

Paper

Brussels, June 2016

ERTMS Business Case for RALP and NSM Corridors

1. Introduction

- CER acknowledges the analysis presented during the workshop on 28/4/2016. The cases presented provide valuable basis for further investigations and strategic decisions.
- The analysis should be fine-tuned and completed in cooperation with the sector in order to be a tool supporting ERTMS deployment in Europe.

2. Remarks concerning conclusions of the calculation

- When focusing on the ambitious scenario, calling it THE Business case, it should be elaborated what has to be done to achieve it. Strict coordination and cooperation principles must be defined to enable such scenario. A **roadmap with tasks and clear responsibilities, with a comprehensive approach to risks and opportunities** (i.e. risks should not be solely in the hand of RUs), is needed in order to verify that a positive business case is achievable.
- The title “conservative scenario” is misleading. Knowledge and experiences of a number of RUs and IMs are reflected in this scenario, but some cost drivers are underestimated (e.g. errors to be corrected, need to upgrade to B3). A real “conservative scenario” is needed as baseline scenario (i.e. not being a worst case scenario), but it should include less positive assumptions than the one used so far.
- It was clearly stated by the commission, that the business case reflects the **system perspective and not the allocation to each** involved stakeholders.

CER strongly supports the need to further investigate allocation of costs, benefits and risks to the actors taking into account that companies of the sector have different business models, goals and frameworks. Moreover business cases of more than 20 years make no sense and go against usual accounting rules.

Although, CER underlines that **the exercise demonstrate well that there is a value to deploy ERTMS in European member states, the corridor system approach can however not lead to the conclusion that an ERTMS business case exists for railway actors.**

- Results of the business case study should be linked to the work of PWC regarding **financial instruments**. In particular, the following question should be answered: who could afford the investments in the period of 15 to 20 years before the break-even point? This would be a verification of the PWC-proposals as well as of the assumptions used in ERTMS business case.

3. Next steps

- The Commission and the Deployment Management Team should work hand in hand with the Sector (i.e. IMs, freight and passengers RUs/lessors) and ensure **transparency on how the business case tool and results will enable comprehensive and fair framework for ERTMS development, deployment, financing and policy.**
- The promised **involvement of the corridor organisations** is appreciated. In order to ensure a fruitful cooperation, timelines should be defined.

About CER

The Community of European Railway and Infrastructure Companies (CER) brings together more than 70 railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The membership is made up of long-established bodies, new entrants and both private and public enterprises, representing 73% of the rail network length, 80% of the rail freight business and about 96% of rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policy makers and transport stakeholders, advocating rail as the backbone of a competitive and sustainable transport system in Europe. For more information, visit www.cer.be or follow us via Twitter at @CER_railways.

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