

Nov 2013

Minutes

TRANSFORuM Thematic Workshop:

Freight

25 / 26 November

Basel, Switzerland

1 Introduction

Number of participants:	13
Countries represented:	Austria, Belgium, Denmark, Germany, Lithuania, the Netherlands, Romania, Sweden, Switzerland
Men / women:	10/3
Policy makers / industry / academia/associations:	3/6/2/2

1 moderator and 2 rapporteurs from TRANSFORuM facilitated and took notes at the workshop.

The participants were welcomed to Basel, a location chosen for its insight into Swiss freight policy, as well as the home of Innovatrain AG. A round of introductions took place and participants were given guidance as to the proceedings of the two half day event. It was explained that the main goal of the workshop was to examine and discuss how good practices have been delivered, the conditions under which success can be achieved as well as any common challenges and barriers that had to be overcome – and how. We finished day one with some presentations of the Swiss policy landscape and from Innovatrain AG – an innovative freight solutions company located in Basel. Taking the themes of the first day forward, on day two, the group moved on to discuss what sharing of good practice currently takes place in Europe and what else could be done to promote sharing across levels. Ideas were taken forward to a discussion on drafting a road-map to fulfil the freight goals set in the 2011 White Paper.

2 Transformation is possible!

In this session of the workshop, the criteria developed and utilized by the TRANSFORuM team in selecting the 10 good practice case studies were explained to participants. In addition, 10 shortlisted freight cases were also outlined and discussed. Participants were then offered an opportunity to reflect and comment on both the criteria and the cases. The major points from this discussion include:

A two-track approach was suggested to reflect the difference in stages of development across the EU28 as well as regulation to ensure that SMEs can also be considered. In addition, safety and security are seen as important criterion for examination in terms of freight best practice – this was seen as vital to the cost benefit case – it should not be restricted to economic efficiency.

Transferability and scalability were both seen as important and needed. It was emphasised that transferability might not be enough; something that is transferable can not necessarily be scaled up.

Good practice should relate to something already delivering, not a future plan. We need to build on the experiences that were made. But the point was made that we need to understand good ideas, as well as just good practice, that there should be more emphasis on taking risks and experimenting. It was argued that it is not enough to just repeat what has already been done; new approaches (“practical innovations”) are needed as well that go beyond well known “good practice”.

The lack of a freight village/logistics hub example in the list of cases was seen as something to be addressed by the Transforum group. Duisburg was highlighted as a potential case study subject. It was also suggested that there could be a clearer division between the types of cases under investigation –

for example looking at technology demonstrators, infrastructure and corridor measures, and then different scales of action (multinational corridors v regional/hub based ideas). IT tools should also be considered. The exchange of information is of particular value

The inclusion of the Gothenburg rail port example in particular was discussed. It was chosen because there are lots of different business models being used by companies operating in the port and a strong partnership model. The need to work on many different levels and the collaboration necessary is demonstrated here.

Other examples for consideration suggested included: the Viking project – Russia, Ukraine and Caucasus, Sweden and Germany; ViaBaltica – Poland, Baltic and Finland and South Baltic region project: where joint documents and information systems have been invested in, along with oversized transportation corridors.

In context of this discussion the following issues were also addressed :

- There were some doubts whether the Baltic Adriatic axis actually is a good example
- More focus should be put on extending rail liner services from west to east
- Better compatibility between different of transshipment systems is needed
- It was stated that much more co-operation between actors is needed. This does not mean that competitiveness in the sector should be reduced. But communication, co-operation and also trust are needed for achieving high load factors and, thus, for reducing costs of rail freight. There are still many unused potentials for cooperation – it seems as if external pressure is needed to tap these potentials
- Not only big player but also smaller companies are crucial – regulatory frameworks should reflect this
- Networks for strengthening single wagons is a way forward.
- The importance of specific freight corridors for rail and for water (motorways of the sea) was emphasized; this includes a good organization of such corridors.
- There is also potential in improving IT tools; internet supported freight exchanges should be easier possible in the freight sector; in the road sector this was pushed forwards by the market; the question was raised why this did not happen in the rail sector.
- Good practices should also look at example for successful acceleration of cross—border rail freight
- Freight villages are important but their location need to take production patterns and goods flows more into account.
- It was mentioned that the decisions where to localize manufacturing plants in the first place are very important for the possibilities to accomplish cost-effective intermodal transport.
- It was emphasised that rather packages of policies than single packages are needed to achieve efficient and acceptable outcomes; e.g. push and pull measures should be combined

3 Context and factors for success

The participants were asked to think about one successful policy/idea and an example of a less successful policy or idea, and consider why these particular initiatives were successful/unsuccessful. After a group discussion, some common factors for success and failure were identified and the group

went on to discuss the relevance of these identified factors. The lists of common and other factors are outlined below.

COMMON SUCCESS FACTORS

- Cooperation/coordination of planning/collaboration/communication between stakeholders; shared risk
- Private/sound investment in infrastructure
- Strong objectives/simple goal
- Investing in future/long term objectives
- Integrated approach/standard techniques
- Geographical proximity (to business, infrastructure and demand); understanding local context
- Commitment

OTHER IDENTIFIED SUCCESS FACTORS

- Early investment
- Big company support and commitment
- Trying alternative models of operation
- Strong objectives
- Fast decisions
- Executed well
- Big crisis necessary for breakthrough
- Strong environmental mandate
- Mix of large and small companies
- Incremental changes in conditions/the market

COMMON FAILURE FACTORS

- No comprehensive planning for funding/bad business model
- Lack of stakeholder coordination
- Lack of leadership/initiative
- Financing: Poor cost-benefit analysis/underquoting/misspending funds

OTHER IDENTIFIED FAILURE FACTORS

- Incompatible techniques
- Lack of modal integration in big companies
- No commitment from the market
- Greenwashing
- Lack of supporting policy
- Complicated processes
- Lack of operational knowledge
- Money is not an initiative or business model for the future (if EU doesn't have right information, they don't know best initiatives to invest in)
- Lack of transparency
- Wrong state policy

4 Policy learning and sharing

Participants were asked to reflect on how they currently share information on good practices in their day-to-day role. Some 22 distinct methods were identified including membership networks and business conferences, facilitation workshops and face-to-face meetings. They were then asked to think about any other ideas not covered in the list which could be utilized to share good practice in the future. Social media was identified, although it was suggested that it is still early days for this tool in the

freight sector. A dedicated website for sharing information on routes and timetables was suggested as a potentially useful tool for the sector.

The final element of this session was to identify barriers to sharing information. Fifteen suggestions were offered by the group and discussed. These included issues of other sector lobbies (passenger transport and road in particular), the fragmentation of the transport markets and the difficulty engaging with the shipping sector. It was suggested that this last barrier was possible to overcome with concrete and specifically targeted information and engagement activities, although such efforts are likely to be time consuming. The tradeoff between daily business and influencing policy makers was highlighted, as were the challenges posed by protecting intellectual property and trade secrets whilst still working in collaboration.

In the final session focused on WP5, participants were asked to reflect on some specific opportunities that could be taken and challenges that need to be overcome in order to achieve the 2030 and 2050 White Paper targets. These discussions were framed loosely around the concepts of scalability and transferability as identified in the first session as important for the freight goal.

Scaling the success of the Swiss policy would be good, but the context is smaller scale, independence of the EU and policy has stability as the context won't change. Awareness-raising at the European level takes a long time, and due to the emphasis on freight corridors, we don't immediately see a large degree of success. The initiatives of the Marco Polo project was viewed as short term actions with no long term grounding. As such, it was seen that we do not currently have the right measures to implement the 2030/2050 targets. Indeed the long term perspective, financial support and concrete but flexible legislation – with a stable framework and commitment – from the EU were seen as the factors which would level the playing field (between road and rail) and deliver the sustainable business plans necessary to deliver against the goals. Standardisation of the sector across Europe was also perceived as necessary: as well as signalling systems, bridges and low tunnels and of processes (such as the certification of the rolling stock) are all required to enable larger scale change.

Community-led pressure on politicians was suggested as a way in which changes may be encouraged, as were more environmental education to encourage more supportive and active attitudes. Politicians were seen to be incoherent because of lobbies, but the issue of business pressures was mentioned – politicians cannot and shouldn't put pressure on multinational companies. The companies need to come up with solutions in a transparent manner. Knowledge should be shared – therefore transferability was identified as an important issue.

The issue of scaling up was addressed. A step-by-step approach was favoured by the participants. Year-on-year towards the goal targets, we are already off course. We can hope for significant technological and technical advances but we can't rely on them. So we need to be clearer about where our reductions are going to come from. Whilst this is true, as a sector, freight transport could be transformed if attention was more focused on IT developments than on steel and concrete – being creative was advocated by the participants.

The administrative and policy power at the sub-national and regional level also needs to be capitalised on, but these administrations are not involved (yet) – we need to understand regions in national contexts with regard to the 300km limit – and how the infrastructure development and location of facilities fits into the regional context and vice versa.

Policy and practice need to be seen together – there is a need for more connection between the issues being considered here: short distances, ports and cities as well as long distance movement of goods.

5 Kick-off of the road-mapping process

The session on roadmapping started with a brief introduction on the roadmaps that will be developed in TRANSFORuM and it introduced the guiding questions to be discussed in this session. These questions were:

- The **WP goal**:
 - To what extent do we have a common understanding of the WP goal?
- Prioritizing **policies / measures**:
 - If you were in the driving seat: What would be your highest priority measure / action? (imagine to be a highly influential person at the EC)
 - What are “no-regret” measures?
- Relevance of **milestones**:
 - Which milestones or interim targets can be identified?
- Your **expectations** after the discussion in the last two days:
 - What would you expect from the TRANSFORuM roadmaps?

Furthermore a summary of the results of a small survey that was filled out by most of the participants was presented. The first questions of the survey were related to stakeholder’s perceptions of the goal. In line with this, the first question that was discussed in this session was whether the white paper goal is useful. In the discussion, the following points were mentioned:

- It is important to have clear goals; the degree in change required to fulfill the target is demanding but not too ambitious.
- It is important to take the situation in the different regions in Europe into account. For example LNG is quite common in Norway but not in other countries.
- A monitoring is needed to accompany the realization of the WP goals.
- It was questioned whether the WP goal is well known in general. It was argued that “decarbonisation” is the much more prominent targets.
- There might be a need to define different targets for different regions; there are too many differences between European regions. Context is important. Countries on higher economic level might need to take a lead; but there might be some sort of “leapfrogging” in the less developed regions of the EU. In countries such as Romania, intermodality only is achievable in the industrialised regions. Further, organized crime is a severe problem there.
- The target does not specify how much should be shifted to water and how much too rail. This might differ considerably in European regions.
- For the necessary monitoring of progress a better collection of baseline data is needed. It needs to be clarified who is responsible for monitoring and implementation of measures.

- Freight corridors are extremely important for making progress and for monitoring the progress: technical elements, logistics, organizational and legal issues > all that is bundled in corridors

Questions on prioritizing policies / measures: If you were in the driving seat: What would be your highest priority measure / action?

As top priority measures the following were mentioned:

- Full application of polluter-pays principle and user pays principle
- Full internalization of external costs
- Transport prices should reflect real costs
- No specific subsidies; better to subsidize the market (and that way subsidize all players)
- Improved land-use planning: look where transport flows are taking place
- Learn from infrastructure policy of Switzerland
- Interoperability and foster single rail freight markets
- Investment in cleaner transport modes
- Prioritize interoperability
- Achieve one single freight market
- Push rail freight corridors and priority for freight (no passengers there); enable competition between corridors
- Hubs/nodes to enable better access
- Install a European “website” with rail freight information about routes, timetables, collaborations
- Ensure improved data collection to get comparable data for all modes
- Harmonisation of rules for all modes – sanctions for breaking rules
- Find short-term solutions for needed capacities; for example longer trains and remove infrastructural barriers (low viaduct bridges), avoid changing of locomotives at borders > driving with one locomotive through Europe is a key measure.
- Implement the same security systems in all European countries
- Organize single events to raise customers awareness for intermodal solutions (include governmental representatives and EU-staff; producers and suppliers; operators (rail + short-sea)
- Training of locomotive-drivers to overcome shortages in drivers
- Mandatory truck pricing scheme (distance related vignette) in all countries
- Improving rail freight – removing technical, infrastructural, administrative barriers/obstacles
- Encourage competition in the rail sector
- Use EU transport funds consequently for improving environmental performance of all modes; support the implementation of silent breaks for freight rail (important for public acceptance); investments in clean modes; consider as well a reduction in the amount of transport (avoiding transport; behavioral changes)

- Implement heavy vehicle fee
- Push forward deregulation of the rail market
- For the transport policy implementation (white paper goals) use more institutions which link researchers, business and administration like EU technology platforms
- National and EU programs sometimes overlap. There should be better links between national and EU programs; more use of ERA-Net and ERA-Net Plus program might help here.
- Copy Switzerland and establish long-term stable policies
- Road charges including external costs > update Eurovignette, energy tax directive, vehicles tax etc.; in addition implement urban pricing measures
- Ensure a consistent infrastructure policy – in line with the white paper objectives; establish real world tests as a condition for funding
- Favor small scale innovation projects, e.g. transshipment, IT, freight consolidation centers
- Truck control + enforcement: weight, speed, etc.
- Highest priorities: full completion of rail corridors (TEN-T core network) as soon as possible; funding should concentrate on this priority; it should be accompanied by a strict monitoring of the physical progress
- Improving (even standardization) of fiscal regimes / environment for rail transport with especially emphasizing on intermodal business for all involved actors (producers, operators, logistic actors)
- Improving measures for good business between ports, which are using only (or mostly) rail connection
- Strengthen single wagon transport
- International subsidy system for special transport topics (single wagon, combined transport)
- Enforcement of road regulations
- Harmonisation of rail infrastructure charging > reduction of “rail internal competition”
- Check which measures each member state has to offer for reaching the white paper goals; this should be clustered along corridors and big urban centers (urbanized regions)
- Put high priority on internalizing the external cost into taxing of the transport modes

Résumé and expectations towards the roadmaps:

The final discussion was related to stakeholder’s expectations towards the roadmap and a feedback on the workshop. The following issues were raised:

- Every stakeholder and every interest group should find its place to start from in the roadmap; the roadmap should not only give the broad picture but highlight what is relevant for the different actors
- It is important to work with good examples to show the politicians that progress is possible; but also failures, bad example, should be addressed

- Focus should be mainly on the next years since this is the relevant time span in business. Still, there is a need to get commitment also for longer periods
- Intermediate goals for measuring progress are needed; we have to know if we are on track; commitment is crucial for investments on about 5 years timescales
- It is good to have a mixture of practitioners and entrepreneurs to give a “reality check” of approaches; the workshops highlighted that positive stories about intermodal transport exist and that intermodality can work; we need more of that to illustrate to policy makers that these approaches work; there is a potential for a huge added value induced by TRANSFORUM
- It is good to have people from different sectors involved in such a workshop; this is needed because many good ideas are in between the sectors; timing is crucial for development in any sector; different investments are getting relevant at different timescales
- The rail sector needs a positive discussion; railway is conservative; but the shippers drive the market; stakeholder need to find themselves in the roadmap if it should be useful
- The discussion were very interesting but illustrated also that there is still long way to go; it is possible to make money with intermodal transport, but we have to organize it in a simple way; practitioners are needed to make that happen
- Solutions must come from the industry to work on the long run; solutions need to be framed by local conditions; abstract and more general levels need to be broken down to shorter timescales and regional feasible solutions