European Best Practices

Challenges of international intermodal transport between Latin America and Europe: Combining EU best practice experience with Latin America perspectives 18.11.2010

Antti Permala
VTT Technical Research Centre of Finland
Intermodal solutions

- In EU, co-modality and intermodality are of fundamental importance for developing sustainable transport solutions
- As roads are being increasingly overloaded, intermodal transport can offer reliable, cost-effective delivery in an environmentally conscious manner
- Developing freight transport logistics is primarily a business-related activity and a task for industry
- Nevertheless, the authorities have a clear role to play in creating the appropriate framework conditions (i.e. infrastructure and legislative incentives) and keeping logistics on the political agenda
ENABLE Best Practices collection

- Information dealing with European best practices and European research innovations and emerging ideas in intermodal transport
- Material is rewrited and adjusted for the situation of Brazil and Argentina
- Best practises are divided into five categories according the type of the case:
  1) End-user Cases
  2) Operator Cases
  3) Logistics Service Cases
  4) Information Technology Cases and
  5) Policy Strategies
Main focus of EU intermodal developments has been in rail and maritime/inland waterway solutions
Infrastructure topics are mainly outside the EU intermodal developments, except terminals for mode change
Despite of the differences in EU and LA logistics systems, the key findings of EU Best Practices are extendable to LA and allow one to understand the development paths of LA logistics
Intermodal solutions
- Lower costs
  - Create new business opportunities
- Carbon dioxide was not among the main concerns in LA
Case type classification

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<th>Type of case</th>
<th>Case Acronym</th>
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<td>Company Cases: Transport system managed by shipper</td>
<td>Coca Cola, StoraEnso, Volvo</td>
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<td>Operator Cases: Transport system managed by transport operator</td>
<td>Hupac, Rhinecontainer, BoxXpress, Polzug, Construrail, Corman, Hub Zahony, Bilk</td>
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<td>Logistics Service Cases: Transport system managed by Logistics Service Provider (LSP)</td>
<td>Cargo Domino, DB Schenker, Kuehne&amp;Nagel,</td>
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<td>Information Technology (IT) Cases: Focus in IT</td>
<td>Port Infolink, Short Sea XML, Valenciaport IT Platform</td>
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<td>German terminal policy, Swiss case, Port Governance models</td>
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# Case type classification

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<thead>
<tr>
<th>Type of case</th>
<th>Main aspects to be applied in LA</th>
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<tr>
<td>Company Cases: Transport system managed by shipper</td>
<td>Arranging logistics chain by using intermodal transport</td>
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<td>Operator Cases: Transport system managed by transport operator</td>
<td>Business models, service concepts and operational principles of intermodal transport operator</td>
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<td>Logistics Service Cases: Transport system managed by Logistics Service Provider (LSP)</td>
<td>Business model and service concept of intermodal logistics network</td>
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<td>Information Technology (IT) Cases: Focus in IT</td>
<td>Connecting port- and shipping operations to logistics network by utilizing information technology</td>
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Case Volvo: The 8 Train and Eurobridge

- **Main achievements**
  - Organising efficient rail operations through 5 countries, with 5 independent rail operators, with governments demanding return on rail infrastructure investments, and with several unions of transport workers. Robust solution by having two operations working in parallel, the maritime Euro Bridge acting as a back-up for the "8" Train when required.

- **Main innovations**
  - Harmonisation of rail operations, common quality handbook, organisational set-up and use of KPIs

- **Motivation**
  - Reducing logistics costs, reducing the environmental impact of transport
Coca Cola Drikker AS – Intermodal transport on long distances

- **Main achievements**
  - 75% of total distribution of Coca-Cola in Norway is handled by intermodal transport. 600 000 euro cost savings each year. Exploitation of synergies of Coca Cola and Mack Brewery logistics network

- **Main innovations**
  - Flexible transport concept using slower and cheaper transport modes, whenever possible - more expensive and quicker modes are still being used, when needed. Shippers collaboration creates a win-win situation for both parties

- **Motivation**
  - Optimal trade off between transport price and offered services in respect with location decisions and durability of the products. Promoting greener transportation modes.
Hupac - Systems for combined transport

- **Main achievements**
  - Hupac operates a network of 110 trains every day between Europe's main economic areas.

- **Main innovations**
  - The business model structure is directed to cooperation with the forwarders and operators. Technological development: Mega wagon, two pocket wagons, flat wagon for 60-foot containers

- **Motivation**
  - Combining the advantages of road and rail. Shifting long distance traffic to the railroad in order to respond to traffic jams, shortage of drivers, rising energy costs and fiscal burdens. Sustainable logistics.
**BoxXpress Germany**

- **Main achievements**
  - The train operates five times a week between ports and inland terminals, carrying 92 TEU per train. The total transport volume amounts to 365,000 TEU per year. The advantages are the high frequency, reliability and punctuality, high degree of security. The main benefits are economical and environmental.

- **Main innovations**
  - The corridor utilizes well-known business models.

- **Motivation**
  - To take the pressure off the sea terminals and improve customer service. Reducing logistics costs. Reducing the environmental impact of transport.
**BILK Combiterminal**

- **Main achievements**
  - The BILK combiterminal is handling accompanied and unaccompanied combined traffic in Budapest, in a modern logistic service centre. Main connection is to Port of Hamburg

- **Main innovations**
  - Cooperation for terminal realisation and operation. Broad Service Portfolio. Intermodal connections combined with a new terminal can bring up new business opportunities.

- **Motivation**
  - Planning and start up of a new and first bigger intermodal terminal in a country. Develop the terminal in two phases so that the capacity of the terminal can be increased
**Kuehne&Nagel - Integration and Coordination of corridor services**

- **Main achievements**
  - KN integrates and coordinates transport chains of their clients

- **Main innovations**
  - The business model of the corridor. KN acts as a forwarding company in two main levels. First, as an integrator of the chain, where the train operators coordinate the transport from terminal to terminal. The second role is to take care of the client service in both ends of the corridor.

- **Motivation**
  - KN offers comprehensive logistics solutions, however, without full control the whole parts of the corridor, especially the train part.
Port Infolink - Streamlining the transport chains in the port of Rotterdam with Port Infolink

- **Main achievements**
  - Port infolink enhances the port of Rotterdam’s competitive edge by optimising the information flows and work processes of the public and private sector. The Port Community System currently offers 24 different services, with around 4500 users who send more than 20 million electronic messages a year.

- **Main innovations**
  - The Port Community System covers the whole spectrum of transport modes that meet at the port enabling modal integration from ship line to hinterland by short sea, barge, rail and road. The solution enables all the links within the port of Rotterdam's logistics chain to efficiently exchange information with one another.

- **Motivation**
  - The need of customers and government of the port to develop Port Community System.
**SMART-CM - SMART-Container Chain Management**

- **Main achievements**
  - Develop, test & demonstrate “single window” interoperability architecture for global container supply chain management.

- **Main innovations**
  - A global “Service Oriented” Architecture for door-to-door container transport incorporating new technological concepts and tools for container monitoring and data transmission. Major technological components are CSDs – Container Security device and a platform.

- **Motivation**
  - Achieving efficient & secure door-to-door container chain management
**E-Freight**

- **Main achievements**
  - A standard framework (description of processes, actors, messages) for freight information exchange covering all transport modes and all stakeholders. A platform (software) to support the design, development, deployment and maintenance of co-modal capabilities.

- **Main innovations**
  - Zero paper documents for planning, executing and completing any transport operation within EU. Zero waiting times related to administrative procedures at all border crossings with which secure trade lanes have been established.

- **Motivation**
  - e-Freight will benefit port authorities, customs, compliance officers, freight carriers, logistics service providers and shippers.
Policy strategies - Case Germany

- Subsidies will be granted for the construction and extension of terminals of combined transport and the purchase of loading equipment for transhipment.
- Terminal development is open to everyone with the same rules and services applying to terminal investments and operation.
- Subsidies can be up to 85% of the investment including land acquisition, necessary infrastructure, buildings, equipments and costs of planning. The intermodal terminal is treated as part of public infrastructure.
- In 2006 the available funds for construction of terminals were 82 million euros.
Policy strategies - Case Switzerland

- Swiss transport policy is based on clear aims for modal shift. There is an explicit modal shift target in traffic transfer act to reduce the number of heavy goods vehicles crossing the Alps.
- The cross Alpine traffic in France and Austria are dominated by trucks, the share being 77% of the total volume. In Switzerland this share is only 35%.
- The results of active modal shift policy are evident. The share of road transport is decreasing and the growth is in intermodal transport.
VTT creates business from technology