IFB is a **leading, neutral intermodal and terminal operator**, which delivers high-quality transport and logistics solutions on a reliable, international network moving cargo **along four European Rail Freight Corridors**.
Infrastructure needs of rail freight operators

- **TEN-T parameters**: 750m, 22.5t axles, 2000t, P400, (ERTMS)

- **Fair access** to quality train paths
  - Punctuality: passenger trains in Germany **93.7%* (to 5 min.)** vs. cargo **73.9%* (30/60 min.)** - UIRR member punctuality +/-60% (30/60 min.)
  - Customer satisfaction: passenger **71/75/83%*** vs. cargo **64%**

- **Reliable information**: ETA projection and whereabouts of trains

*Source: Deutsche Bahn 2015 Facts and Figures publication*
ECA findings for freight-related rail infrastructure

- “Commercial speed of freight trains is very low (not higher than 18km/h on several international routes)”

- “The EU rail network has by and large remained a system of 26 separate rail networks”

- “Traffic management procedures are not adapted to the needs of rail freight”

- “Poor maintenance of the rail network results in speed and weight restrictions”

- “Extra funding for rail infrastructure needed to focus on increasing the competitiveness of rail freight transport”
Funding and project prioritisation

The state of the art:

- Priority is given to passenger-oriented infrastructure projects, maintenance and small scale upgrades are treated secondary.
- Public budget (taxpayer) funding capabilities are severely limited throughout Europe.

Proposed solutions:

- Amend regulatory framework to enable genuine private sector investment into rail infrastructure (*widespread until the mid-20th Century*).
- Create freight dedicated investment plans at infrastructure managers using the best practice of Network Rail.
- RFC competence in small scale investments.
Prerequisites of private infrastructure funding

- **Pure, business based funding** for large(r) standalone projects
  - Bankable projects - without government (budget) guaranties
  - Regulatory framework to enable securing private funds by the asset built
  - Regulatory risks concerning cash-flow producing ability of infrastructure should be eliminated by providing foresight in track access charging and public financing of infrastructure management (multi-annual contracts)

- **Freight dedicated investment plans** for smaller projects
  - Bottleneck removal
  - Small adjustments needed to i.e. enable 750m train length
  - Elimination of maintenance backlog

THE EUROPEAN COMMISSION AND THE LEGISLATORS SHOULD HELP ACHIEVE THE NECESSARY REGULATORY CHANGES
A private funding project example

1. Identify rail line to be upgraded
2. Appraise line value: €100 million
3. Determine necessary investment ~ €200 million
4. Create special purpose (IM) company with the rail line as its own asset
5. Identify funding available for upgrade investment ~ €50 million
6. Special purpose company to issue 30-40 year project bond worth: €150 million
7. All-out upgrade investment implemented
8. The upgraded rail infrastructure is to secure the bond
9. Repay bond using cash-flow – TAC + state IM funding (MAC) – to repay bond
10. Once bond repaid the special purpose company may be merged back into IM

MOST MEMBER STATE RAILWAY LAWS WOULD NOT PERMIT THE FINANCING STRUCTURE DESCRIBED HERE
Quality access, transparency and accountability

- **Quality access to the infrastructure**
  - Allocation of train paths (track capacity) based on greatest social benefit
  - Establishment of transparent EU-level train categories and traffic priority rules

- **Transparency and data provision**
  - Reliable ETA projection and the provision of tracking and tracing information should become a required essential service for infrastructure managers (with an obligation to collaborate on border crossing trains)

- **Accountability and comparability**
  - Detailed reporting of punctuality performance and customer satisfaction should also become an essential requirement for all infrastructure managers

**THE EUROPEAN COMMISSION AND THE LEGISLATORS SHOULD DELIVER THE NECESSARY REGULATORY CHANGES**
Rail freight can do the job...

...with the right framework conditions the market share can be 70%!

✓ Competition and transparency
✓ Recognition of freight: quality train path capacity allocation, traffic rules
✓ Investment into the infrastructure: TEN-T parameters
✓ Quality and accountability: ETA projection and tracking & tracing information

Transalpine traffic through Switzerland 1984 – 2015

Source: Swiss Government (BAV)
THANK YOU

For your attention