

**TAP TSI**

Telematics Applications for Passenger Services  
Technical Specifications for Interoperability



Project co-funded by the  
European Commission

# **INTERMEDIATE REPORT – EXTRACT ON MASTERPLANNING**

**Submitted on 8 December 2011**

**Note:**

The entire Intermediate Report and its annexes can be downloaded from the “What’s new” section of <http://tap-tsi.uic.org>

## 1. Executive Summary (Extract)

### **Governance and masterplanning:**

In its recent meeting the Steering Committee concluded that **governance should be flexible and scalable** to accommodate future needs. Initial project work suggests that TAP TSI governance needs a **permanent statutory body** with a defined range of responsibilities. Which elements require central or distributed oversight still needs to be assessed in conjunction with the Architecture and FSM Work Streams.

It is also necessary to **differentiate** between **governance for Phases Two and Three**, the latter being designed for perpetuity. In principle **agreement by the Steering Committee is needed by the end of February 2012** so that the governance costs can be estimated and the funding bodies can be notified and consulted in spring of 2012.

Work on **masterplanning** is now starting, in close **alignment with TAF** TSI in regards to RU/ IM communication and individual company implementation planning.

## 2. Introduction (Extract)

This intermediate report is a key deliverable required from the Phase One project and marks a major milestone of the TAP TSI implementation.

### Background

TAP Phase One constitutes the first phase of implementing the Commission Regulation (EU) No 454/2011<sup>1</sup> on the technical specification for interoperability relating to the subsystem ‘telematics applications for passenger services’ of the trans-European rail system. The Regulation entered into force on 13 May 2011.

Primary goal of TAP TSI is to provide travellers with quality pre- and on-journey information and to facilitate the purchase of rail tickets by improving the data exchange among railway undertakings and between railway undertakings on the one hand and Infrastructure and Station Managers, Ticket Vendors and Public Bodies on the other.

Phase One is managed by a Project Team of railway and Ticket Vendor representatives and supervised by a multi-disciplinary Steering Committee (SteCo), in which a wide range of stakeholder interests are represented.

As per the Regulation, the Project Team shall submit an intermediate report to the Steering Committee no later than five months after the kick-off meeting, which took place on 8 July 2011.

### Purpose of the report

The purpose of the intermediate report is to provide the SteCo with a solid overview of where the project stands and where it is heading in terms of contents<sup>2</sup>. It thus serves as an institutionalised gate check, allowing the SteCo members to re-calibrate project focus and priorities and to provide the Project Team with a stable framework for the remainder of Phase One.

This report is the product of work involving many parties. Working-level participation was and is open to all sector representative bodies and Ticket Vendor associations, all of which had been invited to contribute expertise and input.

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<sup>1</sup> In the following referred to as “TAP TSI”, “the TAP TSI Regulation” or “the Regulation”

<sup>2</sup> For project management updates see the Project Manager’s monthly progress reports

### 3.4. Masterplanning

**Key information to take away:**

- It is essential to understand the different characters of Phase Two and Three. It is therefore proposed that there should not be one governance for Phase Two and a new and separate one for Phase Three
- Phase One will deliver designed costed and budgeted plans for the TAP entity formation and for TAP common services procurement

#### 3.4.1 Relationship of Phases Two and Three

Article 2 of the TAP TSI Regulation states:

*“The TSI shall be implemented in three phases:*

- *a first phase establishing detailed IT specifications, governance and master plan (phase one),*
- *a second phase concerning the development of the data exchange system (phase two), and*
- *a final phase concerning the deployment of the data exchange system (phase three).”*

Phase One has already started as a project involving several stakeholders and with the governance described in Chapter 7 of the Regulation.

It is important, at the outset, to understand the essential difference between Phases One and Two and Phase Three. Phases One and Two are essentially projects – their whole purpose is to create something and then disappear. Phase One creates the design, governance and masterplan for Phases Two and Three. Phase Two creates the things that are currently missing but which are essential for those parties with obligations and rights under the Regulation.

Phase Three, in complete contrast, is not a project. Phase Three will last for ever. The obligations on railways persist in perpetuity. Neither the Regulation, nor Directive 2008/57 from which it derives, has any provisions for termination. The word termination is not even mentioned.

The Project Team has considered this phasing matter in detail and has learnt from the experience with TAF TSI and other commercial developments. It therefore proposes that there should not be one governance for Phase Two and a new and separate one for Phase Three.

Phase Two is essentially concerned with setting up executive entities, procuring services and running projects as defined in Phase One. It is fundamental for good contract procurement and management reasons that whatever entity will run the services and projects after the end of Phase Two is the same one that procures the services and manages the projects during Phase Two. If this is not done, there will always be

difficulties, delays and additional costs as the successor entity will quite sensibly refuse to novate any contracts and projects to itself until all risks have been removed.

Therefore, and this is key, although there will be a Phase Two and Phase Three as required by the Regulation, there will be a single executive entity responsible for both phases and its creation will be the first step for Phase Two. Until it exists, the Phase One Steering Committee will retain overall responsibility, but once it does exist the entity will take over all regulatory responsibilities. This is different from the original arrangements designed for TAF TSI and the approach is essential to avoid the difficulties experience by the parties involved in that Regulation.

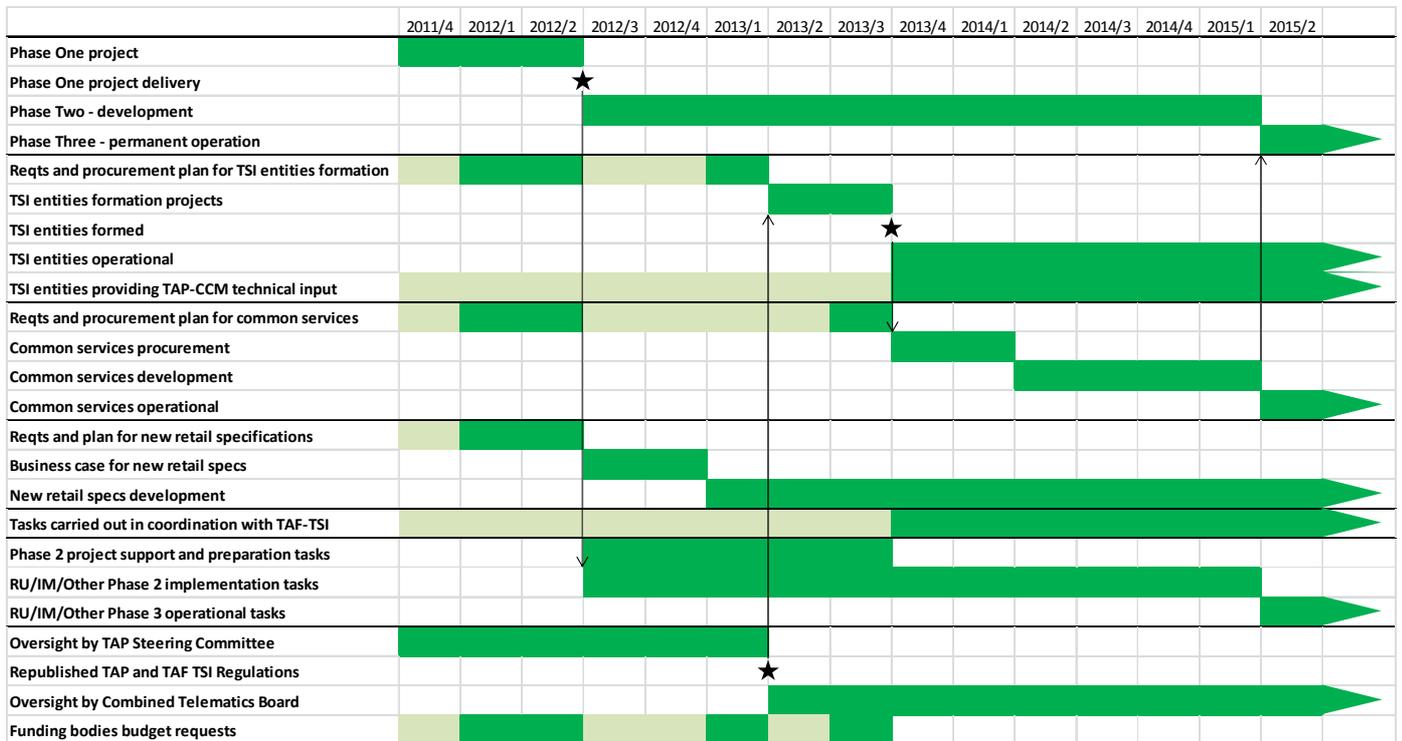
The procurement of the common services will be the first and most important task in Phase Two, after the executive entity has been created.

### **3.4.2 Key Elements of TAP TSI Masterplan**

There will be a set of key elements for the TAP TSI masterplan produced in the Phase One project, as follows:

- a costed and budgeted plan for Phase Two covering
  - the formation of the TAP TSI executive entity described above
  - together with a costed and budgeted plan covering the procurement of the common services needed for Phase Three by that entity
- a set of tasks, as yet to be defined, of work to be done in conjunction with TAF TSI
- a staged project plan for the Full-Service Model project as described above
- a plan of Phase Two activities through which RUs and IMs prepare and mobilise for projects through which they will meet their individual Regulatory obligations
- a set of project support activities needed for this RU/ IM preparation, although currently such support is neither planned nor budgeted by the sector.

These key elements are set out in outline the following diagram, and will be developed further for the final deliverable, taking Steering Committee advice and resolutions into account:



There are four important links in the diagram, to be read from left to right. The first is the completion of the Phase One project, which links to the start of the Phase Two RU/ IM preparatory tasks and the related (and as yet unbudgeted by the sector and Commission) support activities.

The second link marks the republishing of the Regulation with the revised Chapter 7 containing the results of the Phase One project. Once the Regulation is republished, the formation project to create the TAP TSI executive entity can start.

The third link marks the formation of the executive entity. Once in existence and operational, the entity will be able to start the procurement of the common services and the transfer of management of projects such as FSM. It has been noted that the FSM project will need to provide an open cost benefit analysis for any changes it may propose to the TAP TSI Regulation.

Clearly, some limited work can be done in the interim both on entity formation and service procurement. However, until the Regulation is republished and until the entity is operational, formal procurements cannot start.

The final link is the start of Phase Three. This phase starts when the common services are operational, or at least those common services that are essential for RUs and IMs to meet their obligations. One year has been shown in this draft masterplan. The length of time will be determined by the requirements for common services to be identified in the other Work Streams.

Note that on this basis the earliest that Phase Three can be anticipated to start is sometime during 2015. A better estimate will be made in the final report once the duration of the full set of common service development projects has been determined by the Phase One project.

Despite this, individual RUs and IMs will be strongly encouraged to start working on their own implementation plans immediately following the conclusion of the Phase One project. Advance notice of this obligation will be given at the TAF TSI master planning meeting on 26 January 2012. In addition, and assuming resources are made available for the Phase Two project support and preparatory tasks, similar TAP TSI implementation planning meetings will be held in early autumn 2012. The Phase One project will prepare the background information needed for these meetings.

### 3.4.3 Economic Evaluation

The method to be used for economic evaluation is as follows:

All architecture and governance proposals will be designed to balance two objectives. The first is that the total cost to the rail industry is minimised and the second is that of equity where there should be no undue adverse impact on any individual RU or IM or groups of RUs or IMs. Individual RUs and IMs should not be obliged to make changes or investments for which there is no prospect of a commercial business case. In addition, all architecture and governance proposals will seek to make a significant reduction to the cost of retail distribution and train operation over the planned life of the investment.

Consumer surplus estimates will not be used in any business case calculations. These calculations will be solely concerned with tangible costs and benefits. The key economic evaluation criteria will be pay-back period and access to project funding by implicated RUs and IMs. Where required, a discount rate of 14% will be used.

Economic evaluation requires the comparison of a base position and a changed position following an investment. The base position is that which meets the requirements of the Regulation at the lowest total rail industry cost, subject to the equity condition applying. The Phase One Project Team will identify what forms the base position.

For this project, changed positions will follow industry-wide changes to the base position, achieved either by agreement or by the application of further regulation. An example of such a change could be a common timetable service.

RUs and IMs are unable to provide the Phase One Project Team with accurate and detailed material that is commercially important in good time, even though Chapter 7 of the Regulation says in paragraph 7.2.2.1.6 that they should support the project. In consequence, all estimates of costs and benefits will be made by the Project Team, based on their own expertise and on publicly available published data. This is an acceptable position for the ERA for TSI-related economic evaluations<sup>3</sup>.

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<sup>3</sup> As understood from the ERA/ PM jour fixe on 5 December 2011.