



ERTMS Innovative Financing

SERA CONVENTION
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Innovative Financing

The Action Plan is part of the Commission strategy to implement ERTMS in Europe and FS welcomes the Commission's proactivity to achieve interoperability and drive ERTMS deployment.

Suppliers, RU, IM and other stakeholders need a clear deployment calendar. A coordinated deployment is driving down costs and delivering significant benefits helping rail to be more competitive: beside technical interoperability, financing is a major issue to take into account when we talk about ERTMS.

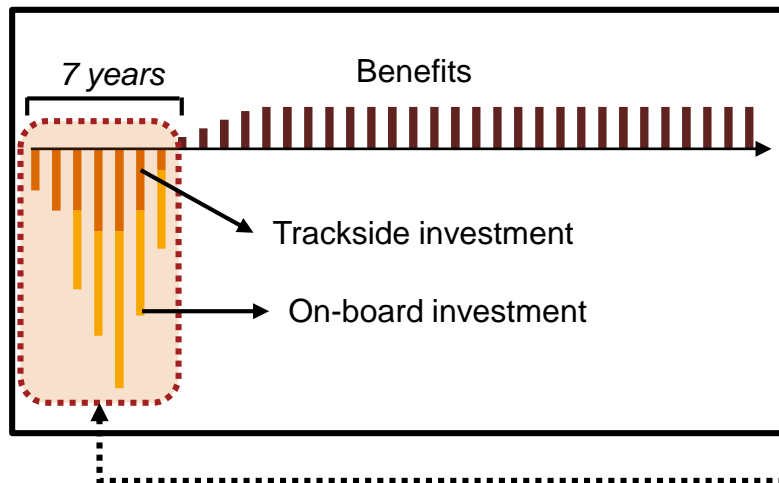
Ferrovie dello Stato Italiane would like to propose an incentive scheme to accelerate the installation of ERTMS on the TEN-T Core Network: we would like to create a win-win situation for all the stakeholder, aligning their interests.

The expected size of the investment to install ERTMS on the TEN T Core Network and 50% of vehicles was evaluated at around 15 – 20 B€.

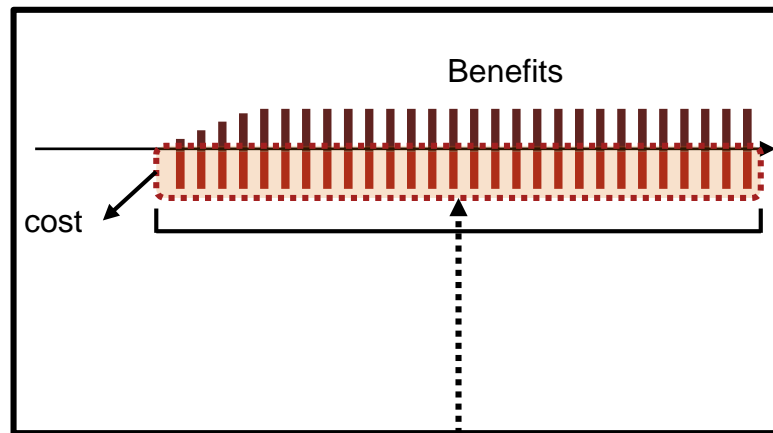
After discussing with DG MOVE the Rhine – Alpine corridor could be the pilot project to test the ERTMS implementation scheme on the whole TEN-T Core Network

Deployment Fund

Without DF



With DF



Source: adaptation PWC, 2015

Private capital, with public funding on infra, can help financing the investment using EFSI guarantee
In a period of 7 – 8 years install ERTMS on infra and vehicles.

Capital invested repaid by the RU / IM in 30 – 40 years through:

differentiated TAC

repayment of loans from when the track side installation of the system is completed

savings from dismissing the legacy system

- The model envisages a "grace period" during which no fee is paid by RUs, to best align ERTMS benefits and costs. RUs will find convenient to use ERTMS only once a certain critical mass of the Core network has been equipped. Most likely only a % of the EU vehicle fleet will find useful to install ERTMS (type of traffic, trains not running on the Core network, local traffic).

- Regulatory measures, such as authorization to dismiss legacy system, will be needed