PRESS RELEASE

Hamburg-Köln-Express calls for full separation

*Independence of infrastructure and operations / access to sales*

*(Cologne, September 13, 2013)* Hamburg-Köln-Express (HKX), Germany’s 2nd biggest long-distance passenger rail operator after German State Railways (DB), calls for the full separation of the state-owned holding company’s infrastructure manager and rail operators. Fourteen months after entering the German long-distance passenger market, HKX reports discrimination in key parts of the value chain, namely access to tracks and to sales infrastructure.

“Nineteen years after liberalization, DB still enjoys 99% market share in long distance passenger rail,” says Eva Kreienkamp, CEO of HKX. “That clearly shows that we need a level playing field for all rail companies in Europe and Germany.”

HKX is convinced that a full separation of infrastructure management and rail operations would amend much of the current situation. “In every single case across Europe, vertical integration has been shown to hinder growth and efficiency,” states Kreienkamp. “We need clear rules and fair regulations, so that investors can be confident that they can operate trains with no fear of being abused by incumbents or their governments.”

In addition, there is an urgent need for a number of regulations, particularly regarding access to the infrastructure of marketing and sales.

“With 43% of tickets still sold at stations, new entrants should also have access to essential sales facilities. This includes the central ticket office, which the holding company inherited from the taxpayer,” adds Kreienkamp.

Moreover, in Germany, the holding company’s infrastructure manager and rail operator share exactly the same brand. This means that any time the infrastructure manager uses its brand (e.g. the big sign on top of each station) it is also advertising the holding company’s rail operators. “Brand awareness for new entrants is critical,” comments Kreienkamp. “How can we match the millions of euros in free advertising that DB’s operators receive each year?”

“What we wish for is a really open market for long-distance rail travel, so that consumers can take their pick based on price and service while access to sales infrastructure at stations is equal,” says Kreienkamp.

*The Hamburg-Köln-Express GmbH is the first private railway company in Germany that operates long-distance passenger rail services only. Railroad Development Corporation (RDC) Deutschland is the majority shareholder of HKX GmbH.*

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