

VTG AG POLICY BRIEF

„MAKE RAIL EASY“: WHY RAIL FREIGHT TRANSPORT HAS TO BE MORE FLEXIBLE

Dear Sir or Madam,

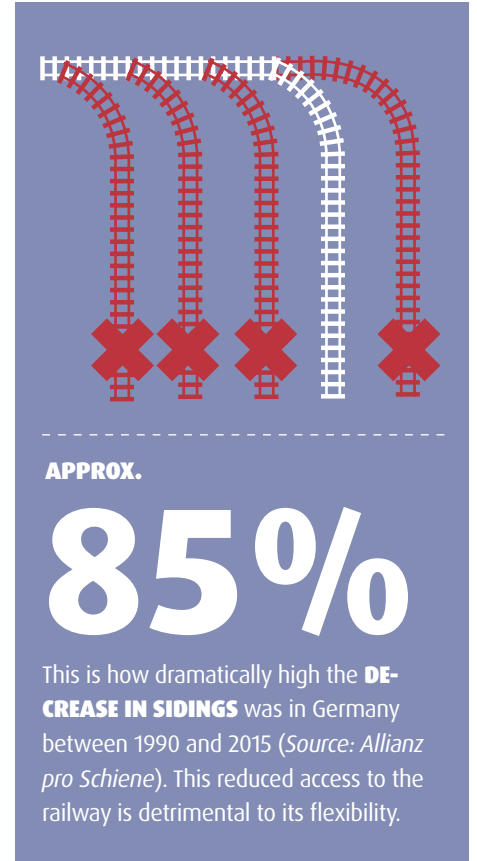
The desire to transport more goods via rail – the most environmentally friendly option – is now largely a matter of consensus. However, some measures still need to be taken before this can really work. A pivotal point is that rail freight transportation must become more flexible. Only then can it enter seamlessly into modern logistics chains and be recognized as an attractive alternative to road haulage. This edition of our policy brief is dedicated to demonstrating precisely how rail flexibility can be enhanced. From our point of view, the most important factors are infrastructure expansion, the strengthening of single wagon traffic associated with this and the creation of digital platforms. The industry is working flat out on these issues yet, in some areas, progress cannot be made without the support of policy makers, for example because of the



applicable regulatory framework. We can achieve so much more if we join forces – so let’s all work together and play our parts in improving rail. Let’s make rail easy!

I hope that you find the brief to be an interesting and stimulating read.

Dr. Heiko Fischer
Chairman of the Executive Board



IMPROVED SINGLE WAGON TRAFFIC, ALSO FOR CARRYING SMALLER LOADS

TRANSPORTING SMALLER UNITS BY RAIL

Today, transportation is mainly carried out by rail as a long-term arrangement for larger quantities. However, in order to gain market share, rail must also be an attractive option for smaller consignments. The solution is to improve single wagon transport, which has come under considerable pressure in the past. One of the main reasons for this is the **MASSIVE DECREASE IN THE NUMBER OF SIDINGS**.

DRASTIC DECREASE IN SIDINGS

Only those who have direct access to the rail infrastructure also consider transporting goods on it. Yet, this is becoming increasingly rare in Germany. Since 1997, the number of sidings, which the Federal Network Agency estimated in 2015 can still be used by the freight industry, has fallen from around 11,000 to just 1,600.

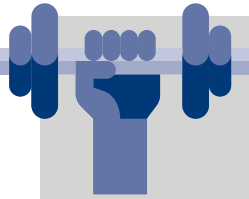
A DEVELOPMENT THAT COULD PROVE FATAL!

IMPROVE CONNECTIONS TO INFRASTRUCTURE

What needs to be done to improve access to rail infrastructure for the freight industry? It must be just as easy to transport goods by rail as it is by truck. To achieve this, **SUPPORT FOR SIDINGS** must be simplified and the costs for companies must be lowered. In addition – as is unfortunately often the case in rail freight transportation – both bureaucratic hurdles and the necessary documentation need to be reduced.

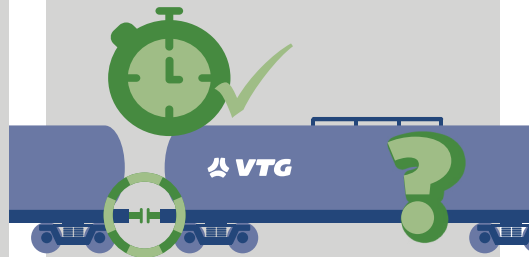
ON THE FAST TRACK: DIGITAL, AUTOMATIC CENTRAL BUFFER COUPLING

The closed rail transport system poses special challenges. In contrast to road transportation, process optimizations or technical innovations cannot be introduced in isolation, rather they must always be compatible with existing systems. One operator alone can, therefore, often not react flexibly to requirements – and the potential for improvement is great, as the example of digital, automatic central buffer coupling (DAC) demonstrates.



To achieve greater flexibility in rail freight transport, trains must be assembled and dispatched faster and more cost-effectively than ever before. Today, this is still very hard physical work: a conventional coupling unit weighs several kilos. Depending on the train length, shunting personnel have to move this weight up to 40 times by hand – per train!

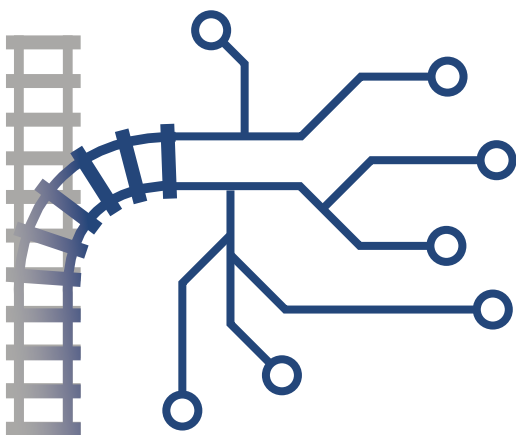
DAC allows trains to be put together automatically and, in turn, significantly faster. So, why hasn't this been introduced sooner? There are many reasons.



The DAC must be compatible with standard models, or else there could be chaos. Moreover, its introduction will result in considerable costs for wagon keepers, where shippers and railway undertakings will benefit. **HERE, POLICY MAKERS CAN ACCELERATE THIS INTRODUCTION BY MEANS OF TARGETED SUPPORT AND REGULATION.**



FREIGHT CARS TO GO: DIGITAL SOLUTIONS FOR MORE FLEXIBILITY IN RAIL FREIGHT TRANSPORT



Are the railways completely analog? Far from it! Digitalization has enormous potential, and digital technologies are becoming more and more popular on the railways. This, not least, increases flexibility. An example of this is our VTG FastTrack service. We offer “freight cars to go” at the ports of Hamburg and Rotterdam – using an online booking platform, customers can book a block train with container wagons at any time. This means that freight can now be transported to and from the ports at short notice. In the past, this was hardly possible – almost without exception, such consignments were transported by road. With FastTrack, containers can now be loaded from ship to rail without lengthy lead times.

This is a good example of how digitalization optimizes how modes of transport interact with each other. Digital concepts are of great importance in the development of multi-modal transport solutions that ideally combine all the advantages of varying methods of transport – an absolute necessity for sustainable supply chains.

CONTACTING VTG

We would like to engage in active dialog with you! Please feel free to contact us with all of your rail freight transport-related questions and queries. We would be delighted to assist you and provide you with any facts, figures and estimates you may require.

YOUR CONTACT

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