

TCR compensation model

Two-pronged approach

1. Inciting the Infrastructure Managers (IMs) to:
 - a) better coordinate their works,
 - b) use 'capacity-friendly' construction methods*,
 - c) provide earlier and reliable re-planning of affected traffic.
2. Compensating the Railway Undertakings (RUs) for damages caused by Temporary Capacity Restrictions (TCR)**

*Meaning: in a manner to allow traffic continuation as good as possible.

**And this will partly incite IMs to do point 1.

Coordination and capacity friendly construction

a) Coordination across borders and between corridors

Programming and coordinating in such a way that works can be done at the same time along a corridor, across borders and between corridors.

b) Execution

Secondly, execute the works in a way that allows for more remaining/alternative useful capacity to be available during construction period. Choices in engineering methods and construction planning can influence this. This would result in '**capacity-friendly construction**'.

c) Re-planning of affected traffic early and

cost

benefit

Member State reserves a portion of the project budget for TCR impact reduction financing:

financing capacity-friendly construction (because that can be costlier)

and compensation to RU
(as a fraction of infra investment)

Reciprocal CC

Such 'extra' cost pays itself back by reducing the sector costs and losses and reducing environmental costs which would otherwise have been caused by shift to road during TCR.

RU compensation to IM

better coordinate their works
(existing obligation, no extra cost)

more left-over capacity

provide early reliable re-planning
(existing obligation, no extra cost)

More reliable offer to shipper

Criteria: FAIR, UNIVERSAL, SIMPLE, EFFECTIVE

- Satisfy to a meaningful extent the needs of RUs
- Staying reasonably simple to execute for all stakeholders
- Do not impose an unreasonable burden on IMs

Requirements: Simple, Standard, Sufficient

- Same principles and calculation method (one-size-fits-all)
- Weighted to national price levels
- Origin-destination compensation

Method:

Average train-production cost per km per country

✓ DEVIATION:

Extra route km O-D cross-border caused by TCR.

✓ CANCELLATION:

Full O-D distance² in kilometres NOT run due to TCR

✓ DEVIATION AND CANCELLATION³

- Standard cost drivers in €/km are used to calculate the production cost of trains on each IM's network, with which an average production cost per km per IM network is calculated.
- In case of a rerouting or a cancellation every RU is compensated by the same standard amount in €/km for each rerouting from O-D, or cancelled km from O-D.

²) Covering the full transport distance obligation of RU towards shipper, also outside network of responsible IM.

³) RUs prefer viable alternative options to cancellation, therefore cancellation should always be more expensive.