



1st Joint Conference on 9 March 2006, Brussels
Statements of the Panel Discussion on
”Dedicated innovations – improving rail freight services”

<p>Participants of Panel Discussion:</p> <p>Igor Hribar (Holding Slovenske železnice): <i>”Re-positioning a SME railway undertaking in a competitive environment”</i></p> <p>Tiziano Croce (Rail Traction Company): <i>”How to achieve a high performance of international rail freight services: the Brenner case”</i></p> <p>Eric Peetermans (SNCB Holding) <i>”How to make more (freight services) from limited infrastructure: the Antwerp-Basel case”</i></p> <p>Javier Casanas (Italcontainer) <i>”How to ensure seamless international rail freight services - by employing short-sea (MARIS)”</i></p> <p>Daniela Ackmann (Rail Euro Concept) <i>”„Let’s work together“ - the returns on interoperability: the MKML project”</i></p>	<p>Moderator:</p> <p>R. Mertel (KombiConsult)</p>
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Re-positioning a SME railway undertaking in a competitive environment

mag. Igor Hribar

Slovenian Railways - Assistant Executive Director for Freight Transport

Slovenian Railways are one of the smallest railway undertakings in Europe, handling something about 18 Mio tons, employing around 1.900 people and making revenue of 115 Mio EUR per year. 90% of the traffic volume handled by Slovenian railways has its origin or destination in other countries. One half of the transport volume carried is transit traffic. Therefore, managing the transit traffic is of vital importance for further growth of rail freight traffic

In one year since the eastern expansion of the European Union we can loudly claim that the road transport has profited the most from admission of new countries into the EU. Only on the road border crossing between Slovenia and Hungary, number of trucks increased from around 300.000 in the year 2003 to 600.000 in the year 2004 and has reached 850.000 in the last year.

And the “problems” with all the new operators have just started.

How can a small railway undertaking survive in such an environment? To be honest, would I have an ultimate answer to this question; I would leave the Slovenian Railways, start a consultancy and be a very wealthy man.

I can therefore only share some thoughts with you on strategic issues we are considering:

- **intermodal competitiveness will require boost in the efficiency in the rail industry**
(one small step that we have done in that direction were common activities of Slovenian Railways and Trenitalia in the bilateral traffic organization: establishment of common service center, interoperability, corridor quality measuring, pooling of border crossing activities, IT...)
- **production and service concepts will have to adapt seriously to the new demands of customers and alternative operational models of newcomers**
(LTE for example is promoting its services also by claiming “better transport conditions than using COTIF”)
- **gradual development has serious limitation**
(speed-to-market - although new operators will have to overcome high barriers caused by technical and safety regulations, and will have to have “very deep pockets”)
- **after-defragmentation of the market, consolidation can be expected soon**
- **strategic orientation on the formation of international cooperative ventures (alliances)**
- **growth markets: main corridors and intermodal transport**
- **challenge: how to combine geographical position as a starting point, market presence as a necessity for acquisition and services portfolio to meet the demands of the customers**

The last is one of the driving forces behind the border crossing initiatives of Slovenian Railways. Although we have achieved important results in the field of operational improvements (speed, border stops, reliability, positive working environment), it is far from being enough.

There are two important limitations which in my opinion limit the applicability of border crossing improvement projects. They can be described with these two statements:

(1) Border-crossing projects significantly influence the quality of international rail freight services

We can start a long discussion on the most important demands of the rail freight customers. I believe we can bring them down to three major issues: reliability, customer orientation and price.

Provided, average transport distances are not too short, and border crossing activities are not unreasonably complicated, time consuming or limited with unnecessary internal regulation, than border crossing activities actually do not represent an important obstacle for the better performance of international freight transport. Paradoxically, it seems that longer border stops benefit the overall quality of transportation (considering the reliability issue), because they are used as important buffer slots that can offset the intermediate deficiencies in the organization and performance of rail freight transport. Other matters like: infrastructural bottlenecks, lack of appropriate traction equipment and drivers, or deficiencies in operational planning, very often cause the deficiencies mentioned.

In this regard a reduction of an average border stop time from 90 to 30 minutes, for example, will have limited effect on the quality and the efficiency of transportation, especially when we approach them as a local (border-crossing centered) problem, not considering their influence for the whole operational system of a railway undertaking.

So, it's about a set of activities and measures aligned with the overall operational strategy, and not one measure alone, that defines the success and impact of the improvement projects. And at the end of the day, it's primarily about fulfilling the delivery promise made to the customer and not so much the average speed of transport alone that makes the difference.

(2) Border-crossing projects are increasing the value of services and can be sold to the customers

In my opinion, border-crossing projects have one major objective: they are foremost used as internal cost cutting programs that should achieve the increase of the efficiency of operations.

If this is true, than they have limited value as a marketing statements or sales propositions, although we always try to sell them as important achievements and evidences of our customer orientation.

To be honest – they are our home assignment that we have to do right and only when they are consistent, thorough and global, they can ensure the competitiveness of the rail freight service offer.



Wrap-up:

- our quality problems and issues very often lie elsewhere and not at the border-crossings only
- border-crossing improvement programs are necessary but not sufficient condition for the increase in quality and efficiency of operations
- think locally, act globally (consider the influence of changes on a border crossing for all the operational system – national and international)
- define right and internally consistent set of improvement measures for relevant questions

How to achieve a high performance of international rail freight services: the Brenner case

Tiziano Croce

Rail TractionCompany

RTC (Rail Traction Company Ltd) was launched in February 2000 after the liberalisation of the Italian railway market. Following this new opportunity, RTC began a major investment programme. This saw the company employing and training railway personnel and invest in rail freight multisystem electric locomotives - the class EU43 built by Bombardier Transportation. The class EU43 has provided RTC services with exceptional levels of performance, making the class EU43 and engines of the same family (e.g. E412 and E405 of Italian State Railways FS) the electric locomotive of choice along the Brenner line. RTC has 8 of these locomotives and they form the backbone of the company's locomotive fleet.

RTC also worked with the German TOC Lokomotion to develop a new concept of cross border freight service, deploying 11 rail freight multisystem electric locomotives class 189 built by Siemens. This is the first freight locomotive in Italy to travel across 3 countries (Italy, Austria and Germany).

Since 2001, RTC has strongly marketed its cross border service abilities and has successfully played a major role in growing rail freight along the Brenner line. This has increased dramatically since 2001, and RTC currently has a 50% market share of all intermodal freight trains on the Brenner line. Traffic volumes continue to grow and new markets are continually being won to rail by RTC, including traffic from Southern Italy.

RTC is a national employer, with 120 staff based in Rome, Verona and Bolzano and hauls over 1 million trains*km every year.

Whether in intermodal or just conventional trains, RTC has a comprehensive range of innovative rail services to meet customers' requirements.

Every day, 28 trains are operated by RTC on the Brenner and Tarvis lines, powered by 15 reliable locomotives.

Attention to detail, anticipating the needs of customers, economic pricing with focus on quality, geographic coverage in Northern Italy with services to Germany via Austria and exceptional levels of flexibility, punctuality and reliability give customers the confidence they require from RTC as their rail freight operator.

RTC is transforming rail freight in Italy.

How to make more (freight services) from limited infrastructure: the Antwerp-Basel case

Eric Peetermans

SNCB-Holding

1.- What has been done ?

- **Infrastructure**
 - Upgrading existing infrastructure L 164 Namur-Bertrix-Athus
 - 200 km, > 250 Mio €, gauges C 50, weight/axle 22,5 t, 120 km/h, 750 m
 - dedicated freight line, with limited, non priority, local passenger services
 - on the main freight corridor Antwerp-Basel via Luxemburg (> 660 km)
 - in service since December 2003
- **Interoperable locomotives**
 - 60 multi current locs acquired by SNCB, 20 of the same type by CFL (Types 13/3000)
 - equivalent French type homologated : 30 units
 - after teething troubles, all units fully operational on the full length of the corridor
- **Interoperable corridor focused production model**
 - Signed between SNCB, CFL, SNCF
 - Transnational integrated organisation : drivers, locs, paths
 - Belgian and Lux locs & drivers in France, French locs & drivers in Luxemburg and Belgium
 - Creation of an autonomous joint production company : SIBELIT
 - The purpose of the company is, on that corridor, to conceive and develop services, produce capacity and sell it to the marketing services of the founding partners

2.- What has been achieved ?

- Stable production, homogeneous train parameters (eg lengths, gauges, weights, braking regimes,...)
- Allocated resources
- Guaranteed railway paths for Freight : at least 1 path per hour per direction, all day, every day. Several paths per hour outside commuting peak hours
- More robust service : beltway principle, train number dissociated from railway path
- Reduction of loc/drivers relays : in principle limited to two (three if approaches to Antwerp are included in the count) on the whole corridor
- No more stops at the borders for security and other checks

- Drastic improvement of Quality : 90 % reliability on the Belgian segment, still the traditional problems on the Plaine d'Alsace (overall reliability is 64% of trains within 60' delay on the whole trajet)

3.- Key factors of success

- Improvement of Quality of service on the **whole** corridor is the issue
- Alleviating the identified infrastructure bottlenecks, especially the approaches to Antwerp and the lines between Antwerp and the entrance of the dedicated Athus-Meuse line in Namur
- Competivity of the Corridor with respect to the competing Rechtsreinisch Corridor : SIBELIT faces a major and challenging reconquest mission

4.- ERTMS

- Antwerp-Basel is part of ERTMS Corridor C : strategic ETCS migration plan on 6 designated European rail corridors
- This project creates a European wide momentum for improvements beyond the scope of the technical ETCS migration

5.- Targets

- By 2015 : + 30% volumes, compared to 2004
- 90 % of trains within 60 ' delivery time, compared to 64% today
- SNCB productivity increased by 30% 2004-2007
- What about SNCF ?

How to ensure seamless international rail freight services - by employing short-sea (MARIS)

Javier Casanas

Italcontainer

MARIS : *Italy-Iberian Peninsula thru port of Livorno and Valencia*

1.- What has been done ?

- Have collected the heritage of what has been done by Logistica Mediterraneo Cargo (LMC), so investment has not been thrown away.
- Have maintained the market requirement to have an alternative to all road in connecting above countries.
- Have created an alternative to road transport between Italy and Spain and Portugal.

2.- What are the achievements ?

- The creation of a new product TRIMODAL, where combine short sea shipping, train and truck on international transport.
- Have supported EEC policy and one of White Paper policy guidelines, such as revitalizing other modes of transport.
- The possibility to link the Iberian Peninsula to Italy and to Corridor V thru Lubjana.

3. What are the key success factors of the action ?

- Have been able to “listen” to the market and act accordingly.
- A Shipping Line (Grimaldi Naples), a Railway Undertaking (Trenitalia) and a Port Terminal (Darsena Toscana) have sat down around a table to find solutions to problems arisen, following the same target of make the product come thru.
- Intense and continue dialogue among the parts, trying to understand the own logistics needs and adapting as much as possible to cargo requirement.

„Let’s work together“ - the returns on interoperability: the MKML project

Daniela Ackmann

Rail Euro Concept

Our company Rail Euro Concept is a 50-50 joint-venture between SNCF and Railion Deutschland (responsible for Rail Freight activities within the DB Group). Founded in 2001 as an internal service provider, our company has managed the project of interoperable rail freight services of the two mother companies since that time.

The aim of this project has been to directly link the major hubs (for single wagon traffic) and loc and driver allocation points (for block train services) so that loc and driver changes at the frontier was no longer required. The name of the project – MKML (Mannheim, Köln, Metz, Lyon) – shows which regions are concerned.

SNCF and Railion had to tear down a lot of technical and regulative barriers which separated their production to set up

- non-stop traction with interoperable locomotives and drivers
- an integrative production planning process
- common traffic management services for train paths, locomotives and drivers and
- common exploitation rules for production staff

The project also required massive investments from our mother companies in interoperable engines, the training of drivers and their instructors and the training of the production staffs. Due to these important efforts, the interoperable production could be only progressively deployed to the different boarder points, starting with the major one, Forbach (8 interoperable trains/day in 2001 and 80 trains/day from the end of 2003) which will be followed by Perl/Apach (20 trains/day) and the boarder crossings in Alsace from April and September this year. By the end of this year, Mannheim, Cologne and Metz will be linked for all long-distance traffic routes. There are also local interoperable services with diesel engines in the regions of Lorraine/Saarland and of Alsace/Baden.

Our major achievements so far are:

- shorter transport delays which have been reduced by 1 ½ - 2 hours by the suppression of operational activities at the frontier
- higher transport punctuality and reliability due to continuous operational management and the reduction of locomotive and driver changes
- higher productivity by reducing staff and infrastructure at border stations.

What is to be done for the future?

- Geographical and functional extension of interoperability by linking more hubs (starting with Lyon) and further integration of production planning tasks in our company.
- The interconnection of operational software systems.