Workshop Performance Schemes

Brussels, 4 April 2008

Unit E2 – Rail Transport and Interoperability
Performance Schemes (Dir 2001/14/EC Art.11)

- “Infrastructure charging schemes shall through a performance scheme encourage railway undertakings and the infrastructure manager to minimise disruption and improve the performance of the railway network.
- This may include penalties for actions which disrupt the operation of the network, compensation for undertakings which suffer from disruption and bonuses that reward better than planned performance.”
- “The basic principles of the performance scheme shall apply throughout the network.”
PS: Legal requirements II

- Consultation and publication
- Network statement
- Right to appeal
- Regulatory body has supervising role
Implementation

- Not all the IM apply performance schemes
- The majority of the systems are oriented towards the measurement and accountancy of delay minutes
- Among them, differences according to:
  - Nature of the agreement (Compulsory / Volunteer)
  - Market segments included
  - Control points for delays
  - Delay allowances
  - Delay codification
  - Delay valuation
  - Consideration of secondary delays
PS – Implementation (Example)

OBB (NS-2006)

- Compulsory
- Applied to all high quality passenger trains (1-999 as per DB 639)
- Delays recorded at scheduled stopping stations and border crossings
- Delay allowance: 5 minutes
- Delay causes: UIC Leaflet 450-2
- Delay allocation: Train operator, Betrieb AG
- Delay valuation: 3€ / delay minute
PS – Implementation (Example)

DB Netz (NS-2007)

- Compulsory
- Applied to all services
- Delays recorded at control points in every section
- Delay allowance: 1 min
- Delay causes: DB Guideline 420.9001
- Delay allocation: Train operator, DB Netz AG
- Delay valuation: 0,10 € / delay minute
- Information on delay responsibility is made available to customers
PS – Implementation (Example)

REFER EP (NS-2007)

- Acceptance is voluntary for Operators
- Applied to all services
- Delays recorded at destination stations
- Also applied to cancelled trains (delay calculated on the basis of the next best alternative available for users)
- Delay allowance: Suburban passenger (3 min); Long distance passenger (5 min); Freight (30 min)
- Delay causes: Public list (Annex 26 to the NS)
- Delay allocation: Train operator, Refer EP
- Delay valuation: 3€ / delay minute
- Cap on maximal penalty: 20% of the Minimum Access charge
PS - Evaluation

- Performance schemes applied to all services, based on the measurement of the delay minutes caused or suffered by every stakeholder are seen as the leading practice.

- Common features:
  - Based on actual delays
  - Penalties are proportionate to the disruption caused
  - Promote clear allocation of responsibilities
  - Provide incentives to accomplish planned objectives
  - Produce wide operational information
  - May allow compensations for secondary delays
PS - Evaluation

However they have to be properly designed in order to avoid potential risks:

- Efficiency loss when based on large delay allowances
- Possible incentive to disruption (below allowances)
- Increased complexity of information systems
- Inconsistent valuation of disruptions
- Increasing administrative costs
- Variety of delay causes vs. transparency. (international services!)
Part II: Reservation charges (Dir 2001/14/EC – Art.12)

- “Infrastructure managers may levy an appropriate charge for capacity that is requested but not used. This charge shall provide incentives for efficient use of capacity.”

- “The infrastructure manager shall always be able to inform any interested party of the infrastructure capacity which has been allocated to user railway undertakings.”
**RC – as found in network statements**

- **Reservation charges** - *ex ante*, paid for every slot
  - Generally levied proportionally to the capacity ordered (*per train path or path·km*).
  - Often set according to different principles, they reflect different cost assumptions (*administrative costs related to train path request / recovery of other fixed costs*).

- **Cancellation charges** - *ex post*, paid for unused slots
  - Generally levied per train path
  - Often depend on the time of notification with respect to the reserved date for circulation.
RC – Implementation (Examples)

**RFF (NS-2007)**

- Path reservation charge levied per path-km
- Varies according to time period, section category and type of service
- In 2006 represented 61% of track access charges for the minimum access package

**INFRABEL (NS-2007)**

- Administrative cost for the handling of capacity applications
- Flat-rate sum independent of the length and the number of days that the train path is used
- Low economic impact
RC - Evaluation

- Reservation charges can play a role in improving operational efficiency in the network.

- Only differentiated approaches manage to incentivize use of capacity. This may be better done through differentiating RC according to time band, type of service and type of line, although not considering these aspects simplifies the process.
RC - Evaluation

- Differentiating through type of service and type of line allows for a better linkage to RU willingness to pay.
- Differentiating through time band allows for linkage to scarcity costs, though the purpose is a different one.
- Their level should be set as a compromise between the flexibility of the operator (through the rules of an ad-hoc request) and the planning activity of the infrastructure manager.
Part III: Possession charges

- Directive 2001/14/EC specifies that network statements shall set out any restriction of use of the infrastructure, including likely capacity requirements for maintenance (Annex I).
- Art 7.9: “Charges may be levied for the purpose of infrastructure maintenance. Such charges shall not exceed the net revenue loss to the infrastructure manager caused by the maintenance.”
- Charging for planned time the same as for time overruns?
- How to use revenues without increasing other access charges?
Thank you for your attention!

For further information:

TREN-homepage:
http://europa.eu.int/comm/dgs/energy_transport/index_en.html

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