Scandinavian Mediterranean Rail Freight Corridor

What are we talking about?

26.06.2017
ScanMed RFC – a “Rail Freight Corridor”

Our product: Coordinated Capacity
Our medium-term objectives: Reliability and Simplicity
Our showcase action fields
Addressing the Market – the User case approach
The Corridor On- and Offline
Rail Freight Corridors build up together a dense European network

Source: RailNetEurope
What are Rail Freight Corridors here for?

Rail Freight Corridors (RFCs) support the increase of **international rail freight** both in **volumes** and in **modal** share.

- **Internationally coordinated capacity**, both for the yearly timetable and ad hoc traffic. Pre-Arranged Paths (PaPs) and Reserve Capacity (RC).
- **A single capacity booking and information point**. The Corridor One-Stop-Shop (C-OSS).
- **Customer-oriented approach**.
- **Quality and Reliability**. Coordinated performance monitoring, and contingency management.
- **Transparency**. The Customer Information Document (CID).
ScanMed RFC was finally delimitated following a Transport Market Study (TMS)

The **Transport Market Study** (2014) delivered an analysis of main transport flows and market characteristics within a catchment area, on the basis of which a corridor routing was defined.
The TMS specified the Corridor environment as well as first general lines of action

Starting point (2012)

- Single wagonload (38%) and container trains (36%) dominate the traffic in the ScanMed countries
- Most RFC traffic flows crosses one or two corridor borders

Forecast 2017 and Stakeholder feedback

- The number of corridor trains will increase by 5.7%
- Stakeholders expect a high involvement in the corridor-related services
- Price, Quality and Transit time are assessed as the determining factor in the decision-making process

<table>
<thead>
<tr>
<th>Three main bidirectional flows</th>
<th>No. Of trains</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany - Italy</td>
<td>10.043</td>
<td>32</td>
</tr>
<tr>
<td>Norway – Sweden</td>
<td>7.288</td>
<td>23</td>
</tr>
<tr>
<td>Sweden - Germany</td>
<td>4.689</td>
<td>15</td>
</tr>
</tbody>
</table>
ScanMed RFC – a “Rail Freight Corridor”

**Our product: Coordinated Capacity**

Our medium-term objectives: Reliability and Simplicity

Our showcase action fields

Addressing the market – the User case approach

The Corridor On- and Offline
The Customer information Document (CID)

The Corridor Information Document (*) gathers all information relevant for a customer to run a train on the Corridor

- **Book I** – “Generalities”, introduction to the ScanMed RFC
- **Book II** – “Network Statement Excerpts”, links to the relevant sections of the country-specific Network Statements
- **Book III** – “Terminal Description”, main information and links to the terminals designated on the basis of the Transport Market Study
- **Book IV** – “Procedures for Capacity Management and Traffic Management”, operational rules for booking capacity and information on the relevant procedures applied in the traffic management
- **Book V** – “Implementation Plan”, starting from the description of the corridor and of the TMS findings, sets up of the corridor objectives, the measures to meet them and the investments plan

(*) The CID is available on our website www.scanmedfreight.eu
Cross-border coordination of paths are the core of Corridor capacity management

Features of Pre-Arranged Paths (PaPs)
- Pre-constructed and harmonized paths at borders
- Published 11 months before the timetable change (X-11)
- Dedicated to the RFC
- To be ordered via a booking tool, PCS*
- To be allocated via the Corridor One-Stop-Shop

Features of Reserve Capacity (RC)
- Dedicated capacity displayed as slots
- The displayed slots may not be decreased by the Infrastructure Managers during the last three months before real time
- Applicants receive a tailor made offer within a time range of -3/+ 3 hours
- RC can be requested until 30 days before the train departure

*http://pcs.rne.eu/
The Corridor One Stop Shop reduces the time and effort for accessing a complete offer

**PROCESS-ACCELERATION**
- Coordinates and monitors the collaboration between the Ims
- Ensures that deadlines are met

**QUALITY-IMPROVEMENT**
- Monitors the PaP construction and ensures that the result meets the quality standards

**BUNDLING OF SERVICES**
- The future exclusive contact point for an integrated offer

**SIMPLIFICATION OF ORDER & ALLOCATION PROCESS**
- Single point of contact for request and allocation of corridor capacity (one face to the customer)
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A medium-term strategy was adopted in 2016 with customer input and support.

**Vision**

Establish ScanMed RFC as integrator of international rail freight services

**Mission**

Take responsibility for supporting the development of a smooth logistic chain
Co-develop innovative services with increased reliability and simplicity

**Goals**

- Number of trains on ScanMed RFC routes served by Corridor services > 50% of total in 2021
- Combined transport involving rail > 25% of the volumes transported on ScanMed RFC in 2021
- Increase of Customer Satisfaction until 2021

**Objectives**

- Reliability from A to B as a mean of building trust
  - Diminish the competitive gap of rail to road by reducing lead-times
  - Make rail services predictable
- Attractiveness of Corridor services by simplifying operational conditions
  - Full service "Click and Ride" approach
  - Harmonisation of services and operational environments

**Implementation**

- Trigger commitment of all involved stakeholders
- Subsidiarity instead of "one-size-fits-all policy"
**The Principles for Co-Development define a method shared with Corridor Partners and Users**

**PRINCIPLES FOR CO-DEVELOPMENT**

<table>
<thead>
<tr>
<th>Transparent Dialogue</th>
<th>Contribute and Deliver</th>
<th>Shared Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop common market knowledge</td>
<td>Keep the end user in the focus</td>
<td>Assess Performance</td>
</tr>
<tr>
<td>Share complete and reliable information</td>
<td>Strive for solutions</td>
<td>Comply or Explain</td>
</tr>
<tr>
<td>Be mutually available to listen</td>
<td>Try and fail</td>
<td></td>
</tr>
<tr>
<td>Provide mutual feedback</td>
<td></td>
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</table>

**HOW DO WE DO THAT?**

**From the side of the IMs**

- Share up-to-date market studies and surveys
- Involve the RAG/TAG in identifying business potential, assessing performance, and defining Corridor activities
- Use operational Customer workshops for improving existing services and design further offers
- Develop bilateral Customer dialogue
- Regionalise the analysis of major competition parameters and the definition of improvement measures

**From the side of the Corridor Partners and Users**

- Provide experience-based feedback and tangible facts and figures
- Contribute to Corridor developments with solution-oriented input both at strategic and at operational level
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**Our showcase action fields**
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The Corridor On- and Offline
ScanMed RFC involves Terminals in its capacity offer to improve the “last-mile” issue

<table>
<thead>
<tr>
<th>STRATEGIC OBJECTIVE</th>
<th>RELIABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current situation</td>
<td></td>
</tr>
<tr>
<td>▪ Access to Terminal capacity is an efficiency bottleneck</td>
<td></td>
</tr>
<tr>
<td>− Terminal capacity is requested after the path was allocated</td>
<td></td>
</tr>
<tr>
<td>− No appropriate access leads to path cancellation/modification</td>
<td></td>
</tr>
<tr>
<td>&quot;Operational&quot; Objective</td>
<td>Access to complete offer</td>
</tr>
<tr>
<td>Expected results</td>
<td></td>
</tr>
<tr>
<td>Enable access to an integrated capacity offer</td>
<td></td>
</tr>
</tbody>
</table>

**Approach**

- Flexibility through different levels of commitment:
  - Publication,
  - Publication and Request,
  - Publication, Request and Reservation,
  - or Publication, Request, Reservation and Allocation
- Investigation of reasons for no requests
- Enlargement number of Terminals involved

**Results so far**

- Pilot started in January 2017 in Norway, Germany and Italy
- Collided with unfavourable factors:
  - No Corridor path ordering in Norway and Italy
  - Some terminals were not on the Corridor’s main route

**Next steps**

- Improvement of the approach and consistency of the pilot with the RFC’s offer and routing
- Increase number of involved Terminals

Investigation of reasons for no requests

- Sept. 2017

Improvement of the approach

- Improvement
- Jan. 2018

Enlargement number of Terminals involved

- Sept. 2017

Implementation January 2018

- Jan. 2018
ScanMed RFC aims at improving the coordination of works until expected European processes are “up and running”

**Current situation**
Cross-border coordination of TCR-managers and of Capacity managers follow uncoordinated channels  
→ Destroys capacity

**Expected results**
- Closer cooperation between TCR- and Timetable-managers  
- Less train disruptions and delays

**Correlations**
- IM-cooperation for Timetable Reform and IT-Tool for TCR- updates  
- EU-process for defining TCR-information and publication requirements

**Approach**
- Improve coordination and communication among Infrastructure Managers (IMs) and towards Railways  
- Involve timetable-managers and railways in the process  
- Focus on medium term (→ 2020) Corridor improvements until a European frame is set

**Results**
- Increased compliance of ScanMed processes with cross-corridor Guidelines  
- Identification of lines of actions as possible quick wins – ongoing feasibility check  
- Contribution to the development of the IT-Tool for TCR-Updates

**Timeline**
- Workshop January 17th
- Analysis of the situation & draft proposal April 2017  
- Timetellers involvement May 2017  
- Process definition August 2017  
- Approval & dissemination September 2017
ScanMed RFC has favoured so far quick wins for improving Operational predictability

<table>
<thead>
<tr>
<th>STRATEGIC OBJECTIVE</th>
<th>RELIABILITY</th>
<th>&quot;Operational&quot; Objective</th>
<th>Improved access to services and of predictability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current situation</td>
<td>?</td>
<td>Expected results</td>
<td>Correlations</td>
</tr>
<tr>
<td>▪ Paper checks at border differ</td>
<td></td>
<td>▪ Needed documentation at borders available online (check-lists)</td>
<td>Customer Information Platform (CIP), as “Information One-Stop-Shop” for Corridor users</td>
</tr>
<tr>
<td>▪ “Unpredictable” disturbance management</td>
<td></td>
<td>▪ Fall-back scenario description for contingency management</td>
<td></td>
</tr>
<tr>
<td>→ Time loss and costs at border crossing</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Approach**

- Two step approach:
  - Definition of a Corridor template for documentation check-lists and fall-back scenarios
  - Implementation of template at regional level
- Availability in CIP

**Results**

- Defined:
  - Template for Documentation Check-list template and fall-back scenarios
- Ongoing:
  - Regional implementation of the templates
  - Definition of requirement for availability in CIP
**ScanMed RFC participates in a cross-corridor Pilot to test best practices for short term Reserve Capacity**

<table>
<thead>
<tr>
<th>STRATEGIC OBJECTIVE</th>
<th>SIMPLICITY</th>
<th>&quot;Operational&quot; Objective</th>
<th>Full service approach</th>
</tr>
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<tbody>
<tr>
<td><strong>Current situation</strong></td>
<td>?</td>
<td>Expected results</td>
<td>Correlations</td>
</tr>
<tr>
<td>The current RC product does not serve the market needs for ad-hoc traffic</td>
<td>Additional RC product to be ordered at a shorter notice</td>
<td>Pilots on short term Reserve Capacity (different model tested) on other RFCs</td>
<td></td>
</tr>
</tbody>
</table>

**Approach**
- Pilot - Start Dec. 2017 from Denmark to Italy
- Publication of sections without times ("empty PaPs") in the Corridor booking tool (PCS)
- Application and allocation by the RFC via PCS
- "Spot traffic" only, i.e one train, one day
- Feeder / Outflow allowed
- Corridor One-Stop-Shop coordinates the process

**Results so far**
- Product features defined
- Process map finalized

**Next steps**
- Start Information campaign for customers

**Timeline**
- Final concept & preparation for implementation: May 2017
- Information campaign: Dec. 2017
- Implementation: Dec. 2017
Guaranteed Capacity is a possible conceptual answer to customers’ need for more flexibility *

- **Current situation**
  - One year before train run, Customer cannot settle on specific paths
  - High share of cancellation/modified Corridor paths resulting in inefficient capacity management

- **Expected results**
  - Two step approach:
    - Customer is guaranteed a capacity one year ahead...
    - ...and gets a specific paths at a later stage

- **Correlations**
  - Cooperation of the Infrastructure Managers on Redesign International Timetabling Process (TTR)

### Approach
- Pilot („Try and fail“ approach)
- Instead of today’s minute-sharp Corridor paths, publication, application and booking apply to pre-defined bandwidth (Slots)
- Application for the minute-by-minute path at a later stage

### Results so far
- 1st draft approach in discussion

### Next steps
- **Alignment with correlated projects**
- **Market consultation & Information campaign**
- **Definition of IT-requirements**

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May 2017

(*whether the action will be pursued depends on participation of ScanMed into the TTR Pilot*)

Dec. 2017

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Analysis of the current situation & draft proposal Consultation & Alignment with TTR project Market consultation & Information campaign Final concept & preparation for implementation
The Single Contract of Use sets a first step towards administrative simplification for access rail capacity

**STRATEGIC OBJECTIVE**

SIMPLICITY

**Current situation**

- Each country along the corridor has its own access contracts, different in structure and content from country to country

  → Administration costs and un-lean processes for the Customers

**Expected results**

- Single contract structure for Railways using ScanMed RFC

**Approach**

- Overview of the current situation along ScanMed RFC (Finalized)

- Develop a ScanMed common contract template, using when appropriate past attempts

**Results**

- Overview of contract structure and content in all ScanMed RFC countries is complete.

**Timeline**

- Overview nat. contracts: May 2017
- Draft ScanMed Template: Sept. 2017
- Final ScanMed template: Nov. 2017
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**Addressing the Market – the User case approach**

The Corridor On- and Offline
The User Cases are examples aiming at the RFC’s business development

User Cases

Commodities

Origins/Destinations

Segment

Industry

Operators/Freight forwarders

Trendsetters

Market

Performers

Terminals

Railway Undertakings

Supporters

Infrastructure Managers

Kick-off to...

Business opportunities?
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The Corridor On- and Offline
...we invite you to visit:

- Our **Website** for general information:
  
  [www.scanmedfreight.eu](http://www.scanmedfreight.eu)

- Our interactive map on the **Customer Information Platform** for more detailed overview:
  

(*) No username or password needed – access by clicking on „customer login”

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