

# ROLLING STOCK

*How does regulation influence asset renewal and investment in rolling-stock?*

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1. UIP – Who we are?
  2. UIP Mission, Vision, Objectives

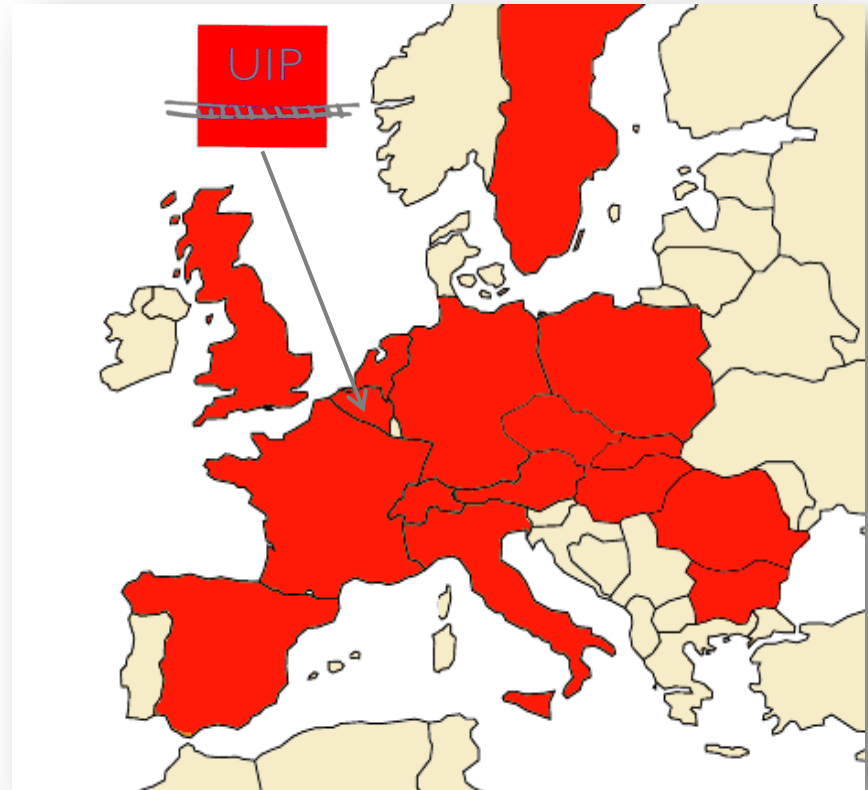
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3. EU Initiatives – Fostering competition
  4. Regulatory Framework – Economic impact

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5. Conclusions & Recommendations

# 1. UIP – Who we are?



- **Founded in 1950**
- **Speaks as One voice for 14 National Associations around Europe**
- **Represents owners, loaders, users and ECMs.**
- **The total European fleet of about 200,000 private rail freight wagons produces nearly half of all tonne-kilometres carried around Europe.**
- **Seated in Brussels**





## MISSION

- **Represent the interests of our members** at the European Union and International Organizations by advocating their strategic and business priorities.
- **Support all efforts** towards a step change to achieve efficiency gains in rail freight services

## VISION

**Guarantee a future for the private wagon** within a liberalized rail freight sector, aiming at always safe, more efficient and competitive railway transport around Europe

## OBJECTIVES

- **Improve regulatory framework** that affects wagon keepers
- **Increase visibility of freight wagon keepers** as an important player in the railway system
- **Increase transparency vis-a-vis UIP Members**
- **Provide UIP Members** with strategic and operational knowledge

### 3. EU Initiatives - Fostering competition



*Liberalisation and harmonisation of the sector has been commanded by the EU through:*

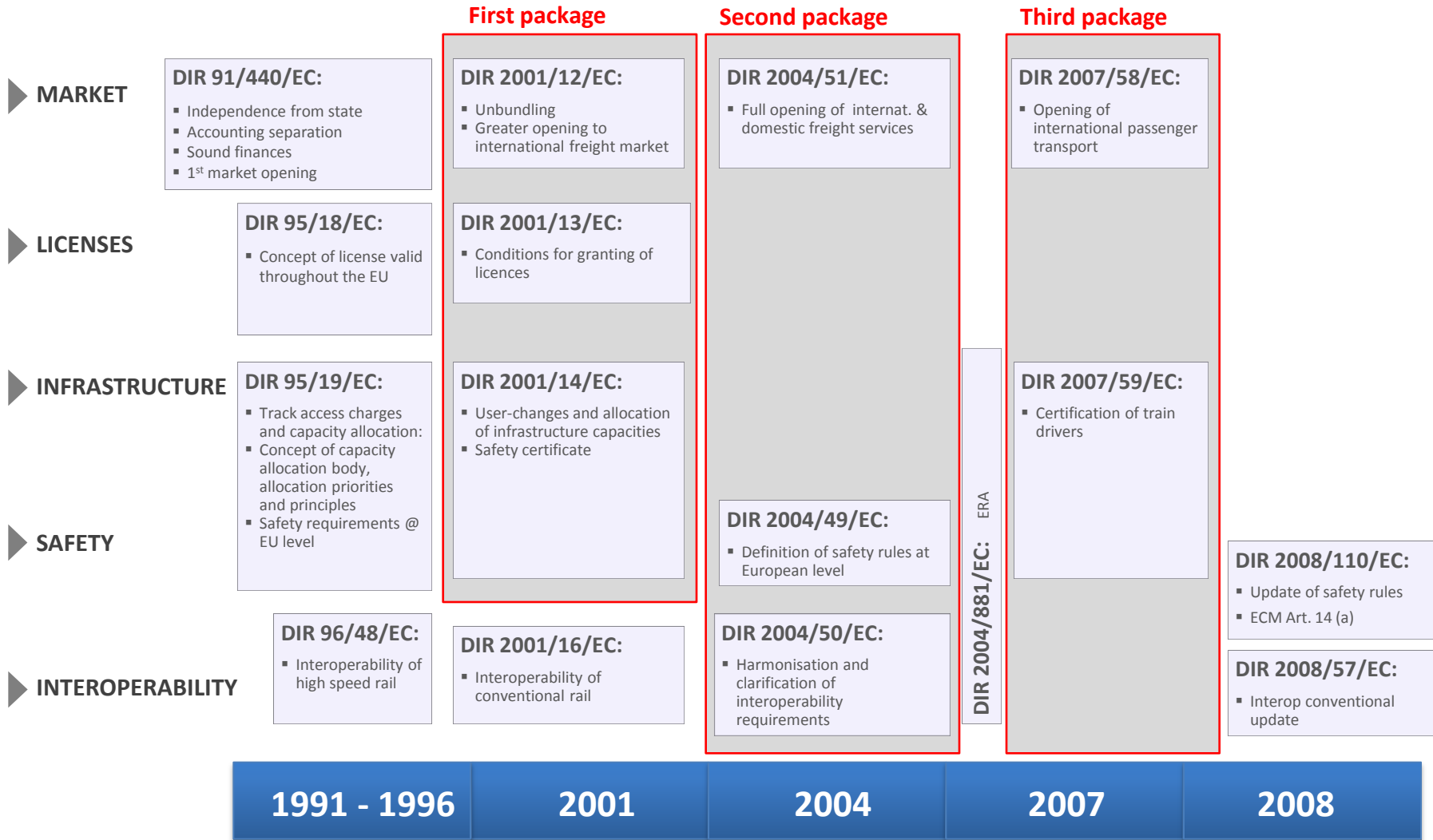
- ✓ A series of **Railway Packages** focusing on Market Opening, Interoperability and Safety
- ✓ New and Revised Regulations, Recommendations & Guidelines
- ✓ 16 **TSIs (Technical Specifications for Interoperability)**, some still under revision
- ✓ Around 80 European standards are completed and under development
- ✓ Implementation Plans
- ✓ EU Public Consultations related to rail and rail freight

Technical & Operational Priorities



EU Legislation

# 3. EU Initiatives - Fostering competition



# 3. EU initiatives - Towards SERA



## Last mile ?

- ▶ MARKET
- ▶ LICENSES
- ▶ INFRASTRUCTURE
- ▶ SAFETY
- ▶ INTEROPERABILITY

### Improve framework

#### RECAST 1<sup>st</sup> package

##### DIR 2012/34/EC:

- (1) strengthening the power of national regulators
- (2) improving the framework for investment in rail
- (3) ensuring fair access to rail infrastructure and rail related services

#### 4<sup>th</sup> package

##### COM 2013/26:

- Normalisation of the accounts of RUs

##### COM 2013/28:

- Opening of the market for domestic passenger transport services by rail

##### COM 2013/29:

- Opening market for domestic passenger services by rail
- Governance of the rail infrastructure

##### COM 2013/27:

- ERA regulation

##### COM 2013/31:

- Definition of safety rules at European level (RECAST)

##### COM 2013/30::

- Harmonisation of interoperability requirements (RECAST)

### Technical pillar

### Infrastructure

- + New TEN-T guidelines
- + Connecting Europe Facility
- + Freight corridors 913/2010/EC

2012

2013 -2015



## Example ONE:

**UIP Study “Economic Impact of New Rules and Regulations”, November 2011**

### ECM Regulation 445/2011

- Introduction of ECM certification for each wagon

### Sector Commitment and Action plan to enhance railway safety

- European visual inspection catalogue for wheelsets (EVIC)
- Database for European wheel sets traceability (EWT)
- European common criteria for wheelsets maintenance (ECCM)

### NDTAC (1<sup>st</sup> Railway Package)

- Retrofitting of existing freight wagons with K/LL brake blocks

### TAF TSI and Data Exchange

- Creation of a reference database for rolling stock (RSRD)

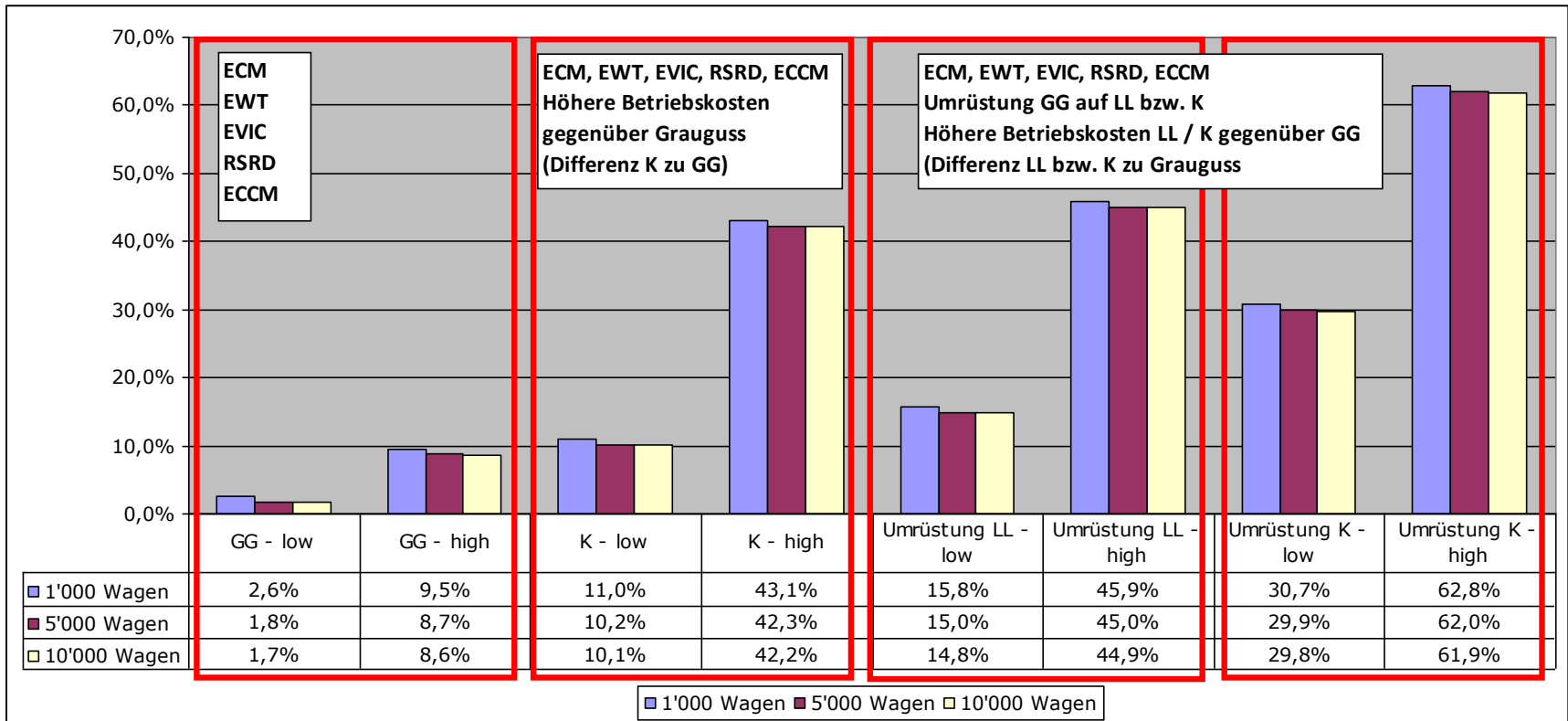




According to the 4 analysed scenarios:

Based on a typical costs amount of 20,00 €/day for a 4-axle wagon,

**the increase of additional costs for wagon keepers varies between 1,7% and 62,8 %**

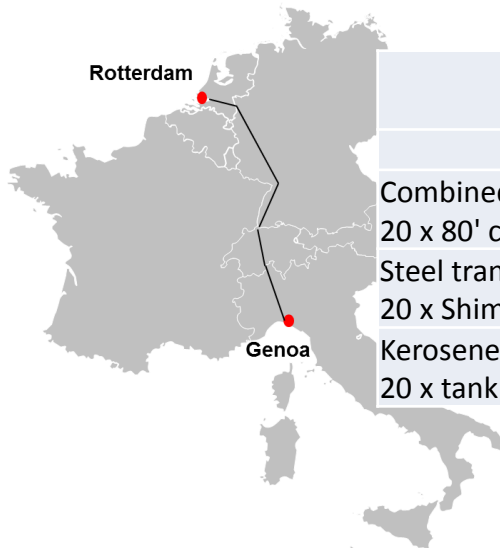




**Example TWO:**

**Hwh Comparative Report on Rail/Road Safety, November 2013**

- Changing the modal split ratio towards road increases also the risk of accidents in freight transport.



	Increase of freight transport costs (in %) if the costs of a freight wagon increase of x%					
	10%	20%	30%	40%	50%	60%
Combined traffic 20 x 80' container wagons	<b>2,4%</b>	<b>4,8%</b>	<b>7,1%</b>	<b>9,5%</b>	<b>11,9%</b>	<b>14,3%</b>
Steel transport 20 x Shimmns	<b>2,6%</b>	<b>5,3%</b>	<b>7,9%</b>	<b>10,6%</b>	<b>13,2%</b>	<b>15,8%</b>
Kerosene 20 x tank wagons with 4 axles	<b>1,9%</b>	<b>3,8%</b>	<b>5,7%</b>	<b>7,6%</b>	<b>9,5%</b>	<b>11,4%</b>

Source : hwh – Kostensteigerungen am Beispiel von Verkehren auf der Relation Rotterdam – Genua (Costs increase, example of traffics on the Rotterdam – Genoa corridor)



## Financing freight wagons: as long as...

### Policy makers:

- Provide and ensure regulatory stability and consistency
- Set up a EU Financial framework and dedicated programs that support and insentifize retrofitting of wagons
- Ensure fair market conditions between transport modes
- Ensure fair intramodal competition (freight vs passenger)
- Respect the useful life of Rolling Stock (25-40 yrs) and Equipment when imposing new regulations and requirements
- Ensure obligation for efficient data exchange in the railway system and the supply chain



And...

## Stakeholders

- Focus on becoming more competitive (reliability, pricing & customer orientation):
  - *Improve productivity and efficiency*
  - *Improve service quality*
- Track access fees for freight: Route prices must be affordable in order to provide an incentive for logistics providers to carry freight on rail.
- Optimising wagon performance and specifications (i.e. heavier and faster) has to be supported with reliable and suitable infrastructure.
- Ensure better data exchange in the sector:

*Asset investment will only be attracted for projects with revenue streams that are **isolated from risks over which investors have little control.***

# Thank you for your attention!

## Q&A

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