

## **Motorail Train to Sylt – new service provider applies to DB Netz for long-term track capacity access**

***New timetable planned with considerably more journeys/close collaboration with communities, tourism and county***

**(Cologne, October 8, 2014)** Each year some 960,000 motorists use the motorail train from Westerland/Sylt to Niebüll on the mainland. Now Railroad Development Corporation Deutschland (RDC D), as a service provider for tourism and the regional economy, proposes to undertake the motorail service on the Niebüll – Westerland (Sylt) line. As part of the procedure for the award of long-term framework agreements, the subsidiary of the USA-based Railroad Development Corporation (RDC) has filed the relevant applications for regular service at very high track access charges (so-called regular-service and express passenger tracks). Under current rules, dealing with these applications has priority over that of other applications.

As the track charges for the express tracks are particularly high, and RDC D plans a marked expansion of the service, the income from track charges of DB Netz AG will increase considerably. Thus, DB Netz AG will be supplied with the necessary funds to improve and expand the infrastructure on the bottleneck line from Westerland to Niebüll in the medium and long term.

"RDC is worried about the decline in the night and motorail services offered by the European national railways," says Chairman Henry Posner III of RDC's motivation for their next investment in Germany – its second most important investment after Hamburg-Köln-Express (HKX). "We regard this as an additional opportunity to develop our own business."

Hans Leister, RDC's Managing Director Passenger Services-Europe, explains further, "For instance the transport of cars to the island of Sylt has considerable development potential. It can be much improved by cooperating closely with interested parties on the island and on the coast. This and the high transport charges we are prepared to pay will also facilitate the long overdue expansion of the infrastructure on the federal railway tracks."

Carsten Carstensen, managing director of RDC D and project manager "Motorail Sylt" adds, "This is especially true since the timetable proposed by RDC D will introduce considerably more motorail journeys. Up to more than fifty percent more departures are planned. The aim of this plan is not to further increase the share of tourists' car-utilization for travelling to Sylt in the peak season or indeed of day tourists' car-utilization for travelling to the island. Rather we plan to offer the tourists more service and the businesses, inhabitants and employees on the island a better motorail. In planning tracks we have also made sure that we do not oust short-distance rail passenger services. We intend to offer more frequent journeys and to be an attractive and reliable partner of the people and employees as well as of the businesses on Sylt."

RDC D assumes that after the timetable change in December 2015, it will operate the motorail service. In preparation of this, a regional transport company (working title "Autozug Sylt" ["Motorail Sylt"]) with all the relevant facilities will be set up. Also the vehicles required will be procured. "In this process we hope for good cooperation with all the parties concerned," Carstensen goes on to explain, "with DB Netz as the operator of the federal railway tracks; with the other DB-infrastructure departments, which are for instance responsible for ramps and approach roads, but also with DB's service and transport enterprises."

Special emphasis will be put on regional cooperation. For the management of the new operator, good cooperation will be paramount – with the Sylt municipality; the town of Niebüll; the Südtondern administrative unit; the administrative district Nordfriesland; all those involved in tourism and social life on the island; the regional transport operators; and the federal state of Schleswig-Holstein.

For this reason the management will have its headquarters close to the railway line. RDC D will shortly present its respective concept to those locally involved and the local decision makers.

The schedule for the development of "Motorail Sylt" involves first securing the availability of tracks for the train journeys concerned in the procedure concerning the award of framework agreements with DB Netz. In this process the framework agreement applications of RDC D and other operators on this line must be harmonized. "In case of conflicts, mutual agreements must be found or decision must be made base on the priority principle," says Carstensen. "After the conclusion of the approval procedure, the framework agreements are to be signed in March 2015." All decisions on the award of framework agreement capacities are monitored by the Federal Network Agency as the regulatory authority.

For the start of the operation of the service it is the aim of RDC D to take over the employees of DB Fernverkehr currently employed in the motorail operation on the island on comparable conditions. As a result of the proposed additional services, more employees will even have to be taken on. "If the motorail service is developed in line with demand, there will ultimately be many more jobs," Carstensen says. "Also the currently employed railway employees who are civil servants will– if they wish to–be able to continue their employment. In order to make this possible we will contact the federal railway property directorate as the employer."

As a result of the high investment volume in rolling stock required for the motorail service from Niebüll to Westerland, the Federal Network recently approved a long-life framework agreement of ten years. If DB Netz grants RDC D's applications, RDC D will operate this motorail line for a first period of ten years.

"Together with DB Netz, the other transport operators and all those politically concerned – in the state, the administrative district and the local authorities – this period of validity offers a real chance to adapt and expand the infrastructure of the tracks and the loading facilities in line with current and future service and environment requirements respectively," Leister says. "As a result of the additional services and the higher track charges, DB Netz will in the next ten years enjoy considerable additional income to be used for investments!"

#### RDC Deutschland

As a diverse railroad management and investment company, Railroad Development Corporation (RDC) has activities in Iowa, Peru, Colombia and France, operates RDC Deutschland (RCD D), and is a shareholder of Hamburg-Köln-Express (HKX). RDC D also owns modernized and especially comfortable passenger coaches (former ÖBB coaches of the type BH 4010), which were only recently licensed for use in Germany. Moreover, RDC D plans to operate independently as a railway operator.

#### **MEDIA CONTACT:**

Ms. Renate Bader

*Head of Business Communication*

RDC Deutschland GmbH and Hamburg-Köln-Express GmbH

(T) +49 (0)221-67 78 02 – 27

(E) [renate.bader@hkx.de](mailto:renate.bader@hkx.de)

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