

# VTG AG POLICY BRIEF

April 2019

## FUTURE SOLUTIONS FOR THE RAILWAY: MASTERING CHANGES IN TRANSPORTATION AND MOBILITY

Dear Sir or Madam,

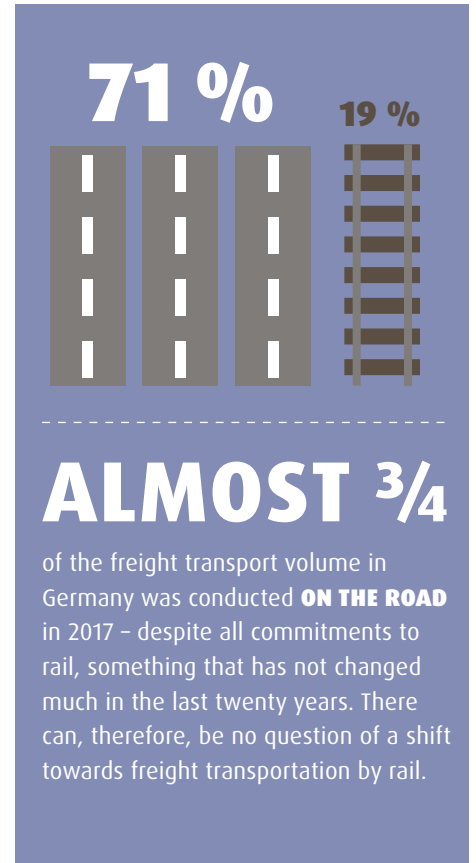
Successfully achieving change in transport patterns is currently high on the political agenda. The main focus is on reducing CO<sub>2</sub> emissions, as well as making mobility and logistics viable for the future – for the environment, society and Germany. Rail, as the green mode of transport, has a key role to play in this context, as a successful transport and energy sector can only be achieved with a strong rail system. In this policy brief, you can read about how we at VTG can make rail freight transport fit for the future and the contribution the political sector can make to developing rail into a genuine transport alternative for business and industry. I would also like to point you towards our corresponding position paper about the rail freight



transportation of the future. You can find it at [www.vtg.de/politik](http://www.vtg.de/politik).

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

Dr. Heiko Fischer  
Chairman of the Executive Board



## RAIL 4.0: VTG INVESTS IN FUTURE TECHNOLOGIES

VTG AG is innovative, digital and environmentally friendly, and we are investing in rail to increase its performance even more.

**BY 2020, AROUND 1.2 BILLION EUROS WILL HAVE BEEN CHANNLED INTO FUTURE TECHNOLOGIES AND THE FURTHER DEVELOPMENT OF RAIL.**

Our customers can know, even now, where their goods are at any time thanks to the **TELEMATIC MODULES ON WAGONS**. Scheduling is much more precise – this speeds up logistics processes and makes the use of infrastructure more efficient.

Incidents on the line are also automatically reported, so that we can **RECOGNIZE AND RECTIFY ANY DAMAGE** immediately and avoid placing needless burden on the limited infrastructure.

As part of the German Federal Ministry of Transport and Digital Infrastructure (BMVI) **“INNOVATIVE FREIGHT WAGONS”** project, we are testing next generation components to ensure **MORE ENERGY EFFICIENCY AND ECONOMIC VIABILITY**. The **DIGITAL BRAKE DISPLAY** saves about half an hour of handling time per train – a true advantage for our customers.

We have brought **LNG AND HYDROGEN TO RAIL** – we are, as yet, the first and, to date, only company to invest in the appropriate wagons for transporting these materials. This is not just more environmentally friendly, it is also **40 TIMES SAFER THAN TRANSPORT BY TRUCK**.

## DESPITE SIGNIFICANT PROGRESS, RAIL IS STILL THE FORGOTTEN CHILD IN TRANSPORT POLICY

Rail is consistently friendly to the climate and the environment. For example, rail freight emits 80% less CO<sub>2</sub> emissions than road transport. A good reason to support the railway! The Rail Freight Master Plan sets out many important and correct procedures – but in reality, the rail freight transport of 2019 is still subject to a disproportionate number of heavy loads compared to road transport.

### AILING INFRASTRUCTURE



The rail infrastructure is still in need of major renovation.

At the same time, there is a lack of a comprehensive network for trains 740 meters in length and, in the long term, of separate corridors for freight traffic. This is a significant reason for increasing rail transport capacity.

### HIGH COSTS



At the end of 2018, the Federal Government announced a reduction in track

access prices – which is a good thing, but this is just the first step because, while e-mobility on the road is being hugely promoted, freight trains are subject to additional charges as a result of the EEG levy – a decisive competitive disadvantage for the rail sector.

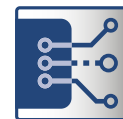
### COMPLICATED REGULATORY SYSTEMS



English is the lingua franca in aviation, but no-one expects

truck drivers to speak it. This is not the case for rail freight transport: locomotive drivers have to be proficient in the respective local languages on cross-border journeys. Even safety regulations are not uniform throughout Europe. This is paradoxical and makes rail freight traffic unnecessarily complicated.

### EXPANDABLE DIGITIZATION



The rail infrastructure is a complex and highly regulated system. Innovations

can only be introduced by certain players and the process is a complicated one, yet the potential of digital technologies is enormous. For instance: if the restricted route network were used more efficiently, the comprehensive introduction of digital technologies would allow trains to run more frequently.

## MODERN INFRASTRUCTURE, DIGITAL TECHNOLOGIES AND LOW COSTS FOR THE RAIL OF TOMORROW

We are convinced that **RAIL IS ONE OF THE CORNERSTONES OF SUSTAINABLE, FUTURE-ORIENTED LOGISTICS.**

However, exploiting the full potential of this “green” mode of transport requires targeted development of the framework conditions. We therefore request that, inter alia, the Federal Government implements the following measures:

**INVEST IN INFRASTRUCTURE:** Continue to promote the construction and maintenance of new sidings and build additional corridors.

**DRIVE DIGITAL TECHNOLOGIES:** Actively promote the blanket introduction of ETCS, the Europe-wide train control system, and other future technologies by investing in projects.

**REDUCE CHARGES:** Fundamentally revise the track access pricing system and make rail freight traffic exempt from the EEG levy.

**STANDARDIZE FRAMEWORK CONDITIONS ACROSS EUROPE:** Introduce a common transportation language and electronic transport documents to make rail an attractive transport alternative.

## 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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