

Forum Train Europe FTE

The European coordination platform of railway undertakings



FORUM TRAIN EUROPE

PLANNING TRAINS TO CONNECT EUROPE

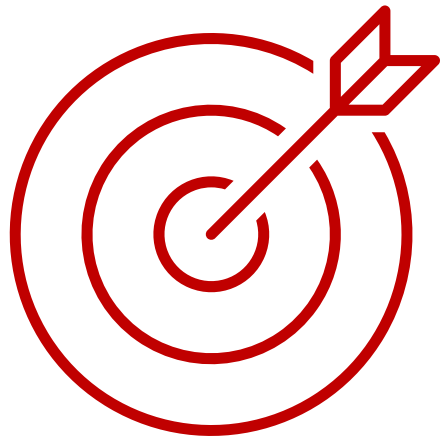
A large photograph of a railway yard at sunset. The sun is low on the horizon, casting a warm orange glow over the scene. Numerous freight trains, primarily composed of tank cars, are parked on multiple tracks. In the background, there are some buildings and a tall light pole. The sky is filled with soft, colorful clouds.

RU Vision on Commercial Conditions (CC)

SERAF SG, 30 September 2024

TCR – Temporary Capacity Restriction
CC – Commercial Conditions
TAC – Track Access Charges
Annex VII – Delegated Decision 2017/2075
Path modification – change by RU
Path alteration – change by IM
Path cancellation – cancellation by RU
Path withdrawal – cancellation by IM
PSO – Public service obligation

Introduction



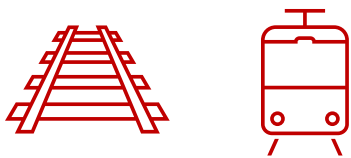
1. Transport More People and Cargo on Rail



2. Better, Reliable Service to Customers


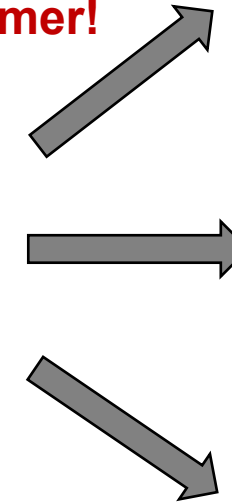
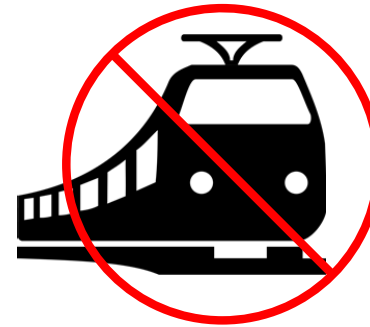
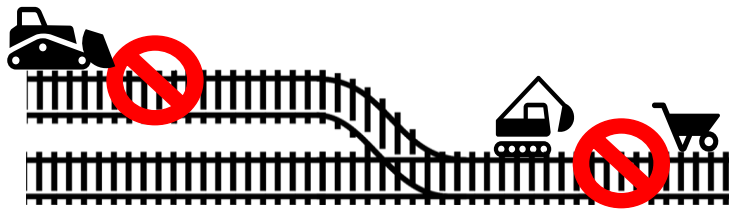


3. Competitive Prices

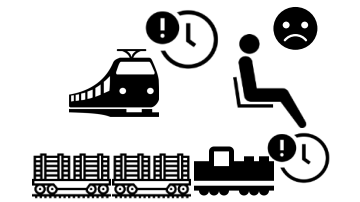


Infrastructure Purpose: Connecting People and Delivering Goods

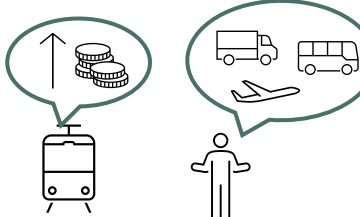
TCRs / Investments are necessary, but... ...we must not lose the customer!



Not available
(closure/no capacity)



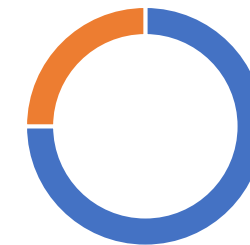
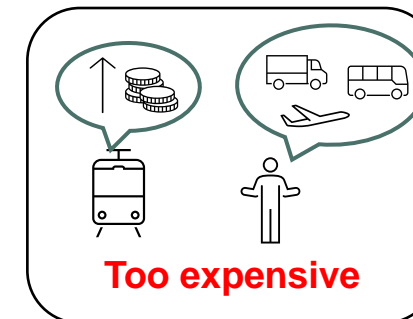
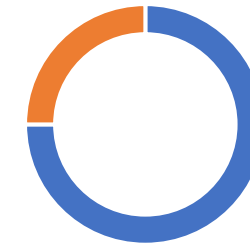
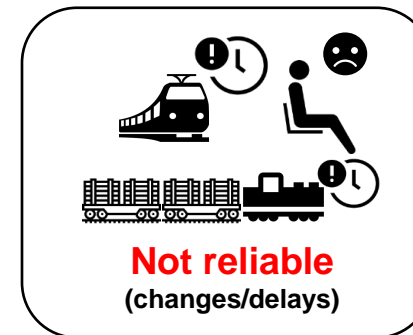
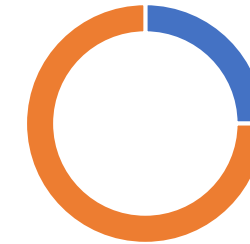
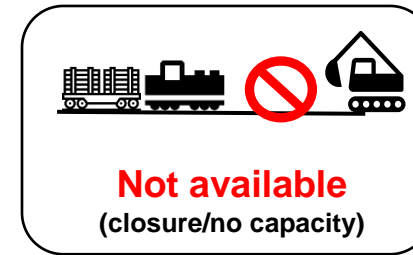
Not reliable
(changes/delays)




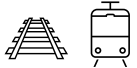



Too expensive

Dual Focus: Essential Improvements in “Process” and “Commercial Conditions”

Improvements for **TCR**
Process and **Commercial**
Conditions are needed – yet
they focus on the mitigation of
different problems



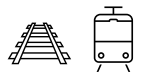



Components of the RU Commercial Conditions Vision

	Who?	Component	Target 
1		Motivational incentive mechanism	Reduce changes and make them as soon as possible
2		Standardised compensation	Compensate additional and not envisaged costs, due IMs' decisions after contract-signatures
3		Multi-annual commitment charge	Avoid strategical capacity booking
4		Traction support	Keep railway competitive even during big TCRs




The components complement (not exclude!) each other!

Components of the RU Commercial Conditions Vision

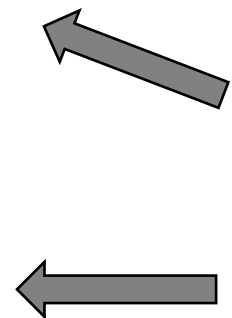
	Who?	Component
1		Motivational incentive mechanism
2		Standardised compensation
3		Multi-annual commitment charge
4		Traction support

TAC Limit?

Limiting the Commercial Conditions by Track Access Charges (TAC) cannot make it work for all components.



Maybe for these?



Motivational Incentive Mechanism

Motivational Incentive – Cornerstones

> Principles:

- Reciprocal (IMs and RUs)
- Paid for changes after the path allocation (irrespective of IMs' internal planning deadlines)
- Balanced exceptions: e.g., minor changes, optimisation, force majeure...

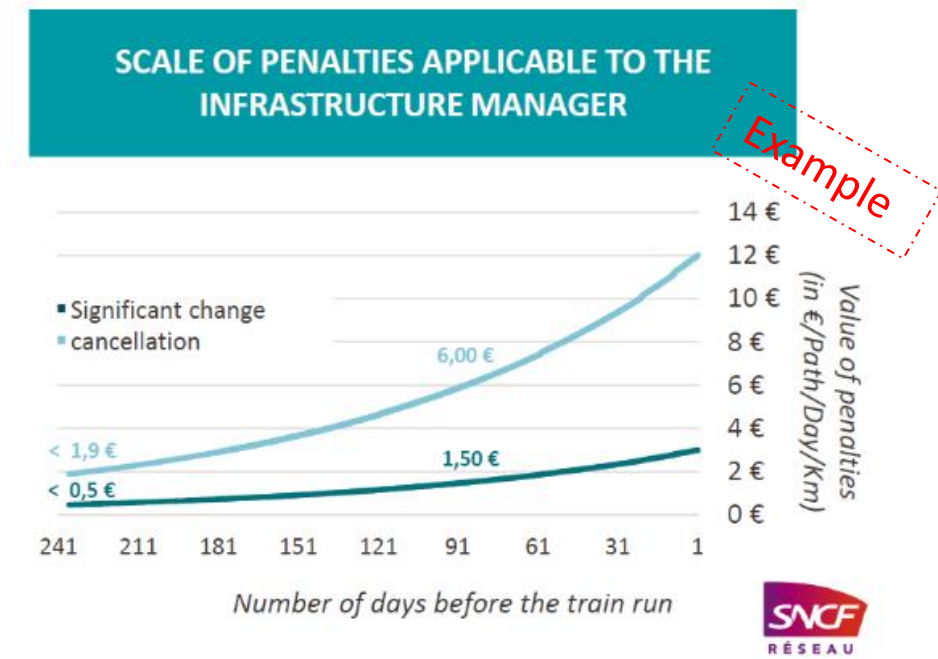
> System:

- Network approach: Origin to destination (cross-border)
- Basis affected train-kms (not TAC)
- Continuous curve: every day more expensive



Reduce changes and make them as soon as possible

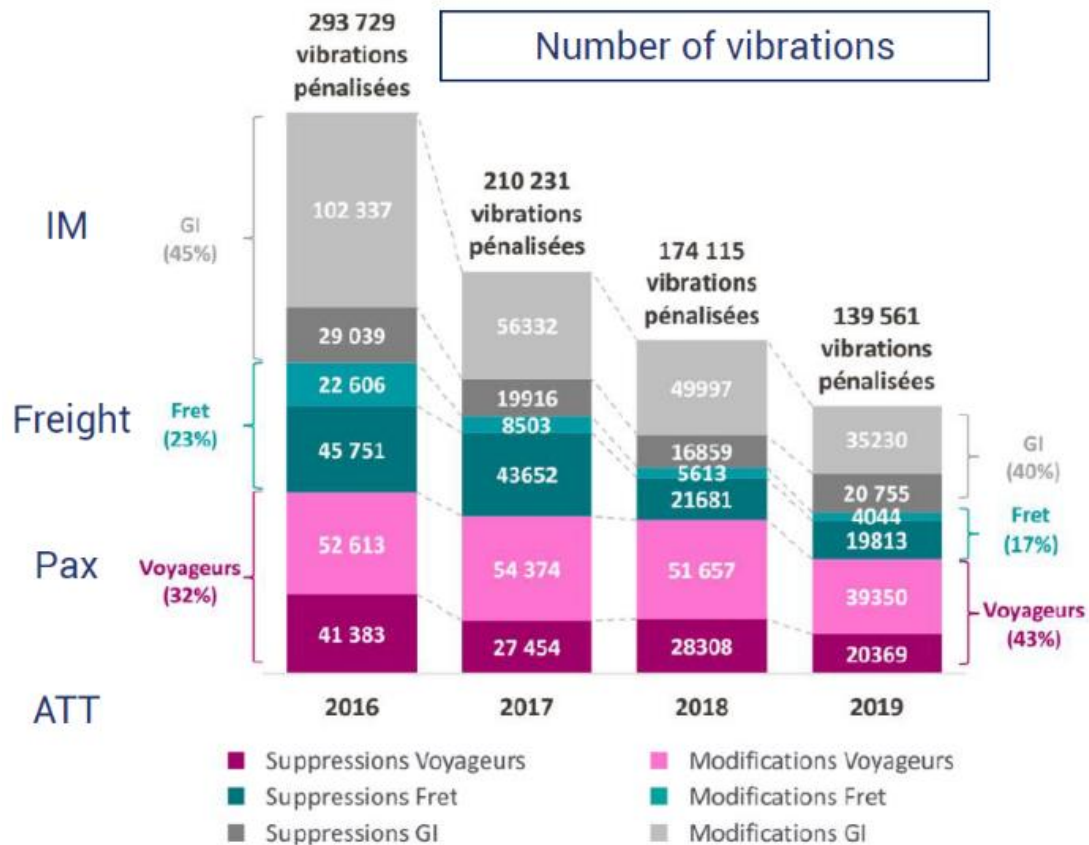
Who?



Reduce changes and make them as soon as possible

Reciprocity: the way to higher stability

Who?  



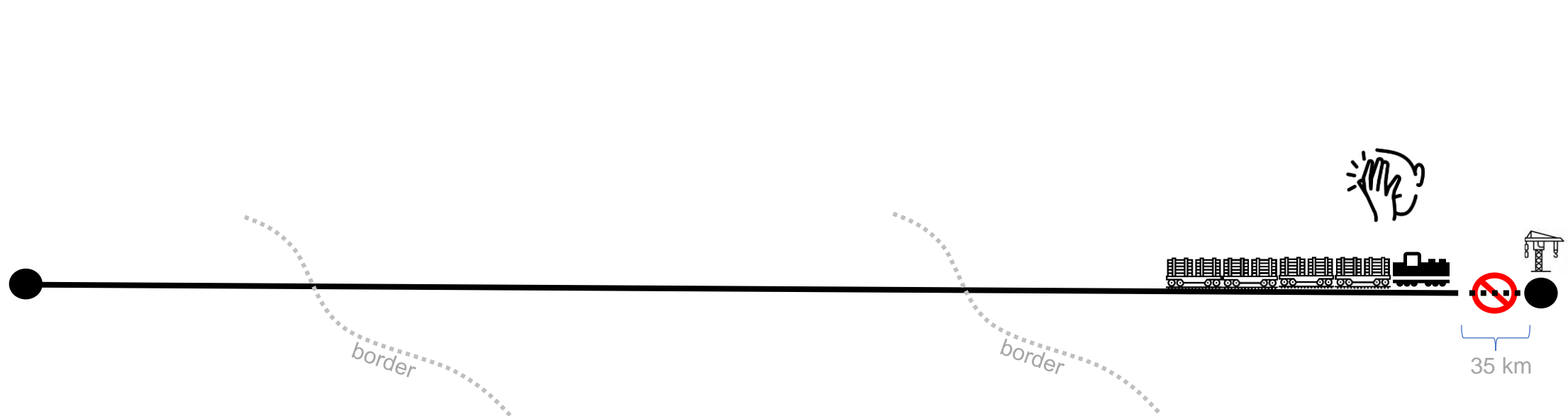
France (SNCF R)

- Reciprocity introduced in 2016
- Number of changes (vibrations) are **dropping on both IM and RU sides**

The last mile matters – it is a chain!

> Partial path withdrawal by IM

→ the RU shall judge whether to use the remaining path **OR** have a complete withdrawal



Commitments shall be kept!

- > Annex VII: provision of “draft” alteration offer in advance **4** months for passenger, **1** month for freight
- > Once **path is allocated = commitment shall be kept**, irrespective of IM-internal deadlines
- > Claims from passenger rights also do not consider Annex VII

Otherwise, **NO** incentive for:

Passenger cancelled 4 months in advance

- ~~night train~~: ruined summer vacation of family
- ~~high-speed train~~: not usable for connecting flight
- no early ticket sales compared to road/air

Freight altered/cancelled 1 month in advance

- no reliability: customers next time use road
- re-routings too expensive for freight customers
- more trucks on roads, no return to rail



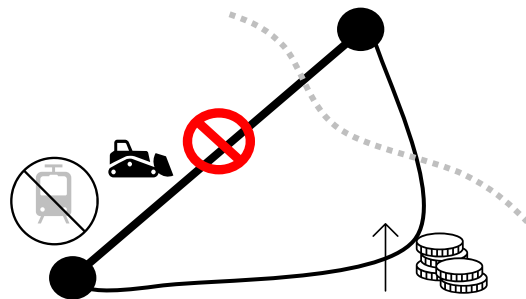
Standardised Compensation

Total loss of business/cost predictability

- > Many TCRs ahead, modal share stagnating
- > Customers leaving railways, permanently!
- > Unpredictable environment for investments and new projects



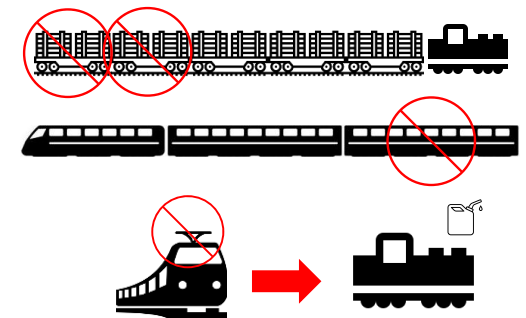
Interruptions
Bus replacement services



No train runs or
Expensive re-routings

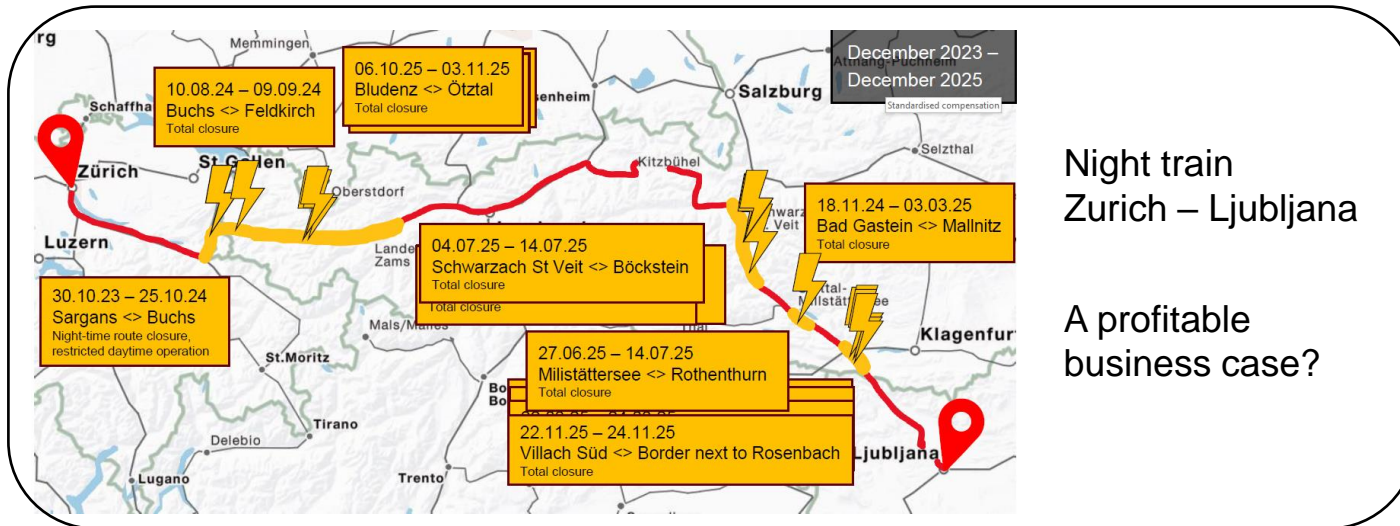



Delays/ Prolonged travel times





Train parameters restrictions

Examples

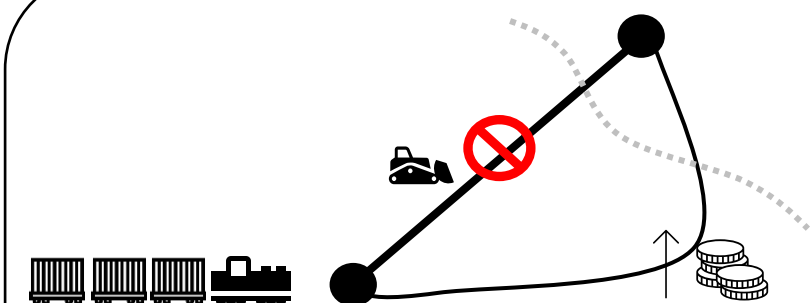
12 111 hours of delays
TCRs of only 1 IM for 1 RU

1922 train paths withdrawn in 2023
of 1 freight RU only in Germany

Single TCR – **464 extra hours** for 1 freight RU
Only in Germany: 9737 TCRs (2022)

TCR name	Trains affected	Total prolonged travel time in minutes
Bremen - Osnabrück	232	27 840
Bremen Hbf - Osnabrück Hbf Po / Nienburg (Weser) - Minden (Westf)	220	26 400
Salzbergen - Bad Bentheim Gr	187	16 830
Regensburg-Prüfe - Undorf	118	15 618
Oberhausen Hbf - Emmerich	167	15 030
Aachen Hbf - Kohlscheid	423	13 530
Rhens - Koblenz-Lützel	274	11 465
Rhens - Ko-Lützel	236	10 205



€ 335 000 extra costs +48km
re-routing of 1248 intermodal trains
originally profitable contract → loss

> Principles:

- Paid by IMs, irrespective of TCR announcement deadlines
- Paid in cases that the capacity is already contracted:
Allocated path, capacity specifications (Framework Agreement/Rolling Planning)



Compensate additional and not envisaged costs, due IMs' decisions after contract-signatures, while keeping bureaucracy at minimum

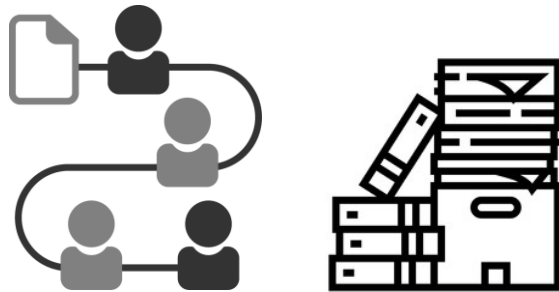
> System:

- Nationally defined flat standardised rates per e.g. deviated train-km, prolonged travel time etc.

Who?



Why standardised?



To avoid bureaucracy and confidentiality issue

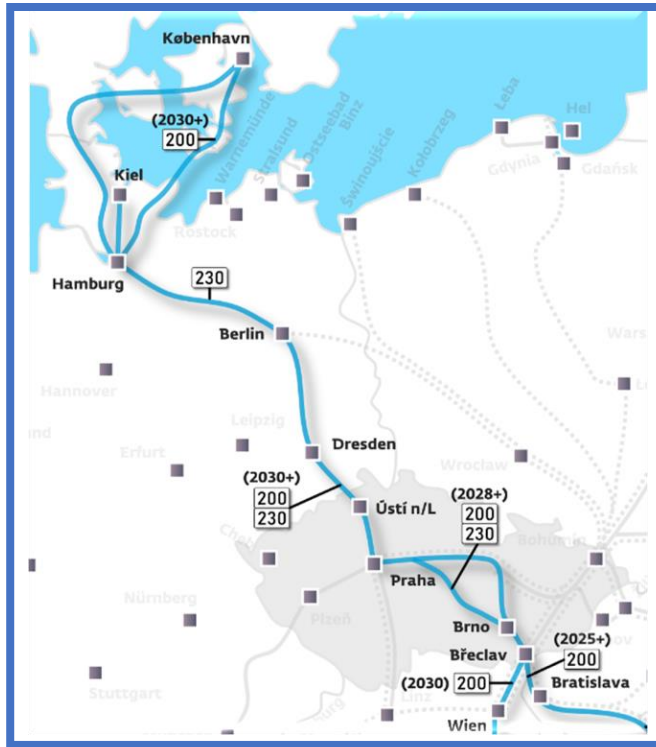
Why for multi-annual contract?




Once RU has customer contract / business plan, the cost must be predictable: Because revenues are "fixed"

Missing business predictability

- > Extension of Prague-Hamburg service to Copenhagen
- > Vehicle investment/homologation – high costs!
- > Need for trust in business plan – ability to operate...

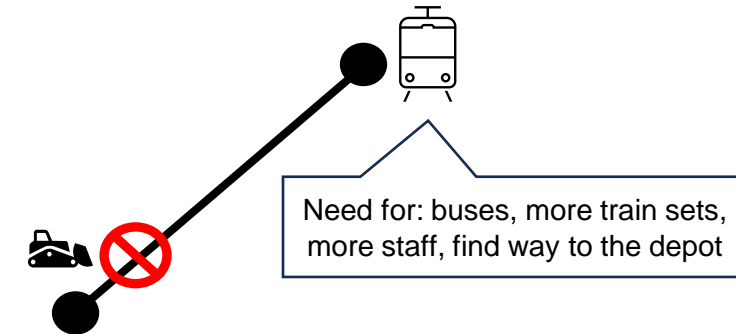


OFFICIAL EU PILOT PROJECT 

- > PSO tender Prague – Pízen – Munich
- > 10-15 years net contract (commercial responsibility of RUs)
- > How to bid, if RUs cannot predict infrastructure & production costs?



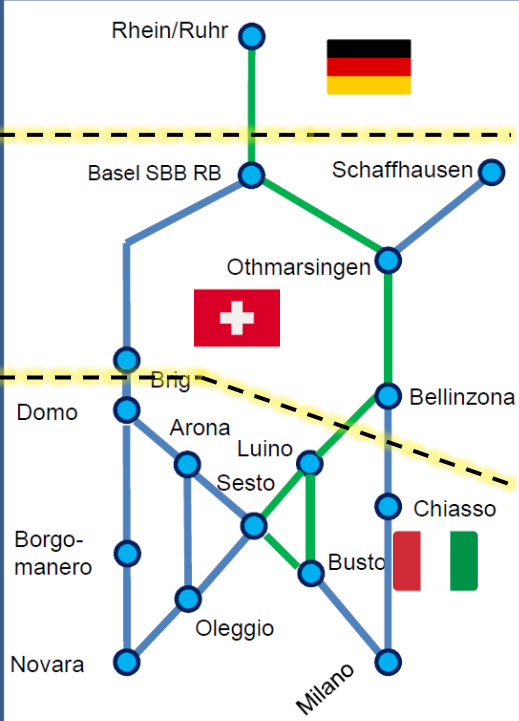
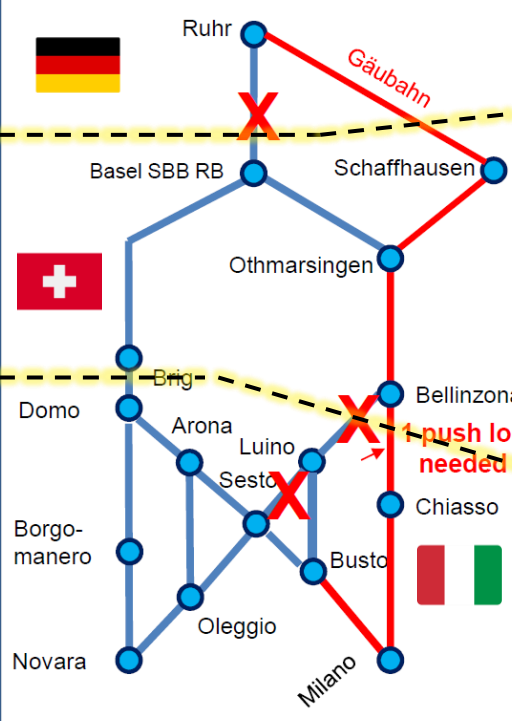
What if the line becomes closed in the future?



Standardised Compensation – Multi-annual

Impact of diversions on trains costs (example Ruhr-Gallarate)



Regular path	Parameters	Via Gäubahn + Chiasso	Parameters	Extra costs & capacity loss
	<p>Profile: P/C 70/400</p> <p>Length (*): 670 m</p> <p>Weight: 2000 t</p> <p>Km: 809 Km</p> <p>Transit time 13h</p>		<p>Profile: P/C 60/384</p> <p>Length (*): 580 m</p> <p>Weight: 1600 t</p> <p>Km 883 Km</p> <p>Transit time 19h</p>	<p>Extra cost RUs (single train) v. Gäubahn (+2'200 Eur)+14% v. Chiasso (+1'000 Eur) +6%</p> <p>Profile: - 12 %</p> <p>Length (*): - 13 %</p> <p>Weight: - 20 %</p> <p>Km +74 Km</p> <p>Transit time + 6h</p> <p>(* = wagon set)</p>


Train cost: 16'000 EUR (ca)
Capacity loss : - 20 %
Extra costs: + 20 % (+3'200 EUR)
Transit time: + 6h

FURTHER COSTS TO CONSIDER:

- Extra shuntings to build suitable compo
- Back-up wagon-set
- Parking costs of wagon sets
- Loss of bonus long train
- Loss of transport types (waste + trailer P400)

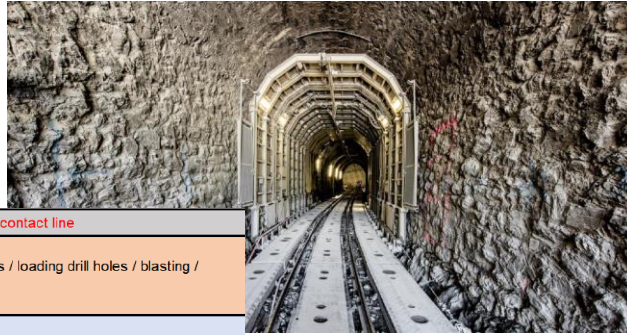
How to get back on track again?

- > RUs and customers face TCR risks that can only be managed/influenced by IMs.
- > Railways require predictability! TCRs should not drive customers away from rail.
- > Standardised compensation → Bring impact on traffic back into the IMs' TCR planning

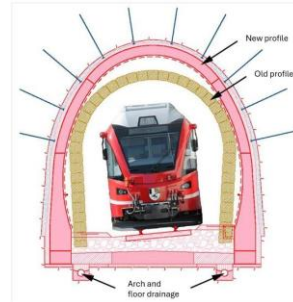
Externalities must be internalised 



Target set on “minimisation of TCR impact on customers”



Night train break (extended)	21.35 h	1/2 Std	Block the route / switch off & earth the overhead contact line
	22.00 h		
	22.30 h	1 1/2 Std	Laying protective plates and blasting preparations / loading drill holes / blasting / ventilating
	23.00 h		
	23.30 h	1/2 Std	Rock cleaning after blasting
	0.00 h		
	0.30 h	1 1/2 Std	Removal of the blasted material around 50 m3 solid (80-90 m3 loose)
	1.00 h		
	1.30 h		
	2.00 h	1 1/2 Std	Applying sprayed concrete protection
	2.30 h		
	3.00 h		
	3.30 h	1 1/2 Std	Drill and set the necessary anchors according to the geologist's specifications
	4.00 h		
4.30 h			
5.00 h	1 Std	Drill blast holes for the next work shift	
5.30 h			
5.50 h	1/2 Std	Remove earthing / switch on overhead contact line / release track	



- > Rhaetian Railway: TCR and operation are no contradictions
- > Enlargement of tunnel profile – no single train cancelled
- > Bridge replacements – no single train cancelled

- > Tokyo Shibuya Station: replacement of tracks in 4 hours, between last and first train!
- > Link to [video](#)



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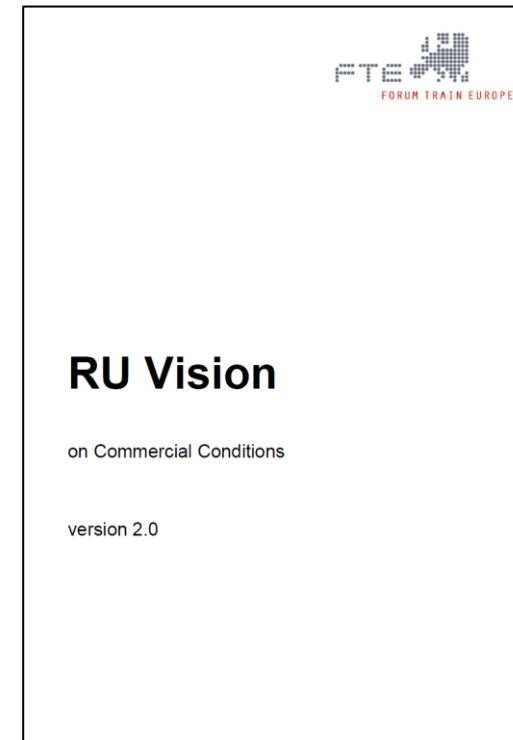


Back-up

For more details, see the full vision document

> You find there:

- Why **train-km** based system is **preferred** over TAC system
- What are **advantages of a daily-curve** compared to waterfall approach
- **Examples of standardised compensation** systems from Europe and further reasoning why it is necessary
 - CH, UK, ES, HU, DE (in discussion)



TCRs: Replanning, replanning, replanning...

> Daily night train Zurich-Amsterdam 2022

- 87 different timetables northbound
- 59 different timetables southbound



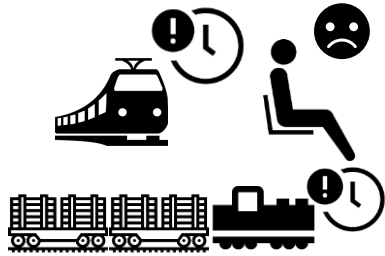
> Each change

- Creates extra costs
- Is effort for both IMs and RUs
- Requires check if production resources can still execute the transport
- Is confusing for passengers

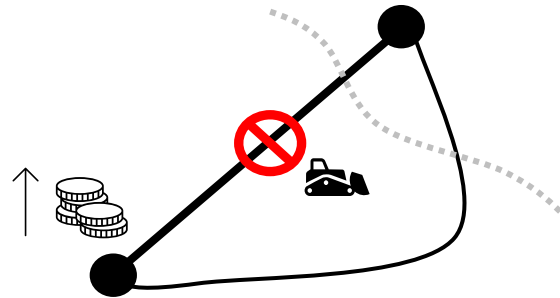


Number of TCRs is growing...

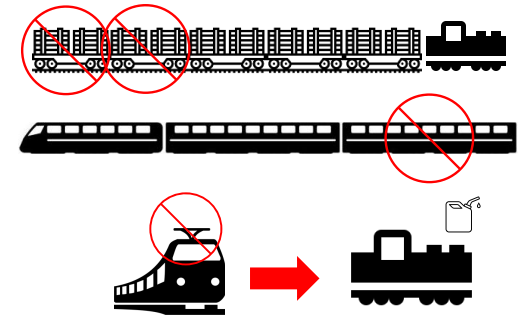
How can modal share grow if the market experiences...



Delays/ Prolonged travel times



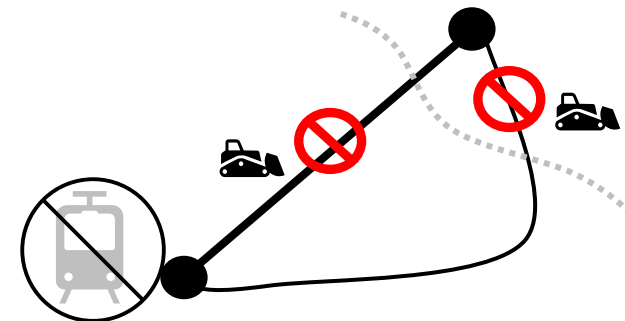
Expensive re-routings



Train parameters restrictions



Interruptions
Bus replacement services



No train run