



Bern, September 2021

Bidding Procedure for Transalpine Unaccompanied Combined Transport 2022

Reference/file no.: BAV-331.2-10/1

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1. Background

In a practice initially adopted in 2000, the Swiss Confederation (hereafter referred to as 'the Confederation') currently provides transport operators with subsidies for their combined transport operations on the basis of transport orders. These subsidies are intended to promote combined transport and encourage the shifting of goods transport from road to rail. Since 2005, standard maximum subsidy rates per train and per consignment have been set for each specific region.

2. Legal foundation

The legal basis for promoting transalpine combined transport is provided by:

- the Federal Act of 19 December 2008 on the Transfer of Transalpine Heavy Goods Traffic from Road to Rail (GTTA, SR 740.1);
- Ordinance of 25 May 2016 on the Carriage of Goods by Rail and Navigation Companies (GCarO, SR 742.411)
- Federal Act of 5 October 1990 on Financial Assistance and Subsidies (SubA, SR 616.1);
- Federal Act of 22 March 1985 on the Application of the Earmarked Mineral Oil Tax (MinOA, SR 725.116.2);
- [Federal Decree](#) on Increasing and Extending the Payment Parameter for Promoting Transalpine Rail Freight Traffic of 3 December 2008 and the federal decree of 3 June 2020 amending this payment parameter.

3. Financial parameters

With the federal decree of 3 June 2020, Parliament decided to increase and extend the payment parameter for promoting transalpine rail freight traffic. All orders for transalpine unaccompanied combined transport will be funded through the payment parameter that now runs until the end of 2030 (2011-2030: CHF 2,060 million).¹

In the proposed regular federal budget for 2022, **CHF 100 million** is planned for the budget item *Subsidies for transalpine combined transport* (sum of UCT and rolling highway). This constitutes a reduction of around CHF 20 million compared to 2021. A reduction on this scale had originally already been planned from 2020 to 2021. However, on account of the COVID-19 crisis, Parliament had decided in an emergency law to forgo the planned reduction to the funding amount for 2021. From the additional budgetary credit for 2021, called *COVID*:

¹ Payments towards the rolling highway for the period 2011-2018 also fall within this payment parameter. Since the first extension of the payment parameter, i.e. from 2019, funding for the rolling highway will continue to be processed along with UCT under the budget item *Subsidies for transalpine combined transport*, but no longer as a cost under the payment parameter.



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subsidies for rail freight transport, around CHF 20 million is thus being used to top up the operating subsidies for transalpine combined transport in 2021.

4. Principles for granting subsidies

Taking into account the financial parameters and the projected increase in traffic volumes, the following maximum subsidy rates will be applied for 2022:

Region of train's place of origin/destination	Subsidy per consignment (in CHF)	Subsidy per train (in CHF)	Max. subsidy for a train (in CHF) (with 32 eligible consignments)
France, The Netherlands (excluding Limburg)	70	150	2,390
UK, Belgium, Luxembourg, Scandinavia, northern Germany, Rhine-Ruhr and Main area, Limburg (NL)	70	300	2,540
Southwest Germany and Switzerland	70	1,100	3,340

Further provisions

- If the uncovered costs shown in the projected income statement are lower than the maximum subsidy rates given above, the Confederation will not pay more than the uncovered costs in the projected income statement. As a further general principle, the average subsidy payable per consignment for an existing route will not be higher than in the previous year.
- An average **maximum of 32 consignments** per train operated will be eligible for subsidies.
- The maximum per-train subsidy rate listed above can be reduced by up to 40% for trains with a planned average of less than 20 consignments.

The granting of all subsidy amounts is based on legally valid agreements between the Federal Office of Transport (FOT) and the operators concerned. Such agreements specify the numbers of trains and consignments planned and the maximum subsidies payable. These agreements are based on bids showing the numbers of trains and consignments planned and projected income statements.

The Confederation reserves the right not to conclude any subsidy agreement with any operator planning to operate an average of fewer than 24 trains per quarter.



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The Confederation will grant subsidies agreed in advance for every train operated and every consignment transported. The Confederation's subsidy will amount to a maximum of the uncovered costs as shown on the projected income statement, which shall be the difference between projected costs and projected revenue (as stated in the bid).

The subsidy per transalpine consignment shall be the same for all unaccompanied combined transport consignments, and will be paid for every consignment sent.

The definition of a transalpine UCT consignment is based on that of the UIRR (International Union of combined Road-Rail transport companies). According to this, a consignment shall be:

- one semi-trailer;
- one swap-body longer than 8.3 metres (e.g. 30-foot, 40-foot or 45-foot container);
- one swap-body with a length of between 6.0 and 8.3 metres, if heavier than 16 tonnes;
- two swap-bodies with a length of between 6.0 and 8.3 metres (e.g. 20-, 23- or 25-foot containers), and weighing less than 16 tonnes;
- three swap-bodies smaller than 20-foot containers.

The amount of subsidy payable per train is determined by the train's northern departure or destination station/terminal (hereinafter referred to as 'place of origin' and 'destination'). The subsidy is granted for every train that the operator actually operates. Subsidies are paid only where the combined transport service crosses the Alps in Switzerland by rail (Simplon or Gotthard) and reduces the number of road journeys via a Swiss alpine road crossing by heavy goods vehicles. The key determiner, therefore, is whether the vehicle concerned would have been most likely to make its road journey through Switzerland in business-economic terms.

Transalpine UCT offerings with places of origin or destination in France outside one of the following regions are explicitly ineligible for subsidies from the Confederation:

- Hauts-de-France
- Île-de-France
- Grand Est
- Bourgogne-Franche-Comté (except for Burgundy, Lons-le-Saunier and Saint-Claude)

All transalpine UCT services with places of origin or destination in the following regions of Italy are ineligible for subsidies from the Confederation:

- Friuli-Venezia Giulia
- Trentino-South Tyrol
- Veneto



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5. Further provisions concerning the 2022 bidding procedure

This section specifies all the further provisions of the bidding procedure. All these provisions must be observed in full for any such bid to be accepted by the FOT.

5.1 Deadlines for and content of bids, and agreements between the Confederation and the operator

All bids must be submitted to the FOT by 20 November 2021 at the latest.

From 2022 onwards, bids will no longer be submitted in the previous Excel files but via the 'Subsidies for transalpine freight traffic' web app. Further information on this new web app will follow separately.

The bids must contain:

- A projected income statement (in EUR). In converting to CHF, you should use an exchange rate of 0.92 EUR/CHF (unchanged from previous year).
- The structure of the projected income statement should be the same as was used for the previous year.
- Precise monthly figures for the number of trains and consignments planned.
- The prior year's annual report, including the annual accounts and financial statements.

Based on the bids, the FOT will send the operator for each relation a subsidy agreement to countersign. This should happen by the end of December 2021.

The FOT may publish a list of all the trains and consignments ordered by the Confederation.

5.2 Amendment of subsidy rates

a) Reduction prior to conclusion of the subsidy agreements

The subsidy rates per consignment and per train given in section 4 are based on the FOT's estimate of unaccompanied combined transport volumes and are subject to parliamentary approval of the financial resources. Should bids for more trains and/or consignments than expected be submitted to the FOT, the subsidy per consignment may subsequently be reduced, so that as many services as possible can be subsidised. In this event, the FOT would



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inform operators of the new subsidy rates before concluding the subsidy agreements. The operators would then have the opportunity to amend their bids or withdraw them.

b) Subsequent reduction of the subsidy in Q4 on account of budgetary constraints

The general terms and conditions for the subsidy agreements will provide for the possibility of a subsequent reduction of subsidy rates in the fourth quarter: “If, as a result of an increase in traffic volumes, it becomes apparent that the funding available under the budget is not sufficient to subsidise all traffic at the agreed rates, the FOT may reduce the subsidy rates for the fourth quarter in order to remain within the budgetary constraints.”

5.3 Amendments to an agreement / conclusion of a new agreement in the course of the year

In the case of new and amended bids (new agreements, increases or reductions in train and/or consignment numbers), revised train and consignment numbers and revised projected income statements may be submitted to the FOT on a quarterly basis. Agreements may not, however, be amended with retroactive effect: any amendments made will only be applicable to the remainder of the current year. Requests for amendments to subsidy agreements must be submitted to the FOT at least 14 days before the beginning of the quarter concerned.

In the event of any such amendment, the existing agreement will be terminated and a new agreement concluded for the rest of the current year. If the amendment involves an increase in the number of trains and/or consignments planned, such services will only be ordered subject to the availability of the relevant subsidy funds in the budgets concerned. The final decision on whether an amendment will be accepted and/or new services ordered rests with the FOT.

5.4 Reports to the FOT

Subsidies will be paid to operators each month by the Confederation on the basis of the number of trains actually run and the number of consignments actually transported (hereinafter referred to as the ‘actual numbers’). These actual numbers must be reported to the Confederation by the 20th of the following month. If the actual numbers exceed the projected numbers specified in the corresponding agreement, the subsidy paid will be based on the projected numbers. In other words, no subsidy will be paid for any trains or consignments in excess of those projected.

In return for receiving operating subsidies from the Confederation, the operator also undertakes to maintain statistics on the punctuality of its operations and to submit reports on a half-yearly basis to the FOT on these performance-quality data.



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The following information must be reported to the FOT using the 'Subsidies for transalpine freight traffic' web app or made accessible to the FOT on request.

Information / periodicity	Deadline
Train and consignment numbers (monthly)	January to November: by the 20th of the following month December: by 10 January 2023
Quality data	20 July 2022, 20 January 2023
Statement of actual costs and revenues per item	31 March 2023
Bids to amend train/consignment numbers (as and when required)	15 March 2022, 15 June 2022, 15 September 2022
All information and documents relating to the services ordered	At the FOT's request
Self-declaration regarding compliance with conditions on bonuses in accordance with T&Cs 2021	End of February 2022

5.5 Failure to meet deadlines

Should the operator fail to observe the deadlines for communicating train and consignment numbers, submitting the quality data or providing statements of actual costs and revenues per item as specified in 5.4 above, the corresponding subsidies will not be paid until the following month (and will only be paid then provided all the data required, including those for the following month, are available).

5.6 Reduction in subsidies if projected figures are not met

To provide the Confederation with the soundest possible foundation for its budget planning, the FOT requires operators' projected figures that are as accurate as possible. The 'reduction rule', which was suspended in 2021 on account of the COVID-19 crisis, will be reintroduced in 2022 in a slightly adjusted form: if an operator's actual train and/or consignment figures fall more than 15% short of the figures projected, the subsidy will be reduced by 3%.

Train cancellations resulting from force majeure (e.g. natural disasters, strikes) will not cause the subsidy to be reduced. Information on train cancellations for reasons of force majeure must be documented separately and reported to the FOT via the 'Subsidies for transalpine freight



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traffic' web app. For new routes, the reduction clause does not apply for the year in which the service was launched.

5.7 Final accounts for the 2022 subsidy year

The FOT will send operators a final account in the first quarter of 2023 for the routes that are eligible for subsidy in 2022. The operators will then have a two-week period in which they may contest this account. Following this, the FOT will order the final subsidy payment.

This final account will also include subsidy payments for any trains run or consignments transported in addition to the monthly numbers planned which did not receive a subsidy at the time. With regard to such trains and consignments, the following provisions apply in the final account:

- Additional trains and consignments will receive a subsidy if projected figures were not reached in other months. The maximum numbers of trains and consignments eligible for subsidy are the overall numbers shown for the duration of the agreement.
- If train or consignment numbers are amended in the course of the year, the above offset arrangement will only apply to the corresponding period(s) before or after such amendment.
- Train and consignment subsidies will be separately stated and paid. No offsets are permitted between train and consignment numbers.
- An average maximum of 32 consignments per train will be eligible for subsidy payments.
- The reduction clause (para. 5.6) is applicable in full to the sum of the months during which the target figures were not met and the subsidy agreement was not adjusted.

6. Checking and auditing

The FOT will audit operators receiving subsidies in accordance with the Federal Subsidies Act. Such audits will cover the services entitled to subsidy, as envisaged in the Federal Subsidies Act and the agreements concerned. The FOT will give operators due notice of any audits planned. The audits will be conducted at the operator's registered office, and will be based on the duty of recipients of financial aid and payments to provide information under Article 11 of the Federal Subsidies Act.

For further information, please contact abgeltungen-kv@bav.admin.ch.