

Press release

French railway regulatory body issues a negative Opinion on 2015 and 2016 draft Station Network Statements

Paris

7th Novembre 2014

The French National Rail Regulatory Body (Araf) examined the draft Network Statement on Passenger Stations (SNS) drawn up by Gares & Connexions and Réseau Ferré de France (RFF) and intended for use by Railway Undertakings (RUs).

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Every year this document sets out the terms and access charges for all services offered in passenger terminals. The Station Network Statement (SNS) is appended to the Rail Network Statement (NS), on which Araf will give its Opinion next January.

Pursuant to the Rail Reform Act dated 4 August 2014, all pricing, including access charges to passenger terminals is subject to vetting via the Regulator's Binding Opinion (mandatory compliance).

Despite compliance with several observations made by the Regulator in its previously issued Opinions, the latter notes that the draft Station Network Statement submitted by Gares & Connexions is still short of the mark with respect to fairness and transparency standards as required by regulations.

As a consequence, for the third consecutive year, ARAF issued a negative Opinion on 4 November.

Reasons for a negative Opinion:

Some of the critical issues:

- The Regulator deems that the Station Network Statement must be completed or amended to satisfy standard requirements for fairness and transparency: the terms for accessing stations and occupying premises as proposed to Railway Undertakings by Gares & Connexions should be objective and non-discriminatory;
- The "SNS" as it stands does not specify the criteria governing priority allocation of space in stations, nor the procedure in the event of conflicting simultaneous requests by freight haulers and merchants, for instance;
- Gares & Connexions is expected to adjust the amounts charged according to the exact level of use of these premises. In Araf's opinion, the criteria used to adjust these charges are not clearly justified. In 2012 and 2013,

Araf had asked Gares & Connexions to reformulate its adjustment criteria. The Regulator is now asking the latter to immediately launch a consultation jointly with Railway Undertakings and Organising Authorities to deal with this matter;

- To encourage better cost control, the Regulator deems that the rates charged by Gares & Connexions and RFF should encompass performance and productivity targets and define the means to achieve them;
- Araf asks for clarification regarding the terms of the handover of fees based on revenues from commercial activities in passenger terminals (shops, restaurants, offices). It points out, for example, the absence of contributions from the Paris Saint-Lazare and Paris Austerlitz stations, which appears contradictory to the Gares & Connexions stated objectives of increasing revenues from commercial activities in passenger terminals.
- The boards of directors at SNCF and RFF will soon have to answer on how they will take account of the Regulator's recommendations in their final draft of the statement.

What are the "NS" and the "SNS" network statements?

Drafted specifically for Railway Undertakings, the "NS" - Rail Network Statement, sets out all technical, economic and legal information needed to run trains. It states the principles and charges for accessing the services offered in rail infrastructures managed by Réseau Ferré de France and the services in passenger terminals managed by Gares & Connexions.

The infrastructure manager RFF releases the NS, to which the SNS is appended one year prior to the working timetable coming into force (at the end of 2014 for the 2016 timetable). Starting 1 January 2015, ARAF will issue its reasoned Opinion on both documents and a binding Opinion on all charges for regulated activities.

This Opinion can be consulted on Araf website.