

Intermodal Forum „Rastatt: never again“

“We need to redesign the role of rail as partner of the supply chain”

Düsseldorf, 6.12.2017 Europe's intermodal community met in Düsseldorf for an open discussion on how to make rail more stable and sustainable. Triggered by the Rastatt crisis, speakers identified strategies and priority actions to overcome today's weaknesses of the rail freight system. Contingency plans with back-up routings, improved international traffic management, and a clear responsibility of infrastructure managers as part of the supply chain are crucial factors for the future of rail freight transportation.

The Rastatt crisis of summer 2017 brought the community of intermodal logistics together for a cross-sector summit. More than 200 representatives from industry, transport companies, intermodal operators, terminals, railway undertakings, infrastructure managers and transport ministries attended the Forum organised by the Swiss intermodal operator Hupac in Düsseldorf on 6 December 2017. The aim was to resume the learnings of the Rastatt crisis, and to enhance the overall rail system beyond the Rastatt incident. “We need to take this opportunity to tackle some well-known deficiencies in order to improve market conditions and promote modal shift”, said Bernhard Kunz, CEO of Hupac.

The breakdown of 150 meters of tracks in Rastatt in August 2017 and the subsequent closure of the Rhine Valley line for seven weeks led to the biggest rail logistics crisis ever experienced in Europe. While rail diversions via Germany, France and Austria covered only 1/3 of the demand, alternative transport modes such as the road and the Rhine were quickly overloaded and could not offer sufficient capacity. As a result, supply chains were at risk, and in some cases even production stops occurred.

“Intermodal logistics is based on the perfect integration of a multitude of production factors”, Kunz explained. The breakdown of a crucial element such as the rail infrastructure had devastating effects that escalated along the value chain and impacted the market on a vast scale. During the Rastatt disruption:

- loading equipment ran short because the units were tied up in the north-south pipeline;
- terminals stopped acceptance because of backlogs of train departures;
- railcars and locos were not available because they were waiting for alternative routings;
- engine drivers were insufficient because detours absorbed up to 2-3 times more resources.

Keynote speaker **Michail Stahlhut, CEO of SBB Cargo International**, declared the Rastatt disaster as an opportunity to switch “from survival into change mode”. Rastatt has proved the need for a consistent international infrastructure management from a single source, for day-by-day operations, as well as for any incidents that may occur. Infrastructure capacity needs to be secured to 100% in case of planned track works and to 80% in case of disruptions. The improvement of interoperability throughout Europe is the basic requirement for sustainable rail freight services.

Punctuality and reliability are pre-requisites for further growth of intermodal transport. “The Rastatt disruption puts a question mark on the intermodal strategy and calls for tangible counter measures”, explained **Joep Brekelmans, senior manager sourcing and contracting of Sabic** in his keynote speech.

The forum gave the floor to representatives from all partners of the intermodal value chain. **Stephan Haass from Procter & Gamble** highlighted the interest to increase the company's intermodal spending, but has called out the need of reliability of the railway system. True end-to-end supply chain services are needed, and this requires improved railway infrastructure as well as a European network management “like a well-run company based on an entrepreneurial way of operating”. **Thorsten Dieter from DB Cargo** agreed on this

point: "We need to think broader and to enhance the corridor thinking, going beyond today's corridor definition".

Wim Blomme from P&O Ferrymasters called for more agility and a problem-solving attitude. "Where are the contingency plans of rail, where is the agility required to support the supply chain at all times?" DB Netz should take up the responsibility and compensate the rail industry for the huge damage caused by the Rastatt disruption. Blomme: "When incidents happen, the persons responsible should not shy away of assuming their responsibility so that confidence can be restored".

Hans-Jörg Bertschi, president of Hupac, called for investments in redundancies. The left-Rhine "missing piece" between Lauterbourg and Strassbourg" needs to be upgraded with double track and electrification in order to substitute the German line in case of need. A bonus/malus system should attribute responsibility to infrastructure managers for their service quality. "All partners of the supply chain assume responsibility for their service. We need to redesign the role of infrastructure managers if we want to make real progress for the future of intermodal logistics".

Barbara Hoyer from BASF confirmed that intermodal is one of the strategic pillars of the transport strategy of BASF. However, service providers are expected to assure the reliable delivery on the promised date, and to proactively and timely inform about the location of the goods, especially when there are risks of delays. Hoyer stressed, that beyond reliable and intelligent track and trace systems, digitalization also needs to find its way to the field of autonomously driven trains, a field where road is quickly catching up.

Peter Füglistaler, director of Swiss Federal Office of Transport (CH), strongly supported a truly European approach to rail freight transportation. The economic impacts of disruptions trespass national and corporate spheres of infrastructure managers and need to be coordinated internationally with all affected stakeholders. Transport Ministries should focus their investments on rail freight capacity and technical harmonisation and pursue an effective international coordination.

The most anticipated speaker of the forum was **Frank Sennhenn, CEO of DB Netz**. He acknowledged that the line disruption in Rastatt has challenged the entire sector both organisationally and economically and expressed his regret for this. He assured that DB Netz will draw the conclusions from Rastatt and promote measures for improvements across the rail freight sector. Stakeholders claimed a faster incident management on international level. They requested better framework conditions for flexible rail freight productions making it easier to prepare for international reroutings. In future, incidents like Rastatt must be handled according to an international contingency concept off the shelf, including a team of national incident managers, predefined re-routings, fast capacity allocation and pre-arranged mitigation measures such as diesel locomotives or interpreter service. Sennhenn: "The whole sector has to double its efforts to make rail freight more flexible in daily business and especially during incidents". Language barriers have to be overcome, braking rules, access to route knowledge and other interoperability topics need to be simplified and harmonised, and European infrastructure parameters must be aligned to allow easier re-routings. "Rastatt is an opportunity, and we invite all stakeholders to join us on this journey", he concluded.

Swiss Infrastructure Management representative Rudolf Büchi confirmed that a number of measures are already on the go, based on the Memorandum of Understanding signed in June 2017 by the infrastructure managers of Corridor Rhine-Alpine and an additional agreement between SBB and DB Netz regarding capacity increase, timetable and construction site coordination, operations and crisis management. "We are performing the Rastatt follow-up together with DB Netz as a tangible example of close international cooperation", Büchi explained. "We are happy to improve international crisis management together with our

neighbours on the basis of our experience. And as a multilingual country we have some experience in effective language management, with bilingual operations in the new Gotthard base tunnel". As of 2018, SBB will extend its punctuality measurements beyond national borders and include also cross-border operations. Büchi: "If our customers run cross-border trains, our service and performance measurement must follow and support them."

In his closing words, Bernhard Kunz welcomed the constructive discussions. "Hupac believes in the future of intermodal transport and invests in resources, processes and digitalisation", he said. "We'll follow the after-Rastatt process closely, and we expect to give a feedback to the market in the occasion of our General Assembly Meeting on 1.6.2018 in Zürich."

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