



European Commission

# Performance Regimes

**Working Group  
Railway Policy  
Sarajevo, 8 April 2008**

Frank Jost  
Unit "Railway Transport and Interoperability"





European Commission

# What is the problem ?

**Quality of service**

**Reliability**

**Lack of information – no evident positive trend**

**EU's answer: competition on the track**





European Commission

# Instruments in Community law

- **Performance regimes**
- **Mark-ups only when market segment can bear**
- **Scarcity charges**
- **Reducing infrastructure costs and charges**
- **Tendering of PSO services with quality features**





European Commission

# Performance regime – legal features

- **Incentive**
- **Part of the charging regime**
- **Network-wide principles**
- **Consultation and publication**
- **Right to appeal**
- **Regulatory body has supervising role**





# Practical aspects

- **Supplementary to contracts on public service obligations**
- **Data collection, processing and billing – automatisisation**
- **Track access contract**
- **Settling disputes in a committee with different operators**
- **Difficulties where incumbent is not fully separated**
- **Administrative burden**



# Be proportionate and effective

- **Viability of business models**
- **Phasing in: Approaching in steps a pre-defined quality level**
- **Average delays according to market segment**
- **Net payments are nil when desired quality level is reached**
- **Different rates for delay minutes**
- **Cut-off time for penalty**



European Commission

# Implementation

- **Of 16 infrastructure managers, 7 apply a performance regime**
- **Communicate and avoid surprises**
- **Costs easier to calculate than benefits**
- **Learn from tested models**

**Thank you for your attention**

