



Press Release

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Araf approves the freight access charges for 2016

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Every year, as part of its opinions on the rail network statement (NS) drawn up by SNCF Réseau, Araf (French rail regulatory body) issues a legally-binding opinion on the rail network charging framework.

In its opinions dated 3 February and 10 June 2015, Araf issued, then maintained, a reservation on the 2016 access charges proposed by SNCF Réseau for freight trains.

The infrastructure manager (IM) proposed a 6.27% increase on these charges to offset the drop in State subsidies for this activity.

In its [opinion dated 3 February 2015](#), Araf noted that the lack of coverage for the directly-incurred freight train traffic cost (known as "marginal cost") raised a compliance issue with regard to the charging principles laid down under Directive 2012/34/EU of 21 November 2012.

The regulator mentioned that the State did not pay all of the subsidies published under the French Finance Act, implemented to offset the differential between the rail network operating cost for freight traffic and the charges paid by the rail operators. Consequently, in 2013 and 2014, the State had only paid a portion of the amounts provided for, which represented a non-recovered amount of 232 million euros for SNCF Réseau.

On 24 September 2015, SNCF Réseau transmitted a letter to the regulator from the Government Commissioner attached to SNCF Réseau, informing it that *"in order to lift the Araf reservation and, given the review of the valuation of the freight train traffic marginal cost [...], which shall lead to a significant reduction in this cost, [...] a portion of SNCF Mobilités dividend, in favour of the SNCF may be used, if required, ultimately to finance payment to the State budget to supplement the freight offset and, thus, ensure marginal cost coverage, by appropriating the missing funds"*.

This formal undertaking by the State led Araf to lift the reservation on freight activity charging. The French rail regulatory body will, however, verify the calculation method used for reviewing the rail network operating cost.

Araf underlined that the State and SNCF Réseau's multiannual undertakings are to be laid down in the Performance Agreement to be concluded by end 2015 and that it would issue an opinion. These undertakings must provide all freight rail businesses with the multiannual visibility required for sustaining and developing their activities.

[View the decision](#)

Araf will shortly become known as Arafer (arafer.fr)

The French rail sector established an independent body in 2010, which monitors its progressive opening up to competition: the Autorité de régulation des activités ferroviaires (Araf - French rail regulatory body), chaired by Pierre Cardo.

The French 6 August 2015 Act on economic growth, activity and equality of economic opportunities extends the regulator's scope of action to road activities, coach transport and motorway concessions. Araf will, as such, soon become known as the Autorité de régulation des activités ferroviaires et routières: Arafer (French rail and road regulatory body). It is tasked with the mission of ensuring that the public service and competitive activities operate smoothly for rail and road transport customers.

Its opinions and decisions, viewable on its [site](#), are endorsed by a Board that comprises seven independent members, appointed for their transport, economic and/or legal skills or for their expertise in the area of competition.

As soon as the Arafer is officially created, you will find all you need to know on arafer.fr