The Norwegian Railway Reform

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Information and consultation meeting, March 10th 2016
2011: Challenges in the rail sector

- No clear strategy for the long term
- Need for better coordination between infrastructure and train service developments
- Time consuming planning processes
- Low investments in infrastructure and lack of infrastructure capacity
- Existing infrastructure in poor condition
- Skills and resource shortage
- Lack of incentives in the running of the railways
- Unclear division of labour in some areas

Source: Railway group report 1.12.2011
2011: Challenges in the rail sector

**Plenty of challenges, several fixes:**

- Increased funding
- Focusing the National Transport Plan on the effects for the transport users
- Initiatives to reduce planning time
- **Railway Reform**

- Skills and resource shortage
- Lack of incentives in the running of the railways
- Unclear division of labour in some areas

*Source: Railway group report 1.12.2011*
Reform objective:

A railway sector that is more customer focused and efficient
Four initiatives for a better railway

a) **Structure**
Clear division of labour.
Governmental responsibilities separated from infrastructure management.

b) **Business orientation**
New funding structure that increases customer focus and more efficient operations, within current safety and quality requirements.

c) **Lower barriers to entry**
Infrastructure and other production factors with limited scope for competition will be separated into separate, neutral companies.

d) **Establishing competition**
- for the market (passenger services)
- maintenance of infrastructure
- maintenance of rolling stock
Current structure

Ministry of Transport and Communications

Jernbaneverket

NSB Group

Flytoget

Ministry of Trade, Industries and Fisheries

MoTC governance:
Regulation
Ownership
Contracts
Agencies
Funding flows

Ministry of Transport and Communications

Railway Directorate

- Infrastructure management contract
- Infrastructure construction contracts

Infrastructure Manager

- Infrastructure charges
- Charges for other services
- Performance scheme

Train operating companies

- Sales and ticketing agreement
- Rolling stock maintenance contracts
- Rolling stock leasing contracts

Sales and ticketing

Infrastructure charges

Infrastructure construction contracts

Infrastructure management contract

Lease agreement maintenance facilities

Maintenance providers

Sales and ticketing agreement

Rolling stock maintenance contracts

Rolling stock leasing contracts

Owner of rolling stock

Contracts for public service obligation

Ministry of Transport and Communications

Infrastructure management contract

Infrastructure construction contracts

Infrastructure management contract
Implementation

- **Clear mandate and direction**
- **Structural changes**
  - Railway directorate and infrastructure manager established early 2016
  - Both organisations fully operative January 1st 2017
  - Employees transferred from Jernbaneverket
- **Establishing competition**
  - The intention to award two tenders competitively announced early February 2016.
  - New direct awards to allow for gradual implementation of competitive tendering
  - Airport Express Train/Flytoget
- **Transforming the NSB Group**
  - Group to become a specialised transport operating company
  - Property, maintenance, rolling stock and possibly sales and ticketing divisions to be split into separate companies.
  - The government will secure access to rolling stock and sales and ticketing on the same terms for all bidders