

Keys to the Development of International Passenger Rail in Europe

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INTERNATIONAL TRAFFIC POTENTIAL

Travel times from Paris design a different map of Europe

Origin



Paris

Links

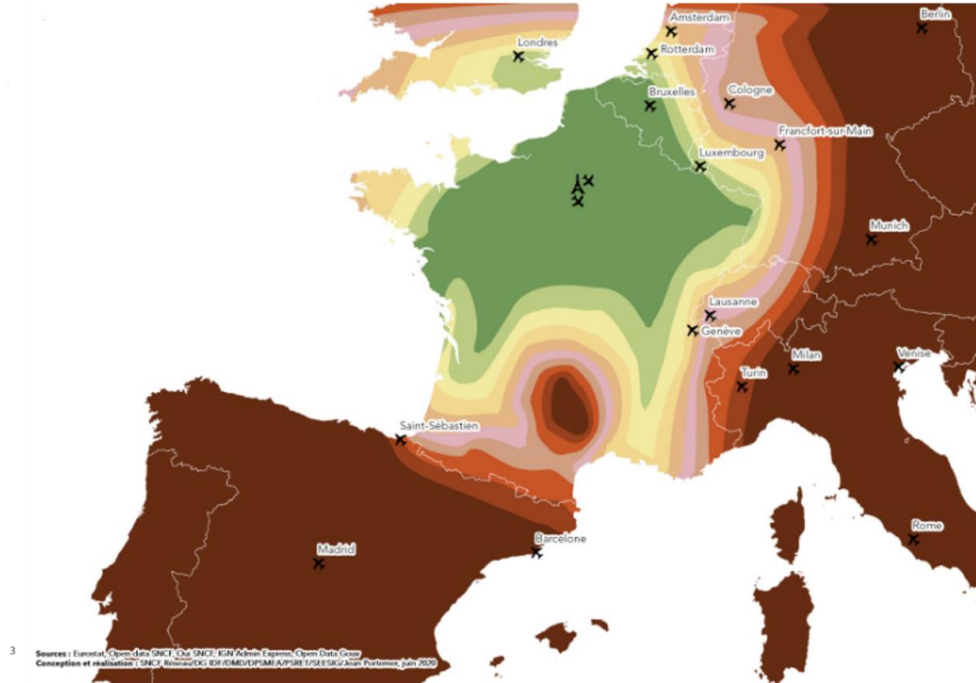


Paris airports



European destinations

Estimated travel time



WHERE DOES INTERNATIONAL PASSENGER TRAFFIC STAND TODAY ?

International trains in France make up for almost 24% of HS rail traffic

INTERNATIONAL TRAFFIC IN FRANCE FOR HIGH SPEED RAIL (million train-km, 2019)



INTERNATIONAL MARKET ANALYSIS

Two different networks producing two different models

NORTHERN EUROPE & FRANCE

- **A network of interconnected HSLs**
 - *LN3, Channel Tunnel, HS1 (UK), HSL Zuid (Neth.), HSR in Belgium...*
- **... serving a large and mature market**
 - *Paris - London : 11 millions passengers in 2019*

MEDITERRANEAN COUNTRIES & FRANCE

- **Longer travel times ...**
 - *A non continuous network of HSLs*
 - *A strong competition from the airlines*
- **... yet a market expected to grow**
 - *Boosted by competition*
 - *With an economic model where international traffic is completed by a domestic offer*

WHAT DOES THE MARKET REQUIRE FROM IMS?

Interoperability, frequency, travel time

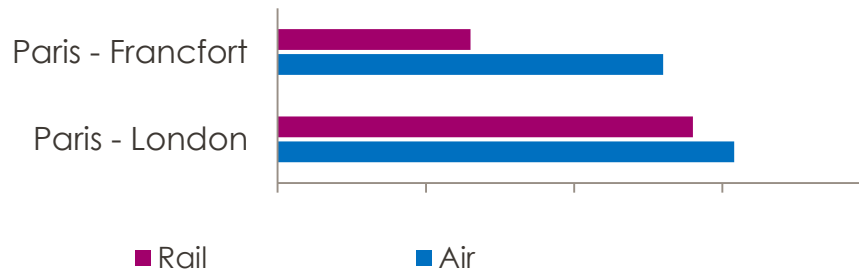
TECHNICAL CONVERGENCE

- Removal of technical barriers for an improved *interoperability*
- **Capacity**
 - Access to the main stations
 - Train path availability during peak hours

INCREASED RAIL FREQUENCY AND IMPROVED TRAVEL TIMES

- *Frequency* is a key factor for modal choice
- ... while *offer* is still missing on certain links (eg. Paris-Francfort...)

Compared numbers of trains and flight daily



THE ONGOING DEBATE ON TRACK ACCESS CHARGES

Infrastructure development is based on a range of different models

- Track access charges and / or public subsidies
- Public Private Partnerships bring in a further diversity of models
- Harmonisation of the level of charges may not be a necessity for a B2B market

Track access charges make it possible for IMs to invest in interoperability



- SNCF Réseau is currently investing in ERTMS between Paris and Lyon (820 M€).
- This is mainly funded by track access charges, partially by EU subsidies (124 M€).

THE ONGOING DEBATE ON TRACK ACCESS CHARGES



New entrants demand visibility and stability

- SNCF Réseau adopted a multi-annual track access charges system for 2021-2023.
- During this period, the price of TAC will be indexed on the overall rate of inflation



Incentives for new services

- TAC discounts can encourage new rail services (art. 33 of directive 2012/34/EU).
- A discount from 10 to 20% of TAC mark-up for new high speed services in France