

NL RailMarket Regulation

From: unbundling to system integration ?

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Outline

- (I) NS after 20 Years of Liberalisation
- (II) The Dutch Mixed Market Regulation Model
- (III) Trends & System Integration

(I) Facts & Figures: NS Key financial ratios

- (in millions of euros)

Revenue		3,271
Result from operating activities	150	
Profit for the period		116
Returns (ROI)		5 %
Passenger volume (in millions of p/km)	16,315	
Punctuality		92,8%
Staff (FTE at year end)		30,068
Rating (actual)		AA-

(annual report 2010)

(I) Facts & Figures : NS Governance

- NS is a legal entity (N.V.) & NS is a TOC
- NS shares 100% owned by the State (Ministry of Finance)

- However:

no state-representatives in the Board/Supervisory

Board of NS (ARM'S LENGTH) but:

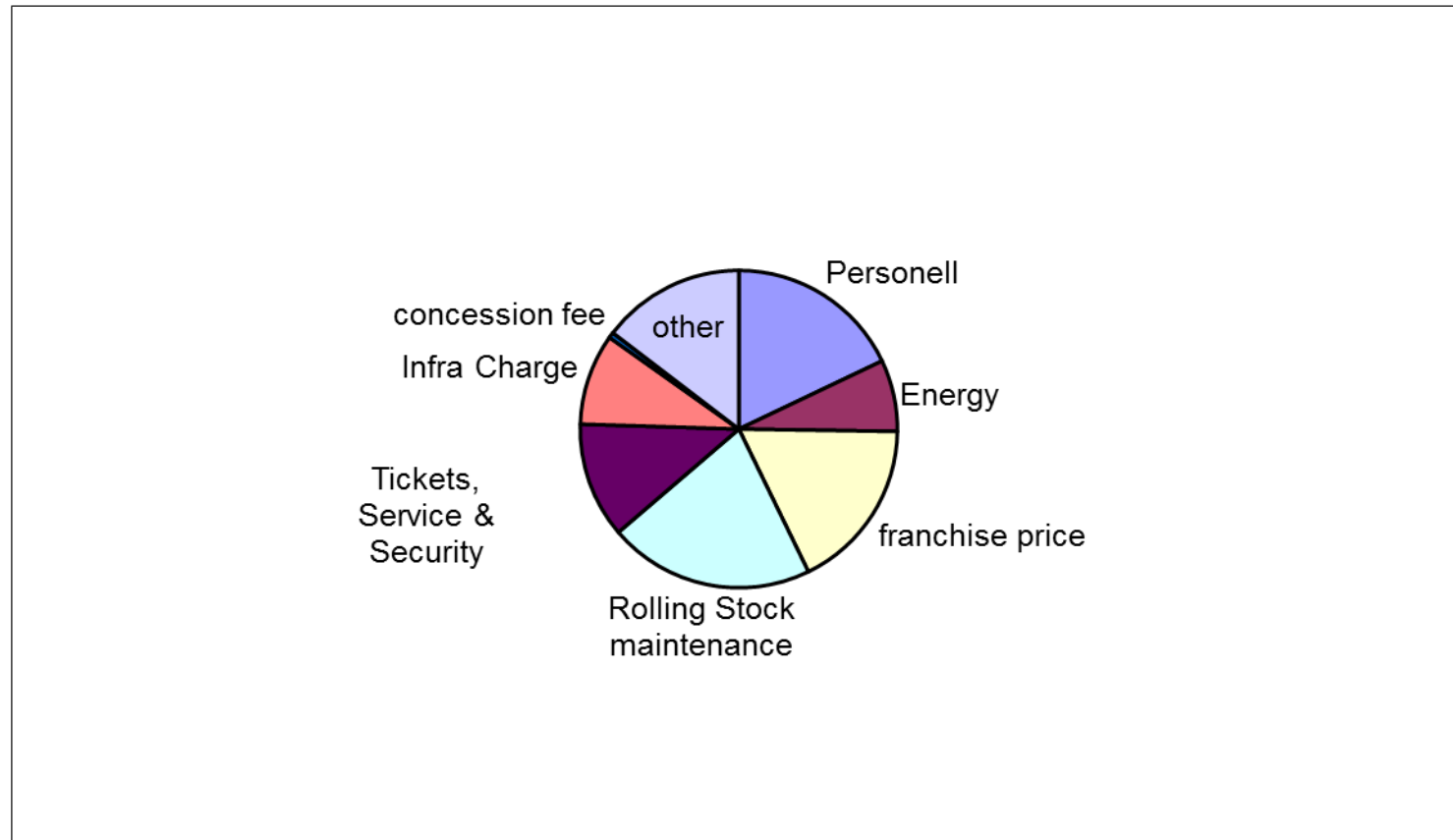
- a. approval by the State of decisions above

threshold of circa 1 billion Euro

- b. State: right to dismiss entire Board/SB

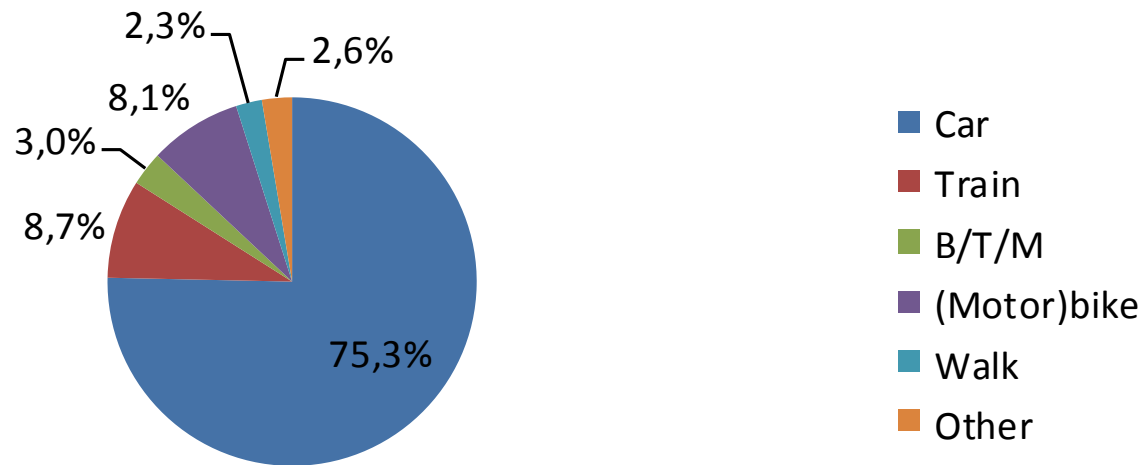
= DELICATE BALANCING ACT

(I) Facts & Figures: NS costs (2010)



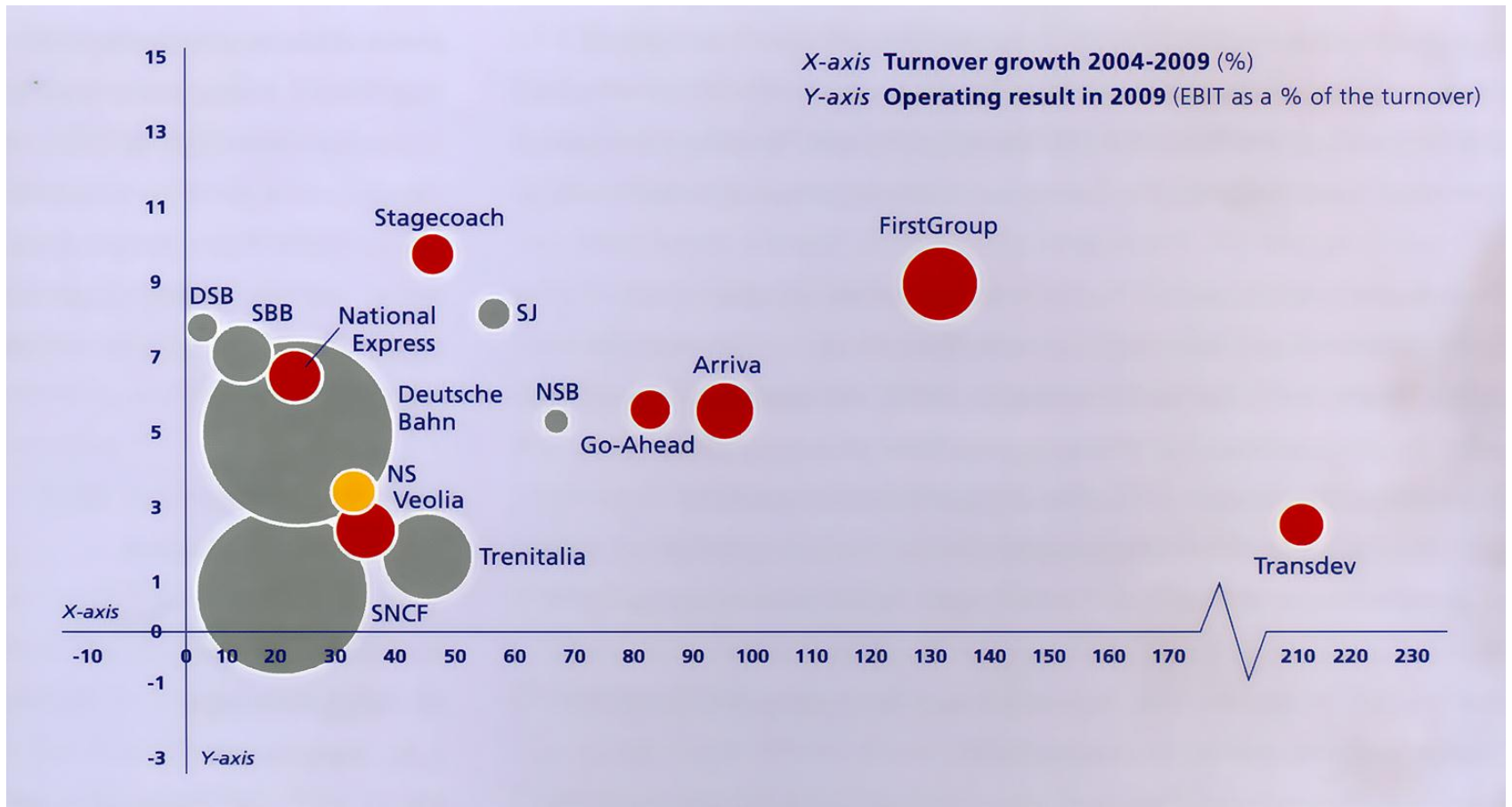
(I) Facts & Figures: NL Modal split - 200 miljard p/km

Modal split 2009 (rkm's)

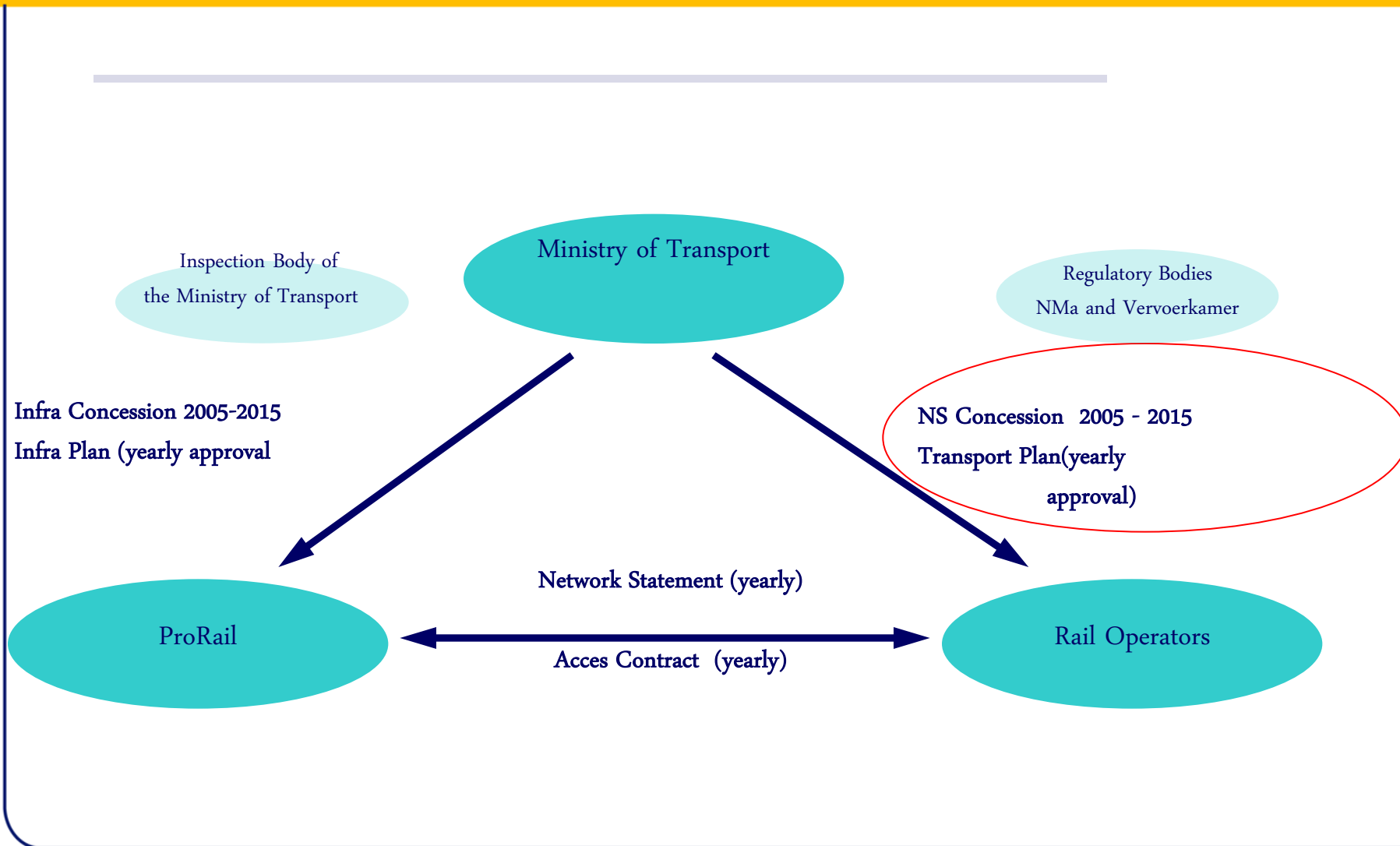


(I)Facts & Figures: Growth/Profitability in an EU context

(2010 prior to mergers Transdev/Veolia, DB/Arriva)



(II) NL Market Regulation Triangle Model



(II) 20 years of Liberalisation in NL

- Complete unbundling NS (1995)
- Regionalisation of responsibilities/funding Public Transport (1996-1998) - First experimental regional concessions 1998 -1999 (Syntus & NoordNed)
- Act on Public Transport 2000 (incl. Act on Concessions)
- Rail Act (2004) and a formal Rail Act Evaluation (2009)
- Parliamentary Inquiry (2011- 2012) :

Rethinking Liberalisation Models

(II) 20 years of liberalisation in NL

- Competition for the Dutch Rail/Multi Modal Concessions:

Rail Operators active/concession operators (2012)

Arriva, Veolia Transport , Connexxion, Syntus, HSA,

DB Regio NRW

(II) 20 Years of NL Liberalisation : Competition



1. Fragmentation of the Rail system (horizontal and vertical)
2. In-efficiencies between ProRail and NS
3. Sub-optimal for the Regions-competent tendering
authorities and TOC 's

(III) NL Trends : System Integration

There are three trends towards :

Enhancing efficiency and Cost reduction

1. *State initiated partial (re-)bundling:*

- * *Purchase of Energy*
- * *Rail Travel information*
- * *Operations Central Control Room*

(III) NL Trends: a new system integrator ?

2. *Commission “Meijdam Report” (2011):*

Regional Tendering Authorities and TOC 's call for:

a meta-regional platform with extensive powers

“a new Public Transport Authority” ?

NL Trends: Evaluation of the Unbundling

Parliamentary Investigation of the Senate (2012)

“Report-Leijnse”

Goal: insight into the decision-making process of Parliament with regard to liberalisation/privatisation processes as from 1990 till 2010 (of i.a. public transport)

(a) The effects on the relation citizens – government ?

(b) Research: influence advisory bodies, divergence

between goals- actual effects on the markets, reaction to discrepancies and in retrospect: the quality of legislation.

NL Market Regulation & Trends

Thank you for your attention

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