



ECG' contribution towards discussion forum entitled: "Mobility in the EU – what place for rail"

The growing demand for transport capacity in Europe and the desire to reduce costs has renewed a focus on rail as a viable transport mode. The expanding EU and new factories in Eastern Europe mean a big increase of transport distances, which should benefit the use of rail.

ECG perceives a number of improvements with the use of rail:

- Rail transport can demonstrate lower costs and high volumes (a bloc train is equivalent in capacity to 20 to 25 trucks).
- Rail can provide a good quality of service on a point-to-point move
- Another advantage is rail's ability to forecast scheduling. The train is supposed to depart on time and at the same time regularly. A good example of rail route that works could be a rail route to and from Kolin in the Czech Republic to Zeebrugge, which is a shuttle train of closed wagons. The service began in May and ships an estimated 60000 vehicles annually.
- Greater distance covered: rail has become more competitive with short sea due to the fuel increase for short sea.
- Good lead time for dedicated block trains or programmed shuttles.
- Shipping by rail reduces road congestion, which improves environmental quality and can improve logistics efficiency

However there is still a number of problems with the use of rail. To name a few:

- The low flexibility: due to minimum volume requirements and scheduling restrictions. If there is a sudden peak in volume, it is easy to increase the number of trucks. Rail, on the other hand has fixed slots and time schedule.
- Damages to the vehicles being transported
- Old wagons and lack of closed wagons
- Lacking stability – capacity problems such as broken down wagons – cause delays. Countermeasures such as trucks have to be introduced and this increases cost. Also if the train is late, it means that 16-20 wagons are late (when a truck is late it is only one). And when a train is late, it is by 5 to 10 hours, because if it misses a corridor it must wait.
- Lack of traceability in the European network
- Lead time failures, partly as a result of transport of persons given the priority. However some members use private tractions, which are more reliable and efficient (e.g. Mulhouse – Parme route is covered within 5 rather than 10 days) compared to public railway companies.
- For cost of financing investments in locomotives and wagons, there is no level playing field between private traction providers and (former) public traction providers. The latter still benefit from the AAA bank credibility status through their connection to the State they (used to) belong to.

All the areas mentioned above need to be improved if rail is to become an efficient and commonly used mode of transport by finished vehicle providers.

ECG welcomes the progress made on the liberalisation of railway services so far (railway packages), however it notes that more change is needed in order to arrive at the Commission's intention from White Paper to gradually create "a network of railway lines (...) dedicated exclusively to goods services so that, commercially, railway companies attach as much importance to goods as to passengers". The task of **liberalisation and harmonisation of European rail system is essential**. Currently each European country is characterised by specific problems, which prevent the European rail system from being efficient. The Italian rail system is in general very disorganised, Spanish tracks are of different size. In France trains are late due to lack of drivers, since passenger traffic takes priority. In UK the rail gauges envelope is good only for small cars. Therefore in UK it is still most cost effective to use trucks. These are just a few examples to be named. There is also a particular need for harmonisation of signalisation.

More important than new good legislation on liberalization and harmonization of European rail system, however is **the implementation of the existing legislation**. Countries that do not implement the required legislation should be held accountable. The Commission has an essential role to play in this field.

In ECG's opinion the necessary improvement of the rail sector is one of the main conditions for intermodality to be realised.

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*Established in 1997 in Brussels, **ECG** represents more than **2/3rds of the European Finished Vehicle Logistics industry**. ECG Members operate in the field of outbound logistics for the Automotive sector, including quality control at the end of the assembly line, storage in special compounds, transport in all modalities – rail, road and sea – de-waxing, Pre-Delivery Inspections (PDI), customising, workshop activities and the refurbishing of former fleet vehicles.*

ECG** has more than **70 members** from **23 countries**, which last year recorded an aggregated turnover in excess of **11.5 billion Euros**. Members operate about **43 million cars movements** per year with **over 44,000 direct employees**. In terms of equipment, the **ECG members operate 16,000 trucks, 12,000 rail wagons, 166 ships; 32 river barges; 315 compounds; 106 port terminals; more than 64 million square meters of Car parks; about one million square meters of workshops.