

# ETICA-Pax: Eurotunnel Incentive for Capacity Additions

## Incentive scheme for the development of new cross-Channel Rail Passenger services

### ETICA-Pax General Conditions

#### 1. ETICA-PAX OBJECTIVES

Eurotunnel strongly believes in the growth potential for Channel Fixed Link Rail Passenger traffic, thanks to the combined fundamental strengths of speed, convenience and comfort of High Speed Rail services together with the unique safety, efficiency and added value of the Fixed Link erasing the natural obstacle of the Channel, thus forming the obvious environmentally-friendly transport mode for UK-Continent travel. Beyond the established yet dynamic rail services on London-Paris & -Brussels, the cross-Channel rail passenger market offers sizeable opportunities of development of competitive **new routes and direct destinations within 4 to 6 hours, including some of the largest air markets in Europe (between London and Amsterdam, Köln/Frankfurt, Geneva, representing over 10 million air passengers annually).**

Building on previous efforts and achievements in the implementation of open access for international rail passenger services across Europe and the increasing application of interoperability standards, further cooperation efforts between national Authorities and rail actors are necessary to address powerful barriers to the development of new services (efficient security & border controls, rolling stock authorisation, interoperability investments, improved station access...). Eurotunnel considers that the essential conditions are progressively coming together to allow the development of new direct rail services between the United Kingdom and continental Europe, all the more in the event of positive Government policies in favour of efficient borders and mobility, and shift to greener modes including rail.

ETICA-Pax is a financial incentive scheme for the development of new rail passenger transport services. It is based on Article 33.3 of Directive 2012/34/EU of the European Parliament and Council of 21/11/2012 defining the conditions according to which infrastructure managers may encourage the development of new rail services for specified transport flows through a time-limited incentive scheme open to all railway undertakings.

The double challenge for a rail operator putting together a new route project resides firstly in covering heavy development costs in long term assets (investment on trains and stations) during an open-ended timeframe of complex authorisations from security authorities and safety regulators (realisation risk), and then secondly in securing the fastest & closest possible offer & demand build-up period required to reach the critical mass for economic break-even of the capacities brought into operation (ramp-up risk). Thus the operator is confronted with the challenge of a cumulated commercial investment, from its development costs up to launch, and then its operational losses from unsold capacity during the vulnerable initial period of volume build-up, amounting to a daunting barrier to entry of new services into the market. Eurotunnel is determined to help rail operators succeed in their challenges to overcome external barriers and to develop services. In addition to the launch-friendly Channel Fixed Link charging system (which automatically reduces access charges during the volume build-up phase), Eurotunnel has designed the ETICA-Pax start-up incentive aimed at significantly reducing the overall cost of creation of new services, and rewarding rail operators increasingly with their efforts to develop the market with new services and capacities offered, thus improving mobility, economic efficiency and the environment in line with the purpose of rail Directives and government objectives.

Conceived as a win-win partnership spirit between Eurotunnel and rail operators, the ETICA-Pax incentive scheme reduces risks and enhances achievable returns from new service developments for rail operators, while generating future returns for Eurotunnel from the prospect of additional volumes, based on the Channel Fixed Link's established fixed unit price formula. Consequently, the scheme is based on the overriding high level principle that projects may only receive assistance on the strict condition that the new service should generate net additional future passenger volumes at current access price levels, thus ensuring certainty of projected returns for Eurotunnel's financial contribution.

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Since the ratio of access tolls to unsubsidised investment is lower in the Channel Fixed Link than on national networks, it would be conceivable that national rail networks make the same effort to boost rail traffic.<sup>1</sup>

### 2. PRINCIPLES OF THE SCHEME

The ETICA-Pax scheme is based on payment by Eurotunnel to the successful candidate of a one-off financial incentive on a strictly non-renewable basis, in return for the creation by a railway undertaking of a new rail service using the Channel Fixed Link, distinct from existing services.

This mechanism applies transparently alongside (and without modifying) the pricing system for access to the Channel Fixed Link described in the Eurotunnel Network Statement, which is destined for permanent application, unlike the ETICA-Pax system which is a one-off, non-renewable payment intended solely for the development of new services for specified passenger routes and markets.

In accordance with the abovementioned provisions of Directive 2012/34/EC, this scheme is open to all railway undertakings (RUs) who submit an application and accept its conditions, and whose projects meet the selection criteria described below.

### 3. DURATION

The ETICA-Pax scheme is intended for new rail passenger services to be launched before 31/12/2030 (start date of regular commercial services), subject to the provisions of article 6.6 below. The scheme is formally proposed and open for applications annually for services launched during a given timetable period through the publication of General Conditions referenced as an Annexe to the Network Statement for the corresponding timetable period. Eurotunnel makes no commitment and has no obligation to launch any subsequent ETICA-Pax calls (nor any other amended incentive mechanism) for periods beyond those for which General Conditions are referenced in annual publications of its Network Statement, and railway undertakings are invited to apply for ETICA-Pax grants as soon as possible to assist the development and launch of new services as part of the present call for candidate projects.

### 4. CRITERIA APPLICABLE TO THE CANDIDATE

This system is open to railway undertakings which have requested or obtained the regulatory permits necessary for access to the infrastructures concerned (licence and safety certificates). These general conditions for access, with regard to the Channel Fixed Link (CTFL), are described in the Eurotunnel Network Statement<sup>2</sup>, which the railway undertakings are invited to read. Applications for ETICA-Pax grants are open equally to all railway undertakings wishing to take part in the development of new cross-Channel rail passenger services and that undertake to accept CTFL access conditions and charges and comply with the scheme's principles and conditions.

The application dossier must be submitted by the railway undertaking which intends to reserve and use capacity in the Channel Fixed Link and ultimately pay the corresponding tolls, which will be bound to Eurotunnel's access and contractual conditions, and to which any ETICA-Pax grants will be paid.

Where the load factor (utilisation) risk for all capacities on the service is assumed entirely by another commercial partner, this developer may be closely involved in the preparation of the application dossier, and obtain transparent access to all information relating to the ETICA-Pax application, including information about the incentive amounts granted for this service. In any case, the Eurotunnel contractual relationship remains strictly with the holder of the CTFL train paths operating rail services through the Fixed Link, and it is the sole responsibility of this rail operator and its partners (where applicable) to ensure that they establish contractual conditions between them to govern this development project.

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<sup>1</sup> The provision of discounts by other IMs is not a condition or criterion of the ETICA scheme.

<sup>2</sup> The Eurotunnel Network Statement is available via internet at the following address:  
[www.getlinkgroup.com/en/our-group/eurotunnel/eurotunnel-railway-network/](http://www.getlinkgroup.com/en/our-group/eurotunnel/eurotunnel-railway-network/)

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### 5. CRITERIA APPLICABLE TO THE PROJECT AND DETERMINATION OF THE INCENTIVE<sup>3</sup>

#### **5.1 Frequency and capacity addition of the new service**

The principal criterion for determination of ETICA-Pax grants is based on the additional daily frequency and capacity of the new cross-Channel rail service. This frequency is determined as net additional return services per day, and is used to determine the potential amount of the grant, before application of other criteria. This forms the best primary indicator representing the potential for passenger volume generation.

#### **5.2 Traffic creation & novelty of the service (or “net creation”)**

The ETICA-Pax grant system is intended specifically for the creation of new direct services designed to satisfy new markets for the Channel Fixed Link, requiring specific efforts of investment, and regulatory and commercial development.

This incentive system for development of new services is not intended for established rail services and markets that already exist in the Channel Fixed Link (or that have already benefited from an ETICA-pax incentive, for which the ETICA-pax build-up window has already elapsed), including for services that are restructured with variations in route, hub, operating format, branding or operators, or for any services previously operated, and later withdrawn, and then relaunched by the same or any other candidate, where such previous services addressed identical or substitutable markets. In the event where a candidate service for an ETICA-Pax incentive includes a combination of new and existing passenger flows/markets (or is accompanied by reductions in capacity for a similar/substitutable service), a reduction coefficient will be applied by Eurotunnel so as to ensure that the grant is applied to the net creation of CTFL rail passenger traffic only. This criterion of novelty or net creation of markets and services will be subject to verification of the actual flows using declarations provided by the rail operator, which will be required to cooperate fully with requests for information and/or audit made by Eurotunnel.

In line with rail Directives, and so as to ensure that the principle of non-discrimination is applied, the ETICA-Pax incentive is also accessible to all rail operators for additions of frequencies on recent new services during the market's build-up window (but likewise only those providing net additional traffic for the Fixed Link on those new markets), and in that case, the amount of the incentive is determined on the basis of the net new addition of capacity (reduced as appropriate in proportion with any diverted, substituted, or existing flows).

The ETICA-Pax incentive is in principle targeted at new direct services, meaning “fully-direct” services not requiring passengers to leave the train part-way through their journey for border or security checks at a “hub” terminal. However, as a potential first stage towards the future introduction of fully direct services, a valuable incentive may be provided to introduce “semi-direct” services or “dedicated stop” services, where one or both legs of the journey are operated via a “dedicated connection” at a “hub”, with passengers disembarking temporarily for checks, and then later re-boarding the same train at the same place. The concept of “hubbing” does undermine the attractiveness, competitiveness and viability of high speed rail services, and thus Eurotunnel would not recommend recourse to that operating mode other than for limited use during interim periods, while alternative efficient control modes are developed with the relevant authorities and station access providers (NB: no assistance is offered for classic connections with a train change, which may be achieved by travellers individually, and do not constitute a new direct capacity offer).

#### **5.3 Actual availability**

The amount of the ETICA-Pax incentive payable is calculated taking into account the capacity actually produced by the rail operator (and not only on the basis of planned capacity). The amount of the ETICA-Pax incentive is based on the net creation of capacities offered on the new market (NB: subject to application of the other criteria). If a new service runs with a reduced capacity offer (overall or offered on the new market), the amount of the ETICA-Pax grant is reduced in accordance with traffic actually operated (NB: assessment made by calendar year, subject to application of other criteria). If the planned launch of a service does not actually take place, no ETICA-Pax incentive is paid.

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<sup>3</sup> The narrative in this Article 5 provides a description of the principles governing the ETICA criteria specified in the Annexe, and does not constitute a parallel set of criteria or conditions cumulated with those set out in the Annexe. Furthermore, none of the criteria described in this Article 5 operates as a claw-back clause requiring the reimbursement of grants previously paid.

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### **5.4 Sustainability of the service**

The system of ETICA-Pax incentives is intended for projects of creation of services and capacity intended for continuous and permanent operation over time (e.g. ten years). Therefore, the operator of the service will provide an undertaking certifying that, barring major and unforeseen variations of circumstances, it considers being capable of operating the service profitably over time after the initial build-up phase of capacity and demand, and does not depend for its survival on any prolonged subsidy or discount, nor on speculative variations in one or more economic or commercial factors (apart from the achievement of a reasonable load factor target, for which it also assumes full responsibility). In particular, the operator must recognise the strictly one-off and non-renewable nature of the ETICA-Pax incentive for a given service, and must declare that it is not dependant on the ETICA-Pax grant to ensure the profitability of its service beyond the initial service launch period, taking into account the Channel Fixed Link's existing pricing system and level of charges, and also considering the relevant national Infrastructure Managers' existing tariffs. Likewise, the operator will assume full responsibility in the event that the forecasts made in its business plan are not achieved, or for sub-standard performance, reduction or withdrawal of its services for any reason whatsoever.

In exchange for this essential undertaking, in the event of a reduction or withdrawal of services during or after the service build-up window, Eurotunnel will not require the reimbursement of the incentive payments already made for prior calendar years of operation, but will immediately cease any payment of grants from the point when the service is reduced or suspended. Through these terms, the ETICA-Pax incentive scheme for the creation of services, which is intended to reduce barriers for entry to the market, is also designed to avoid the creation of barriers to exit, thus reducing commercial risk for the operator.

### **5.5 Market creation and route complexity**

The system of ETICA-Pax incentives is intended to reward operators' efforts to develop new markets, and thus offers an increased incentive taking into account the additional difficulty and investment inherent to routes with longer journey times and additional stations allowing to grow cross-Channel markets served.

### **5.6 Geographical criteria**

An ETICA-Pax call for applications for a given multi-annual period will define targeted geographical routes and markets relevant to rail passenger services. In a spirit of responsiveness to Clients' needs and market opportunities, Eurotunnel reserves the right to amend and complete progressively the list of eligible new routes and markets for its ongoing or future ETICA-Pax calls for applications. In that case, Eurotunnel will publish an updated schedule providing details of the modified or additional eligible routes.

## **6. TERMS FOR APPLICATION AND PAYMENT OF THE INCENTIVE**

Throughout the application and certification processes, the railway undertaking's role is to provide complete and accurate information allowing Eurotunnel to calculate the forecast and actual amounts of grant payable by application of the ETICA Annexe, while Eurotunnel's role is to determine the potential and actual amounts payable by application of the ETICA Annexe, based on information provided by the railway undertaking.

### **6.1 Application dossier submission**

For each projected service, the railway undertaking will prepare an application dossier declaring the following information:

- a) formal declaration of acceptance of the Channel Fixed Link access conditions and ETICA GC,
- b) description of the railway undertaking and its operational and commercial partners for the projected service,
- c) description of the projected service (route, terminal stations and intermediate stops, timetable, , capacity, journey times, operating modes, commercial offer, etc.),
- d) description of the business plan (calendar, investments, infrastructure access charges, financial support obtained from other parties, load factor objectives, forecast build-up, future evolutions expected for the service, expected end-state at maturity, etc.),

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- e) description of the target markets (market sizes, shares, expected volume by origin/ destination station, expected abstraction from other markets and routes) together with a formal declaration of expected novelty and modal shift to rail (net volume creation),
- f) description of operational constraints & barriers (with quantification of the resulting limitations, operational costs & commercial impact),
- g) formal declaration by the railway undertaking on the economic viability and sustainability of the service.

Application dossiers must be communicated as soon as possible to the Railway Network Director, who will examine them in strict accordance with his obligations of confidentiality covering commercial information from railway undertakings. The rail operator may file its application at any time before the effective start-up of the service. Discussions may take place between Eurotunnel and the candidate to ensure that the dossier is properly understood and, in the event that a candidate file submitted is incomplete, the rail operator will be required to submit a complete file within three (3) months after the launch of the service (mandatory deadline after which Eurotunnel may reject any application).

### **6.2 Contractual agreement**

Eurotunnel will examine the application dossier within a period of one month from the date of receipt of the complete file. Following this examination period, a decision in principle will be notified by Eurotunnel, subject to the effective launch of the service as described in the application dossier, and subject to subsequent verifications of the accuracy of the information declared in relation to actual traffic.

When the railway undertaking is able to commit firmly to the launch of the service (with reservation of CTFL capacity based on a final timetable), the award of the ETICA incentive will be formalised through an agreement specifying in particular the commitments made by the railway undertaking in terms of new services created, compliance with the declarations made in the candidate file, and subsequent certification and verification, and the commitment made by Eurotunnel as to the ETICA amount awarded, subject to subsequent verifications of the accuracy of the information declared in relation to actual traffic.

### **6.3 Verification procedure**

The rail operator will provide monthly provisional certificates of traffic carried (trains and passengers by destination), detailing new and existing services.

At the end of each calendar year (and by 31<sup>st</sup> March of the following year), the rail operator will submit an annual certificate declaring the traffic actually achieved for each service covered by an ETICA incentive, and confirming the portion of traffic new to the Channel Fixed Link (trains and passengers) created by the new service and of existing Channel Fixed Link traffic (trains and passengers) reduced, abstracted from existing services (together with the elements of information involved in the ETICA-Pax criteria listed in the Annexe and presented in the operator's dossier).

Eurotunnel may reasonably request for the rail operator to provide additional documents and information for the purpose of verifying the accuracy of the certificates submitted. Eurotunnel may also undertake an independent audit on the certificates, information and systems used by the rail operator to prepare its declarations<sup>4</sup>. The railway undertaking will be required to cooperate fully with these verification procedures. Failure to provide adequate and accurate information allowing to demonstrate reliably the net traffic creation generated by the new service may result in Eurotunnel having to establish its own estimate (based on the best information available) of new traffic actually contributed by this service for all periods considered.

The absolute time limit for submitting ETICA Certificates for any given period is 12 months from the end of the corresponding calendar year, following which any potential ETICA grant payments for the corresponding service and period are foreclosed.

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<sup>4</sup> Audit based on the provisions of Usage Contract Article 8.1 (or where otherwise agreed between the parties, other agreed verification arrangements such as a verification mission by one party at the other party's premises, during office opening hours, and subject to 20 working days' written notice).

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### **6.4 Payment terms**

The grant payment by Eurotunnel will take place annually after each calendar year of operation, the global grant amount being phased in time according to the terms specified in the schedule (part D).

Upon completion of the process of certification and verification of the traffic declarations submitted by the rail operator, Eurotunnel will notify the rail operator in writing of its calculation of the amount of the ETICA grant payable for the year in question (including any adjustment made by Eurotunnel), and will issue (where applicable) a credit note and the associated payment addressed to the railway undertaking. Under no circumstances may the railway undertaking make its own deductions from toll payments to Eurotunnel. Any such self-deductions would constitute a serious breach of the ETICA conditions.

Payments are contingent upon the accuracy of the declarations submitted by the rail operator and the full cooperation of the rail operator with the verification procedures. Any disputes between the parties on the actual amount of grant payable, including disputes on the accuracy of information on which it is based, shall be referred (after reasonable efforts of conciliation) to expert proceedings for final determination<sup>5</sup>.

### **6.5 Withdrawal or suspension of the grant**

In the event of persistent failure by the beneficiary to meet its obligations during the term of the scheme, and following service of formal notice that has remained without effect, Eurotunnel is entitled to withdraw or suspend the corresponding ETICA grants without being required to provide any form of compensation.

### **6.6 Miscellaneous provisions**

The ETICA incentive scheme is designed as a discount on the rail passenger access charges expected by Eurotunnel to be earned from new services on the basis of its current charging system and toll levels. The ETICA-Pax scheme is thus conceived as a strong partnership with mutual respect of respective economic models and reward of joint efforts to develop the cross-Channel rail market.

The ETICA incentive scheme operates transparently and separately from the scales of the Eurotunnel Network Statement, which are not modified as a result of the application of this system.

The ETICA incentive scheme is a voluntary initiative of Eurotunnel, which is entitled to terminate, suspend or modify the system without prior notice, in particular in the event of material change in circumstances or unintended outturns.

These General Conditions and any agreement to which they are integrated (cf. 6.2 above) are governed by French law. Any dispute arising from the agreement shall be regulated by a mutual agreement procedure. Should the disagreement persist, the parties agree to bring their dispute before the French courts. These conditions are established in French and English. In case of contradiction, the French version shall prevail.

## **7. CONTACT**

The point of contact for any information about the ETICA-Pax plan is the Railway Network Director (contact details available in Eurotunnel Network Statement).

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<sup>5</sup> Expert proceedings based on the provisions of Usage Contract Article 8.3.

# ETICA-Pax: Eurotunnel Incentive for Capacity Additions

## Incentive scheme for the development of new cross-Channel Rail Passenger services

### Schedule & specific Criteria for the ETICA-Pax 2025 call for applications (Annexe 1 to General Conditions)

#### A. Frequency and capacity addition of the new service (cf. ETICA General Conditions par. 5.1)

A	ETICA criteria –Frequency & Capacity Addition	New service operated	ETICA incentive adjustment
A1	<b>Amount of ETICA start-up incentive</b> (indicative maximum nominal amount before adjustments, one-off & non-renewable incentive, based on train capacity 100 seats, 100% availability, 364 days/year, subject to other criteria, realisation & compliance with T&C, expressed in combined euros at 1.20€/£)	<b>1 rtn/day</b> (one daily return service)	<b>660,000 EUR</b> (six hundred and sixty thousand euros) 330 kEUR +275kGBP
A2	<b>Adjustment for actual operating frequency</b> (trains operated per week or trains operated per full year)	N trains/year N trains/week	x N/364/2 x N/7/2
A3	<b>Adjustment for actual train capacity</b> (capacity in seats per train, or spaces per train incl. wheelchairs/PRM)	S seats/train	x S/100
A4	<b>Adjustment for shared capacity offer on new destination</b> (quota of seats per train for Cross-Channel passengers on new destination, effectively operated, offered commercially and marketed, where train capacity is shared between new & existing destination)	% seats on newDest (Sn) vs. total (Stt)	x Sn/Stt

Notes:

- A1: Eurotunnel benefits from the additional volume of passengers carried, and thus from the frequency of service operated.
- A2: Eurotunnel benefits from trains actually operated, and thus rewards RUs for high utilisation of Fixed Link train paths.
- A3: Eurotunnel benefits from higher passenger volumes, and thus rewards higher seat volume offers (larger train capacity).
- A4: Eurotunnel will increase turnover from the net increase in passenger volumes to the new destination, and thus from capacity offered on the new destination/market.

#### B. Traffic creation & novelty of the service (or “net creation”) (cf. ETICA General Conditions par. 5.2)

B	ETICA criteria – Traffic Creation & Novelty	New service operated	ETICA incentive adjustment
B1	<b>Adjustment for reduced or displaced Services</b> (where new services replace previously existing services on same or substitutable destination – without duplication if addressed with A4)	displacing Nr trains/year or Cr seats/year	<b>x(Nn-Nr)/Nn</b> or x(Cn-Cr)/Cn
B2	<b>Adjustment for abstracted or displaced Traffic</b> (where new services carry existing cross-Channel passenger volumes from same or substitutable market – without duplication if addressed by A4, B1)	displacing Pa pax/year or Ca seats/year	<b>x(Pn-Pa)/Pn</b> or x(Cn-Ca)/Cn
B3	<b>Adjustment for indirectness of service</b> (where direct service means passengers do not leave train from departure to destination / dedicated stop means passengers exit train for checks before re-boarding same train / connecting means passengers need to change trains en route – application may be calculated indifferently as average for return or separately by direction)	[Fully-] Direct (both directions) Semi-Direct (direct+dedicated) Dedicated (both directions) Connecting	x 100% x 75% x50% x 0%
B4	<b>Adjustment for full-directness of services</b> (where RU invests to re-organise semi-direct service into direct service, removing dedicated stop for checks – done on departure/on board/arrival)	[Fully-] Direct (from semi-direct)	x 25% (additional to previous 75%)

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### **C. Market creation & route complexity** (cf. ETICA General Conditions par. 5.5)

<b>C</b>	<b>ETICA criteria – Market Creation &amp; Route Complexity</b>	<b>New service operated</b>	<b>ETICA incentive adjustment</b>
<b>C1</b>	<b>Adjustment for Long Distance Services</b> (where operator makes efforts to develop new services to more distant markets, the incentive is increased to extend the boundaries of cross-Channel rail passenger markets developed through direct services – based on fastest achievable fully-direct journey time between terminal stations)	≤2h 3h 4h 5h ≥6h (fastest non-stop)	x50% x75% x100% x120% x140%
<b>C2</b>	<b>Adjustment for additional new stations</b> (where operator makes efforts to develop new services to new markets, by investing in commercial stops at stations opening new cross-Channel rail passenger markets developed through direct services – insofar as new stations create new UK-Continent market combinations)	1 new Station (stations served by 100% of new services)	<b>+5%</b> (per new station, up to 4 new stations per new route)
<b>C3</b>	<b>Adjustment for additional regional market combinations</b> (where operator makes efforts to develop direct services on new cross-Channel market combinations by adding stops at existing stations – insofar as stop at existing station creates new UK-Continent market combinations – e.g. London-New Destination with commercial stop in Kent, or Paris-New UK Destination with commercial stop at Lille)	Regional stop	C2 x 1.5
<b>C4</b>	<b>Adjustment for permanent year-round services</b> (where operator makes efforts to maintain a year-round service offer – or quasi-all-season offer allowing for 10 weeks off including cancellations – rather than a limited seasonal service focused on seasonal peaks)	(weeks per year) ≥42/52 (≥80%) <42/52 (<80%)	x100% x80%

### **D. Geographical criteria & phasing** (cf. ETICA General Conditions par. 5.6)

Subject to the provisions of articles 3 and 6.6 of the ETICA General Conditions, the ETICA-Pax 2018 call for applications is open for new services launched (with first commercial travel) from 2025 and before 31/12/2030. Once a new service has been launched with ETICA-Pax assistance on a given route, the ETICA-Pax scheme remains open to all RUs for frequency and capacity additions on that same route for a service build-up window of a further 5 calendar years. After this service build-up window, services on that route are deemed to have been offered the opportunity to reach maturity, and thus the assistance scheme ceases for that route. The ETICA-Pax 2025 call for applications is hereby open for the following **rail passenger routes and markets**:

<b>D</b>	<b>Potential New Rail Passenger Services and Markets</b>	<b>Service Launch</b>	<b>Increases Until</b>
D1	London-(Antwerp)-Rotterdam-Amsterdam (following exceptional barriers to development of this new route (Covid-19 travel restrictions, border authorisations, new 2025 station redevelopment), the build-up window is extended up to 2030, at ETICA-Pax Final1 conditions)	<b>2018</b> (4/4/2018)	<b>2030</b> (31/12/2030)
D2	London-Köln-Frankfurt	TBC	TBC+5
D3	London-Geneva / London-Basel-Zürich	TBC	TBC+5
D4	London-Lyon-Marseille	TBC	TBC+5
D5	London-Bordeaux	TBC	TBC+5
D6	Other New Cross-Channel Rail Passenger Markets (this Annexe may be updated in consultation with operators wishing to develop other new markets not previously listed, in which case this list would be amended & published)	TBC	TBC+5



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D-all Phasing	Year 1 <b>60%</b> (in total for a full year of operation, or quarterly for partial years of operation) 1 <sup>st</sup> Quarter of operation =20%, Q2 =20%, Q3 =10%, Q4=10%	Year 2 <b>30%</b> (spread evenly per quarter)	Year 3 <b>10%</b> (spread evenly per quarter)
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### **E. Exceptional Market Event or Barrier**

<b>E</b>	<b>Rail Passenger services adversely impacted by an external barrier or exceptional market shock addressable through a one-off resolution initiative or investment</b>
E1 Outline	<ul style="list-style-type: none"> <li>• Strictly one-off contribution to a resolution initiative, non-renewable, time-limited to one year maximum, and managed on a non-discriminatory and transparent basis.</li> <li>• <math>\geq -5\%</math> material adverse impact on market (traffic reduction) from exceptional event/barrier with external causes (eg. market shock causing a sustained <math>-5\%</math> drop in annual demand).</li> <li>• <math>\leq 15\%</math> x estimated total cost of the proposed one-off resolution initiative or investment</li> <li>• <math>\leq 25\%</math> x estimated benefit to Eurotunnel of the one-off resolution initiative over one year</li> </ul>
E2 Criteria & Amount	<p>Specific one-off amount to be determined by Eurotunnel on the basis of the dossier established by the RU, which shall document the impact on traffic of the external barrier or exceptional market shock to be addressed, and the estimated cost and benefits of the initiative proposed for resolution (palliative measure or investment).</p> <p>The originating market shock or barrier must be external (beyond the RU's [including its commercial &amp; operating partners] or ET's control), material (traffic reduction exceeding <math>-5\%</math> in volume for the impacted route/market, in average sustained over a 12 month period), one-off and exceptional (not a cyclical demand variation or seasonal phenomenon). The proposed resolution initiative/investment must be a one-off punctual measure, with a credible perspective of success for restoring (or accelerating) previous levels of traffic (the dossier must establish the existence of reasonable possibilities of resolution).</p> <p>The amount of the ETICA assistance is designed to contribute partly to the cost of the resolution initiative on a strictly one-off, non-renewable basis (irrespective of the actual impact of the initiative), up to a maximum of <math>15\%</math> of the estimated cost of the one-off resolution initiative or investment, and subject to a maximum of <math>25\%</math> of the estimated benefit to Eurotunnel of the initiative over one year.</p>
E3 Specific conditions	<p>The resolution initiative will be open to all RUs to operating on the same rail passenger market adversely impacted by the external barrier or exceptional market shock. Each resolution initiative must be managed in a non-discriminatory, transparent and consultative basis for the even benefit of all cross-Channel rail passenger operators affected, and if necessary conducted jointly or channelled via a neutral actor assisting in the resolution initiative (eg. tourism promotion body for a market relaunch campaign...).</p> <p>The ETICA dossier shall comprise a commitment by the RUs to full cooperation with Eurotunnel in order to resolve as soon as possible the barrier concerned in liaison with third parties involved (Authorities, IMs, RUs, other rail industry actors...).</p>
E4 Payment phasing	Payment of the incentive takes place (and is conditional) upon documented confirmation of the implementation of the resolution initiative and expenditure by the RU in line with its original dossier, and subject to compliance with the ETICA-Pax general conditions (or if required, other specific terms established in the ETICA attribution, and available transparently to all affected RUs)

The application of ETICA-Pax assistance for exceptional events & barriers cannot be cumulated with the ETICA-Pax new service incentive, on a given rail passenger market or route.

Eurotunnel reserves the right to amend or complete at any time the list of eligible markets and routes for its ongoing or future ETICA calls for applications (in particular to reflect the results of consultations with potential candidates). In that case, Eurotunnel will publish an updated schedule providing details of the additional eligible routes/markets.