

ČESKÉ DRÁHY

and

COVID CRISIS 2020 - HEALTH & SAFETY

## GOVERNMENT MEASURES

and their impact on rail transport market

12/03

**STATE OF EMERGENCY**



### State of emergency

meant the closure of school facilities and therefore in the first days a decrease in sales by 50%



### International transport

suspended until further noticed (as announced recently, it will be renewed on 15th of June)

14/03

**INTERNATIONAL TRANSPORT SUSPENDED**

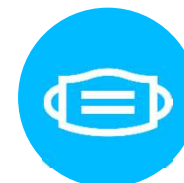
16/03

**NATIONAL QUARANTINE BORDERS CLOSED**



### National quarantine

Led to complete border closure and prohibition to travel abroad or to enter the territory of Czechia (exemptions for Czech citizens returning from abroad and for commuters )



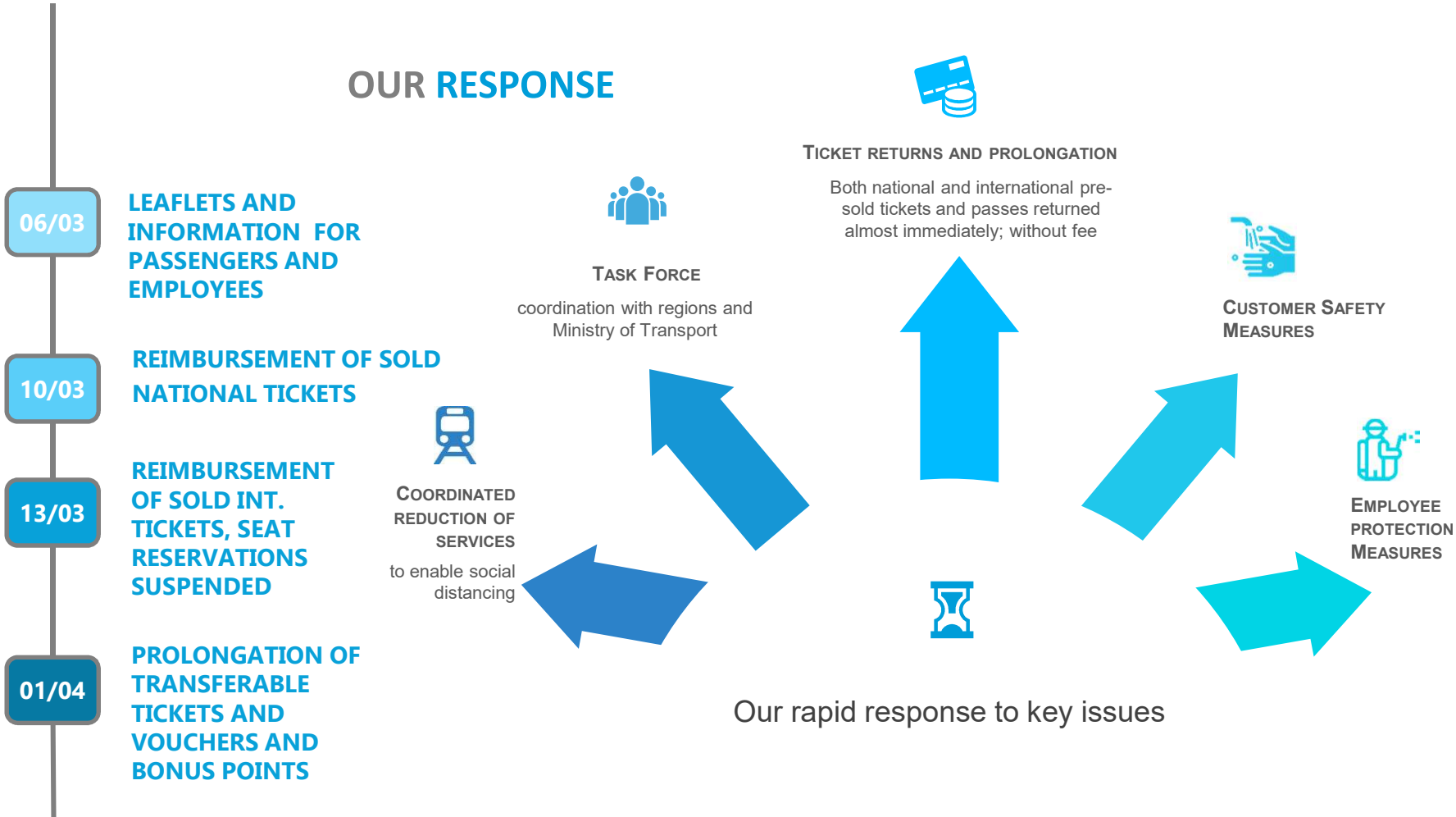
### Face masks

The government has ordered the mandatory wearing of face masks in indoor and outdoor public areas and any mean of transport and social distance

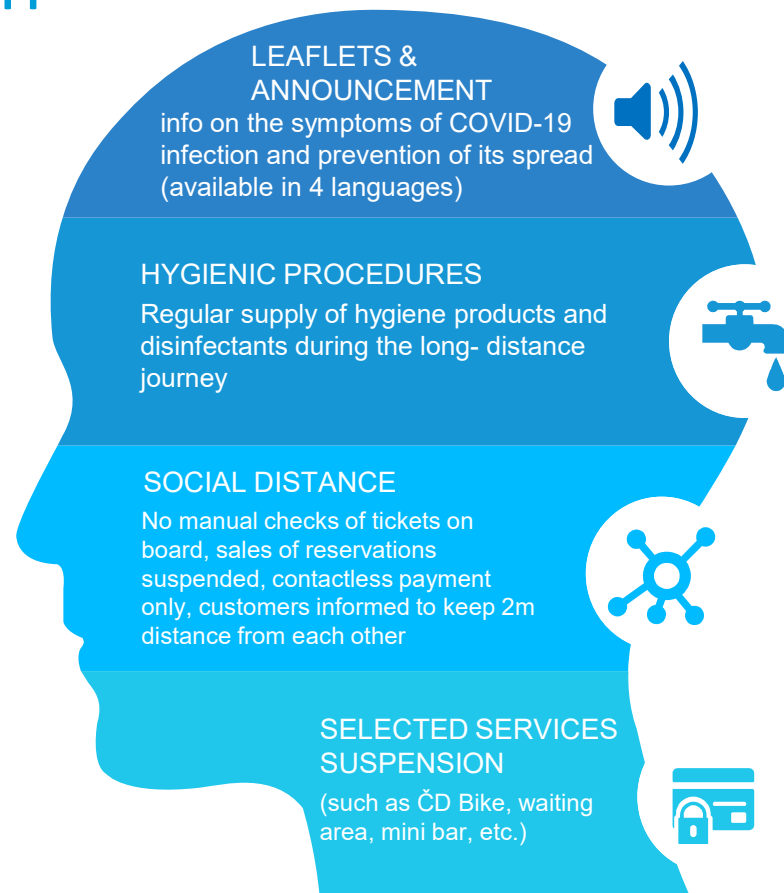
18/03

**WEARING A FACE MASK MANDATORY**

# OUR RESPONSE



## PASSENGER SAFETY



## CLEANING PROCEDURES

- Cleaning services have been extended and intensified,
- Special attention paid to disinfection of all components of the equipment with which the passengers come into contact – handles, boarding handles, garbage bins, door buttons or sanitary facilities.
- New methods used – ozone to disinfect long-distance transport train sets. This procedure destroys viruses and bacteria in the entire train.
- Special nano-sprays applied in selected trains. It can eliminate the risks of transmitting infectious diseases with immediate effect for at least three years.



# EMPLOYEE SAFETY

- 06/03
- 20/03
- 01/04
- 14/04
- 01/05

**INSTRUCTIONS ON HOW TO PROCEED IN CASE OF HAVING SUPPOSEDLY INFECTED PASSANGER ON BOARD**

**OBLIGATORY USE OF FACE MASKS AND RESPIRATORS FFP2 BY STAFF ANNOUNCED**

**TEMPORARY IMPEDIMENT AGREEMENT WITH TRADE UNIONS (FOR APRIL) ENTERED IN FORCE**

**DISTRIBUTION OF ALL ESSENTIAL PROTECTIVE EQUIPMENT FOR EMPLOYEES IN ORDER TO RENEW CHECKS IN TRAINS**

**TEMPORARY IMPEDIMENT AGREEMENT WITH TRADE UNIONS (FOR MAY) ENTERED IN FORCE**

## Distribution of protective equipment

Distribution of googles, face masks, disinfectants and gloves  
 Purchase of 320 000 respirators, 1 200 000 disposable face masks and 200 000 cotton masks



## Home office and temporary impediment

16% employees worked from home or had temporary impediment

## HR Policy and measures

State aid – kurzarbeit  
 Agreement with trade union about guaranteed salary  
 Social fund allowance

12 infected employees out of 24 thousand

## Protection of physical safety and well-being

Security agency hired to protect employees in the front line from aggressive passengers  
 Team of psychologists available on phone 10 hours per day

11/05

**OPENING OF SCHOOLS**

Gradual opening from May 11 to June 8

17/05

**REVOCAION OF THE STATE OF EMERGENCY**

some measures remain in force (face masks on board and social distance)

04/06

**CZ – SK BORDERS OPEN**

The international rail transport is to be renewed

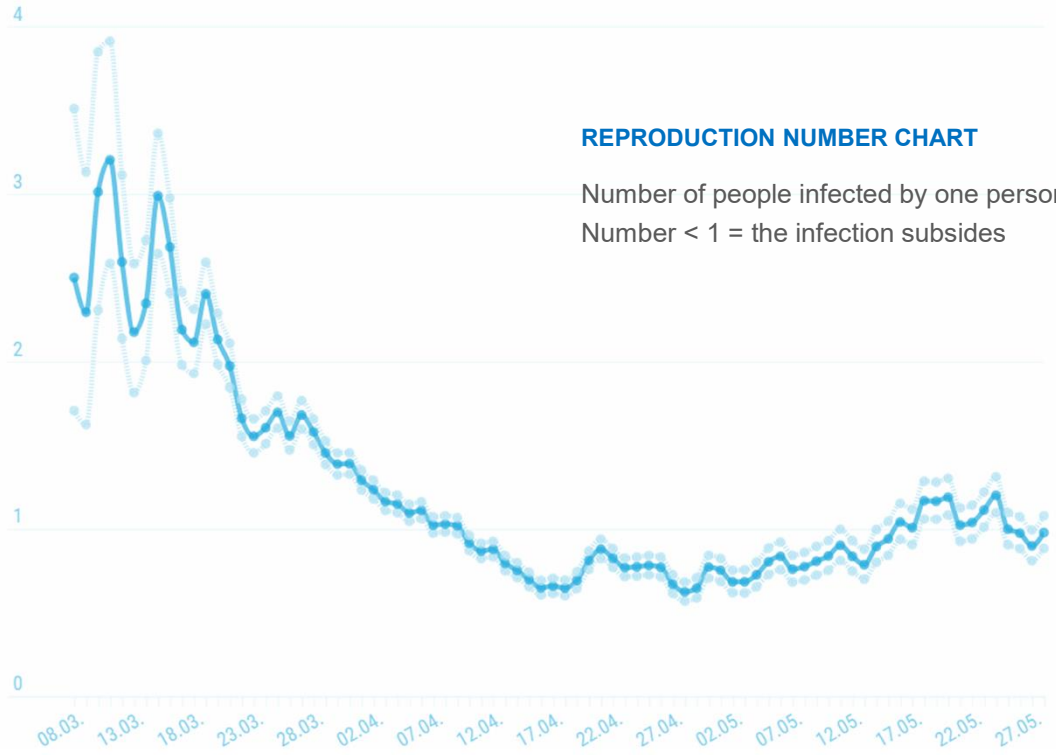
15/06

**BORDERS OPEN**

Government released „traffic lights“ plan with countries of high and low risk of traveling there

# EPIDEMIOLOGICAL SITUATION

Development of the situation and gradual moderation of measures in Czechia



## SERVICE SUSPENSION

### REGIONAL

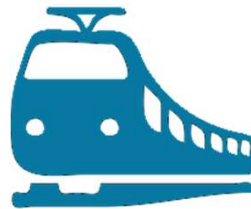
Under public service obligation (PSO)



14 REGIONS,  
Costs and losses not automatically covered by contracts  
**13% reduction on average in March**

### LONG-DISTANCE

Under public service obligation (PSO)



Consists of long-distance and international rail transportation activities. Operated under long term contract with the State represented by the Ministry of Transport.  
**34% of reduction in March**

### OPEN ACCESS

Free market competition



Non-regulated passenger operations – SC Pendolino, IC Praha – Ostrava+ night trains. 2 hrs interval Praha – Ostrava preserved!  
**65% of reduction in March**



## ECONOMIC IMPACT & THREATS 1/3

### Passenger volumes

- 100% decrease in international transport (until the end of May) – all int. trains cancelled
- 90% decrease in national long distance and regional services

### Revenues

- Since the closure of school facilities, a drop in sales and the announcement of a nationwide quarantine, sales have fallen to 10% of the usual amount.
- No legal rules in PSO contracts for compensations

### New opportunities

- Repatriation of Ukrainian Citizens – special train from Prague to Przemyśl at Polish-Ukrainian border on 19th March
- 900 seats
- Special arrangements necessary: exceptions – permission to cross closed borders, close cooperation with Police

## ECONOMIC IMPACT & THREATS – 2/3

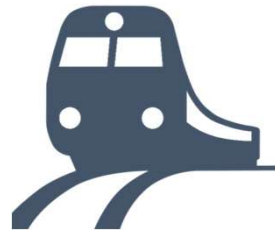
### Recovery

- Early June – approx. 40-50 % of average revenues
- Intensive discussion with PSO authorities on compensation schemes
- Some regions (PSO authorities) want to keep reduced schemes of TT (money savings)
- Full train operation expected from TT change (14th June)
  
- Special team responsible for fundraising established
  - Short-term funding possibilities – governmental tools
  - Long-term funding possibilities – technological upgrade – European tools
  
- Key issues: How to solve
  - Revenues reduction from ticket sales
  - Reduction of PSO compensations due to reduced amount of train services
  
- Internal savings – focus on fix costs, assessment of internal processes,

## ECONOMIC IMPACT & THREATS – 3/3

### Recovery

- Independent study – how different RUs and bus operators have reacted on new legal conditions and requirements
- Challenges:
  - How to secure resources for the new investments?
  - Harmonised approach at borders (cross-border control procedures) – RUs need to guarantee TT
  - Harmonized approach (reduction/restoration of operation) on regional and national level needed – integrated rules and authority welcomed to avoid fragmentation
  - Closure of borders – efficient tool?
  - More digitalization – 5G (real time seat-occupancy ratio, electronic ticketing and check-in, remote diagnostics)
  - Customer communication – esp. at the beginning of pandemic and during re-establishment of normal operation



**ČESKÉ DRÁHY**

Thank You for Your Kind Attention

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