

1st Florence Workshop on Rail Transport Regulation

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THE VIEWS OF THE REGULATED PRIVATE COMPANIES

Veolia Transport, Paris

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Content



- 1. Veolia Transport, a private railway operator
- 2. Veolia Transport experience with regulatory regimes
- 3. The role of the (incumbent) historic public monopoly
- 4. Private operators' most important points of concern
- 5. Conclusion: regulation to develop rail services

1. Veolia Transport, a private railway operator

- Rail operations in 7 countries
- 20% of total turnover (6 bn €) coming from rail services
- 130 million passengers/year
- 5145 employees
- 5975 km of lines
- 1135 rail vehicles owned or managed

2. Veolia Transport experience with regulatory regimes

- USA: infrastructure owned by freight companies – Regulator = FRA
- Sweden: national competition authority
- Germany: regulator for network industries
- Great Britain, France: rail regulator
- Key issue: implementation and respect of 1st Railway Package with **powerful and independent regulatory authorities**

3. The role of the (incumbent) historic public monopoly



- **Great Britain:** only private franchisees -> ORR to focus on economic and infrastructure issues
- **Germany:** DB Netz + DB Station & Service -> regulation to focus on fair access and clear separation of functions
- **France:** delays in implementing regulatory authority + historic monopoly -> regulator's role to be confirmed

4. Private operators' most important points of concern



- Access to **essential facilities** (maintenance, energy, distribution...)
- Especially to **stations**: “front office” (ticket sales, information...) and “back office” (track and platform allocation...)
- **Safety**: certification -> access barriers
- **Directive 2007/58**: interpretation of “principal purpose of a service” and “endangering the economic equilibrium of a public service contract”
- **Infrastructure fees**: track and station access...

5. Conclusion: regulation to develop rail services

- Market opening and rail liberalisation to boost **rail efficiency and attractiveness**
- Rail business development needs clear **rules of the game** (directives and national legislation) and recognised and respected “**referees**” (i.e. regulatory bodies)
- Main issue: **market already captured by historic operators** -> which place for new entrants? -> rules to be adapted to facilitate alternative operators -> challenge for **rail regulators**
- **International alliances** -> which level of co-ordination for national regulators?
- Business development implies stable framework and long term visibility for operators and investors → key role of regulators **to ensure financial stability**

Thank you!

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