



PRESS RELEASE

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PUBLIC POLICIES AND ENTITIES

REGIONAL EXPRESS TRANSPORT AT THE TIME OF OPENING TO COMPETITION

Late reforms, necessary clarification

Operated by SNCF Mobilités, the 7,000 trains and 1,300 buses that go to make up Regional Express Transport (Transports Express Régionaux – TER) provide services to periurban areas, regional cities and isolated territories, carrying some 900,000 passengers a day.

The assessment of TER carried out between 2012 and 2018 highlights a number of concerns, including drop in ridership, deterioration in service quality and an increase in operating costs. However, over the same period, regions have invested heavily in renewal of rolling stock and even in regeneration of the rail network and various railway stations; they have also pursued ever more user-friendly pricing policies. This apparent paradox is explained by the deteriorated state of the network, which leads to trains being delayed or slowing down, particularly on low-traffic lines, as well as to a poorly adapted service offer and high labour costs.

The Court makes nine recommendations to improve the quality of service, control operating costs and prepare for opening up to competition.

Strong commitment from regions, a still inadequate service

Between 2012 and 2017, the regions invested €3.3 billion in the renewal of rolling stock and €2.1 billion in infrastructure (rail network and stations). Paradoxically, these increased expenditures have been accompanied by a drop in ridership, as TER traffic has decreased overall since 2012, despite a slight rebound in 2017.

The main cause of the drop is deterioration in service quality, which is explained as much by the operator's management difficulties as by the poor state of infrastructures.

This is all the more true of the less frequented lines, almost all of which are not electrified. 285 stations received an average of fewer than three passengers a day in 2016.

Without necessarily abandoning certain services, thought needs to be given to the regional transport system with a view to developing the rail offer, particularly in isolated areas, better coordinate it with other modes of transport and optimise its management.



An expensive, increasingly subsidised activity

TER operating costs, which amounted to €4.1 billion in 2017, are constantly rising. This is due to SNCF Mobilités' low productivity and high staff costs, as well as to a regional service offer that could be optimised.

The regions cover most of them (€3.1 billion), while passengers only account for billion due to attractive pricing policies.

The activity generates a high margin for SNCF Mobilités due to its position as a monopoly.

The cost of TER is even higher (€8.5 billion) when investments and environmental costs are included. In terms of greenhouse gas emissions, TER's record is uneven: favourable for mass transport on the electrified network but negative for less frequented trains running on diesel.

Still insufficient preparation for opening up to competition

This state of affairs explains the strong tensions observed over the period between the historical railway operator, SNCF Mobilités, and the regions, as organising authorities.

SNCF Mobilités' monopoly situation has not enabled total transparency of information or sufficient consideration of service quality issues and cost control.

The prospect of opening up to competition should make it possible to rebalance their relations. This presupposes that the regions will have greater competence to monitor the operator's activity and test out their initial calls for tenders. For its part, SNCF Mobilités must improve its performance in order to be competitive and gain in autonomy by considering spinning off its TER activity.

[Read the report](#)

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