RAIL COMPETITION IN FRANCE

2011 REPORT

More information at sncf.com

CONTENTS

FOREWORD

MARKET-WIDE COMPETITION NOW A REALITY

2010 WAS MARKED BY TWO MAJOR DEVELOPMENTS:

- accelerated opening of the domestic rail freight market;

- liberalisation of international rail passenger traffic, with the emergence of Eurostar International Limited as a fully-fledged Railway Undertaking as of 1 September 2010.

IN 2011 THESE TWO TRENDS GAINED FURTHER MOMENTUM:

- for rail freight, with an increase in the number of rival operators and SNCF's competitors gaining a growing market share;

- for international rail passenger traffic, with the arrival on the French network in December 2011 of a new competitor, Thello, operating night trains between Paris and Venice.

COMPETITION IN FREIGHT TRANSPORT

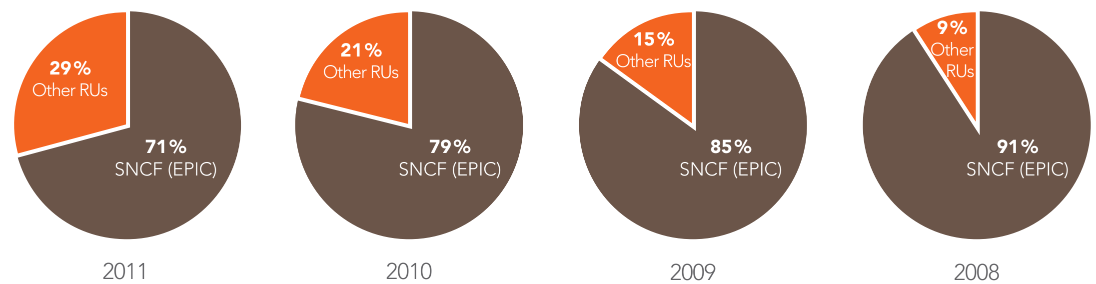
BRISK COMPETITION IN RAIL FREIGHT…

Number of railway undertakings holding safety certificates for freight traffic:
2 in 2005
9 in 2009
21 in May 2012

Between 2008 and 2011, the market share of railway undertakings other than SNCF EPIC* rose sharply, from 9% in 2008 to 29% in 2011. At the same time, the number of operators holding safety certificates continued to rise. Competition is now clearly well entrenched on the French rail freight transport market.

*SNCF parent company owned directly by the French State

Market share of SNCF and rival railway undertakings (in % of tonne-km)



Sources : SOeS, SNCF

Safety certificates
Licensed railway undertakings have to apply to the Railway Safety Authority (EPSF) for a safety certificate entitling them to operate in France. Certificates are valid for 5 years and demonstrate that their holder complies with the operating safety rules for the designated revenue-service operation. Periodically, the EPSF updates the list of railway undertakings holding safety certificates in France, indicating the date on which revenue-service operations were authorised to start[1].

IN A MARKET DOMINATED —AND SERIOUSLY WEAKENED— BY ROAD SOLUTIONS

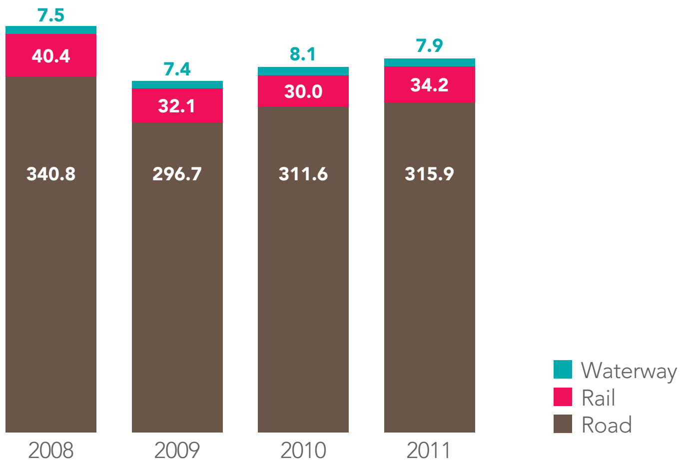
Development of intermodal competition
In France, road transport has long dominated the freight scene, well ahead of its rail and waterway rivals. It is, therefore, necessary to consider competition in the freight transport sector as a whole, given the importance of intermodal competition.

The figures for 2009 are a direct reflection of the backlash of the economic crisis that occurred at the end of 2008. While all modes lost substantial ground, the fall in rail transport was the most marked (- 20.5%).

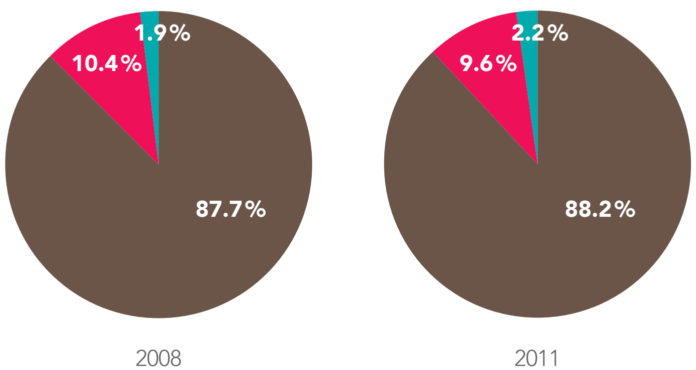
In 2010, although the other modes began to pick up, rail transport continued its decline. Consequently, between 2008 and 2011, rail's market share fell by one percentage point, while the shares of road and waterway transport rose very slightly.

In 2011, rail transport began to recover with market share bouncing back to its 2009 level.
Half of the increase corresponded to January 2011 when the backlog from end 2010, a period hit by major disruptions, had to be absorbed.
However, total volumes carried in 2011 remained 7.9% down on their pre-crisis levels with rail still 15.3% lower.

Domestic freight transport volumes per mode from 2008 to 2011 (in billion tonne/km)



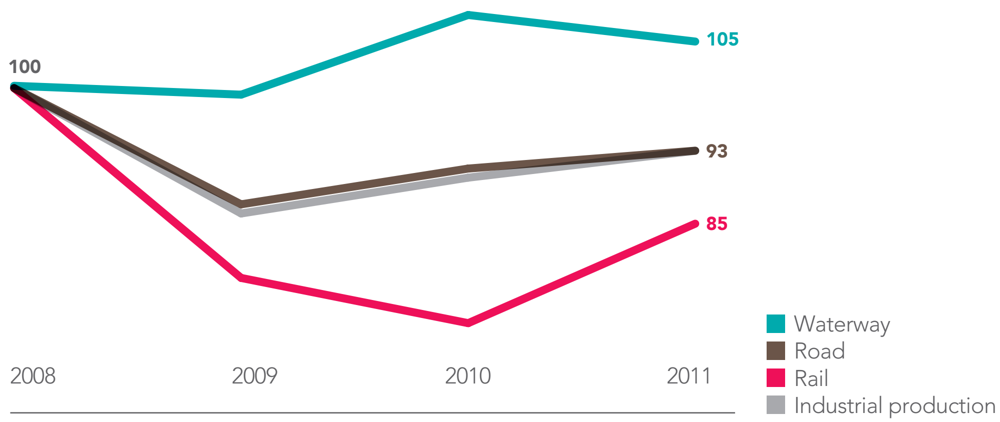
Domestic freight transport – by mode 2008 vs. 2011 (in % of tonne-km)



www.statistiques.developpement-durable.gouv.fr

Economic trends shape demand for freight services
From 2008 to 2011, French rail and road freight traffic followed trends in industrial output as a whole, first falling sharply, then edging up.
In contrast, freight shipped by waterway appears to have come through the 2008 downturn unscathed. This was due to large shipments of agricultural commodities, which can be transported more economically by waterway than by rail. By the same token, rail freight in Germany and the UK suffered less from the economic crisis: in both countries, bulk transport of commodities (coal and metals) account for a large share of total freight, and rail is the most competitive option.

Freight traffic (in tonne/km) and French industrial production (base 100 in 2008)



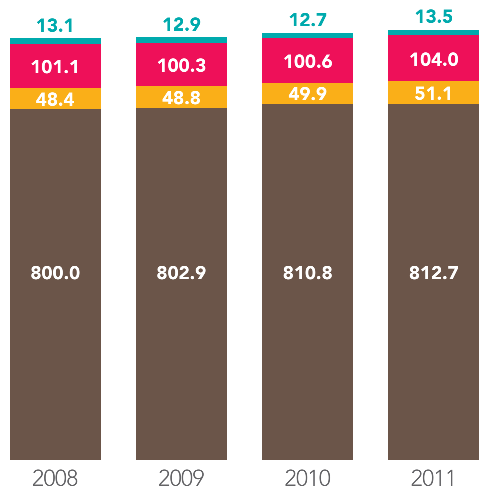
www.statistiques.developpement-durable.gouv.fr

COMPETITION IN PASSENGER TRANSPORT

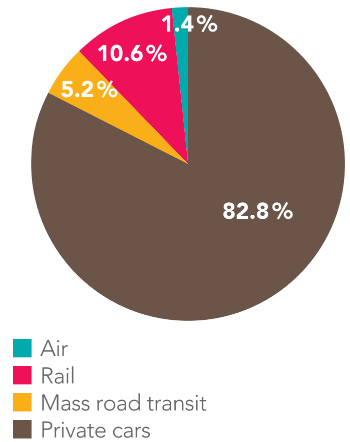
PRIVATE CARS STILL AHEAD OF OTHER MODES

Competition on the domestic passenger market is, first and foremost, between modes of transport. Private cars remain the main mode of passenger transport, well out in front of rail and air. Following a slight decline in 2009 caused by the economic crisis, domestic passenger transport rose moderately from 2010 to 2011 (+0.7%) to reach 981.3 billion passenger-km in 2011.
The greatest beneficiary from this increase was air travel, which rose by 6.3% in 2011, followed by rail, up 3.4%.

Volume trends per mode (in billion passenger-km)



Market share per mode (in passenger-km) in 2011

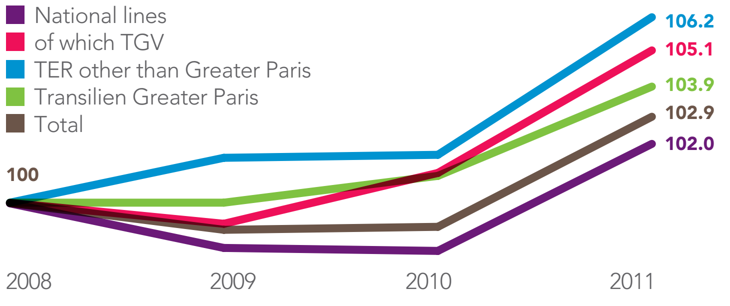


www.statistiques.developpement-durable.gouv.fr

ECONOMIC TRENDS AFFECTING TRANSPORT

Rail sector market trends
Between 2008 and 2011, rail traffic rose in differing proportions depending on the type of activity. Traffic (excluding metro, RER RATP and urban metro systems) rose by 3.8% in 2011, the main beneficiaries being TER and TGV, up +4.6% and +4.1% respectively. Total traffic on domestic lines (TGV + TET regional trains) increased to a lesser degree, since some TETs were replaced by TGVs.

Trends in the different rail sector market segments (in passenger-km, base 100 in 2008)



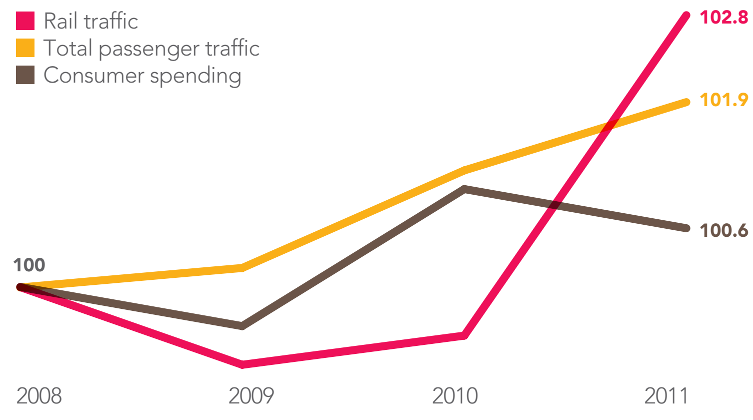
Source: SNCF

Consumer spending has remained relatively stable since 2008, with a very slight dip in 2011.

The growth in passenger traffic, rail in particular, cannot therefore be explained by increases in purchasing power.

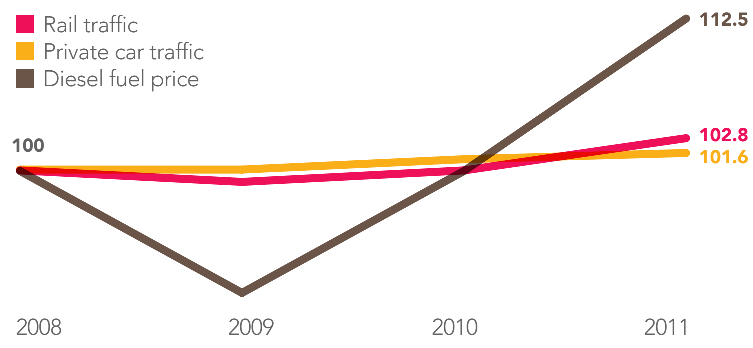
Instead it reflects transfers from private cars in the aftermath of the steep hikes in fuel prices in 2010 and in 2011.

Trends in consumer spending, total passenger traffic and rail traffic (in passenger-km, base 100 in 2008)



www.statistiques.developpement-durable.gouv.fr

Diesel fuel price, private car and rail traffic trends (in passenger-km, base 100 in 2008)



www.statistiques.developpement-durable.gouv.fr

COMPETITION ON INTERNATIONAL RAIL ROUTES

Number of railway undertakings holding safety certificates for passenger traffic:
1 in 2005
2 in 2010
6 in May 2012

The "open access" approach
The UK and France are the two countries with the largest proportion of international rail traffic handled under "open access" conditions rather than though cooperation. This may be explained by the fact that Eurostar has been a fully-fledged railway undertaking since 1 September 2010 and operates in France on the international rail passenger market[2].
Eurostar traffic rose by 2% in 2011, from 9.5 million to 9.7 million passengers.

Since 11 December 2011, Thello has been providing a night train service between Italy and France.

New entrants
By May 2012, six companies had been issued safety certificates for passenger transport operations.

It is worth noting that only Euro Cargo Rail, SNCF and Trenitalia hold safety certificates for both passenger and freight transport in France.

THE RETURN OF PUBLIC TRANSPORT BY ROAD

Long-distance coach traffic
Since 12 November 2010, domestic cabotage has been authorised in France for coaches in operation on international routes[3].
Subsequently, Eurolines was granted permission by the French Ministry of Transport to market 230 interregional coach lines extending over a large proportion of the country.
Since 16 April 2012, British low-cost operator Megabus has been offering services between the UK, the Netherlands, Belgium and France.
For its part, on 23 July 2012 SNCF launched iDBUS, an international coach service from Paris and Lille to London, Brussels or Amsterdam[4].

Urban bus transport
Urban transport in France is based on a system of public service contracts awarded via invitations to tender or franchise bidding. Of the 16 invitations to tender issued in 2011, 6 were assigned to new operators. In 2010 the number of invitations to tender was particularly high (46) with 12 of the franchises being re-assigned.

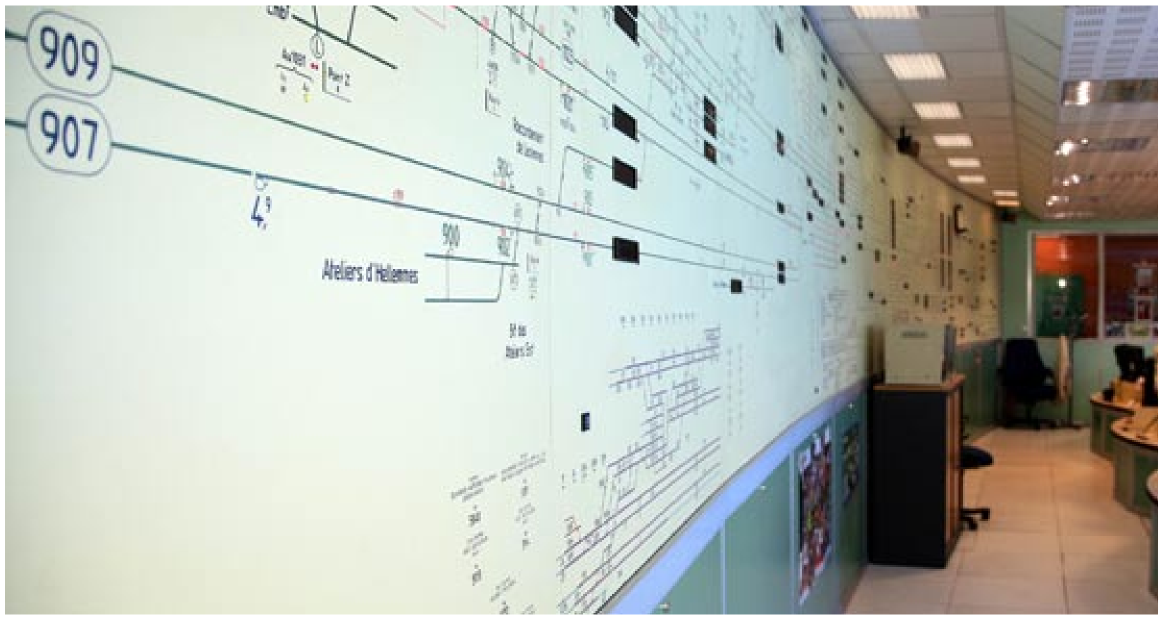
Number of invitations to tender for public service contracts on the urban transport network

	2008	2009	2010	2011
Change of operator	9	9	12	6
No change of operator	21	9	34	10
Total invitations to tender	**30**	**18**	**46**	**16**

Sources : GART, UTP

SNCF—SPEARHEADING RAILWAY GROWTH IN FRANCE

SNCF contributes actively to the sustained development and smooth operation of the French rail system.
It provides services for all operators working on the network.
These services are available under transparent and non-discriminatory conditions.



EFFECTIVE, TRANSPARENT STRUCTURES

To comply with new rail sector legislation, SNCF has set up three specific structures to serve new operators on the market.

Rail Traffic Department (DCF)
DCF is an independent unit within SNCF, which under the ORTF Act[5] is responsible for managing traffic and train movements on behalf of RFF[6] (owner of the French rail network), and for guaranteeing transparency and equal treatment among the different railway undertakings.
DCF's obligations, and those of its staff, with regard to non-disclosure of any confidential information that may come into their possession, are set out in a decree dated 26 July 2011[7].

Gares & Connexions
Now a separate, independent division within SNCF in line with the requirements of the decree of 20 January 2012[8], Gares & Connexions manages passenger stations and provides services for railway undertakings. By contrast, station access (tracks, platforms) is the sole responsibility of RFF.
The decree stipulates the respective rights and obligations of Gares & Connexions and the railway undertakings. For greater transparency, it also requires the establishment of Regional Consultative Bodies (IRC) for passenger stations with a national dimension (Category a). These bodies are charged with examining all issues relating to services provided in the individual stations within their catchment areas. They will, in particular, be consulted over the funding arrangements for any investment operations planned[9].
Since January 2011, SNCF has been required to keep passenger station management accounts separate from its accounts for operating transport services, a requirement it met as of 2010.

Railway Undertaking Services Unit (PSEF)
This unit is the only one of its type in Europe and has taken over from a structure first set up in 2005.
Its role is to make it easier for the freight and passenger railway undertakings to obtain the services—other than those managed directly by RFF—that they need. It acts as a one-stop-shop for the railway undertakings.
PSEF markets two types of service:
- mandatory services (regulated), such as supply of diesel fuel and sand, use of technicentres and freight yards, basic services in stations (building availability and upkeep, passenger information, etc.);
- non-mandatory services (commercial): some types of training and rolling stock maintenance.

SNCF SERVICES ON OFFER TO ALL RAILWAY UNDERTAKINGS

Services accessible on-line to all railway undertakings

In compliance with statutory requirements, SNCF provides railway undertakings with services on SNCF infrastructures:
- passenger stations;
- freight terminals[10] (freight yards);
- fuel supply facilities;
- maintenance and repair centres.

These services are described in the Reference Portfolio, an SNCF document in the public domain that forms an appendix to the Network Statement published annually by RFF at the end of Year Y for the annual timetable period in Year Y+2. This statement may be found at www.psef.sncf.com

In 2011, nine freight and two passenger railway undertakings availed themselves of these services, which consist essentially of:
- supply of diesel fuel and sand;
- services provided in maintenance centres;
- railway training;
- use of freight terminals;
- services in passenger stations, including the provision of space or premises in stations.

A team of sales engineers at the service of the railway undertakings

Based at the PSEF, this team has two main tasks:
- providing railway undertakings with all SNCF services to which they are entitled, via the one-stop-shopping facility;
- supporting new railway undertakings by helping them to identify the services they need.

The strictest confidentiality applies to all business or marketing information transmitted to the PSEF by railway undertakings, in particular vis-à-vis SNCF carriers. Article 10 of Decree No. 2012-70 clearly states that this obligation applies not only to SNCF, but also to the Infrastructure Manager (IM) and other railway undertakings[11].

All the services offered by SNCF to its competitors are provided under the supervision of the Office of the Rail Regulator (ARAF).

Examples of services provided in 2011

Services in passenger stations

During station opening hours to the public, Gares & Connexions offers railway undertakings present in the station a so-called "basic" service package that includes:
- provision and maintenance of buildings and areas receiving the public;
- the equipment and services necessary to guide passengers and ensure their access to trains;
- operational control of passenger flows in the station;
- provision of passenger information;
- more specifically, provision of the space, equipment and services necessary for railway undertakings wishing to operate trains through the Channel Tunnel;
- access to areas controlled by automatic suburban ticket control barriers in stations in the Greater Paris area.

Areas have, for example, been allocated to Eurostar at Gare du Nord in Paris and at Lille Europe. Since December 2011 Thello has enjoyed specific facilities at the Gare de Lyon in Paris.
In addition, railway undertakings may, where appropriate, use train pre-conditioning facilities in stations. These pre-heat passenger trains in winter and pre-cool them in summer, as they await their next departure.

Access to freight terminals

SNCF freight terminals or "freight yards" are spread across the country and are accessible for wagon loading and unloading operations.
Some twenty of these were the subject of user contracts with third party railway undertakings in 2011.
In particular, in 2011 SNCF provided nine freight railway undertakings with:
- 44,187 hours of use of service tracks and yards for train-to-truck transhipment operations;
- 31,252 hours of use of service tracks for stabling purposes;
- 21,639 hours of use of service tracks for transit purposes.

Access to maintenance centres

SNCF allows the railway undertakings access to its maintenance centres and technical facilities to enable them to perform the light maintenance operations needed to keep their vehicles in revenue service.
As an example, in 2011 railway undertakings used the underfloor lathes (for axle reprofiling operations) on a total of 409 occasions.

Supply of fuel to motor power units
SNCF supplies diesel fuel for the various operators at some sixty refuelling stations across the country.
In 2011, SNCF thus supplied railway undertakings with 504 full tanks of diesel fuel worth a total of €1.2 billion. Railway undertakings may also top up their sand supplies and perform visual inspections of their vehicle roofs from the inspection catwalks.

Other services
SNCF also supplies railway undertakings with training (escorts for line reconnaissance) and other commercial services (lifting operations).

In 2011, PSEF organised 69 line reconnaissance escort services and 65 lifting operations off the RFN.

Refuelling stations in France

KEY CHANGES IN FRENCH LEGISLATION FROM 1996 TO 2012

1996
Interoperability becomes mandatory for High-Speed Lines (HSL) to allow access for all rolling stock types.

15 March 2003
The international freight market is opened to competition following transposition of the first railway package instigated by the European Commission in 2001.

1 June 2005
A One Stop Shop (OSS) is set up by SNCF in Nancy for the purpose of providing new entrant Railway Undertakings (RU) with the regulated services to which they are entitled.

13 June 2005
The first private freight train makes its maiden run in France (Connex, later rebranded Veolia Transport and subsequently Europorte).

28 March 2006
The Railway Safety Authority (EPSF) is founded by decree in application of European Directive 2004/49 on safety on the Community's railways. Its main role is to ensure the existence and unbiased application of safety rules on the RFN.

31 March 2006
The freight market is fully opened to competition, following transposition of the second railway package adopted in 2004.

1 April 2009
A fifth branch of SNCF, Gares & Connexions, is created to operate and develop passenger stations to the benefit of all carriers working trains on the network.

1 September 2009
SNCF converts the One Stop Shop into the "Plateforme de Services aux Entreprises Ferroviaires" (PSEF) (Railway Undertaking Services Unit), a specific department endowed with additional resources.

8 December 2009
Act No. 2009-1503 of 8 December 2009 on the organisation and regulation of rail transport, and containing a number of provisions on transport, is promulgated. In this so-called ORTF Act, provision is made, in particular, for an independent regulatory authority, ARAF, the main role of which is to guarantee all railway undertakings fair access to lines open to public traffic connected to the French national rail network (RFN), including lines providing access to ports and terminals or able to serve more than one end user, for all types of rail transport (freight and passenger).

13 December 2009
The international rail passenger market is opened to competition following transposition of the third railway package adopted in 2007.

1 January 2010
The Rail Traffic Department (DCF) is set up as an independent entity within SNCF, its role and tasks also being set out in the ORTF Act. DCF is responsible for managing traffic and train movements on behalf of RFF, ensuring transparency and equal treatment among the different railway undertakings.

23 July 2010
The members of ARAF, the Office of the Rail Regulator, are appointed.

1 September 2010
Eurostar International Limited becomes the first independent passenger railway undertaking to operate revenue services in France.

1 December 2010
The Office of the Rail Regulator (ARAF) is officially entitled to deliver opinions and resolve disputes.

2010
Five new operators enter the freight transport market.

18 May 2011
Senator Francis GRIGNON submits his report on the "Conditions for the experimental opening of regional rail passenger transport services to competition".

11 December 2011
New competitor passenger operator Thello runs its maiden night train between Paris and Venice.

September – December 2011
Organisation of a series of Railway Hearings[12] involving all industry players, the social partners, the Transport Organising Authorities (TOA) and recognised industry experts, and giving rise to proposals, in particular, with regard to experiments with opening TET ("Territorial Equilibrium Trains") operations to competition and the establishment of a fully-fledged Infrastructure Manager (IM).

2011
Three new operators enter the freight transport market.

20 January 2012
Decree No.2012-70 on passenger stations and other service infrastructures on the rail network is published.
The decree sets out the nature and charging conditions for the services provided on all service infrastructures. It also officialises the creation within SNCF of an "independent division" called Gares & Connexions.

FRENCH RAIL AUTHORITY'S KEY OPINIONS AND RULINGS ON COMPETITION ISSUES

- Opinion No. 2011-006 of 23 March 2011 on the proposed decree on the train movement and traffic management department and containing a number of provisions on rail transport;
- Opinion No. 2011-014 of 15 June 2011 on the proposed decree on passenger stations and other service infrastructures on the rail network;
- Opinion No. 2011-017 of 7 September 2011 on the proposed decree on access to information about rail transport and railway infrastructure and on the proposed order to ensure application of the second paragraph of Article L.1211-5 of the Transport Code.

Opinions were also issued on RFF's Network Statement for the 2012 timetable period:
- Opinion No. 2011-002 of 2 February 2011 on the national Network Statement for 2012, a document including the SNCF 2012 Reference Portfolio setting out the regulated services that SNCF provides for other railway undertakings;
- Opinion No. 2011-003 of 9 March 2011 on the changes made in the charges raised for the minimum service package for 2012 in application of ARAF opinion No. 2011-002.
- Decision No. 2011-004 of 9 March 2011 on the applications submitted by the company Euro Cargo Rail for interim measures in conjunction with its dispute with SNCF and RFF over freight activities in Cerbère station;
- Decision No. 2011-010 of 3 May 2011 on a request for settlement of the dispute between Euro Cargo Rail and SNCF and RFF over freight activities in Cerbère station;
- Decision No. 2011-011 of 4 May 2011 on the applications submitted by the company Novatrans for interim measures in conjunction with its dispute with RFF and the company Combiwest over the conditions for changes to a train path;
- Decision No. 2011-016 of 8 July 2011 on the request made by the company Novatrans in conjunction with its dispute with RFF and the company Combiwest over the conditions for changes to a train path.

RAILWAY UNDERTAKINGS HOLDING SAFETY CERTIFICATES

FREIGHT TRAFFIC	SHAREHOLDERS	TYPE OF RAIL TRAFFIC[1]	OTHER ACTIVITIES[2]
CFL CARGO	CFL Cargo was set up as a separate company on 17 October 2006 by merging the freight business of CFL and the railway business of ArcelorMittal. CFL represents two-thirds of the capital, ArcelorMittal the remaining third.	FREIGHT	yes
CFR	Simplified joint stock company (SAS) whose shareholders are Carrières & Matériaux (Eiffage TP), Granulats Bourgogne Auvergne (Lafarge), a regional and national logistics carrier (the Cassien Group), the group of salaried and associated founders party to the original project (employees of CFR, Proffer Morvan).	OFP	yes
COLAS RAIL	Subsidiary of the Colas Group (Bouygues Group).	WORKS FREIGHT	yes
COMSA RAIL TRANSPORT	The company became part of the EMTE COMSA Group following the merger of Grupo COMSA and SA EMTE in July 2009.	FREIGHT	yes
CROSSRAIL BENELUX	Part of the Swiss-owned CROSSRAIL AG Group.	FREIGHT	yes
ETF services	Subsidiary of Eurovia (VINCI Group).	WORKS	yes
EURO CARGO RAIL	Euro Cargo Rail was set up in 2005 as a subsidiary of DB Schenker Rail (UK) Since November 2007, Euro Cargo Rail has belonged to Deutsche Bahn.	FREIGHT	yes
EUROPORTE CHANNEL	Subsidiary of Europorte (Eurotunnel Group).	FREIGHT	yes
EUROPORTE France	Subsidiary of Europorte (Eurotunnel Group).	FREIGHT	yes
NORD CARGO	Subsidiary of the DB Schenker Rail Group.	FREIGHT	no
OSR FRANCE	Subsidiary of SNCB Logistics.	FREIGHT	yes
RDT13	Founded by the General Council of the Bouches du Rhône, RDT 13 is a public sector undertaking (EPIC) not linked to any of the major carrier groups.	OFP	yes
RENFE	Spanish Government.	FREIGHT	yes
SNCB	Belgian Government.	FREIGHT	yes
SNCB Logistics	Subsidiary of the SNCB Group.	FREIGHT	yes
SNCF	100%-owned by the French State.	FREIGHT	yes
TPCF	Private limited company (SARL), founded on 3 January 2007.	OFP/ FREIGHT	yes
TRENITALIA	100%-owned subsidiary of the State-owned FS Group (Ferrovie dello Stato).	FREIGHT	yes
TSO	Subsidiary of the NGE Group.	WORKS	yes
TX LOGISTIK AG	Subsidiary of the Italian railway company Trenitalia.	FREIGHT	yes
VFLI	Subsidiary of the SNCF Group.	FREIGHT	yes

1: Type of business:
- Freight: National freight operator
- OFP: Local freight operator (at port or regional level)
- Works: Works freight operator

2: Other activities:
- Operation of industrial railway networks
- Track laying, renewal and maintenance, Electrification, Signalling
- Shunting operations and supervision, private siding services, train formation,
- Management of private sidings
- Wagon maintenance and repairs
- Wagon hire
- Other.

PASSENGER TRAFFIC	SHAREHOLDERS
EURO CARGO RAIL	Euro Cargo Rail was set up in 2005 as a subsidiary of DB Schenker Rail (UK) Since November 2007, Euro Cargo Rail has belonged to Deutsche Bahn.
EUROSTAR	SNCF (55%), London and Continental Railways (L&CR) (40%), SNCB (5%).
SNCF	100%-owned by the French State.
SVI	100%-owned subsidiary of SNCF.
Thello	Veolia-Transdev and Trenitalia.
Trenitalia	100%-owned subsidiary of the State-owned FS Group (Ferrovie dello Stato).

TRANSPORT TRENDS: ROAD, RAIL, WATER, AIR

COMPETITION ON THE FREIGHT TRANSPORT MARKET

Source: 49th report to the French National Transport Audit Commission

Volume per mode

in billion tonne-km	2008	2009	2010	2011	Change 2011/2010	Change 2011/2008
Road	340.8	296.7	311.6	315.9	1.4%	-7.3%
of which domestic trucks	181.9	156.1	164.4	168.3	2.4%	-7.5%
Rail	40.4	32.1	30.0	34.2	14.0%	-15.3%
of which domestic	26.1	22.6	22.6	25.4	12.4%	-2.7%
Waterway	7.5	7.4	8.1	7.9	-2.5%	5.3%
of which domestic	4.5	4.8	5.0	5.0	0.0%	11.1%
TOTAL	**388.7**	**336.2**	**349.7**	**358.0**	**2.4%**	**-7.9%**

Market share per mode

in tonne-km	2008	2009	2010	2011
Road haulage	87.7%	88.3%	89.1%	88.2%
Rail transport	10.4%	9.5%	8.6%	9.6%
Waterway	1.9%	2.2%	2.3%	2.2%
TOTAL	**100%**	**100%**	**100%**	**100%**

COMPETITION ON THE PASSENGER MARKET

Source: 49th report to the French National Transport Audit Commission

Volume per mode

in billion passenger-km	2008	2009	2010	2011	Change 2011/2010	Change 2011/2008
Private cars*	800.0	802.9	810.8	812.7	0.2%	1.6%
Mass road transit	48.4	48.8	49.9	51.1	2.4%	5.6%
Rail transport	101.1	100.3	100.6	104.0	3.4%	2.8%
of which HST	52.2	51.9	52.8	54.9	4.0%	5.1%
of which regional (TER)	12.7	12.9	12.9	13.5	4.6%	6.2%
Air transport	13.1	12.9	12.7	13.5	6.3%	3.1%
TOTAL	**962.6**	**964.9**	**974.0**	**981.3**	**0.7%**	**1.9%**

Market share per mode

in passenger-km	2008	2009	2010	2011
Private cars*	83.1%	83.2%	83.2%	82.8%
Mass road transit	5.0%	5.1%	5.1%	5.2%
Rail transport	10.5%	10.4%	10.3%	10.6%
Air transport	1.4%	1.3%	1.3%	1.4%
TOTAL	**100%**	**100%**	**100%**	**100%**

*including vehicles registered in other countries and motorised two-wheelers

GLOSSARY

ARAF
Office of the Rail Regulator.
As the independent public authority responsible for rail sector regulation, ARAF's main role is that of guaranteeing all railway undertakings fair and non-discriminatory access to the national rail network to facilitate its opening to competition.

AUTHORISED APPLICANT (for orders of train paths from RFF)
Article 19 of Decree No. 2003-194 of 7 March 2003 regarding the use of the national rail network, amended by Decree No. 2010-932 of 24 August 2010 - Art. 10, lists the authorised applicants entitled to order train paths from RFF.
These are railway undertakings but also other players that may apply for train paths in order to place them at the disposal of railway undertakings for performing the transport services that they organise:
- combined freight transport operators;
- public legal entities organising a freight transport service on the national rail network, including port authorities managing port tracks connected to this network;
- public authorities and groups of such authorities aiming to sign contracts including a freight transport service for their own requirements;
- the Syndicat des Transports d'Ile-de-France (Greater Paris Transit Authority);
- public legal entities organising a public passenger transport service on the national rail network with effect from 14 December 2008.

COMPETITION ON THE OPEN ACCESS MARKET
Opening to competition on the market, typically with open access to infrastructure for all railway undertakings. With this model, it is assumed that all competitors are able to offer services insofar as infrastructure capacity allows. Train paths are allocated by RFF on fair and non-discriminatory bases in response to applications from the operators. Railway undertakings compete with each other by freely choosing the parameters for their services (pricing policy, service patterns, timetables, frequency of service, type of rolling stock, services on board, etc.).

COMPETITION OVER CONTRACT-BASED SERVICES
Competition to win contracts, typically for the right to operate a particular rail transport service over a specific area via a public service contract. These contracts give RUs exclusive rights on a given market segment for a specific service and a specified duration. It is the TOA that decides on the conditions for the service, the transport services to be provided and charging policy.

DCF
Rail Traffic Department.
Independent department within SNCF that manages traffic and train movements on behalf of RFF.

DRG
Passenger Station Statement from 2014. This document is required under the terms of Article 14-1 I of Decree No. 2012-70 on passenger stations and other rail network service infrastructures. Statements must be produced each year by the Stations Director, referred to ARAF for an opinion and subsequently transmitted to RFF.
For each station, the statement concerned sets out the conditions under which regulated services are provided, in particular the timetables and period during which they are provided, and the associated rates and charges.
However a statement is not required for passenger stations which, in the latest official timetable, are only served by trains worked under the auspices of a single organising authority.
In the event of a request from the organising authority concerned or from a railway undertaking performing other services, a document of this type is to be published for the stations concerned within three months of receipt of the request.

EPSF
Railway Safety Authority.
Independent public body guaranteeing railway safety on the national rail network (control of standards, type approvals, issue, suspension or withdrawal of safety certificates, issue, suspension or withdrawal of train drivers' licences).

IM
Infrastructure Manager.
Body in charge of managing and developing the railway network. In France, Réseau Ferré de France (RFF) is the Infrastructure Manager and SNCF the acting Infrastructure Manager.

IM (acting)
Acting Infrastructure Manager.
Under the authority delegated to it by RFF, as acting IM SNCF is in charge of managing traffic and train movements and ensuring the operation and upkeep of the safety equipment and technical facilities on national rail network infrastructure.
The tasks of the SNCF as acting IM are set out in Decree No. 97-444 of 5 May 1997, amended with regard to the role and status of RFF, and in the infrastructure management agreement (CGI) signed between SNCF and RFF.

IRC
Regional Consultative Body
Article 14 of Decree No. 2012-70 on passenger stations and other rail network service infrastructures requires the establishment of a Regional Consultative Body (IRC) for passenger stations with a national dimension (Category a).
"This body has the task of examining all issues relating to services provided in the individual stations within its catchment area. It will, in particular, be consulted over the funding arrangements for the investment operations planned."
It meets once a year and issues opinions with regard to relevant parts of the Passenger Station Statement.
In each region, it is the representative of the State who decides on the membership of the local body.

NETWORK STATEMENT
The Network Statement is published by Réseau Ferré de France (RFF) to set out the conditions for the use of the National Rail Network (RFN). While the document is the ultimate responsibility of RFF, some of the services are provided by SNCF. The SNCF Reference Portfolio is therefore one of the appendices to the Network Statement.

OFP
Local freight operator.

ORTF
Act governing the organisation and regulation of rail transport published in the Official Journal of 10 December 2009, which makes provision for fair and non-discriminatory access to the network for all railway undertakings.

PSEF
Railway Undertaking Services Unit.
The unit within SNCF that acts as the sole point of contact for the railway undertakings for all requests for the services they need that are not the responsibility of RFF.

PSO
Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road, familiarly referred to as the PSO Regulation, for "Public Service Obligations".

It stipulates the competitive bidding conditions with which the Organising Authorities for passenger transport services must comply when choosing their public transport operators (rail, urban, suburban). The regulations also stipulate that it is necessary to sign public service contracts offset by compensation from public funds. Where railways are concerned, the States have a transitional period of 10 years to enforce these regulations, i.e. until 2019.

RAILWAY HEARINGS[12]
The Railway Hearings were staged for the purpose of preparing the ground for the future French railway model. By gathering together all the different French sector players, their aim was to reach a consensus on findings and make recommendations. 4 topics were addressed: French rail at the heart of Europe, rail system governance, railway economics, French railway industry. The closing session on 15 December 2011 was chaired by the Minister for Ecology, Sustainable Development, Transport and Housing.

RFF
Réseau Ferré de France.
Independent public entity that owns the national rail network. RFF is responsible for managing, maintaining and operating the national rail network (RFN). Its main activity consists of selling train paths to the RUs, in other words access rights to the rail network for specific timetable slots and trips.

RFN
National Rail Network.
Decree No. 97-444 of 5 May 1997 on the role and status of Réseau Ferré de France conferred the ownership of the network on RFF.

RAILWAY UNDERTAKING (RU)
Any company marketing a freight or passenger transport service and, in France, holding a safety certificate issued by the EPSF.

SNCF REFERENCE PORTFOLIO
Document describing all regulated services (services provided on its facilities) that SNCF is obliged to offer the other railway undertakings. The SNCF Reference Portfolio may be found at the website address: http://www.psef.sncf.com.

STATIONS AND OTHER RAIL NETWORK INFRASTRUCTURE SERVICES DECREE
Decree No. 2012-70 of 20 January 2012 sets out the rights and obligations of RFF and SNCF and its competitors with regard to access to all rail network service infrastructures, and alters the status of the Gares & Connexions branch by transforming it into an "independent division within SNCF".

TET
Regional trains.
The Transport Organising Authority for such trains is the State.

TOA
Transport Organising Authority.
Local authority responsible for organising transport services in application of Article L2121-3 of the Transport Code.

SOURCES

1: www.securite-ferroviaire.fr
2: www.eurostar.com
3: Decree No. 010-1388 of 12 November 2010 on application of Article 29-1 of Domestic Transport Framework Act 82-1153 of 30 December 1982 (LOTI)
www.legifrance.gouv.fr
4: www.idbus.fr
5: Act 2009-1503 of 8 December 2009 on the organisation and regulation of rail transport and containing a number of provisions with regard to transport
www.legifrance.gouv.fr
6: For further details, go to www.rff.fr
7: Decree No. 2011-891 of 26 July 2011 on the department in charge of managing traffic and train movements and containing a number of provisions with regard to railway issues
www.legifrance.gouv.fr
8: Decree No. 2012-70 of 20 January 2012 on passenger stations and other rail network service infrastructures
www.legifrance.gouv.fr
9: Decree No. 2012-70 of 20 January 2012 on passenger stations and other rail network service infrastructures, Title III – Article 14
www.legifrance.gouv.fr
10: Freight train loading/unloading areas accessible from the road network
11: Excerpt from the last paragraph of Article 10 du Decree No. 2012-70 of 20 January 2012 on passenger stations and other rail network service infrastructures
http://www.legifrance.gouv.fr "The managers of these service infrastructures, service providers and the railway undertakings concerned shall take all necessary steps, including measures of a disciplinary nature, to ensure that staff in charge of processing applications for services maintain strict confidentiality in their dealings. They shall adopt suitable control procedures of which the Office of the Rail Regulator shall be informed".
12: www.developpement-durable.gouv.fr/-Assises-du-ferroviaire-.html

FOR MORE INFORMATION

Railway Undertaking Services Unit (PSEF)
www.psef.sncf.com

Office of the Rail Regulator (ARAF)
www.regulation-ferroviaire.fr

Ministry of Transport
www.developpement-durable.gouv.fr

Railway Safety Authority (EPSF)
www.securite-ferroviaire.fr

Réseau Ferré de France (RFF)
www.rff.fr

2011 White Paper of the European Commission
Roadmap to a Single European Transport Area –
Towards a competitive and resource efficient transport system
http://europa.eu/documentation/official-docs

SNCF, Strategy & Development
Photos: SNCF Media library, Geodis Photo library, Eric Bernard, William Daniels, Raphaël Dautigny, Ronan Guillou, Jeff Guiot, Bertrand Jacquot, Christophe Recoura, Adrien Toubiana, Sylvain Cambon.
Design and production: Agence 90c **Printed by:** Graphoprint