

RFF

MEDA workshop
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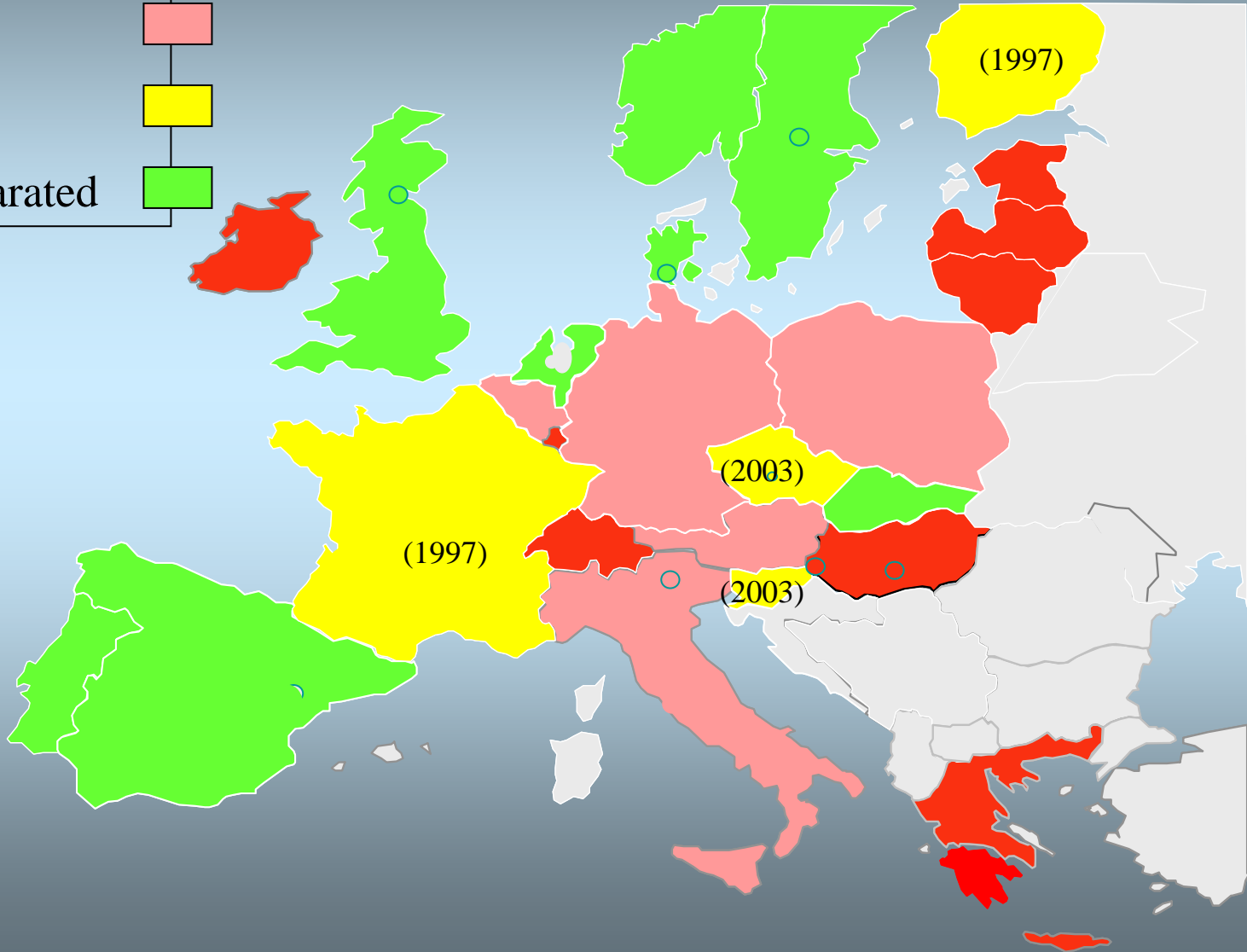
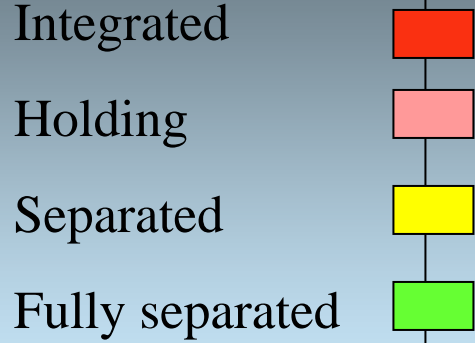
Where do we stand ?



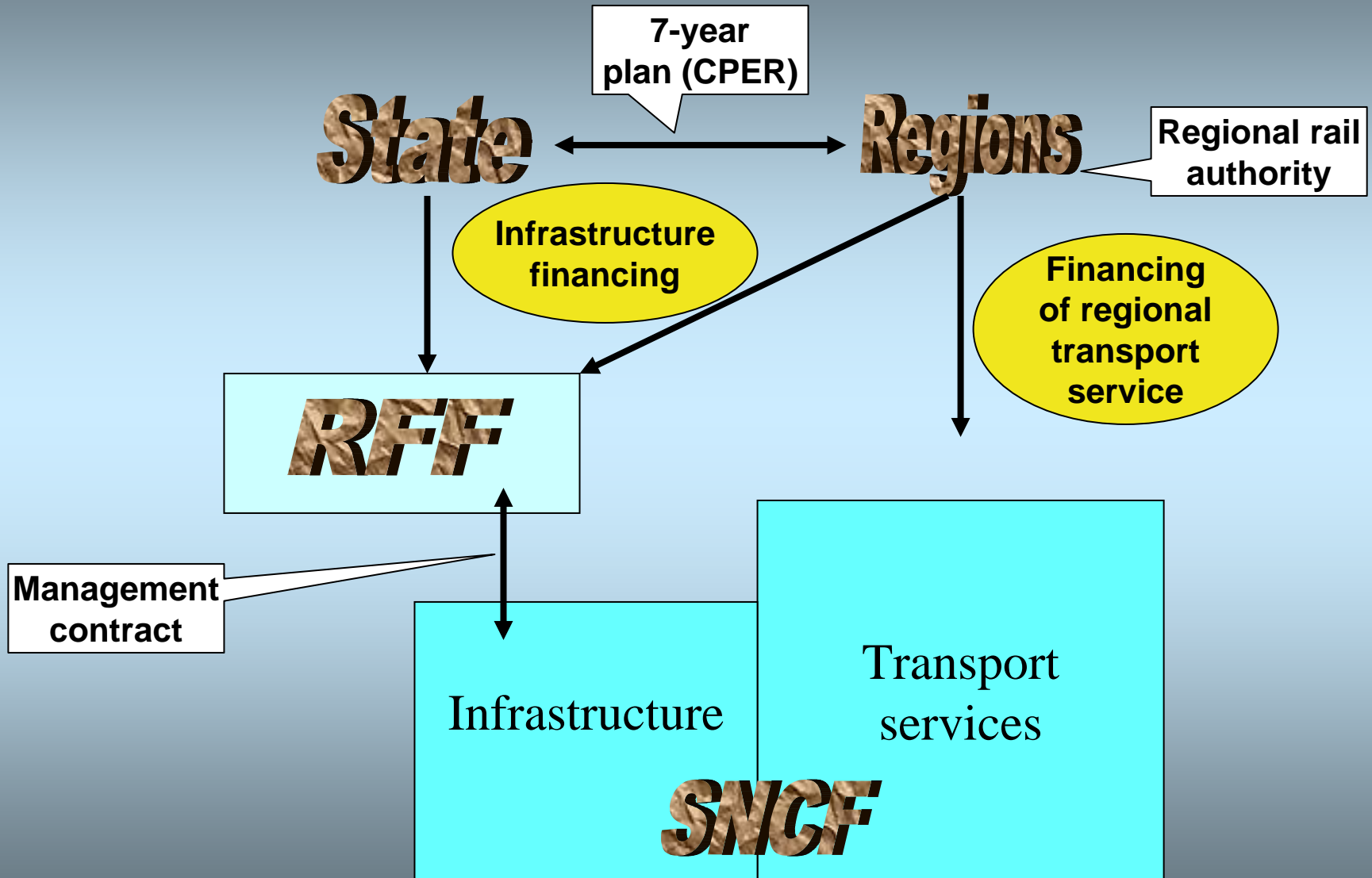
A SNAPSHOT OF RFF

- ▶ **State-owned company (EPIC)** created by the law of 13/02/1997
- ▶ **We own the French Railway Network.**
 - 29,000 km of lines, of which 1500 km of high speed track
 - 50% of the lines are electrified.
 - 110,000 hectares of land,
 - 4,000,000 m² of buildings.
 - 1320 tunnels in operation.
 - 30,000 railway bridges.
 - 19,000 level crossings.
- ▶ **700 Employees**

Railway organisation in Europe



Financial flows: the partners



Financial flows: the principles

INHERITED DEBT : paid by the tax-payer

 **RFF receives 730M€/year (2006) from the State**

MAINTENANCE: the user-pay principle

 **Rise in infrastructure fees (offsets a decrease in state contribution to infrastructure costs)**

RENEWAL : subsidised by the tax-payer

 **RFF receives 970M€/year (2006) from the State**

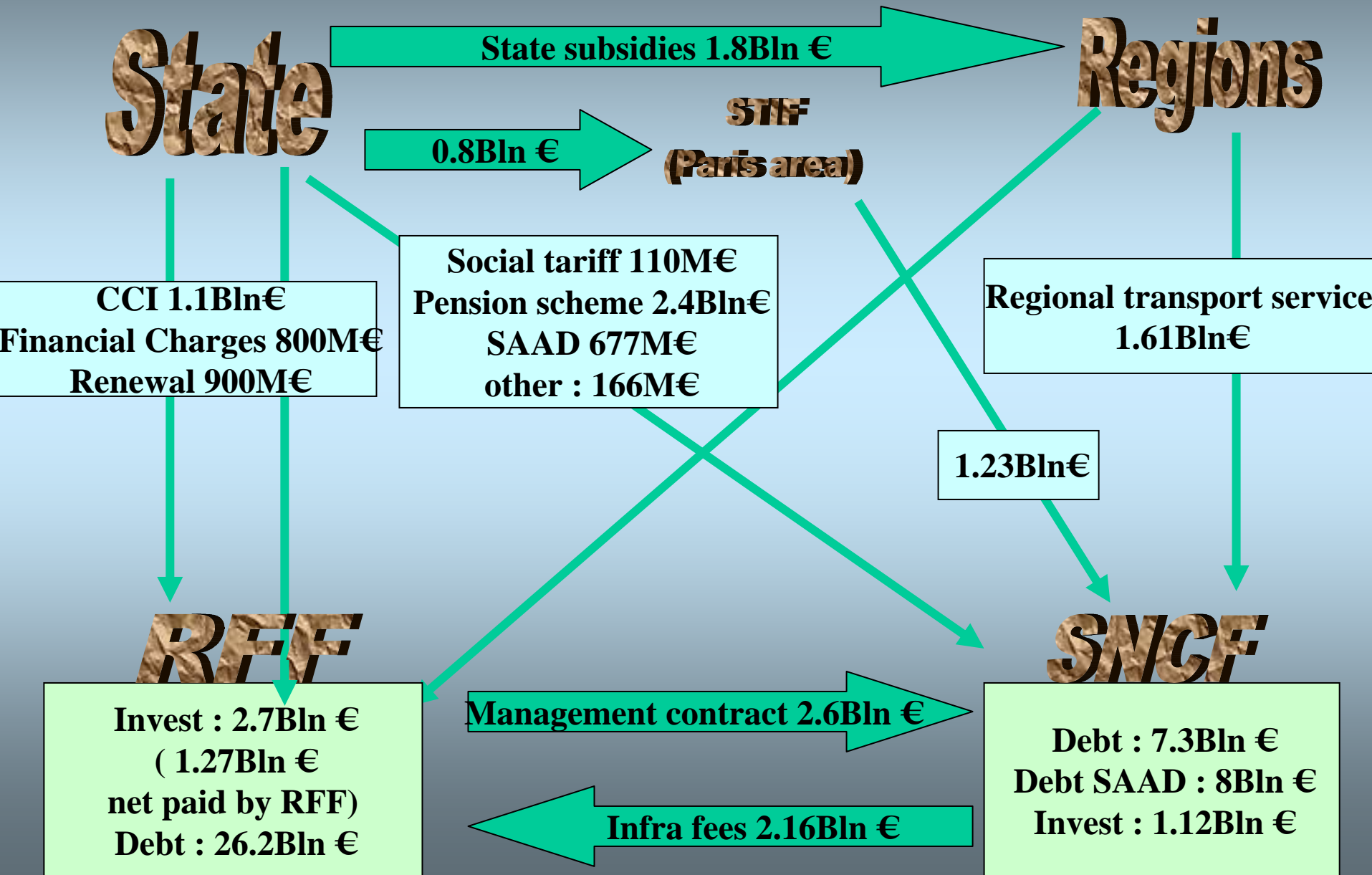
DEVELOPMENT : « self financing » (Art. 4)

 **Public funding diversified: State, Regions, Local authorities**

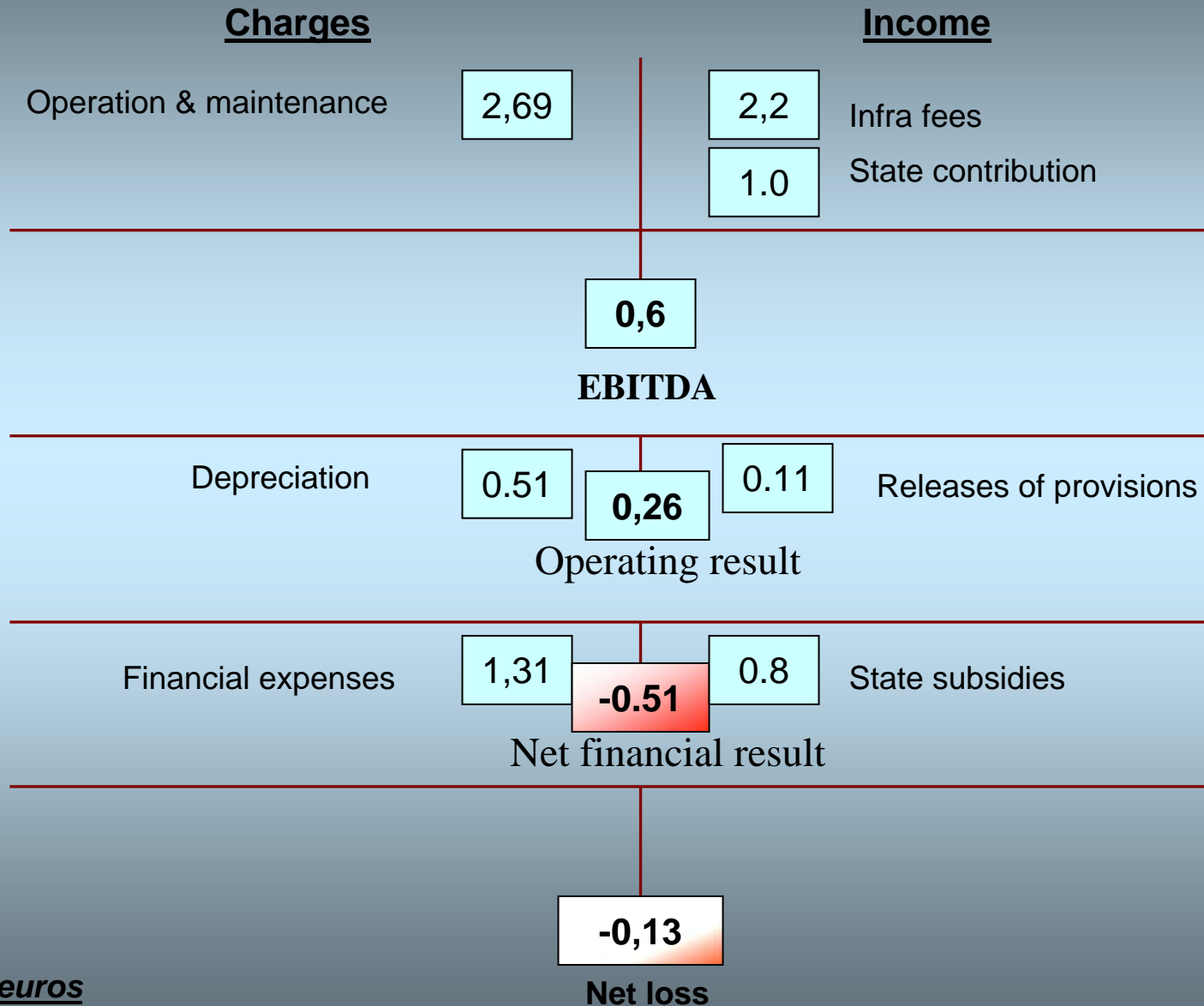
 **User's contribution to refund RFF's investment**

 **RFF invests more than 1500M€/year**

Financial flows: general overview (2004)



P & L ACCOUNTS 2005

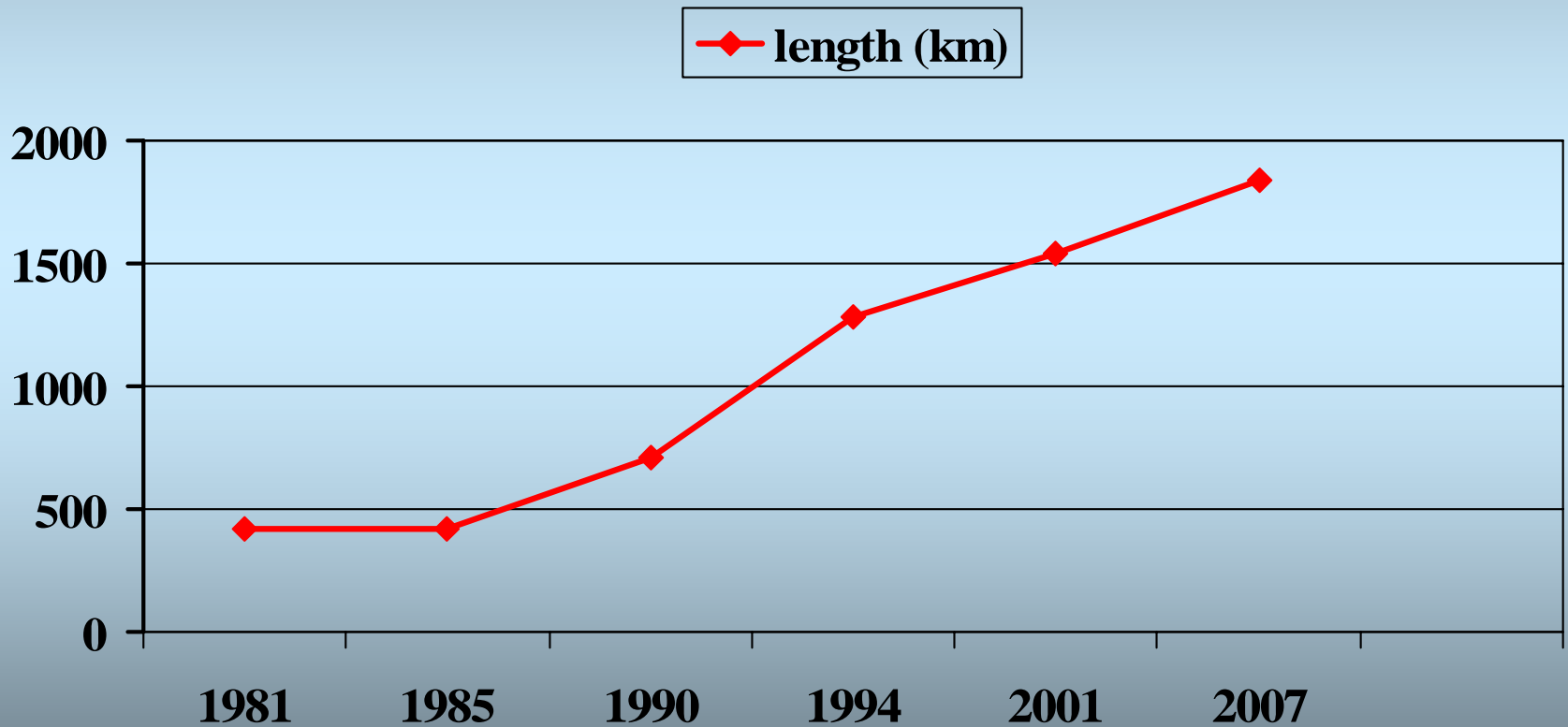


Billion euros

How the network is used

Groupe UIC	Longueur de Ligne		dont LTER (SRV>65%)		Usage (train x Km)				dont LTER (SRV>65%)
	Km	%	Km	%	GL	IDF	Fret	SRV	
1	19								
2	1 140								
3	3 616	30%	11	1%	81%	80%	81%	45%	6%
4	3 748		94						
5	3 548		328						
6	3 435	25%	1 096	16%	17%	19%	16%	30%	31%
7	2 340		1 589						
8 } AV	3 985	32%	3 350	83%	2%	1%	2%	25%	63%
9	2 632		2 363						
7	158								
8 } SV	526	13%					1%		
9	2 903								
TOTAL	28 050		8 830		36%	11%	26%	27%	10%
		100%		100%	100%				

continuous growth of the high speed
network in France
for more than 25 years



Where do we go ?

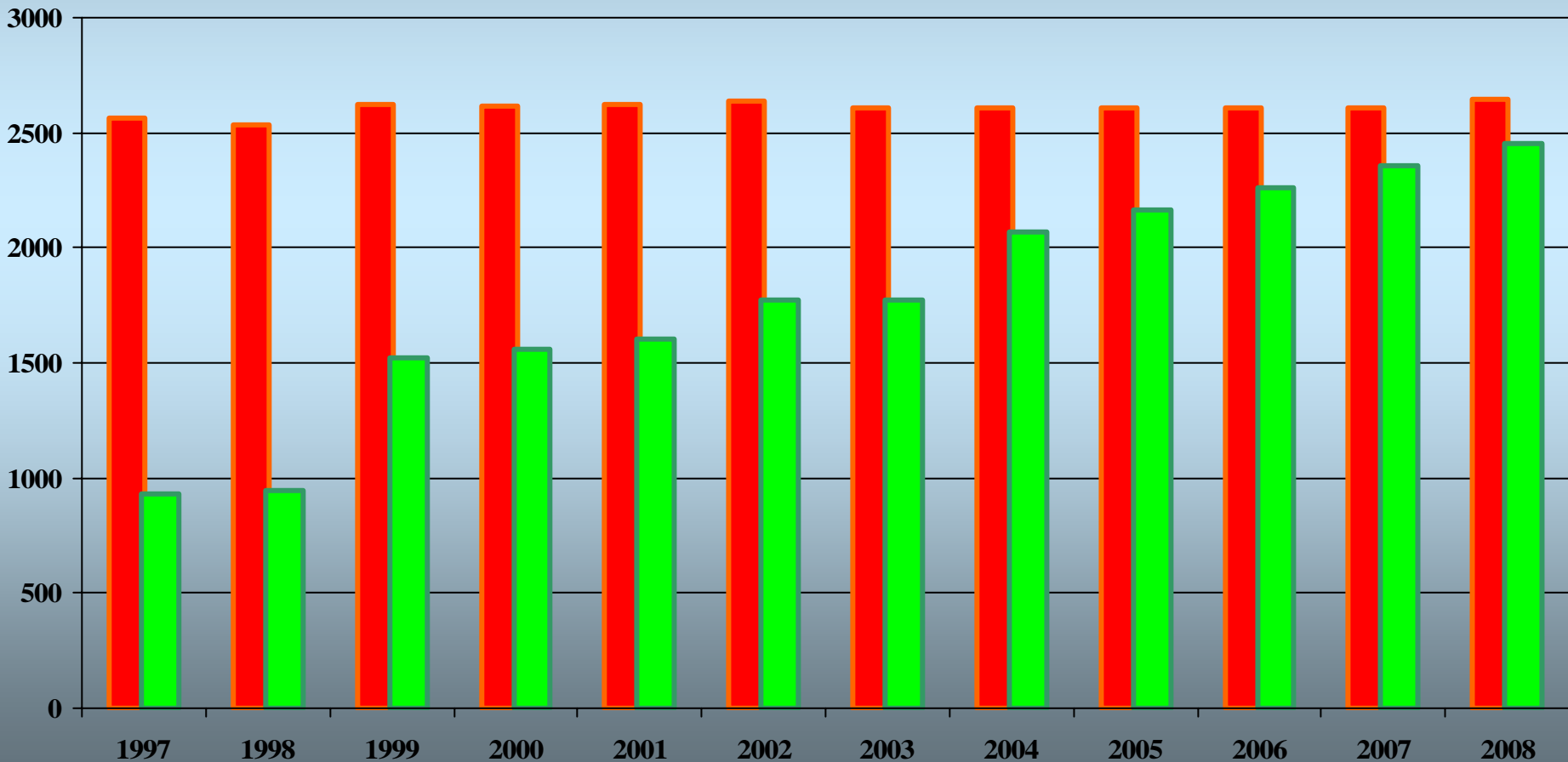


Some key challenges

- **Our customers:** to improve the quality of infrastructure services
 - Marketing for access : European rail freight corridors
 - Charging policy : a case for HSLs
 - Regional authorities: a case for the secondary lines
- **An industrial tool :** to increase its performance
 - A right balance between heavy and day-to-day maintenance.
 - Asset's intensity: time-table policy, modernisation.
 - Productivity: management contract with SNCF
- **The government policy :** to cope with the development program
 - Innovation: PPPs (the high speed network to double by 2025)
 - Legitimacy: public debates
 - Environment: looking for performance.
- **The financial sustainability:** the debt.
 - Pluriannual agreement : public fundings in line with outputs required.
 - « Article 4 » : a common reference to all shareholders

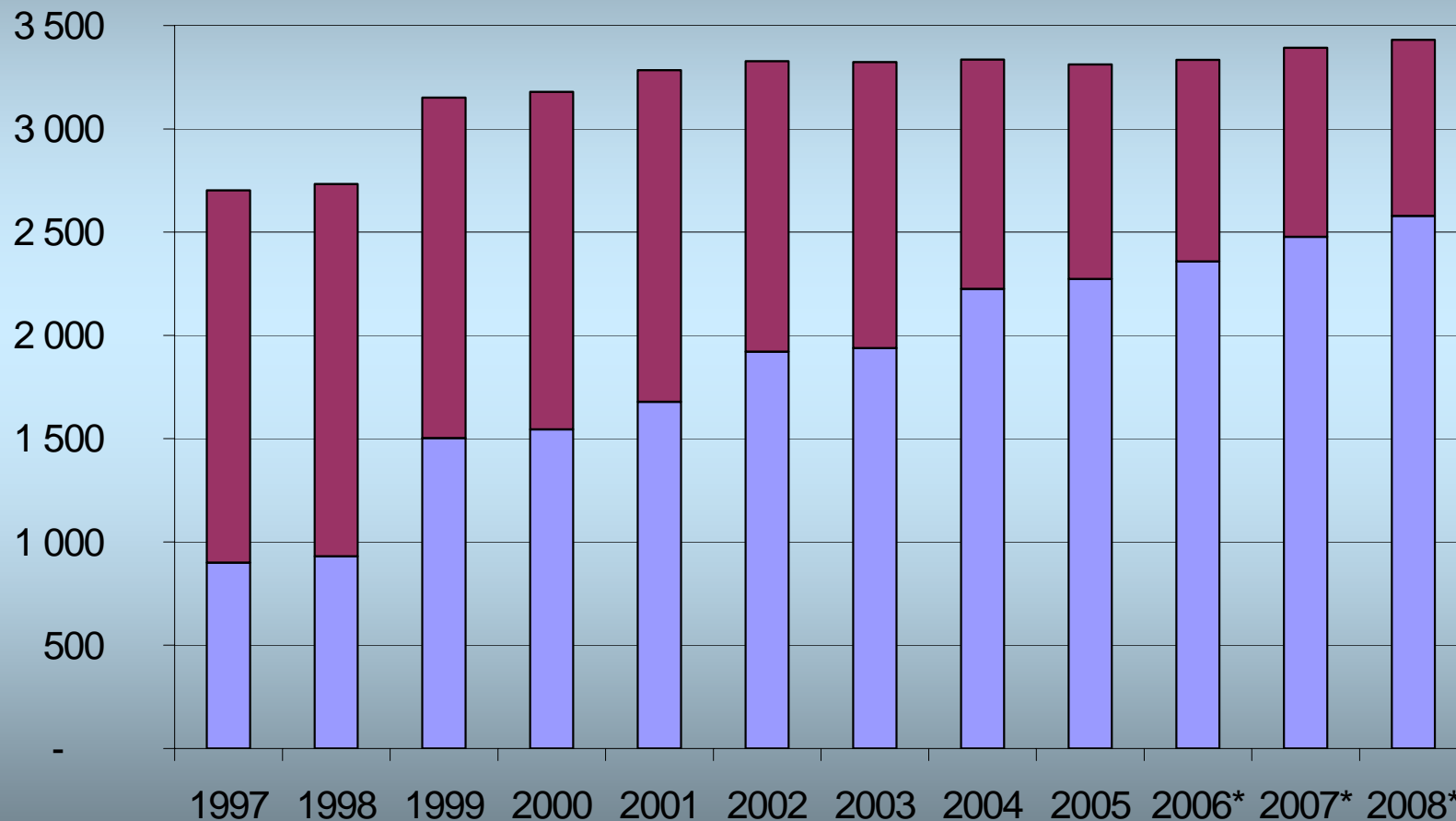
covering day-to-day maintenance and operation costs with infrastructure fees

■ maintenance cost **■ infra fees**



public subsidies (CCI) are being reduced in proportion to infrastructure fees increase

En M€ courants



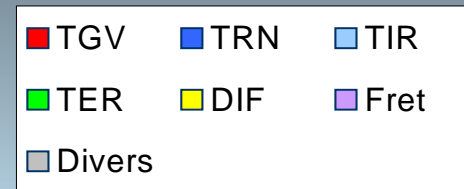
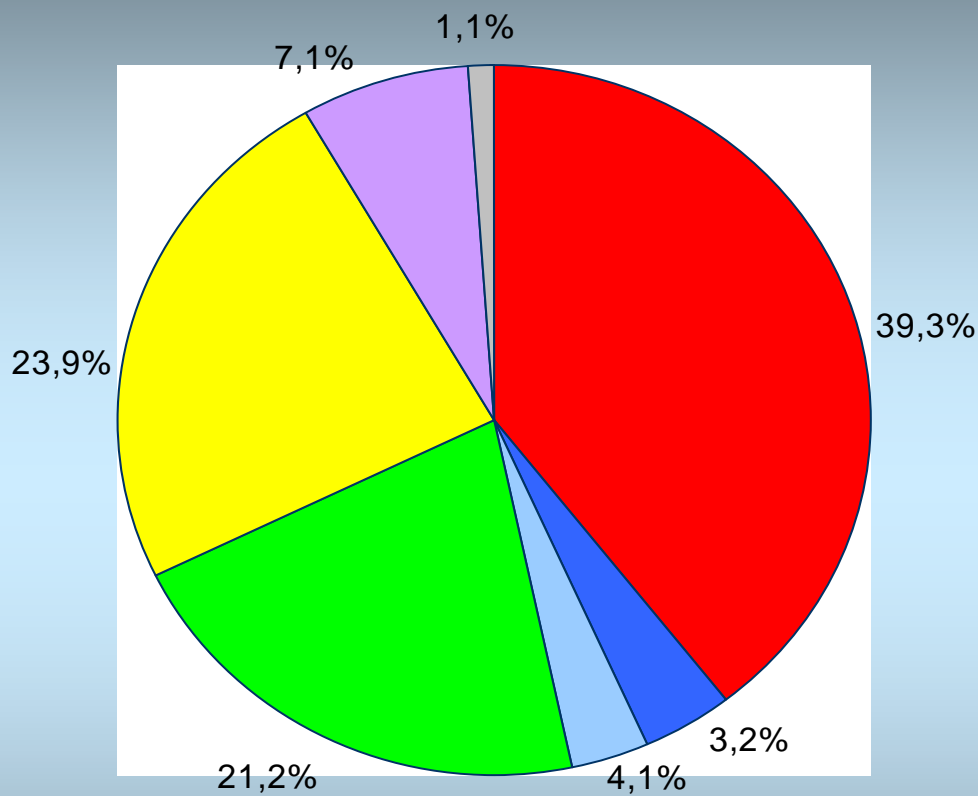
■ Contribution de l'État aux Charges d'Infrastructure
■ DA, DRS, DRAG, DC et RCE

* estimation, hors LGV Est européenne

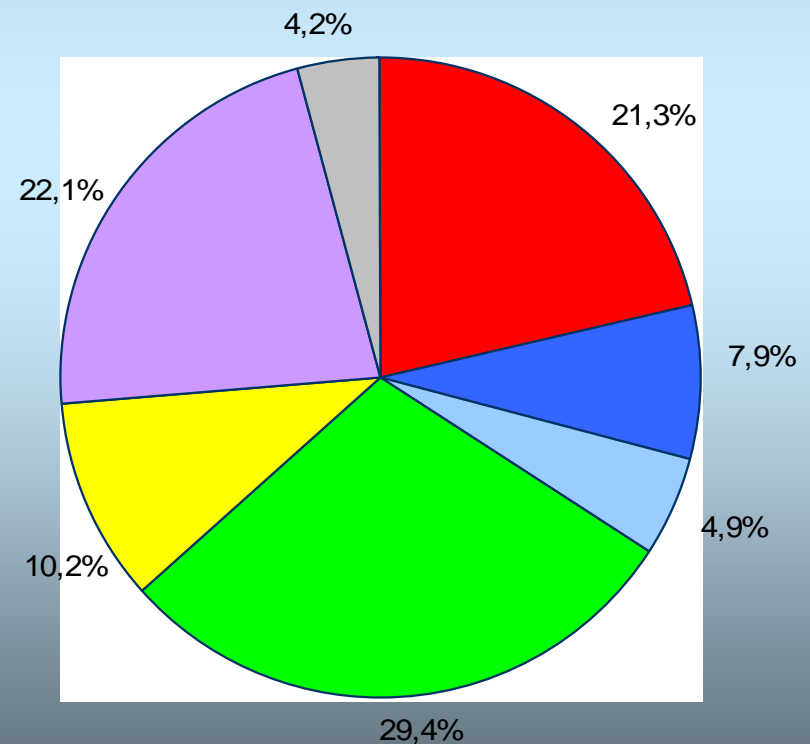
CHARGING: KEY FEATURES

- ▶ Transparent, non discriminatory
- ▶ Composed of
 - access charge
 - charge for reservation of capacity
 - running charge
 - charge for additional services
- ▶ Monthly invoice

Revenues per activities (2005)



• Trains-kilomètres en 2005



• fees 2005 : DR, DC, RCE, PC 1, 2, 3 et 5

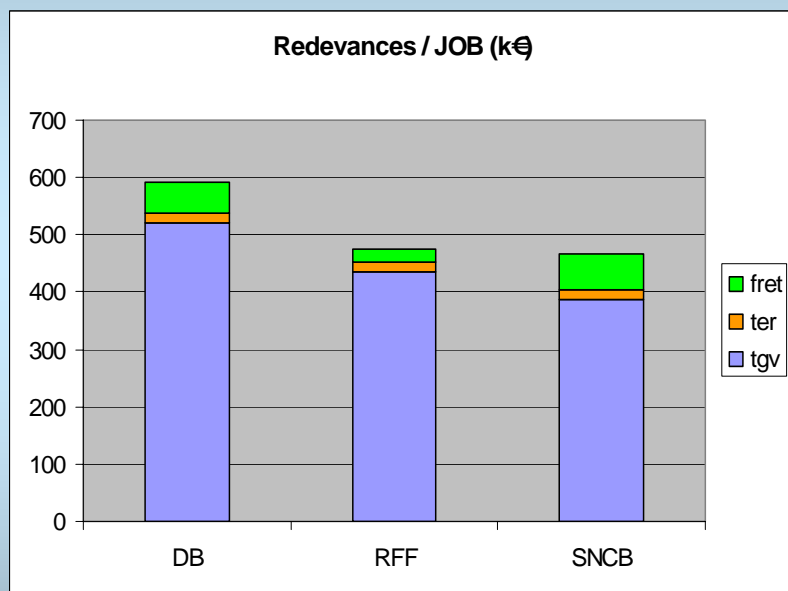
benchmarking

Level of infrastructure charges

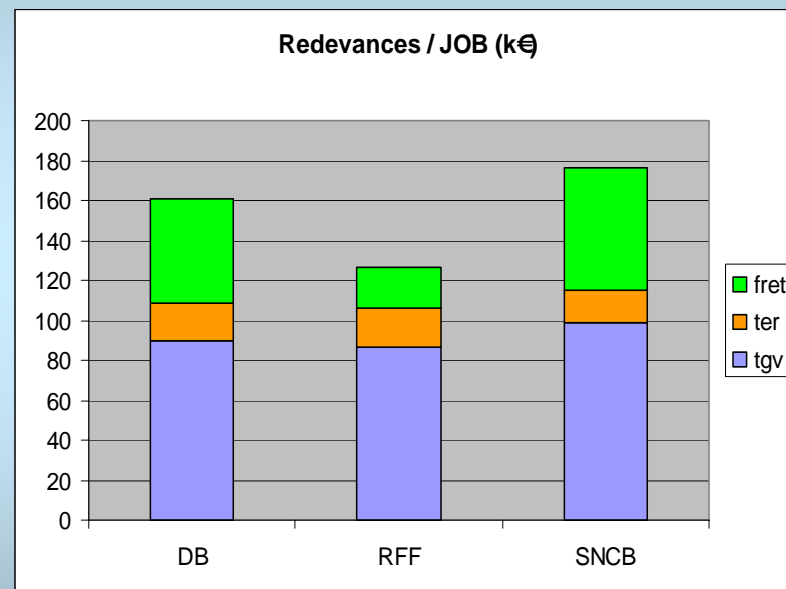
A working day (Thursday 18 March 2005) on the axis Massy-Bordeaux

reference : Germany (2005), Belgium (2005), France (2006)

Overall itinerary



conventional line only



> Freight : RFF's fees are lower

> Regional passenger trains : level of fees is similar

> High speed trains :

- on the overall itinerary (incl. HSL) : fees are higher in Germany

- on the conventional network : level of fees is similar

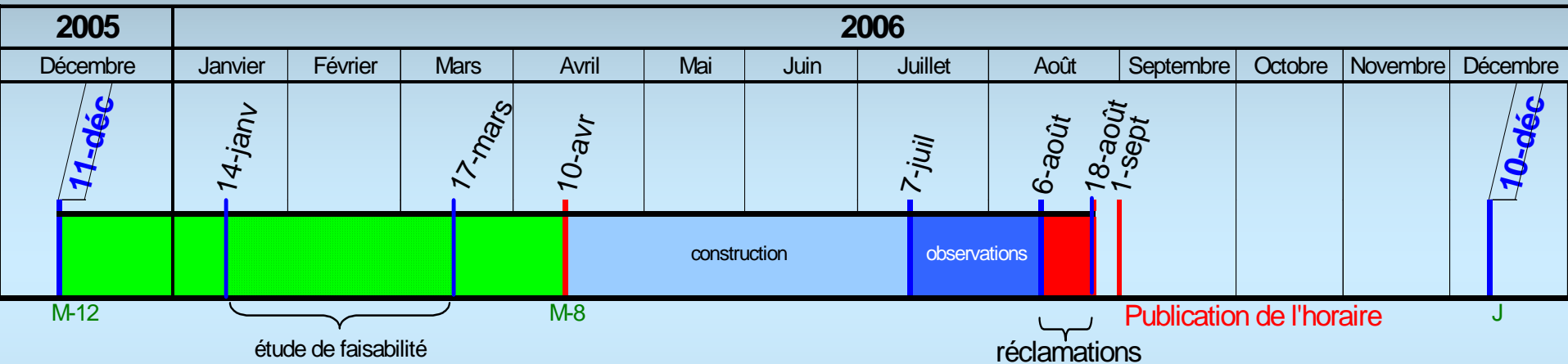
CAPACITY ALLOCATION



Meeting the customers' demand

- Since March 2006: **free access** for freight trains.
 - licence and safety certificate compulsory
 - granted by the Ministry of transport.
- The market is **gradually** opening
 - SNCF remains the major customer.
 - Other RUs are operating on the network (or will be soon):
 - CFTA Cargo / Veolia - running
 - EWS - running
 - B Cargo / SNCB – running soon
 - CFL (safety certificate)
 - Rail4Chem (safety certificate)
 - Europorte 2 (safety certificate)

Network statement published every year in French, English and German
 Accessible via internet site and CD-ROM with every necessary information
 (network characteristics, access conditions and fees)



2 types of paths

- pre-constructed (+ RNE catalogue path for international paths)
- taylor-made

Calendar (2007 timetable)

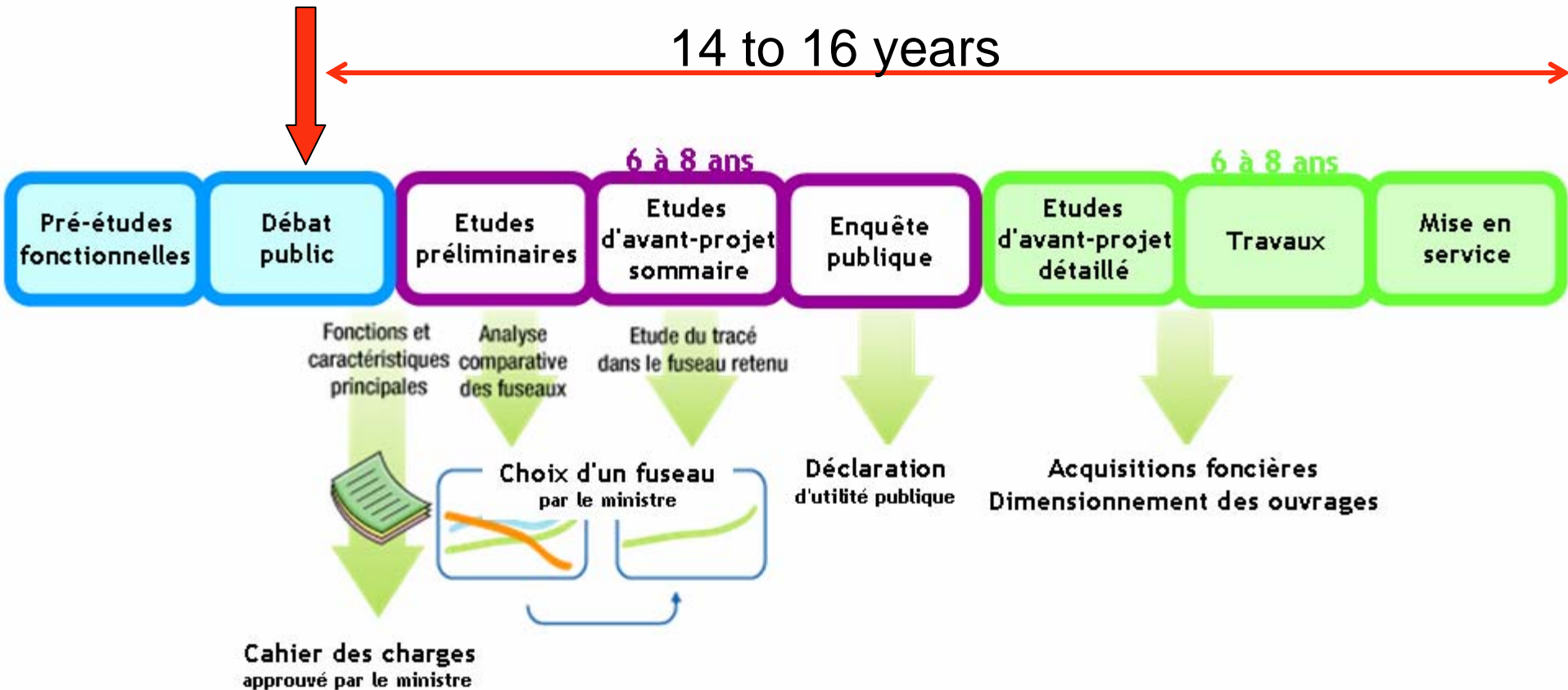
- Dec. 2005 to Apr. 2006 : paths requests
- July 2006 : communication by RFF of draft timetable
- Aug. 2006 : deadline for remarks on timetable by applicants
- Sept. 2006 : timetable is fixed and made public

DEVELOPMENT



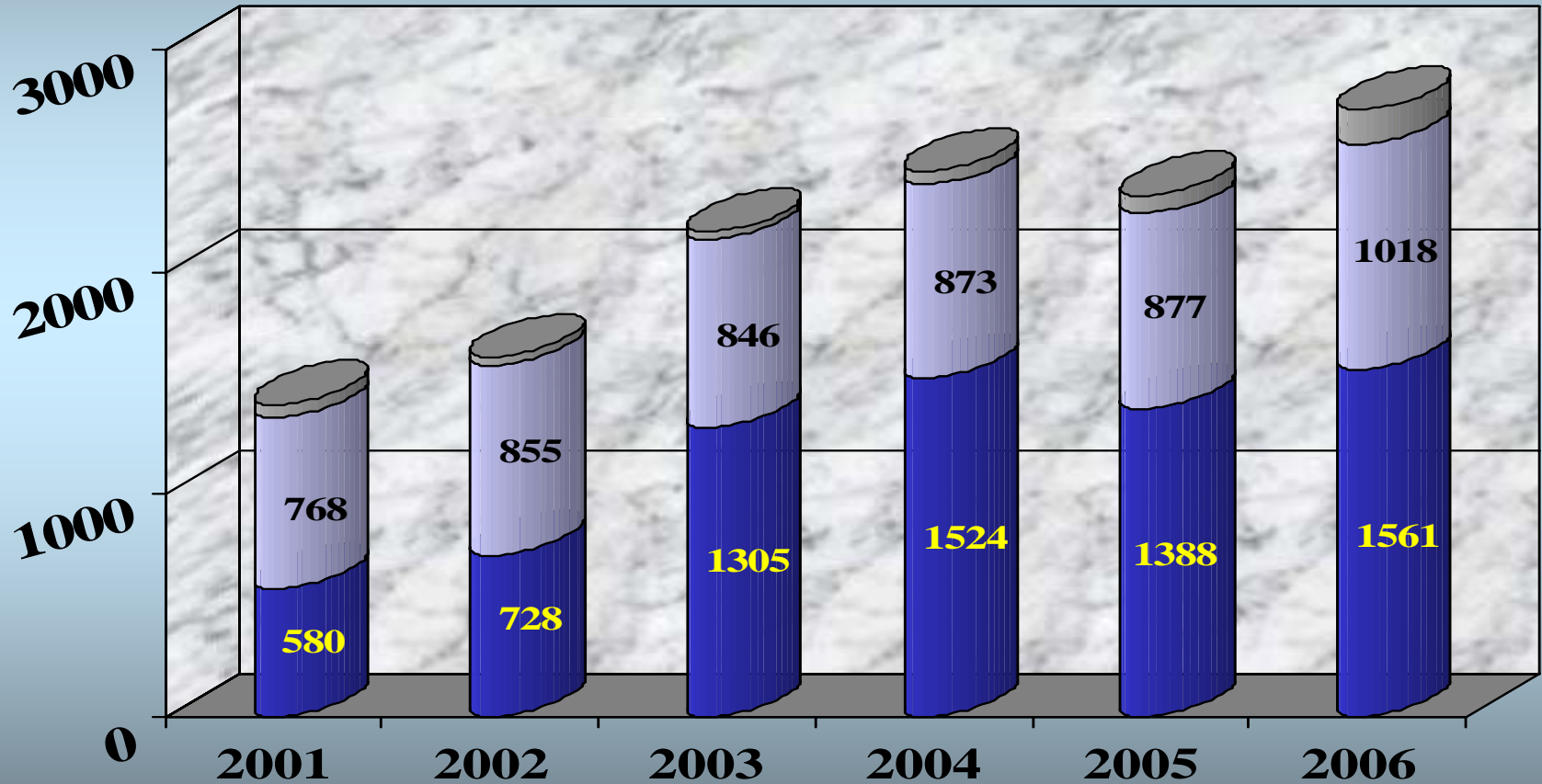
Development means long cycles of maturation

A project : at the heart of a public policy



Investment : steady increase

Million euros



Lessons drawn from the past

RFF « self-financing » rules

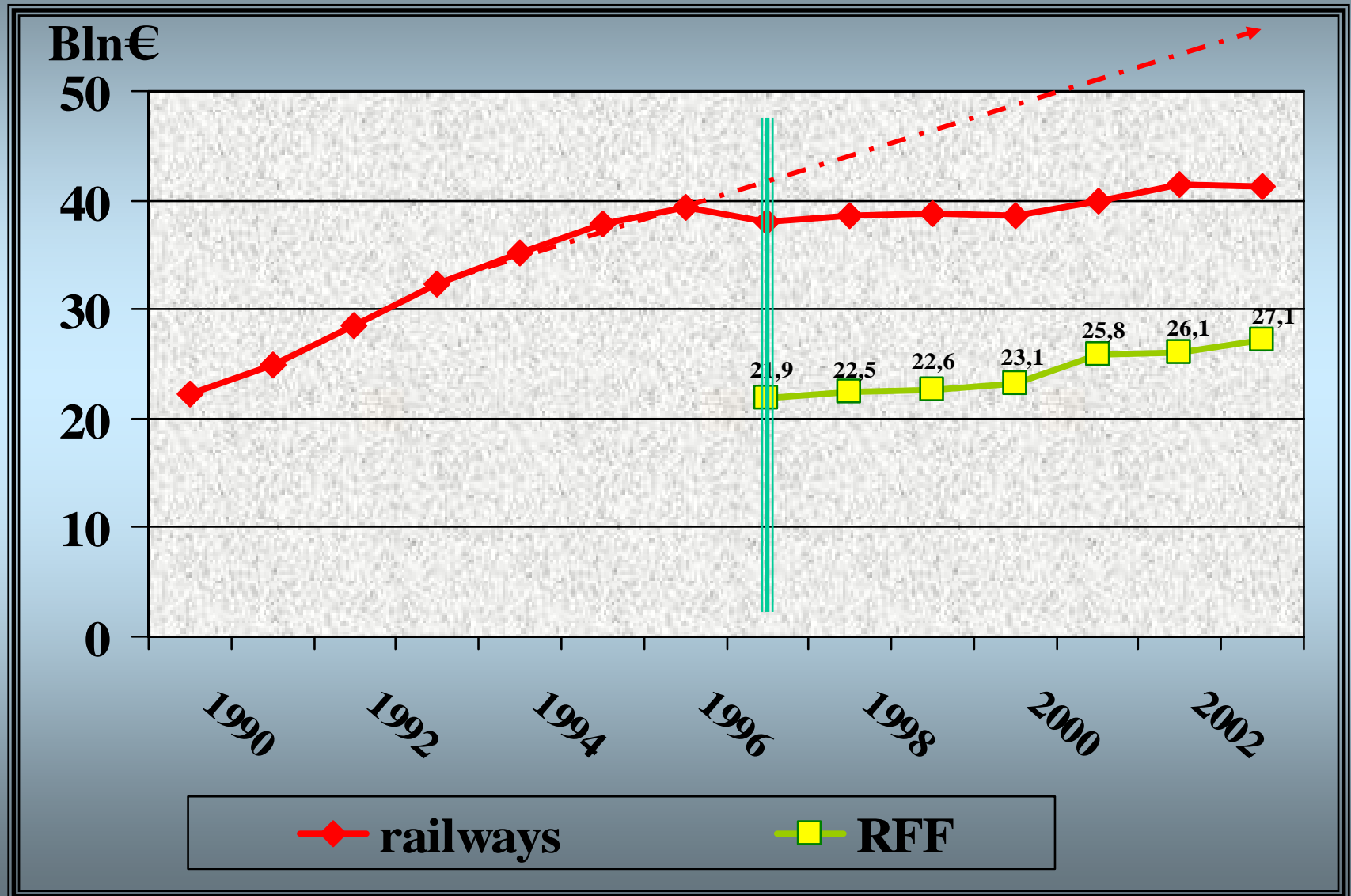
1 - According to Law, RFF cannot accept an investment plan

- which may have a negative impact on its accounts.
- unless there is a financial contribution from other sponsors.

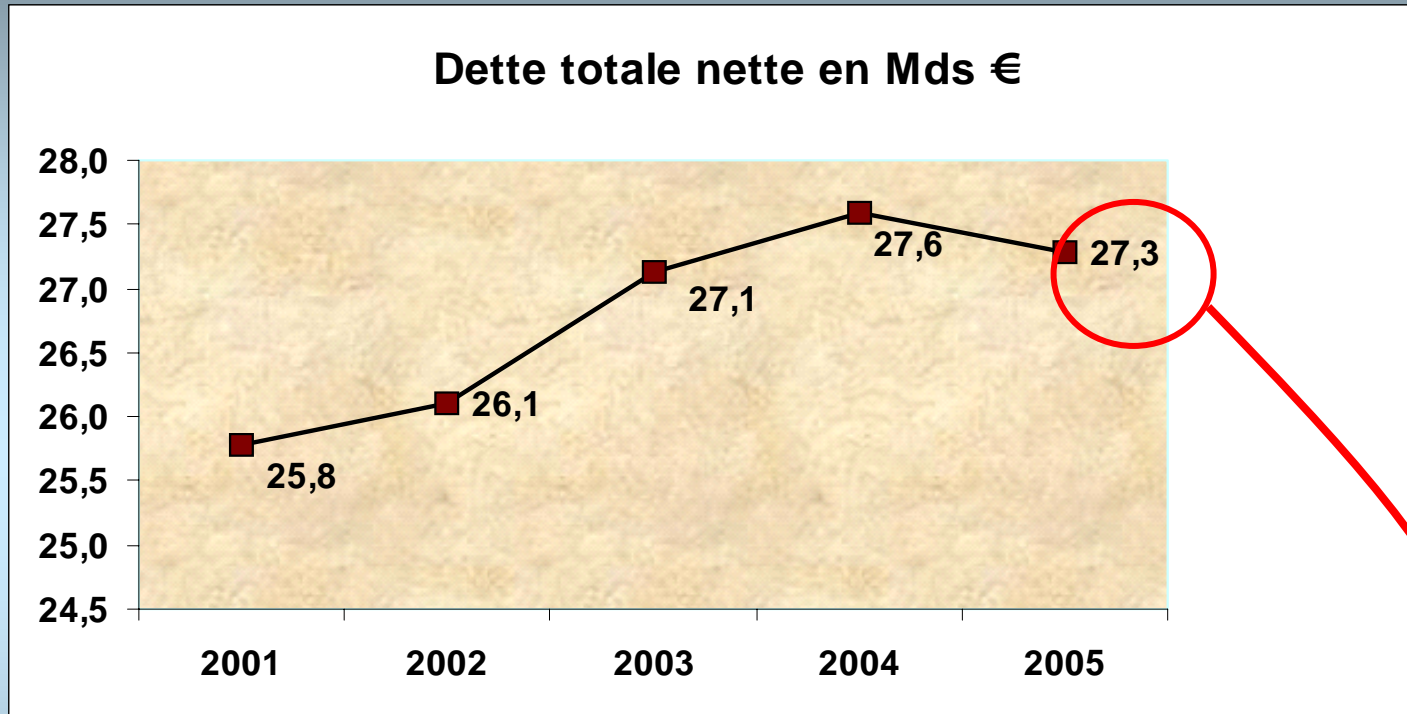
2 - RFF must collect the funds (State, EU, Region)

<i>in bln € (98)</i>	LGV Med	LGV Est
Total cost	3.81	3.12
RFF	3.43	0.73

a relative stabilization of the debt since 1997



but still some question marks



-« inherited » debt to be refunded by public subsidies and cash flow:

Question : at which pace ? Extinction of this debt expected by 2030.

-debt based on investment to be refunded by the activities:

Question : quality of the risks assumed under Article 4 ?

