

**Agreement between the Government (The Danish Liberal Party, Liberal Alliance and The Conservative People's Party) and The Social Democrats, the Danish Social Liberal Party, and The Danish People's Party) concerning:**

**Re-Invitation to Tender for rail traffic in Central and West Jutland, etc.**

Agreement between the Government (The Danish Liberal Party, Liberal Alliance and The Conservative People's Party) and The Social Democrats, the Danish Social Liberal Party, and The Danish People's Party) concerning:

Re-Invitation to Tender for rail traffic in Central and West Jutland, etc.

June 9th, 2017

### ***Background***

The current contract between The Ministry of Transport, Building and Housing, and Arriva, covering rail traffic in Central and West Jutland expires in December 2020. Today, these routes are operated with an elevated level of punctuality and general satisfaction with the service provided.

Against this background, the Parties have agreed to re-invite tenders for the provision of the same level of service from December 2020.

This Agreement sets out the framework for a re-auction of rail traffic from December 2020.

### ***Routes covered by the new Tender Agreement and length of contract***

The Parties have agreed to invite tenders for the following routes covering an 8-year period with the option of a further extension of two years:

- Aarhus – Langå – Struer
- Struer- Thisted
- Aarhus – Skanderborg – Herning
- Herning – Skjern
- Skjern – Esbjerg
- Esbjerg – Ribe – Tønder
- Struer – Herning - Vejle
- Odense – Svendborg

The Parties further agree that the responsibility for carrying traffic on the Holstebro-

Skjern line shall be transferred to Central Denmark Region if the region agrees to accept responsibility by the end of August 2017, under the following conditions:

- Central Region Denmark receives an annual net payment equivalent to the amount that the State applies to the line in question.
- Central Region Denmark may use his payment solely to carry rail services on the Holstebro-Skjern line. There are no other requirements regarding the volume of traffic on this line.
- The State will supply the number of trains (Desiro or Lint trains) deemed necessary to continue with the current hourly service. The State will also assist in a possible Joint Procurement project of new rolling stock for the Lemvig route and the Eastern Railway.
- Central Region Denmark must, at the latest, one year before taking over operations, document that it is prepared and ready to assume responsibility for the service following the change in timetable in December 2020. In the event that the Region is unable to present this documentation, the State will award the operation of the Holstebro-Skjern line to the winner of the public Invitation to Tender. In this case, Central Region Denmark will be responsible for all risks and costs incurred in such a late reversal of responsibility to the State.

The parties agree that the final operating concept of the Central Region Denmark's possible acquisition of Holstebro-Skjern rail traffic responsibility will be submitted to the arbitration committee for approval.

In addition, the Invitation to Tender includes options for operating the following lines in conjunction with the above:

- Nr. Nebel – Oksbøl – Varde (joint Invitation to Tender with Sydtrafik provided that relevant Agreements are concluded with Syd Sydtrafik and Vestbanen).
- Tønder – Niebüll (joint Invitation to Tender in joint tender med traffic carrier in Slesvig-Holsten, NAH.SH)

### **Scope**

The Parties are agreed that the basic Invitation to Tender – that is, excluding the above-mentioned options – shall include a productivity clause of 11.6 million train kilometres per year. However, the winner of the Tender may choose to operate with a greater number of departures. The operating requirements for the lines in the basic package are based on the current requirements in the state contracts with DSB and Arriva, respectively, inasmuch as the parties agree to the following changes:

- The present fast-routes, stopping at the major stations, Aarhus-Herning, are extended from Herning, through Gødstrup to Holstebro. The Herning-Holstebro line is therefore expanded to a fixed 30-minute daytime service.
- Service on the Esbjerg suburban line (Ribe – Esbjerg - Varde) is expanded to the a fixed, 30-minute daytime service.
- The line between Herning and Vejle will be operated as a fixed, hourly service, thereby eliminating certain rush-hour services.
- In future, the operator of the services covered in the Tender Documents shall run a greater number of trains on the Aarhus– Langå – Struer and Struer – Thisted lines in order to maintain the current amount of traffic on this route. This is to compensate for the fact that DSB currently has two daily departures from Copenhagen to Thisted via Aarhus and Struer. This contractual obligation in respect of its Agreement for 2015-2024 expires in December 2020.

- The Parties emphasize that a direct connection between Copenhagen and Struer via Herning must continue to be ensured. They are therefore in agreement that the Tender shall include 8 daily connections (4 train pairs/8 trainsets) between Copenhagen and Struer via Herning. According to the present plans for infrastructure and, in particular, electrification, these connections will be maintained as a minimum until the long-distance train service through East Jutland is electrified from mid-2020.

The direct train connections will be run by DSB as "contractor operator" for the new tender. This means that the trains can be included in the winning operator's fulfillment of its traffic obligations, just as the winning operator receives passenger income between Vejle and Struer. DSB will cover all costs for these trains.

The Parties will be presented with a summary of the detailed traffic and service requirements in connection with the redeployment before sending the tender documents.

- The Parties agree that if the offer entails net proceeds, the section relating to DSB's deployment of fewer direct trains, Copenhagen-Struer, should be discussed and agreed in the relevant group.

- ***Operation and service of new stations***

The Parties note that there are plans to open new stations along the routes covered in the Invitation to Tender. The Parties are in agreement that the Tender shall support the service and operation of such new stations in the event that they are constructed during the period covered by the Tender.

The Parties therefore agree that the Re-Invitation to Tender shall be written in

such a way that the future operator is obliged to service up to 5 new stations, (Jerne, Laurbjerg, Stilling, Tvis and Sparkær).

### ***Options***

The traffic between Varde and Nr. Nebel (Vestbanen A / S) is currently offered independently of the traffic in Central and West Jutland, but agreements with Sydtrafik and Vestbanen A / S have subsequently been entered into for co-operation with the Vestbanen train.

Vestbanen is thus, in practice, an integrated part of the rail traffic in Central and West Jutland. In order to continue operating with Vestbanen in the same way as today, agreements with Sydtrafik and Vestbanen A / S can be made to allow Vestbanen's traffic to be an option in the government re-invitation from December 2020. The traffic between Varde and Nr. Nebel is financed by South Traffic, should the option be called.

With this agreement, the traffic on the Tønder-Niebüll line is continued on the same terms and with the same level as today. This implies that an option is included in the tender for the traffic on this route. If the option is called, the Schleswig-Holstein traffic carrier, NAH.SH, will finance traffic south of the border, while the Ministry of Transport, Building and Housing will finance traffic north of the border

***Significant changes to the infrastructure prerequisites contained in the Invitation to Tender***

Construction of new railtrack and the electrification of large parts of the state rail network can affect the planning of future train services in Central and West Jutland.

In view of the infrastructural uncertainties in connection with the preparation of the Tender, the Parties agree that this agreement sets out the framework for the Tender until there is certainty concerning future infrastructure requirements. This implies that, if a decision is made after the Agreement has been reached and significant changes should be made to the prerequisites for the tender, the Parliamentary Parties will resume discussions concerning the Re-Invitation to Tender.

In this event, a majority in the Danish Parliament will be able to decide on changes to the offered traffic in Central and Western Jutland - taking into account the applicable procurement rules - for example, through the conclusion of supplementary contracts with the operator of the offered traffic or by separate tender. This includes, for example, operation of a track to Billund.

The parties also note that this agreement does not stand in the way of a political decision to electrify the Vejle-Struer line. The tender documents should thus deal with the potential for electrification prior to or during the tendering period and that the direct train connections between Copenhagen and Struer provided for in this agreement may be operated by either DSB or another operator.

### ***Rolling Stock***

The Parties are agreed that the transfer of the 41 trainsets presently deployed in Central and West Jutland is dealt with, via the Tender Documents, by instructing the prospective operator to purchase the rolling stock. Ownership will thus be transferred to the winning operator, who shall finance the purchase of rolling stock in December 2020, at the start of the term covered by the Tender.

The parties further agree that the required additional rolling stock for an extended offer will be supplied by the state providing existing Desiro trains. Financing of the required number of trains to be deployed in the extended tender follows the financing model for the existing 41 trainsets

The Parties also note that full utilization of any future speed upgrades on the offered routes will require trains with a higher maximum speed than the existing ones.

If future speed upgrades are carried out on the offered routes during the pending contract period, the state will be able to decide to make new and faster trains available subject to provision of the associated additional costs.

### ***Transfer of traffic carrier responsibility on the the Roskilde-Køge line***

As part of the provision of equipment for an expanded tender, the parties agree to transfer traffic carrier responsibility for rail traffic between Roskilde and



Køge to Region Zealand with effect from the operating timetable for 2020.

This will allow the route between Roskilde and Køge to be operated together with Region Zealand's route from Køge to Rødvig and Faxe Ladeplads. In this connection, Region Zealand will undertake the acquisition of the necessary rolling stock for these operations.

A document will be prepared for the subsequent submission of a Bill to ensure the legal base for this transfer.