



# Cefic Position on Rail Freight and Rail Freight Corridors



What shippers require from rail freight, including a shipper's perspective and recommendations on digitalisation of rail freight

18<sup>th</sup> Florence Rail Forum  
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Supported by:



# Cefic Position on European Rail Freight and RFCs

## Key messages

<https://cefic.org/app/uploads/2019/06/Cefic-Position-on-European-Rail-Freight-and-Rail-Freight-Corridors.pdf>



March 2019

### Cefic Position on

### European Rail Freight and Rail Freight Corridors

#### Key messages

1. Availability and reliability of rail freight services translates into security of supply for the chemical industry and its customers. The chemical industry is committed to making optimal use of rail freight and has already captured most modal shift opportunities. Reliability and flexibility of rail freight is however lagging behind that of road transport. Therefore the chemical industry is finding it difficult to further increase modal shift without jeopardizing service levels. Hence drastic improvement is required, before being able to achieve further modal shift.
2. To improve the effectiveness of rail freight quality management, a uniform punctuality KPI should be put in place, measuring punctuality end-to-end, along the entire rail transport chain. Such measurement must include a clear identification of the causes of delays, showing what kind of event or which party has caused certain delays and to what extent.
3. If freight trains are delayed, it is crucial for shippers to receive proactive information with a reliable revised estimated time of arrival (ETA), so to be able to inform the consignee of goods and to make adequate contingency plans. The information in the transport chain has to be managed in a professional and cooperative way by all stakeholders.
4. The key to improving the reliability as well as efficiency of international rail freight is to improve cross-border interoperability: “No national barriers: one language, less regulation, one highway!”
5. Cefic welcomes the 2016 Rotterdam Ministerial Declaration and the commitments expressed in the corresponding 2016 Rotterdam Sector Statement “Boosting International Rail Freight”. In order to speed up the implementation of the sector priorities, Cefic highly welcomes that a progress report has been prepared, reviewing the progress made in the implementation of the sector priorities. Moving forward, it will be important that individual project initiatives, corresponding with the priorities, will continue to be managed systematically and followed up in an open dialogue, with all sector stakeholders, including European Commission, DG MOVE and end users of rail freight.
6. The Rail Freight Corridors (RFCs) are vital platforms to initiate and lead the changes required from national Ministries of Transport and Infrastructure Managers to move towards one standard infrastructure for international rail freight to become easier, more reliable and efficient (key objective

- Drastic improvement of reliability and efficiency of rail freight is critical to achieve greater modal shift from road to rail transport.
- A uniform punctuality KPIs should be put in place, including clear identification delay causes, improving the effectiveness of performance management.
- If freight trains are delayed, it is crucial for shippers to receive proactive information with a reliable revised estimated time of arrival (ETA).
- Improvement of cross-border interoperability is crucial: “No national barriers: one [common operating] language, less [leaner] regulation, one highway!”.
- Cefic values the 2016 Rotterdam Ministerial Declaration and corresponding 2016 Rotterdam Sector Statement “Boosting International Rail Freight” and welcomes a systematic follow-up, in an open dialogue with all stakeholders.
- In order to grant more power to the RFCs to steer and direct changes, a revision of Regulation 913/2010 should be pursued.
- Sufficient funding should be provided to close missing links and put in place sufficient diversionary routes, with appropriate TEN-T infrastructure parameters.



# Rail freight is a vital enabler of further improving sustainability in chemical logistics



The European Commission's Transport Whitepaper *"Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system"* already highlighted the importance of:

- developing a 'core network' of strategic corridors
- which is capable of carrying large and consolidated volumes of freight
- with high efficiency and low emissions

Source: European Commission, DG-MOVE

**The chemical industry has always been supportive of rail freight, regarding it as the potentially most efficient mode of transport.**



# Political and commercial targets are ambitious



Thirty per cent of road freight over 300 km should shift to other modes such as rail or waterborne transport by 2030, and more than 50% by 2050, facilitated by efficient and green freight corridors. To meet this goal will also require appropriate infrastructure to be developed.

**Optimising the performance of multimodal logistic chains, including by making greater use of more energy-efficient modes**

Source: European Commission, DG-MOVE, White Paper on Transport, March 2011



## ► SOLUTION: MODAL SHIFT FROM ROAD TO RAIL

We can avoid the social and environmental impact of the freight transport sector with a **modal shift** in freight transport from road to rail.

It is in everyone's interest (including that of the road transport sector) to increase the modal share of rail freight from 18% currently to **30% by 2030** to absorb transport growth and neutralise the increasing social impact. This means more than **doubling the volumes transported by rail**.

A higher modal share of 30% of rail freight by 2030 is the better macro-economic solution for European transport growth.



Source: [www.raifreightforward.eu](http://www.raifreightforward.eu), 30 BY 2030: TOWARDS A BETTER TRANSPORT MIX FOR EUROPE'S FUTURE, December 2018

# What shippers expect and require from rail freight

Become easier to use, more reliable and efficient



**Good access**

**Responsive**

**Flexible**

- A comprehensive network of **intermodal terminals** for combined transport and **marshalling yards** for wagon load transport

- Sufficient **frequency of train departures** with a **good reach** to all hubs and nodes throughout the Rail Freight Corridor Network

- **Sufficiently flexible capacity**: a comprehensive network of international freight trains, capable of absorbing demand peaks

- **A drastic improvement of reliability is needed**. If trains are delayed, immediate electronic notification of **revised ETA** is essential

- An rail network **resilient to disruptions**, offering **sufficient capacity on diversionary routes**, with appropriate TEN-T infrastructure parameters

- Door-to-door services at **sustainably lowest total costs**.



**Reliable**

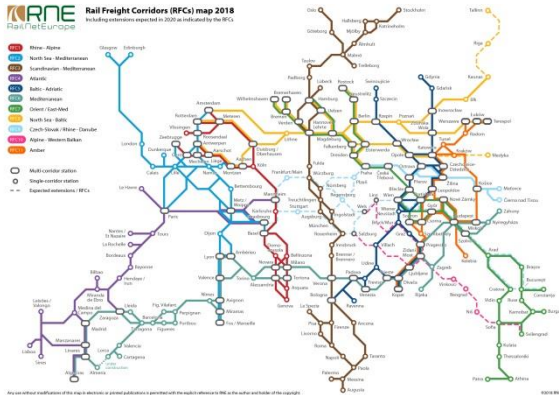
**Resilient**

**Efficient**

**Availability and reliability of rail freight services translates into security of supply for the chemical industry and its customers – further shift from road to rail requires a drastic improvement of reliability and efficiency!**

# How to improve reliability and efficiency of European rail freight

What is required from all sector stakeholders, incl. representatives of national ministries



Work together

Be transparent

Speed up

Be prepared

Harmonize

- We need **more Europe** in Europe! It is crucial for all sector stakeholders to work together systematically on improving reliability and efficiency and **enhance** their **corridor thinking**.
- Provide more **transparency of performance**, based on agreed KPIs, in particular the end-to-end measurement of reliability, based on a **uniform punctuality KPI**.
- Speed up implementation of **European action plans**, i.e.
  - Rotterdam Sector Statement Priorities and
  - Rastatt Learnings
- Resulting in better
  - international **risk management** and **contingency plans**
  - international **coordination of construction work**
  - **harmonized operational procedures and systems**
  - **one common operating language** (operational phrases)



***“No national barriers: one [common operating] language, less [leaner] regulation, one highway!”*** The rail freight sector should look at the global airline industry as a best practice example and role model!

# Good performance management starts with transparency

## Proposal for implementation of a uniform punctuality KPI

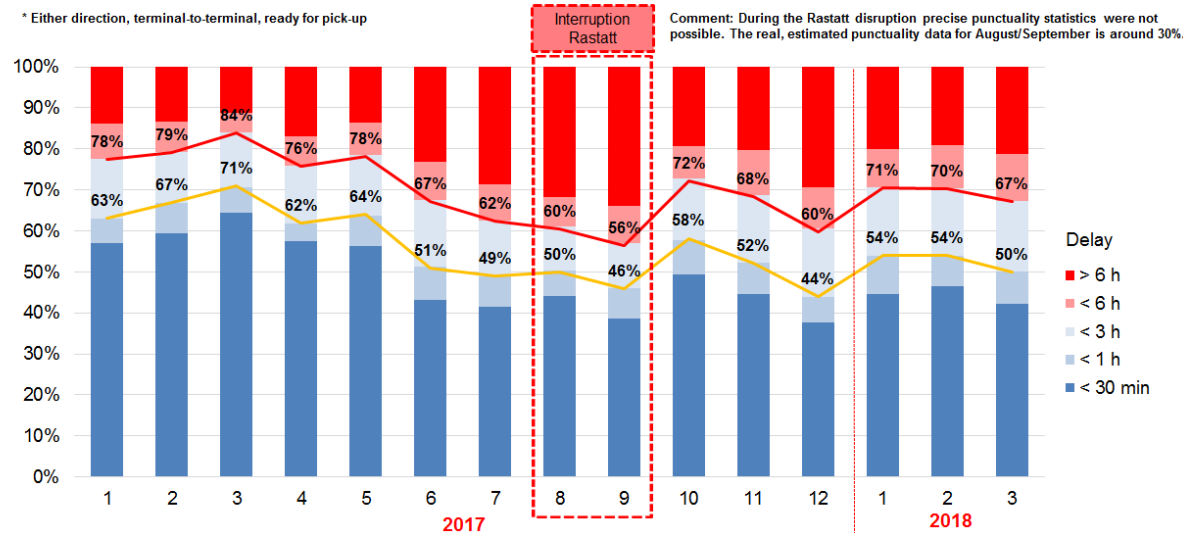


### Punctuality KPI Best Practice Example

#### On-time reliability\* of transalpine intermodal trains (via CH only)

- On-time reliability «customer focus» with delays up to 3 hours
- On-time reliability «operations focus» with delays up to 1 hour

\* Either direction, terminal-to-terminal, ready for pick-up



Source: Hupac Bilanz-Medienkonferenz, May 2018

Note: This proposal was shared and discussed at the High Level Freight Meeting of RU CEOs in Vienna on 18.05.2018; this meeting was also attended by Elisabeth Werner, DG MOVE, who explicitly also welcomed punctuality KPIs to be made available

- In order to improve the effectiveness of rail freight quality management, a **uniform punctuality KPI** should be put in place, measuring punctuality end-to-end along the entire rail transport chain.
- Such measurement must include a **clear identification of delay causes**, showing not only what kind of event but also which party has caused certain delays and to what extent.
- Ideally, such KPIs are available on a rolling basis via an **on-line dashboard**, allowing shippers to select relevant routes.
- Availability of such KPIs will help to **reinstall shippers' confidence** lost in rail and **trigger further modal shift**
- **It is proposed to make such KPI information available in a uniform harmonized manner for all TEN-T RFCs**



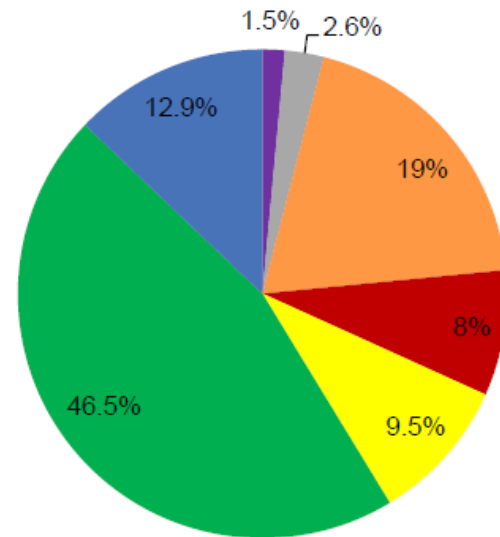
# Proposal how to structure and categorize causes of train delays

What type of event or which party has caused train delays to what extent?



## Structural example – for discussion:

- Control authority
- Terminal Problems
- Bad Weather
- Railway Problems
- Suicide and accident on the network
- Intermodal operator (technical problems or departure delay of client request)
- Infrastructure (works on the line)



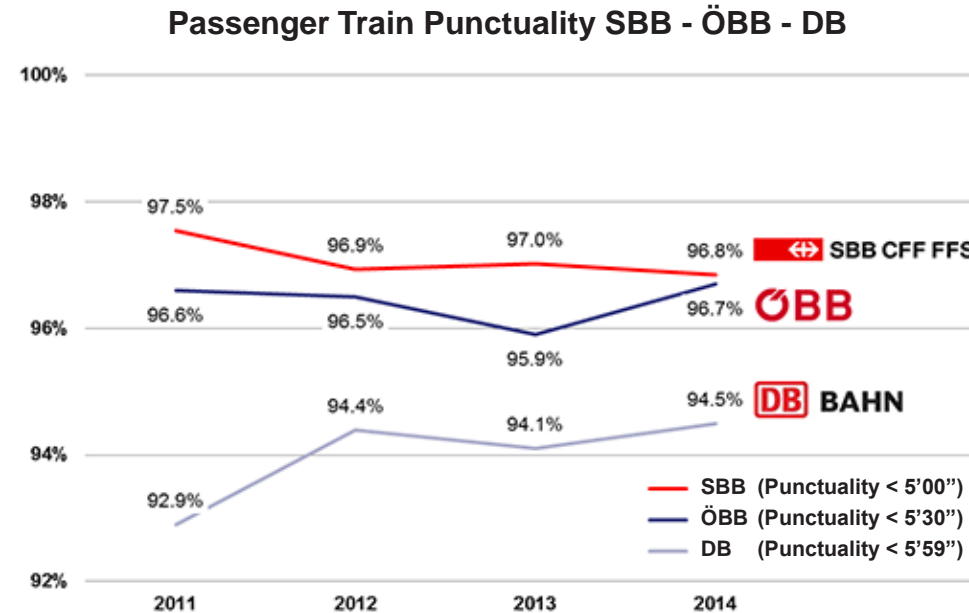
- Identification of what or who caused a delay is the basis for effective performance management
- Data shown is historic (2015) and only serves as a structural example
- Both - structure of punctuality KPI(s) and categorization of delay causes - to be discussed and agreed upon between all stakeholders\*

\* Representatives from infrastructure managers (IMs), RFC management, railway undertakings, terminals, intermodal operators, logistics service providers and shippers, being the end-users of rail freight.



# Target for improving punctuality of international freight trains

Freight trains are required to come much closer to the punctuality of passenger trains



Source: [http://wikireal.info/wiki/Deutsche\\_Bahn/Strategie](http://wikireal.info/wiki/Deutsche_Bahn/Strategie) // [www.sbb.ch](http://www.sbb.ch)

Note: The need for establishment of a punctuality target was not been expressed in the position paper. Having reflected also on the recent “Railfreight Forward” initiative, establishment of a sector target, such as “to achieve x% punctuality by 2025 and y% punctuality by 2030”, is viewed to be an important - currently missing - declaration.

**To achieve this target, there is a need to create more capacity for freight trains, avoiding conflicts with passenger trains!**

# What do we mean by digitalisation of logistics?

Technologies that connect logistics chain participants and resources for a better logistics performance and experience



Enables **step changes** in logistics intelligence, supply chain agility, automation and collaboration



# How to digitalise rail freight

A shipper's perspective and recommendations (overriding strategic topics)



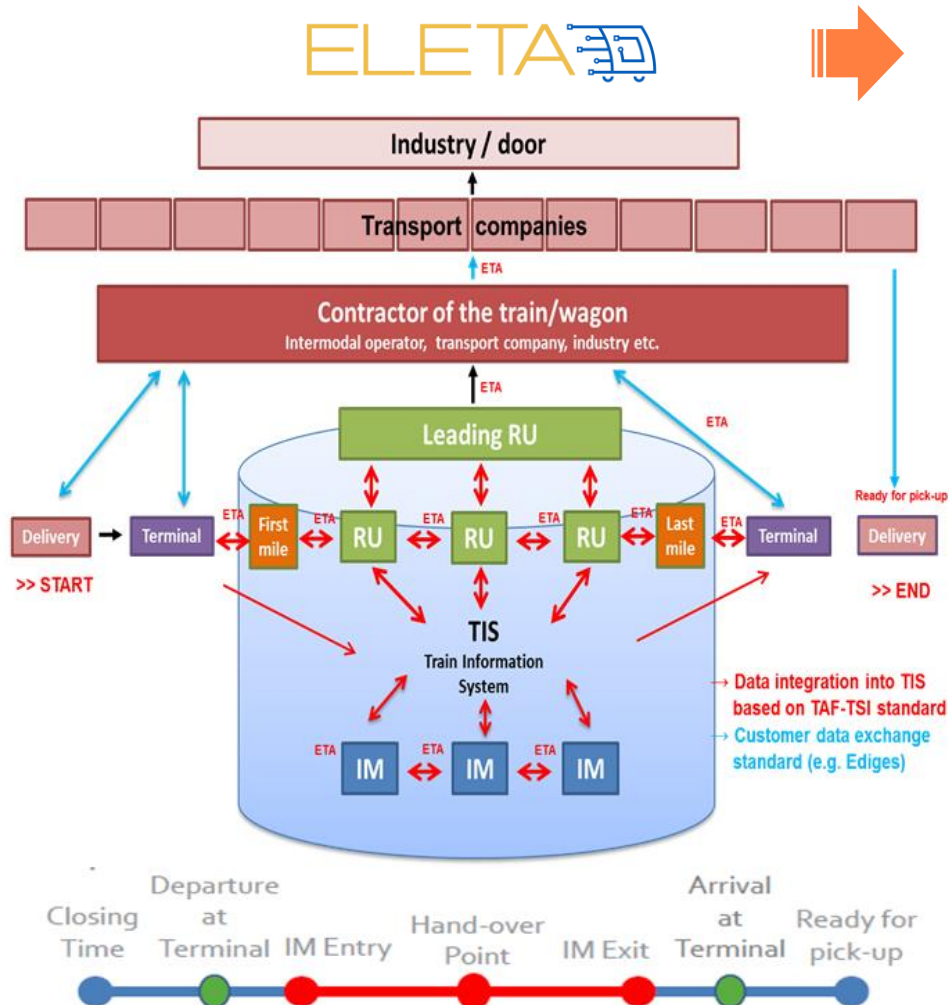
- **Think and act European!**
- **Share data** (master and operational data)
- Integrate **time tabling** and **train path management** systems
- Establish common European process and platform for **operational steering** of international freight trains:
  - Increase effectiveness and efficiency of operational **exception management**
  - Maximise efficiency of international train operation for **seamless border crossing** and network integration
- Harmonize **ETCS** (currently a digital patchwork ...)
- Engage in **autonomous driving** pilot projects



Develop a **tablet device** to support introduction out a **common European train driver operating language** or digital communication interface with **local route information** at train drivers' fingertips

# How to digitalise rail freight

A shipper's perspective and recommendations (punctuality measurement and management)



- **Fast roll out of ELETA**
- Shippers customers want **proactive exception alerts**
- Logistics service providers need to translate revised ETA at terminal into **revised ETA at consignee's door**
- RUs and IMs to use ELETA to **optimise alternative operational plans** (do not generate additional delays)
- **Use ELETA as basis for developing further single use case (end-to-end punctuality management)**
- Establish a **Q-ELETA** project building on ELETA learnings:
  - ELETA = “when does my train arrive?”
  - Q-ELETA = “when has my train arrived?”
  - Establish harmonised delay causes = why and because of whom or what was my train late?

Q-ELETA





# Thank you for your attention!

This presentation has been prepared, mirroring the content of Cefic's Position on Rail Freight and Rail Freight Corridors, January 2019\*. It is intended to trigger and support dialogue between shippers, as the end-users of rail freight with all stakeholders of the rail freight sector, incl. representatives from national transport ministries and DG MOVE, collectively aiming to establish the Single European Railway Area.

This essence of this position is supported by UIRR, International Union for Road-Rail Combined Transport and ESC, the European Shippers Council.

\* Note: With the exception of page 10.

**Frank Andreesen**  
Vice President

**covestro.com**

**Telefon**  
+49 214 6009 8120

**Mobil**  
+49 175 3081202

[frank.andreesen@covestro.com](mailto:frank.andreesen@covestro.com)

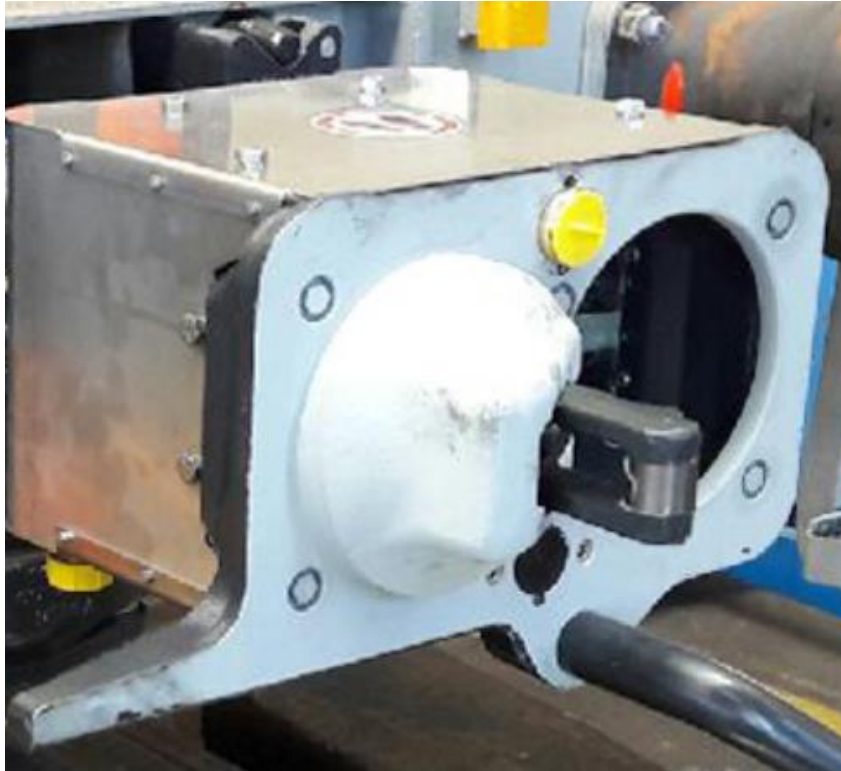


Covestro GmbH  
Logistics Advocacy

Kaiser-Wilhelm-Allee 60  
51373 Leverkusen  
Deutschland

# How to digitalise rail freight

A shipper's perspective and recommendations (single wagon transport)



- **Digitise and automate to boost efficiency of Single Wagon Transport (SWT) operations**
- Implement **automated middle coupling** for SWT
- Establish **European project** to steer and support implementation
- Support wagon owners with **appropriate funding**
- Use digitalisation to **increase visibility**
- Bundle demand for higher productivity:
  - on **first- and last mile** operations
  - of **block train operations** between marshalling yards

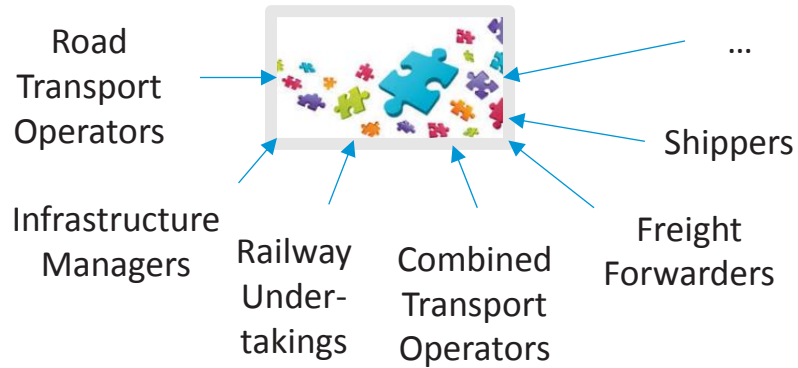


Digitalise and automate European SWT end-to-end to make a **quantum leap in process efficiency** and integration for **better operational steering** and **optimisation of operational plans**



# Digitalisation in logistics

## From fragmented data to smart supply chain



Single Use Case  
Example:



Electronic EFTCO  
Cleaning Document



### Fragmented Data

- Product
- Equipment
- Supply chain partners
- Order status

### Harmonized Digital Process

- eECD (electr. Europ. Cleaning Doc)  
Electronic freight documents (eFTI)
- ELETA (electr. Estimated Time of Arrival)
- Track & trace
- Check-in process

### Smart Supply Chain

Automatic site logistics  
Real time expected time of arrival  
Smart traffic management  
Emission management  
Smart inspection & control  
« zero paper logistics flows »

ECTA



# Barriers to logistics collaboration ...

