

Further Steps in Railway Liberalization

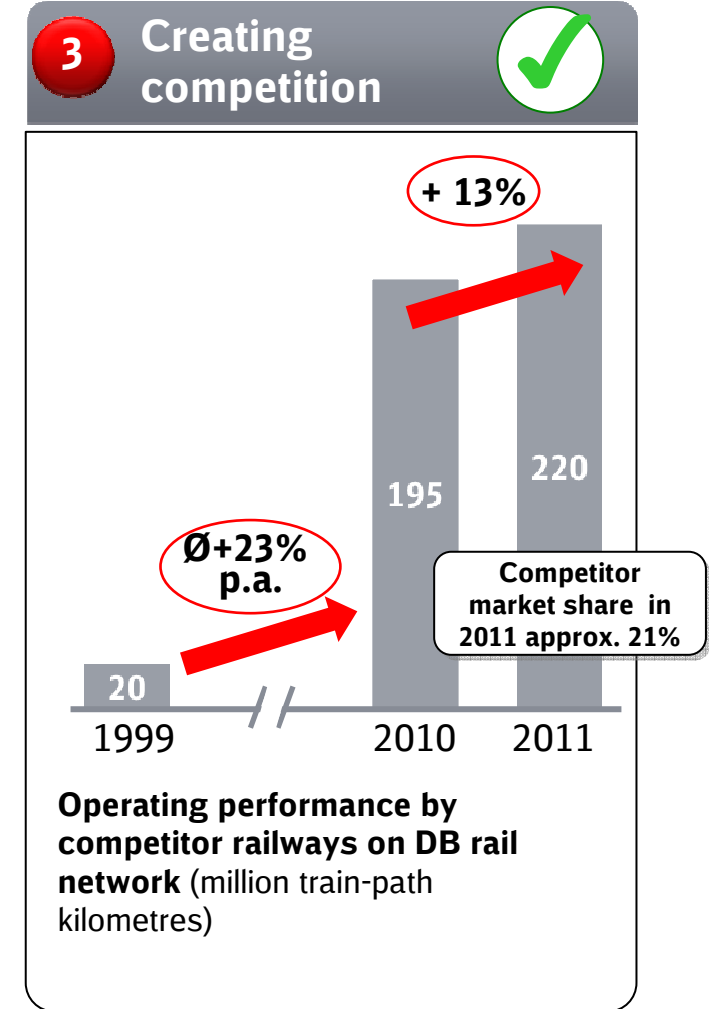
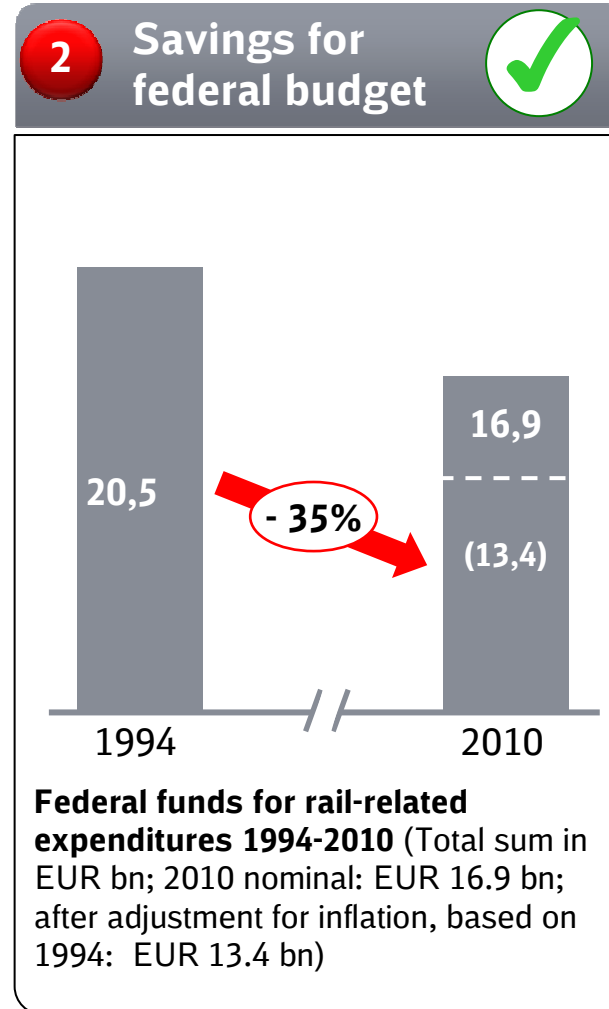
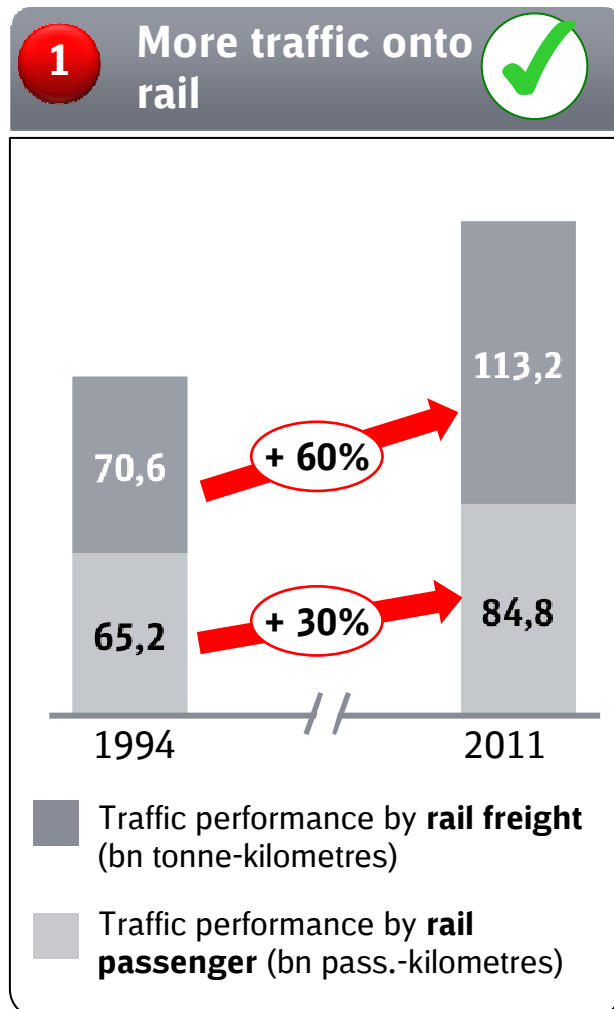
The view of Deutsche Bahn

Deutsche Bahn AG

Florence 5 October 2012

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Associations

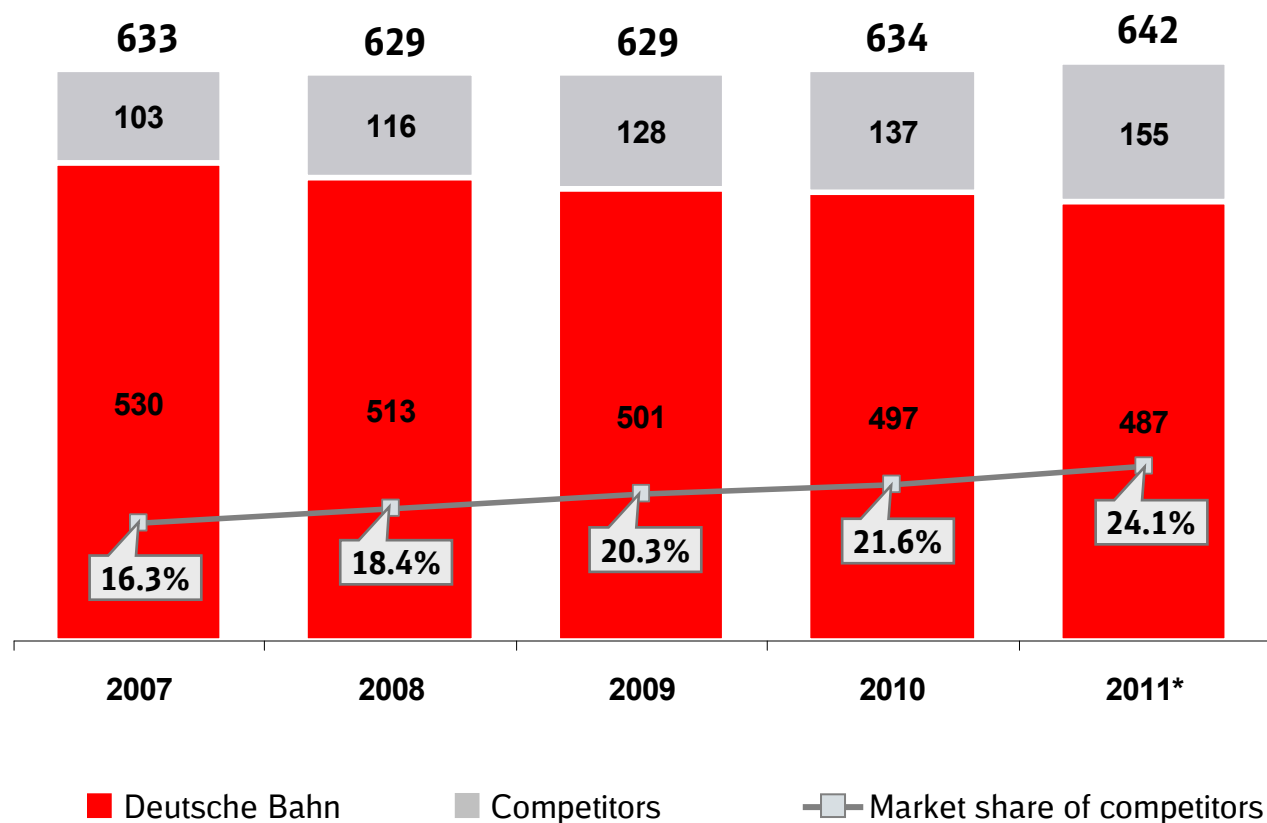
Market liberalisation in Germany has been a success story – it has strengthened rail and relieved pressure on the federal budget



Competitors achieved strong increase in train-kilometres in the regional market – market share rose to 24.1 per cent

Ordered train services in the regional passenger transport market

(million train-kilometres)



- In 2011, the share of train-kilometres handled by competitor railways was up by 13% owing to successful tenders for transport contracts.
- The market share of non-DB railways in the regional rail passenger market has thus increased by 2.5 percentage points to 24.1%.

* provisional figure/estimate for 2011

Source: DB data

Competition in the German railway transport markets is characterized by railway undertakings in public ownership

Competitors in German railway transport markets¹



- 9th largest provider in regional passenger transport (**Abellio**), market share: 0.8% (2010)



- 2nd largest provider in freight transport (incl. **Captrain, ITL**), market share: 5.7% (2009)
- 6th largest provider in regional passenger transport (**Keolis**), market share: 1.8% (2010)



- 4th largest provider in freight transport (**OHE, TX Logistik**), market share: 2.7% (2009)
- 3rd largest provider in regional passenger transport (**Netinera**), market share: 3.3% (2010)



- Owner: City of Karlsruhe
- 5th largest provider in regional passenger transport, market share: 1.8% (2010)



- Owner: Federal Land Hesse
- 7th largest provider in regional passenger transport, market share: 1.4% (2010)



- Owner: City of Hamburg (51%)
- 4th largest provider in regional passenger transport, market share: 1.3% (2010)



- Owner: City of Cologne (93.8%)
- 5th largest provider in freight transport, market share: 2.1% (2009)



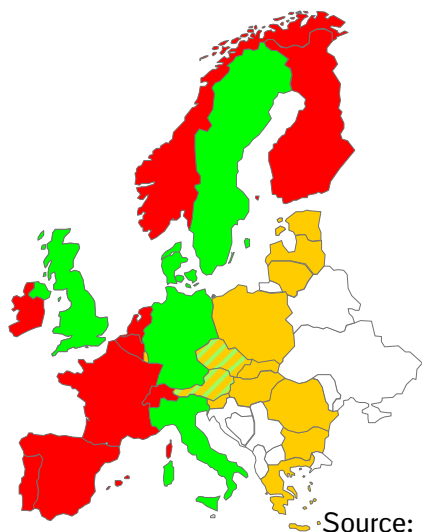
- 3rd largest provider in freight transport, market share: 2.8% (2009)
- 14th largest provider in regional passenger transport, market share: 0,3% (2010)

1) Market shares in freight transport in terms of transport volume, in passenger transport in terms of train kilometers





Source: VDV

Due to discrepancies in liberalisation there is no predictable business model for European-wide railway passenger undertakings

Liberalisation of passenger rail markets



Source: LIB-Index 2011

	Market closed for commercial national rail passenger services.
	Open access, but no external RUs providing commercial national rail passenger services.
	Open access with external RUs providing commercial national rail passenger services.
	AT and CZ: commencing end of 2011, external RUs providing purely commercial national rail passenger services.

There is no level playing field in Europe's domestic rail passenger markets. To ensure **fair competition on Europe's rail markets**, we need...

- ... **equal access** to European rail markets,
- ... **equal regulatory standards** (in particular independent regulatory bodies),
- ... **equal terms of competition** in all EU member states!

Preparation of 4th Railway Package requires full liberalisation of national passenger rail markets

4th Railway Package



- Commission intends to present proposals for further liberalisation of passenger markets for the 4th Railway Package by the end of 2012 / beginning of 2013.

Reflections of DB

- Full market opening of passenger markets is crucial
- Guiding principles for opening of passenger markets:
 - Open access, tendering of public service contracts only where commercial transports are not possible
 - Prevent national restrictions to limit cross-border services
 - Public support should be concentrated on those parts of the market where there are no viable commercial offers
 - Standardised requirements for rolling stock instead of specific local requirements across different Transport/Tendering Authorities
 - Adequate level of infrastructure investments
- Low profitability on many long-distance relations imply that cooperations will remain important and should be permitted - especially if they are to the benefit of consumers

Back Up

In the integrated DB model, no financial outflows from infrastructure – on the contrary, infrastructure funding is strengthened

Financial transfers DB Netz AG/DB AG

Profit transfer / compensation for losses and capital increases by DB AG, EUR million

