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THE ROLE OF RAILWAYS IN THE PROMOTION OF COMBINED TRANSPORT

Possible solutions to overcome problems and best practices

**Transmitted by the International Union of combined
Road-Rail transport companies (UIRR)**

Note: The UN/ECE secretariat reproduces below the information received from the UIRR entitled “A Quality Strategy for Combined Transport - Management Summary”.

The complete version of the final report “Developing a Quality Strategy for Combined Transport” is available in English and can be downloaded from the UIRR website (<http://www.uirr.com/english/english.htm>).

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A QUALITY STRATEGY FOR COMBINED TRANSPORT

The Beginning of a Transformation

1. The UIRR and the European Commission have jointly embarked on a project beginning in the autumn of 1999 and reaching its conclusions in the autumn of the year 2000, which seeks to give direction for the improvement of the quality of combined transport (CT) in Europe.
2. The immediate trigger for starting the project, funded through the PACT facility, was the rather dramatic downturn in combined transport quality in 1997 and 1998, and continuing in 1999 when systematic quality measurement by the UIRR was begun, based on data from its members in co-operation with the railways.
3. *It appears that the major cause of this quality deterioration was the rail component of the combined transport product and that this was probably somewhat compounded by the various weaknesses in the interaction between the national railways and the combined transport operators and their customers, the logistic service providers.*
4. In the early months of the year 2000 the quality problems have continued, and have lent urgency to the resolution of key issues as outlined in these findings.
 - (a) *Strategic structural issues* that should be addressed in the political arena, focusing on liberalisation and privatisation and the introduction of more competition in the railway industry.
 - (b) *Institutional problems*, requiring substantial investments by the railway operators but also requiring fundamental analysis of key issues including:
 - (i) Examination of the relationships between railway operators, UIRR members and the logistic service providers (LSP's) and inherent conflicts of interest therein, as well as the development of more stringent performance regimes.
 - (ii) Investigation into product industrialisation and innovation possibilities as well as examination of new approaches more akin to the "integrator" model.

(c) *Issues relating to operating processes and procedures covering both commercial and operational aspects of the entire combined transport chain.*

5. It is clear that progress is required on all three levels of the industry, and that constructive initiatives sponsored by the EU PACT programme are indeed under way, but also that more of such progress is urgently needed.

6. These findings provide the background to these issues, focusing most strongly on the short term operating processes and procedures as these are the items that UIRR members and their counterparts can influence most directly and immediately.

7. That does not diminish the fact that the need for progress on the long- and medium- term issues of liberalisation and institutional development is urgent, and indeed key to the prospect of improving quality, without which the situation will not be ameliorated.

8. *If the goals of the European Commission are to be achieved, in strengthening combined transport for the sake of both road traffic congestion relief and environmental relief, the quality of combined transport must be addressed.*

9. The cost of *not* addressing these issues is substantial, not only in the sense of the stated goals, but also in economic terms. At a time when economic growth is strong the demand for combined transport should be and indeed is very strong, but the combined transport value proposition simply cannot answer the demand, neither in qualitative nor in quantitative terms.

10. *At hand is an opportunity to bring combined transport back to the forefront of the logistics formula, but to achieve this will take tremendous efforts in the directions outlined herein.*

11. These efforts – as focused on the short term operating processes and procedures – revolve around the commercial and operational issues identified during the course of this investigation:

(a) *Improved planning procedures between UIRR members and the railway operators, using service request templates and joint, phased planning procedures.*

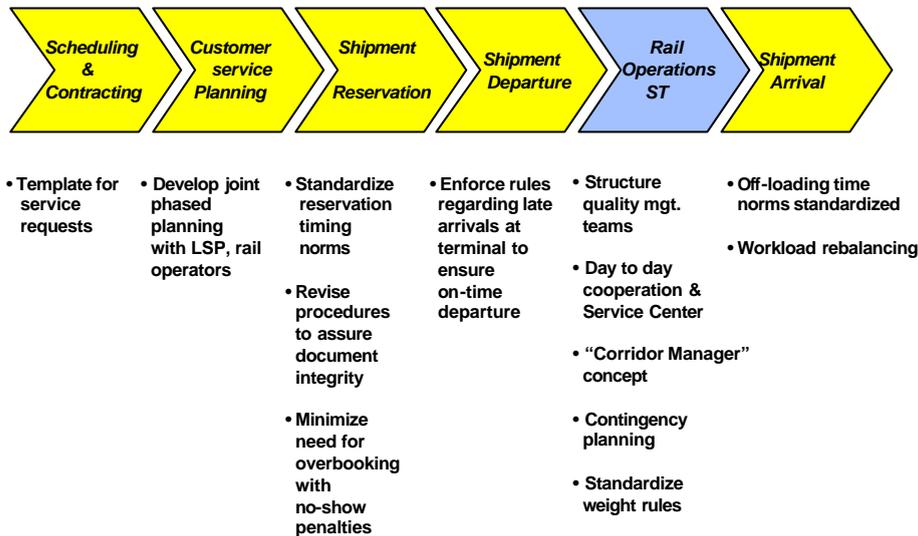
(b) *Clear and common booking rules and procedures to address timing norms, overbooking and late acceptance issues.*

- (c) *Enforcement of existing procedures in accepting late arrivals so as to avoid late departure of trains and revised procedures to assure document integrity.*
- (d) *Establishment of corridor quality teams and corridor service centres, using best practice problem resolution approaches as demonstrated by the parties themselves, particularly on the Brenner Pass, but also at Modane, at Port Bou/Cerbere, and at Irun/Hendaye border crossings.*
- (e) *Appointing a lead carrier as corridor manager on each corridor so as to provide a clear and accountable interface to the UIRR members.*
- (f) *Development of back up and contingency operations plans, so as to be prepared for inevitable service breakdowns.*
- (g) *Redefinition of technical standards such as weights and rounding off rules so as to avoid off-loadings and unnecessary disputes.*
- (h) *Rebalancing workload across the system throughout the day to reduce peak loads.*

12. These major recommendations are outlined herein and require a follow up over the next year, dovetailing with the institutional and structural developments to be achieved concurrently.

Fig 1: Operating Procedures Improvements

In the short term, operating procedures can significantly improve quality as a basis for medium and long term strategic repositioning



13. Such is the nature of any quality program or strategy, that it must become an aspect of daily life, to be engrained on all staff and processes over time. These findings are therefore not to be seen as a final report, but rather as a starting point for achieving a significant opportunity in a dynamic logistics environment in which combined transport can and should play a leading role.

14. We would hope that the UIRR would be enabled to continue to play a strong role in furthering these processes.

- (a) On the political front continue developing momentum toward privatisation, liberalisation and increased competition.
- (b) Form working groups around institutional development issues and formulate concrete projects to further their resolution.
- (c) Provide structural support for ongoing and new quality management groups to deal with each of the issues we have identified here and continue to further this insight and work on the implementation of solutions as we have suggested them here, as well as other approaches to be identified.

15. We have seen the value of sharing the information across parties, but also note that a lot of knowledge is not being shared. We have seen a lot of initiatives, but also a lot of frustrations in the process of learning to work together to address these issues. We have indeed seen tremendous value in the statistics the UIRR is collecting but also gaps in structural data on terminals, infrastructure capacity and bottlenecks.

16. We would advise this effort be further strengthened by a number of actions and steps:

- (a) Create a web-supported learning structure in which parties can deposit information regarding statistics, evolving problems and issues and best practices using the frameworks developed in this process thus far.
- (b) Create a database of routes, terminals and their capacity, peak loads and bottlenecks so that these can be seen in advance and anticipated.

17. Finally, we would urge an understanding of the professional frustration staff on the ground feel daily as they are asked to again commit themselves to these quality efforts on top of their daily operations, knowing that in the face of lack of progress on the political and investment side, a lot of their effort will be ineffective. They deserve our support in the difficult task of making the combined transport product reach its full potential across Europe.
