

Maximising the potential of Rail Freight: driving intermodal shift

DIOMIS, Agenda 2015, a vision for Combined Transport for Europe

www.uic.org/Diomis

Luncheon-presentation
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Developing Infrastructure and Operating Models for Intermodal Shift

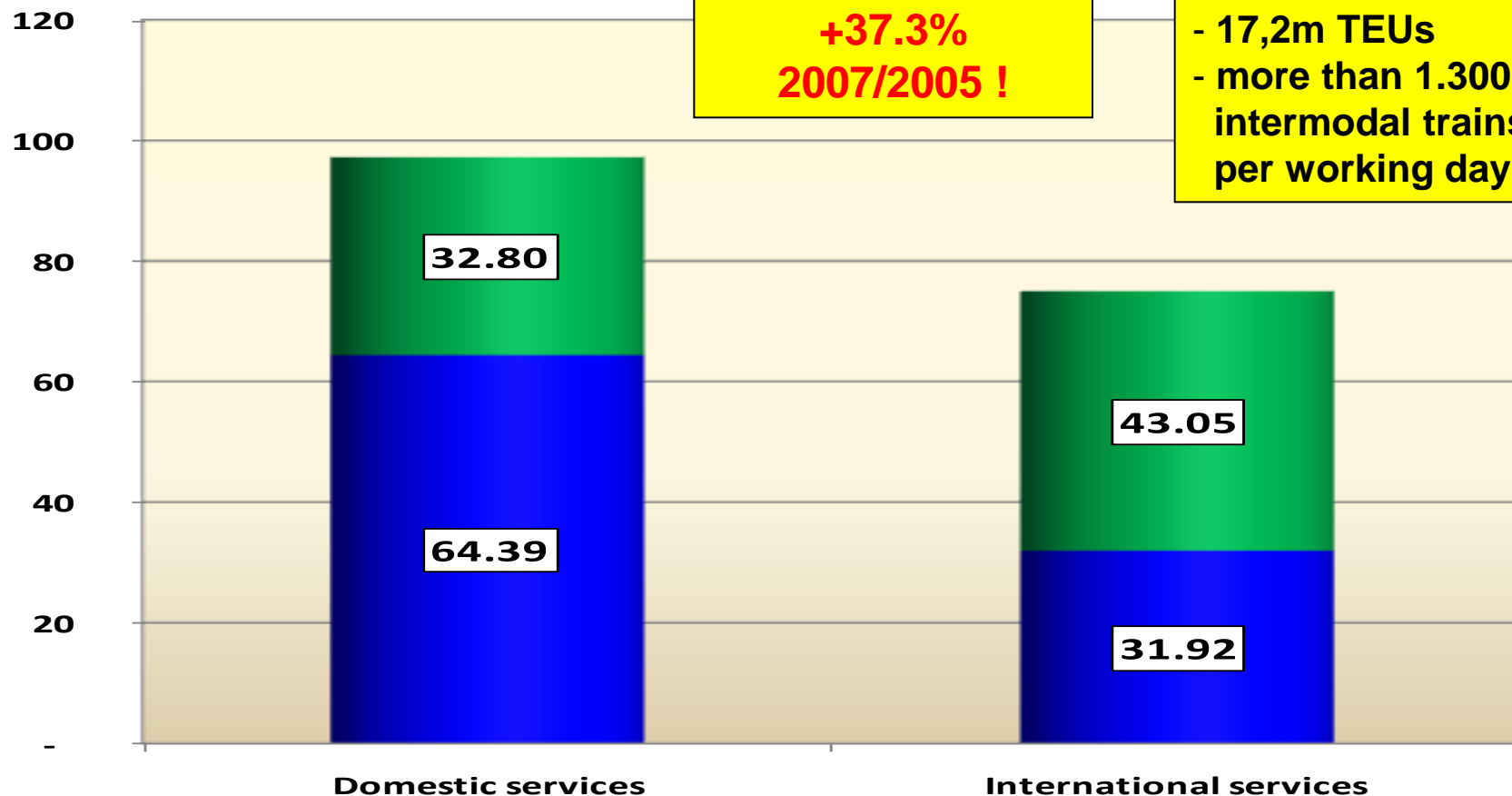
Purpose of AGENDA 2015

- Pinpointing combined transport (CT) growth potential by 2015 and beyond, thus providing a frame of reference for:
 - Intermodal industry: RU, IO
 - Customers: shippers, forwarders, shipping lines
 - Investors: loading units, wagons, terminals, locomotives
- Showing how CT volume can increase in face of constrained rail and terminal infrastructure capacities by employing infrastructure- and operator-efficient operation models
- Addressing the need for ensuring implementation of planned and additional infrastructure enlargement investments
- Encourage improved co-operation and international co-ordination

The DIOMIS II Report on Intermodal Rail/Road Transport In Europe 2007/2008 : Intermodal Traffic 2007

Unaccompanied intermodal traffic

Million gross tonnes

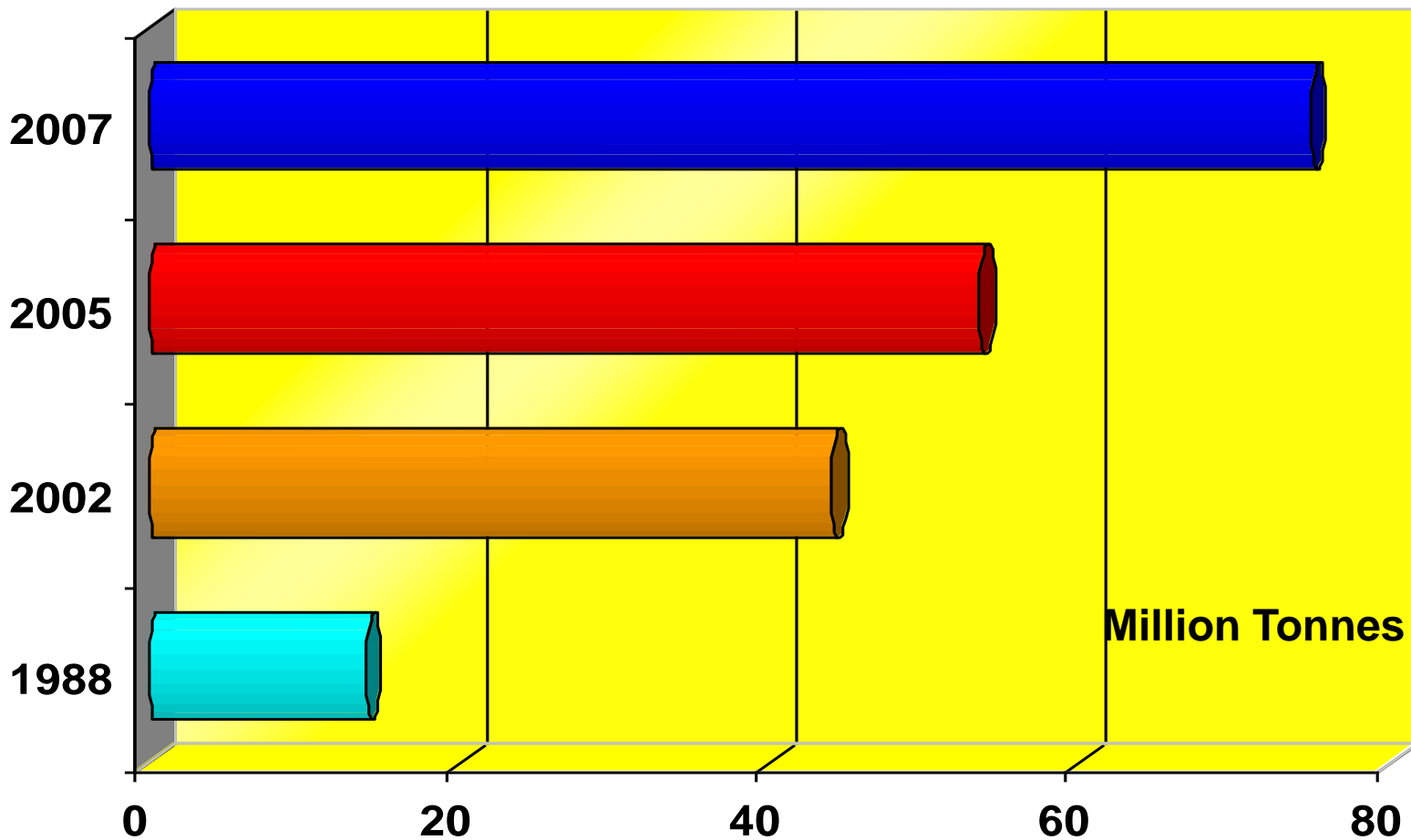


Total in 2007:

- 172.1m Tonnes
- 17,2m TEUs
- more than 1.300 intermodal trains per working day

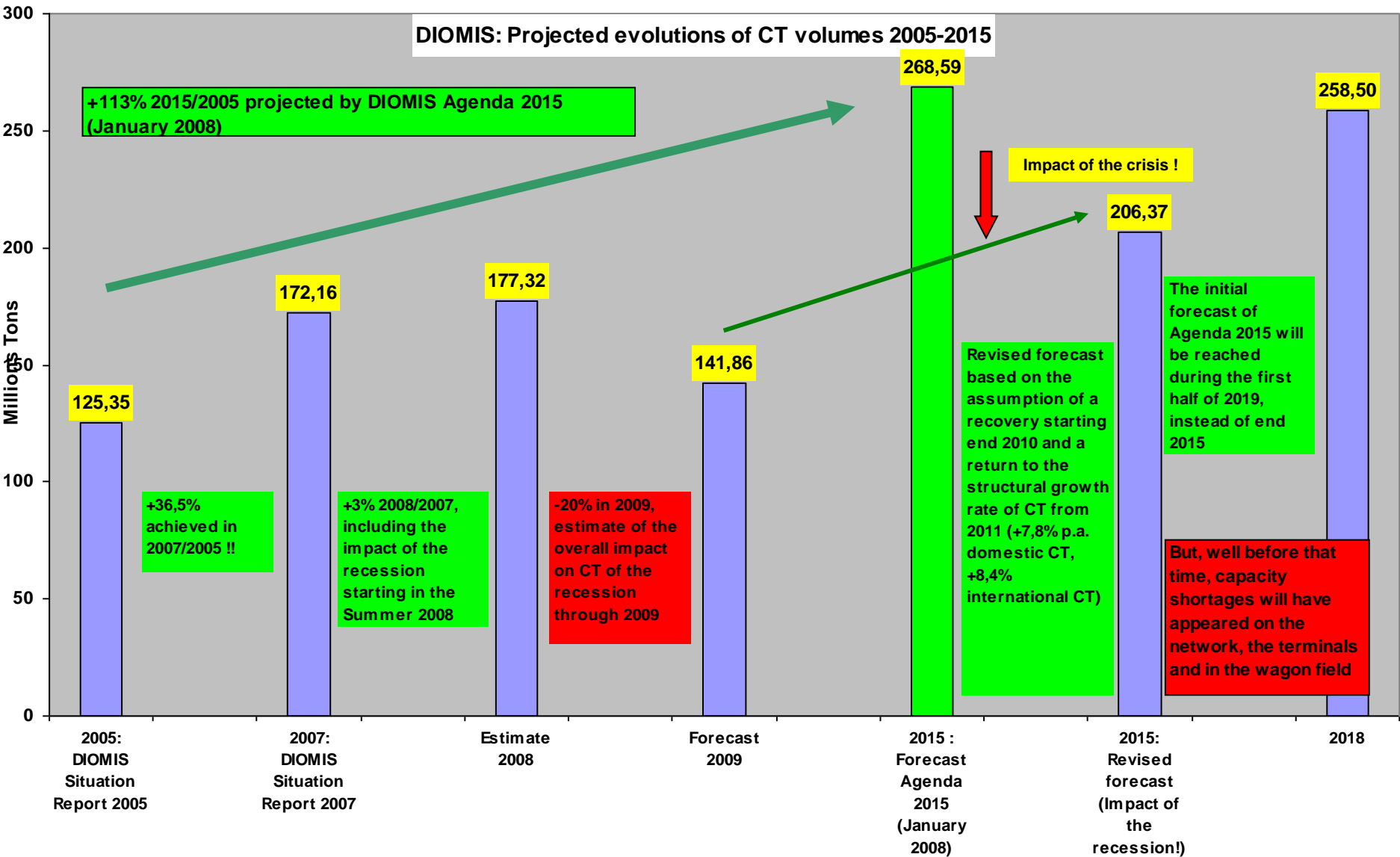
■ Container hinterland services ■ Continental services

International unaccompanied CT has increased fivefold since 1988



The structural growth will resume once the recovery of the European and of the global economy set in

Despite the current recession, Combined Transport volumes will increase by 2015



CT constitutes the strongest growth segment of rail freight and the major vector of modal shift

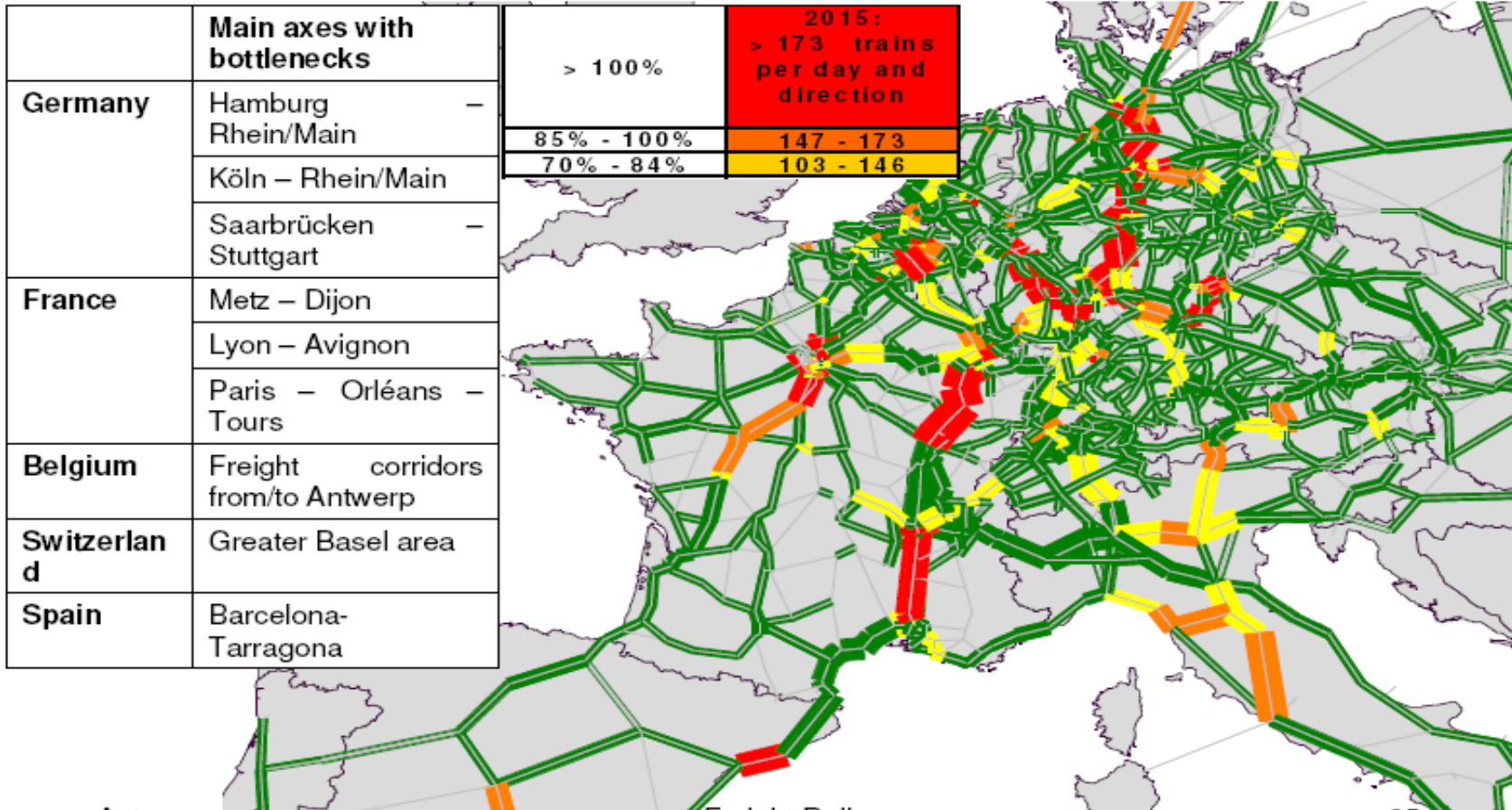
Sources: UIC, DIOMIS, Agenda 2015 for Combined Transport in Europe, January 2008; UIC: DIOMIS Report on CT in Europe 2007, January 2009

Structural key drivers that allowed CT growth in Europe and that will lead its future growth once the economy recovers

- **Growth of trade and cross-border freight volumes between Member States of European Union (*until 2008 !*)**
- **Growth of global trade and maritime container traffic (*until 2008 !*)**
- **Pro-rail strategies of the seaports**
- **Only rail was able to move the increasing volumes of containers**
- **Development of European-wide CT networks**
- **Innovative and improved production systems**
- **Increased interest and demand from leading manufacturers for intermodal solutions**
- **Favorable regulatory framework and/or dedicated subsidies**
- **Restructuring of CT service supply**
- **Increased intra-modal competition**
- **Soaring price level in road transport since 2006, until the recession *but the effects of the recession are (temporarily?) reversing that trend***

By 2015, a number of bottlenecks identified by DIOMIS will need to be removed

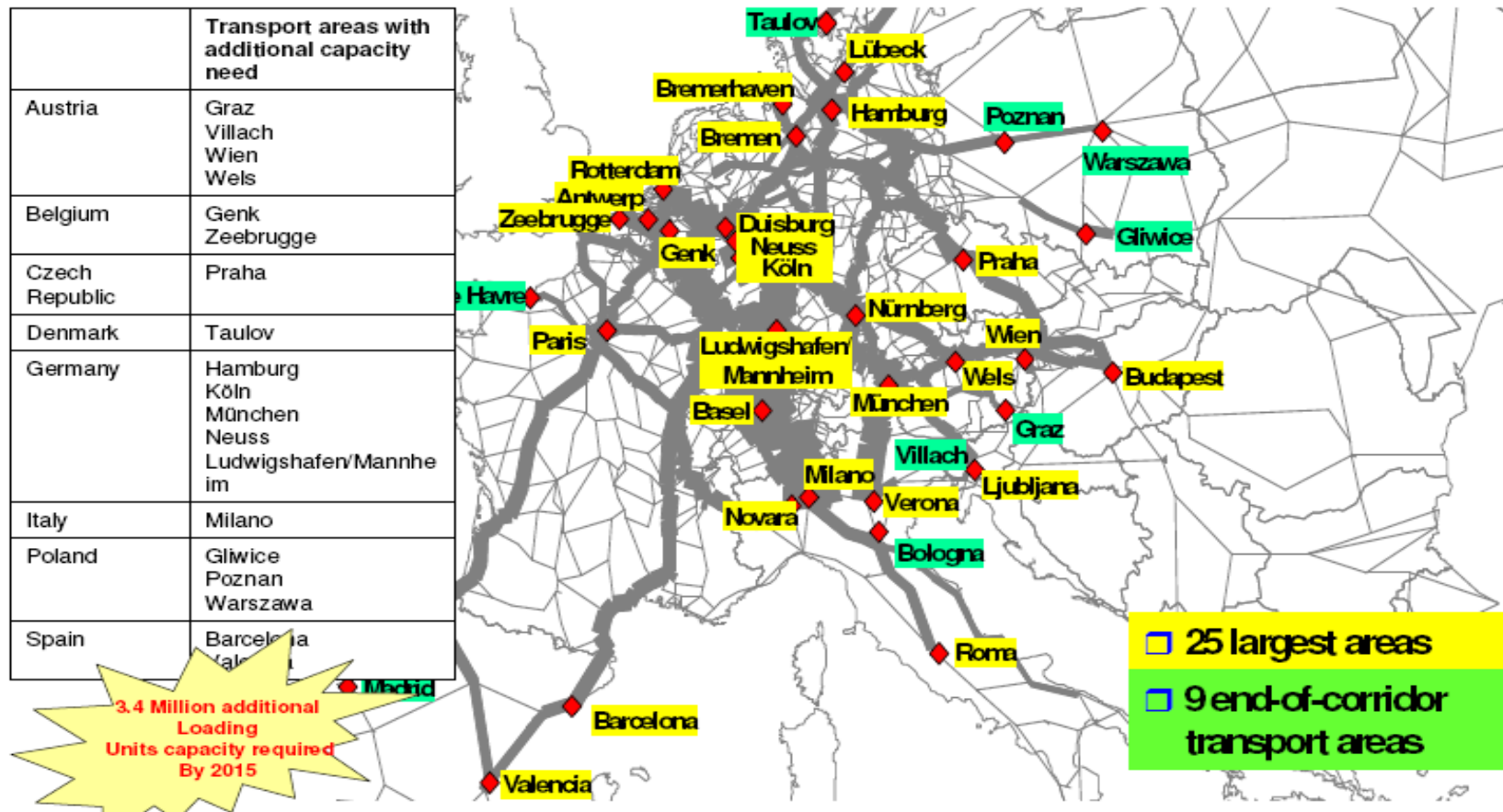
2003-7 study of UIC Combined Traffic Group: Capacity utilisation 2015: severe bottlenecks in key places of the network



Source: UIC.; DIOMIS, Agenda 2015 for Combined Transport in Europe, January 2008

CT terminals will also need additional capacity extensions

Top 25 terminal areas by 2015 for international CT

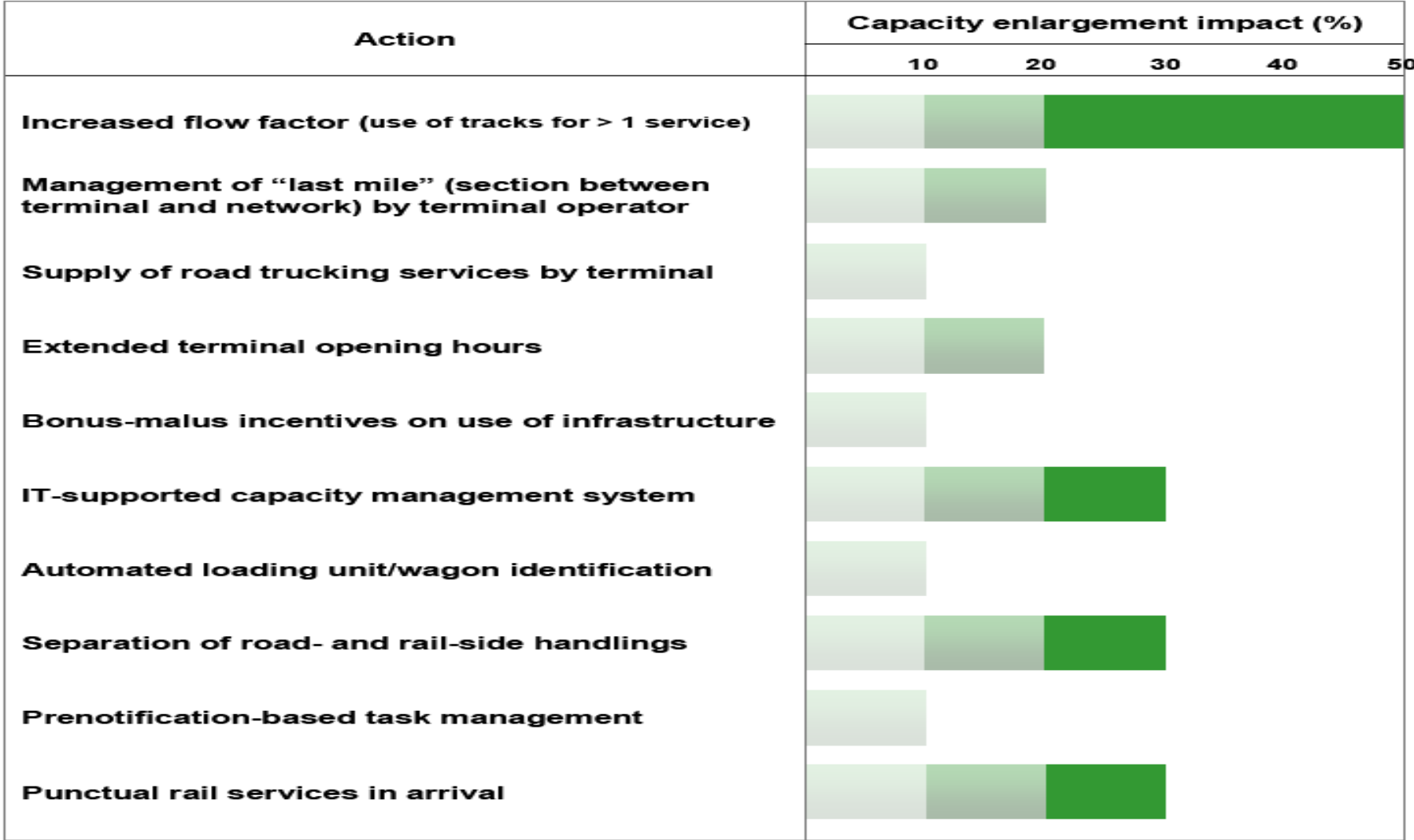


CT terminals will need, by 2015, an additional capacity of 3.4 Million loading units, on top of the planned investments

Strong impact of joint RUs/IM actions on the efficiency of employing rail network and terminal infrastructure

Action	Impact on efficiency of infrastructure use		
	Low	Medium	High
Comprehensive employment of train path-saving rail production systems			
Incentives in infrastructure access tariffs to induce resource-saving production systems			
Improvement of the performance of services			
Enhanced process organization of rail traction services			
Implementation of advanced train and network capacity management systems			
Enforcement of longer and/or heavier trains including minor infrastructure adaptations			
Increased wagon axle loads			
Application of good practices in terminal operations			

Strong impact of good practices in terminal operation and management on the transshipment capacity of and in the terminals



Source: UIC, DIOMIS, Agenda 2015 for Combined Transport in Europe, January 2008

The challenges for CT : the network !

The rail paths to operate on the network

- **More flexibility in the cancellation of ordered railway paths** is needed !
- **Integrate the design of international rail paths** (RNE), as opposed to the traditional juxtaposition of national approaches
- **Improve the transit times allowed by the rail paths**: increase by 20% the number of real A-B and A-C services, reliability up to 97% !
- **Price of the track access charges** : see the Interunit Declaration of June 2009

The physical consistency of the network

- **Minimum train length standard to be brought at 750m on all Corridors**, but trains of up to 1.500 m will, on some international corridors, on the basis of the expected 2015 volumes, save up to 35% train-km.
- **Implementation of ongoing and planned rail network investments**
- **Conclusion of an international agreement on a bottlenecks removal program**

The management of the network

- Standardized process for ensuring the **international co-ordination of CT Terminal development**
- **Implementation of the Freight Corridors** (Proposed EU Regulation, dedicated, primary, priority....)
- **International coordination of the maintenance works** on the network, on a Corridor Management base

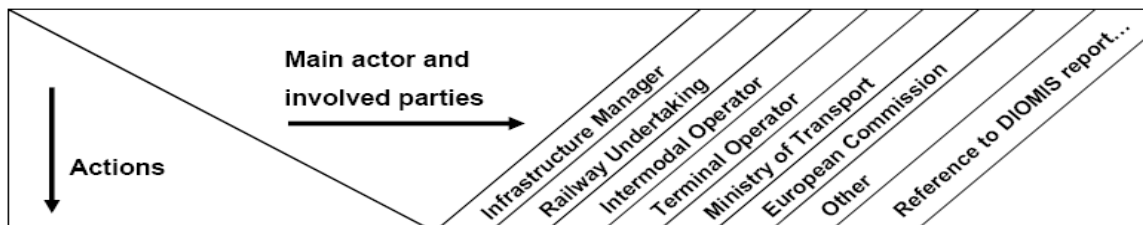
The challenges for CT: productivity and adequate framework !

The productivity

The regulatory framework

- ***Increase the productivity of rail operations and of the output of terminals by at least 20%, including in the field of wagon use***
 - the DIOMIS toolbox !
 - Long(er) trains !
 - Project IMPORT
 - ***European-wide backbone network of international shuttle & direct services***
 - between the key economic centers and ports
 - industrialisation of the rail process along the key corridors
 - ***By 2018, 86.000 CT wagons will be needed compared to the current 56.000:***
 - new financing models needed
 - manufacturing lines
 - improved ratio tarra/net weight
 - dilemma:
 - lots of wagons are presently idle due to the current downturn: difficult to take investment decisions now
 - but once traffics picks up again, urgent need for additional wagons !
- ***CT needs a solid European regulatory framework***
 - coherence with sustainability policies
 - stability of the regulatory advantages of CT (authorized weights and dimensions, circulation, etc)
 - financial incentives
 - harmonized European approach, as opposed to individual national measures, especially in the field of
 - o safety rules
 - o certification
 - ***extreme caution should be exercised regarding the evolution of the parameters for road transport:*** the Giga liners (impact on CT and rail freight) !

Strong involvement and interaction between the stakeholders are needed



More efficient use of infrastructure							
Employment of infrastructure-efficient, train path-saving rail production systems		■	■				A7
Application of incentives in infrastructure access charging systems to induce resource-saving production schemes	■	■	■	■			A11
Significant improvement of the rate of punctuality and consistency of rail traction services:	■	■	■	■			A11
Enhanced process organization of rail traction services	■	■	■				A11
Implementation of smart train and network capacity management systems		■	■	■			A5
Implementation of longer and/or heavier trains including minor infrastructure adaptations	■	■	■			■ ¹⁾	A7
Increased wagon axle loads	■	■	■			■ ¹⁾	A10
Application of good practices in terminal operation and management	■	■	■	■			A4
More infrastructure investments and international coordination							
Implementation of ongoing and envisaged rail network investments	■				■	■	A0/A1
Conclusion of an international agreement on "Achilles' heels" removal programme	■	■	■		■	■	A0/A1
Realization of ongoing and envisaged terminal investments and implementation of an intermodal hub programme	■		■	■	■	■	A0/A4
Implementation of a standardized process for ensuring the international co-ordination of combined transport terminal development	■	■	■	■	■		A8

The DIOMIS Agenda 2015 for CT in Europe is a toolbox:

- providing the stakeholders with a set of actions,
- to be taken by all of them, including the IMS,
- in order to improve the use of the available infrastructure,
- thus helping to meet the increased demand for CT,
- and contributing to the modal shift

Close cooperation between the stakeholders and coordinated and persistent action by each of them in their respective fields of competence are indispensable to allocate to the CT trains the necessary space on the rail infrastructure

DIOMIS II has extended the methodology and the inquiry to a number of selected CEE countries.
Final Conference in Wien on March 25th 2010

¹⁾ Railway Industry

■ Main Actor ■ Involved Party