Infrastructure Access Charging Issues

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Lou Thompson Thompson, Galenson and Associates 2804 Daniel Road Chevy Chase, MD 20815 USA Phone 301 951-3731, fax 301 951-8978, Ithompson@alum.mit.edu Objectives for Infrastructure Separation and Access Charge Regimes: Why Are We Doing This?

Because the Commission Told Us To … Efficiency in Transport and National Economy Balancing Social Costs Financial Stability for Infrastructure Provider Clarifying Government Roles and Costs Business Focus of the Parts (inc. infrastructure!) Influence Public/Private Roles Promote Competition: Intramodal and International

Basic Choices

Pure Social Marginal Cost

- Assumes government is rich and reliable
- Assumes comparable treatment of all modes and efficient taxes

Marginal Cost Plus Markup (MC+)

- Social charges to government (?)
- Need to know government contribution
- Objectives of the markups?

Financial Cost Minus Government Contribution (FC-)

Same issues as MC+

Major Issues

- Defining and calculating marginal costs
- Calculation of social costs
- Agreed and consistent definitions and calculations

MC+ and FC- same issue: charging the leftover Δ

The Δ Drivers

Complexity and Intensity of Traffic Mix of Traffic Growth in Traffic Number of Operators Competition Goals (intramodal, international) Freight, ICP and Sub'n Passenger Incentives Slot Rigidity versus Market Demands Hidden Question: Overcharging Freight to **Reduce Passenger Charges**

Implementation

Simple – variable with traffic

- gt-km, nt-km, p-km, train-km, % revenue
- Weighting factors (speed, axle load, equipment design, specific route, time of day, commodity, other)

Two Part

- variable factors as above
- fixed part (capacity used, path reservation)
- focus of discrimination: efficiency versus equity

Network Complexity versus Intensity of Use Ratio: track-km/line-km (complexity) 3 CH2.5 China A D 2 SI SF RO UK B 1.5 US 🔵 Russia Ν 1 0.5 0 10,000 20,000 30,000 40,000 0 50,000 Train-km/line-km (intensity)

Note: Russia, US and China added manually and do not affect the regression line.

Traffic Mix (Percent Passenger Traffic)



TU=P-Km + T-Km

Percent International Ton-Km



Traffic Growth 1999-2003 (% T-Km and P-Km) 30 **Frt** 20 **Pax** 10 0 CH SF N D A UK Η B SI S RO -10 -20 -30 -40

Some Results

 Wide Range of Charges, especially Freight
Different Delance Freight

 Different Balance Freight versus Passenger

Freight Freeways: Uniform Access Fees?



Note: Uses average of range shown on "Typology of Rail Networks and Access Charging Regimes"