

# Continued efforts to boost international rail freight

## Outlook on the 'Sector Statement'

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*A non-technical paper accompanying the Comprehensive Progress Report of  
the Sector Statement on Boosting Rail Freight*

# **Outlook on the 'Sector Statement' on the continued efforts to boost international rail freight**

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## **A. Introduction**

Over the last few decades, rail freight transport in Europe has been characterised by a challenging market environment and heterogeneous national developments, which resulted in different evolutions of volumes and market shares. Particularly international rail freight is still impeded by infrastructure and operational bottlenecks, especially at border crossings.

Overall, EU28 rail volumes expressed in tonne-kilometres grew by 7% between 1995 and 2016. However, during the same period, the EU28 rail freight modal share declined from 20.2% to 16.4%<sup>1</sup>. While some small increases in rail freight modal share have been noted recently in individual member states, additional efforts are needed to contribute to the goal defined in the European Commission's 2011 White Paper on Transport of shifting 30% of road freight over 300 km to other modes, such as rail or waterborne transport, by 2030.

In an attempt to address this issue, European transport ministers endorsed the 'Rotterdam Declaration' during the 2016 TEN-T Days in Rotterdam, expressing their strong support for the development of international rail freight transport, and in particular, for the continuation of the market-oriented development of the Rail Freight Corridors. Simultaneously, the railway sector<sup>2</sup> adopted its own Sector Statement, expressing commitment to "boost international rail freight".

## **B. Targeted action and improved cooperation**

Following the 'Rotterdam Declaration', the sector identified ten priorities, which were presented during the Rail Freight Day in December 2016. The sector stakeholders decided to work together on the priorities in an integrated way, and in July 2017 set-up the Sector Statement Group as a coordination platform. Rapporteurs were appointed for each of the identified priorities.

The chosen governance structure has proven helpful in fostering communication and cooperation between all sector stakeholders, an important

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<sup>1</sup> European Transport in Figures 2018

<sup>2</sup> CER, CLECAT, EIM, ERFA, EUG, ESC, RNE, UIP, UIRR, UNIFE and supported by the Rail Freight Corridors (RFCs), representing the interests of shippers, freight forwarders, rail freight operators (RUs), intermodal operators, intermodal terminals, infrastructure managers (IMs), allocation bodies, RFCs and rail equipment suppliers.

prerequisite for tackling the challenging issues identified. Furthermore, the interaction with transport ministries has been supportive in providing more transparency and trust among all actors. The sector believes that these combined actions have set in motion a process of tangible improvement for European rail freight transport.

### **C. Expected Improvements**

The rapporteurs, in close cooperation with the sector, have started the challenging task of implementing their respective priorities, for which the complexity of each priority requires a tailor made approach. Below is an outline of the benefits the implementation of the identified priorities are expected to bring to the sector, focusing on the customer and end-customer<sup>3</sup>.

#### *Making rail freight a more attractive option*

Increasing the cooperation among the different actors, ensuring an effective information flow throughout the entire rail supply chain, and aligning the overall performance of the rail system to market needs, are the key issues which will make rail freight attractive for the end-customer.

The development of sector-led comparable and **harmonised Key Performance Indicators (KPIs)** will help monitor the performance of rail freight services on the respective Rail Freight Corridors (RFCs), and thus increase transparency for the customer and end-customers. In the long term, the harmonised corridor KPIs are expected to increase the performance of the corridor and improve the business for the customer.

Rail freight customers need and expect to know when the ordered products will arrive. An improved quality and accuracy of the **Estimated Time of Arrival (ETA)** will generate improved information to the rail freight customers: every actor in the logistics chain (IM, RU, Terminals, CT operators, Logistic Service Providers and shippers) will know when the ordered products will be delivered by their contractual partners at a defined place. As a consequence, it will be possible to track the location of the goods and to share this information with the other involved actors, which will lead to cost savings and facilitate multimodal and combined transport chains.

Identifying an efficient way of **cooperation between the Core Network Corridors (CNCs) and RFCs**, and improving transparency and available information, for example on parameters which may influence capacity and thus the performance of rail freight operators, will allow a better planning for the customer and end-customer. Additionally, identifying the TEN-T technical parameters to be prioritised from a market perspective, such as 740m trains as well as the economic potential of the P400 profile, and promoting a higher

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<sup>3</sup> The progress achieved in each priority is outlined in detail in the “Comprehensive Progress Report on the Sector Statement on boosting rail freight”.

involvement of actual and future international market requirements in the financial decisions at national level, will be beneficial for the customer and end-customer.

#### *Enhancing operational efficiency*

The creation of an automatic electronic connection (TAF/TAP TSI) between **Path Coordination System (PCS)** and any national system will decrease the efforts from the aspect of human resources. Data can be transferred automatically without any additional manual input, thus lowering the risk of a mistaken entry. Meanwhile, adding new functions to PCS will increase the data quality inside the system, and further proactively enable testing and piloting of TTR features and processes.

Finding quick interoperable solutions to improve **harmonization of operational processes at borders** is a priority for the rail sector. The lack of harmonization at borders is one of the main obstacles for seamless international rail freight traffic in Europe today. Better harmonization will allow rail freight operators and their customers to benefit from fewer delays at borders, lower costs, and increased efficiency and reliability of the services offered.

By **facilitating ERTMS implementation** through a close coordination of all actors, the aim is to ensure that ERTMS migration will be affordable and beneficial for the rail freight sector. If relevant national financing schemes are put in place, ERTMS can be a game changer for the railway sector: it is expected to increase infrastructure capacity, enhance interoperability, support safety and performance through connectivity, and decarbonisation through automation.

The sector also aims to improve contingency planning at international level and has added '**International Contingency Management**' (**ICM**) as a new priority to the Sector Statement.

#### *Ensuring adequate capacity for all users*

The implementation of the **Time Table Redesign project (TTR)** will make railways more competitive in the European transport market. It gives rail freight traffic higher flexibility to react to its market needs and increases the quality of paths from origin to destination. It provides passenger traffic the possibility to open booking systems a long time in advance (6 months). Finally, it increases the efficiency and reliability of timetables by facilitating digitalization and increased international cooperation.

**Temporary Capacity Restrictions (TCRs)** are necessary to keep the railway infrastructure in good condition. Badly coordinated TCRs, however, lead to a waste of available capacity (e.g. simultaneous construction works on main and divisionary routes) and to a subsequent lack of possibilities to run trains efficiently from origin to destination. The development of instruments for TCRs, such as the Annex VII based TCR Guidelines and the TCR Tool, will improve the TCR coordination and ensure the overall goal when planning TCRs: which is the smooth flow of the traffic.

The **revision and updating of the capacity concepts** offered via the Rail Freight Corridors is aiming to provide a capacity solution for each market requirement: a higher quality offered for a broader range of market needs for international freight trains that exist today, coordinated through the Corridor One-Stop Shop (C-OSS), as a prime process enabler.

The **Corridor Information Document (CID)** provides information on the rail infrastructure of each RFC, in particular as regards commercial and legal access conditions. A harmonised structure and text of the CIDs will thus facilitate the international business of the RFCs' customers and the rail freight operators, by reducing the administrative burden of the infrastructure managers. This priority was completed in 2018.

## **D. Conclusions**

By implementing the Sector Statement, starting with the ten priorities, the rail sector is committed to increasing international rail freight's competitiveness, unlocking the huge growth potential for longer distance freight and promoting rail's key role in a sustainable transport system. In this context, the role of the rail freight corridors as the 'business intelligence' of the infrastructure manager, able to ensure a better alignment of the rail system to market needs, to foster the harmonization of the processes, and to enhance the overall performance, is key to maintaining and winning over end-customers to the rail solution.

National governments have an important role to play in promoting international rail services and supporting rail as the best solution for safe, clean and green mobility, thereby helping to address the climate and sustainability challenges we face today. In this respect, the support from transport ministers is crucial by promoting the harmonization of national interpretations of European legislation, providing support for the integration of national and international processes, and providing better predictability at national level for investments in rail infrastructure. Targeted investments for rail freight through EU and national funding mechanisms, as well as other measures supporting rail freight, remain of particular importance for efficient and competitive rail freight transport in Europe.

The railway sector associations and their members have a sustained commitment to enhancing the competitiveness of international rail freight, and to improving the quality, reliability and efficiency of transporting goods across Europe. To deliver on these objectives, strong commitment from the national and European authorities is needed to support these efforts. Without this support, a modal shift to rail freight cannot be realized.