

## ARAF Autorité de régulation des activités ferroviaires

*Michel Vermeulen, ARAF's secretary general*

7th ERTF

Current challenges of rail regulation in Europe: The  
European Regulators' View

29th November 2013

### Is there a Latin way of rail regulation?

- Distinction North/South applicable ;
- Traditions, cultures and national laws matter
- Is there a French way of regulation ?
  - ✓ Economic regulation in France
  - ✓ Railways particularities

- The tradition of a strong and centralized State
- The tradition of an industrial minded State
  - ✓ The State is a shareholder for main companies
  - ✓ The State supports the French economic champions
- A country of civil law :
  - ✓ Civil law countries : the State makes the law
  - ✓ Common law countries : the place of the case law is more important
  - ✓ Regulation is closer to the common law traditions
- The regulation is not really known even by the regulated entities:
  - ✓ Telecommunication regulatory body is the only well known regulator
  - ✓ For many people, the purpose of the regulation is only to take care of the non-discriminatory competition for newcomers and to solve disputes
  - ✓ The economic side of the regulation is not known or accepted

### The French railway specificities

- A mixed system of a separation between SNCF and RFF, but still integrated ;
- A railway reform in progress for two years ;
- An unbalanced economic model :
  - ✓ The debt of the IM increased by 3 billions euros last year
- Liberalisation only in freight and international passenger markets.

- A typical case : development of the competition, State regulating and being at the same time an unique owner of the incumbent and of the infrastructure manager
  
- ARAF created by the law in 2010
  - ✓ Specific independent public body
  - ✓ Cumulating legislative, executive and judicial powers
  
- Economic regulators: fine balance between independency, proximity with the regulated sector and expertise:
  - ✓ Independency : board appointment, budget
  - ✓ Impartiality : declaration of the absence of conflict of interest,
  - ✓ Proximity with the sector : public consultation
  
- Strong influence by the judge's culture: the requirements of fair trial

- Objectives :
  - ✓ To build our legitimacy and become predictable;
  - ✓ To enhance a mutual trust and dialogue and to promote a self regulation: compliance without legal obligations.
  
- Priorities : a new RB can't watch everywhere
  - ✓ The consistency of infrastructure charges;
  - ✓ The efficiency of the path allocation process;
  - ✓ The access and pricing to the rail-related services and facilities;
  - ✓ The accounting separation between the activities of SNCF as infrastructure manager and its activities as an operator
  
- Methodology
  - ✓ Step by step approach on technical consensual matters
  - ✓ Benchmarking: national and European