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TAG Meeting, Digital

Enabling terminals to accommodate longer trains : A way to enhance railfreight competitiveness
A financing issue ? The case of Germany

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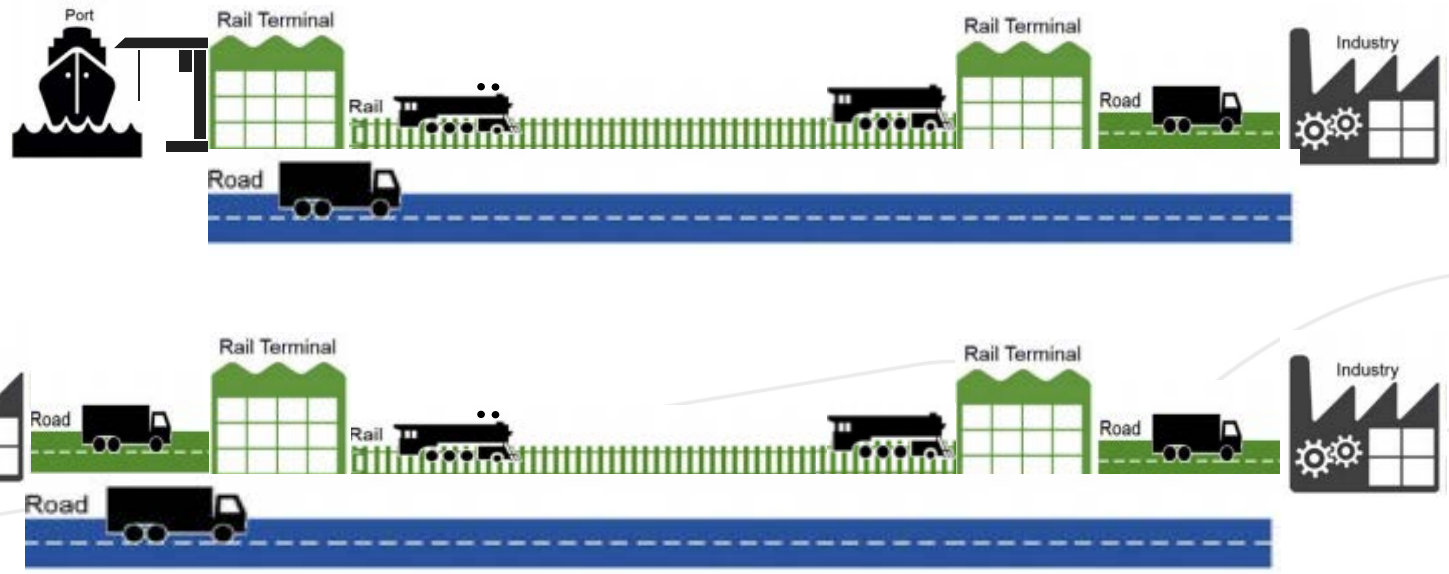
Agenda

1. Rôle of the terminals in the supply chain
2. Functions of terminals in the transport chain
3. Drivers of terminal performance in the transport chain
4. Terminal Infrastructure and network accessibility
5. Cost of the FM/LM operations and TSP in the Rail-Road
6. Subventions Policies enhancing CT competitiveness
7. German Case
8. Conclusions

Rôle of Intermodal terminals in the supply chain



- Teminals are not limited to transhipment operations
- Terminals creates value by offering a complete set of ancillary services to their customers

Statement : Terminals can be seen as an additional cost

Source of graphs : 2017, Environmental development, Road-rail intermodal freight transport as a strategy for climate change mitigation

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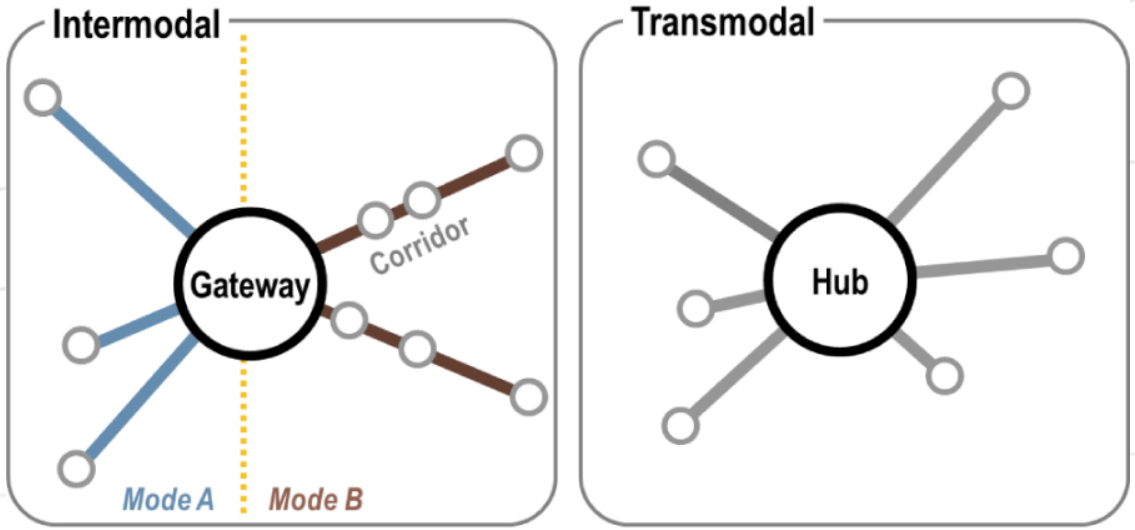
Functions of terminals in the transport chain

- Terminals have different functions depending on their roles in the transport chain



Statement : terminals should contribute to AV in the SC

Source: https://transportgeography.org/?page_id=1411

Drivers of terminal performance in the transport chain

- Location
- Accessibility (connections)
- Infrastructure
- Equipment

⇒Infrastructure considerations are essential as they must accommodate current traffic and anticipate future trends along with technological and logistical changes

⇒Longer trains accommodated in a proper way means a reduction of unit cost for the CTO

Terminal Infrastructure and network accessibility

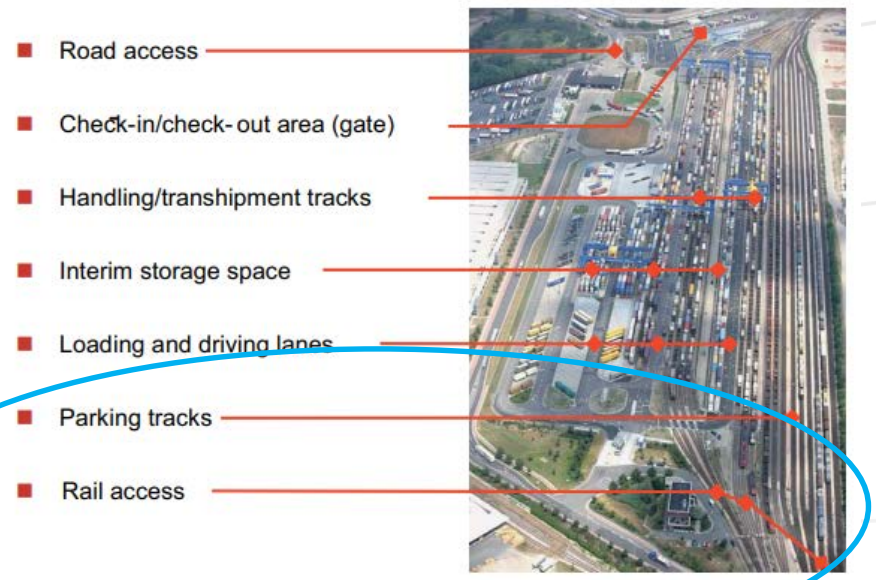
First / Last Mile considerations

- Rail access
- Operation of the rail access to terminals

- Investment cost indications

70M€-80M€ - 100K units / year

Figure 3-2: Basic components of CT terminals



Source: KTL Kombiterminal Ludwigshafen

Statement : Invest in proper Infra enabling reduction of railway operating costs

Source: https://diomis.uic.org/IMG/pdf/DIOMIS4_final.pdf

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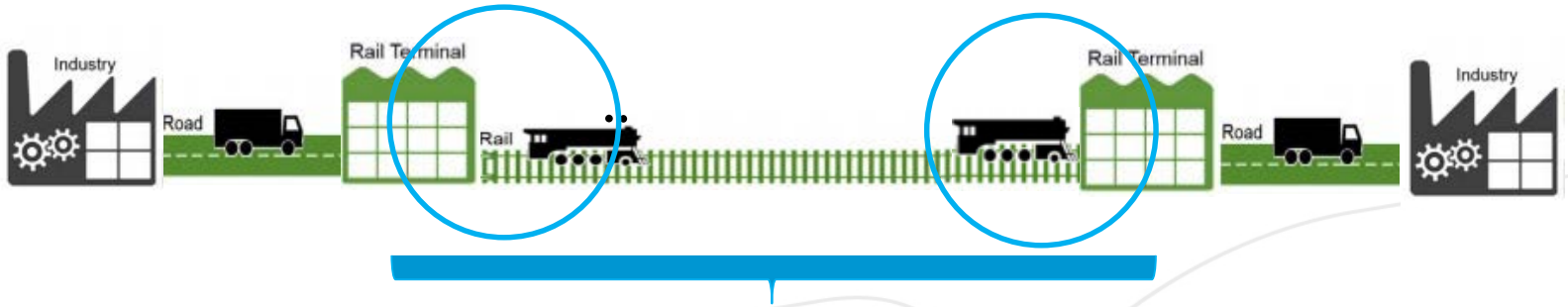
Cost of the FM/LM operations and TSP in the Rail-Road



First / Last Miles amount between 30% and 50% of the total rail freight costs

-> invest in infra (parking tracks, reception bundles)

-> electrification (direct connection and Schwungeinfahrt…)

Statement : proper connection to the network can save up to 80% of rail FM/LM operation costs

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Subventions Policies enhancing CT competitiveness

- 2 visions

Supporting Terminal development (Infra & Equipment)

- *Direct impact*
- ✓ Lowers the cost of transhipment operations
- ✓ Lowers the costs of access to the terminal
- ✓ Example: DE, (BE via ERDF, LU via SA)

Supporting Operations of rail-road services

- *Indirect impact*
- ✓ Lowers the cost of CT services
- ✓ Example: BE, FR, LU (not DE)

German Case – basic description

- German system(s)

Supporting Terminals & Sidings

- ✓ Terminal Infrastructure
  - ✓ State owned terminals (DB)
  - ✓ Third-party terminals (up to 80% of costs)
- ✓ Terminal sidings (Anschlussbahn) *

- Budgets

- ✓ Budget
  - ✓ DB Dotation
  - ✓ 2019 : 90M€
  - ✓ 2020 : 60M€
- ✓ 20M€

Statement : Budgets are not fully used

(*) not limited to CT Terminals

Constraints of the German Case

- **Based on legal commitments**
  - ✓ 20 years commitments
  - ✓ Cost side of Eligibility
    - ✓ Rolling lanes and infrastructure does not last 20 years
    - ✓ Replacement of infra & equipment is not eligible (only RS twice), RMG, RTG excluded
      - ✓ A RS lasts max 6 years
    - ✓ Not all costs eligible -> up to 80% under strict investigation of EBA (technical) and BMVT (Business Case)
    - ✓ Upgrade of terminals is not eligible (not described in law)
  - ✓ Revenue side Eligibility constraints
    - ✓ Strict control of the transhipment rate – 23,5€ (in 2020)
    - ✓ Up to 80% of initial costs are eligible - (20% remaining costs can amount >23,5€/ tr)

Statement : The system does not take the life cycle of the terminals into account

(*) not limited to CT Terminals

Conclusions

- Infrastructure of terminals and terminals connexion are important drivers of costs in railfreight
- At corridor level – have an impact study of the required upgrades of terminal & siding infrastructures in order to accommodate long trains
  - Depending on the function(s) of the terminal
  - The expectations in terms of ROI for the total transport chain
- Supporting policies should take into consideration the whole life cycle of the terminal and its connection to the network
- Supporting policies should combine support to Infrastructure and operations (Supporting CTO)

(*) not limited to CT Terminals

Questions ?

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