

APPENDIX 5.8

RECIPROCAL INCENTIVE SYSTEM

- PART 1. RECIPROCAL INCENTIVE SYSTEM**
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FOREWORD

The purpose of this Appendix is to set down the objectives and principles (1), as well as the management rules applied (2) for the implementation of the reciprocal incentive system mentioned in article 5.6 of the Network Statement (NS) for each timetable A.

1 RECIPROCAL INCENTIVE SYSTEM

1.1 OBJECTIVES

The reciprocal incentive system (IR) aims to encourage candidates and SNCF Réseau to make better use of the commercial and non-commercial capacities on the national rail network.

This system aims to encourage:

- SNCF Réseau to limit the cancellation of allocated train path-days and significant modifications thereto, as well as provide as early a response as possible for train path-days still under examination on the timetable certification date;
- Train path applicants to declare and fix the capacities reserved as early as possible, both for freight and passenger transport.

1.2 MECHANISM APPLICABLE FOR THE 2022 TIMETABLE

The mechanism applicable for the 2022 timetable is defined in accordance with ART's decision authorised by the Minister for Transport. The management rules are defined in part 2 of this appendix.

1.3 THE SCOPE OF THE RECIPROCAL INCENTIVE SYSTEM

➤ *Principles for determining the scope*

The application scope of the reciprocal incentive system includes:

- The train path-days ordered from the service (DS) which received an "allocated" response on the timetable publication date;
- The train path-days ordered through a late service request (DTS) and having received an "allocated" response;
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The train path-days ordered in the service (DS) or *via* a DTS and responded to "in the study on the timetable publication date or responded "in conflict". All these train path-days are included in the IR scope as soon as they have this status on the timetable certification date

Comments:

- ✓ Train path days created as last minute requests (DSDM) are excluded from the scope.
- ✓ The implementation of the penalties is effective on the certification date of the timetable concerned (*see chapter 4*).
- ✓ Any effect carried out after 5pm on D-1 is excluded from the system. From D-1 5pm, the removals made by the train path applicants are subject to the late return penalty (PRT) or the penalty for non-use under the conditions described in chapter 5 of the NS.

➤ *Evolution of the scope*

The inclusion of DTSs and train path-days subject to penalties implies its regular updating:

- **For train path-days which received an “allocated response” upon publication and more than thirty (30) days before the certification date, the exclusion rules are as follows.**

The following are excluded:

- train path-days subject to a modification or cancellation request by the train path applicants before the service certification date; this type of request is interpreted as a "rejection" of the response provided by SNCF Réseau. In order to simplify this process, SNCF Réseau informs each applicant, in September, of the list of train paths-days replied to differently from the request;
- train path-days subject to modification or cancellation by SNCF Réseau before the service certification date for an allocated train path-day.
- Train path-days with a different origin and/or destination than the customer order;

- **For train path-days responded to less than thirty (30) days included before the certification date or after the certification date, the exclusion rules are set out below.**

Are excluded:

- train path-days subject to a modification or cancellation request by the train path applicants or modified or cancelled by SNCF Réseau before the certification date;
- train path-days subject to a modification or cancellation request by the train path applicants within thirty (30) days following SNCF Réseau’s response set out in the order tool (free customer cancellation period, enabling a train path applicant to cancel a train path without being penalised).
- Train path-days with a different origin and/or destination than the customer order;

- **For train path-day requests responded to under examination on publication. The exclusion rules are as follows.**

The following are excluded:

- Train path-days subject to a modification or cancellation request by the train path applicants before the service certification date; this type of request is interpreted as a “rejection”;

Train-path days that have been subject to a change of status from “under examination” or “conflicting” to “allocated” or “non-allocated” status by SNCF Réseau before the certification date;

- **Whatever the status of the train path-days or the type of request, the following train path-days are excluded from the scope of the scheme:**

- train path-days in a mismanaged "Life of Train Path" file, i.e. 2 train path numbers appear within the same VDS or same train path number appears in 2 VDSs;

- train path-days corresponding to exceptionally large and bulky consignments (TEPE) subject to an exceptional consignment note (ATE).

The list of train path-days induced in the initial scope is communicated to each train path applicant and is regularly updated, at least every three months. The vibration penalisation period for train path-days within the IR scope starts on the timetable certification date and ends on the timetable end date.

1.4 THE SYSTEM APPLICABLE TO SNCF RESEAU

For each train path-day in the scope, the financial incentive bears on the first effective effect only.

Payment of the penalties applicable to SNCF Réseau for the allocated train path-days

The financial incentive concerns the first significant cancellation or modification made by SNCF Réseau for any allocated train path-day included within the scope of the reciprocal incentive system, except where an exemption listed in article 2.2.2 of this appendix applies.

A "major modification" does not apply to the train path-days assigned. These include:

- either a time change at the point of departure or arrival of more than five minutes for passenger services and thirty minutes for freight services, the service remaining in place from beginning to end (same origin-destination);
- or an extension of the journey time of more than five minutes for passenger services and thirty minutes for freight services, the service remaining in place from beginning to end (same origin-destination);
- or an extension of the itinerary followed of more than ten kilometres for passenger services and fifty kilometres for freight services, the service remaining in place from beginning to end (same origin-destination);

SNCF Réseau will define new thresholds to introduce into them a component proportional to the length of the train path-day following discussion and a dry run during the 2022 service timetable.

The modification by SNCF Réseau of an allocated train path-day falling within the scope and meeting, where relevant, multiple significant change criteria, shall result in the application of a single penalty (corresponding to the first penalty applicable in time).

The modification by SNCF Réseau of an allocated train path-day falling within the scope of the incentive system and resulting in a change to the point of origin or destination of this train path-day is considered to be a cancellation of a train path-day.

Payment of the penalties applicable to SNCF Réseau for train path-days under examination

For train path-days under examination, the financial incentive concerns the status change date from "under examination" or "disputed" to "allocated" or "non-allocated" by SNCF Réseau starting from the timetable certification date. The scope and effects are monitored in real time via Houat and the current train path statuses (ECS).

Scale of penalties applicable to SNCF Réseau payable to train path applicants

The scale applies starting from the certification date.

The formula is: $\text{€} (-) = \text{€} (- 1) \times 2^{(1-)/}$

Per train path- day per kilometre	Allocated train path-days		Train path-days under examination	
	Significant change	Cancellation	Allocated	Non-allocated
On D-1	€3	€12	€3	€12
Doubling period	90 days		30 days	

The doubling period corresponds to the number of days necessary to divide the penalty by two.

Example: for a cancellation by SNCF Réseau conducted:

- on D-90, the penalty applied per train path-day kilometre is €6;

- on D-180, the penalty applied per train path-day kilometre is €3.

Scale applicable by SNCF Réseau for the TRANSILIEN activity of SNCF Voyageurs

- In accordance with decision No. 2018-094, any vibrations concerning the "attributed train path-days" of the SNCF Voyageurs Transilien activity detected as being able to be penalised under the IR is penalised according to the scale of a "major modification".
- For train path-days under examination, any status modification is penalised in the same way as allocated train path-days.

Per train path- day per kilometre	Scale applicable to SNCF Réseau for the TRANSILIEN activity	
	Allocated train path-days	Train path-days under examination
On D-1	€3	€3
Doubling period	90 days	30 days

1.5 THE MECHANISM APPLICABLE TO TRAIN PATH APPLICANTS

Only modification requests that have led to an effective change to the transport plan are penalised (requests which received an "unrealisable" or "inadmissible" response from SNCF Réseau are no longer subject to penalties).

Payment of penalties applicable to train path applicants for allocated train path-days and train path-days under examination

The financial incentive concerns the first request to return or change any allocated train path-day (including any time modification, even slight) within the scope, upon the initiative of the train path applicant, according to the milestones laid out below.

The scope and effects are monitored in real time via GESICO and DSDM.

Any change request made upon the initiative of the train path applicant will be penalised, with the exception of the cases of exemption listed in article 2.3.2 of this appendix.

A modification request bearing on one or more characteristics of a train path-day (e.g.: time modification and change to the origin/destination) leads to the application of a single penalty.

Scale of penalties applicable to train path applicants to the benefit of SNCF Réseau:

Per train path-day per kilometre	Allocated train path-days stemming from a DS creation request		Allocated train path-days stemming from a DTS creation request	
	Passenger	Freight	Passenger	Freight
On D-1	€3.0	€0.9	€2.0	€0.6
Doubling period	30 days			

Per train path-day per kilometre	Train path-days attributed following a DSA creation request(*)		Train path-days under examination on publication	
	Passenger	Freight	Passenger	Freight
On D-1	€3.0	€0.9	€2.0	€0.6
Doubling period	30 days			

(*) dry run for train path-days ordered through an adaptation service request (DSA) that received an "allocated" response.

The doubling period corresponds to the number of days necessary to divide the penalty by two.

Example: for the cancellation of an allocated FREIGHT train path-day:

- on D-30, the penalty applied per train path-day kilometre is €0.45;
- on D-60, the penalty applied per train path-day kilometre is €0.225.

2 RULES FOR THE MANAGEMENT OF THE RECIPROCAL INCENTIVE SYSTEM

This part aims to present the management rules applied for the implementation of the reciprocal incentive system, in particular the cases of exemption defined for SNCF Réseau and train path applicants as well as the alignment of certain data with reality.

2.1 THE INFORMATION SYSTEM FOR MONITORING THE SCHEME (SI IR)

The SI IR bases itself on the data issued from the following ISs:

- Houat (daily frequency)
- KP (weekly frequency)
- Gesico (in real time)
- DSDM (in real time)

The SI IR monitors the modification and return requests made by train path applicants as well as significant modifications and cancellations made by SNCF Réseau for the allocated train path-days, as well as the switch to the allocated or non-allocated status for train path-days under examination. This monitoring applies for train path-days included in the scope of the reciprocal incentive system for the Timetable Y, starting from the Timetable publication date until 5 p.m. on D-1 of the end of Timetable Y (see the scope definition in article 1.2.3 of this appendix).

The period subject to penalties for effects on the train path-days included in the scope of the system starts on the timetable certification date.

For a train path-day included in the scope of the system:

- **For allocated train path-days (as defined above):** any “significant change” or cancellation by SNCF Réseau, and any cancellation or modification request by an applicant, marks the end of the monitoring of the allocated train path-day.

Conversely, any non-significant modification by SNCF Réseau to an allocated train path-day in the scope does not mark the end of its monitoring. Similarly, any modification request not involving any time change (renumbering of the train path or change to the statistical code, change to the convoy) nor any effective change to the graph does not mark the end of monitoring for the train path-day concerned.

- **For train path-days under examination: the switch to the “allocated” or “non-allocated” status,** or any cancellation or modification request by a applicant marks the end of monitoring for the train path-day concerned.

Conversely, any modification request from the train path applicants not involving any time change (renumbering of the train path or change to the statistical code, change to the convoy) nor any effective change to the graph does not mark the end of monitoring for the train path-day concerned.

2.2 CASES OF EXEMPTION APPLICABLE TO SNCF RESEAU

2.2.1 EXEMPTION OF PENALTIES FOR SNCF RÉSEAU

The first cancellation or significant change by SNCF Réseau is exempt from penalties when linked to:

- a force majeure event, as defined in Article 21 of the General Terms and Conditions for the Contract for Use of the Infrastructure and the train path allocation contract (Appendix 3.1 to the NS);
- an act of a third party, in particular including "Third party IM" causes.

This exemption does not involve the resumption of monitoring for the train path-day concerned.

Exemption in the interests of the rail system: this case only applies when two distinct RU are involved:

1-creation of a train path-day: when, for the needs of creating a train path-day of an RU, a third-party RU accepts an effect of its train path-day, in response to a proposal from SNCF Réseau, this will not give rise to a penalty provided an agreement is reached.

2-modification of an existing train path-day: when an RU requests an effect of its train path-day requiring the effect of the train path-day of another RU, in response to a proposal from SNCF Réseau, and the latter agrees, then the effect of the train path-day by the latter RU will be exempt.

2.2.2 ALIGNMENT OF CERTAIN DATA WITH REALITY, LEADING TO EXEMPTION

As the current SNCF Réseau information systems interprets certain effects as cancellations when they are not in light of the rules of the IR system and the operational reality, processes to align certain data with reality are implemented.

Cases other than those listed below may emerge, in which case this appendix shall be amended in accordance with the NS update procedures.

Case of “Cached train path-days”

Train path-days cached in the SNCF Réseau timetable tool for the timetable production needs (interpreted by the IS as a cancellation, when the train path-day reappears subsequently) is not penalised, provided:

➤ **All 3 following conditions are met before M-3:**

- the train path-day reappears before M-3 for passenger and freight activities;
- the train path-day was cached for a period of 30 days or less;
- the train path-day did not undergo any significant change in the meantime.

➤ **The following conditions are met after M-3:**

- the train path-day was cached for a period of 7 days or less;
- the train path-day did not undergo any significant change in the meantime.

➤ **Examples:**

- *a freight or passenger train path-day cached on D-130 and reappearing on D-101 (before M-3 and less than 30 days) without any significant change is not penalised;*
- *a freight or passenger train path-day cached on D-70 and reappearing on D-55 is penalised in accordance with the “modification” scale;*

Modification of so-called ‘past midnight’ train-path days:

This case applies to train path-days that straddle two consecutive days, with the SNCF Réseau modification leading to the rescheduling of the train paths within one single day. The price scale applied is that of the **modification on the day on which the train path is rescheduled in its entirety**.

Case of “Wrong request number entered”

Whenever the request number linked to a train path-day was not properly entered and it is no longer possible to link the request to SNCF Réseau's action (case wrongfully interpreted as a cancellation due to SNCF Réseau by the IS), the effect detected by the SI IR is penalised as a significant change.

- *e.g.: case where a request to modify a train path-day in the IR scope was made by an applicant and the request number was not properly copied during the processing of the request, thus no longer making it possible to link it with the initial request.*

Case of "Change of landmark"

A change of the origin or destination landmark (wrongfully interpreted by the IS as a cancellation due to SNCF Réseau) is not penalised as long as the origin or destination remain the same. The same rule applies if a modification request has the same effect (see §4.3).

- *e.g. "Border Point": case of an international train path-day first mapped by SNCF Réseau over its whole international course which then undergoes a quality process to limit the train path-day at the border point.*
- *ex "Terminal code": case of a train path-day where the origin or destination remains in the same station area or other service facility, but the terminal code is modified (for example: change of complex in a freight marshalling yard) without any impact on the train path-day.*

Case of "extension of the train path-day as provided in the order"

An extension to the train path-day as provided in the order (wrongfully interpreted by the IS as a cancellation of the origin-destination due to SNCF Réseau) is not penalised provided the origin and destination of the new construction correspond to the initial request and that no change to the time or route was made compared to the initial request.

Case of a customer cancellation or modification request not detected in the SI IR due to an improper use of the control tools:

Example: modification or cancellation request made in the "comment" field of the control tools

Generally speaking, certain train path-days may be exempted based on one-time manual checks conducted by SNCF Réseau which made it possible to check the effects recorded in the SI IR did not in actual fact lead to any modification or cancellation of the train path-day concerned.

If, during these checks, new management cases are identified, this appendix shall be updated according to the NS update procedures.

2.3 CASES OF EXEMPTION APPLICABLE TO TRAIN PATH APPLICANTS

2.3.1 EXEMPTION OF PENALTIES APPLICABLE TO TRAIN PATH APPLICANTS

The first request to return or modify train path days issued by the applicant is exempt from penalties when concerning:

- a) a modification request not involving a time change

This type of request aims to upgrade / downgrade (change in train path-day state), renumber the train path or change the statistical category, or a train change request not affecting times (*conversely*, if the train change request changes the time or place of departure, or the time or place or arrival, the capacity applicant is penalised). This exemption is automatically detected by the SI IR and does not trigger the end of monitoring for the train path-day concerned..

b) a return request occurring after the cancellation of a linked train path-day by SNCF Réseau

This exemption request is only taken into account if the linked train path-day number (in compliance with the linked train path-day definition set out under the General Terms and Conditions of the Contract for Use of the Infrastructure - Appendix 3.1. to the NS) cancelled by SNCF Réseau is indicated by the applicant.

c) a request connected to a force majeure event, as defined in Article 21 of the General Terms and Conditions of the Contract for Use of the Infrastructure (Appendix 3.1. to the NS);

d) a request connected to a third party action, in particular including "Third party IM" causes;

e) a request for the extension of the train path-day as provided in the order

An extension to the train path-day as provided in the order (interpreted by the IS as a change to the origin-destination) is not penalised provided the origin and destination of the new construction correspond to the initial creation request and that no change to the time or course was made compared to the initial creation request.

f) Business loss to the benefit of a third-party RU:

When an RU loses business to a third-party RU, the removal or transfer of its train paths 'as is' will be subject to an exemption. This transfer will not stop the monitoring of the train path under the reciprocal incentive system, and the third-party RU is likely to be subject to a penalty in the event of an effect.

g) Exemption in the interests of the rail system: this case only applies when two distinct EU are involved and SNCF Réseau agrees:

1-creation of a train path-day: when, for the needs of creating a train path-day of an RU, a third-party RU accepts an effect of its train path-day, in response to a proposal from SNCF Réseau, this will not give rise to a penalty provided an agreement is reached.

2-modification of an existing train path-day: when an RU requests an effect of its train path-day requiring the effect of the train path-day of another RU, and the latter agrees, then the effect of the train path-day by the latter RU will be exempt.

2.3.2 ALIGNMENT OF CERTAIN DATA WITH REALITY, LEADING TO EXEMPTION

Case of "Change of landmark"

A request to modify the origin or destination landmark (interpreted by the IS as a modification) is not penalised as long as the origin or destination remain the same.

- *E.g. "border point": case of an international train path-day first mapped by the IM over its whole international course, for which the RU requests a change not subject to penalty under the IR system, but applies it to the French portion of the train path-day only.*

- *E.g. "Terminal code": case of a train path-day where the origin or destination remains in the same station area or other service facility, but the terminal code is modified (for example: change of complex in a freight marshalling yard) without any impact on the train path-day.*

Generally speaking, certain train path-days may be exempted based on one-time manual checks conducted by SNCF Réseau or by the train path applicants which made it possible to check the effects recorded in the SI IR did not in actual fact lead to any modification or cancellation of the train path-day concerned. If, during these checks, new management cases are identified, this appendix shall be amended according to the NS update procedures.

2.4 EXEMPTION PROCESS

In order for the cases of exemption set out in §§ 4.2 and 4.3 above to apply (except for case a., detected automatically by the SI IR) a request must be sent to SNCF Réseau (by e-mail: incitationsreciproques@reseau.sncf.fr), as and when they occur, based on the detailed supporting documents provided, and at the latest three months after receipt of the last detailed supporting document for the month of December Y.

The request must be based on the detailed supporting documents communicated by SNCF Réseau, while indicating as a minimum:

- the train path number, the operating day(s) concerned by the exemption requests, and the "Life of the train path" file number;
- the month in which the exemption request occurred;
- the reason for the exemption and the corresponding generating event(s) (date, event, etc.) in the comments, including any suitable supporting document.

3 INVOICING OF PENALTIES

Exemption requests for provisional penalties must be sent by the applicants as they arise and three months at the latest after receiving the final detailed justification for the month of December Y to incitationsreciproques@reseau.sncf.fr, to in line with the conditions stipulated in article 2 below.

The penalties owed by SNCF Réseau on the one hand, and by the train path applicants on the other hand, are invoiced on an annual basis based on the previous timetable data. They are not subject to VAT.

- With regard to penalties owed by the train path applicants, SNCF Réseau issues an invoice accompanied by the summary tables and relevant evidence, to the company concerned.
- For penalties owed by SNCF Réseau, the latter shall send the summary tables accompanied by the relevant evidence to the companies concerned which, on this basis, shall issue an invoice to SNCF Réseau.

Failure to pay the penalties due shall be reported to ART.

4 MONITORING AND ASSESSING THE SYSTEM

SNCF Réseau monitors the effects of the scheme (annual performance report transferred to the transports ministry and to ART within six months of the end of each timetable).

SNCF Réseau also transfers to each candidate, at least every month, the detailed justifications pertaining to the effects retained and penalties calculated in application of the system.

Should the infrastructure manager or train path applicants experience any difficulties in implementing the scheme, the latter may be adjusted or even suspended, as decided by SNCF Réseau, after informing ART and the Ministry of Transport.