provisions shall be examined by the State Railway Administration in accordance with the procedures and within the time period laid down in laws and regulations.

[*25 February 2016*]

43. A complaint regarding the compliance of the charges for the use of the public-use railway infrastructure with the methods referred to in Paragraph 40 of the Transitional Provisions or a complaint regarding the compliance of the charges for the use of the public-use railway infrastructure (in case of increased charge or charge rebate) with the requirements laid down in the procedures for the application referred to in Paragraph 40 of the Transitional Provisions shall be examined by the State Railway Administration, and they may be submitted within a month after publishing the relevant decision in the official gazette *Latvijas Vēstnesis*.

[*25 February 2016*]

44. The State Railway Administration shall handle the complaints referred to in Paragraph 43 of the Transitional Provisions and shall take a decision by which it shall confirm that the charges for the use of the public-use railway infrastructure comply with the methods referred to in Paragraph 40 of the Transitional Provisions or that the increased charge or charge rebate complies with the procedures for the application referred to in Paragraph 40 of the Transitional Provisions, or shall request the amendment of the abovementioned charges according to the instructions of the State Railway Administration.

[*25 February 2016*]

45. Until the day of coming into force of the Cabinet regulations referred to in Section 27, Paragraph ten; Section 28, Paragraph three, and Section 34, Paragraphs six and seven of this Law, but not later than by 30 September 2016, the following Cabinet regulations shall be applied insofar as they are not in contradiction with this Law:

1) Cabinet Regulation No. 990 of 24 September 2013, Regulations Regarding the Amount of the State Fee for Issuing Railway Undertaking Licence for the Provision of Freight and Passenger Services;

2) Cabinet Regulation No. 539 of 27 June 2006, Regulations for the Allocation of Capacity of the Public-Use Railway Infrastructure;

3) Cabinet Regulation No. 461 of 6 June 2006, Regulations Regarding the Content of the Public-use Railway Infrastructure Statement (Network Statement) and Procedures for Publication thereof;

4) Cabinet Regulation No. 4 of 5 January 1999, Regulations Regarding Railway Undertaking Licensing.

[*25 February 2016*]

46. Amendment to Section 15 of this Law regarding its new wording shall come into force on 1 October 2016. Until the day of coming into force of the relevant amendment the Cabinet shall issue the regulations referred to in Section 15, Paragraph two of this Law.

[*25 February 2016*]

47. The funding for the Transport Accident and Incident Investigation Bureau in 2020, 2021, 2022, and 2023 may not be less than the funding allocated in 2015 respectively, but the funding for the heritage railway may not be less than the funding allocated in 2015 and multiplied by coefficient 1.15.

[*13 February 2020; 15 June 2021*]

48. The funding to the State Railway Administration in 2019, 2020, 2021, 2022, and 2023 may not be less than the funding allocated in 2015 respectively and multiplied by coefficient 1.42.

[*25 February 2016; 25 October 2018; 6 June 2019; 15 June 2021*]

49. The funding to the State Railway Technical Inspectorate in 2016, 2017, 2018, 2019, 2020, and 2021 may not be less than the funding allocated in 2015 and multiplied by coefficient 1.1.

[*25 February 2016; 25 October 2018*]

50. The Cabinet shall, by 1 April 2023, develop and submit to the *Saeima* the necessary draft laws that provide for the amount of funding corresponding for the objectives of the heritage railway and necessary for the performance of the functions of the State Railway Administration, the State Railway Technical Inspectorate, and the Transport Accident and Incident Investigation Bureau.

[*25 February 2016; 25 October 2018; 15 June 2021*]

51. The State Railway Administration shall, by 30 June 2016, replace railway undertaking licences for the performance of rail passenger services issued by the Public Utilities Commission with new railway undertaking licences drawn up in accordance with the requirements of Commission Implementing Regulation (EU) 2015/171 of 4 February 2015 on certain aspects of the procedure of licensing railway undertakings. In such a case the State fee need not be paid. Licences of a railway undertaking issued by the Public Utilities Commission are invalid and cannot be used after 30 June 2016.

[*25 February 2016*]

52. The performer of the essential functions of the public-use railway infrastructure manager or the public-use railway infrastructure manager, if it performs the essential functions of the manager, may decide that the Commission Implementing Regulation (EU) 2015/909 of 12 June 2015 on the modalities for the calculation of the cost that is directly incurred as a result of operating the train service is applied gradually no longer than until 3 July 2019.

[*25 February 2016*]

53. Until determination of the Rail Baltica public-use railway infrastructure manager the State-owned immovable property necessary for the implementation of construction of the Rail Baltica public-use railway infrastructure may be transferred, under a contract, into management of the relevant project implementer whose task is to, in accordance with the requirements of laws and regulations, ensure management and maintenance thereof by precluding an infringement of public and personal safety or health, make mandatory payments to the State and local government budgets in accordance with laws and regulations, and also, where relevant, enter into contracts with public utility service providers for the provision of heating, water supply and sewerage services, household waste removal and provision of other services.

[*6 June 2019*]

54. Amendments to this Law regarding the supplementation of Section 17 with Paragraphs five and six, the supplementation of Section 36.1 with Paragraphs five and six, the supplementation of Section 38 with Paragraph three, amendment regarding the deletion of the words “and to make a report” in Section 39, Paragraph six, and also Section 36.3 and Chapter VIII shall come into force concurrently with the Law on Administrative Liability.

[*7 November 2019*]

55. The funding for the State Railway Technical Inspectorate in 2020, 2021, 2022, and 2023 may not be less than the funding allocated in 2015 respectively and multiplied by coefficient 1.78.

[*13 February 2020; 15 June 2021*]

56. Amendments to this Law providing for the new wording of Section 1, Clauses 15 and 22, Section 3, Clause 5, Section 33, Paragraph one, Paragraph three, Clauses 6, 7, and 12, Section 33.1, Paragraph two and Paragraph three, Clause 7, the title of Chapter VI, Section 35.1, the title and Paragraph four of Section 36.1, and Section 40, Paragraph one, the deletion of Section 1, Clause 1, Section 35, Section 36.1, Paragraphs two and three, Section 36.2, Section 42, Paragraph three, and Section 43, amendments to Section 1, Clause 20, Section 4, Paragraph one, Clause 8, Section 7.1, Paragraph five, Section 27.2, Paragraphs four and five, Section 33.1, Paragraph one, Section 37, Paragraph seven, Section 37.1, Paragraphs one and four, and Section 41, Paragraph two, and amendments providing for the supplementation of the Law with Section 1, Clauses 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, and 74, Section 3, Clauses 8 and 9, Section 3.1, Section 5.1, Paragraphs six, seven, and eight, Section 33, Paragraph three, Clauses 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26, Paragraphs 3.1 and 3.2, Paragraph four, Clause 6, and Paragraph nine, Section 33.1, Paragraphs 2.1, 2.2, and 4.1, Section 33.4, Section 34.1, Section 35.2, Section 36.1, Paragraph 3.1, Sections 36.4, 36.5 and 36.6, Section 37, Paragraph eight, Section 40, Paragraph 1.2, Section 41, Paragraph three, and Chapter VII.1 shall come into force on 16 June 2020.

[*13 February 2020*]

57. The Cabinet shall, by 15 June 2020, issue the regulations provided for in Section 3.1, Paragraph four, Section 34.1, Paragraph five, Section 35.1, Paragraph two, Section 35.2, Paragraphs four, five, and seven, Section 36.5, Paragraphs three and seven, Section 43.2, Paragraphs eight and nine, Section 43.3, Paragraph two, Section 43.4, Paragraph three, and Section 43.5, Paragraphs four and seventeen of this Law.

[*13 February 2020*]

58. The Cabinet shall, by 30 June 2020, issue the regulations referred to in Section 5.1, Paragraph seven of this Law.

[*13 February 2020*]

59. Until determination of the Rail Baltica public-use railway infrastructure manager the activities within the competence of the public-use railway infrastructure manager referred to in Section 15, Paragraphs 1.1, 2.2, and six and Section 17, Paragraph one of this Law for the construction and operation of the Rail Baltica public-use railway infrastructure shall be performed by the limited liability company *“EIROPAS DZELZCEĻA LĪNIJAS”* [EUROPEAN RAILWAY LINES].

[*15 June 2021*]

**Informative Reference to the European Union Directives**

[*25 February 2016; 6 June 2019; 13 February 2020*]

This Law contains legal norms arising from:

1) Directive 2004/49/EC of the European Parliament and of the Council of 29 April 2004 on safety on the Community’s railways and amending Council Directive 95/18/EC on the licensing of railway undertakings and Directive 2001/14/EC on the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure and safety certification (Railway Safety Directive);

2) Council Directive 2005/47/EC of 18 July 2005 on the Agreement between the Community of European Railways (CER) and the European Transport Workers’ Federation (ETF) on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services in the railway sector;

3) Directive 2007/58/EC of the European Parliament and of the Council of 23 October 2007 amending Council Directive 91/440/EEC on the development of the Community’s railways and Directive 2001/14/EC on the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure;

4) Directive 2007/59/EC of the European Parliament and of the Council of 23 October 2007 on the certification of train drivers operating locomotives and trains on the railway system in the Community;

5) Directive 2008/57/EC of the European Parliament and of the Council of 17 June 2008 on the interoperability of the rail system within the Community;

6) Directive 2008/110/EC of the European Parliament and of the Council of 16 December 2008 amending Directive 2004/49/EC on safety on the Community’s railways (Railway Safety Directive);

7) Commission Directive 2009/149/EC of 27 November 2009 amending Directive 2004/49/EC of the European Parliament and of the Council as regards Common Safety Indicators and common methods to calculate accident costs;

8) Directive 2012/347/EU of the European Parliament and of the Council of 21 November 2012 establishing a single European railway area;

9) Directive (EU) 2016/2370 of the European Parliament and of the Council of 14 December 2016 amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure;

10) Directive (EU) 2016/797 of the European Parliament and of the Council of 11 May 2016 on the interoperability of the rail system within the European Union;

11) Directive (EU) 2016/798 of the European Parliament and of the Council of 11 May 2016 on railway safety.

This Law shall come into force on 1 November 1998.

This Law has been adopted by the *Saeima* on 1 April 1998.

President G. Ulmanis

Rīga, 17 April 1998