

European Rail Infrastructure Managers (EIM)



Solutions for increasing railway infrastructure efficiency

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25.02.2010

European Rail Infrastructure Managers

Created in April 2002.

10 members: Finland, Sweden, Norway, Denmark, the Netherlands, Belgium, the UK, France, Portugal, Spain

41% of EU+EFTA lines

49% of EU+EFTA rail passengers

34% of EU+EFTA rail freight

Social dimension: direct and indirect employment of over 250.000.

Total investments of EUR 11.9bn (2008 fig.)



Our Mission

- Improve the development of the rail transport mode
- Act as a lobbying organisation towards the European Institutions and together with the industry
- Provide our expertise to the appropriate bodies including the European Rail Agency (ERA)



Our Vision

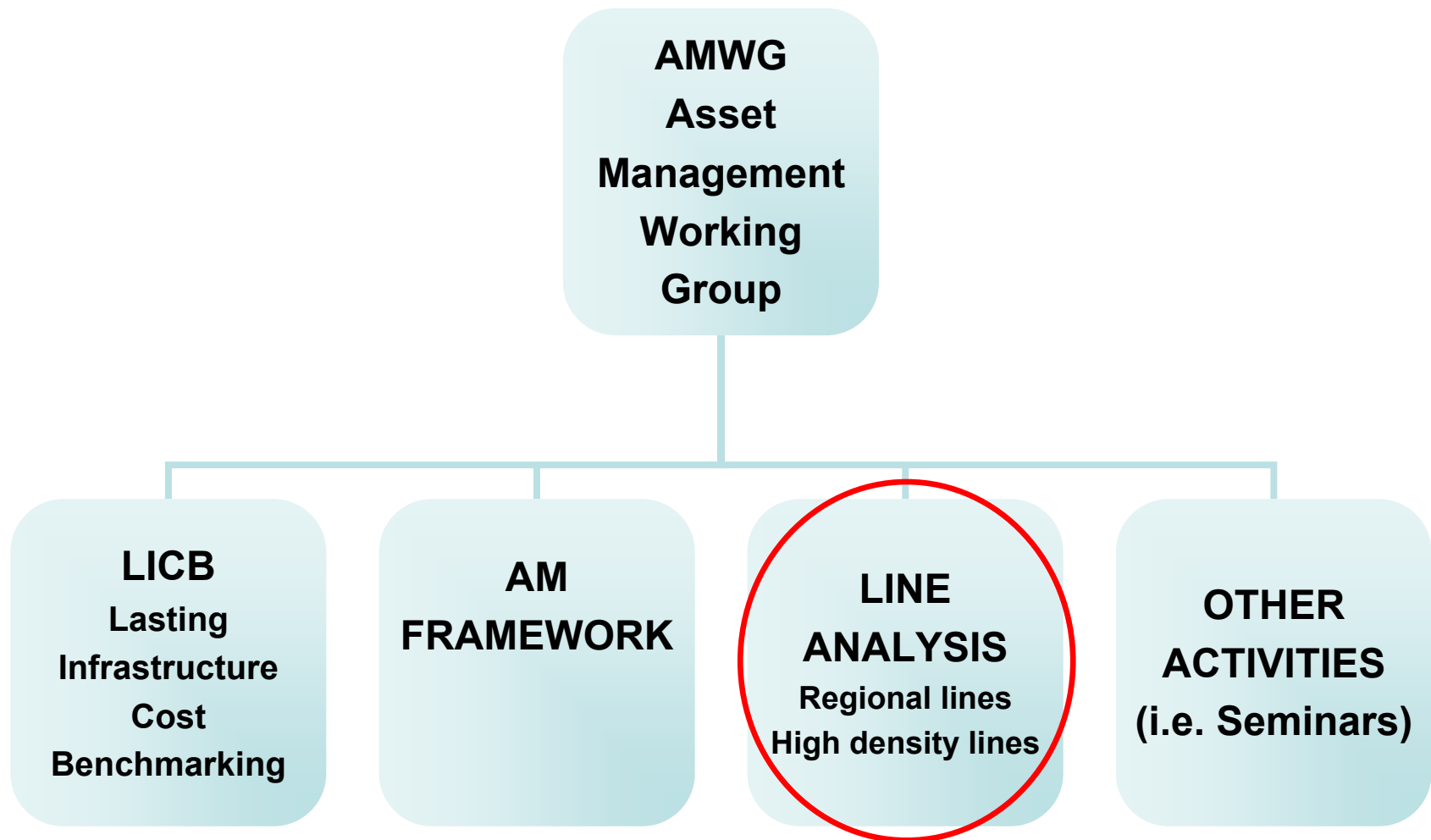
- Create an intra- and intermodal level playing field
- Promote the development of rail traffic
- Provide an efficient cost effective and open rail network
- Allow infrastructure managers to operate in an independent and non-discriminatory manner to facilitate optimisation of overall system cost and performance



Increasing infrastructure efficiency

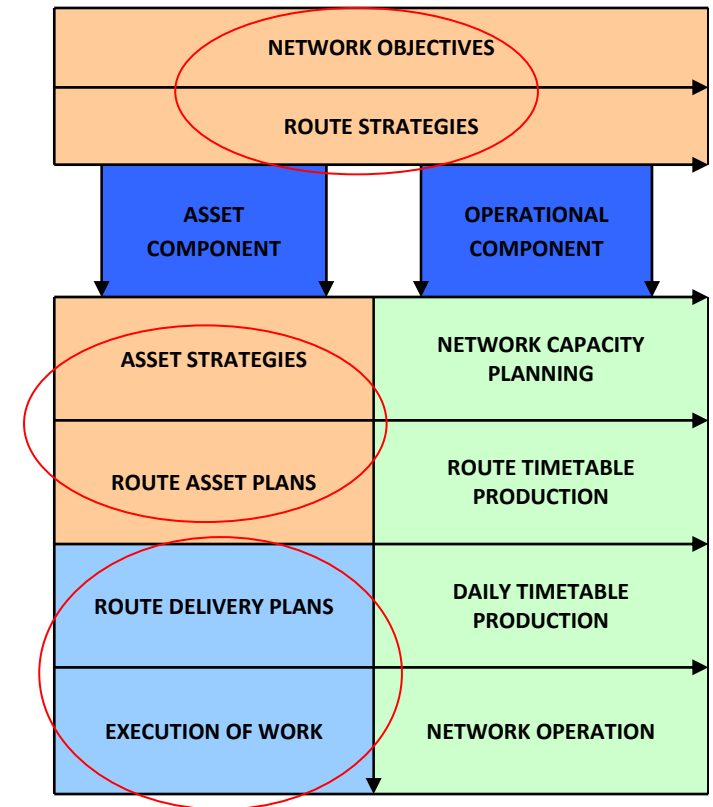
- **Asset Management**
- **Multi-Annual Contracts**
- **Working with contractors**

Asset Management



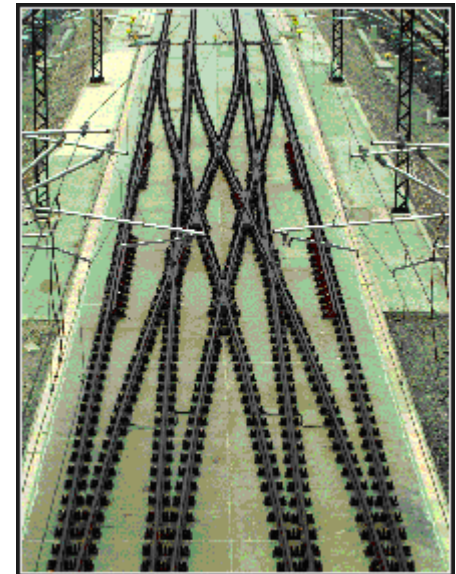
Asset Management

- Workshop 1 – asset strategy and route asset plans – 14-15 January 2010
- Workshop 2 – route delivery plans and execution of the work – 11-12 February 2010
- Workshop 3 – route strategy and network objectives – 11-12 March 2010



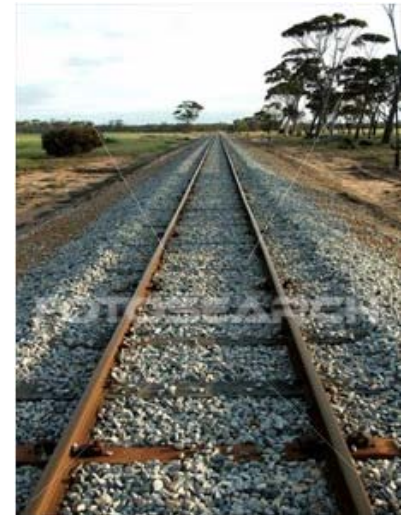
Asset Management – High Density Lines

- Remote surveillance is a common ambition
- Video inspection and image recognition being tried
- Fixed period for geometry and ultrasound inspections
- No international standard to define maintenance and renewal. Not possible to compare I/M/R cost balance among IMs
- Budget constraints and political decisions may determine renewal program



Asset Management – Regional Lines

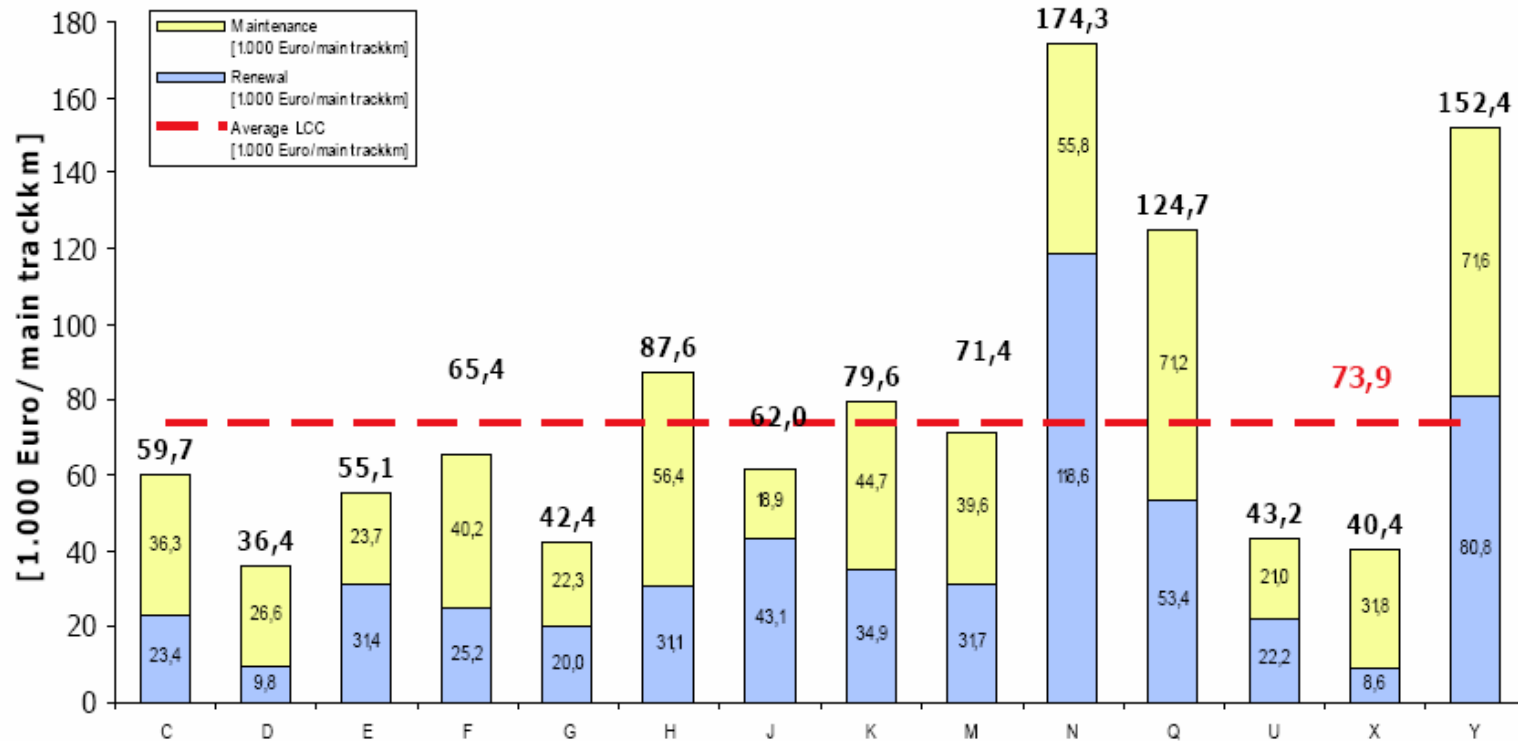
- Regional lines are not as homogenous as HD lines
- Frequency of the inspections is not lower than for HD lines
- Cost balance is similar to the results of HD lines
- Most IMs have “refurbishing” approaches
- Safety is not considered a performance issue but a precondition



Asset Management - Benchmarking

Lasting Infrastructure Cost Benchmarking (LICB)

LCC per main trackkm (full Harmonised)



Multi-Annual Contracts

The EC Communication on MACs

- Noted that in some Member States, the maintenance of railway infrastructure does not always get the attention and finance required
- Argued that Multi-Annual Contracts would facilitate a shift from compensation for expenditures to performance-related payments.
- Concluded that “best practice requires that Member States should conclude multi-annual contracts with their infrastructure managers”



Multi-Annual Contracts

- Multi-Annual Contracts (MACs) are long term (4-6 years) agreements setting out a framework for the relationship between the national government and the IM.
- MACs increase the financial stability of the infrastructure manager by minimising the “stop/go” effect of annual state appropriations.
- MACs increase cost efficiency, and predictability in terms of charges and service quality, as longer term procurement leads to reduced costs.
- Key Performance Indicators lie at the heart of effective and transparent Multi-Annual Contracts.



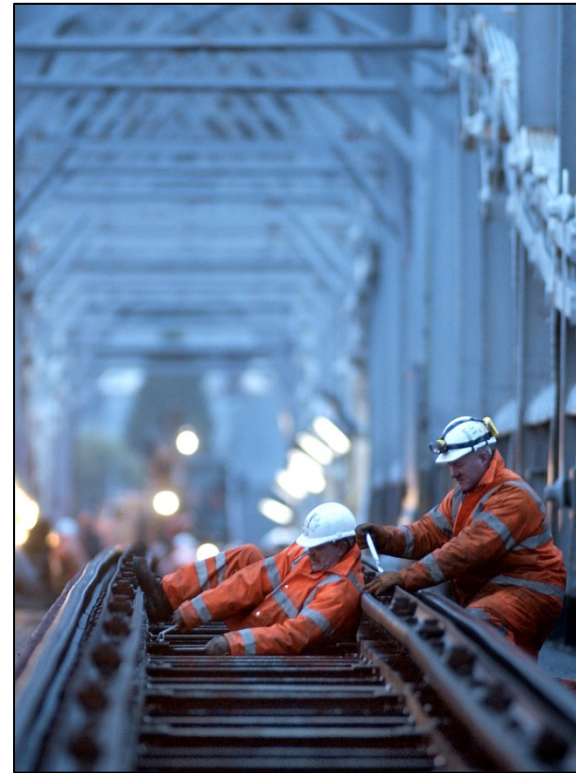
Multi-Annual Contracts

The same amount of money can be spent two ways:

- Going around fixing problems as they happen, without dealing with their root, and keep going back to the same places

OR

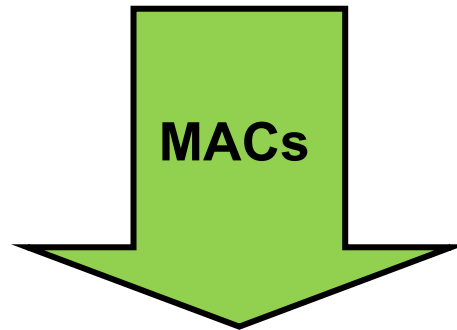
- Dedicate resources to solve these recurrent problems once for good
→ **more efficient approach**



Multi-Annual Contracts

Planning environment for the Infrastructure Managers:

- Difficult to control cost structures
- Often unstable and short term funding
- Stop/go effect



EIM would like to see a future where all IMs have:

- Predictable planning environment
- Clear European Strategies for use of the network & performance levels
- Multi-Annual Contracts

Working with contractors

EIM-EFRTC-CER joint work

- Need identified by contractors and IMs at EIM-EFRTC workshop of 18 June 2008 (+Innotrack project), to share knowledge and experience
- Closer and open relationship between IMs and contractors can drive best value from the supply chain to the benefit of the whole industry
- 4 areas, 4 working groups:
 - **WG A Market strategies**
 - WG B Long Term funding and strategic planning
 - **WG F1 Harmonisation of procurement**
 - WG F2 Harmonisation of safety procedures

European Rail
Infrastructure Managers



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Working with contractors

EIM-EFRTC-CER joint work – Market Strategies

- **Purpose:** to propose a methodology and criteria to assess the costs and/or benefits of in/outsourcing M&R works
- Group of IMs and Contractors looking at best practice across Europe
- Final recommendation to be delivered in 2010 as a guidebook to in/outsourcing



Working with contractors

EIM-EFRTC-CER joint work – Market Strategies

<p>Please rate the importance of the suggested criteria on a scale from 1 to 5.</p> <p>1 = not important, 5 = essential</p>	1	2	3	4	5
<p>➤ There is a rigid, constraining framework (national law, political context, pre-defined policy...) that limits in/outsourcing decisions by the IM</p> <p><i>e.g. as a rule, all works are outsourced; or national law sets rules as to what activities can be outsourced, etc.</i></p> <p><u>Please briefly describe this framework</u></p> <p>█</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>➤ Competence available in-house vs. competence available on the market</p> <p><u>Comments:</u> █</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>➤ How critical the activity is, desire to maintain a certain level of control</p> <p><u>Comments:</u> █</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>➤ Keeping knowledge and know-how inside the company</p> <p><u>Comments:</u> █</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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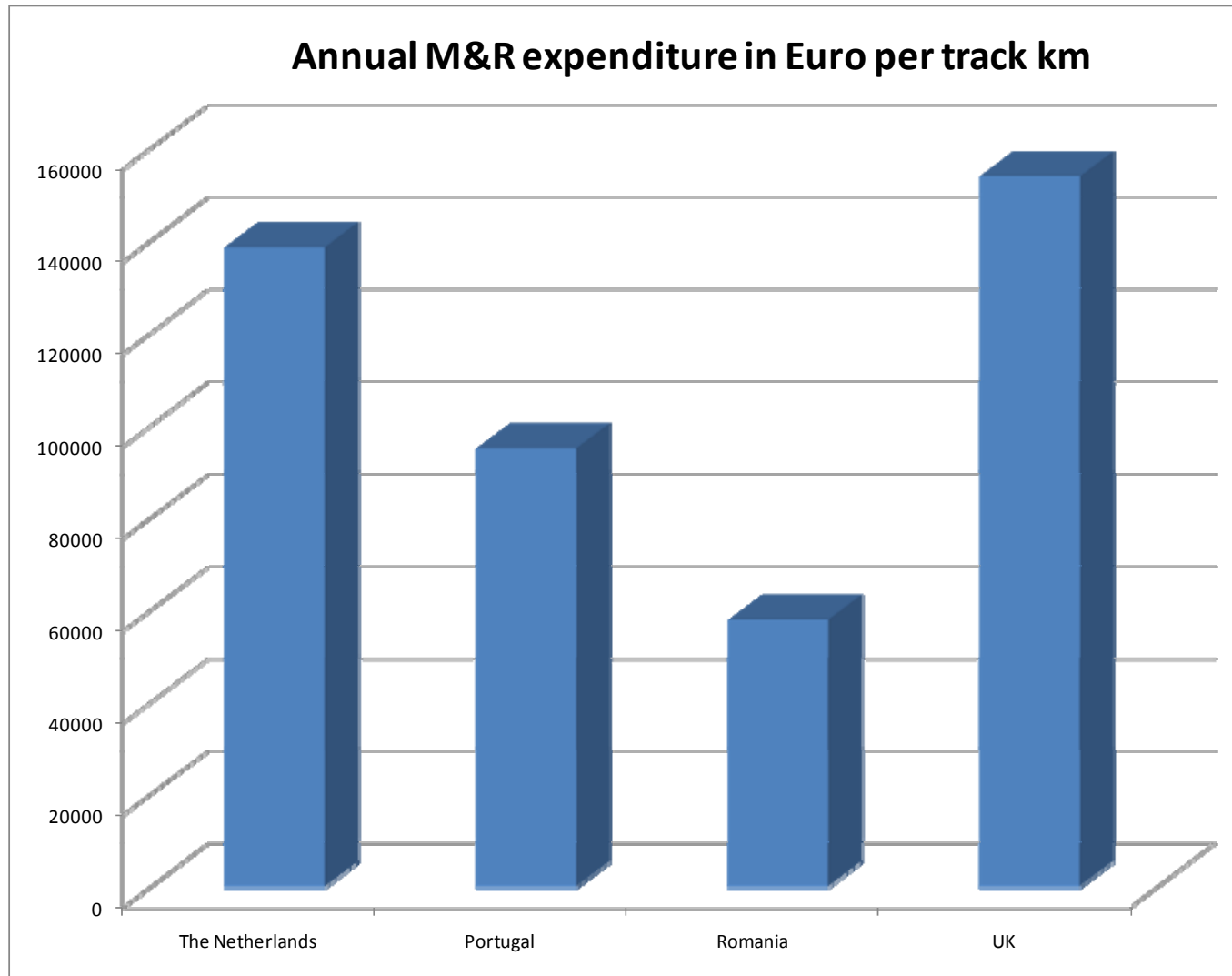
Working with contractors

EIM-EFRTC-CER joint work – Harmonisation of Procurement

- List technical and other requirements for contractors in each European country's procurement procedures
- Analyse differences and propose solutions to overcome them on a consensus basis
- Propose process for implementation of recommendations



Infrastructure efficiency



Infrastructure efficiency

- **Investment in new infrastructure** is good where appropriate

BUT

- another way of improving infrastructure efficiency is **Route Modernisation** (i.e. renew the tracks, signalling, possibly rolling stock), which can deliver the same benefits at a lower cost.

Any questions?

Thank you for your attention

www.eimrail.org

