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INLAND TRANSPORT COMMITTEE

Working Party on Rail Transport  
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STUDY OF THE SITUATION OF THE RAILWAYS IN MEMBER COUNTRIES

Addendum 1

Transmitted by the Governments of Belgium, France,  
Luxembourg and Switzerland

Please note that the distribution of documentation for the Working Party on Rail Transport (SC.2) is no longer "restricted". Accordingly, the secretariat has adopted a new numbering system whereby all working documents other than reports and agendas will be numbered as follows: TRANS/SC.2/year/serial number. Reports, agendas, resolutions and major publications will retain their previous numbering system (e.g. TRANS/SC.2/189).

The Working Party at its fifty-second session requested Governments to provide information on the following questions:

(a) Data on past and future developments of rail passenger and goods traffic;

(b) New developments to be observed subsequent to the reorganization of the rail sector and the experience gained with these new organizational arrangements;

(c) Investments in (i) rail infrastructure and (ii) railway rolling stock.

The Working Party may perhaps wish to consider the replies received from Governments reproduced below.

\* \* \*

## BELGIUM

(a) Rail traffic of passengers and goods (complete wagon loads) has developed as follows in recent years:

	Domestic passengers (millions of passenger/km)	International passengers (millions of passenger/km)	Complete wagon loads (millions of t/km)	ABX transport (thousands of consignments)
1996	5 679	1 109	7 244	5 584
1997	5 837	1 147	7 465	6 605
1998	5 830	1 267	7 600	7 374
Difference 98/97	-0.07%	+10.5%	+1.8%	+11.6%

Passenger traffic on domestic services remained relatively stable (-0.07 passenger/km) compared with 1997.

Passenger traffic on international services grew in 1998 by nearly 11% in passenger/km. This growth is the result of the increase in Eurostar and Thalys traffic (42%), while conventional traffic showed a drop of 16%.

Goods traffic in complete wagon loads recorded an overall increase of 1.8% over the 1997 period. The increase came essentially from intermodal traffic (9.8%); transport for light industry increased by 3% while in heavy industry it fell by 2.1%.

ABX transport traffic (retail consignments) recorded a large increase of 11.6%.

(b) The new structure of the SNCB was established on 1 January 1998. All the company's activities were divided between activity and service centres, comprising:

4 operational activity centres for the definition and marketing of the transport offer: domestic passenger transport, international passenger transport, B-Cargo (transport of complete wagon loads) and ABX (transport of express parcels);

3 activity centres for the optimization of capital, management of the network and the organization of the train service;

4 production activity centres for the upkeep of the infrastructure, medium and long-term maintenance of rolling stock (locomotives, railcars, coaches), short-term maintenance of rolling stock and short, medium and long-term maintenance of wagons;

5 service centres dealing with support functions in the following areas: purchases, facility management, telecommunications, computer services and personnel administration/management of social affairs.

These centres operate under the direct authority of the Board of Management which is assisted by the internal audit and by seven central and coordinating units.

Contractual relations exist among all the centres and units and specify transfer prices and the volumes and level of quality of the services requested. Each centre prepares its own business plan and identifies its strategy as part of the company plan. A breakdown of results is drawn up for each centre; the consolidated results constitute the company's overall result.

This new structure maintains the unique and integrated nature of the SCNB. It enables the company to be better managed in terms of customer needs, to react more rapidly to initiatives by competitors and to increase the responsibility of managers and staff for the financial results and the quality of the services offered.

(c) 1. Preamble

The 1998 financial year was part of a ten-year investment plan covering the period 1996-2005, with six main objectives:

Construction and bringing into operation on Belgian territory of the high-speed railway network linking Paris, Brussels, Amsterdam and Köln;

Purchase of rolling stock for high-speed traffic;

Renovation and modernization of the infrastructure of the conventional rail network, for domestic passenger transport and for goods transport;

Construction of new infrastructures for domestic passenger and goods transport;

Purchase of modern rolling stock principally intended to increase passenger comfort.

The overall investments programmed for the period of the 10-year plan amount to BF 370 billion (at 1994 prices).

2. Investments in 1998

Total investments amount to BF 46.1 billion (at 1998 prices). They can be broken down under the following investment headings:

2.1 TGV

Infrastructure: BF 9.3 billion

Rolling stock: programme completed in 1997

Total: BF 9.3 billion

## 2.2 Domestic network

### 2.2.1 Infrastructure

The total amounts to BF 16.4 billion, assigned to the main objectives:

Modernization of the railway junctions of Brussels, Anvers, Ghent, Liège and Charleroi and improvement of Brussels-Zaventem Airport services: 2.5 billion;

Modernization of the main railway lines principally used for domestic passenger transport: 5.7 billion;

Modernization of the additional lines used to carry both passengers and goods: 1.6 billion;

Modernization of secondary tracks in stations: 0.4 billion;

Modernization of lines intended for the transport of goods and the railway installations serving the main Belgian ports (Antwerp, Ghent, Zeebrugge): 2.6 billion;

Renovation and modernization of safety equipment on lines and in stations: 0.9 billion;

Reception customers (stations): 1.2 billion;

Adaptation of production tools: 1.5 billion.

### 2.2.2 Rolling stock

Total investments amount to BF 16.2 billion and have for the most part been allocated to the purchase of:

Multiple-voltage electric locomotives (3kV direct, 25 kV alternating);

Diesel-electric shunting locomotives;

Electric power cars;

Diesel power cars;

Coaches for domestic passenger transport;

Goods wagons;

and the transformation of coaches and wagons to adapt them to the demands of the customers, and the modernization of workshops.

### 2.3.3 Miscellaneous

BF 4.2 billion.

## FRANCE

## (a) 1. Passenger traffic

## 1.1 Passenger traffic results

The following table gives SNCF passenger traffic since 1991:

Of billions of passenger/kilometres	1991	1992	1993	1994	1995	1996	1997	1998
Main network (including TGV)	52.35 (17.87)	52.94 (18.96)	48.58 (18.92)	49.46 (20.51)	47.08 (21.43)	50.90 (24.77)	52.86 (27.17)	55.40 (30.26)
Ile-de-France	10.02	10.06	9.85	9.48	8.48	8.87	9.05	9.13
All passenger traffic	62.37	63.00	58.43	58.93	55.57	59.77	61.91	64.53

SNCF traffic, which had been stable or had varied only slightly from one year to another since 1989, dropped sharply in 1993 as a result of a difficult economic situation in that year and problems with the entry into service of the new ticket distribution system on the main lines.

In 1994, the situation improved very slightly with a traffic increase of 0.9%; main-line traffic improved by 1.8% while traffic in the Ile-de-France region fell by 3.8%, giving a significant decrease for the second year running.

In 1995, the situation deteriorated overall because of the three-week railway workers' strike from the end of November to mid-December.

In 1996, there was a slight improvement. In fact, traffic remained stable compared with traffic data for 1995 after correction for the strikes.

In 1997, the improvement was definitely confirmed, as main-line traffic increased by 3.8% and Ile-de-France traffic by 2%.

In 1998, traffic continued to progress; main line traffic increased by 4.8% and Ile-de-France traffic by 0.9%.

Overall, TGV traffic performed positively during this period.

## 1.2 Development prospects in passenger traffic

SNCF passenger traffic is linked to overall economic activity but it also depends on the success of the company's commercial efforts.

The upturn in traffic registered in mid-1994 continued and improved even further during 1995, but was halted by the strikes at the end of November and December 1995.

After a stable year in 1996, 1997 and 1998 showed positive progress in traffic.

For 1999, the SNCF Budget anticipates an increase in passenger traffic of approximately 4% compared with 1998.

## 2. Goods traffic

### 2.1 Development of goods traffic during the period 1991-1998

In billion of tonnes/km	1991	1992	1993	1994	1995	1996	1997	1998*
Combined transport	7.7	8.3	8.4	10.2	10.8	12.2	13.9	13.4
Complete train load	24.4	23.8	22.4	23.7	22.8	23.2	24.8	39.2
Conventional transport	17.2	16.1	12.8	13.3	12.8	12.9	13.8	
Total	49.3	48.2	43.6	47.2	46.4	48.3	52.5	52.6

\* As from 1998 there are only 2 figures: - combined transport  
- conventional transport.

The development of goods traffic derives both from fierce competition from the roads and an economic context which, while improving, continues to be difficult, and from the need for SNCF to improve the quality of its services in order to meet customer demand more satisfactorily. The results obtained over the past two years reveal a definite improvement.

### 2.2 A new approach

In view of the problematical development of rail freight, SNCF has given in-depth consideration to rail transport in general.

In the context of its industrial project it has defined the main lines for recapturing the freight market.

Quality of service must be improved for "complete train-loads" and, for individual wagons, progress from "at latest" delivery to a firm commitment to delivery times, and the efficiency and cost of terminal services must be improved.

Other activities are aimed at developing resources for goods traffic (freight locomotives for the future, specialized freight lines) so as to increase the productivity of the production system.

For combined transport, efforts should involve an increase in marshalling capacity with shorter times and lower costs.

(b) Following its most important reorganization since 1937 with the establishment of the French Rail Network (RFF) in 1997, mention may be made of the three modifications that the institutional framework of the railway sector underwent in 1998 and early 1999.

1. The first modification consists of the incorporation into domestic law of three European directives dealing with rail transport, in the form of decree No. 98-1190 of 23 December 1998 concerning the use of the infrastructure of the national rail network for certain international transport operations and covering the incorporation of Directives 91/440 of 19 July 1991 and 95/18 and 95/19 of 19 June 1995 of the Council of the European Communities.

The first of these Directives concerns right of access and transit on the networks of member States, the second the licensing of railway undertakings and the third the allocation of railway infrastructure capacity and the charging of infrastructure fees.

The decree which effected the incorporation of this legislation organizes the legal framework in which international groupings of railway companies providing international transport services and railway companies operating international combined transport services will be able to exercise the rights of access and transit on the networks of member States granted by Directive 91/440.

It specifies the conditions with which the railway companies and international groupings must comply to obtain the safety licences and certificates they require in order to be able to exercise these rights, the modalities for allocating the railway infrastructure capacities - or train paths - which they need, and the rules for establishing the fees they have to pay for the capacities allocated.

Work is also in progress on the incorporation into domestic law of a fourth railway directive (Council Directive 96/48 of 23 July 1996 on the interoperability of the trans-European high-speed rail system).

2. The second modification consists of the adaptation of the statutory framework for rail transport as effected by decree No. 99-11 of 7 January 1999 whereby amendments were approved to the terms of reference of the French National Railway Company.

This decree adapts the terms of reference of the SNCF to the evolution of its assignments resulting on the one hand from the amendment of article 18 of the domestic transport outline act (LOTI) in 1997 and on the other hand from the incorporation into domestic law of European Directives 91/440, 95/18 and 95/19.

The amendments made by this decree basically consist of updating and drafting amendments concerning the financial relations between the State and



the SNCF, relations between territorial groupings and the SNCF and financial and book-keeping provisions.

The only amendment of any importance involves a section which has been rewritten to ensure its consistency with the texts on the management of the national rail network and relations between the SNCF and the RFF, and the entrusting of new assignments to the SNCF as regards traffic management and network movements.

3. The third institutional modification consists of an important addition to the 1997 reform in the form of decree No. 99-221 of 19 March 1999 concerning the public rail service Authority.

This decree establishes a public rail service Authority responsible, in the context of the transport policy trends established by the Government, for ensuring the development and balanced evolution of the railway sector, the unity of the public rail service, consistency in the implementation of these trends by the RFF and SNCF public corporations and compliance with their public service assignments.

This Authority, to be established in the very near future, may be consulted by the minister for transport on all matters pertaining to the organization and the operation of the railway sector and to the performance of the respective assignments of the two public corporations, as well as on draft legislation and statutory texts and draft Community texts concerning rail transport.

It will prepare an annual report specifying the conditions under which the public rail service operates. This report will be made public.

Within the three years following its establishment, it will make an assessment of the reform of the rail transport sector, particularly as regards its economic and financial situation, the unity of the public service and social relations, and it will prepare a report which will also be made public.

The Authority will be made up of elected officials (national parliamentarians and locally-elected officials), representatives of railway companies, employees, users and consumers, transport experts and representatives of the State.

\* \* \*

As regards the creation of new railway companies, no structure meeting this definition has been set up to date. There have been developments in the structures of cooperation among networks operating the EUROSTAR and THALYS high-speed train services, but, strictly speaking, no new railway companies have been established.

(c) Investments in (i) railway infrastructure and (ii) rolling stock:

(i) Infrastructure of the national rail network (RFF perimeter):

Millions of FF at current prices	1995	1996	1997	1998
Main network	7 201	10 222	11 269	12 588
- including TGV development	1 844	4 633	5 602	5 532
Ile-de-France network	2 597	1 976	2 013	1 007
Total	9 798	12 198	13 282	13 595

(ii) Rolling stock, stations, vehicle maintenance shops (SNCF perimeter):

Millions of FF at current prices	1995	1996	1997	1998
Main network	6 288	6 244	5 795	6 861
- including TGV development	2 499	2 617	1 490	365
Ile-de-France network	2 205	2 291	2 465	1 644
Total	8 493	8 535	8 260	8 505

#### LUXEMBOURG

(a) Passenger traffic

As from 24 May 1998 the CFL introduced the full "TAKT'98" basic interval timetable which represents the maximum offer, given the existing infrastructure, the rolling stock and the personnel available.

The essential features of "TAKT'98" are:

a full basic interval timetable on all main lines;

through services (with no need to change trains in Luxembourg);

comfortable connections at junctions.

As in the case of many European networks, the full basic interval timetable has been introduced on all main lines; the same departure time every hour or every half-hour throughout the day provides customers with an easy means of memorizing the offer.

The following six regional lines have been created:

- \*R1 Wiltz-Luxembourg-Esch/Alzette-Pétange-Athus
- \*R2 Diekirch-Ettelbruck-Luxembourg-Esch/Alzette
- \*IR3 Luxembourg-Ettelbruck-Troisvierges(-Gouvy)
- \*R4 Rodange-Dippach/R.-Luxembourg-Wasserbillig
- \*R5 Luxembourg-Kleinbettingen(-Arlon)
- \*R6 Bettembourg-Dudelange.

Also of note in "TAKT'98" is the introduction of new categories of domestic train services:

- \*"RegionalBunn" (RB or R1, R2, for example) to replace the concept of the "slow" train;
- \*"RegionalExpress" (RE) to replace the concept of the partial through service;
- \*"Inter-Regio" (IR or IR3, for example) to replace the concept of the "express" train.

As regards future options in domestic passenger transport, the CFL are ready to commit themselves to collaboration in setting up the BTB (Bus-Tram-Bus).

In regional cross-border traffic it may be noted that the great success of the special season tickets, observed in previous years, has been confirmed.

23,200 "FlexWay" season tickets, intended for customers from Lorraine, have been sold - a growth of 22% compared with 1997;

18,000 train cards, intended for Belgian commuters and valid between Luxembourg and the Belgian stations of Arlon and Gouvy, have been sold;

Sales of the "OekoCard" season ticket, intended for border inhabitants of the Trier region, have increased by 30% to monthly sales of 85 units.

It may be noted here that negotiations are in progress for the creation of a regional season ticket to be known as the Saar-Lor-Lux-Ticket, which will be put on sale in mid-1999.

In international traffic, the CFL are involved in the operations to establish trans-European networks as the Treaty of Maastricht provides. The first objective will materialize with the linking of Luxembourg with the French TGV.

Goods traffic

Net tonnes (x 1 000)

Nature of traffic	1996	1997	1998	variations	
				1998/1997	1998/1996
Domestic	2 403	2 648	2 579	-2.6	+ 7.3
International:					
Departure/arrival	7 304	7 729	7 974	+3.2	+ 9.2
Transit	6 793	7 324	7 685	+9.2	+13.1
Sub-total	14 097	15 059	15 658	+4.0	+11.1
Total	16 500	17 701	18 238	+3.0	+10.5

Net tonnes-km (x 1 000)

Nature of traffic	1996	1997	1998	variations	
				1998/1997	1998/1996
Domestic	78 120	91 869	90 058	-2.0	+15.3
International:					
Departure/arrival	252 528	258 329	257 092	-0.5	+ 1.8
Transit	243 327	262 751	277 165	+5.5	+13.9
Sub-total	495 855	521 080	534 257	+2.5	+ 7.7
Total	573 975	612 949	624 315	+1.9	+ 8.8

Despite a slight decrease in domestic traffic, last year's increase in goods traffic has been confirmed overall throughout the year and the CFL are once again reaching a total volume of goods carried of over 18 million tonnes. This result is on a par with the CFL's results at a time when raw materials to supply the traditional iron and steel industry accounted for a major share of the tonnage carried.

As regards the means used to achieve these satisfactory figures, it may be noted that the number of goods trains has decreased by nearly 3% to a total of 55,152 in 1998. Since at the same time the tonnage carried has increased, the drop in the number of trains can be interpreted as an increase in train productivity. In order to adapt the structure of the CFL transport plan to market needs, a number of new trains have been introduced in the course of the year, for imports, exports and transit.

- (b) The main changes linked to the restructuring of the railways, namely:
- separation between infrastructure and operation for accounting purposes;
  - new organizational chart of the CFL;
  - creation of public service contracts with the State;
  - establishment of marketing companies such as EuroLuxCargo or CFL-Evasion, which are subsidiaries of the CFL,

still seem to us too recent to allow us to draw conclusions, particularly as major European Union directives (especially 95/18 and 95/19) have not yet been incorporated into Luxembourg law.

- (c) Investments in rolling stock amount to 1,555,072,514 francs. The large size of this figure can be explained by the fact that the CFL have acquired new dual-voltage locomotives.

Investments in railway infrastructure amount to 884,147,054 francs. It is understood that the infrastructure investments were made by the State of Luxembourg.

#### SWITZERLAND

- (a) Development of CFF traffic

In 1998, despite record figures of 12,485 million passenger/km (+0.8%), passenger traffic revenue declined by 22 million francs (-1.4%) compared with 1997. This decrease is initially due to the launch of the two-year half-fare season ticket, which is a more attractive proposition. The number of holders has risen to 1.81 million. In addition, the number of general season tickets increased by 11% between 1997 and 1998, to 226,000 units. This development implies an even more intensive use of the railways in Switzerland in the future.

Revenue from goods traffic decreased by 7.5% in 1998 compared with the previous year to stand at 864 million francs. At the same time, the tonnage carried increased by 3.2% to 49 million tonnes. The erosion of income from goods involved all sectors except for combined traffic where tonnage increased by 9% and income by 8.6%.

- (b) Reform of the railways

The reform of the railways introduces new elements of competition into the railway system and ensures means of better distributing political and operational decisions between the Confederation and the railway companies, thus increasing their room for manoeuvre. The reform of the railways, which came into force on 1 January 1999, has the following goals:

Better use of public transport potential by means of offers in keeping with customers' wishes;

Improvement of the cost-benefit ratio for the authorities: the best possible offer at the lowest possible prices;

More transparent financing and improved management of expenditure;

Guarantee of the competitiveness of the Swiss railways in international traffic, bearing in mind applicable EU Directives.

The following measures will make these aims possible to achieve:

Measures for all railway companies:

Active and passive access to the network for goods traffic and some sectors of passenger traffic;

Separation in terms of organization and accounts of the infrastructure and transport sectors of large transport undertakings operating concessions (ETC) and the CFF;

Introduction of the order principle for all types of traffic: all rail traffic offers supported by the Confederation and the cantons will henceforth be the subject of prior agreement and compensation.  
A posteriori deficit coverage will cease to exist.

Special measures for the CFF:

Separation between political and management tasks: the Confederation will restrict itself to establishing political and financial objectives through an ownership strategy, a services agreement and a ceiling on expenditure;

Clearing of the CFF's debts and transformation of the company into a public limited liability company.

(c) Investments

In 1997, investments in the railway infrastructure amounted to 1,683 million Swiss francs, while 467 million francs went into rolling stock.

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