

APPENDIX 5.1.3

NEGOTIATED PRICING PRINCIPLES

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The information published in Appendix 5.1.3 relating to Chapter 5 of the Network Statement is intended to explain the application process for the negotiated pricing system (previously called the differentiated charging pricing system), which bears on the Market Charge pricing.

This appendix thus sets out in detail the SNCF Réseau methodology to calculate the Market Charge reduction, and provides an overview of the rates granted to the different candidates.

This Appendix completes Appendix 5.1.1 pertaining to establishing price scales for minimum services.

1. THE PRINCIPLE OF NEGOCIATED PRICING

Negotiated pricing (previously known as differentiated pricing) is a lever for encouraging both the development of competition and effective, optimised use of the infrastructure, designed to increase the number of journeys and generate additional revenue for SNCF Réseau in the short, medium and long term.

As a matter of principle, the negotiated pricing process is open to all applicants if there is an objective difference in situation on the national network that may justify the application of infrastructure use charges negotiated between the infrastructure manager and an applicant. This makes it especially easier for a new operator to overcome barriers to entry.

The objective difference in situation is necessarily temporary and must exist between two candidates that are active in the same segment of the downstream transport services market. In this sense, this difference may exist in particular during the ramp-up phase of the services offered, when demand evolves gradually and technical barriers (adaptation of rolling stock, for example) may exist. During this period, a candidate already operating on the market can benefit from intangible advantages in terms of reputation that any new operators who were competitors, would lack.

2. APPLICATION

By its very nature, the negotiated pricing system is open to all candidates.

At the request of an applicant, SNCF Réseau may negotiate, under the supervision of the Transport Regulation Authority ("Authority"), a negotiated tariff, which may only concern the level of price increases, based on the understanding understood that any operator must at least pay the directly related cost of accessing the rail network.

Negotiated pricing therefore consists of a reduction in the Market Charge, which is itself a tariff increase as defined by Directive 2012/34/EU. This process is offered in the context of the application of Article L2133-2 of the Transport code

In its opinion no. 2022-036 dated 17 May 2022, the Transport Regulation Authority recalls: "the negotiated pricing system does not derogate from the charging principles set out in European Law. " and specifies: "it is therefore up to the Authority to assess whether the gap between the regulated price and the negotiated price is duly justified by an objective different situation among operators as regards their respective positions on the downstream market. "

In its opinion no. 2022-083 of 29 November 2022, the Authority stresses that it may object to the negotiated prices submitted to it in cases where:

- the access conditions to the rail network hinder or are likely to hinder the development of competition;
- *access to the network and service facilities is not granted in a fair and non-discriminatory manner;*
- *the economic, contractual and technical provisions implemented by the infrastructure manager and the railway undertakings with regard to access to the network and the various associated services are not consistent with their economic, financial, legal and technical constraints, including the infrastructure manager's financial trajectory. "*

3. METHODOLOGY

SNCF Réseau and the applicant agree on a negotiated pricing level, which they then submit to the Authority for approval. The level chosen must be demonstrated by evidence justifying the implementation of negotiated pricing, in particular that the applicant is not in normal operating conditions in the market segment(s) in which it operates or wishes to operate, temporarily and for reasons beyond its control.

This objective difference in situation shall be highlighted by an analysis carried out by SNCF Réseau based on objective data provided by the applicant concerned.

This analysis is also based on a revenue target to be achieved by the applicant at the end of the first five years of operation, which is put into perspective with the operator already in place on the segment concerned, a segment characterised by a quality of service (nominal speed, on-board services) and an origin-destination.

In the absence of an existing operator in the target segment or low barriers to entry, the analysis is based on the existence of a gradual ramp-up in demand in relation to the target level of demand, as demonstrated by the financial data provided by the applicant during the appraisal.

The level of reduction in the Market Charge proposed by SNCF Réseau is therefore calculated on a case-by-case basis, according to the applicant's operating methods.

In all cases, whether it is a question of demonstrating the existence of barriers to entry or a gradual increase in sales, the applicant needs to provide proof.

4. SCHEDULE

Any applicant may ask SNCF Réseau for further details on the implementation of the system before applying for negotiated pricing.

The formal request for negotiated pricing is sent to SNCF Réseau's Commercial Director one year (1) before the planned traffic is due to start. It particularly specifies the planned routes in terms of origin-destination, intermediate services and the provisional start date for commercial services. This request is followed by the signature of a confidentiality agreement, restricting access to the data transmitted to persons likely to have knowledge of it for the purposes of negotiating the reduction in the Contract Charge, and including the documents to be supplied as referred to in Article 5 below. Supporting documents must be submitted at least 9 months before the planned start of traffic.

SNCF Réseau then formally validates receipt of the data sent by the applicant, provided that it is complete. SNCF Réseau then has four (4) months to formulate a negotiated pricing proposal to the applicant, of which the Authority will be informed.

After consultation and validation by the applicant and SNCF Réseau of the reduction granted on the Contract Charge, on the basis of the final contract negotiated between the two parties, the latter shall jointly refer the matter to the Authority, which shall have a period of two (2) months to issue a favourable

or unfavourable opinion on this level of reduction. If the Authority does not issue an opinion within this period, it will be deemed to have validated the application.

Once the level of the reduction in the Contract Charge has been approved by the Authority, the system will come into force, with publication of the reduction rates for the first two years in the network's reference document.

The reduction rates applied to the third year of the scheme are calculated following a new instruction, based on supporting documents updated during the second year of operation of the routes concerned. Their appraisal, negotiation and approval follow the same schedule as that described above.

5. DOCUMENTS TO BE SUPPLIED BY THE APPLICANT

All of the following elements apply for a period of five (5) years from the date of commissioning, for each mission envisaged.

The information to be provided by the applicant concerns:

- Revenue, including:
 - the number of trains per day, their departure times, journey times, planned station stops and the route taken;
 - the expected occupancy rate per train (stop by stop);
 - the number of customers expected on the various ODs;
 - the average revenue per passenger per OD and, if necessary, with a distinction between peak and off-peak hours, specifying the share of season tickets if any;
 - the turnover.

- Information on rolling stock, including:
 - the type of trains and their theoretical load capacity;
 - the number of seats in standard class;
 - the number of seats in premium class;
 - the number of seats per sq. metre;
 - the number of beds per train in the case of sleeper trains and, if necessary, the number of beds in standard class and the number of beds in premium class;
 - the type of traction (thermal or electric);
 - the number of trains required for operation;
 - the cost of a train and how it is purchased and maintained
 - the US and UM rates.

- OPEX cost elements broken down by item, including in particular:
 - manoeuvring;
 - traction, including the cost of operating personnel;
 - support;
 - on-board services
 - train maintenance;
 - power;
 - distribution and in-station services;

- station tolls and tolls paid to other infrastructure managers.

- Items relating to other fixed costs;
- Any other document that the applicant deems necessary and useful to bring to SNCF Réseau's attention in order to support and justify its request to apply the negotiated pricing system.

If the applicant does not wish to disclose all of the information listed for reasons of commercial confidentiality, the assumptions used in the assessment of the negotiated pricing will be based on a normative model, which will reflect the situation considered "normal" for a new entrant.

6. THE NEGOTIATED RATES

The table below summarises the amounts negotiated between SNCF Réseau and the different applicants for the 2021/2029 NS to date. It will be updated gradually based on requests and negotiations between SNCF Réseau and the applicants.

Candidate	Services	Period	RM discount rate
Trenitalia France	Liaisons: Paris-Lyon Paris-Lyon-Modane	2022 Timetable From 18 December 2021 to 10 December 2022	37%
		2023 Timetable From 11 December 2022 to 17 December 2022	
		2023 Timetable From 18 December 2022 to 09 December 2023	16%
		2024 Timetable From 10 December 2023 to 17 December 2023	
		2024 Timetable From 18 December 2023 to 14 December 2024	9.5%
		2025 Timetable From 15 December 2024 to 17 December 2024	
		Liaisons Paris - Marseille	2025 Timetable From 1 June 2025 to 13 December 2025

Candidate	Services	Period	RM discount rate
		2026 Timetable From 14 December 2025 to 31 May 2026	
		2026 Timetable From 1 June to 2026 to 12 December 2026	16.5%
Renfe Viajeros	Liaison Madrid-Marseille	2024 Timetable	15%
		2025 Timetable	8%
	Liaison Barcelona-Lyon	2024 Timetable	12%
		2025 Timetable	5%

7. INCENTIVE TO DEVELOP NEW TRAFFIC

The table below summarises the traffic development grants awarded to the various applicants under the 2021/2029 NS to date. It will be updated gradually based on requests and applicants' eligibility

Candidate	Services	Period	Type of request
Oslo	Liaison Paris-Rennes Conventional line	2025 Timetable From 02 April 2025 to 13 December 2025 2026 Timetable From 14 December 2025 to 1 April 2026	Late request
SNCF Voyageurs	Liaison Paris-Brussels Conventional line	2026 Timetable From 19 December 2025 to 12 December 2026 2027 Timetable From 13 December 2026 to 18 December 2026	Late request
Oslo	Liaison Paris-Bordeaux Conventional line	2026 Timetable From 14 December 2025 to 12 December 2026 2027 Timetable From 13 December 2026 to 11 December 2027 2028 Timetable From 12 December 2027 to 13 December 2027	Conventional request