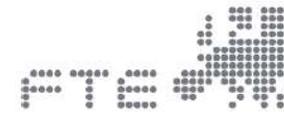


Forum Train Europe FTE

The European coordination platform of
railway undertakings



FORUM TRAIN EUROPE
PLANNING TRAINS TO CONNECT EUROPE

Capacity Regulation Pressure Points

22/04/2024

- updated after EB -

What it is about

- > The European Commission (EC) drafted a **Regulation on the use of Rail Infrastructure Capacity**
- > This Regulation is **based on the sector project TTR** (timetable redesign), which aims to **harmonise processes and rules** for the capacity management / timetabling in Europe. It strives to have **market-oriented processes** for **Passenger and Freight** traffic.
- > The Regulation is drafted in a way that helps Railway Undertakings to improve their business by offering their customers **more reliable and stable timetables**.

...and the politics

- > The **European Parliament** has already decided its position on the Regulation and suggests some amendments which are **mostly market-oriented** and improve the idea of a single European rail area also in the topic of capacity planning.
- > Currently the **Council** (= national Ministries) is forming its position. Here it seems that under the influence of some member states **significant improvements shall be cancelled**.
- > It would end in a **patchwork** of different European rules and timelines for the planning if the Council's position prevails.
- > The following slides give an **overview of critical elements** of the current draft Council's position.

Key messages threatened by Council position *(red=further explained on next slides)*

> Rail needs to be **European**

- > Overcome national thinking from Infrastructure Managers (IM) and Member States – avoid national rules and processes
- > Allow a European Regulatory Body level to check cross-border issues and ENIM/NC



> Rail needs **sensible guidance**

- > Member State Guidance should focus on infrastructure developments and their general use – not minute sharp timetables

> Rail needs to serve a **Market**

- > Timetable concepts should be in (RU-IM) dialogue, and not be unilaterally decided by IMs

> Rail needs to be **reliable and responsible**

- > IM incentives only at cancellations *and only for very late changes (after Annex I timelines)* will leave passengers puzzled with late changes and freight industry with unreliability and tremendous costs
- > Planning of TCR (construction works, *incl. revision of these rules*) and reciprocal commercial conditions (financial incentives for IMs to pay in case of late TCR planning) should remain as in original Commission Proposal
- > A party not keeping commitments should pay incentives (reciprocal commercial conditions)

> IMs need to be **service providers**

- > Every RU capacity request needs to be treated by IMs. A “refusal of requests not in line with IM plan” needs to be deleted, IMs must always try to find alternatives for RUs

TCR compensation model

A workable proposal

Two-pronged approach

1. Inciting the Infrastructure Managers (IMs) to:
 - a) better coordinate their works,
 - b) use 'capacity-friendly' construction methods*,
 - c) provide earlier and reliable re-planning of affected traffic.
2. Compensating the Railway Undertakings (RUs) for damages caused by Temporary Capacity Restrictions (TCR)**

*Meaning: in a manner to allow traffic continuation as good as possible.

**And this will partly incite IMs to do point 1.

Coordination and capacity friendly construction

a) Coordination across borders and between corridors

Programming and coordinating in such a way that works can be done at the same time along a corridor, across borders and between corridors.

b) Execution

Secondly, execute the works in a way that allows for more remaining/alternative useful capacity to be available during construction period. Choices in engineering methods and construction planning can influence this. This would result in '**capacity-friendly construction**'.

c) Re-planning of affected traffic early and reliably

cost

benefit

Member State reserves a portion of the project budget for TCR impact reduction financing:

- financing capacity-friendly construction (because that can be costlier)
- and compensation to RU (is a fraction of infra investment)

Reciprocal CC

Such 'extra' cost pays itself back by reducing the sector costs and losses and reducing environmental costs which would otherwise have been caused by shift to road during TCR.

RU compensation to IM

better coordinate their works (existing obligation, no extra cost)

more left-over capacity

provide early reliable re-planning (existing obligation, no extra cost)

More reliable offer to shipper

Criteria: FAIR, UNIVERSAL, SIMPLE, EFFECTIVE

- Satisfy to a meaningful extent the needs of RUs
- Staying reasonably simple to execute for all stakeholders
- Do not impose an unreasonable burden on IMs.

Requirements: Simple, Standard, Sufficient

- Same principles and calculation method (one-size-fits-all)
- Weighted to national price levels
- Origin-destination compensation

Method:

Average train-production cost per km per country

✓ DEVIATION:

Extra route km O-D cross-border caused by TCR.

✓ CANCELLATION:

Full O-D distance² in kilometres NOT run due to TCR

✓ DEVIATION AND CANCELLATION³

- Standard cost drivers in €/km are used to calculate the production cost of trains on each IM's network, with which an average production cost per km per IM network is calculated.
- In case of a rerouting or a cancellation every RU is compensated by the same standard amount in €/km for each rerouting from O-D, or cancelled km from O-D.

²) Covering the full transport distance obligation of RU towards shipper, also outside network of responsible IM.

³) RUs prefer viable alternative options to cancellation, therefore cancellation should always be more expensive.