

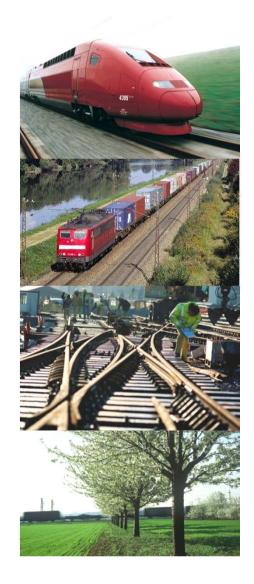
The Voice of European Railways

Introduction and Background to the

EVES-Rail Study: Economic Effects of Vertical Separation in the Railway Sector

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Background to EVES-Rail



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- Political background: 4RP and some national discussions on vertical separation
- Scientific starting point: Do we know what works best?
 - What does the existing literature say?
 - Is there a need for further research?

CER decided to commission a study

Would a tightening of EU separation requirements be economically justified?



- CER office → drafting of Terms of Reference
- Support group: CER Economics and Taxation Group
- Selection procedure for the research consortium: closed call on 9 well-known economics consultancies (leading to receipt of 8 submissions)
- Influence of CER member companies:
 - On the Terms of Reference: supported without changes
 - On the candidates for the call: broadened, no removals
- Choice: recommendations from the CER Econ Group + CER office
 - Majority, and CER office, leading to choice of Inno-V consortium
 - Some CER members in favour of less academic choices: overruled
 - Dominant criteria: scientific quality and data collection feasibility

Terms of Reference for EVES-Rail (December 2011)



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- I. Literature review
- II. Quantitative assessments of economic performance
 - a. Impact of structural model on **economic efficiency** (regression analysis)
 - b. Impact of structural model on rail's modal share (regression analysis)
 - c. Value-for-money for state budgets (selected countries)
- III. Qualitative rail sector modelling
 - a. Flow-chart modelling of the rail value chain under different structural models
 - b. Understanding the 'target functions' of IMs and RUs
 - c. Understanding the issue of 'alignment of incentives' between IMs and RUs
 - d. Competition and non-discrimination under different structural models
- IV. Cost-benefit analysis of probable structural reforms
- V. Analytical conclusions
- VI. Policy recommendations

Modifications over project life-time: very minor

added short section on value-for-money for state budgets

Winning consortium



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inno-V consultancy (Amsterdam, NL)

Didier van de Velde



ITS, University of Leeds (GB)

Prof. Chris Nash Andrew Smith



Institute for Transport Studies

Kobe University (JP)

Prof. Fumitoshi Mizutani

Fukuyama Heisei University (JP)

Shuji Uranishi



VU University (Amsterdam, NL)

Mark Lijesen



civity management consultants (Hamburg/Berlin, DE)

Frank Zschoche