

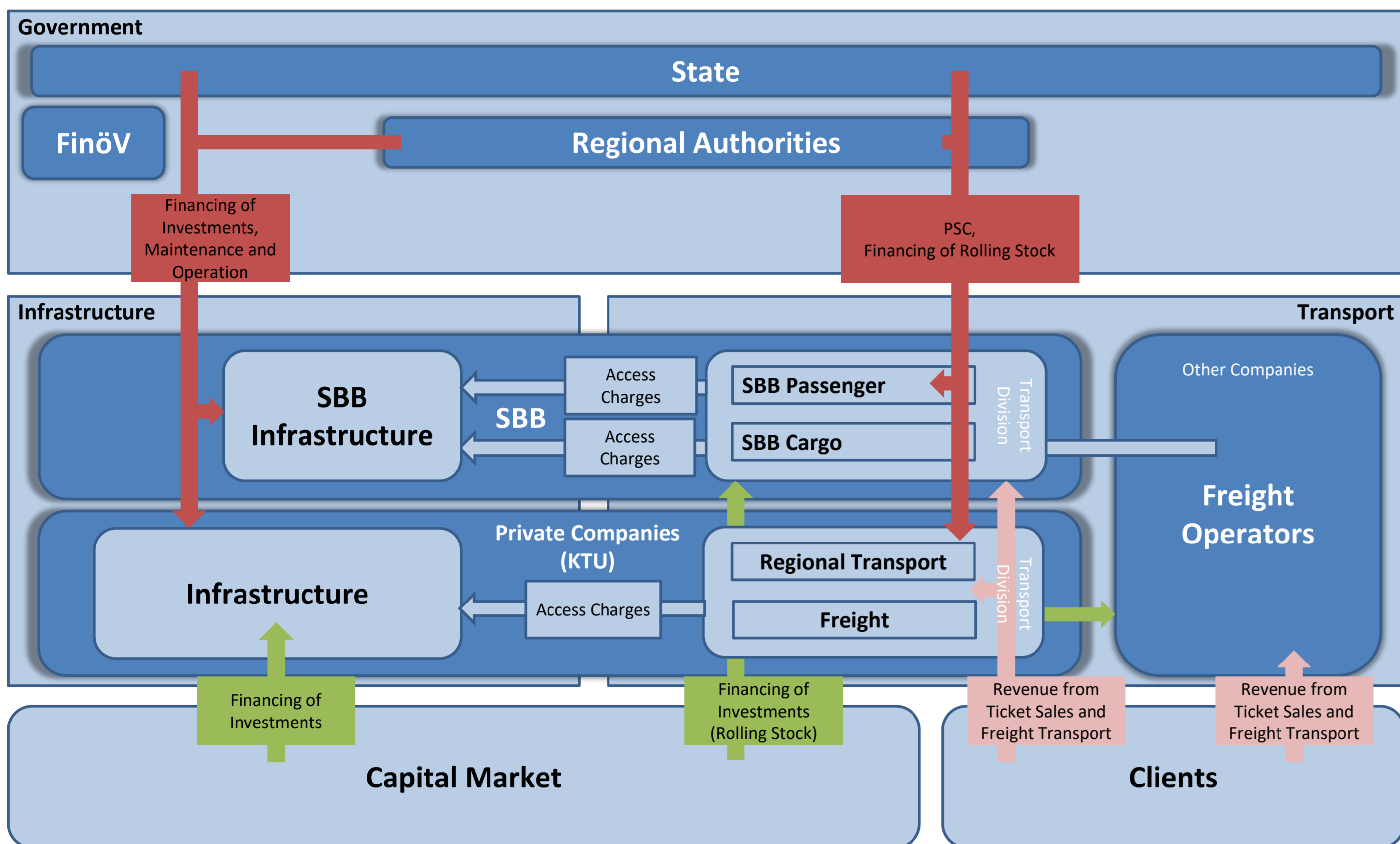
# Public Budget Contributions to the Swiss Rail Sector

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## Organizational Structure

### Main Operators

SBB is the State owned operator of long-distance, regional as well as freight transport services in Switzerland. Beside SBB several small companies with own infrastructure (KTUs) supply the market with regional and freight transport services. SBB Infrastructure, part of the SBB Group, is responsible for the State owned infrastructure.



### Infrastructure

Both, SBB Infrastructure as well as other operators, receive funds for operation and investments. The Cantons (regional authorities) are involved in funding of the infrastructure of small regional/freight operators (KTUs) while the State supports both, the infrastructure of SBB and of local operators (KTUs). Large infrastructure projects are financed from a special Infrastructure Fund (FinöV) without financial involvement of SBB AG or other operators.

### Transport

Long-distance and freight transport run without any public support, regional traffic is organized and paid for by the State and the Cantons (regional authorities). Freight services run without government support.

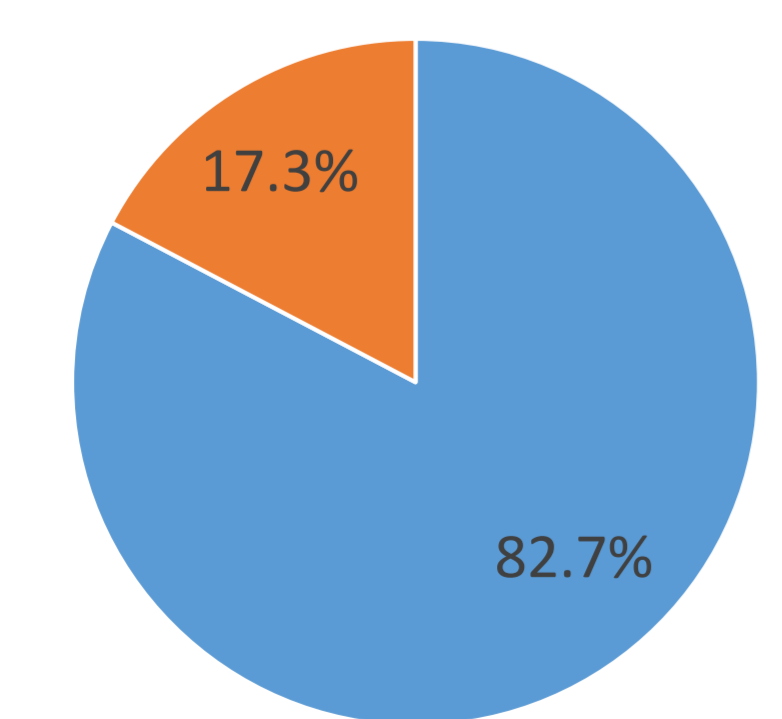
### Other

The FinöV-Fund will be replaced by the BIF (Bahninfrastrukturfonds) which will also be responsible for the funding of operation, maintenance and replacement investments. In 2001 and 2010 there have been one time transfers to the Swiss pension fund.

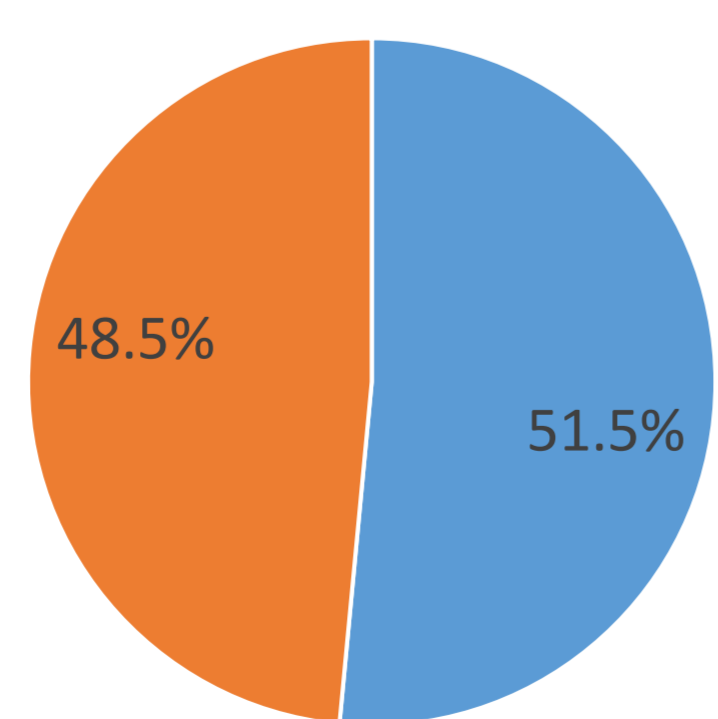
## Industry Characteristics (2015)

Length of Line in use:	3,607 Kilometer (2014)
Passenger-Kilometer:	20.311 billion
Ton-Kilometer:	12.431 billion
Passenger-Ton-Kilometer:	32.742 billion
Modal Split Freight Transport:	48.5 % (2014)
Modal Split Passenger Transport:	17.3 % (2014)

Modal Split Passenger Transport



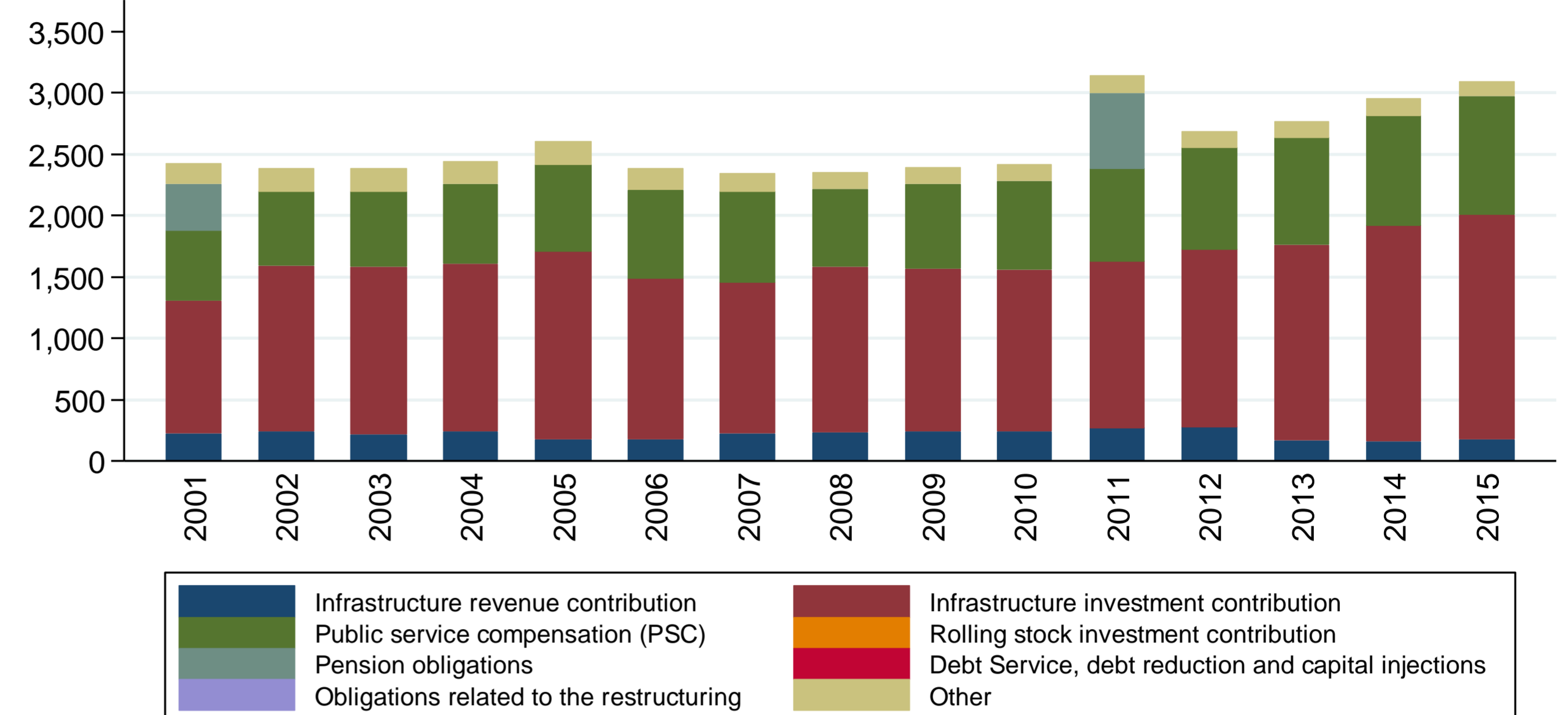
Modal Split Freight Transport



Source: European Commission - Transport in Figures, Eurostat

## Financing

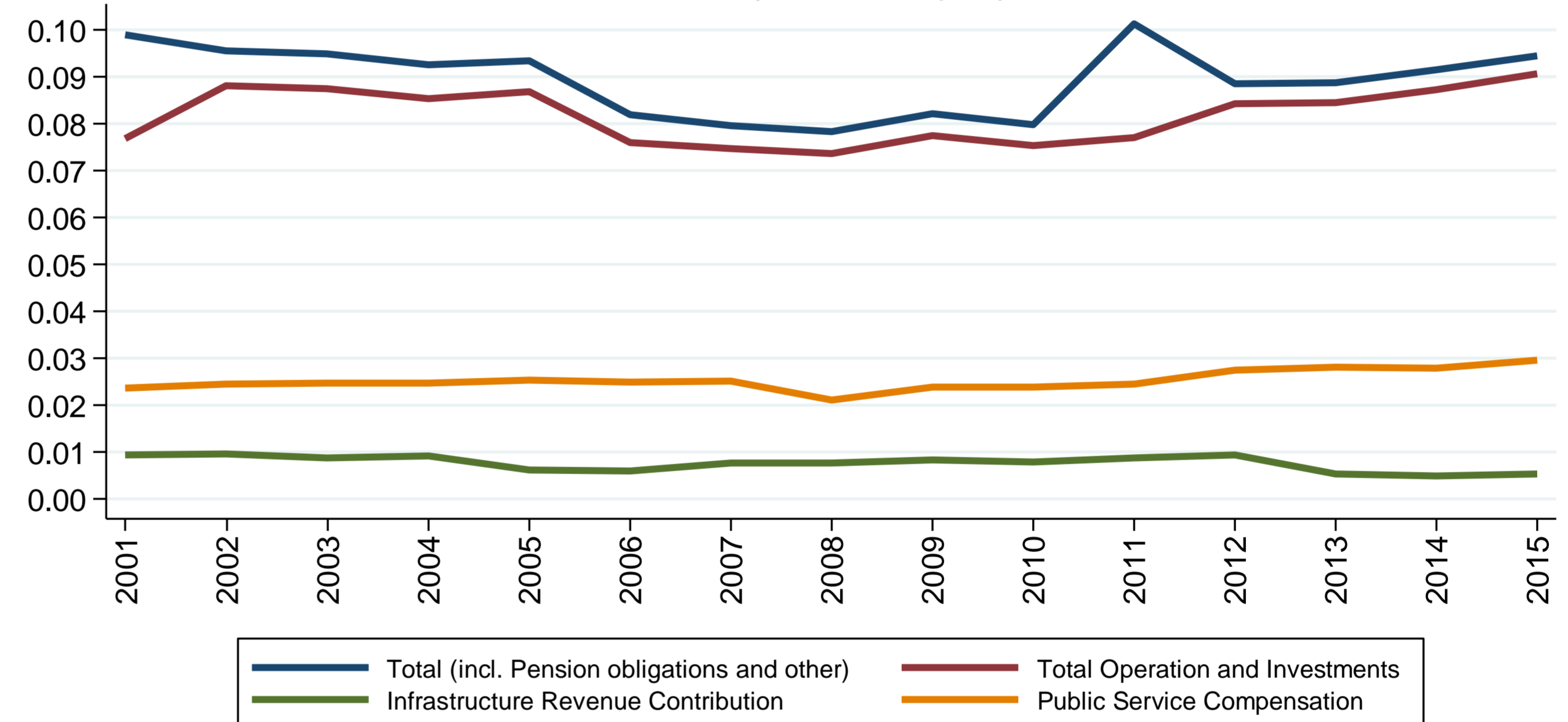
Public budget contributions to the Swiss railway sector  
in million PPP adjusted Euro



### Development of Public Budget Contributions

Public budget contributions to the Swiss railway sector are characterized by a relatively stable development over the observation period. In 2015, a total of 3.1 billion Euro have been distributed to the sector. The majority of funds are spend for infrastructure investments (1.8 billion Euro in 2015). Public services received 0.97 billion Euro in 2015 and 0.17 billion Euro have been granted for the operation of the infrastructure. In 2015, on average, every passenger-train-kilometer has been subsidized with 9.06 cents of which 0.52 cents were related to the operation of the infrastructure, 2.95 cents were related to the operation of public services and 5.59 cents have been granted for infrastructure investment.

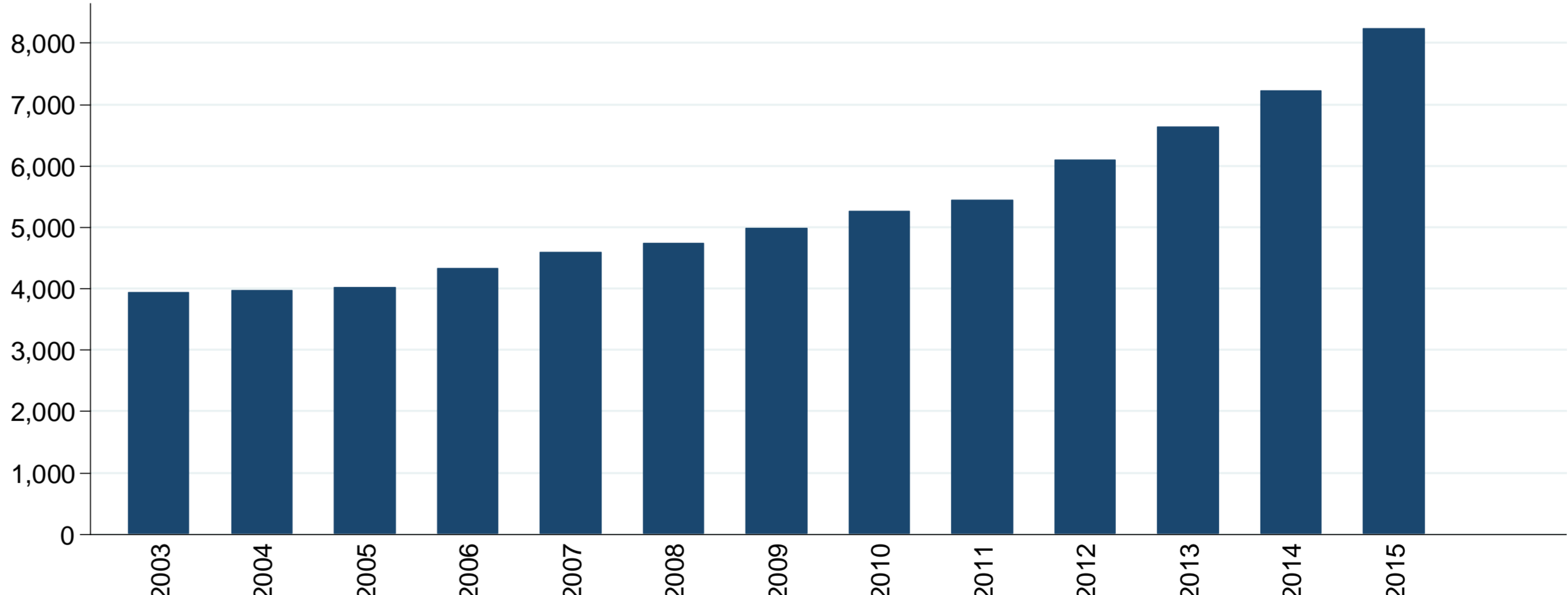
Public budget contributions to the Swiss railway sector  
in PPP adjusted Euro per ptkm



### Financing Structure

Both, the operation of the infrastructure as well as the operation of public services are supported by government contributions. However, the focus tends to be on the financing of the operation of Public Services, while the infrastructure manager receives only a comparatively small operating contribution. Accordingly, the Public Service Compensation accounts for 30 percent of total contributions to the sector, while the infrastructure revenue contribution makes up only 5 percent of the overall amount of funds granted to the sector.

Liabilities SBB Infrastructure  
in million PPP adjusted Euro



### Financing of Investments and Sustainability

In Switzerland large infrastructure investments are financed from funds of a special purpose entity. Other investments are financed from direct contributions, (State) loans as well as funds of SBB Infrastructure. Especially renewals continue to be financed by debt rather than by government subsidies. This is one reason why liabilities of SBB Infrastructure have been increasing in recent years. After 2014 and 2015, these additional costs will be assumed by SBB for the last time in 2016 as agreed with the federal government.