Welcome and Introduction by Lead Partner

The Transnational Transport Network

Challenges and Chances for Thuringia

OVERVIEW

European Rail freight transport

- starting point
- reality
- facts
- example

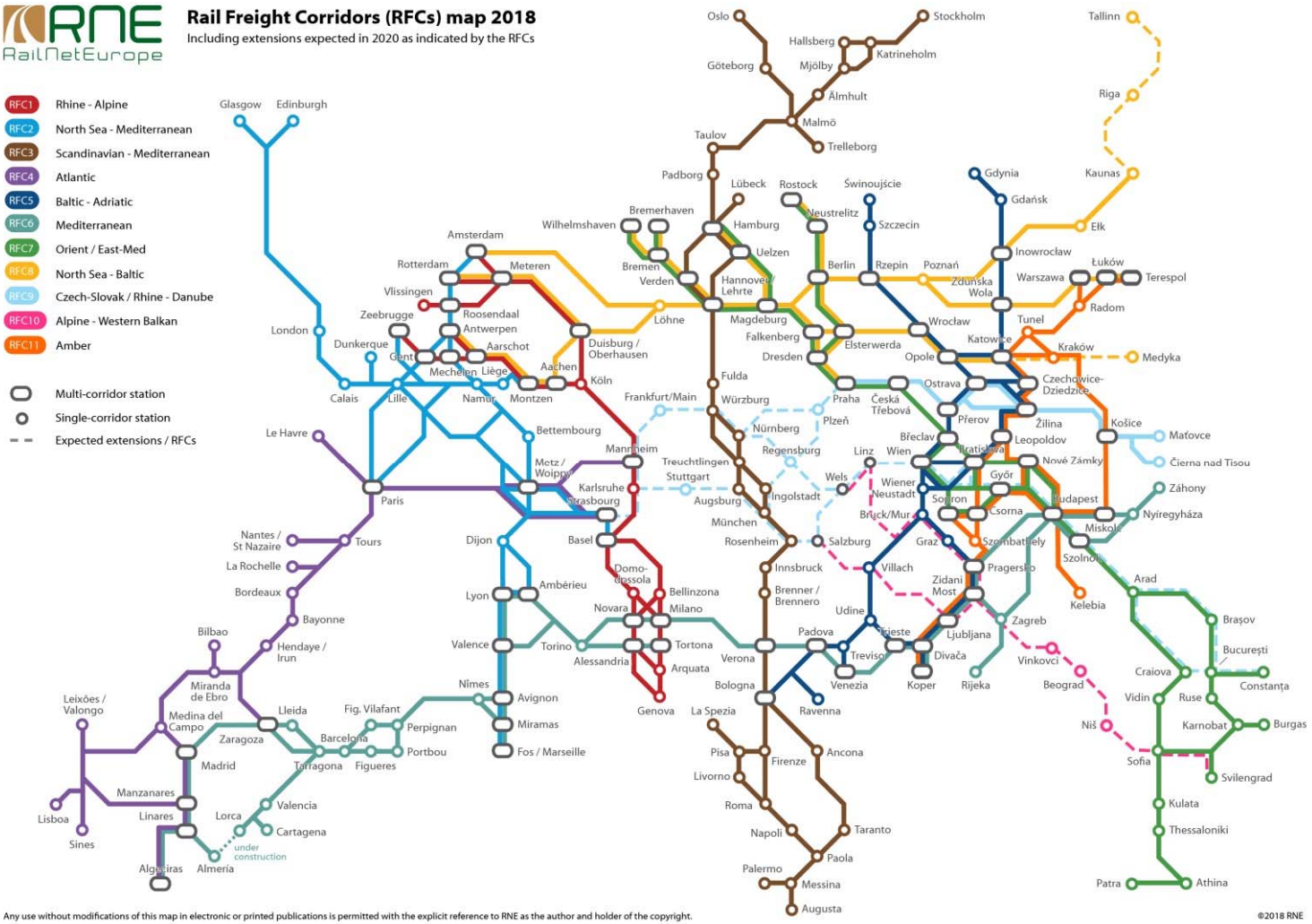
Challenges, Development in Germany

Introduction to Thuringian characteristics

Reasons for implementing REIF

EUROPEAN RAIL FREIGHT TRAFFIC

starting point: TEN-T corridors providing excellent long distance transport possibilities



EUROPEAN RAIL FREIGHT TRAFFIC - REALITY

EUROPEAN RAIL FREIGHT TRAFFIC FACTS

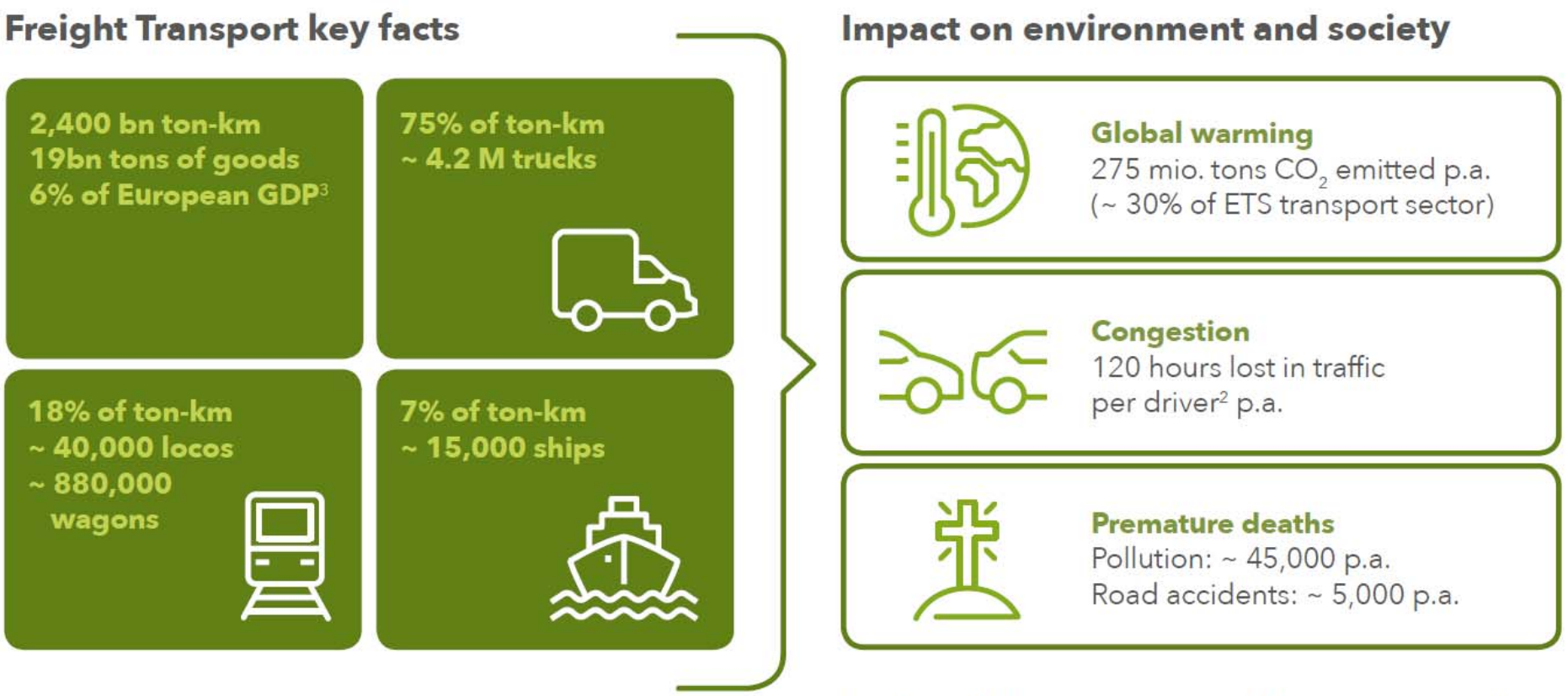
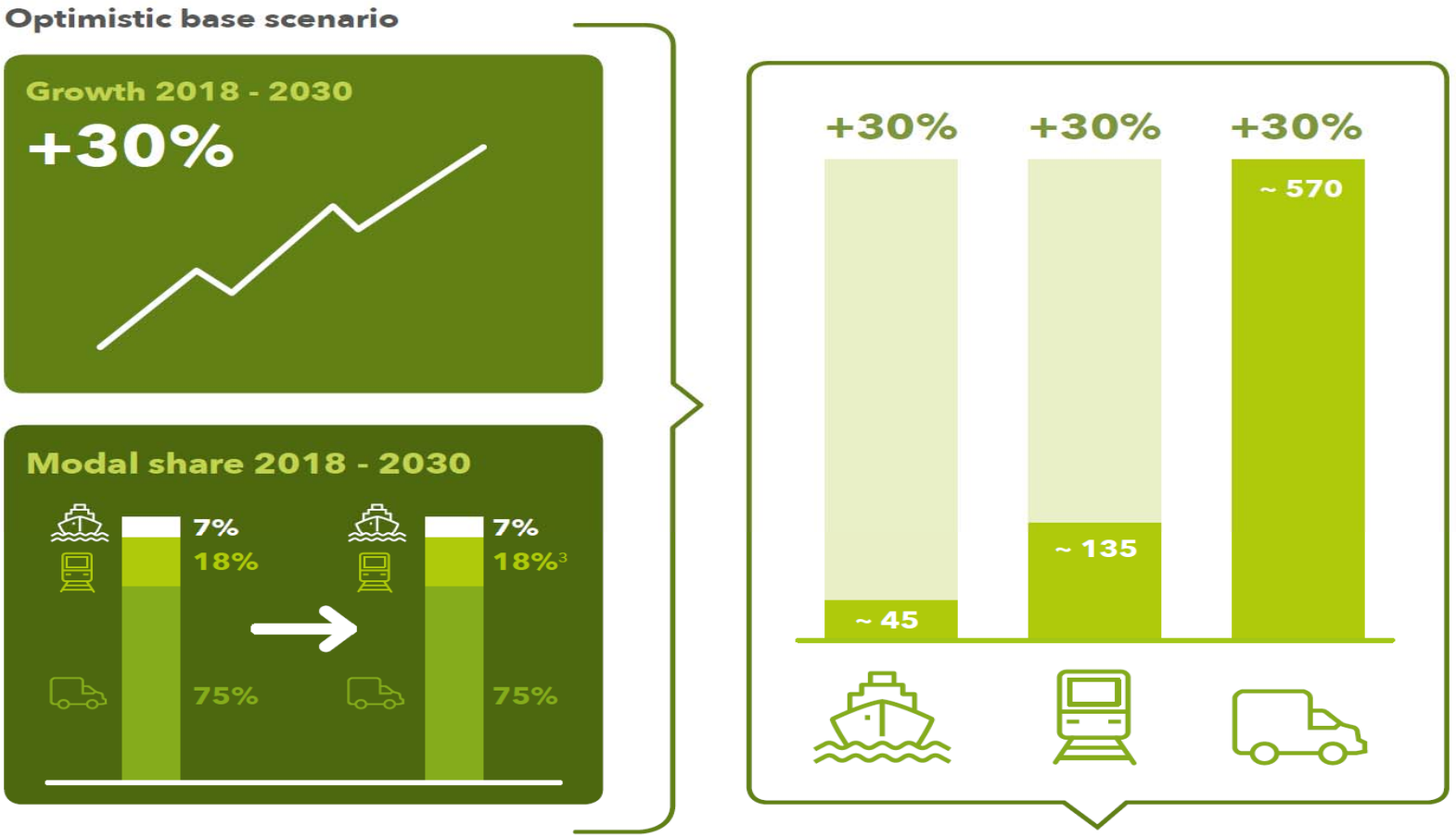


Figure 1: European land freight transport overview, 2015

1 EU 28 + CH, N | 2 Lost time in traffic and planning time, average FRA, GBR, GER | 3 Whole logistics sector | 4 Without aviation

Source: Eurostat, Fraunhofer IIS, EEA, EU commission, INRIX

EUROPEAN RAIL FREIGHT TRAFFIC FACTS



1. Not in focus, market size - 1,250 bn ton kom in 2017
2. Estimated range of 600,000 - 1,400.000 trucks
3. Stagnation of rail modal share (since 2004) continues

Source: Eurostat, OICD

Corresponds to

- Roughly the size of the entire German freight transport market (~ 600 bn ton-km in 2015)
- 1 million additional trucks[2] on European roads

Figure 2: Additional freight transport 2030 vs. 2018

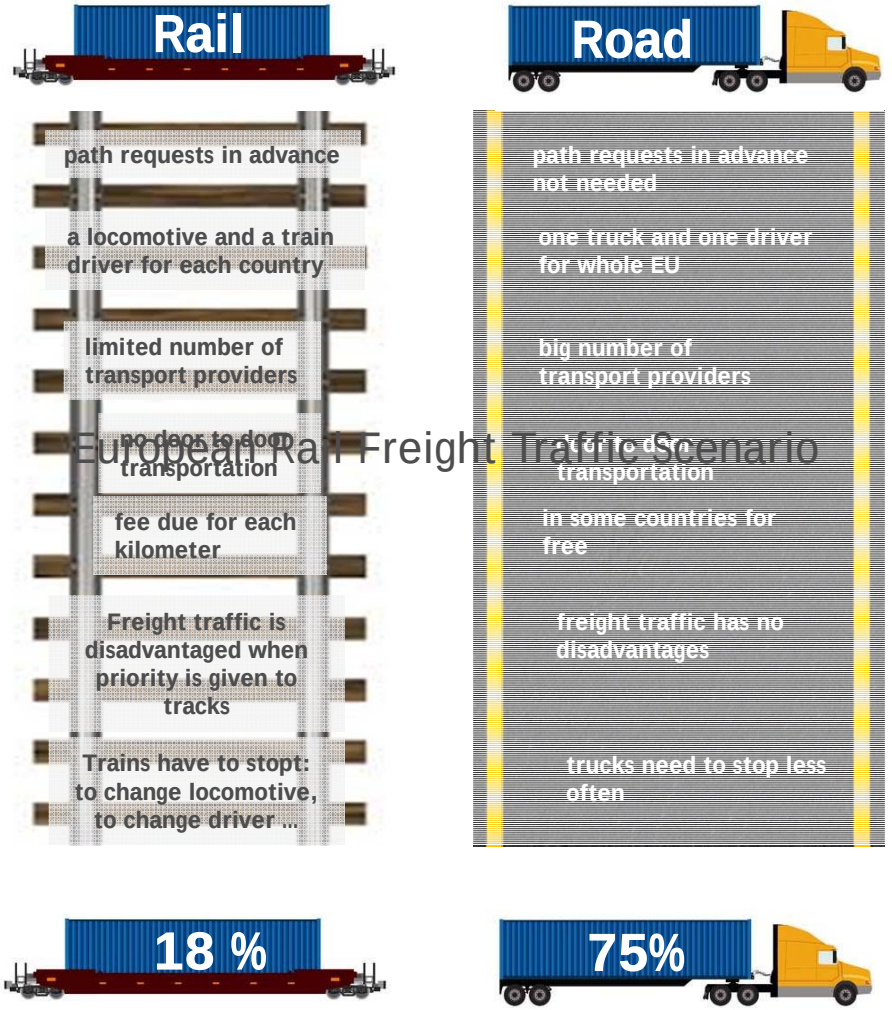
EUROPEAN RAIL FREIGHT TRAFFIC FACTS

in advance to transport

- accessibility to infrastructure
- burocratic obstacles
- intermodal competition

during transport

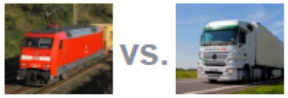
- first and last mile
- access fees
- traffic fees
- bordercrossing



European Rail Freight Traffic Scenario

- Flexibility
- Flexibility and price
- Frequency customer service and price
- Flexibility and price
- Price
- Reliability and delivery time
- Delivery time

EUROPEAN RAIL FREIGHT TRAFFIC FACTS



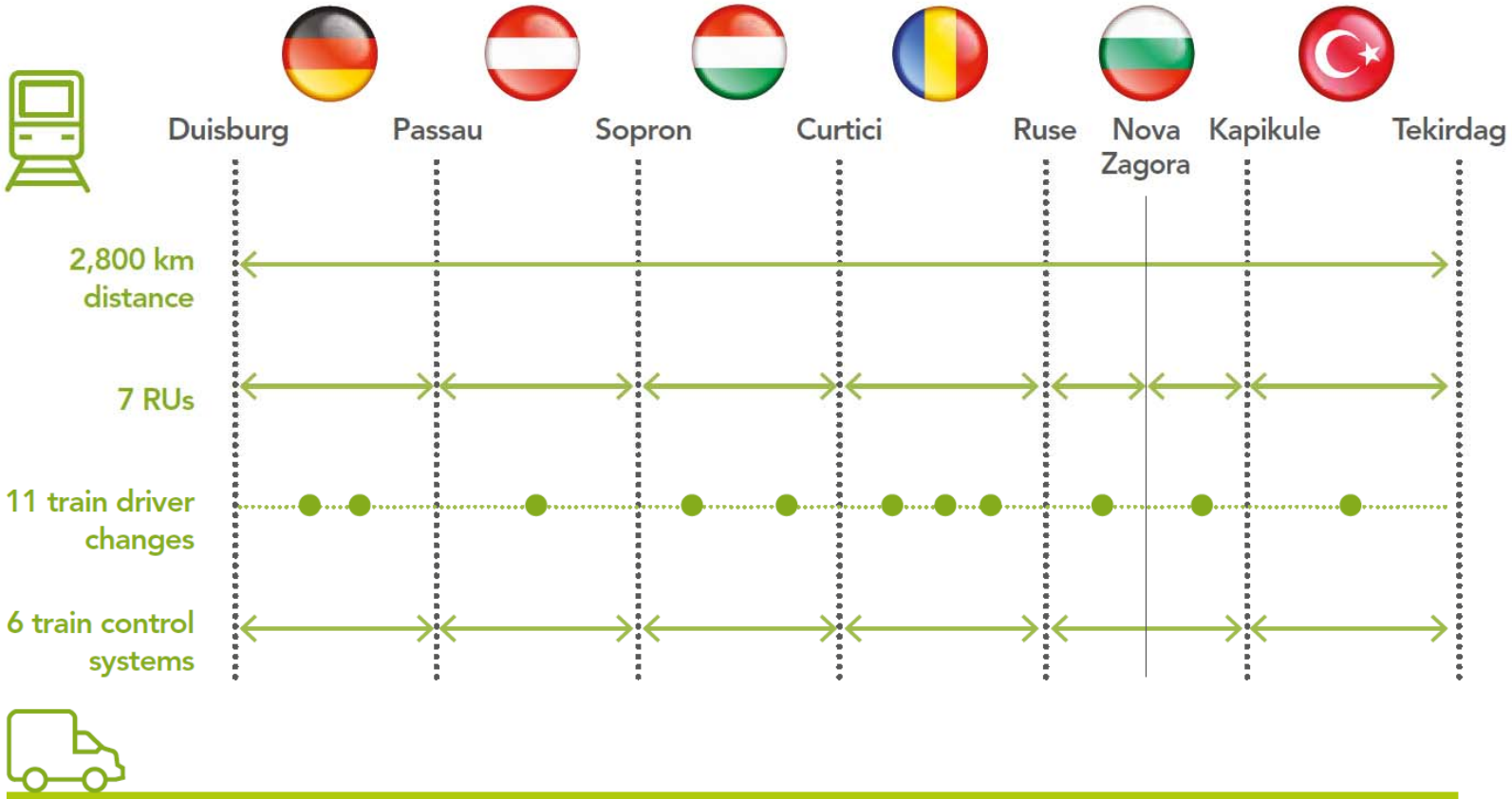
Competitive advantage Rail vs. Road

Criteria		Competitive strengths
Mass-transport capacity		Advantage **Rail**
Environmental friendly		
Loading time window		
Handling of volume volatility		
Network density		Advantage **Road**
Time to market (new relations)		
Reliability / Punctuality		
Transport time	Long distance (CT,BT)	Advantage **Rail / Road**
	Short distance	
Type of transport good[1]	Bulk	
	Small volumes	
Transport distance	Long distance	
	Short distance	

SWT[2] CT/BT[2] SWT[2]

- **DB SR's strength** mainly driven by high mass-transport capacity of rail for bulk goods and long distance transports
- Also environmental impact favors rail transportation
- **Road** with competitive advantage for transports with high service requirements (i.e. transport time, reliability, flexibility)

EXAMPLE



End-to-end, any driver, on any EU truck, under same mandatory driving times and rest periods

Source: Rail Cargo Group

CHALLENGES, DEVELOPMENT IN GERMANY

In Germany Rail freight traffic is mainly handled on federal infrastructures, so it is worth taking a look at the nationwide development.

Freight volumes are increasing worldwide. Compared to 2010 in Germany, by 2030, an increase in freight traffic of around 40 percent is expected.

Germanywide the freight volume has increased up to 4,6 Bio t which is an 1.1% more than in the year before.

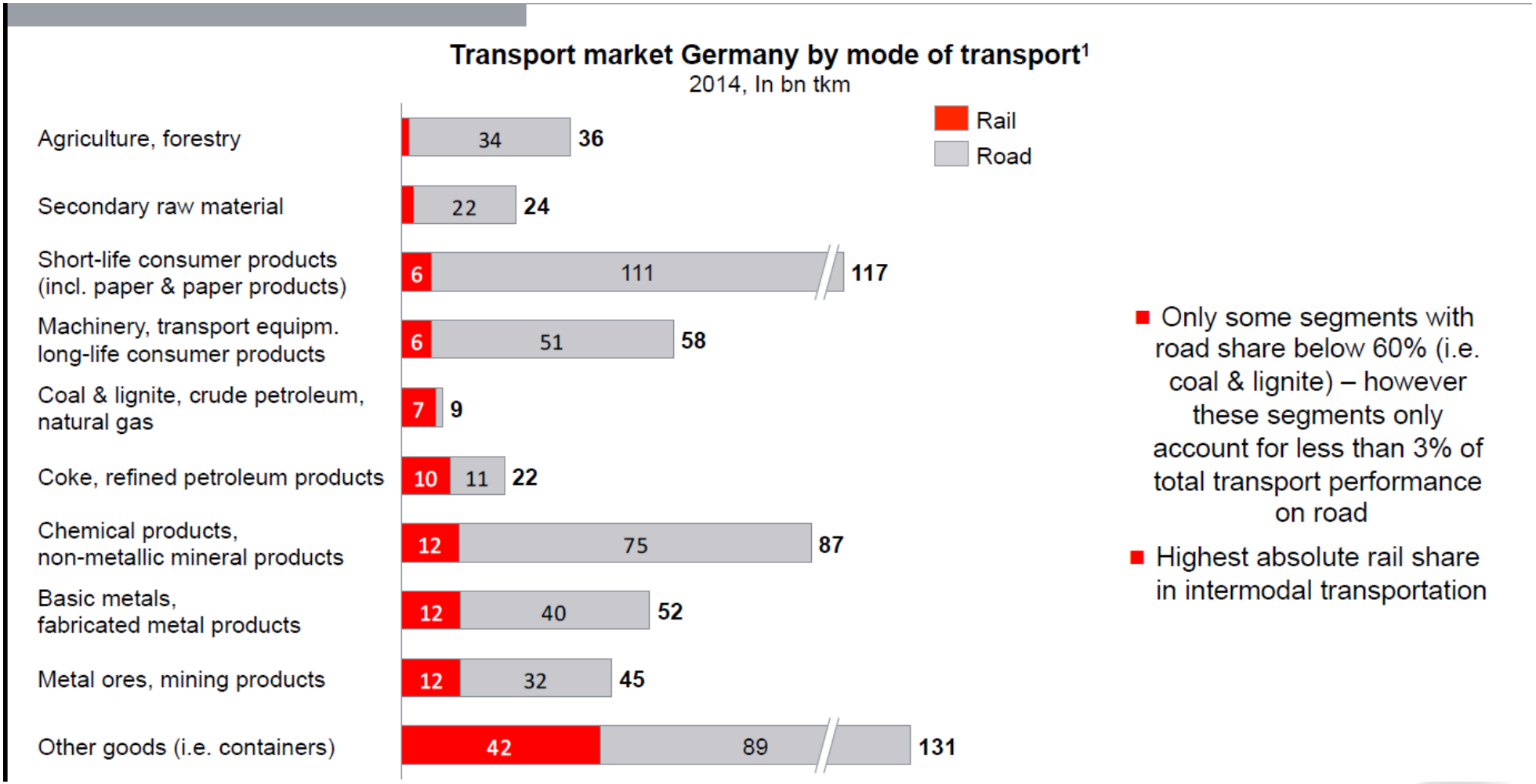
So far, only truck forwarders benefit from this development. Because while freight traffic is growing, the share of rail freight transport is shrinking.

In 2016, 364 million t of goods were transported on the public transport network in Germany.

This means a decrease in transported goods of 1.6 percent in one year and 3 percent in comparison to 2011.

INTERMODAL COMPETITON RAIL VS. ROAD

Roadshare dominates in almost all industry segments



- Only some segments with road share below 60% (i.e. coal & lignite) – however these segments only account for less than 3% of total transport performance on road
- Highest absolute rail share in intermodal transportation

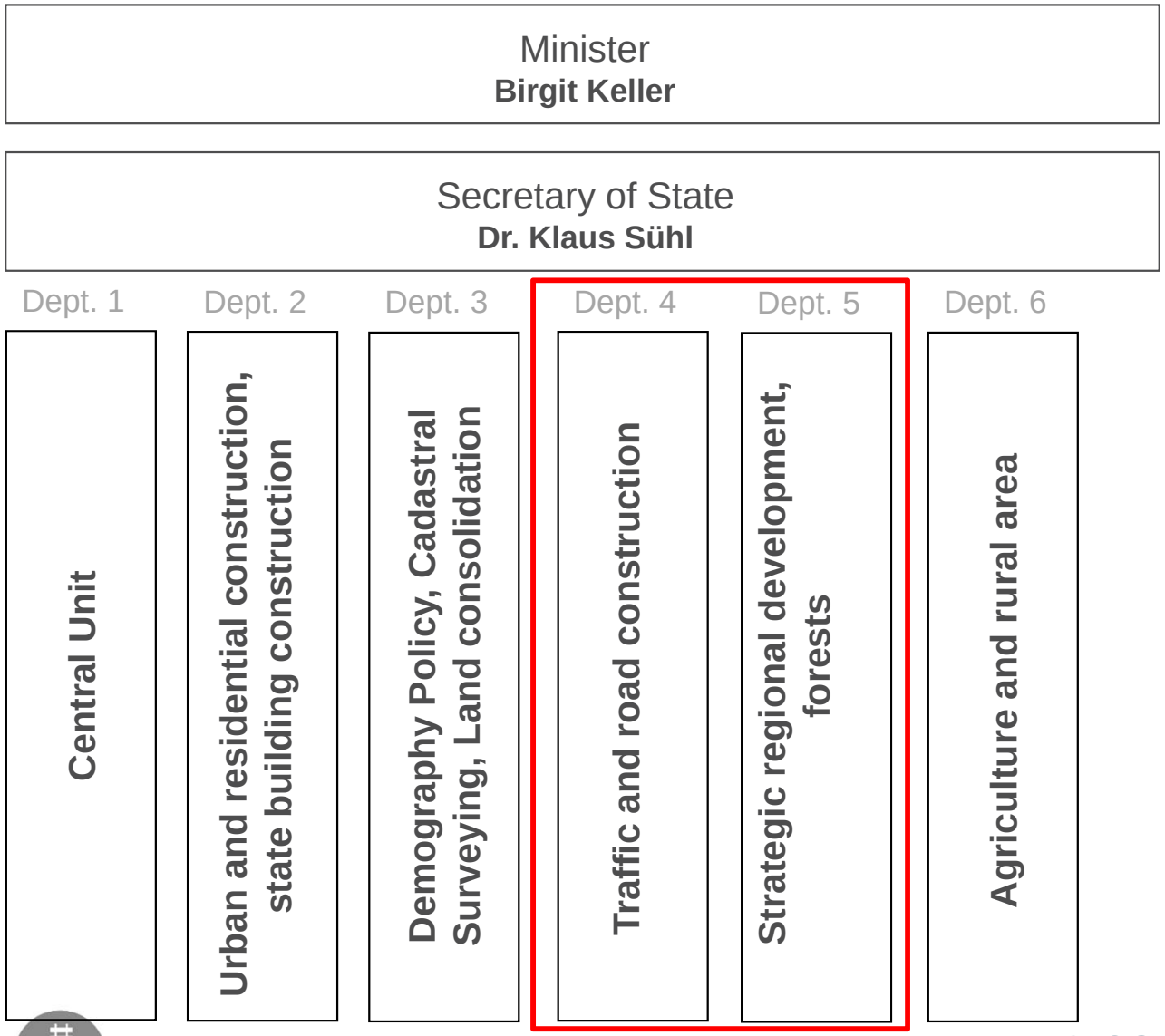
CHALLENGES, DEVELOPMENT IN GERMANY

As a result, goods traffic is booming, but the market share of rail freight transport has fallen further in 2016 at 17.6 percent.

However, we must not look at the problems of rail freight transport in Germany in isolation from the European level.

A major cause of the rail crisis is that the development of rail infrastructure has not been able to keep pace with market liberalization and cross-border trade in the EU.

INTRODUCTION TO CHARACTERISTICS



TMIL
Highest Planning Authority

Thüringer Landesverwaltungsamt
Upper Planning Authority
technical and legal supervison

four sub-regional planning authorithies

communities and counties

INTRODUCTION TO CHARACTERISTICS

We believe that Thuringia already offers good logistical conditions and an efficient rail network.

As a business location, the Free State is centrally located in the middle of Germany and Europe.

In Thuringia we are in the middle of an attractive market environment, with more than 160 million consumers living within a radius of 500 kilometers.

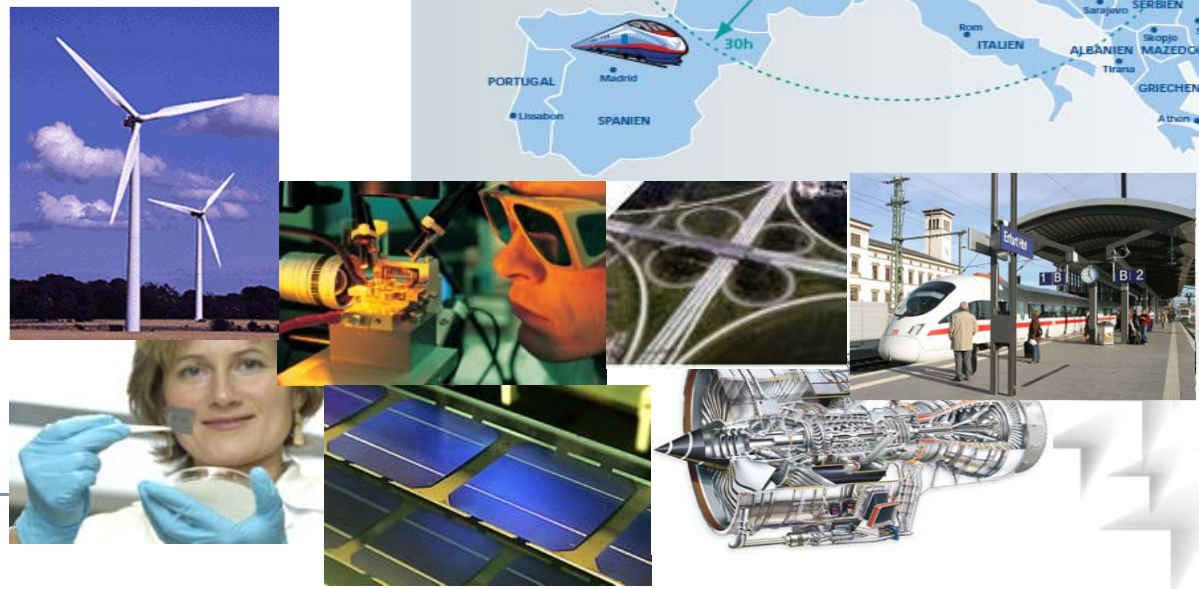
INTRODUCTION TO CHARACTERISTICS

From the viewpoint of an entrepreneur in the field of logistics Thuringia is the Prime location in the heart of Europe

- Departing from Thuringia no European destination is too far off

- Central position and modern traffic infrastructure qualifies Thuringia as economic location

- airport
- network of motorways
- vde 8 / TEN 1



INTRODUCTION TO CHARACTERISTICS

In Thuringia, the volume of goods handled by rail in 2016 was around 6.9 million t.

In Thuringia at the end of 2016, there were a total of 165 companies with siding in non-public rail traffic with 412 kilometers of track length.

Of these, 58 are in a locked state and are currently not being used.

While in 1990 there were still about 630 connecting lines in Thuringia, their number was drastically reduced, in particular as part of the restructuring program of DB Cargo AG between 2002 and 2004.

INTRODUCTION TO CHARACTERISTICS

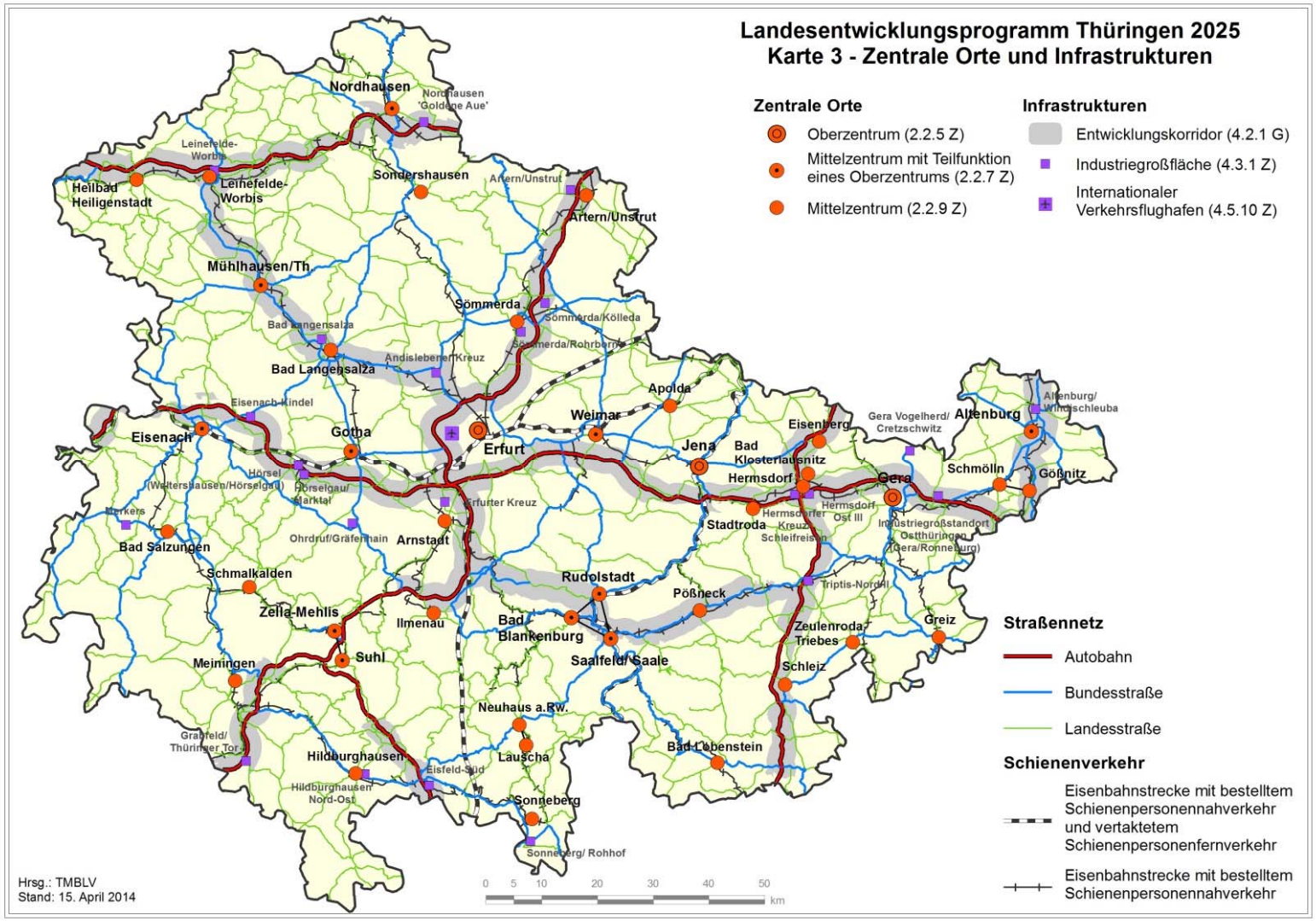
SGV-Korridore in Deutschland[1)]

- 1 — Rhine - Alpine
- 3 — Scandinavian-Mediterranean
- 4 — Atlantic
- 7 — Orient / East-Med
- 8 — North Sea-Baltic
- 9 — Rhine – Danube[2)]

1) gemäß VO 913/2010/EU und VO 1316/2013/EU
2) Inbetriebnahme 2020

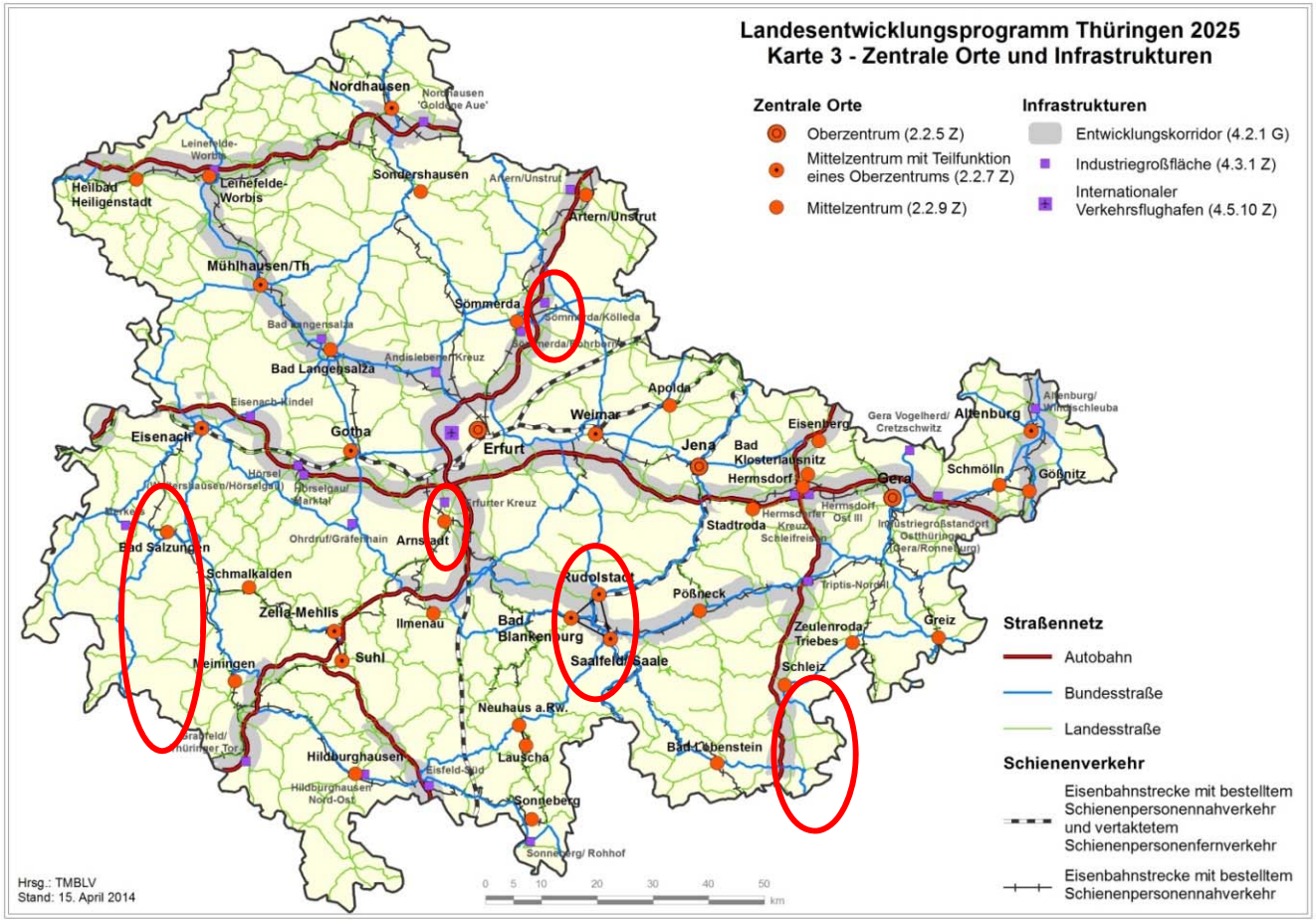
TRANSPORT NETWORK THURINGIA

So the starting situation for rail freight traffic in Thuringia is not as bad as the previously presented figures first make it appear.



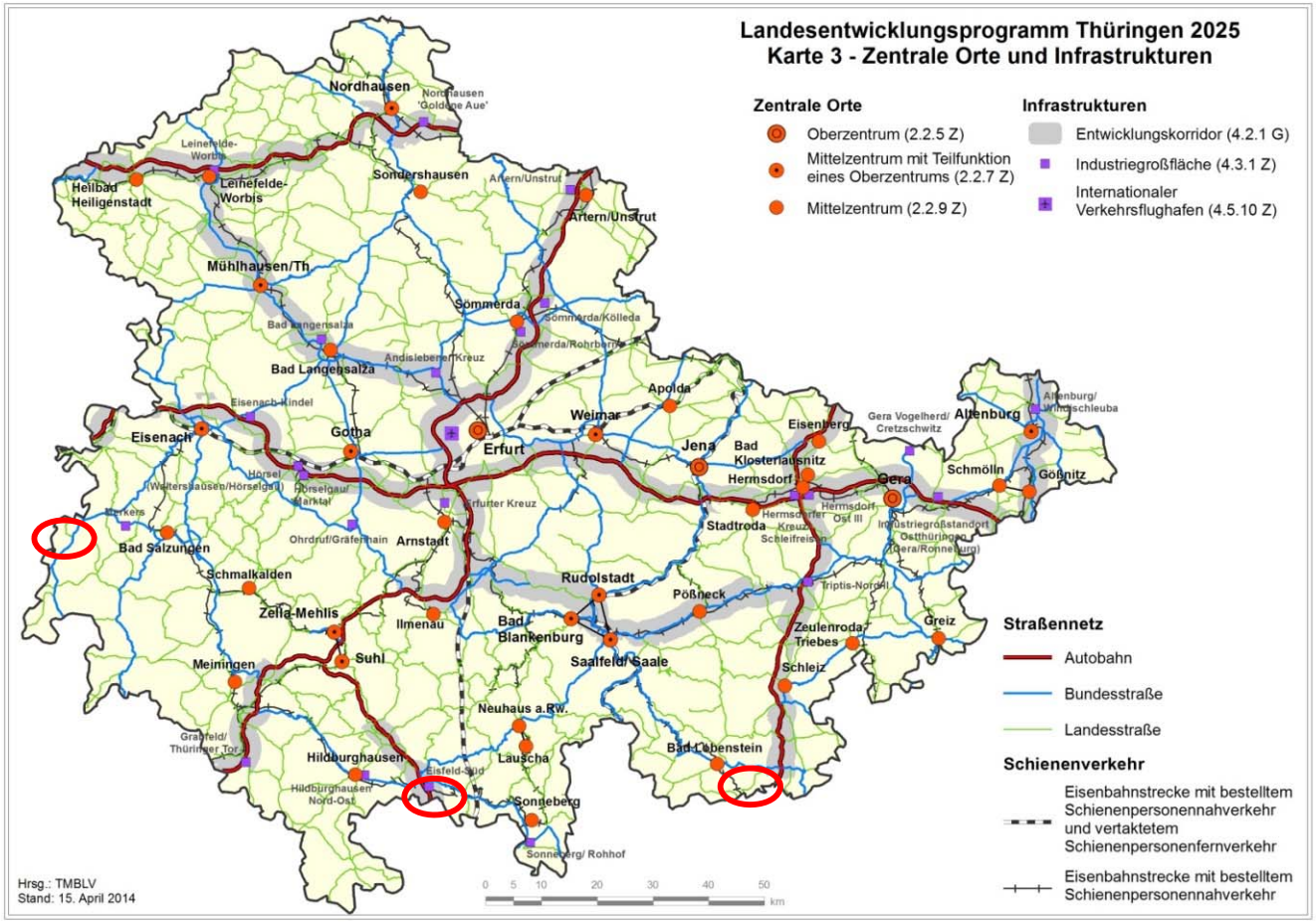
BACKGROUND

starting point: many regions the industries with very big flow of goods (e.g. wood, paper, metal, chemicals, sand, gravel etc.) or even entire industrial parks find themselves nowadays often disconnected from the rail network



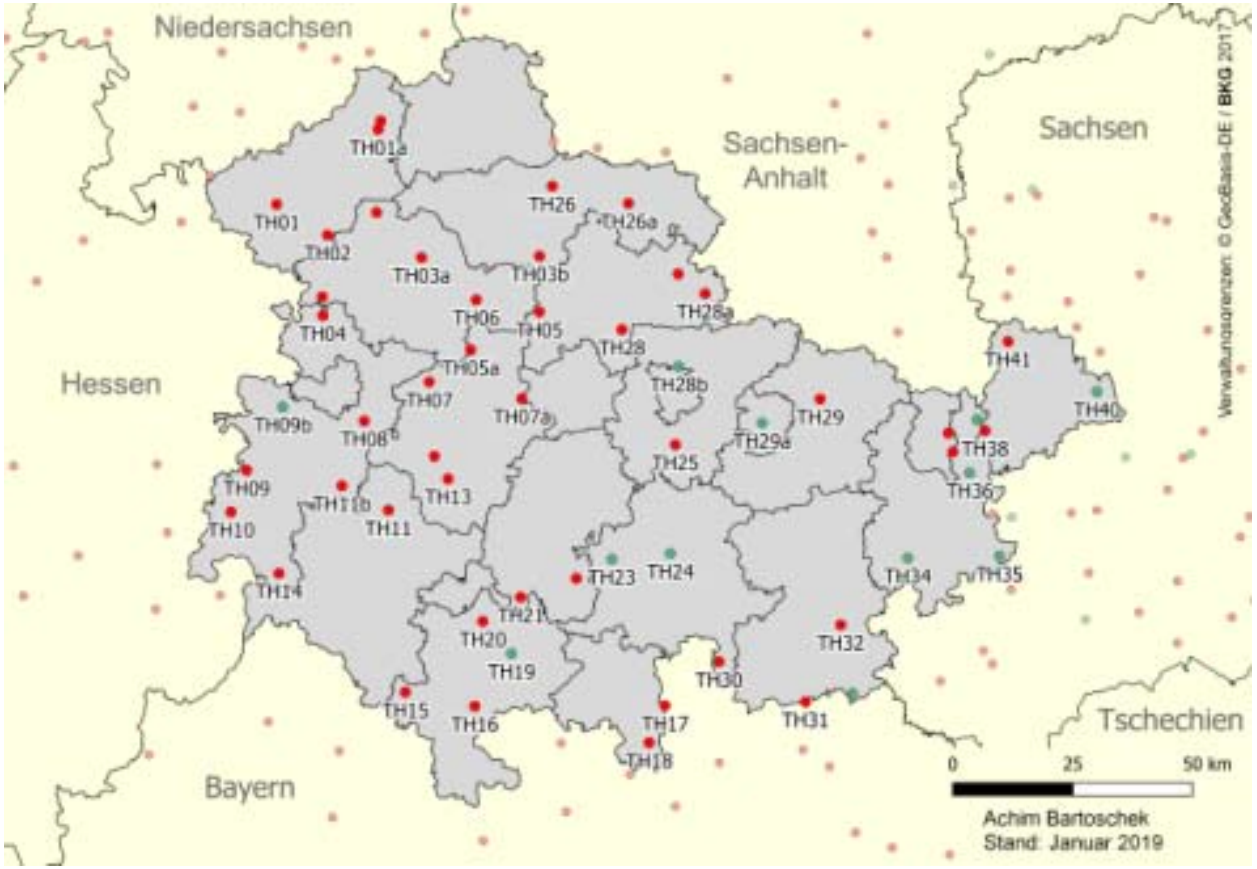
BACKGROUND THURINGIA

But there are still gaps in the regional network which in case of a closure would provide the accessibility
to the Trans-European Transport Corridors

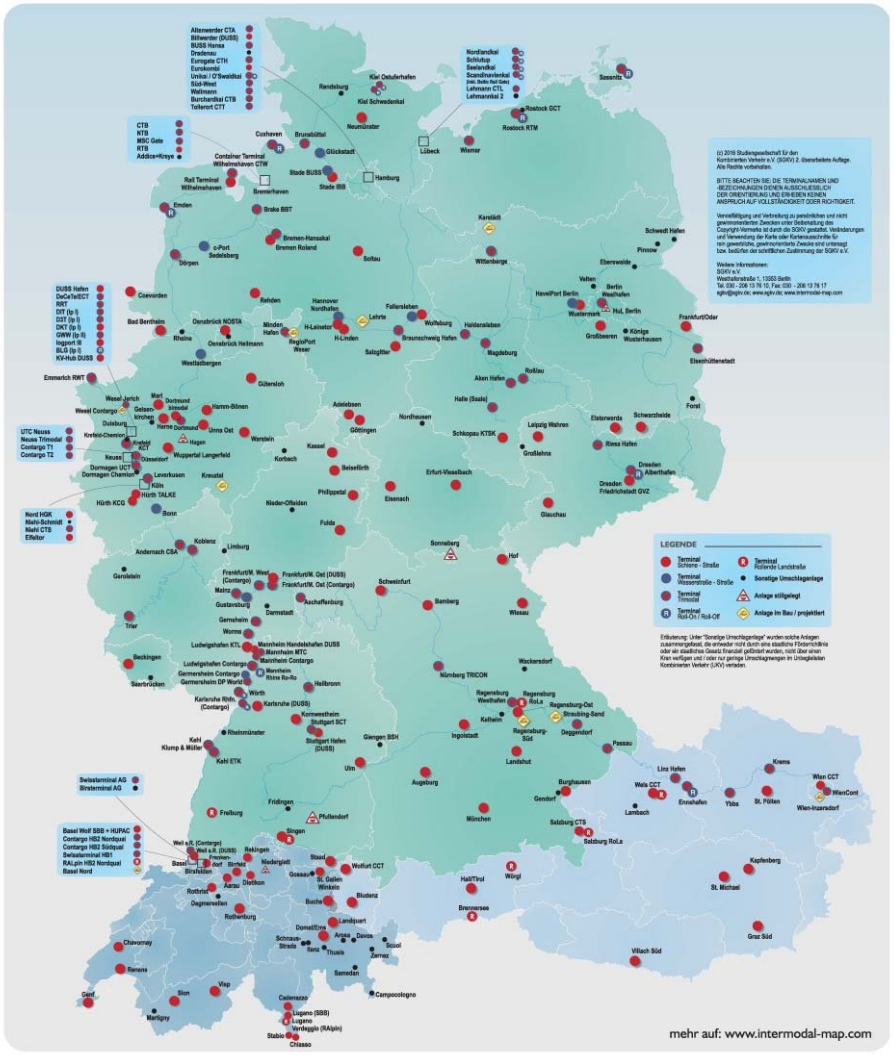


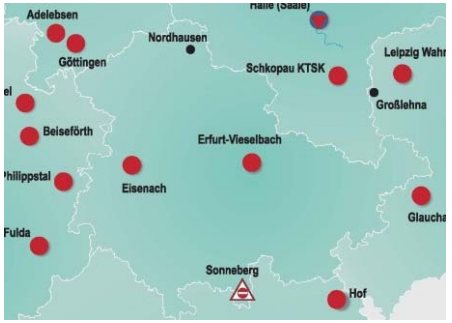
TRACKS OUT OF USAGE

many regional tracks have been taken out of usage and now are cycle lanes

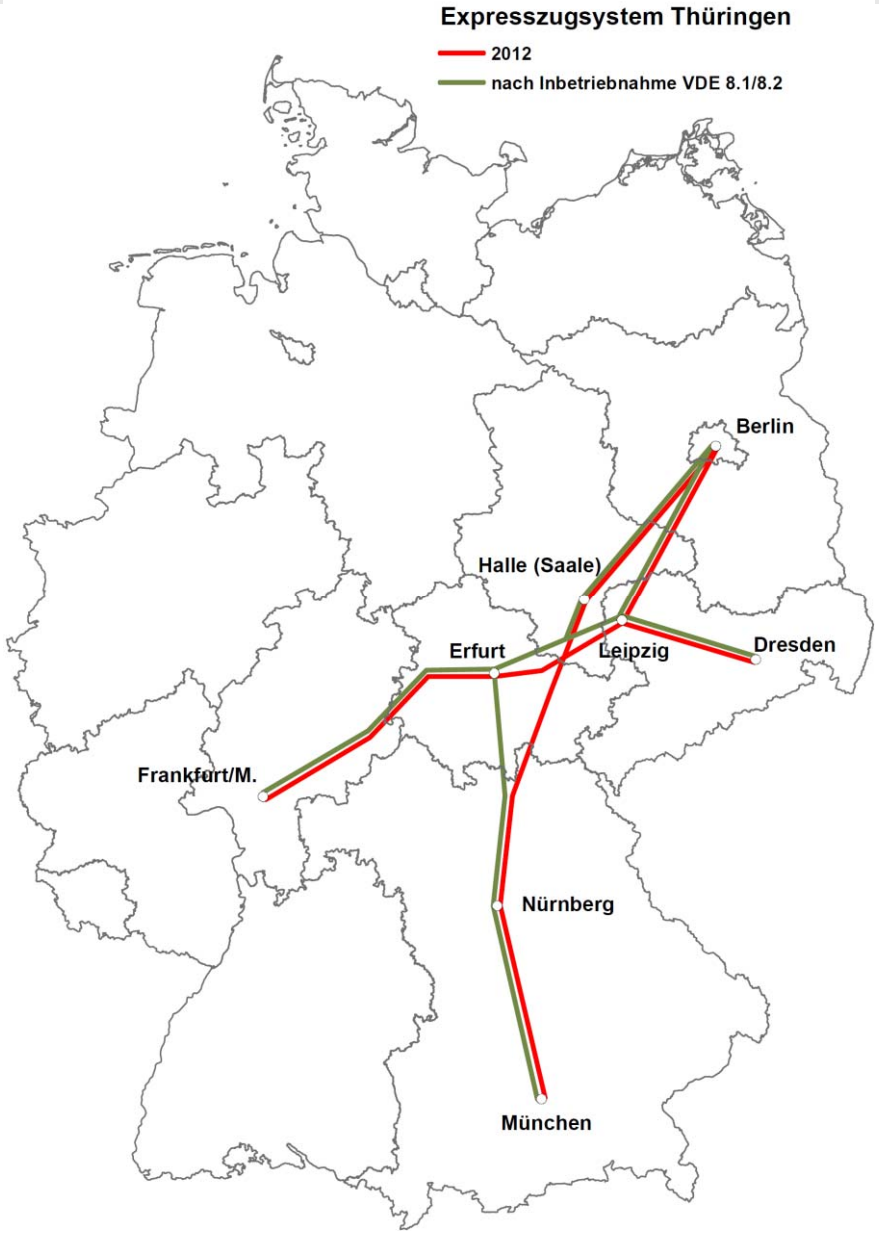


BACKGROUND FOR IDEA





LONG DISTANCE CONNECTIONS



High-speed trains since 2017 travel on the new line at up to 300 km/h.

Passengers can travel between Berlin and Munich in record times, from city to city.

Trains will become a real alternative to travelling by car or plane.

Line at the moment can only be used for freight transport during the night

Problems with heavy trains due to slopes

High track fees

No freight train has used the line so far

REASONS FOR IMPLEMENTING REIF

Thus for Thuringia the most important issues are:

- to strive for strong freight transport by rail and long-term infrastructure protection
- to create conditions that make it easier for the regional economy to use mode route for transporting goods
- to set up use a state-owned funding instrument to support the railways and non-federal infrastructure companies involved in rail freight transport to get more goods onto the rails again

LAST BUT NOT LEAST

The environmental and transport policy reason leads to no other conclusion than to politically support a renaissance and modernization of rail freight traffic.

That is why, despite of existing obstacles, we are committed to promoting strong freight transport by rail.

REIF partnership must succeed together in increasing the numbers of goods transported by rail.

For that, ladies and gentlemen, we need to join our experience, our expertise and our commitment.

What could be done for the freight railways?

- Increase productivity by improving the infrastructure on the rail freight corridors (e.g. 740 m-Trains)
- Reduce financial burden by taxes, new regulations, etc.
- Fund investments at RUs for ETCS, silent wagons etc.
- Harmonize the European operation regimes
- Ease the access to neighboring countries (e.g. accept languages from the Neighbor etc.)

Looking forward to work together in a succesful project.

I thank you for your attention.

CONTACT

Klaus Bongartz
Department of Strategic Planning
REIF

www.interreg-central.eu/REIF

info@acronym.com

+49 0 361 5741 91312

facebook.com/Acronym

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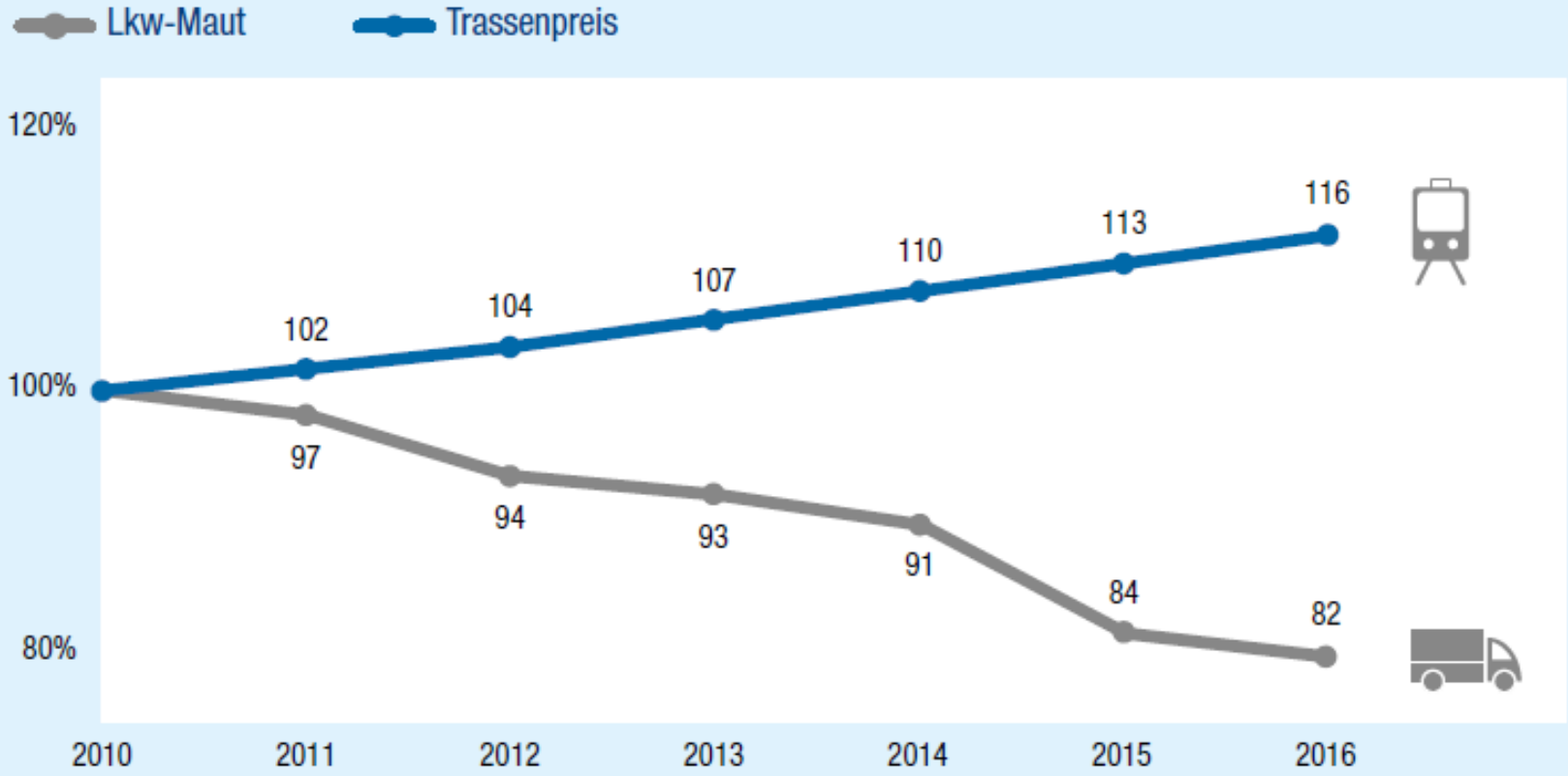
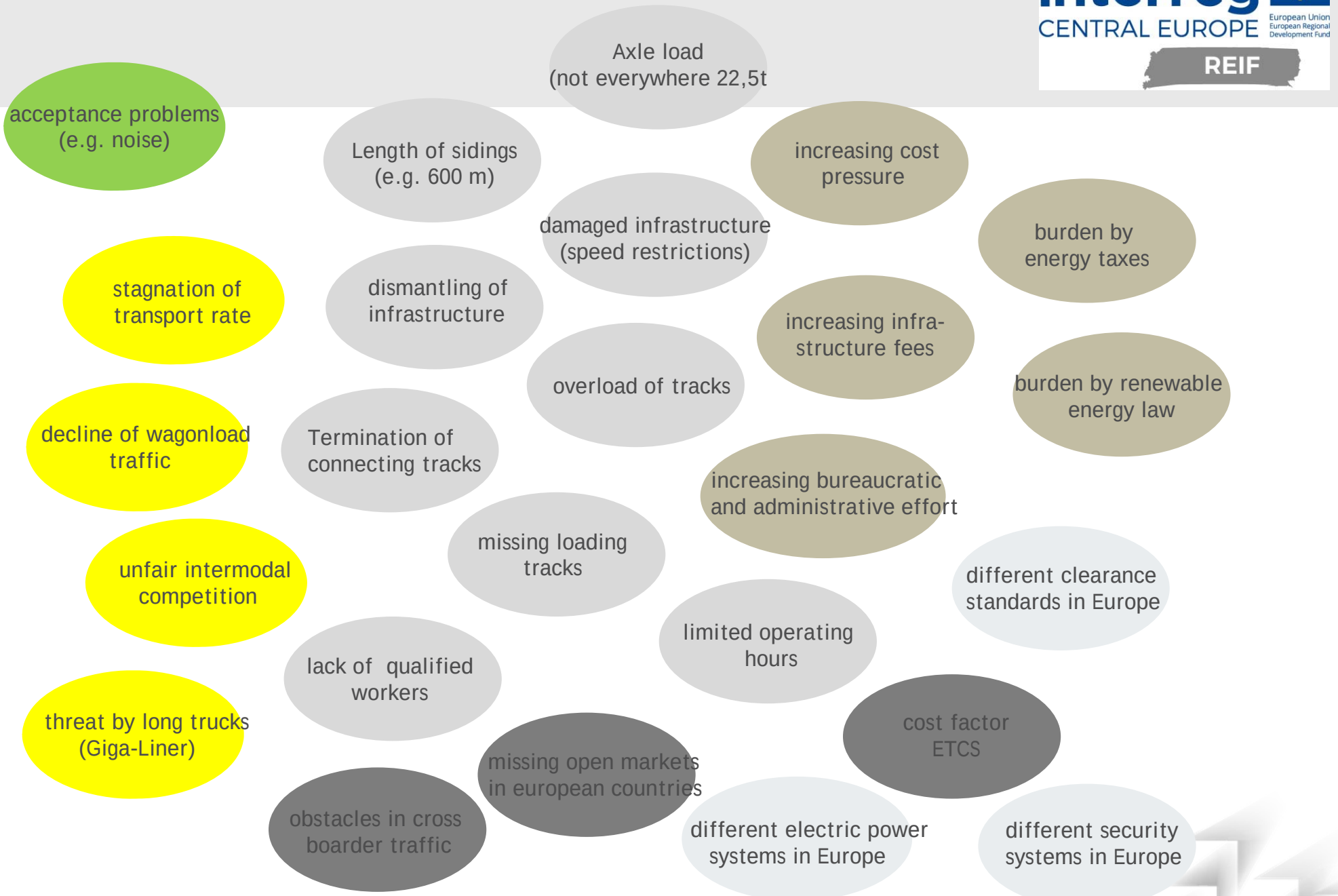
Entwicklung von Lkw-Maut und Schienenmaut in Deutschland

Indexierte Darstellung auf Basis von Durchschnittsmaut und -trassenpreis



Quelle: Allianz pro Schiene, Basis: Verkehrsinfrastrukturfinanzierungsgesellschaft mbH (VIFG), Bundesnetzagentur.


Axle load
(not everywhere 22,5t
acceptance problems
(e.g. noise)
Length of sidings
(e.g. 600 m)
increasing cost
pressure
damaged infrastructure
(speed restrictions)
burden by
energy taxes
stagnation of
transport rate
dismantling of
infrastructure
increasing infra-
structure fees
overload of tracks
burden by renewable
energy law
decline of wagonload
traffic
Termination of
connecting tracks
increasing bureaucratic
and administrative effort
missing loading
tracks
unfair intermodal
competition
different clearance
standards in Europe
limited operating
hours
lack of qualified
workers
threat by long trucks
(Giga-Liner)
cost factor
ETCS
missing open markets
in european countries
obstacles in cross
boarder traffic
different electric power
systems in Europe
different security
systems in Europe