



Commercial Conditions

Outlook of the project and next steps



25th April 2024



- ❑ Introduction to the harmonized Commercial Conditions
 - ❑ Main principles and aspects not included in the Guidelines
- ❑ Commercial Conditions in the new Capacity Management Regulation
- ❑ Main components
 - Cases
 - Thresholds
 - Fees
- ❑ Challenges and future steps

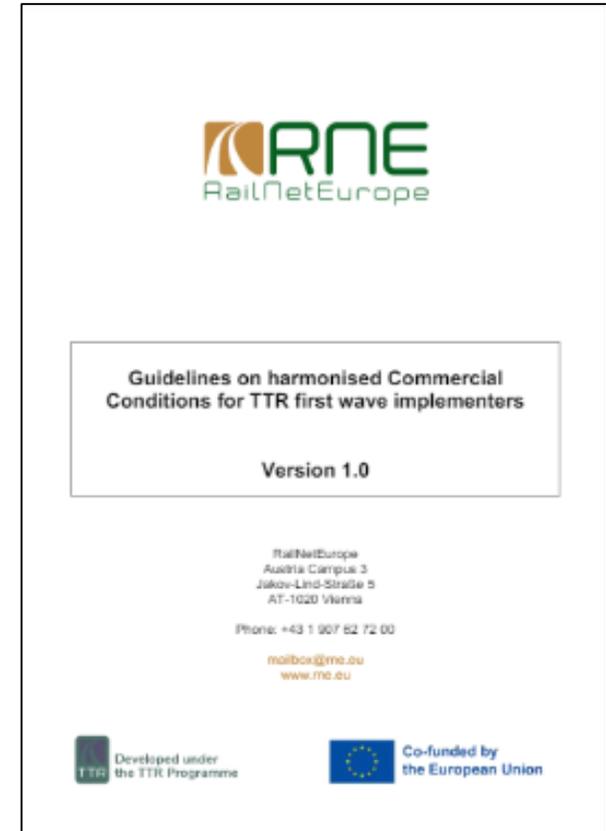
Overview of the harmonised Commercial Conditions project

The **TTR Commercial Conditions** aims to provide a framework of rules which can be applied throughout Europe to prevent the misuse of infrastructure capacity and strengthen the beneficial effects for the railway sector deriving from the TTR process. After the first phase of analysis of the issue between 2017 and 2019, a dedicated RNE task force elaborated the first harmonized *Commercial Conditions* Guideline.

The document was approved by the RNE General Assembly in December 2023.

Definition of Commercial Conditions

*The Commercial Conditions are **financial mechanism** provided for the cancellation and modification/alteration of allocated train paths in order to incentivise a more efficient usage of the available infrastructure. They are included in the Network Statements in connection with the track access charges and include **deadlines** as well as **fees** for the cancellation and modification/alteration of allocated train paths.*

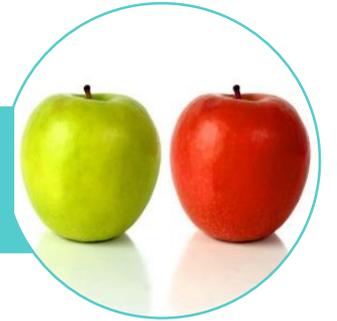


Principles of Commercial Conditions



Steer, not punish

Reciprocity



Strive to effective and bearable incentives

Gradual implementation



National overlook and peculiarities



What is not included in Commercial Conditions



Force Majeure

Performance Scheme



Full harmonisation of monetary values



Compensations (extra-costs)



Invoicing and administration fees/issues



New CM Regulation published on 11th of July 2023

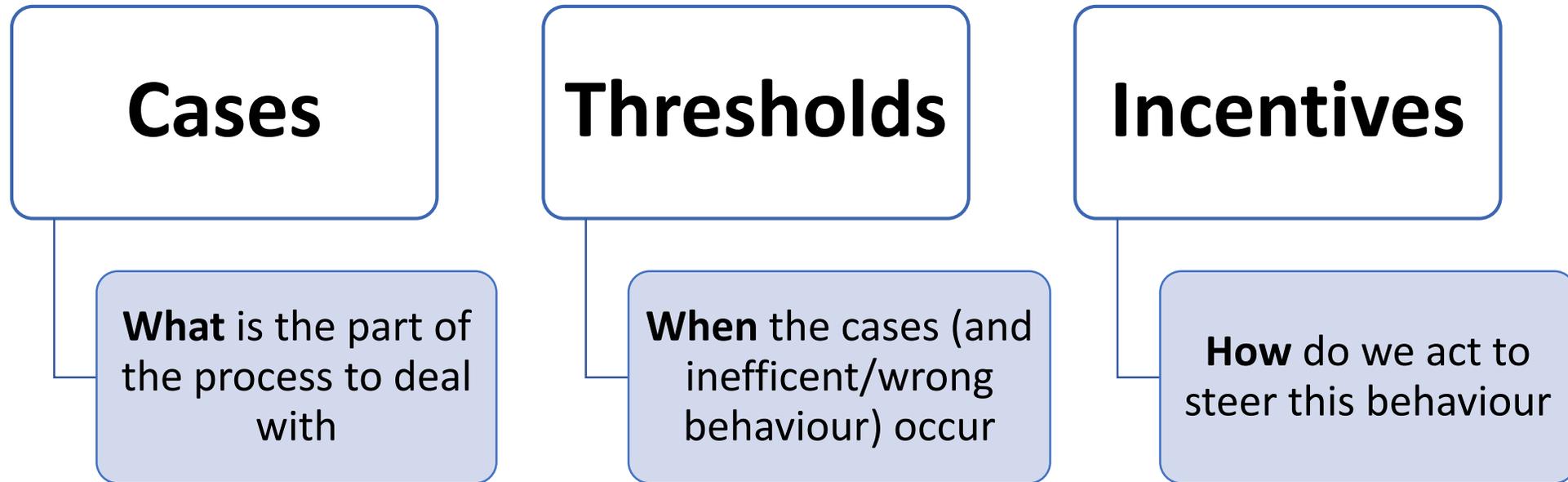
In the new CM Regulation, the Commercial Conditions are described in **Art. 40 - *Compensation for changes to capacity rights.***

Key point of the new regulatory framework in relation to Commercial Conditions:

- ENIM has to define a harmonised framework for CCs, after a consultation with ENRRB;
- The harmonised conditions are part of the ***European framework for capacity management***;
- The incentive system should consider **major changes** in capacity rights already allocated (according to art. 39);
- The **incentives** are defined at **national level** after proper consultation and approval process with the Regulatory Body;
- ***Force majeure*** is always excluded from the system.

Main components of TTR Commercial Conditions

The main components of Commercial Conditions are:



Any development and harmonised rule should consider the legal framework, both at national and European level, and procedural or IT constrains.

Main components - Incentives

Incentives aim to improve the efficiency of the system and support the full implementation of the TTR process through a proper utilisation of the capacity requested and allocated.

Incentive schemes should be also supported by data to identify the most common misbehaviour and adopt the subsequent mitigation measure (not only financial).

In general, the incentives scheme should be based on the Track Access Charges and developed at national level according to the following criteria:



Fees (to be determined at national level)
A
$B \geq A$
$C \geq B$
$D \geq C$
$E \geq D$

Some findings and main challenges

The Commercial Conditions task force has:

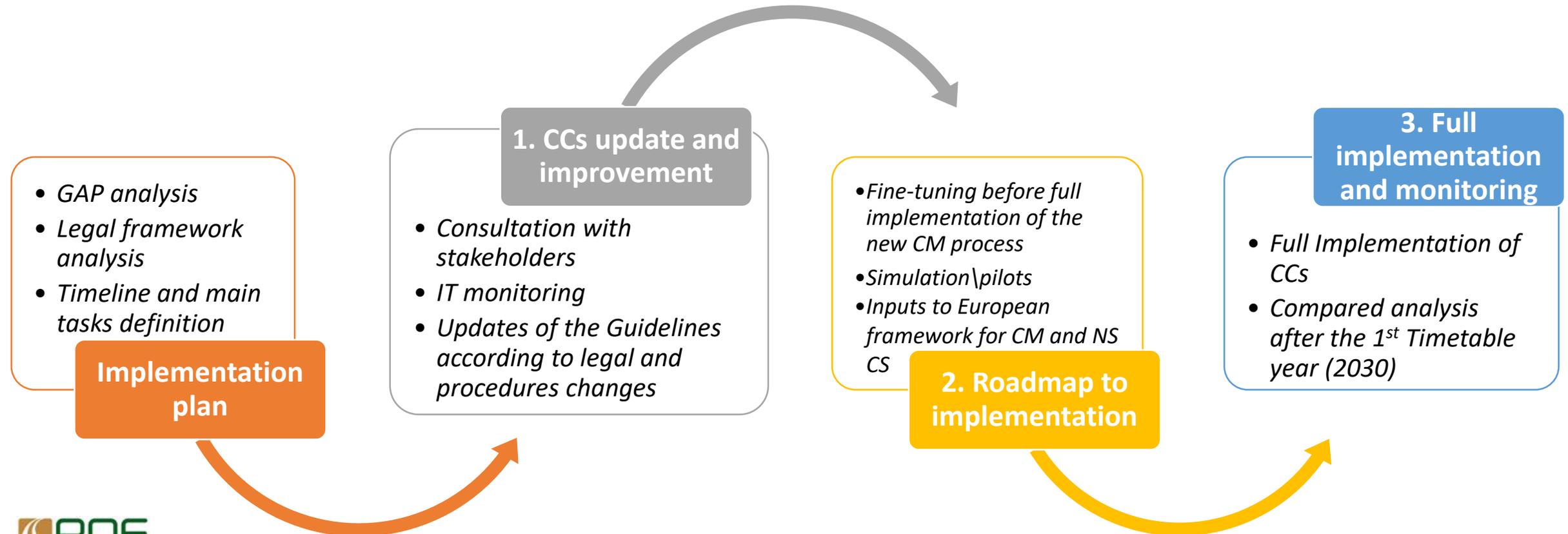
- **Discussed** the main aspects of the **CC systems in Europe** (very different situation across Europe);
- Identified the main relevant **cases** when Commercial Conditions should be applied;
- Defined a draft **timeline** for the expected implementation of CCs in the Network Statements)

During the activities for the harmonisation of CCs, also some **challenging points** emerged:

- **IT system** are often not ready to back up deep data analysis → **Supporting tools implementation** is expected both at European and national levels;
- **European and national legal framework changes** are needed to support TTR and harmonised CCs → national rules and processes are **constantly evolving**.

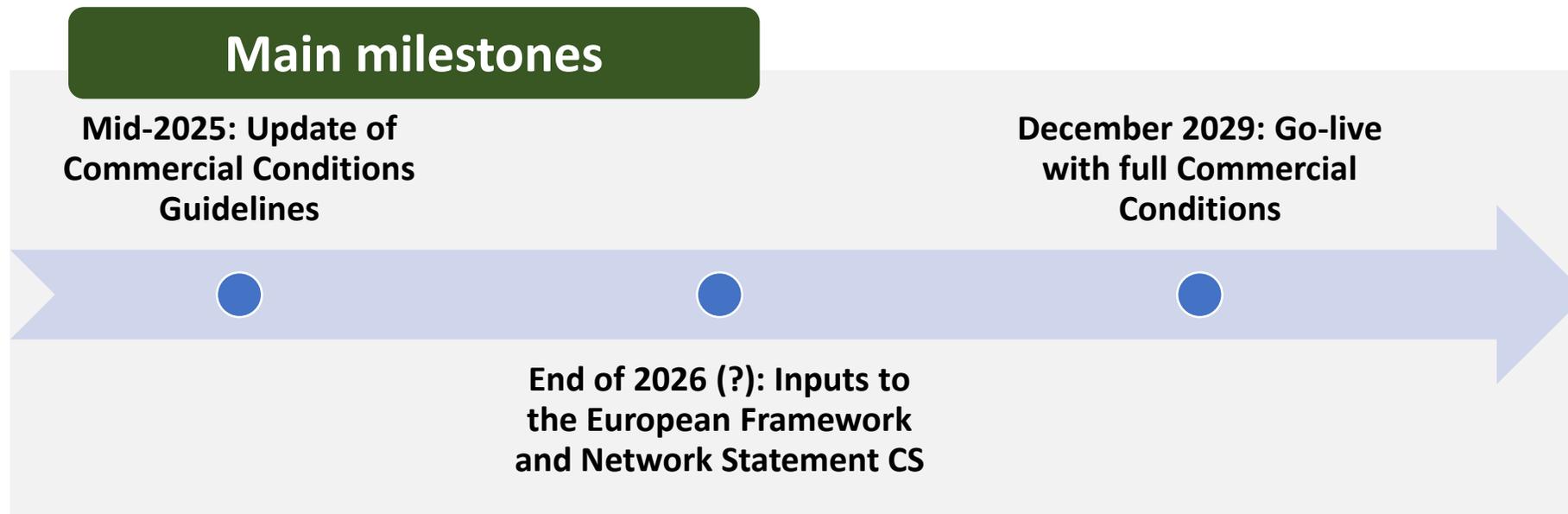
Implementation plan: timeline and activities

After the approval of the Guideline, the TF continues his work of updating and improving the document in the light of changes of regulatory framework and further inputs and interactions with the stakeholders.



Next steps and activities

- ❑ **CCs Guidelines review:** stakeholder consultation (lauch by the end of 2024), updates according to RNE Handbooks, Gap Analysis results and legislative developments
- ❑ Operational aspects: monitoring of data and IT tools availability, definition of the requirements for implementing CCs;
- ❑ Intermediate **assessment** of the activities



Thank you!

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