

trasse.ch

trasse schweiz ag

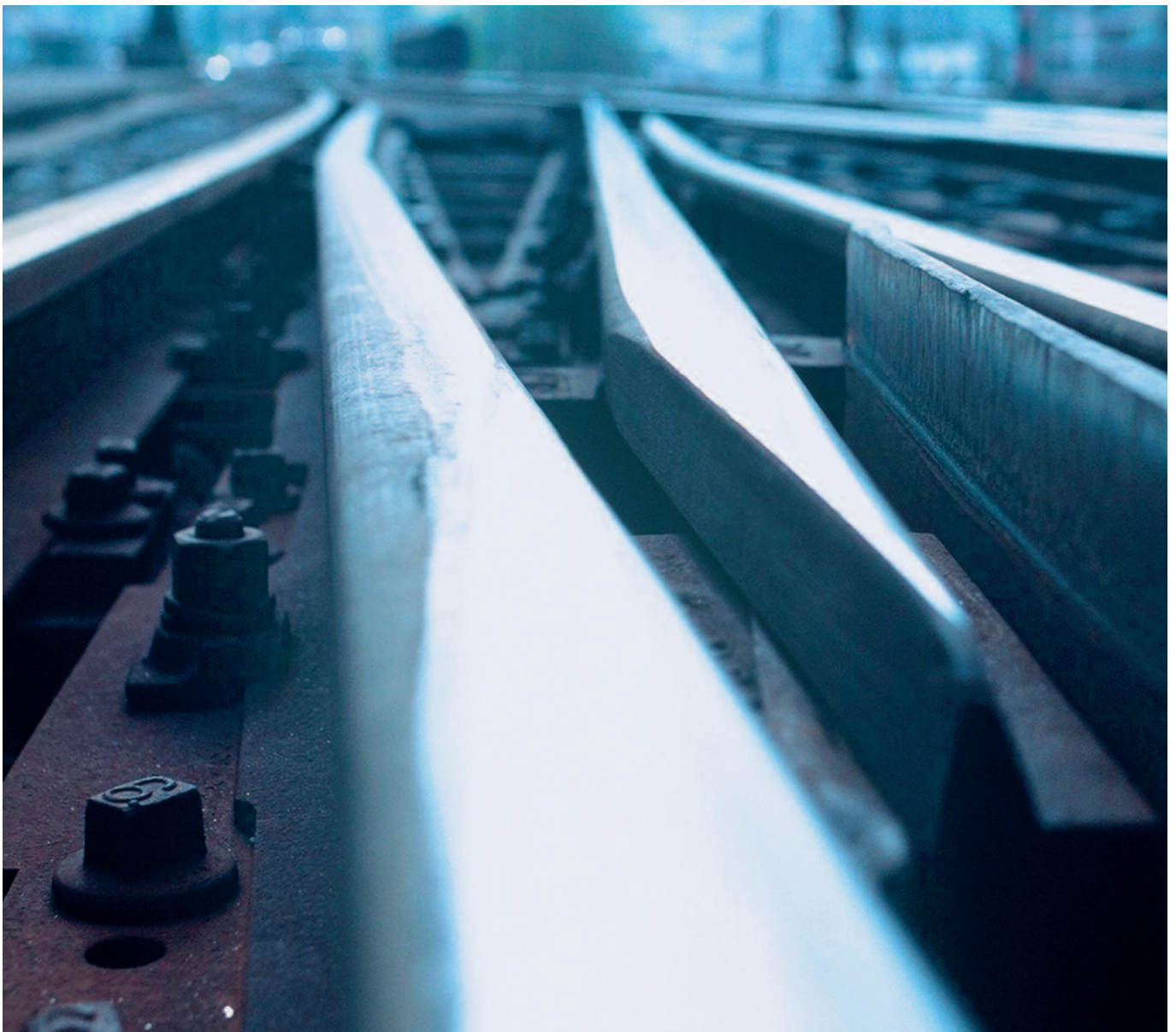
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swiss train paths ltd

Annual Report 2006

Swiss Train Paths Ltd



Path allocation in the 2007 Annual Timetable

Number of railway undertakings making applications	15
Total train paths allocated	13'144
of which for passenger traffic	68%
of which for freight traffic	32%
Number of train path conflicts considered	102
of which resolved by agreement in conflict resolution meetings	62
of which duplicate applications	18
of which became irrelevant during path co-ordination at borders	22
train path applications formally rejected	0
applications for train paths refused	0
sections of line declared as congested	0

Path allocation in the daily timetable (1.4.2006 - 31.12.2006)

Number of railway undertakings making applications	27
of which historic railway undertakings	10
Short term conflicts considered (>48h before train runs)	5
of which resolved by agreement	5
Operational conflicts considered (<48h before train runs)	9
of which resolved by agreement	7
of which justifiably refused by the infrastructure manager	2
of which unjustifiably refused by the infrastructure manager	0
Cases presented to trasse.ch by infrastructure managers for clarification of the issues	16

Personal

Number of staff members	11
Equivalent in full-time posts	10.4

Lines with train paths allocated by trasse.ch

A successful first year of activity

On 10 January 2006, the three largest standard gauge infrastructure managers in Switzerland, the Swiss Federal Railways SBB, the BLS AG and the Schweizerische Südostbahn AG (SOB) together with the Swiss Public Transport Operators' Association (VöV) founded the independent train path allocation body Swiss Train Paths Ltd. (trasse.ch).

trasse.ch's business objectives are: to allocate train paths without discrimination on the standard gauge networks of the SBB, BLS and SOB, to monitor the process of elaborating the timetable and to review the annual timetables themselves to ensure they are prepared without discrimination and lastly to carry out capacity analyses in accordance with Article 12a of the Network Access Regulations if sections of line are congested.

trasse.ch started work on 1 April 2006, one week before the date for the submission of requests for train paths for the 2007 annual timetable. trasse.ch allocated the train paths which had been applied for the 2007 timetable without discrimination and made sure that the allocation of train paths in the daily timetable was also free of discrimination.

The first year of activity provided time to build up the Path Capacity Department. By contrast, the reception of the train path requests for the 2007 annual timetable meant that the Path Allocation Department had to undergo its first test only a week after the operational start. The train path allocation process was completed without significant difficulties. The discussions held with train path applicants after the 2007 annual timetable process demonstrated that the work of trasse.ch was in general judged positively. Particularly appreciated were the transparent presentation of the processes and the adherence to deadlines in the resolution of conflicts. The potential for improvement, particularly in the tools for ordering train paths, was recognised and is already being addressed jointly with the infrastructure managers.

Cooperation with the BLS, SBB and SOB in their roles as infrastructure managers is well elaborated. The timetable planners recognise the role of trasse.ch in guaranteeing non-discrimination in the elaboration of the timetables and accept audit without reservation. In return, based on its audits, trasse.ch can certify discrimination-free conduct on the part of all the infrastructure managers. trasse.ch encouraged an open exchange of information with both the relevant federal authorities and with the Railways Arbitration Commission (RACO).

The first year of activity was successful. trasse.ch acknowledges this gratifying start as an obligation to take responsibility for efficient processing in the future and an obligation to continue to improve the quality of the services offered.



Prof. Dr. Ulrich Zimmerli
Chairman of the
Board of Directors



Dr. Thomas Isenmann
Chairman of the
Management Board

Summary

trasse.ch started work on 1 April 2006. The entire train path allocation process for the 2007 annual timetable on the SBB, BLS and SOB networks and on the SBB-operated networks of Thurbo, Sensetalbahn and the Basel-Stadt and Basel-Landschaft port railways took place under its direction. trasse.ch also ensured that train path allocation in the daily timetable was free of discrimination. The first year of activity also provided the opportunity to do the groundwork for carrying out capacity analyses and for checking that the whole process of elaborating the timetable is free from discrimination.

Allocation of paths in the 2007 annual timetable

For the annual timetable process 2007, fifteen railway undertakings (RU) submitted over 13 000 requests for train paths to trasse.ch. After checking the requests for completeness, trasse.ch passed them forward to the infrastructure managers with a request to draw up a draft timetable.

The incorporation of all the requests for train paths in the timetable gave rise to 102 cases of conflict. Of these, sixty-two were genuine conflicts in which two or more requests for train paths were not compatible with each other. In these cases, trasse.ch arranged conflict resolution meetings with the railway undertakings and infrastructure managers involved. Because the infrastructure managers were able to present attractive alternatives and the railway undertakings were able to be flexible, it was possible to find mutually acceptable solutions for all these conflicts.

Of the remaining forty conflicts, eighteen were "duplicate applications". These arise when several railway undertakings apply for a train path for one and the same traffic flow, for example, due to an ongoing invitation to tender for the carriage of freight by rail. In these cases, trasse.ch allocated the train path to the railway undertaking that was able to demonstrate that it had a contract for the movement at the time of the definitive train path allocation on 18 August 2006. The remaining twenty-two conflicts for transit freight traffic became irrelevant during timetable harmonisation at the border points.

After the submission of the adapted draft timetable, trasse.ch checked that it was free of discrimination and then approved it together with the definitive allocation of train paths on 18 August 2006. trasse.ch did not either have to decline applications for train paths nor to declare sections of line as congested.

Allocation of train paths in the daily timetable

Applications for train paths that were submitted after the latest date for initial requests, eight months before the annual timetable change date, could not be considered in the meetings to resolve conflicts. They were given a lower priority and paths were allocated from the remaining line capacity on the principle of "first come – first served".

In the daily timetable, trasse.ch is involved when the remaining capacity available does not permit an allocation in accordance with the wishes of the applicant. For ad-hoc path requests (application more than 48 hours before traffic is operated), trasse.ch manages the conflict resolution procedure. For instant path requests (application less than 48 hours before traffic is operated), trasse.ch audits any refusal by the infrastructure manager to allocate a train path but only after the event because of the shortage of time.

In principle, few conflicts arise in the daily timetable because the railway undertakings applying for train paths at short notice show a high degree of flexibility. In the phase of ad-hoc path requests all five cases of conflict which arose between 1 April and 31 December

2006 could be resolved by agreement. In the phase of instant path requests, the infrastructure manager could resolve seven of the total of nine cases of conflict with railway undertakings by agreement. The subsequent audit by trasse.ch showed that the infrastructure managers acted correctly in both cases in which the train path requests had to be refused.

In addition to these cases of conflict, trasse.ch expressed an opinion on sixteen cases submitted by infrastructure managers for a clarification of the issues.

Train path capacity

trasse.ch is also responsible for undertaking capacity analyses in the case of congested infrastructure and monitors the planning processes taking place before elaboration of the annual timetable. Furthermore, trasse.ch guarantees that the process of compiling the timetable is free of discrimination.

In the first year of activity, the main emphasis in this area lay in developing techniques for the declaration of infrastructure as congested for sections of line with insufficient capacity. With the assistance of partners, progress was made in defining the criteria to be used for deciding when a section of line should be declared as congested. In the same way, the content and form of capacity analyses were specified. In addition trasse.ch took part in the preparation of the planning technique "network use plan", intended by the federal authorities to help proactive resolution of capacity bottlenecks foreseen in the short and medium term.

trasse.ch also worked on the principles for deciding whether the process of creating a timetable is free of discrimination, in addition it analysed and evaluated the allocation of train paths and the remaining capacity on heavily used sections of line. Together with the evaluation of the forecast growth in demand, trasse.ch is thus in a position to evaluate capacity conflicts by itself, to recognise unjustified refusals of train paths and feasibility studies requested and any failure to point out the best possible alternative and then to intervene by the infrastructure managers in these cases.

Committees and contacts with partners

On 6 April 2006, trasse.ch joined the European infrastructure managers' association RailNetEurope (RNE) as a candidate member. Since that time, trasse.ch staff have been involved with the One Stop Shop, Timetabling and Legal Matters Working Groups on the key issues of application for train paths and their allocation together with the relevant IT applications and timescales. Likewise, trasse.ch took part in three RNE General Assembly Meetings.

trasse.ch encouraged an open exchange of information with the Swiss Railways Arbitration Commission RACO. In addition to formal meetings held on a regular quarterly basis with the Commission Chairman and the Commission Secretariat, trasse.ch presented their remit and organisation to a plenary meeting of the Commission.

Regular discussions are held with the relevant departments of the SBB, BLS and SOB. In addition, trasse.ch held feedback meetings with all applicants for train paths after the annual timetable process for 2007 was completed in order to assess the potential for improving path allocation processes in subsequent years and to put these improvements in hand.

Balance sheet on 31. 12.

2006
CHF**Current assets**

Liquid assets	683'690
Receivables from sales and services	0
Other receivables	3'042
Items paid in advance	89'253

Total current assets **775'985**

Fixed assets

Furniture and equipment	1
Office machines, IT installations	1

Total fixed assets **2**

Total assets **775'987**

Liabilities**Current liabilities**

Creditors arising from purchases and services	
from third parties	47'341
from shareholders	0
Finance liabilities	0
Items received in advance	219'112
Provisions	118'112

Fixed liabilities

Other liabilities	0
Provisions	0

Total liabilities **384'565**

Capital

Share capital	100'000
Statutory general reserves	0
Other reserves	0
Profit written to the balance sheet	
Brought forward from previous year	0
Profit for the year	291'422

Total capital **391'422**

Total liabilities **775'987**

Profit and loss account

2006
CHF

Operating income

Fees for services SBB	1'929'793
Fees for services BLS	143'060
Fees for services SOB	38'137
Other income	6'244
Total operating income	2'117'234

Operating expenses

Staff expenses: Salaries and social security	1'187'409
Other staff expenses	49'773
Accommodation expenses: rent and cleaning	56'911
Maintenance and repairs	61'772
Property insurance	1'759
Power and waste disposal	3'581
Administrative expenses	63'697
IT expenses	127'629
Costs of representation	3'208
Other operating expenses	28'850
Depreciation	147'027
Total operating expenses	1'731'616

Operating results before interest and taxes	385'618
Financial income	5'898
Taxes	100'094
Profit for the year	291'422

Operating income

Amount for which fixed assets are insured CHF 250'000

No other information is required by statute.

General remarks

trasse.ch was founded on 10 January 2006 and started work on 1 April 2006. For that reason there are no figures for the previous year and likewise the financial year was a short financial year.

Business results

trasse.ch rounded off the financial year 2006 with a profit of CHF 291'422. This was the result of more effective control of expenditure than was anticipated in the budget and was achieved by consistent management of costs starting from the commencement of operations on 1 April 2006.

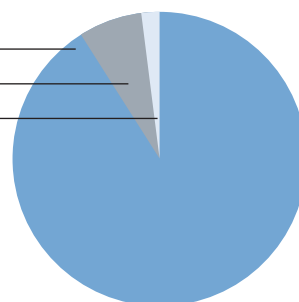
Operating income

Income: trasse.ch is recompensed by the infrastructure managers of SBB, BLS and SOB for allocating train paths on their networks. The amount of the fee per path kilometre allocated covers the planned expenses which have been approved by the Board of Directors together with the budget.

The **other income** comes from an obligation from the previous employer of a staff member which has been transferred.

In addition, **financial income** was received from the credit balance on the current account.

SBB	1'929'793	91%
BLS	143'060	7%
SOB	38'137	2%
Other	6'244	0%
Financial income	5'898	0%



Operating expenses

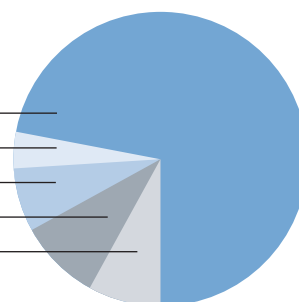
In addition to salaries and social security costs, **staff expenses** also include fees for the board of directors, travel expenses and training as well as expenses for further education.

Administrative expenses include current expenses for stationery, telephones, consultancy contracts and membership fees.

IT expenses include current expenses for systems, licences and maintenance.

Other operating expenses include rent, maintenance, representation and fees for external professional services.

Staff expenses	1'237'182	72%
Administrative expenses	63'697	4%
IT expenses	127'629	7%
Other operating expenses	156'081	9%
Depreciation	147'027	8%



Depreciation

Investments in office furniture and IT equipment were immediately and entirely written off in accordance with Article 13 of the Bern cantonal tax guide.

Provision for taxes

In 2006, trasse.ch made an application for tax-exemption which is still being considered. A provision of CHF 100'000 has been made for any tax demand in respect of 2006.

Proposal made by the Board of Directors to the General Assembly for the use of the profit for the year

Build-up of the profit:

Balance brought forward	CHF	0
Profit for the year	CHF	291'422
Total available to the General Assembly	CHF	291'422

Proposed use:

Allocation to the statutory general reserves	CHF	50'000
Allocation to other reserves	CHF	200'000
Balance carried forward	CHF	41'422
Total profit allocated	CHF	291'422

As auditors, we have examined the bookkeeping and the annual accounts (balance sheet, profit and loss statement and notes) of Swiss Train Paths Ltd for the first financial year from 10. 1. 2006 to 31. 12. 2006.

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

Our audit complied with the principles of the Swiss audit profession, 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 with relative certainty. We audited the entries and details in the annual accounts by means of sample analyses and investigation. Furthermore we evaluated compliance with generally accepted accounting principles, the most significant valuation decisions and the coherence of the annual accounts as a whole. We are of the view that our audit is an adequate basis for our judgement.

Our judgement is that the bookkeeping, the annual accounts and the proposal for the use of the profit for the year are in accordance with Swiss law and the Statutes.

We recommend that these annual accounts be approved.

Bern, 1 February 2007

Dr. Röthlisberger AG

Ueli Ochsenbein
Chartered Auditor

Peter Graf
Chartered Auditor
(Senior Auditor)

Board of Directors

Chairman: Prof. Dr. Ulrich Zimmerli
 Vice-Chairman: Thomas Weber, Director Resources VöV
 Members: Bruno Baumgartner, Director Management Services SOB
 Walter Flühmann, Director Operations BLS Infrastructure
 Markus Geyer, Director Major Projects SBB Infrastructure

Auditors

Dr. Röthlisberger AG, Bern

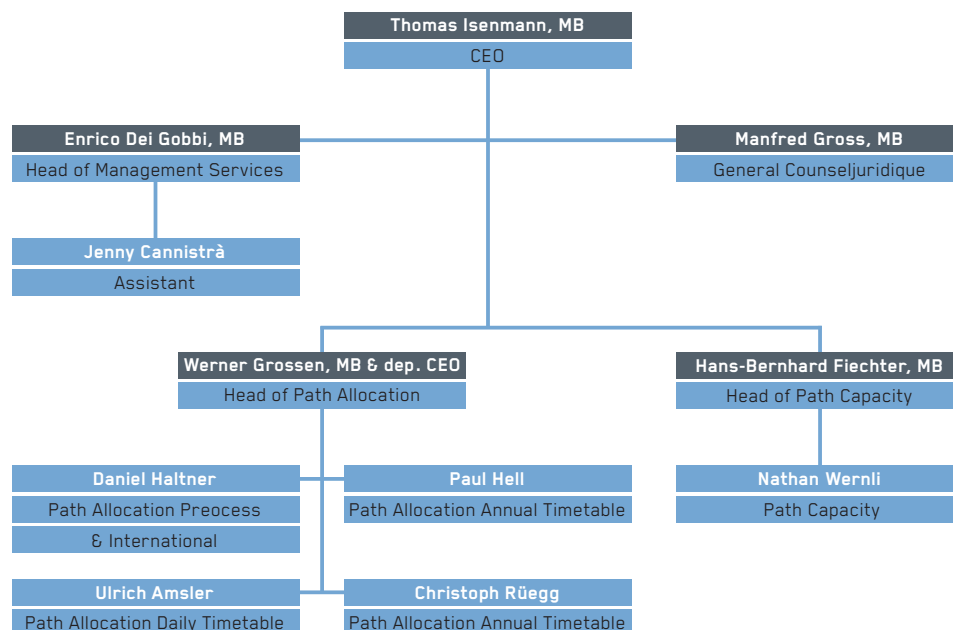
Management Board

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 chart



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