


Support for Implementing Measures for the South East Core Regional Transport Network Multi Annual Plan (EuropeAid/125783/C/SER/MULTI)

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Preparations for Access Charging and Railway Regulators in Albania

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Agenda


- Restructuring process
- Infrastructure programs and access charging study
- NWS preparation
- Safety regulation
- Other regulatory proposals

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- HSH organization restructuring is almost finished
- Holding model
 - 3 Business units Cargo, Passengers, Infrastructure
 - 2 service units Rolling Stock Maintenance and Facility Management.
- Still to be started / not finished:
 - Legal framework adaptations
 - Regulator functions
 - Balance sheet cleaning
 - Contract development for PSO and Infrastructure

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- To prepare for access charging and subsidies:
 - 5 year Business Plans were developed.
 - Based on 10 year scenario's (low, medium and high)
 - With alternative financial solutions for investment
 - Scenario analyzed for fixed and variable costs
- Conditions for charging formula are:
 - Total rail subsidy = subsidy 2007
 - Cargo business has profit 12% on sales

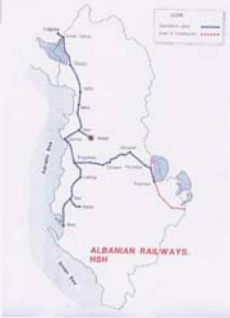
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- In next 10 year Infrastructure needs
 - Track repair – maximum speed now = 40 km/hr
 - Signaling system; now radio – paper ticket system
 - Maybe repair of bridges
- Repair is most important on core network + international connection.
- Elbasan – Durres – Tirana / Montenegro border carries all international cargo and most passengers

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
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Scenario	Low		Medium		High	
	trains / work day		trains / work day		trains / work day	
	2009	2019	2009	2019	2009	2019
Passengers	8	52	8	67	8	96
Cargo	6	18	8	33	9	44
Track repair program	minimum track repair to 60 km/hr		renewal on core network, 60 km program on the rest		100% renewal	
Signaling system	signaling on centre core network		signaling on core network + CG border		100% signaling	
10 year investment	81 mio €		135 mio €		225 mio €	

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- Repair of tracks and signaling can not be financed from transport revenue.
- Capital costs are not included in charges.
- For average cargo train tariff will be between 250 and 750 LEK / tr km (2 – 5 Euro/train km)
- In all scenario's this results in Cargo profit at least 12% on sales.

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- Discussion of proposals for access charging and subsidy system delayed by concession procedure. To be restarted 2009
- The State decides on access charging system and subsidy system

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- Preparation of NWS depends on:
 - Decisions on legal framework
 - Approval of business plans for separate business units (has influence on infrastructure services)
 - Decisions about ownership of stations and land
 - Decisions on access charging system

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- Safety regulations for NWS
 - Since 2004 exists an independent safety inspectorate to be transformed into safety regulator
 - Existing regulations are not up to date and technical documentation is not complete
- NWS preparation is opportunity to improve technical documentation and to update safety regulations
- Without signaling system open access is difficult, in practice only possible if HSH locomotive drivers are used.

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- Other regulator functions:
 - Small railway and small government organization
 - As much as possible combination with existing institutions
 - Competition Authority will be arbiter for capacity allocation conflicts
 - Independent incident investigation combined with aviation
 - Contract monitoring combined with other modes in Ministry.

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