



# **ESSENTIAL FUNCTIONS BODY**

## **Prime-ENRRB Charging Workshop**

**Brussels, 3<sup>rd</sup> February 2017**



## Essential Functions Body

Irish Rail is one of three subsidiaries of CIE. The rail network is vertically integrated – Irish Rail performs the functions of the Infrastructure Manager (IM) and the Operator (Railway Undertaking), RU through two separate divisions. Under EU law the Essential Functions Body is required to have oversight over capacity allocation and access charging.

The Essential Functions Body is located within CIE and is provided by a single person appointed by CIE.

In Ireland, there is limited scope for competition. The network is largely isolated and relatively lightly used. There is some potential for rail freight operations. Heritage/charter operations and their Intercity service between Ireland and Northern Ireland connecting Dublin and Belfast.



## Essential Functions Body

- The EFB approved a variable usage track infrastructure charge of .0076 euro per gross tonne kilometre operated for passenger and freight.
- A variable use DART traction power charge of 0.001 per gross tonne kilometre operates.
- Fixed track access charge for passenger services.

The track access charges in respect of the regular Dublin-Belfast Enterprise services are administered as part of the regular schedule of services as set out above.



## Essential Functions Body

### Minimum Access Package

- The Minimum Access Package tariff covers the right of access, the right to make train path reservations and the right to run trains on the railway infrastructure.



## Essential Functions Body

### Services for exceptional transports and dangerous goods

- The capacity application process associated with exceptional transports and dangerous goods is covered as part of the Minimum Access Package charge.



## Essential Functions Body

### Charging System

The tariff applied to services operating on the network is based on the following principles:

#### Variable Usage Track Infrastructure Charge

Covers the infrastructure manager's operating, maintenance and renewal costs that vary with traffic. In economic terms it represents the short run incremental cost. The variable usage charge is paid by all railway undertakings that use the Irish rail network. There is a single common charge rate throughout the entire Irish Rail network.



## Essential Functions Body

### Variable Usage Traction Power Charge:

Covers the infrastructure manager's operating, maintenance and renewal OHLE costs that vary with traffic. In economic terms it represents the short run incremental costs. The variable usage charge is paid by all railway undertakings that use the OHLE system.



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### Fixed Track access charge:

The fixed access charge recovers the infrastructure manager's residual funding requirement as a mark-up applied after estimating the income from all the variable track access charges, station access charges, infrastructure manager multi annual contract grants and other incomes. It is only paid by franchised passenger railway undertakings on an operator-specific ability to pay basis.





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### Freight only line charge

This includes a variable usage track infrastructure charge along with a fixed track access charge on an operator-specific ability to pay basis. The fixed track access charge component will not be applicable until post 2019.



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### Performance Scheme

The performance scheme seeks to “*encourage railway undertakings and Iarnród Éireann infrastructure manager to minimise disruption and improve the performance of the railway network*”.

The performance scheme is based on a monitoring and recording system whereby delays and performances affecting failures will be monitored and causation allocated to the relevant parties. The system will be transparent and an appeal process will be available to railway undertakings.

Incidents of delay are assessed on a case by case basis for the duration of the Access Agreement. The thresholds for recording of delays are as follows:

- Passenger services which arrive at destination 5 or more minutes late
- Freight services which arrive destination 30 or more minutes late



## Essential Functions Body

### Performance Scheme – cont'd

The operation of the performance regime is based upon the following principles:

- All recorded minutes, excluding force majeure causes, are attributed to either the infrastructure manager or Railway Undertakings on a daily basis
- All recorded minutes attributed to the infrastructure manager or railway undertakings are assigned a financial value by service group, based upon the Marginal Revenue Effect (MRE) formulae.
- The net financial impact of the performance regime between the infrastructure manager and railway undertakings is invoiced on a period basis.