

*Liberalisation of
HS railway passenger services in Italy:
outcomes and outstanding challenges*

CNMC Workshop on the liberalisation of railway passenger services in Spain

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Outline

- I. Milestones of HS railway market liberalisation**

- II. Data**

- III. Factors of success, spillovers and outstanding challenges**

Milestones of HS railway market liberalisation

2006

Legislation provides for the liberalisation of railway HS routes and commercially profitable long-haul routes

2008

The newcomer signs the «framework agreement» with the infrastructure manager

2009

Feb – the incumbent launches its first HS lines
Dec – the whole HS network becomes operational

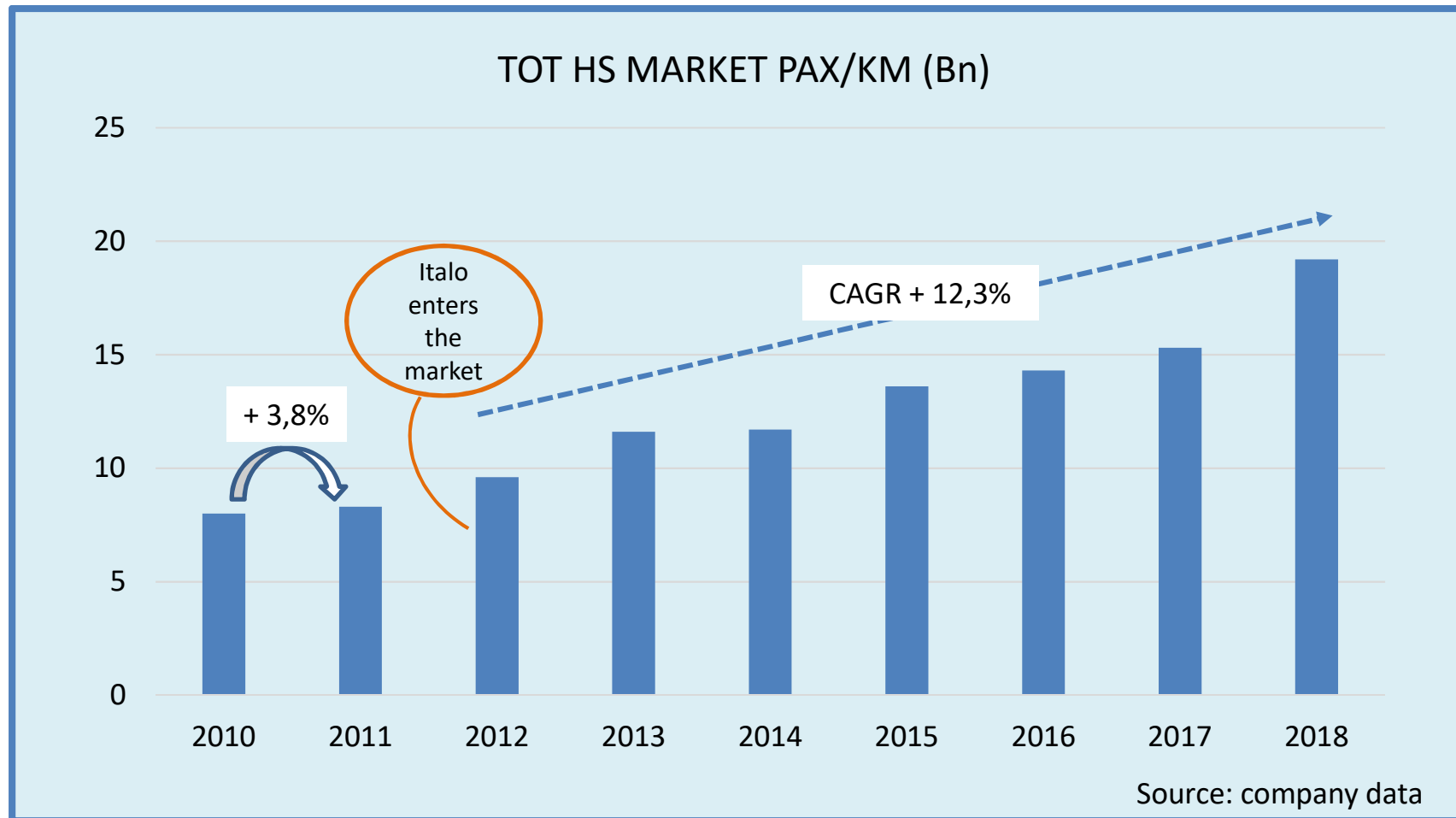
2012

The newcomer is up and running its first HS railway services

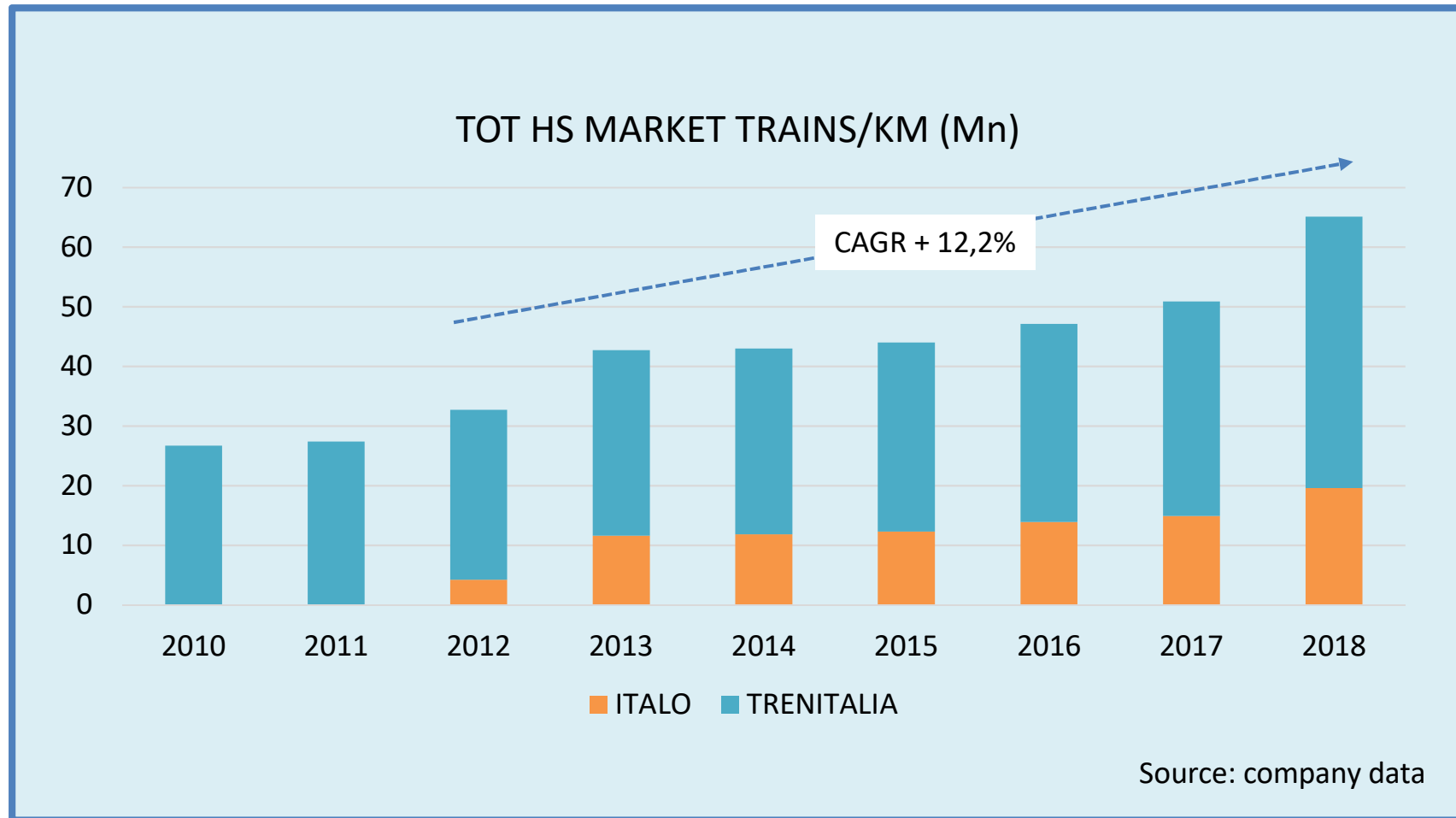
2013

The Italian Transport Regulation Authority (ART) begins its activity

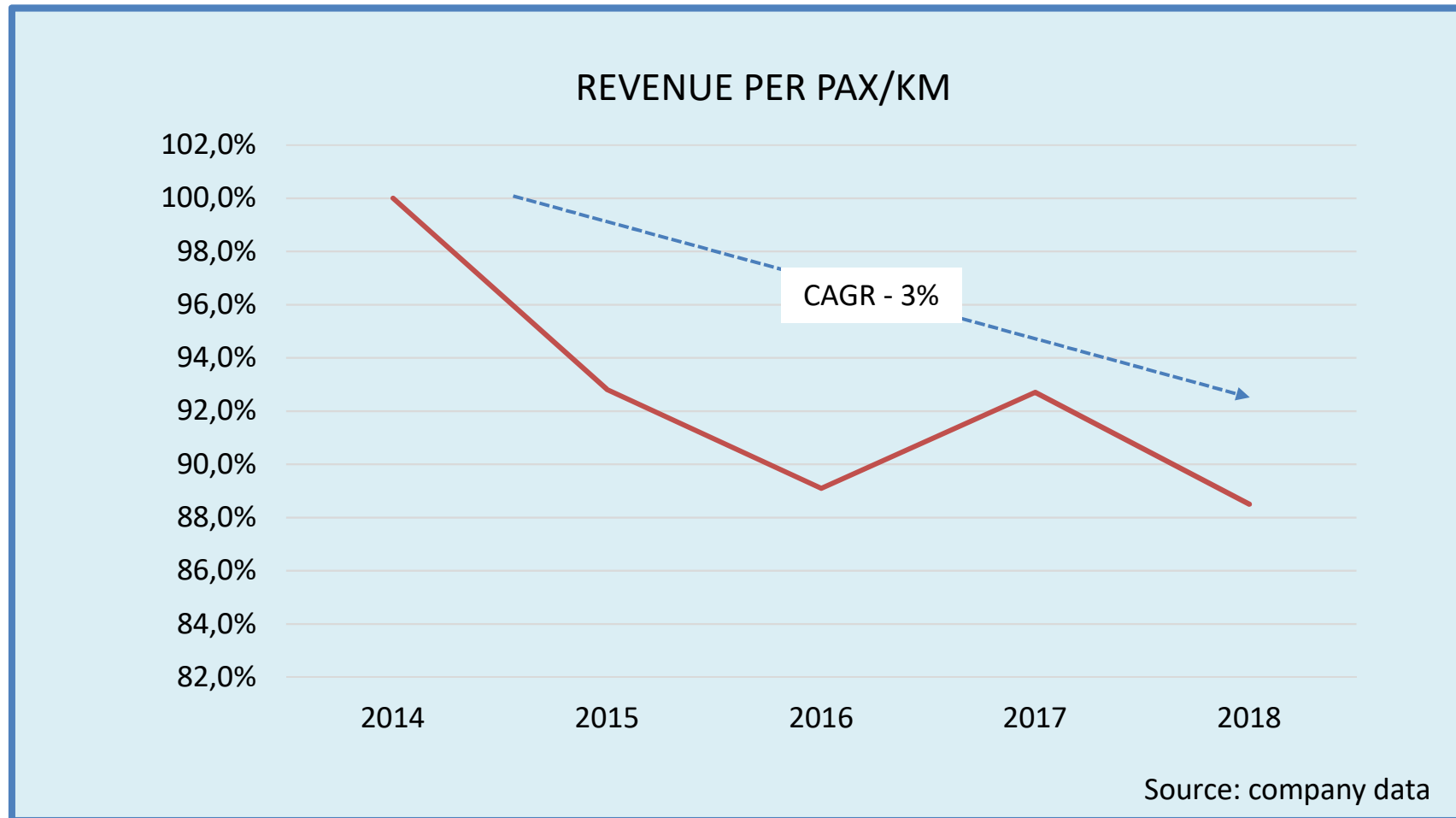
HS rail market growth – volumes 2010-2018 (1/2)



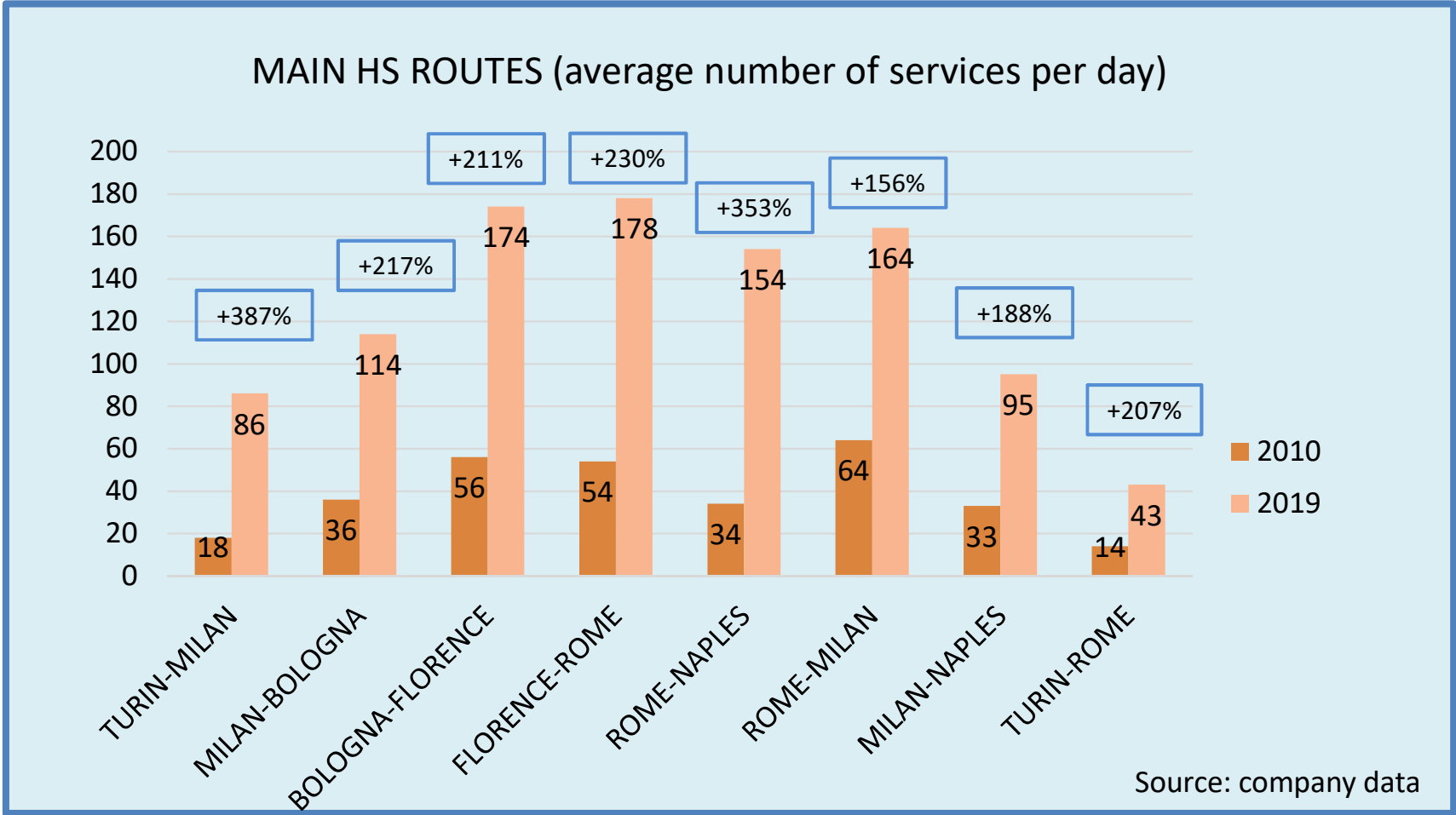
HS rail market growth – volumes 2010-2018 (2/2)



HS rail market – performance 2014-2018

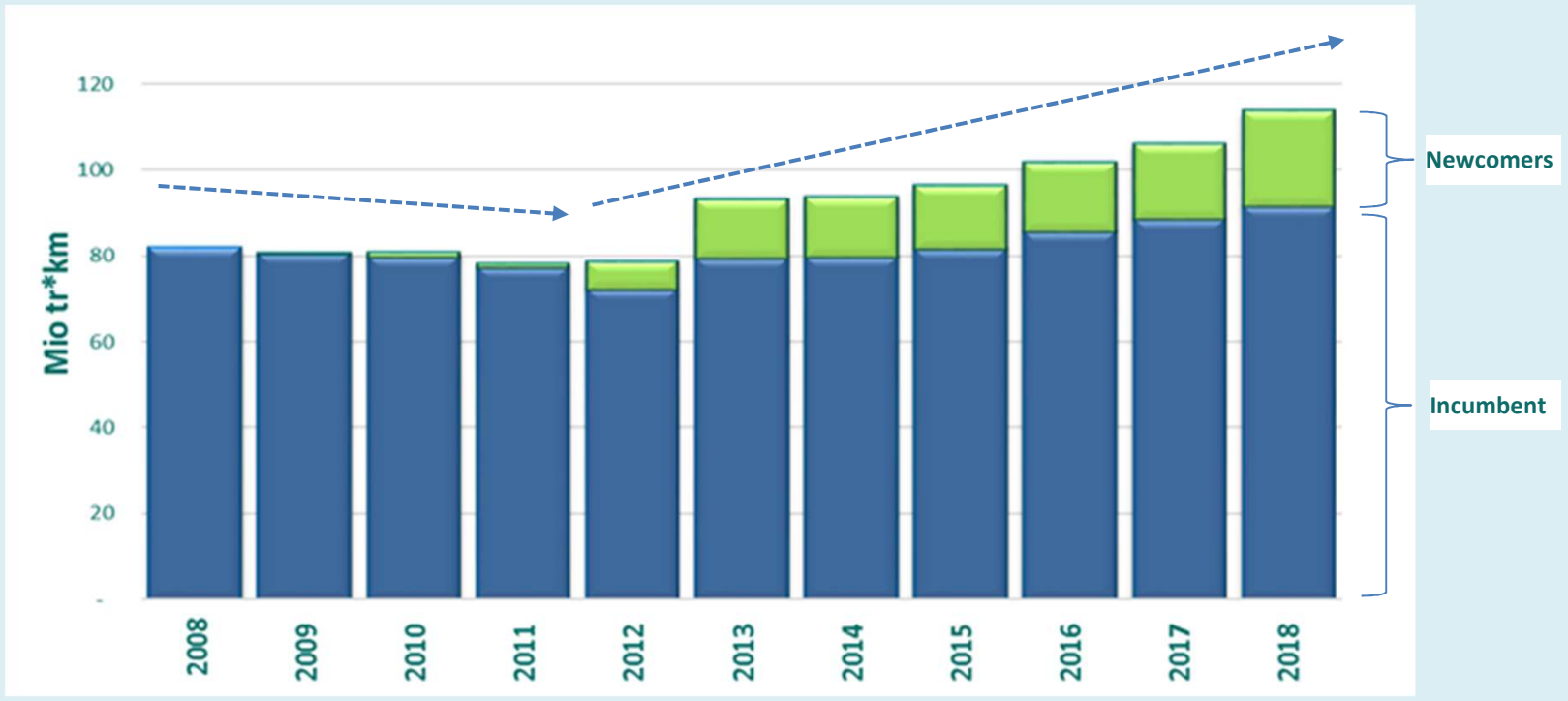


Growth of services offered (1/2)



Growth of services offered (2/2)

TOT LONG HAUL, HS & Conventional (Mn trains/Km)



Source: company data

Factors of success (1/4)

Enabling factors

Conducive legislation

Unused HS infrastructure capacity

Demand for better and faster train services

A fully dedicated contender

Factors of success (2/4)

A strong regulatory framework

Fair and non-discriminatory access rules

Cost-oriented access fee

Transparency of access conditions

Oversight by the authority

ART regulation of railway market access: a selection

- 2014 access fee to the HS network
- 2014 access to railway stations
- 2015 access fee to the whole railway network
- 2017 access to shunting services
- 2019 access to all service facilities and the services offered therein

Factors of success (3/4)

A new role for the infrastructure manager

Aware actor and enabler of true market opening

Independent and neutral market operator

An optimiser of existing infrastructure capacity

A transparent and non-discriminatory manager of capacity allocation

Factors of success (4/4)

Removal of entry barriers

No minimum availability of rolling stock required to enter the market

Demand for network capacity managed in a dynamic way by the infrastructure manager

Possibility to gradually expand business for new entrants

Spillovers

Change in demand patterns and net increase in demand

Attractive environment for foreign investment

More affordable train services, better quality of service

Strengthening of territorial cohesion

Challenges

Extracting more value from the independence of the IM

Establishing an optimised framework for the Performance Regime

Facing traffic congestion in strategic network nodes in connection to major cities

Guaranteeing adequate service quality and passengers' rights protection

Integrating existing PSO railway services with increased presence of HS services

Ensuring fair and non-discriminatory access to service facility and to the services offered therein