



# **Track access charges on the basis of European legal framework – First experiences with direct cost calculation**

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# Legal basis for track access charges in the European framework

Directive 2012/34/EU establishing a single European railway area

- Article 30 Infrastructure costs and accounts
- Article 31 Principles of charging
- Article 32 Exceptions to charging principles
- Annex VI List of market segments

Regulation 909/2015 on the modalities for the calculation of the cost that is directly incurred as a result of operating the train service

- Article 3 Direct costs on a network-wide basis
- Article 4 Non-eligible costs
- Article 5 Calculation and modulation of direct costs
- Article 6 Cost modelling

## Transposition of Directive 2012/34/EU

**Deadline for transposition** of Directive 2012/34/EU was **16.06.2015**.

Between June 2015 and until mid 2017 member states were still transposing the directive into national law.

Since transposition deadline the European Commission checks **conformity** under two aspects:

- Complete transposition: Conformity of „paper law“ (infringements)
- Conformity in application/practice (infringements)

**Timetable process** (network statements + charging systems)

Charging systems need to be conform in application.

## Status quo of IMs' charging systems

- New pricing scheme under Directive and Regulation in DE, FR, HR, HU, IT, LV, SL
- Processes due to the introduction of new pricing schemes ongoing (under regulatory control) in (AT), BE, BG, EE, EL, ES, LT, NL, NO, PL, PT, RO, (SE), SK
- Direct costs applied before in DK, FI, LU, SE, UK, (CH)
- No known developments in CZ, IE, FYROM



European  
Commission

# Overview charging practices

	Charge(s) reflecting direct costs (article 31.3 of directive 2012/34/EU)	Market segments? (article 32.1 of directive 2012/34/EU)	Mark-ups "if the market can bear this" (article 32.1 of directive 2012/34/EU)	Incentives under article 30.1 of directive 2012/34/EU
Austria	✓	✓	✗ <sup>1</sup>	n/a
Belgium <sup>2</sup>	✗	✓	✗	✗
Bulgaria	✓	✗	✗	✓
Croatia	✓	✗	✗	✗
Denmark	✓	✗	✗	✓
Estonia	✗ <sup>3</sup>	✗	✗	✗
Finland	✓	✗	✗	✗
France	✓	✓	✓	✓ <sup>4</sup>
Germany	✓	✓	✓	✓
Greece	✗ <sup>5</sup>	✗	✗	✗
Hungary	✓	✓	✓	n/a
Italy	✓	✓	✓	✓
Latvia	✓	✓	✓ <sup>6</sup>	✗ <sup>7</sup>
Luxemburg	✓	✗	✗	n/a
Netherlands	✓	✓	✓ <sup>8</sup>	✗
Norway	✓	✓	✓	✓
Poland	✓	✓ <sup>9</sup>	✗ <sup>10</sup>	✓
Portugal	✗ <sup>11</sup>	✗	✗	✗
Romania	✓ <sup>12</sup>	✗ <sup>13</sup>	✗ <sup>14</sup>	✓ <sup>15</sup>
Slovakia	✓	✗	✗	✗
Slovenia	✓	✗	✗	✓
Spain <sup>16</sup>	✗	✓	✗	n/a
Sweden	✓	✗ <sup>17</sup>	✗ <sup>18</sup>	✗
Switzerland	✓	✓	✓	✗
UK	✓	✓	✓	✓

<https://www.irg-rail.eu/irg/documents/position-papers/166,2017.html> (simplified)

## Method of calculation of direct costs used in the member states

- Method of Article 5 (division method): AT, BG, CZ, DK, EE, ES, HU, LV, PL (Article 3 and 5 and scientific research), PT, SL, SK
- Econometric approach: FI, HR, LU, NO, SE (Article 6)
- Engineering method: BE, CH, UK
- Mixed approach (econometric and engineering method): DE, EL, FR, FYROM (Article 5 and econometric method), IE, IT (Article 5 and engineering method), NL (combination of econometric, engineering and experts), RO

See table in IRG-Rail (2017) <https://www.irk-rail.eu/irk/documents/position-papers/166,2017.html>

## Switzerland, France + Austria: decreasing values

CH: No corresponding price increase due to the calculation method according to Regulation.

“It seems that comparing with the previous econometric model, the new approach shifts costs from the freight transport (by considering other factors than weight for wear-related costs, i.e. speed and axle loads) to the passenger long-distance traffic.”

FR: “The direct cost based charge in the new charging system for 2019 is decreasing for every service. Mark-up based charges for passenger trains will maintain the same level of charge for each market segment.”

AT: New TAC-systems leads to a reduction of average TAC per train km

## Phasing-in plan according to Art. 9 regulation

- **Yes**  
BE, BG, LV, NO, PL, PT, UK
- **On selected lines**  
ES
- **Not yet**  
EL, IE, IT, LT, SL
- **No phasing-in plan**  
AUT, CH, CZ, DE, DK, EE, FR, FI, HR, HU, LU, FYROM, NL, RO, SE, SK



# Mark-ups

- **Mark-ups applied:**
  - AT, DE, EE (Ramsey-Boiteux model)
  - ES, FR, IT (competitiveness of market segment)
  - HU (general mark-up, adjusted)
  - NO (on one selected market segment)
  - UK (on one market segment (electric supply industry: coal, iron ore and nuclear waste))
  - CH (politically defined mark-ups)
- **Mark-ups to come:**
  - BE (market segmentation ongoing)
  - LV (mark-ups to come, competitiveness of market segment)
  - NL (not yet, 2020-2024, Ramsey-Boiteux)
  - PT (not yet, mark-ups to come)
- **No mark-ups applied:**
  - BG, CZ (but differentiated financial state support), DK, EL, FI, HR, IE, LU, PL, FY, ROM, RO, SE, SL, SK, LT

## **Problems with the calculation of direct costs and mark-ups (RBs)**

- Issues with applying or not applying mark-ups
- Availability of data for calculation of mark-ups, for DC calculation and market segmentation challenging
- Inconsistencies found and removed when developing the calculation method of DC
- Burden of introducing DC calculation and data on demand elasticities
- Necessary cost allocation / definition of cost categories
- Procedures and terminology applied in IM's infrastructure management and cost follow-up practices are largely incompatible with the definitions and categories used + large complexity for smaller IMs
- Research support needed (launch a study)

# Charges in the network statement

- Annex IV of the Directive 2012/34/EU about the contents of the network statements
- The Network statement contains
  - the relevant provisions of the national legislation
  - general information on the charging system and charging regulations.
  - provides all the methodological details concerning the new modalities of calculation.
- The applicable charges are laid down in a separate document which is attached to the network statement e.g. via a link.
- The cost allocation and charge calculation principles are laid down in the Cost Allocation Methodology.

**Thank you for your attention.**

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