

# Swiss get tunnel vision

In combination with new large-scale terminals in Switzerland, the NEAT (*Neue Eisenbahn Alpen Transversale*) line is able to bring further traffic volumes of maritime and continental traffic to the tracks, argues Swiss UIRR company Hupac, as it brings long, flat track passing loops and sufficient route profile (P400). If these three infrastructural prerequisites for the Gotthard corridor are present, an annual benefit of CHF135M can be achieved for combined operators, railway companies and infrastructure providers.

This is the result of a master thesis developed on behalf of the Cargo Forum Schweiz association. The required infrastructure comprises the NEAT, extension of passing loops, and the 4m corridor. The aggregate benefit of these three measures corresponds to 75% of the operational contributions the Swiss federal government grants to combined traffic each year.

The construction of the 4m corridor, the decision concerning which will be made by the Swiss Parliament in the next few months, is a worthwhile project from an economic point of view, insists Hupac, and economic added value is particularly high for the Luino line. "Abandonment of the adaptation of this highly frequented route will result in a value-destroying scenario for the overall investment of the 4m corridor," stated Hans-Jörg Bertschi, president of Hupac at the company's annual results conference in Zurich in May.

## Italian connection

"Pre-financing of the construction work in Italy is necessary in order to make use of the potential added value as soon as possible. It is essential that negotiations regarding the implementation of the 4m corridor on the Luino and Chiasso lines continue as top priority...in the absence of an adaptation of the routes up to the terminals in Italy, benefits will fail to materialise along the entire traffic corridor."

Hupac is again expressing concern that the Italians will not make the necessary investments in tracks and terminals to maximise the potential of the new Gotthard base tunnel. The problem is that this key transalpine intermodal corridor is only as efficient and adapted to market requirements - in particular the need to cater for 4m high semi-trailers on standard P270 pocket wagons - as its weakest link allows it to be.

Concern has also been expressed about the ability of combi-terminals in Germany to cope with the potential extra traffic that the Gotthard base tunnel creates, particularly in terms of access for collection and delivery drayage trucks.

Of course, with the exception of standard road trailers, these factors also play to lo-lo UCT, but the vast majority of trailers in east-west trade lanes cannot make use of it and combined transport services are not well-established anyway.

Over time, CargoBeamer may become a kind of "feeder" for unaccompanied combined transport. As road transport firms become more confident in unaccompanied rail for the long haul, if they have critical mass for regular use of rail they will increasingly look to unaccompanied combined transport. Critically, however, CargoBeamer says it knows already that on its selected east-west routes it can beat the truck on price.

## Response to failure?

It looks as though CargoBeamer's Calais terminal may be able to position itself as the answer to the almost complete failure of the Channel tunnel to deliver viable UK-Germany/Eastern Europe intermodal services.

To the extent that structure gauge is a factor in this, only one route in Great Britain is capable of handling high cube swap bodies and piggyback trailers, HS1 between the tunnel and London-Barking. The Dover Straits "retail" services - Le Shuttle Fret and the ferries - are sucking in British o/d traffic from up to 100 miles north and west of London. CargoBeamer provides an alternative mode, at least on the French side of the water. □

## The state-of-the-art freight corridor via Gotthard makes up a major part of the operational requirement for combined traffic, says Hupac

Hupac already caters for 4m high trailers via the Lötschberg and Brenner Pass, on which routes it operates around 130 shuttle trains a week. The study carried out in 2012 by KombiConsult in Germany for the Brussels-based UIRR has shown that semi-trailers are becoming

more important again for unaccompanied combined transport in Europe, and especially on the transit routes through Switzerland (see *WorldCargo News*, February 2013, pp37-38). However, with the exception of road tankers and trailers specifically built for dense, heavy cargoes, the



Semi-trailers have become more important in Swiss transit traffic

overall height of the vast majority of standard curtainsider of box-type semi-trailers is 4m, so structure gauge restrictions limit their transferability to rail.

### Switch to artics

The increase in trailer traffic is bound up with the gradual switch from road trains. KombiConsult found that the split was roughly 50:50 in transit via Switzerland in 1992, but has now moved decisively towards artics, with a figure of 758,000, or 71.4% share, in 2010.

Why is this? According to the firm, key factors include the changes in logistics processes following liberalisation of road transport in Europe (starting from 1985) and the big increase in transport capacity following the break-up of Comecon and the gradual integration of

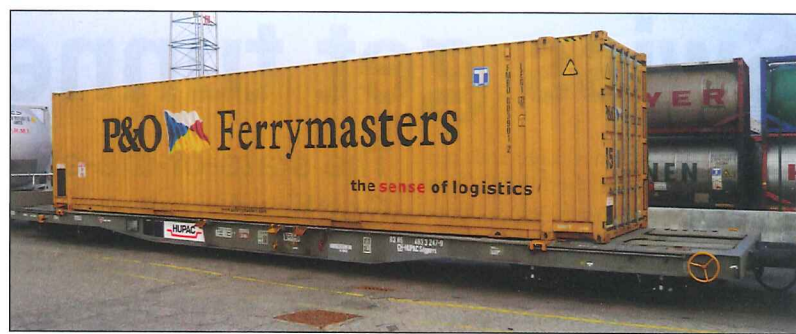
the Eastern European economies into the European goods supply structure. This demand could be met most quickly and effectively by semi-trailers.

Related to that point, artics have more favourable driving dynamics than road trains and it is easier to manoeuvre them in reverse, so the new pool of drivers from Eastern Europe could adapt more easily.

In terms of unaccompanied combined transport, the key comparators are a semi-trailer and a road train with two C type swap bodies, mounted on the rigid platform and the drawbar chassis. Both provide the operator with a deal of flexibility, since they can equally be used for long-distance road transport if for some reason the combined transport alternative is unavailable or is uncompetitive. The A type swap body, however, is generally not free-

standing, so it relies on heavy lifting equipment, normally found only in the combined transport terminal, to lift it on and off the chassis. To that extent, 12m-13.6m long swap body operators are "locked in" to combined transport.

The planned large-scale terminals Basel-Nord and Zürich Limmattal open up new perspectives for combined traffic. From Hupac's point of view, terminals should have a concentration function on the north-south axis that is as broad as possible, also regarding the opening of the NEAT and the impending extension of the Ligurian sea ports (to create a viable alternative to the Rhine sea ports for Swiss shippers). The terminals must cater for maritime and continental traffic, as is usual in the large European hinterland terminals.



Overall volume for Hupac was off by almost 11% in 2012

This way, valuable synergies are leveraged, since Swiss combined import/export traffic is for a large part continental. Equipping terminals for swap bodies and semitrailers is a "must." The aim must be to concentrate the largest possible vol-

umes, in order to guarantee economic operation of the terminals and, on the other hand, to allow the formation of block trains for efficient forwarding of traffic on the territory. The new terminals must be integrated fully into an overall concept.

### Commercial drive

Private business aspects should be of major importance to the organising institution and operators of the future large-scale terminals. The future operator(s) should already be involved in the project planning phase, because an optimised, economically sustainable layout is decisive for efficient operation. Hupac supports a mixed organisation regarding the terminals, involving all key stakeholders.

By means of the "Rail traffic on the territory" Bill submitted to the legislative process through consultation in April, the federal government is framing new boundary conditions for import/export traffic. Hupac welcomes equal consideration of freight traffic during the planning phase and advocates the principle of economic viability.

Start-up financing of new rail products by the federal government must, however, be called into question, it says, because there is a risk of market distortion and cannibalisation of existing offers. From an international perspective, this type of financing concept has not proved successful. Planned new financial assistance for non-economically viable regional rail freight by a joint effort of cantons and the federal government must be critically assessed. It creates new subsidies and reinforces bottlenecks in the rail infrastructure. In Hupac's view, only support for geographically-handicapped peripheral regions is reasonable.

### Traffic down

For the record, Hupac carried 646,214 shipments (1.3M TEU) in the 2012-13 financial year ended 31 March. This volume represents a decrease of 10.7% from the previous year. The main reason for the negative traffic development was cited as weak demand for transport services as a result of the current economic crisis in Europe and particularly in Italy.

Traffic through Switzerland was put under additional strain by three total closures of the Gotthard line lasting 40 days in all. Further restrictions were imposed by construction work on the Lötschberg/Simplon axis. Overall, the route via Switzerland recorded a 11.9% reduction in consignments, around half of which was due to the line closures.

In transalpine traffic via Austria, Hupac achieved a growth of 0.7%. This was particularly due to the efficient 4m corridor for the transportation of P400 semi-trailers. Hupac was able to strengthen its market position in this segment. There was a reduction of 20.1% in non-transalpine import/export traffic.

### Consolidation

As a result of the negative economic environment, Hupac was forced to adjust capacity and consolidate services between the Rhine sea ports and Switzerland. The transport axes Benelux/Germany-Poland/Russia, Benelux/Germany-Austria/Hungary/Romania and Benelux-Spain also witnessed consolidation and the adjustment of operational concepts.

Due to the decline in volume, turnover decreased by 7.8% to around CHF454.5M. Thanks to rigid cost control, Hupac says, it achieved a satisfactory operating profit of CHF4.4M (+65.6%). Investments in tangible fixed assets came to CHF33.3M and were primarily related to the purchase of rail wagons, the completion of the Busto Arsizio-Gallarate terminal and the building of the wheel-set refurbishing centre of Busto Arsizio. □