

PRESS RELEASE



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Worrying developments on the French rail market – towards ever more monopolisation?

ERFA is concerned by the very recent developments on the French Rail reform, described by the French newspaper Le Monde as crudely distorting the spirit of the French rail reform law voted during the summer.

“La manipulation est grossière et dénature l’esprit même de la loi votée cet été.”

The surprising new development would see SNCF reinstated as the overall managing entity for both operations and rail infrastructure, raising concerns that under this structure the all-important independence of the infrastructure manager will not be guaranteed.

Until now it had been believed that the infrastructure manager (SNCF Réseau) would be a distinct body, but the new organisation chart produced on 15th December by SNCF, shows that it is merely one of 5 branches under the SNCF EPIC structure.

The independence of the infrastructure manager is not only essential vis-à-vis European legislation; it is also crucial for the growth and sustainability of the rail sector, guaranteeing non-discrimination and fair access to the network for new entrants.

New entrants are key players on the French rail market. The market share of rail operators other than SNCF stands today at 27% (source AFRA).

New entrants are responsible for creating a more dynamic rail culture and for maintaining the freight volumes transported by rail during what is a difficult economic climate. New entrants have also generated a significant number of jobs, with 1000 new jobs created in the last 3 years.

This surprising development follows strong concerns already raised by the French regulator earlier this month over essential independence criteria of the new structure. Araf raised concerns over possible cross-subsidisation, lack of financial transparency, risk of exchange of sensitive and strategic information under the SNCF EPIC structure and over the management of stations by SNCF mobilités.

ERFA is also concerned in view of the European Court of Justice ruling in April of this year, which concluded that the EPIC structure of La Poste, at the time, was incompatible with the European internal market. The Commission judged that the EPIC structure was similar to unlawful state aid.

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The new SNCF structure will also have the EPIC status - a state-owned enterprise responsible for managing a public service of an industrial and commercial nature. The EPIC status also means that it can never go bankrupt as the state offers unlimited guarantee.

ERFA is concerned at these different aspects of the French rail reform, which when added together, do not inspire confidence in the development of a rail market geared towards efficiency and growth.

Note to editors:

Le Monde article, dated 18th December 2014.

http://www.lemonde.fr/economie/article/2014/12/18/quand-le-patron-de-la-sncf-applique-la-reforme-ferroviaire-en-sa-faveur_4542537_3234.html

EPIC - An EPIC is a state-owned enterprise responsible for managing a public service of an industrial and commercial nature.

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ERFA - European Rail Freight Association - represents new entrants, i.e. all those operators who want open access and fair market conditions, and sustains their role of pushing forward the development of the railway market. The Association is very much a spin-off of the First Railway Package, adopted by the EU in 2001, and its vision of creating an open and competitive European rail market.

In 2014, ERFA represents 34 members from 16 countries. The members of ERFA all share a commitment to work towards a competitive and innovative single European railway market by promoting attractive, fair and transparent market conditions for all railway companies.

The members of ERFA represent the entire value chain of rail transportation: rail freight operators, wagon keepers, service providers, forwarders, passenger operators and national rail freight associations.