

Position paper

Governance: recommendations
from railway undertakings

adopted on May 10th 2012

Position paper

Far from writing or describing a typical system for organisation of railway governance based on other European models¹, this position puts forward several recommendations from members of the UTP on railway system governance. It serves to prepare the ground for moving forward with changes to railway governance which will still however require many more studies and discussions. Similar reviews are also taking place at European level.

A benefit: the French debate on the railway²

The UTP considers the introduction of a true “global” Infrastructure manager, now called the Global Infrastructure manager, as a benefit of the debate on the railway. The Global Infrastructure manager groups Réseau Ferré de France (RFF)³, DCF⁴ and SNCF Infra⁵ together.

The deliberation of the UTP's Executive Board of 10 November 2011 (see attached document), adopted unanimously by its members, is shared by virtually all the railway actors and managers present at the Focus on the railway.

The key tasks of the Global Infrastructure manager

The Global Infrastructure manager is expected to carry out the following tasks:

- price-setting, under a pre-defined policy, by the State and approved by the ARAF⁶ and collection of fees,
- creating graphs and allocating capacities (passengers/goods, train paths/works),
- managing traffic and contingency plans,
- maintaining and developing the network,
- projects ownership of investments.

These tasks are also set out in the recast of the First Railway Package currently being discussed within the European institutions.

1. The dichotomy between the English railway model and the German railway model is not in fact likely to address the different constraints specific to the French railway environment.

2. The “Assises du Ferrovaire” was a national debate on the future French railway which took place from September to December 2011.

Four committees were created:

- “The French rail at the heart of Europe »,
- the governance of the rail system,
- The economics of the rail,
- The French railway industry

3. RFF is the French Infrastructure manager.

4. (DCF) is the branch of SNCF established in 2010 to ensure on behalf of RFF the rail traffic. This independent entity within SNCF guarantees equal access to the network.

5. SNCF Infra (for infrastructure) is the branch of SNCF that performs, on behalf of RFF, the maintenance of the national rail network.

6. The Autorité de Régulation des Activités Ferroviaires (ARAF) is the French Regulatory body.

Due to the all-encompassing nature of its missions, it therefore ensures railway network coherence. It is responsible for conciliating and where necessary mediating under the principles set out by the State, vis-à-vis the demands of Railway Undertakings and different Transport Organising Authorities (TOAs) regarding the many ways the network is used, for example: night/day traffic in the event of works being carried out.

This network management unit addresses issues surrounding clarification, transparency and efficiency in the railway system. It also enables the infrastructure manager to work on an overall project.

Postponing the study concerning rail station governance

The governance of stations, the regulations governing their ownership, their management and the staff managing them and working there, as well as the operational rules on access for both RUs and passengers in normal situations and also disrupted situations, are all key questions that need to be addressed fairly and transparently.

The proposal is to delay making a decision on the question of incorporating Gares & Connexions⁷ into the Global Infrastructure manager (even though we believe that it is logical to do so in the long term).

Two reasons support this delay:

- The heritage and real estate aspect of passenger stations and their links with different local authorities leads to recognition of the dual status of “urban facility” station and “railway facility” station. This dual status calls for firstly distinguishing between traffic related matters and station services related matters, and secondly, differentiating between the economic equilibrium of the railway system and the economic equilibrium of buildings and inter-modality,
- The recent publication of the decree on stations and other railway infrastructures. The UTP, like the Association of Regions of France (ARF), would like an evaluation of the decree's implementation within three years.

A strong, leadership-oriented, strategic State, and guarantor of safety

The UTP strongly supports the observation made by Commission n°2 “Moralis” on the French debate on the railway and by the European institutions on the need for a strategic and leadership-oriented State to reorganise the railway system in accordance with a voluntarist schedule, with clear and accountable funding principles.

The State is duty bound to ensure that a voluntarist transport and land-planning policy is in place for the vast majority.

7. Gares & Connexions is the fifth branch of the SNCF. Its task is to renovate and develop the 3 000 rail stations.

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In terms of railways, it should be reiterated that the State is:

- guarantor of the railway system's organisation, including the principles for mediating on traffic,
- in charge of the economic aspects of railway transport and its funding, including tolls and equilibrium between its components,
- in charge of the major investment decisions on infrastructure,
- responsible for establishing (even clarifying) procedures in terms of railway safety,
- responsible for the industrial policy of the railway sector and taking the policy forward,
- in charge of the European aspects of railways, notably the legislative, economic, normative and technological components.

The State is the shareholder of the Infrastructure Manager: RFF and SNCF. It has also been the TOA of the Trains d'Equilibre du Territoire (TET)⁸ since 2011.

It is also important for the State to present the plans for developing and reorganising the railway system as soon as possible and to establish the main approaches to organising and improving the future railway system. In respect of this, the drafting of a "network code", along the lines of the English code, under the aegis of the State, would constitute a wide-ranging reform, something welcomed by Railway Undertakings.

A stronger regulatory body

The railway system must also have the support of a stronger Regulatory body that has the means necessary, in terms of staff and resources, to guarantee an open and transparent railway market, enabling it to:

- handle legitimate complaints with due care and within a short timeframe,
- evaluate and oversee how the key aims of capacity-sharing and price-setting are being implemented,
- contribute to developing railway transport.

To achieve this, it must have access to the following:

- the required expertise and competence in all areas of railways, including finance,
- wider competence to monitor the performance of the Network Manager and to annually approve the investment programmes planned for the network.

The UTP therefore approves the European approaches on this point.

8. National public services operated across regions.
The AOT is the French State.

Railway transport : a system

The UTP recommends viewing railway transport as a system. It therefore recognises the contribution of the incumbent and the new entrants.

This “system approach” is necessary for optimising:

- railway safety,
- the infrastructure/rolling stock interface,
- the exchange of databases and compatibility of systems and information flows;
- management of disruption situations,
- safety of people and goods.

A multi-partnership railway system

The UTP recommends that the railway system not be limited to the SNCF/RFF duo, but instead be open to all those involved in railway transport.

The other Railway Undertakings are equally partners in the system and just as wealthy in terms of their railway culture. The State and regions, as TOAs, also have viewpoints of relevance to railway system management.

A necessity : link all railway actors to choices for tomorrow

The UTP recommends that relations between users – RUs, regions and other “authorised applicants” and the Global Network Manager be modified and structured.

All railway actors have indeed noted the inefficiency in the current organisation of the railway system, notably the major impacts this has on operational aspects.

On this issue, it was agreed during the French debate on the railway that the development of railway transport required major improvements in the quality of services provided by the infrastructure manager to its main customers : the RUs.

They therefore believe that the current consultation model is insufficient for remedying the dysfunctions observed, in terms of both access and use of the railway network.

It is therefore now important for all railway actors, especially RUs, to be more involved in making strategic choices about access and use of the railway network, by using cooperation decision-making structures. This will ensure greater transparency and efficiency in the railway system.

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Representation of all Railway Undertakings vis-à-vis strategic and operational issues

The UTP has no position on the direct or indirect control of the Infrastructure Manager, however it does recommend that the State, as shareholder of the Global infrastructure manager, make a distinction between two authorities in which all RUs would be represented :

- The first, corresponding to the Executive Board of the Network Manager, in charge of the medium and long-term strategic aspects.

This authority would oversee the main strategic issues: large investments of general interest, investments connected with regenerating the railway system, major economic issues (price-setting, safety, European policies, etc.),

- The second, responsible for the short and medium-term operational aspects.

This “operational committee” would be made up of the different RUs and OA representatives.

The State would entrust it with supervising/running/monitoring the Network Manager on a monthly basis. It could take the form of a board of trustees and would notably focus on the following aspects:

- Aspects concerning optimisation of network use :
 - efficient planning of capacities,
 - following up and reporting on performance objectives (STATE-RFF planning contract),

- planning and monitoring maintenance worksites – infra – works,
- Railway Undertaking/Global Infrastructure manager/ faults management,
- monitoring train delays,
- introducing new systems to modernize infrastructure, heavier/longer freight trains to gain higher productivity.

- Aspects concerning network access, and covering :
 - monitoring the access code to the network as well as financial compensation for operational changes,
 - streamlining information systems.

Effective cooperation already at work within the UTP

The operational committee should establish “internal rules” specifying how this governance works, so that benefits can be gained from the SNCF’s experience, that use can be made, where relevant, of the SNCF’s valuable expertise available, and that the fresh outlook of new entrants results in changes. In sum, all RUs should take part in managing and upgrading the railway system.

The experience gained within the UTP’s Committee on Railways⁹ shows that this cooperation between the RUs in most cases involves everyone, however if not, it still provides a structure in which compromises are reached and solutions are rapidly found.

9. Specific Committee on Railways into UTP.

UTP

UTP (Union des Transports Publics et ferroviaires) is the professional association of France's urban transport and rail transport undertakings. It represents its members at the European level and pursues lobbying actions aimed at authorities and decision-makers.

UTP represents over 150 urban transport undertakings. Most of them are connected to international transport groups such as Car Postal, Keolis, Groupe RATP, SNCF Proximités, Vectalia France, Veolia Transdev.

Since 2006, UTP has gathered railway undertakings such as Colas Rail, Euro Cargo Rail, Europorte, Eurostar International, Keolis, Groupe RATP, SNCF, Thello, Veolia Transdev, VFLI.

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