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sillon suisse sa

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swiss train paths ltd

Annual Report 2010

Trasse Schweiz AG



**Allocation of train paths during 2009 & 2010 for
the following year's timetable**

	2010	2009
Number of applicants	17	18
Train path applications formally rejected	0	0
Total train paths allocated	12 473	12 818
of which for passenger traffic	78%	79%
of which for freight traffic	22%	21%
Number of train path conflicts considered	89	103
of which resolved by agreement in conflict resolution meetings	89	89
of which duplicate applications	0	5
of which resolved by path coordination at frontier stations	0	9
of which the train path application was refused	0	0
Sections of line declared as congested	0	0

Allocation of ad-hoc train paths in the current timetable

	2010	2009
Number of applicants	28	29
of which charter traffic and railway undertakings with historic rolling stock	13	13
Short term conflicts considered (>48h before train runs)	1	0
of which resolved by agreement	1	-
of which refused by trasse.ch	0	-
Very short term conflicts considered (<48h before train runs)	14	0
of which resolved by agreement	6	-
of which justifiably refused by the infrastructure manager	8	-
of which unjustifiably refused by the infrastructure manager	0	-
Cases submitted to trasse.ch by infrastructure managers for issues to be clarified	2	1

**Non-discriminatory creation of the timetable:
studies into the feasibility of intended applications**

	2010	2009
Number of feasibility studies overseen or checked subsequently	4	11
Number of times trasse.ch intervened	1	3

Personnel

	31 12 2010	31 12 2009
Number of members of staff	11	11
of whom temporarily seconded to RailNetEurope	1	1
Equivalent in full-time posts	10.6	10.6

trasse.ch had a very successful 2010. We succeeded in finding solutions for all eighty-nine train path conflicts in the 2011 Annual Timetable. During the review of railway undertakings' (RU) service plans in the context of checking feasibility studies, the support of trasse.ch was crucial in one case to allow the railway undertaking involved to be provided with an indication of how its plans could be implemented.

Although we show a loss of CHF 228 694 for the year, we can also speak of financial success. This loss is attributable to a once-off payment made in connection with the change of pension provider, a change completed on 1 April 2010. It was financed from resources in hand. This once-off payment will be offset by lower payments continuing into coming years for both employees and trasse.ch as the employer.

2010 was also marked by further development in the domestic and international environment of trasse.ch. The EU Regulation "concerning a European rail network for competitive freight" entered into force on 9 November 2010. In the regulation, the European Union specifies the organisation and processes for train planning and path allocation for international freight traffic on this network. Although Switzerland is not a member of the EU, it cannot entirely escape the regulation particularly since the Rotterdam-Gotthard/Lötschberg-Genoa corridor is specifically mentioned. Since its foundation, trasse.ch has committed itself to the practical coordination of the train planning processes for international traffic within the framework of the Association of European Rail Infrastructure Managers and Allocation Bodies (RailNetEurope). In addition, in 2010 trasse.ch also joined the Community of European Railway and Infrastructure Companies (CER) in order to make an active contribution to the creation of favourable conditions for rail traffic across Europe.

In Switzerland, the Federation took further steps towards the statutory consolidation of the train path allocation body. In summer 2010, the Federal Department of the Environment, Transport, Energy and Communications summarised the results of the consultative process on the second stage of Railway Reform 2. The proposal sent out for consultation was based on the trasse.ch model and defined the responsibilities of the train path allocation body together with those of the infrastructure managers; it also proposed the conversion of trasse.ch into a body under public law. The proposal was approved by a large majority. However, whilst some saw this simply as an interim stage on the way to complete separation of the traffic activities from the infrastructure activities of the railways, others wanted an independent train path allocation body precisely to avoid this separation. Since the EU is currently revising the relevant directives (the European Commission presented its proposals for revision of the First Railway Package, its "Recast", in September 2010), the Federal Council decided in June 2010 to examine the various models for structuring discrimination-free access to the network anew. It created a group of experts for this task. trasse.ch will be delighted to support this work and bring its practical experience to bear.



Prof. Dr Ulrich Zimmerli
Chairman of the Board



Dr Thomas Isenmann
Managing Director

Train path allocation in the 2011 Annual Timetable – increased transparency through the use of a new tool for making applications

For the first time, the train path allocation process for the 2011 Annual Timetable used the new NeTS-AVIS application tool. By using this tool, railway undertakings were able to monitor the progress made in processing their applications continuously. Not least thanks to the intensive training and active support by trasse.ch, applicants for train paths had no significant difficulties with the application.

A total of 12 473 train paths were allocated to seventeen railway undertakings for the annual timetable valid from 12 December 2010. Because of the dissolution of the Cisalpino company, the number of applicants for passenger paths fell to eight railway undertakings. The number of applicants for freight paths remained stable. 3.8% fewer train paths for passenger traffic were allocated by comparison with the previous year, mainly because several train paths for running empty stock were only applied for after the cut-off date. For freight traffic, the economic recovery made its mark, the number of train paths allocated rose by 1.6%.

In total, trasse.ch handled eighty-nine train path conflicts. The search for alternatives to resolve conflicts for transit freight traffic on the Lötschberg-Simplon axis was particularly demanding. Applications were concentrated on particular days of the week and particular times of day because of competitive pressures on costs and because of mutual interaction with other networks. Thanks to the cooperative attitude of all the participants and intensive team work with neighbouring allocation bodies, all the conflicts were resolved amicably.

Ad hoc train path allocation during the 2010 timetable – maintenance work restricted capacity

The economic recovery made itself felt in applications for ad-hoc train paths during the 2010 timetable. Total closure of the southern approach to the Simplon for three hours twice a day with effect from 13 June for urgent work between Iselle and Varzo nevertheless reduced the capacity on the Simplon route. Each week there were only isolated train paths available from Tuesday to Friday for short notice applications. Train paths for combined traffic with a corner height of four metres (Simplon Inter-Modal [SIM] train paths) in particular were almost fully booked. Accordingly, the search for acceptable alternatives required a lot of effort and an increasing number of applications had to be refused because there were no alternatives.

The Italian infrastructure manager in question was only able to specify the exact window for closure of the section a month before the work started. This short notice caused the railway undertakings affected a lot of extra planning work. The solution finally adopted took account of the needs of the various types of traffic in a balanced manner. trasse.ch took great care to inform railway undertakings as quickly and as fully as possible of the current state of the plans.

Shortage of train paths may cause conflicts over their allocation in future

The Swiss standard gauge network is one of the most heavily occupied rail networks in the world. However, this very welcome circumstance gives rise to a significant requirement for maintenance and that can only be accentuated by the perceived need to catch up on maintenance. Given that the maintenance work will reduce the number of train paths available, the result will be increasingly severe competition between the various types of traffic for the remaining train paths. The forthcoming (between 2011 and 2014) renovation of the Simplon tunnel demonstrates this very clearly. All traffic flows, freight traffic in particular, will be affected by drastic reductions in capacity during the renovation work. As a member of a working group set up in 2010 to plan the work, trasse.ch is committed to transparency, balanced compromise and early planning certainty.

Discrimination-free preparation for the timetable – reduction in the number of feasibility studies overseen

Railway undertakings frequently have their service plans checked by infrastructure managers for technical feasibility before applying for train paths. trasse.ch supervises the way these feasibility studies are carried out and in doing so ensures that they are free of discrimination. No application to use the infrastructure should be declined without good reason and if their aspirations cannot be implemented as they stand, railway undertakings should be advised of the most suitable alternatives. The more restricted the network capacity, the more important it becomes to undertake these optimisation studies before applying for train paths. Railway undertakings have an increased certainty that the paths they apply for are feasible and for infrastructure managers and trasse.ch, avoidable train path conflicts are eliminated from the train path allocation process.

Compared with the previous year, the number of studies overseen by trasse.ch went down in parallel to the fall in the total number of studies. In total, trasse.ch supervised four studies. No discrimination was noted in any of these. However in the case of one study, trasse.ch asked the infrastructure manager to provide additional clarification to indicate how the railway undertaking's service aspiration might be implemented.

Supporting documentation – train path catalogues published in good time

Each year, infrastructure managers draw up train path catalogues for the heavily used north-south axes. The train paths shown in the catalogues take account of the service aspirations of railway undertakings and the options allowed by the infrastructure. Although freight railway undertakings may also submit applications for train paths other than those in the catalogue, in fact they apply almost exclusively for catalogue paths. trasse.ch checked the train path catalogue and published it in good time. In addition, details of the catalogue train paths then remaining available in the current timetable were published every two months. No discrimination was noted in the preparation of the train path catalogue.

Process of continuous improvement – based on customer feedback

By providing discrimination-free train path allocation, impartial and needs-related support for railway undertakings, trasse.ch provides for fair competition in the use of the Swiss standard gauge rail network and hence increases the attractiveness of transport by rail. Train paths which are appropriate to the market and efficient processes also form one of the attractions of transport by rail and accordingly trasse.ch has annual feedback discussions with applicants for train paths.

Based on the discussions held in autumn 2010, a several action points were decided; these are intended to simplify the processes involved in the allocation of train paths and ancillary services even more, to provide a system of conflict resolution which is better adapted to the market and to increase transparency in the planning of diversions for engineering work. In addition, trasse.ch has committed itself within the RailNetEurope framework to work actively to improve cooperation between neighbouring timetabling and path allocation bodies for international train path applications.

Remaining a desirable employer – change of pension provider and training initiative

trasse.ch depends on competent and committed staff members and therefore tries to remain a desirable employer. With that in mind, the pension fund was transferred to PUBLICA on 1 April 2010. The costs of CHF 276 829 were reflected in the 2010 Annual Accounts. However, in coming years this will have an on-going positive effect.

This financial investment in the future is matched by trasse.ch's commitment to continuous development of staff members. In this way, the benefits of the staff development initiative were realised in 2010 in the form of successful completion of further training.

Balance sheet on 31 December

	2010	2009
	CHF	CHF
Current assets		
Liquid assets	361 693	537 345
Receivables from sales and services	140	0
Other receivables	819	383
Items paid in advance	31 917	32 527
Total current assets	394 569	570 255
Fixed assets		
Furniture and equipment	1	1
Office machines, IT installations	1	1
Total fixed assets	2	2
Total assets	394 571	570 257
Liabilities		
Current liabilities		
Creditors arising from purchases and services		
from third parties	86 767	67 434
from shareholders	0	0
Finance liabilities	0	0
Items received in advance	56 155	52 668
Provisions	76 449	46 261
Fixed liabilities		
Other liabilities	0	0
Provisions	0	0
Total liabilities	219 371	166 363
Capital		
Share capital	100 000	100 000
Statutory general reserves	50 000	50 000
Other reserves	150 000	150 000
Profit/loss from the profit and loss account		
Brought forward from the previous year	103 894	23 666
Profit/loss for the year	-228 694	80 228
Total capital	175 200	403 894
Total liabilities	394 571	570 257

Profit and loss account

	2010	2009
	CHF	CHF
Operating income		
Fees for services SBB	1 803 113	1 898 871
Fees for services BLS	152 413	156 085
Fees for services SOB	38 474	41 044
Other income	160 673	165 877
Total operating income	2 154 673	2 261 877
Operating expenses		
Staff expenses: salaries and social security	1 820 885	1 802 560
Other staff expenses	79 578	146 249
Accommodation expenses	65 734	68 737
Maintenance and repairs	476	1 256
Property insurance	1 544	1 244
Power and waste disposal	2 109	1 503
Administrative expenses	33 256	38 909
IT expenses	58 573	71 235
Costs of representation	1 764	2 197
Other operating expenses	45 009	46 351
Depreciation	0	0
Total operating expenses	2 108 928	2 180 241
Operating results before interest and taxes	45 745	81 636
Financial income	2 390	-1 408
Taxes	0	0
Exceptional income	-276 829	0
Profit/loss for the year	-228 694	80 228

Notes to the annual accounts

Amount for which the tangible assets are insured against fire	250 000	250 000
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Risk evaluation

trasse.ch has set up a risk management process. The Board and the senior management have made an initial analysis of the strategic and operational risk and taken appropriate action.

Other information 2009

trasse.ch withdrew from its contract to link into the SBB pension fund on 31 December 2010. The potential future financial effects of this change cannot yet be calculated.

Other information 2010

The consequence of the change of pension provider on 1 April 2010 was a once-off exceptional expense of CHF 276 829.

Financial results

trasse.ch closed its annual accounts for 2010 with a loss of CHF 228 694 as a result of a once-off exceptional expense of CHF 276 829 in connection with the transfer of the pension fund. Without this exceptional expense, a profit of CHF 48 135 would have been the outcome.

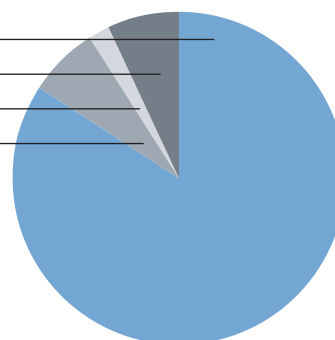
Operating income

Income: The fees demanded from infrastructure managers covered the expenses planned and agreed in the budget by the Board. Compared with the previous year, the fees were just less than 5% lower.

The **other income** arises from income from the secondment of a staff member to RailNetEurope. This was slightly less than in the previous year because of changes in the rate of exchange for the euro.

The **financial income** came from the credit balance in the current account.

SBB	1 803 113	84%
BLS	152 413	7%
SOB	38 474	2%
Other	160 673	7%
Financial income	2 390	0%



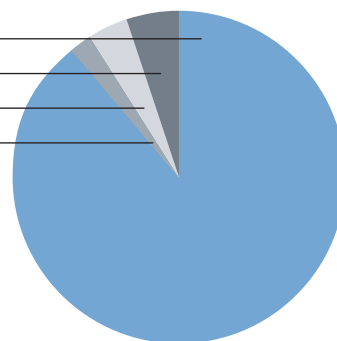
Operating expenses

Staff expenses turned out to be just less than 1% higher than in 2009. Although negative inflation meant that salary increases could be avoided, contributions to the new pension fund were higher than the corresponding costs in 2009. Nevertheless, if the pension provider had not been changed, the costs of contributions would have been markedly higher because of the financial restructuring of the previous provider (which started in 2010).

Other staff expenses reduced to be only just above half those of the previous year. The reasons were reduced training and development costs together with lower incidental salary costs in connection with the secondment of a staff member.

The **other expenses** items were just short of 10% lower than in the previous year. Individual differences were within normal tolerances. Considerable savings were achieved in **software licences** and **administrative expenses**.

Staff expenses	1 900 463	90%
Other operating expenses	116 636	5%
IT expenses	58 573	3%
Administrative expenses	33 256	2%
Depreciation	0	0%



Depreciation

Because the fixed assets were written down to CHF 2 in the year trasse.ch was founded, no provision for depreciation was made in 2010.

Taxes

No taxes are due because trasse.ch is tax-exempt.

The Board's proposal to the General Assembly to cover the loss for the year

	2010 CHF	2009 CHF
Build up of the balance:		
Balance brought forward	103 894	23 666
Profit/loss for the year	-228 694	80 228
Total available to the General Assembly	-124 800	103 894
Proposed use:		
Transfer to the statutory general reserves	0	0
Transfer to/liquidation of other reserves	-150 000	0
Balance carried forward	25 200	103 894
Total profit allocated	-124 800	103 894

As auditors, we have examined the bookkeeping and the annual accounts (balance sheet, profit and loss statement and notes) of Trasse Schweiz AG, for the year ending 31 December 2010.

The Board of Directors is responsible for the annual accounts; our task is to audit them. We confirm that we satisfy the statutory requirements regarding licensing and independence.

Our audit complied with the Swiss standards for a limited audit, in accordance with which audits are to be planned and carried out in such a way that significant misstatements in the annual accounts are detected. A limited audit principally includes examination and analytical audit procedures together with detail auditing, appropriate to the circumstances, of documents supplied by the undertaking being audited. On the other hand, audit of the operating procedures and the internal control systems together with examination and further audit procedures to detect fraudulent transactions and other illegal activity does not form part of this audit.

In our audit we did not come across facts which would lead us to conclude that the annual accounts and the proposal to cover the loss for the year do not comply with statutory law or the statutes.

Bern, 31 January 2011 gr

Dr Röthlisberger AG

Peter Graf
Chartered Auditor
Audit specialist
(Senior Auditor)

Hanny Meister
Chartered Auditor
Audit specialist

Board of Directors

Chairman: Prof. Dr Ulrich Zimmerli
 Members: Bruno Baumgartner, Director, Central Services SOB
 Walter Flühmann, Director, Operations, BLS Netz AG
 Markus Geyer, Director, Projects, SBB Infrastruktur
 Alexander Stüssi, Director, Legal and Resources, VöV

Auditors

Dr Röthlisberger AG, Bern

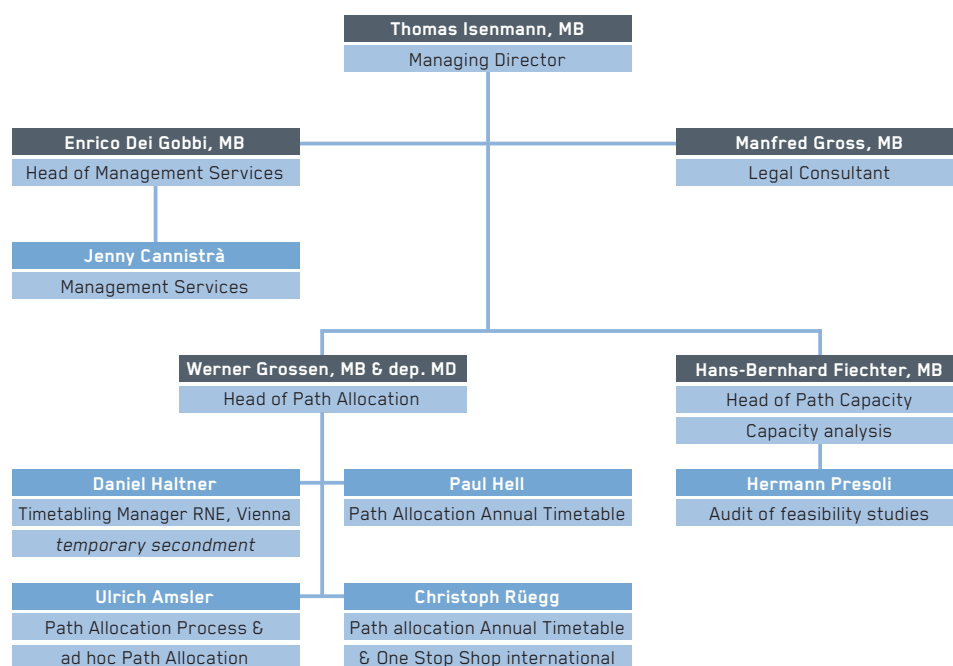
Management Board

Managing Director: Dr Thomas Isenmann
 Members: Enrico Dei Gobbi
 Hans-Bernhard Fiechter
 Manfred Gross (advisory)
 Werner Grossen

Shareholders

Swiss Federal Railways SBB	25%
BLS AG	25%
Schweizerische Südostbahn AG	25%
Swiss Public Transport Operators Association (VöV)	25%

Organisation



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