

# Using revenues for cost recovery and cross-financing

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A brief abstract

- Policy orientations versus market reality
- Use of infrastructure
- Road service - a road product

There is somebody who produces and sells this product.

There is somebody who buys this product.

The two forces, demand and supply, find always a balance.

- Reinvesting the money in the same area is the pure logic of a functioning fair market.
- Increasing artificially (by political and/ or environmental considerations) the price of the product:

- i) has a political and social message and
- ii) aims at a double target.

- a) makes the road product more expensive, so theoretically less attractive for the customer.
- b) the market decreases
- c) other alternatives will be considered by the customer
- d) which?
- e) Rail.
- f) In the long term the rail infrastructure will develop using revenues of the road market.

g) The question is two folded:

h) if the theoretically cheaper and perhaps more environmentally friendly rail solution is of the same quality as the road's one.

i) However the rail solution has two elements: the rail infrastructure and the rail companies. Can the given infrastructure meet the requirements of the customers of the rail companies and finally can the rail product compete with the road product (in quality and price) in given areas of Europe?

j) If the answer is no, then the road market will be the winner, will balance again at higher prices given that the transport cost will always affect the final price of the transported product.