

Appendix 2

Definitions

Definitions used in this study are:

Separation of accounts

Separation of accounts means that the financial accounts are separated between passenger and freight activities and between transport and freight activities.

Separation between infrastructure management and transport operations means that:

- Member States must take the measures necessary to ensure that the accounts for business relating to the provision of transport services and those for business relating to the management of railway infrastructure are kept separate;
- Member States must take the measures necessary for the development of their national railway infrastructure and may entrust the management thereof to the railway undertaking;
- A non-discriminatory user fee must be charged to railway undertakings and international groupings which use the infrastructure.

Management independence of railway undertakings means that:

- Railway undertakings must have independent status (in particular budgets and accounts which are separate from those of the State) with regard to management, administration and internal control over administrative, economic and accounting matters;
- Commercial undertakings must be administered in accordance with the principles which apply to commercial companies;
- Railway undertakings must determine their business plans in such a way as to achieve financial equilibrium and other technical, commercial and financial management objectives;
- Railway undertakings may set up groupings with railway undertakings established in other Member States.

Cross subsidies

Cross subsidies are defined as any means by which the relatively positive result of one railway activity supports a less successful railway activity. Cross subsidies can as such exist between passenger and freight transport and transport and infrastructure management. Cross subsidy can also occur when the infrastructure manager is not in charge of the costs of infrastructure management as the operational management of the infrastructure is not provided by the infrastructure manager itself.

Public support

Public support means any support received from public authorities by the railway undertaking.

Performance indicators

The performance indicators used are in line with the NERA study. The indicators presented in this study are the following:

- Cost per staff member (total costs/number of staff members)
- Staff costs as a proportion of operating costs (staff costs/operating costs)
- Labour productivity (million rail traffic units/railway staff)
- Viability ratio (total operating income/total operating expenses)
- Total commercial traffic revenue per passenger, tonne, passenger-km and/or tonne-km (traffic receipts/traffic units)
- Asset intensity (total liabilities/total operating costs)
- Debt as a proportion of total liabilities (total debt/total liabilities)
- Debt equity ratio (total debt/total equity)
- Debt service (net financial payments/total operating expenses)