16 October 2009: Combined merchandise transport

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Subject to various conditions, the Autorité de la concurrence authorizes the purchase of Novatrans by the SNCF group

> Version française

The increased equity share in Novatrans by the SNCF group[1] , **which thereby acquires exclusive control of the company**, has been closely examined by the Autorité de la concurrence.

The SNCF is the incumbent rail transport operator. It is also the delegated infrastructure manager of RFF, which provides it with access to strategic information. It controls Naviland Cargo, the main operator of combined rail-maritime transport and manager of several terminals. By taking control of Novatrans, the leading combined rail-road transport operator and manager of the main terminals, the SNCF, which also controls several road transport companies, will be present at all stages of the combined merchandise transport chain.

The *Autorité* has authorized the operation, subject to commitments intended to remedy the identified competition problems. These commitments will be monitored by a trustee independent of the SNCF group, approved by the *Autorité de la concurrence*.

The SNCF's commitments

- **On the market of railway services intended for combined transport operators**

Novatrans is the main combined rail-road transport operator requiring motive power services: it is therefore a particularly attractive target for railway companies wishing to penetrate the motive power market or to develop this activity.

In order to ensure that railway companies competing with the SNCF can have access to the demand emanating from the main combined transport operator, the SNCF has undertaken that Novatrans will use open competition for rail companies for the motive power for its trains as of 2011 and for a duration of 5 years, that could be extended by the Autorité. The open competition will require line by line requests for proposals. The trustee's presence when the offers are examined will ensure the selection of the lowest bidding offer. This process will be accompanied by a confidentiality commitment from the Novatrans personnel that will be looking after these requests for proposals, which will thereby prevent the SNCF group from having access to information on competing railway companies.

- **On the market for terminal services**

At the end of the operation, within the framework of agreements with RFF, the SNCF group will manage most terminals dedicated to combined merchandise transport, which are the linchpins of combined transport, both for railway companies and for combined transport operators.
To prevent any risks of exclusion or discrimination regarding access to these terminals, the SNCF has undertaken to establish open capital operating companies that will allow equity interests to be taken by other combined transport operators that route traffic through the terminals in question.

- **On the market for road-rail combined transport operations**

The SNCF group controls road transport subsidiaries that specialize in combined transport (notably Geodis and Rouch Intermodal).

To prevent the requests coming from its subsidiaries being given priority and to further prevent road transport companies exterior to the SNCF group from being faced with price increases for combined transport services and/or any deterioration of the service rendered, the SNCF has undertaken, for six years, to guarantee a transparent and non-discriminatory access to all road carriers through the use of public tariffs and transparent commercial terms, and to create an online reservation system relative to the residual capacities of its trains.

(1) Which brings its equity interest from 39.89% to 85.05% of the capital

> To consult the full text of decision 09-DCC-54