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**5th EUROPEAN RAIL TRANSPORT  
REGULATION FORUM**

***FURTHER STEPS IN RAILWAY LIBERALISATION:  
MARKET OPENING AND TENDERING-  
NEW ENTRANTS' VIEWS***

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# 1- WHAT WILL COMPETITION LOOK LIKE ?

## ● Short Term

- Depending on political will → **strong discrepancies**
- **4th Railway Package** → transition period ? Direct award ?
- **Financial problems** (rolling stock) impacting new entrants
- **Co-operation** schemes on regional level (big players + local SMEs)

## ● Medium Term

- **Historic RUs** dominating the scenery
- A few **private** “global players” (Europe/UK, Asia)
- **Joint Ventures** (Netinera) / **Partnerships** (Thello) / **Subcontracting** (HKX) on PSCs and open access niches

## ● Long Term

- **Consolidation** process together with **subsidiarising** of activities
- **Co-operation** schemes with other carriers (airlines, ...)

## 2- WILL THERE BE COMPETITION ?

- **Many factors slowing down competition development and deterring private new entrants**
  - Lengthy decision process + transition periods (R.1370/2007, 4th RP)
  - Reluctant Members States + “integrated” / “holding” historic RUs
  - Questions on the rail industry **governance** (bundling / unbundling)
- **On markets**
  - Public service contracts : competition under conditions (investments)
  - Open access services : marginal competition on long distance
- **Key role of rail regulators and competition authorities**

# 3- HOW CAN COMPETITION BE PROMOTED ?

- **Establishing a strong competitive framework (4th RP) :**
  - Commercial services to be prioritised
  - Publicly financed services only after competitive tendering
  - Competitive tendering = the rule for PSCs
  - Direct award = the exception (on specific and limited cases)
- **Financing schemes and new business models for rolling stock :**
  - Investment in new vehicles
  - Modernisation / upgrade on wide scale
- **Communications and pedagogy :**
  - RUs, authorities, European Institutions setting the facts (Eurobarometer)
- **Regulators : pro-active role**
- **The case of cross-border services**

# 4- HOW TO ENFORCE COMPETITION ?

- **National regulators :**
  - Independent, powerful, properly resourced in **each** Member-State
- **Network of national regulators**
- **A strong and “customer oriented” ERA to facilitate and accelerate certification procedures**
- **European Commission to be “the watchdog”:** blame and shame
  - (cf. DB liberalisation index)

# 5- WHAT ROLE FOR REGULATORS ?

- **Strong links between national regulators and competition authorities :**
  - Market aspects / dominance of historic RUs / intermodality issues
- **Reinforcing technical competences of regulators to prevent entry barriers :**
  - Rolling stock certification / multimodal information and ticketing...
- **Increasing role of regulators on Infrastructure Management Companies**
  - Investment and development policy, capacity allocation, etc.  
(cf. ORR vs. Network Rail in UK)

