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Performance contract between the French State and SNCF Réseau 2024-2033: the French Transport Regulatory Authority (ART) welcomes the investment effort but calls for securing its funding and clarifying the long-term strategy

ART today publishes its opinion on the updated draft performance contract between the French State and SNCF Réseau for the 2024–2033 period. It welcomes the additional investment of approximately 1.5 billion euros per year dedicated to the regeneration and modernization of the network starting in 2028, bringing total annual investment to 4.5 billion euros, as well as the strengthened performance monitoring. ART notes, however, that the draft contract does not yet define a sufficiently precise long-term vision for the network and that a portion of the planned additional funding has yet to be secured. It also questions the robustness of certain financial and charging assumptions and regrets that the contract still lacks sufficient performance incentives.

A SIGNIFICANTLY STRENGTHENED REGENERATION EFFORT, BUT A TEN-YEAR VISION THAT REMAINS INCOMPLETE

The draft contract marks a significant shift from the 2021–2030 contract: it substantially increases investment and strengthens the tools for managing the network, though it has not yet defined a sufficiently precise ten-year vision.

It calls for a gradual increase in investments for network renewal and modernization, reaching 4.5 billion euros (in constant terms) per year starting in 2028. This additional investment of 1.5 billion euros per year corresponds to the order of magnitude of the supplementary needs identified by ART in 2023 to halt the network's deterioration and accelerate its modernization.

The plan also updates financial projections that had become largely obsolete and improves network management tools. It introduces a segmentation model based more on usage patterns, strengthens monitoring of asset condition, and provides for detailed three-year investment planning.

However, in the absence of defined performance levels, capacity, robustness, and service quality by segment, it remains difficult to fully assess the alignment between expected traffic, available capacity, and necessary investments. Furthermore, the detailed investment plan remains limited to three years, with no amounts specified for each major project.

FINANCING STILL NOT FULLY SECURED

The implementation of this investment plan remains, however, contingent on securing the necessary financing.

One-third of the additional funding—500 million euros per year starting in 2028—will come from the SNCF Group's contribution fund. The remaining two-thirds—approximately 1 billion euros per year—will come from external financing, the nature, amount, and timing of which have not yet been determined: energy savings certificates, private financing, or revenue that may be generated from future motorway concessions.

ART thus notes an imbalance between the operational commitments made by SNCF Réseau and the degree to which the necessary funding for their implementation has been secured.

The expected improvement in SNCF Réseau's financial situation also calls for clarification regarding the allocation of profits generated starting in 2030. While strengthening the operator's financial sustainability is a goal to which ART is committed, these margins could also help—assuming public funding remains unchanged—to accelerate the renewal and modernization of the network or to moderate toll increases.

TRAFFIC AND TOLL ASSUMPTIONS THAT CALL FOR CAUTION

The contract's financial trajectory is based on particularly robust traffic growth assumptions and the continuation of dynamic toll indexation. Total traffic is projected to increase by about a quarter in train-kilometres between 2024 and 2033, while non-PSO services are expected to grow by nearly 6% per year after 2029. Tolls, for their part, would continue to rise, even though track access charges to the French network for non-PSO services are already among the highest in Europe.

ART notes that the continued toll increases planned beyond 2029 could hinder the development of rail services and that their sustainability has not been demonstrated. In this regard, it points out that, in accordance with the case law of the French Council of State, the charging trajectory set forth in the contract will not be binding on ART when it issues its approval opinions on future charging.

ENHANCED PERFORMANCE MONITORING, BUT STILL LIMITED INCENTIVES

The proposal significantly expands the indicators related to network condition, service quality, and environmental performance, and strengthens monitoring procedures.

However, it does not yet create the conditions necessary to effectively incentivize the infrastructure manager to improve its performance. No financial mechanism is linked to the achievement of objectives, and assessing results remains complex due to the dependence of certain targets on external factors and inconsistencies in comparability between indicators.

Under these circumstances, ART believes that the contract will remain more of a tool for measuring and monitoring performance than a genuine lever for improving it.

To give the contract its full strategic scope, ART is making eight recommendations to the French State and SNCF Réseau. These recommendations aim, in particular, to provide greater visibility on ten-year investments, to better document and secure financial trajectories, to strengthen performance measurement, and to clarify the procedures for monitoring and correcting deviations.

The next triennial update should make it possible to overcome the identified limitations and enable the contract to fully realize its potential as a strategic management tool for the rail network.

For further details (in French):

- Draft performance contract between the French State and SNCF Réseau for the 2024-2033 period – Opinion No 2026-069 of 23 July 2026

About the French Transport Regulatory Authority (ART)

Since 2010, the French railway sector has had an independent authority to accompany its gradual opening to competition: the Autorité de régulation des activités ferroviaires (Araf). Law 2015-990 of 6 August 2015 on growth, activity and equal economic opportunity extended the regulator's powers to road activities - coach transport and motorways. On 15 October 2015, Araf became the Autorité de régulation des activités ferroviaires et routières (Arafer), with the mission to contribute to the proper functioning of public service and competitive activities for the benefit of rail and road transport customers.

With competence for the regulation of airport charges since 1 October 2019, Arafer became the Transport Regulatory Authority (ART) on that date. Lastly, Law No. 2019-1428 of 24 December 2019 -mobility act- extended ART's powers and missions to the opening up of mobility and ticketing data, as well as to the regulation of infrastructure manager activities and security activities carried out by RATP in Île-de-France. Its opinions and decisions are adopted by a college of five independent members chosen for their economic, legal or technical skills in the field of digital services or transport, or for their expertise in competition matters. It is chaired since 29th December 2023 by Thierry Guimbaud.