

The **Railway Usage Contract (RUC)** is an essential building block of the Fixed Link Concession, as one of the three fundamental contracts underpinning the construction and operation of the privately-funded Cross-Channel Fixed Link by a private Concessionaire, with commercial freedom granted to the Concessionaire in order to avoid recourse to State funding.

- The RUC provides the Charging Framework and Legal Framework for the Fixed Link Railway Network for the duration of the Fixed Link Concession.
- The RUC specifies the characteristics of the Railway Network to be provided by the Concessionaires (Eurotunnel) for the passage of Trains through the Fixed Link, and defines commitments by the national State Railway Administrations to ensure the availability of national railway infrastructures & adequate rolling stock and the development of Passenger & Freight traffic for the Concession period.
- The RUC allows for usage of the Fixed Link Railway Network by all Trains from all Railway Undertakings (RUs) without exclusivity, privilege or discrimination. The RUC provides long term guarantees on the charging conditions, access rights and access conditions for the benefit of all potential users of the Fixed Link Railway Network, current or future, offering exceptional predictability for rail users.
- The RUC was concluded between the private Concessionaires and the British & French State Railway Administrations. The RUC remains with its original State-controlled signatories and has never been assigned to any particular Railway Undertaking(s), and Eurotunnel has never granted exclusivity to any particular RU.
- In line with European liberalisation directives, Eurotunnel implemented open access rights under RUC conditions to all Railway Undertakings, including (but not exclusively) the incumbent operators to whom the State Railway Administrations have entrusted the Rolling Stock required under the RUC.
- The RUC Charging Framework is an essential condition for the private funding of the construction and operation of the Fixed Link, without which this investment could not have been carried out. The RUC Charging Framework provides long term predictability to all RUs, and guarantees yearly reductions in unit access charges (1.1% below inflation).
- Traffic forecasts provided by State Railway Administrations in 1987 comprised Rail Passenger traffic annual volumes starting at 16.5 million passengers (Mpax) and Rail Freight annual traffic of 7.3 million tonnes (Mt) in 1993, growing thereafter towards 20Mpax and 10Mt per annum by 2000. Since those traffic forecasts were used to establish unit charges per passenger and per tonne of freight under the RUC, and their volumes have never been fulfilled, they result in considerably lower tolls than would have been required in order to allow full recovery of the Concessionaires' investment in the construction of the Fixed Link, thus offering extremely advantageous conditions for rail users.
- The pricing structure defined by RUC articles 7 to 10 (see below) comprises "Usage Charges" per unit of traffic destined to the fair remuneration of the initial investment in the construction of the Fixed Link (usually referred to as Investment Recovery Charges or IRC) and "Operating Costs Contributions" aimed at the recovery of the operating maintenance & renewal costs of the Railway Network (translated as Operating Maintenance & Renewal Charges or OMRC), subjected to verification and audit procedures ensuring the proper certification and implementation of a cost allocation system.
- In addition to a favourable indexation mechanism, the charge per passenger offers a substantial reduction in access costs for the development of new services during the sensitive phase of build-up in load factors, thus facilitating market entry for new cross-Channel services and operators.

- The RUC is not an exclusive contract for any specific Railway Undertaking and constitutes therefore a strong guarantee of long term predictability and open access to the privately-financed Fixed Link Railway Network for all Railway Undertakings, both present and future, whether incumbents or new entrants.
- In 2001, SNCF & BRB claimed non-compliance by Eurotunnel with transparency and cost allocation system obligations under RUC arbitration proceedings. In 2005, the arbitration Tribunal's sentence rejected these claims and confirmed Eurotunnel's compliance with its transparency obligations through the production of annual budgets & certificates and cooperation on verifications & audits, and its correct implementation of a system appropriate for allocating Fixed Link Operating Costs to the Railway Network, while rejecting all additional cost allocation principles claimed by the Railways.
- Eurotunnel has published annually after consultation since 2007 its Network Statement, annual mirror of the RUC Charging Framework and Legal Framework, offering transparent and non-discriminatory access conditions for all Railway Undertakings in competition conditions, in compliance with EC Directives and Bi-National Regulations.

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