

ONline

The newsletter of VTG RAIL UK LTD 

The VTG Rail UK Ltd newsletter to keep you informed and on the move.

Written and published by VTG Rail UK Ltd .

NEW VTG-LAFARGE CONTRACT

A ground breaking 12-year wagon hire contract has been signed between VTG Rail and Lafarge Cement UK.



Computer generated image of the new wagon

The deal between the two companies covers the supply and maintenance of a newly built fleet of 48 aluminium-bodied vehicles. The vehicles are being added to Lafarge's existing 317-strong fleet to supply increasing volumes of cement from the company's plant at Hope in Derbyshire to the South East, the UK's biggest building materials market

Lafarge Cement UK, which moves more than one million tonnes of cement by rail a year, has traditionally bought rather than hired its wagon fleet. In this instance it felt that VTG's strong tradition of customer service coupled with wagon ownership expertise was the best solution to their long-term requirements.

Mike Cowell, Lafarge Cement UK's supply and distribution director, said: "This latest deal marks a continuation of our proud heritage of using rail for cement distribution. These new wagons mark a step

change in the rolling stock technology deployed on our operations and are critical to keeping our customers in the key South East market supplied with cement. We look forward to working with VTG."

Situated in the UK's first designated National Park, Lafarge's Hope Works is in a beautiful and environmentally sensitive part of the country. Lafarge works to continuously improve the environmental performance of its operations. The latest rail development scheme is part of this work and represents an investment of some £14 million.

Ian Shaw, VTG's Bulk Fleet Manager comments: "Cement is an essential, but usually unnoticed material - an average of 6 tonnes is used in the building of a single house. But making sure the product is transported in an environmentally sensitive way is essential. Over long distances, such as from Hope to the South East, rail really comes into its own. Each train of these new wagons will take 57 lorry journeys off the local roads and the major North-South trunk roads. We are pleased to be helping Lafarge to transport increasing volumes of cement in an environmentally responsible manner."

Currently being built by Feldbinder Spezialfahrzeugwerke GmbH at Wittenberg, Germany, each wagon has a maximum 80 tonne payload and will feature the Lafarge logo and the familiar 'Blue Circle' brand name.

The wagons will have dual pressure and gravity discharge capability and will be fitted with 'track friendly' bogies. An innovative aluminium body construction has been utilised to minimise weight and improve load capacity.

MURCO'S NEW EFFICIENT WAGONS

Twenty-five years of continuous wagon development deliver greater logistical efficiency for Murco.

Murco have recently begun operating new 102 tonne petroleum wagons. The new fleet of 23 wagons runs from their refinery in Milford Haven to their terminals at Westerleigh near Bristol and Theale near Reading and replaces older 90 tonne wagons.

Paul Lugg VTG's Tank Fleet Manager explains, "The wagons are the culmination of twenty years of design evolution, development and improvement of the old 90 tonne wagons."

The new wagons are 102 tonne and are capable of carrying a payload of 76 tonnes or, in capacity terms, 102 cubic metres. The tare weight is 26 tonnes. They are fitted with TF 25 'track friendly' bogies. Murco's Operations Manager, Steve Nicholls, says, "We are pleased with the new design. They provide a significant improvement in logistic efficiency as every wagon, on every train journey, now carries an extra 12 tonnes."

The fleet is totally flexible and is capable of carrying the whole range of petroleum products including diesel, motor spirit, heating oils, gas oil and aviation kerosene.



One of the new wagons at the Swindnica plant

The new wagons are being built by US company Greenbrier Ltd at their Swindnica plant near Krakow in one of the EU's newest member countries, Poland.

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FREIGHT WAGONS: TO OWN OR HIRE?

With burgeoning legislation and increasing regulative complexity, the business case to hire, rather than own rail freight wagons, is firmly on the agenda. Ian Shaw, VTG's Bulk Fleet Manager, explains why.



You'd expect me to say that there are many benefits to be gained by hiring wagons, wouldn't you? But setting aside my obvious vested interest, the business case for hiring, rather than owning, deserves close examination.

Currently in the UK there are in excess of two thousand rail freight wagons that are privately owned by around twenty "end user" companies (not counting those owned by specialist wagon hirers like VTG and the Freight Operating Companies), all of whom benefit from the

advantage of moving bulk products and raw material economically by rail. These businesses are mainly in the aggregate, steel, petroleum, construction and waste management sectors.

A recent example illustrates the potential advantages of hiring versus owning. VTG agreed to purchase the wagon fleet of a major UK steel manufacturer and immediately hire it back to them with no interruption in service.

As an integral part of the purchase agreement, VTG made a significant investment in the wagons, utilising its technical expertise and experience to achieve improved performance and appearance, resulting in a more efficient service and improved corporate image for their customer. The client immediately benefited by allowing specialists to own and manage their rail wagon fleet. It left them free to concentrate on their core business, the production of steel for the UK and world markets. In fact, the customer has been so pleased with the operation of this new arrangement, he is now looking to increase the size of the VTG owned fleet by a further 60%.

So exactly what are the benefits? To begin with, the onerous responsibilities for wagon condition, maintenance, repairs,

legal status, regulatory compliance and insurance all now rest with the hiring company.

Importantly, hiring wagons from a third party owner such as VTG, places the customer in the advantageous position of being able to negotiate favourable haulage deals in the increasingly competitive FOC marketplace whilst securing continuous, uninterrupted use of the right wagons for their business.

There are also other direct financial advantages. Hiring can mean that for budgeting purposes there is the certainty of costs, with variations being handled by the hiring company. Additionally, the customer is able to tailor the length of the wagon hire contact to suit his business needs, with investment costs and obsolescence risks being absorbed by the hiring company.

Hiring also provides a degree of operational flexibility to help cope with inevitable business fluctuations. Often we can provide additional or substitute wagons to facilitate increased production volumes or cover for those which have become incapacitated. Overall the case for hiring is, I hope you'll agree, compelling.

CPR TANK CAR: THE NEW SAFETY STANDARD

VTG has helped to design a Crash Protected Rail tank car (CPR) with a host of new features that improve the safety of hazardous goods transport services.

The rail tank car is fitted with special buffers with additional deformation elements for protecting the wagon up to approximately 35-km/h impact speeds. These prevent structural damage to the tank and under frame in an accident. The crash buffers can be quickly exchanged and are easy to recondition.

The unit also features protective shields and buffer over rider on both ends of the tank acting as a crumple zone and protecting the tank head from perforation in the event of over buffering and overriding. Design improvements on the manhole provide added protection against leakage if the vehicle overturns or rolls over. The additional optional safety elements increase the tare weight by only approximately 1.2t.

In terms of design and technology, the CPR tank car is optimal for cross-border transport services on the European standard gauge network. The CPR wagons successfully passed their first practical test in an accident in Sweden last year. This occurred when the CPR train, carrying chlorine, was directed on to a sidetrack to allow a passenger train to pass. The locomotive and the following four wagons derailed after overshooting a buffer at a speed of 45 km/h. According to the investigative report, the accident was caused mainly by the incorrect adjustment of the brakes by the railway involved.

The protective elements that VTG helped design prevented product leakage from the derailed wagons, some of which turned over. The special buffers reduced the impact energy as envisaged, and the protective shield prevented damage to the tank.

With this concept, VTG is making another important contribution to optimising the safety of hazardous goods transport services by rail, minimising risks to human health and the environment.



The Swedish crash site. There was no leakage from the CPR wagons.

MENDIP RAIL'S BULK AGGREGATE FLEET

New wagons help London's construction boom.



A fleet of 57 Mendip Rail bulk 102 tonne box wagons is helping to keep London on the move by hauling millions of tonnes of aggregate to Local Distribution Centres across the capital for major construction projects

Formerly in bulk ballast service for over five years with Network Rail, the wagons have undergone a 'facelift' at Marcroft Engineering Ltd's works at Stoke on Trent. As Mendip Rail haul energy efficient long trains, new modifications have included twin piping for the brake system, to provide the required enhanced braking performance.

Capable of moving payloads of 77 tonnes each, the wagons have also been fitted with 'Sweep Out' doors. These allow

personnel access so wagons can be thoroughly cleaned, maintaining quality by preventing cross contamination when products are changed.

Ian Shaw, VTG's Bulk Fleet Manager is happy with the results. "By working closely with our clients we have not only 'recycled' a fleet of wagons but delivered an even better service." The better service includes train speeds of 60 mph rather than the 45 mph permitted by the previous wagons, thereby giving greater access to a greater number of increasingly rare train 'paths'. 'There is also improved operational flexibility as screw couplings, on both ends of all wagons, allow easier train marshalling and removal of individual wagons for maintenance.

ADVANCED CONTAINER TRANSPORT SYSTEM

The intermodal **Advanced Container Transport System (ACTS)**® is a road-rail-road transportation system with unique transfer technology. The system is set to revolutionise the loading and unloading of containers on railway wagons and cut the time and cost of this form of freight transportation.

Long distance transportation of large loads is more economically carried out by rail, whereas road transport is more efficient in door-to-door delivery. This new totally integrated system combines the advantages of both.

The system utilises a unique one turn movement to enable one person to transfer a full container on and off a railway wagon - without having to use a crane or a loading platform - in just a fraction of the time usually associated with such a task, and without any of the associated permanent infrastructure requirement or cost.

The container is first loaded at the point of despatch. Relevant containers are available for the transport of all kinds of material. After the container is loaded a truck fitted with a standard hook-lift or chain-lift system transports the container to the nearest rail loading point, which can be nothing more than a siding with adjacent hard standing. There the containers are transferred by a simple operation to **ACTS**® wagons ready for long distance transportation.

For an explanatory CD please contact Ian Shaw on ian.shaw@vtg.com

BLIZZARD OF NEW RULES CHANGES RAIL CLIMATE

This year heralds the implementation of new regulations designed to make railways more competitive throughout the EU. They also encompass OTIF organisations in all 42 countries whose rail networks are either in, or, linked to Europe. John Jagger, MD and Chairman of the Private Wagon Federation, explains.



The EU Interoperability Directives were issued in 2002 for conventional freight interoperability. The 1996 High Speed Directive only applied to passenger transport. The concept behind both directives is that any competent organisation would be able to know what it had to do in order

to operate a train anywhere within the EU and be allowed to do so by the countries through which it wanted to travel. This concept of "open access" is fundamental to the principles of a common economic union and one well recognised within the UK, following rail privatisation in 1993, as bringing strong economic benefits

Bringing competition into the railfreight industry was difficult when the industry was controlled by the old British Rail. The rest of Europe is now facing the same problems as Brussels legislation tries to wrest power away from the huge state railways. This is particularly acute in France and Germany, as they have controlled technical as well as commercial issues in railfreight for many years.

The new rules will insist that all wagons have a certified Keeper, responsible for the correct manufacture and maintenance condition of the wagons in their care. All Keepers will have equal status and responsibility whether they are a railway undertaking / freight operator, a hiring company or shippers owning their own wagon fleet. The Keepers and their wagons will be registered and controlled by a National Safety Authority (the ORR in the UK). Keepers will have a contract of use with freight operating companies to ensure wagons handed over for operation are in good condition. The access agreements with the Infrastructure companies will be standardised and the communication systems for train operations will be controlled by Technical Standards for Interoperability (TSI's). These TSI's will also control wagon construction and maintenance. All Keepers and train operators will control safety through registered Safety Management Systems (SMS) and use registered workshop companies, all of which will be subject to independent audit by the National Safety Authority.

It will clearly be some years before all this takes full effect across Europe but the UK is the first EU country to implement the EU Directives into UK Law which came into effect on 1st October 2006. Simultaneously new safety

regulations for the UK came into force. Known as the Railway and other Guided Systems Regulations (ROGS) these replace the long standing safety case regulations and now allow safety control based on SMS whereby audit will be used to verify compliance rather than hosts of certification and detailed approval certificates.

In July 2006 new trading regulations came into force affecting 42 countries connected by rail within the OTIF economic area subject to the treaty signed in Vilnius in 1999. The rules are known as COTIF (Convention concerning International carriage by Rail) and also become UK law as we have signed the OTIF treaty. We, through the Private Wagon Federation, have been working hard to ensure the detailed COTIF regulations for accepting freight trains and wagons between the 42 member countries do line up with the new EU Interoperability rules.

All these new ways of working will take some time to operate effectively, but most players in the Industry consider the rules will be easier to work with and they should make railfreight more competitive. The road transport system has always enjoyed a much less bureaucratic regime than railfreight and we all hope these new rules will level the playing field between rail and road.

ISO 9001:2000 CONTINUED CERTIFICATION FOR VTG UK

Having recently conducted a stringent, multi stage re audit of VTG's Quality System, AJA Registrars have recommended continued certification for ISO 9001:2000 until 2009.



The audit followed 12 months focussed work to create and improve a QA Intranet. The system has been praised by staff and prompted A J A to note that VTG "maintain comprehensive and fully traceable records" and that "the mechanisms of monitoring repair contractors was of a detailed level and clearly demonstrated a high level of vigilance"

Nigel Day, VTG UK's Engineering Manager was congratulated by John Jagger for all the hard work he put into making the Company's QA system such a success.

Nigel Day receiving the certificate from David Spencer, Lead Auditor, AJA Registrars Ltd with John Jagger and Dave Ratcliffe VTG's Quality Consultant.

MORE BALLS PLEASE!

Nigel Day comments on the day's events.



The annual VTG UK Golf Day was held on 22nd June 2006 at Wychwood Park, Crewe, Cheshire on a typical English summer's day, cold and windy!

I was reliably informed the following morning that the course is classed as the 6th toughest in the country - even the most experienced golfers amongst our customers commented on how difficult it was-the loss of balls was considerable. We certainly left many VTG golf balls in the lakes and marshes of Wychwood Park!

A wide spectrum of our customers were invited to our golf day and participants included golfers from the oil, chemical and aggregate industries as well as freight operating companies.

The morning event was a 9 hole Texas Scramble that was won by the able team of John White (Freightliner), Gordon Cox (EWS), Paul McKeown (Axiom Rail) and Tony Meek (Air Liquide). The afternoon event was an 18 hole individual Stableford competition with a yellow ball team competition alongside. No one was surprised when no team returned with their yellow ball playing such a difficult course in windy weather.

Dinner followed with the presentation of prizes to the successful players. The main competition was won by Simon Blake of Aggregate Industries with 38 points, who confessed to playing "out of his skin" to make that score in such conditions. David Legge of EWS won second place with 32 points. Other prize winners were:

3rd Prize: David Israel - Freightliner
4th Prize: Tom Curry - EWS - Scotland
5th Prize: Alan Davies - BP Oil
Longest Drive - Paul Davies - VTG
Nearest the Pin - Matthias Grahl - VTG

For the first time VTG included two lady members of the VTG staff, Shirley Vizer and Jean Burgess. Whilst only having taken up golf recently did not let the side down on the day. They now understand just how dedicated the men have to be to look after our customers!



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STAFF PROFILE



Paul Davies, VTG's Financial Accountant, has always worked in the transportation industry. So it was a fairly easy transition when he joined the VTG team at Worcester from Marcroft Engineering Ltd in September 2005.

Paul, a born and bred 'Brummie', started his working life in the shipping industry employed as an invoicing clerk. Determined to improve his career prospects, Paul gained a degree in Business Studies at the University of Central England. It was achieved the 'hard way' by night school-two and three nights a week over a three-year period. Described, with typical understatement, as 'tough.'

Now, at VTG, Paul is enjoying the team atmosphere and busy with the day-to-day functions of his profession, managing all aspects of bookkeeping, preparing management reporting accounts and reporting packs. But underneath the calm, professional exterior there lies that grittier side.

Admitting to being very competitive at sport he comments, 'I always need to challenge myself and just hate losing.' A keen golfer with a respectable handicap of seventeen. So - customers, suppliers and colleagues -take note! He adds, reassuringly, "I don't consider business as a competitive sport! - it's more serious than that".

Still living in Birmingham with his partner Debbie, Paul enjoys DIY, walking, cycling and holidaying in the Lake District and Cornwall.

FM RAIL

F M Rail, created by the merger of Fragonset and Merlin Rail, was recently selected by VTG to move refurbished box wagons from Marcroft Engineering works at Stoke on Trent to the southeast.

Ian Shaw, VTG's Bulk Fleet Manager commented, "I'm pleased to see FM Rail as a new entrant into the rail haulage business. I'm sure they will help improve competition and I look forward to using them again."

Andrew Cox, FM's Freight Development Manager, adds, "FM Rail is the UK's largest independent supplier of trains, operations and engineering services.

We are delighted to be working for VTG."