



4 BORDEAUX ETC WORKSHOP

BREAKOUT GROUP #4-5 – INTERNATIONAL RAIL FREIGHT MARKET DEVELOPMENT

WORKSOP CONCLUSIONS / FOCUS AREAS

1. **Pricing and Competitiveness:** Clarifying possibilities to improve price competitiveness of rail freight in relation to road transport, with a focus on infrastructure pricing (rail and road).
2. **Infrastructure Investments and Reliability:** Coordinating investment strategies that meet the market needs and minimizing disruptions through better Temporary Capacity Restrictions (TCR) planning.
3. **Technical Integration:** Enhancing competition among ETCS suppliers and expediting the deployment of interoperable locomotives.
4. **Cross-Border Simplification:** Removing operational barriers, such as language requirements at key border points like Hendaye/Irun.
5. **Terminal Development:** Coordinating the expected development of rail freight market and integrating terminals better into national rail freight planning, including strengthening of terminal development aligned to the rail capacity increase expected with the investment on the rail network.





5 TRANSPORT MARKET STUDY

RAIL FREIGHT CORRIDOR ATLANTIC

TRANSPORT MARKET STUDY

2024 UPDATE

TRANSPORT MARKET STUDY (TMS)

1. TMS - MOTIVATION

2. TMS - COMMON METHODOLOGY

3. TMS - SCOPE AND SCENARIO DEFINITION

4. TMS - CURRENT TRANSPORT MARKET

5. TMS - FUTURE TRANSPORT MARKET

6. TMS - RECOMMENDATIONS



1. TRANSPORT MARKET STUDY (TMS) - MOTIVATION

Article 9.3 of Regulation (EU) 913/2010 concerning a European Rail Network for Competitive Freight

*“The management board shall carry out and **periodically update a transport market study** relating to the **observed and expected changes in the traffic on the freight corridor, ...**”*

ATL RFC Transport Market Study (TMS)

First **ATL RFC TMS** was **elaborated in 2014**, which was latest **updated in 2021**.

TMS experience across RFC

Over the past decade RFCs elaborated first TMSs and in most cases TMS updates. However, these studies were carried out **without a common approach and did not share methodological framework**.

Management Boards of the 11 RFCs decision

Agreed **common guidelines for the corridor's TMS** in a work developed by RailNet Europe (RNE).

Decided to execute a Joint TMS Update to be finalized by end of 2024 under the coordination of RNE.

2. TMS – COMMON METHODOLOGY

- **European-wide transport model** for the analysis **at strategic level** of the current and future transport markets along the 11 RFCs.
- The **geographic scope** of the model covers the **European Union, as well as the non-EU countries** crossed by the 11 RFCs and involved in their catchment areas.
- The model has been **calibrated to the year 2022** (Model Base Year).
- **Future scenarios** have been elaborated for the 2030 time horizon.



The RFC ATL within the 11 RFCs Network

2. TMS – COMMON METHODOLOGY – NEAC MODEL

NEAC is a **freight transport forecast model**, which helps to **identify the best policy options** and infrastructure alternatives at European level. It combines together **socio-economic, trade and transport statistics** with **traffic flows** for different transport modes.

- The **model database** contains freight transport chains to, from and within Europe:
 - Based on data such as **Comext by mode and commodity, Port-to-Port statistics** and **socio-economic data on population and GDP**.
 - Contains **mode specific networks for road, rail, inland waterways and sea**. **Terminals and ports** form connection points in the networks.
 - It includes the **transport costs for the different modes** which help to get insights in policies on modal shift.
- The **forecast model** is based on methods used in many other transport models in Europe and abroad (i.e. ETIS+, Transtools, Worldnet or HIGH-TOOL):
 - The forecast model comprises an **economic model, a distribution/mode choice model and assignment** models for different modes.
 - The model is able to use different scenarios such as the European Reference or Green Deal package.

3. TMS – SCOPE AND SCENARIO DEFINITION

- Study concerns a **transport market study** (international transport demand) → transport volumes and modal share estimation by land transport mode, excluding network capacity simulation and assessment.
- **Model base year 2022** (calibration).
- **Future scenarios 2030.**

REFERENCE Scenario

- Economic Development 2030

PROJECTS Scenario

- Economic Development 2030
- Projects completed by 2030 along the 11 RFCs Network (Missing links impacting time or cost)

SENSITIVITY Scenario

- Economic Development 2030
- Projects completed by 2030 along the 11 RFCs Network (Missing links impacting time or cost)
- TEN-T standards: availability of **European standard rail gauge**, **ERTMS** on the entire rail network, and **740-meter trains** along the 11 RFCs Network

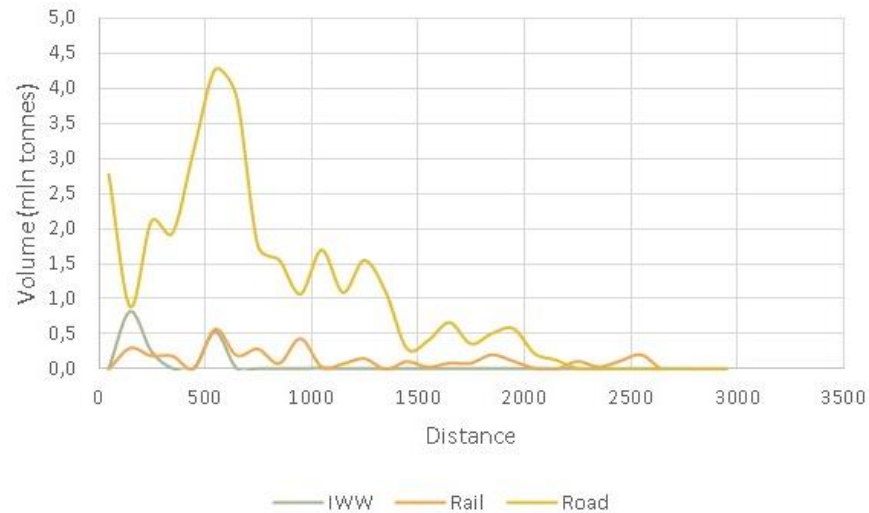
3. TMS – SCOPE AND SCENARIO DEFINITION

- **Futuro scenarios 2030**
 - **Economic Development 2030** → EU 2020-2050 reference scenario and World Economic Outlook 2023.
 - **Project inputs** → Identified in the 11 RFCs Implementation Plans and confirmed by the RFCs.
- **TEN-T standards** - Modelling impacts at strategic level:
 - **ERTMS** → To simulate the improvements in safety and efficiency, the speed on the entire network is increased.
 - **Introduction of 740-meter trains** → Based on a study: the average train volume will increase by 15%, leading to a reduction in rail freight transport costs of approximately 5%.
 - **European standard gauge** → the migration of the Iberian network belonging to the RFCs to the EU standard track gauge has been simulated for the purposes of this study with a reduction of waiting time.

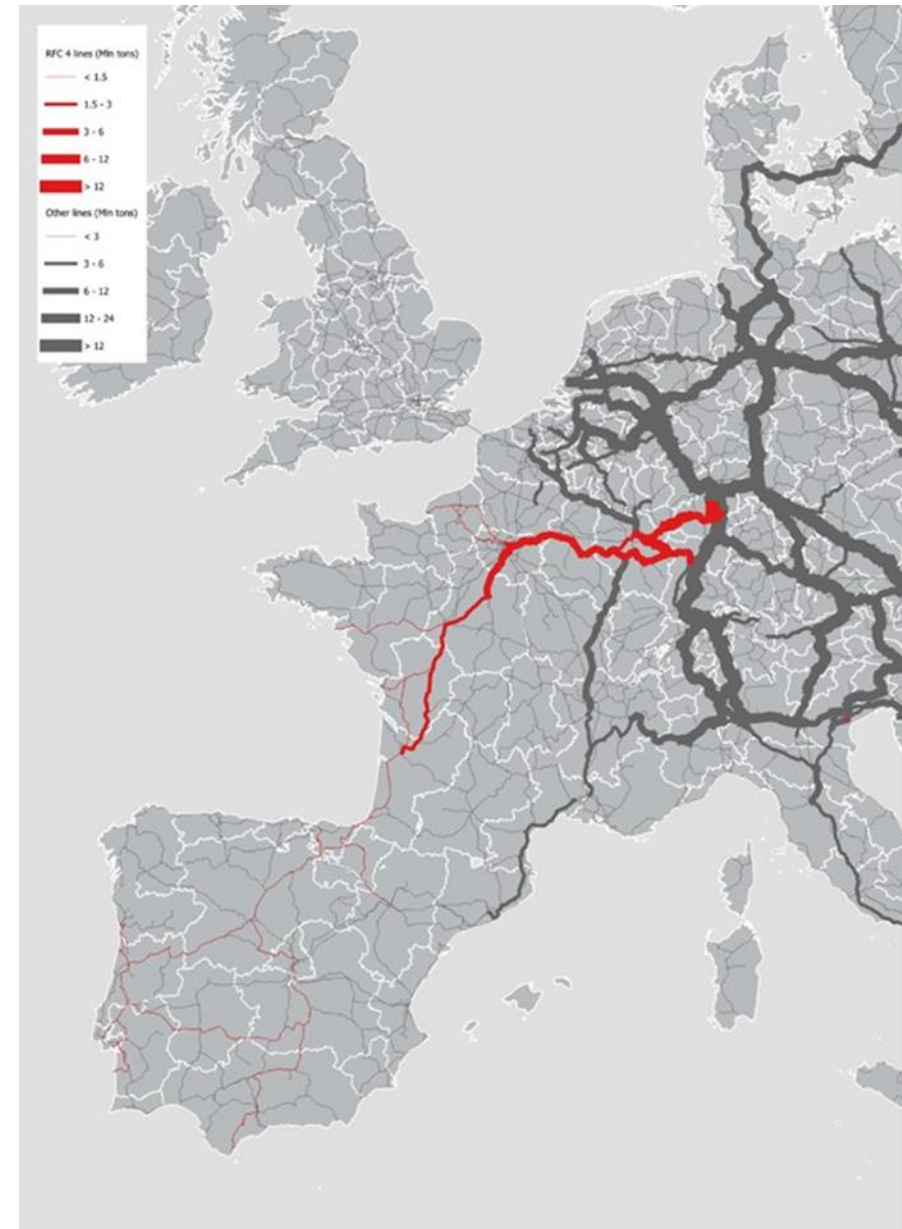
4. TMS – CURRENT TRANSPORT MARKET



Corridor area and rail network of the RFC ATL. Source: NEAC.



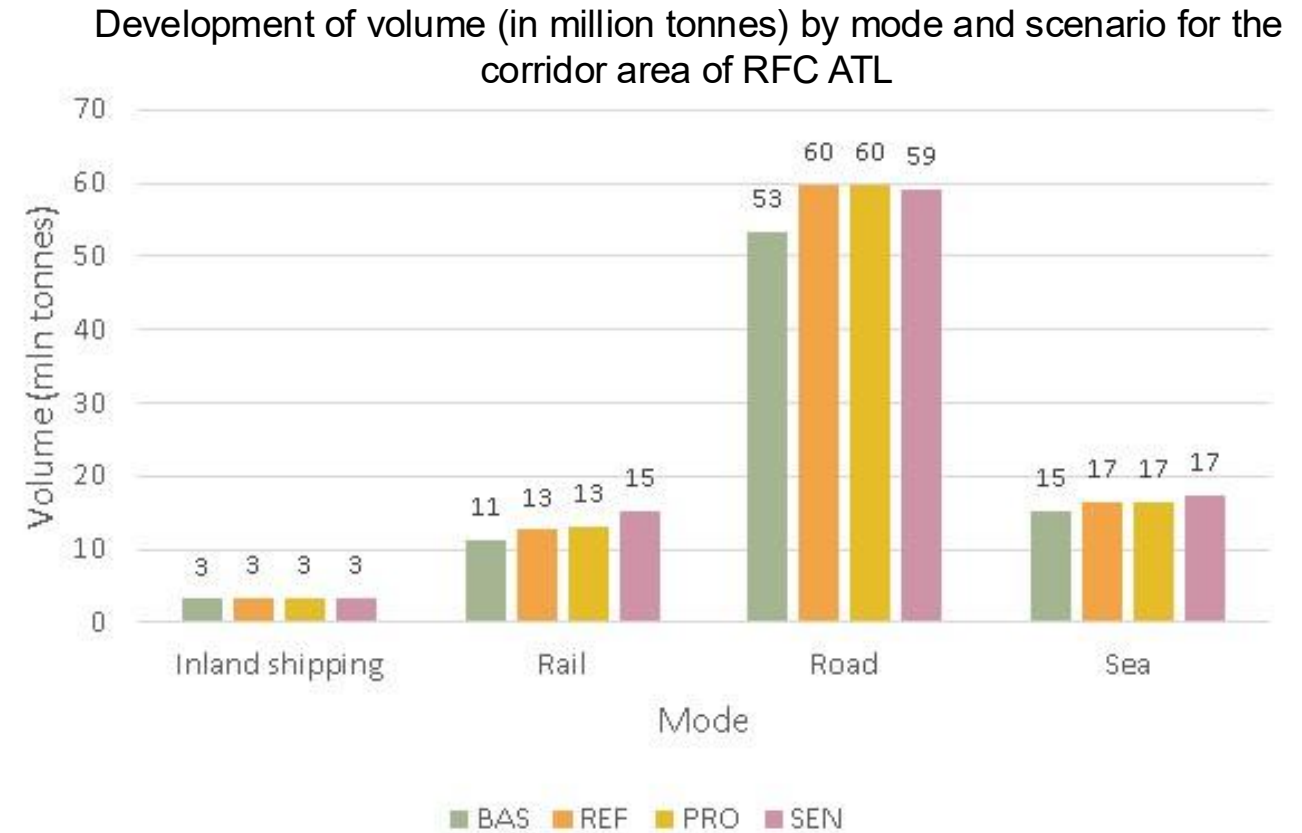
Volume distribution (million tonnes) of international freight flows by distance (km) within corridor area of RFC ATL in 2022.
Source: NEAC estimations.



Estimated Volume of international rail freight transport (million tonnes) in 2022. Source: NEAC estimations.

5. TMS – FUTURE TRANSPORT MARKET

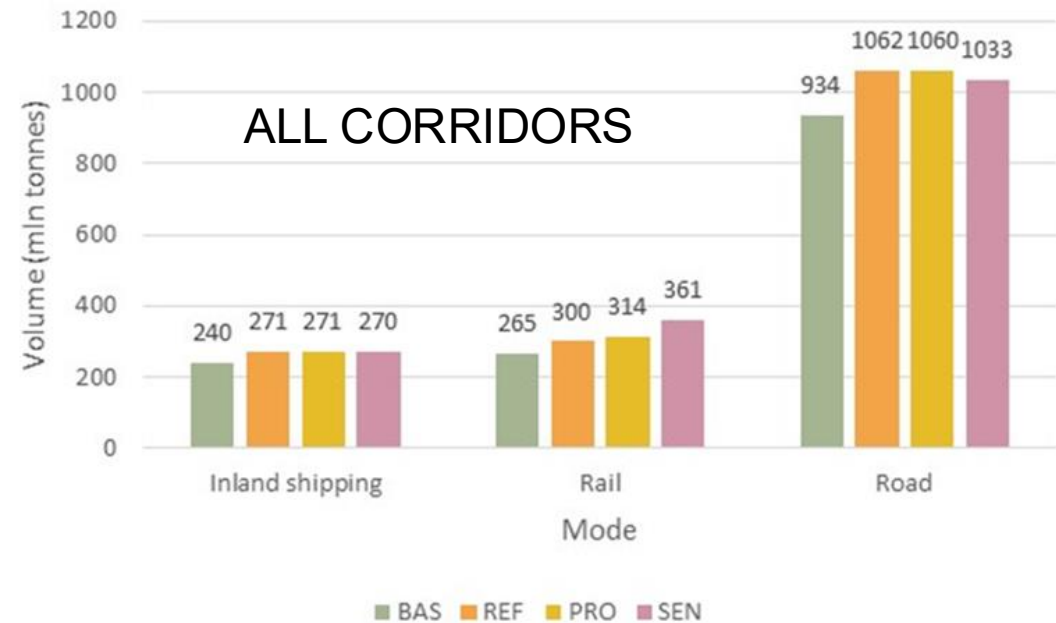
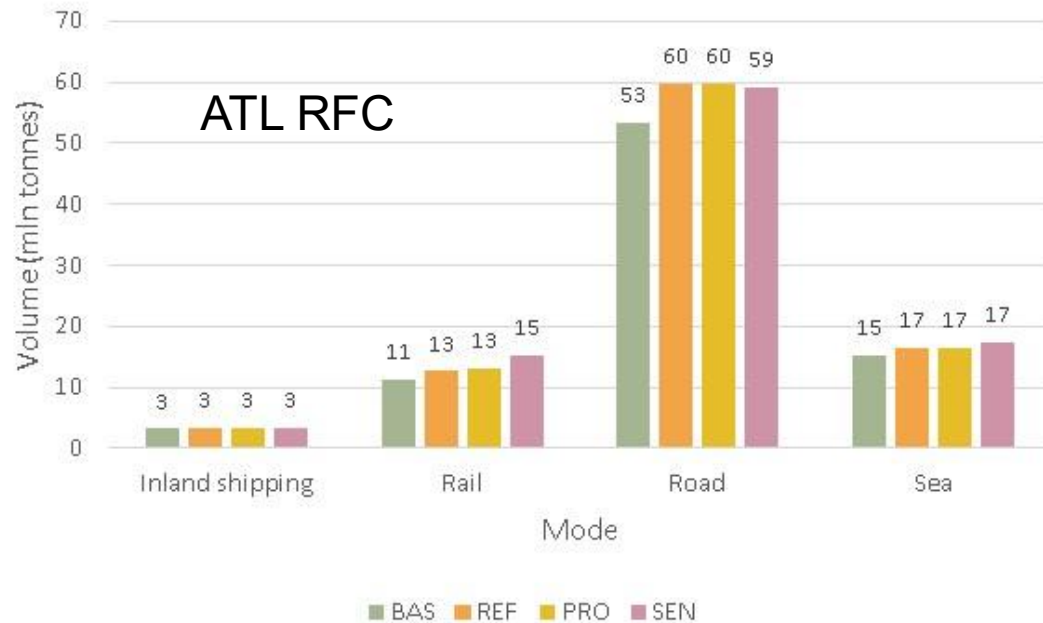
- **Reference scenario:** 12% growth of international rail transport, approximately 2 million tonnes extra compared to the 2022 situation.
- **Projects scenario:** extra 2% compared to the Reference scenario due to projects both in and outside the ATL RFC.
- **Sensitivity scenario:** potential of 2 million tonnes extra rail freight transport in addition to the Projects scenario.



Source: NEAC estimation; Legend: BAS=Base year, REF=Reference, PRO=Projects, SEN=Sensitivity

5. TMS – FUTURE TRANSPORT MARKET

Development of volume (in million tonnes) by mode and scenario.

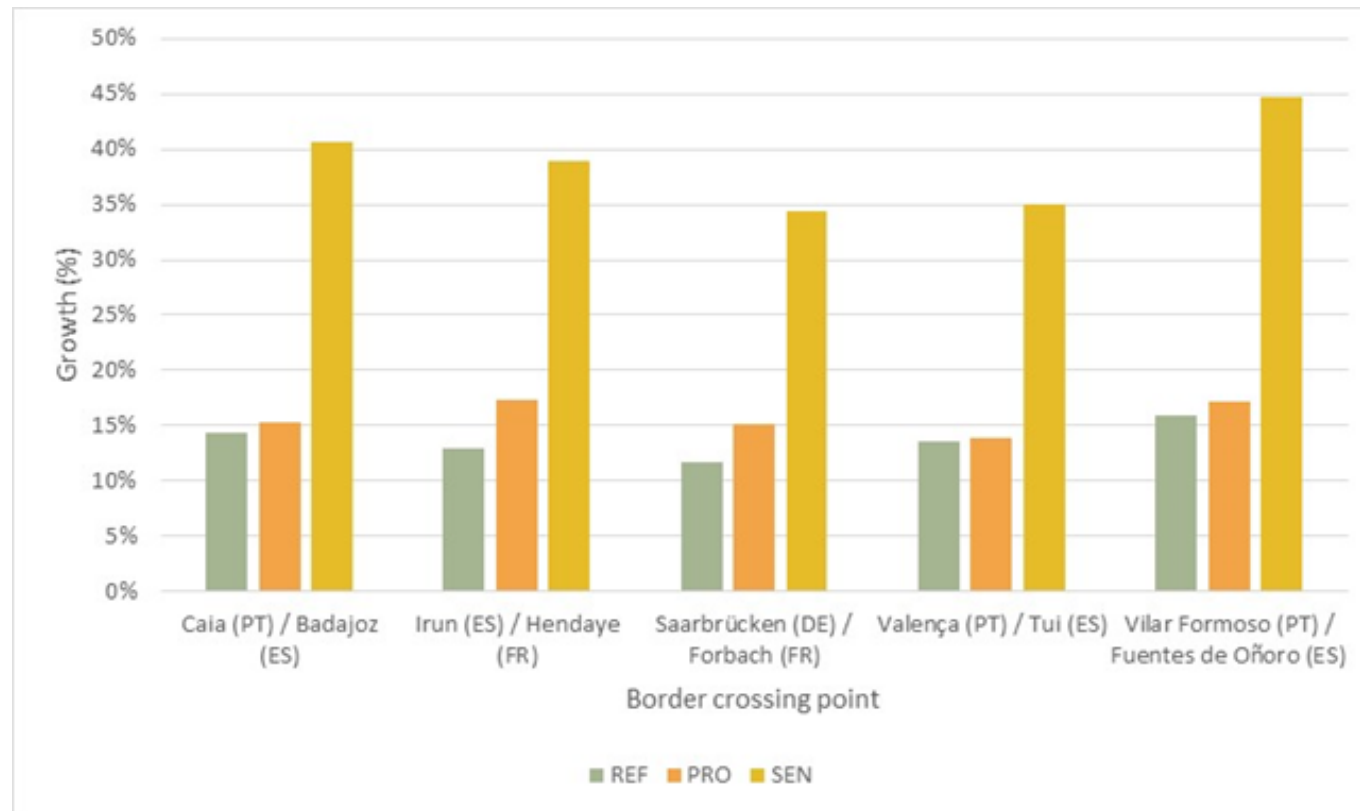


Source: NEAC estimation; Legend: BAS=Base year, REF=Reference, PRO=Projects, SEN=Sensitivity

- **Reference scenario:** Compared to the 2022 situation ATL RFC **12%** growth; All Corridors: **13%** growth
- **Projects scenario:** Compared to the Reference scenario ATL RFC **2%** growth; All Corridors: **5%** growth
- **Sensitivity scenario:** Compared to the Reference scenario ATL RFC **21%** growth; All Corridors: **20%** growth

5. TMS – FUTURE TRANSPORT MARKET

Growth of volume (%) of international rail freight transport on important border crossing points of the RFC ATL **compared to the 2022 Base year**



Source: NEAC estimation; Legend: REF=Reference, PRO=Projects, SEN=Sensitivity

6. STUDY RECOMMENDATIONS

*Major projects, and particularly the **completion of the TEN-T network at standard**, would significantly **increase the competitiveness** of rail freight transport.*

TIMELY COMPLETE THE DEVELOPMENT OF A HIGH-QUALITY, INTEROPERABLE NETWORK

- **Building missing links and removing infrastructure bottlenecks** can **solve congestion** problems, **save energy** and **reduce transport costs** as well as **improve travel times**.
- **Achieving the requirements set in the TEN-T Regulation** towards an 11 RFCs Network in line with TEN-T standards to **support the development of a Single European Railway Area**, specified that the investments in the development of UIC track gauge along the RFC network should be supported by evidences concerning their socio-economic viability considering costs and benefits to be incurred by the infrastructure managers, the operators and the logistics industry.
- **Support intermodal and combined transport** with improvement of interconnectivity between main railway lines and terminals, increasing terminal capacity and facilitating transshipment operations.
- Stronger cooperation for better effectiveness in the use of funds and the definition of **investment implementation strategies focussed** on those sections of the network with **higher market potential**.

6. STUDY RECOMMENDATIONS

A high-quality and interoperable network might not be sufficient to achieve the ambitious targets set in the relevant European transport policies, in the absence of a significant change in the structure of the costs of road and rail transport.

INTRODUCE MARKET REGULATORY AND POLICY MEASURES TO INCREASE THE COMPETITIVENESS OF RAIL FREIGHT TRANSPORT

- **Regulatory and policy measures might be necessary** to facilitate and foster the rail freight market in Europe towards the achievement of higher market shares and EU policy targets.
- Rail freight transport is generally more expensive and less flexible compared to road transport. **Internalising external costs of road transport, and/or creating incentives to reduce the costs of rail transport** would increase its competitiveness and support the achievement of the ambitious EU policy targets.



6

KEY PERFORMANCE INDICATORS 2024

AGREED KPI FOR RFCS

01

CAPACITY MANAGEMENT

- Volume of **offered capacity** (PaPs and RC)
- Volume of **requested capacity** (PaPs and RC)
- Number of **requests** (PaPs and RC)
- Number of **conflicts** (PaPs)
- Volume of **pre-booked capacity** (PaPs)
- Ratio of pre-booked capacity (PaPs)
- Average **planned speed** of PaPs

02

OPERATIONS

- Punctuality at **origin** (delay ≤ 30 and ≤ 15 minutes)
- Punctuality at **destination** (delay ≤ 30 and ≤ 15 minutes)
- Number of trains per RFC
- Train kilometers of trains per RFC
- **Dwell times** in border sections (planned and clean/real)

03

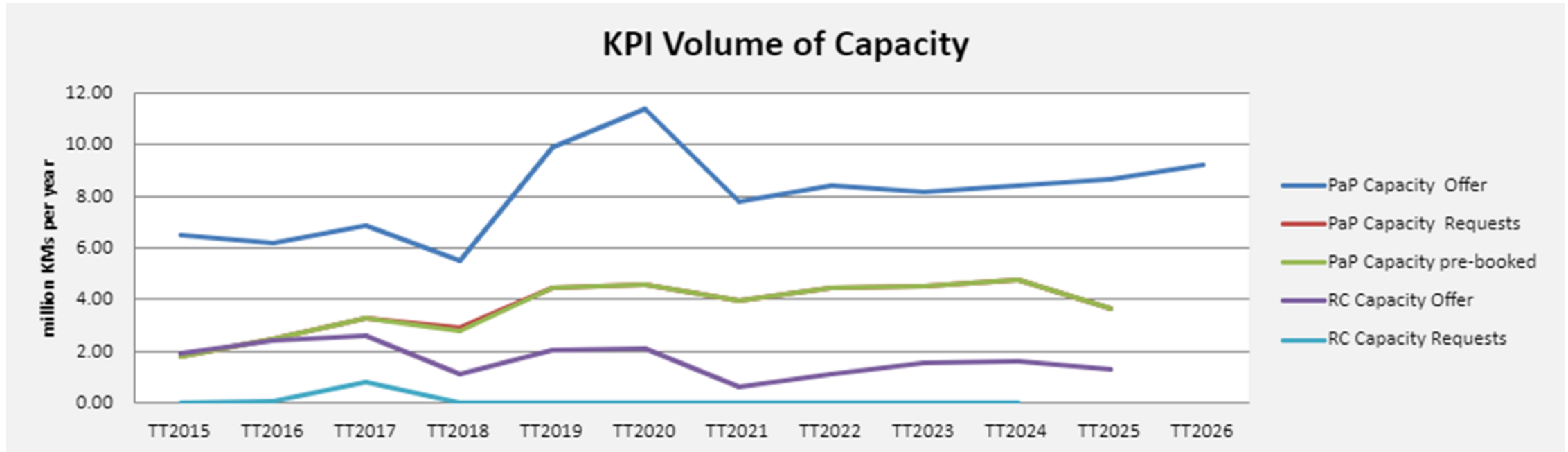
MARKET DEVELOPMENT

- **Number of trains** per border
- **Train kilometers** of trains per border
- **Ratio of capacity allocated** by the C-OSS and the total allocated capacity
- **Number of trains** crossing a border along the RFC (for individual reports)
- **Train kilometers** of trains crossing a border along the RFC (for individual reports)

- [illegible]

6. KEY PERFORMANCE INDICATORS

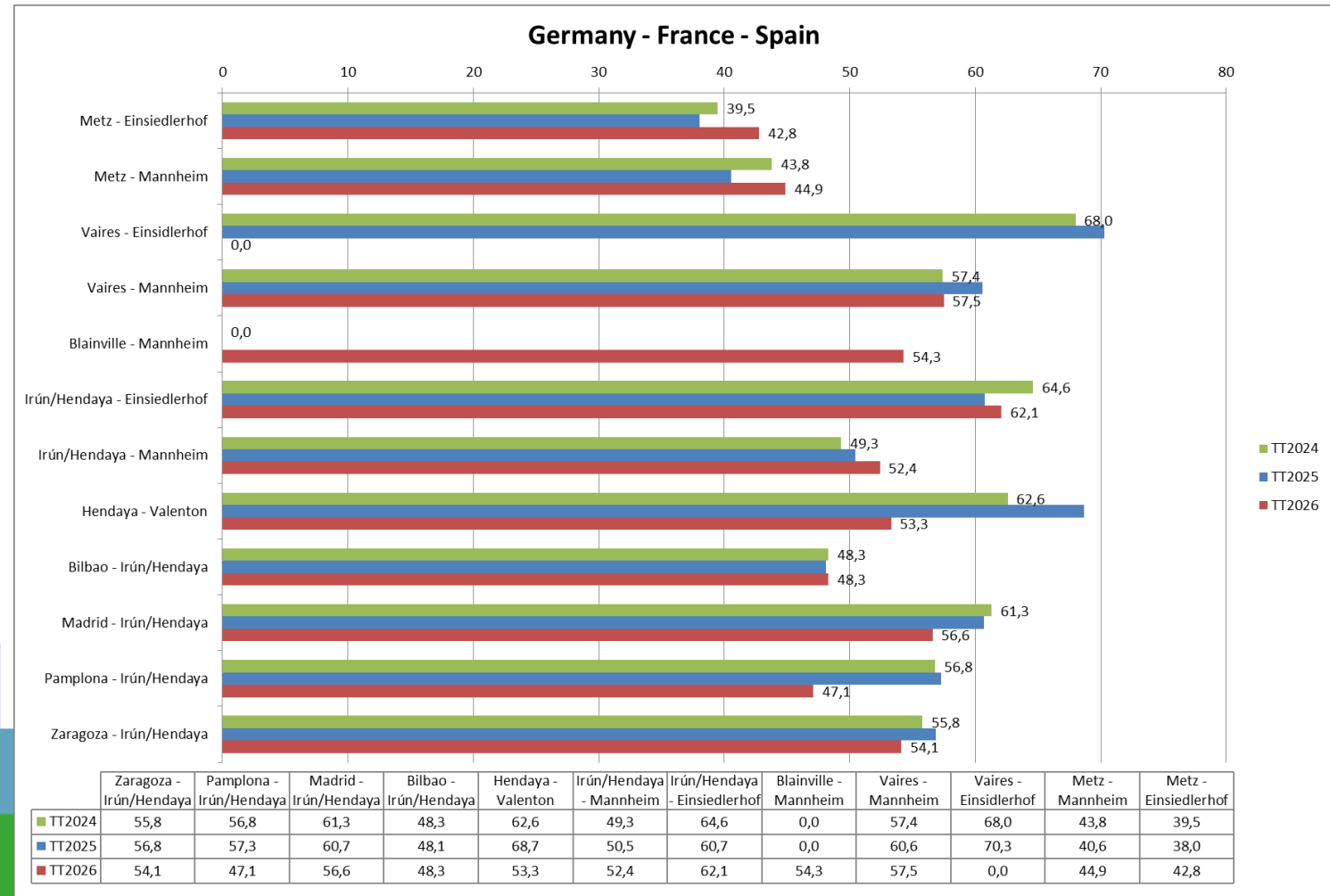
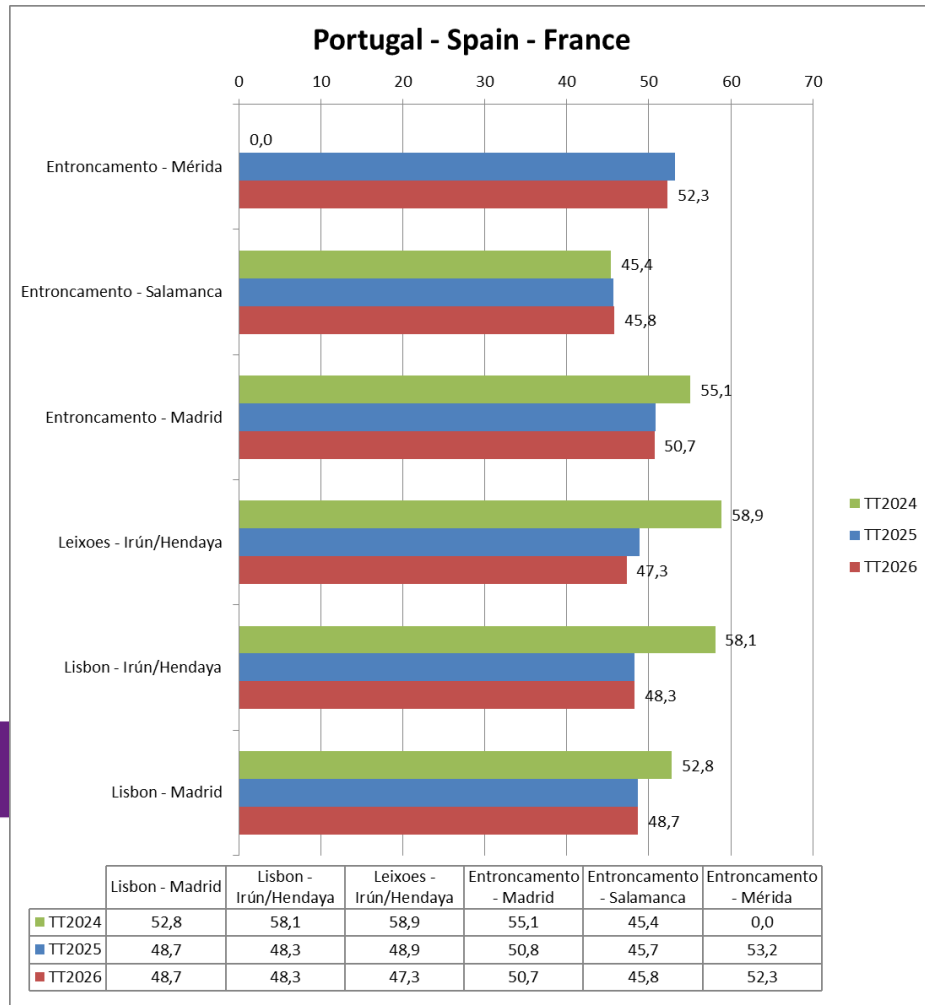
Capacity KPIs. Allocation process for timetable 2026



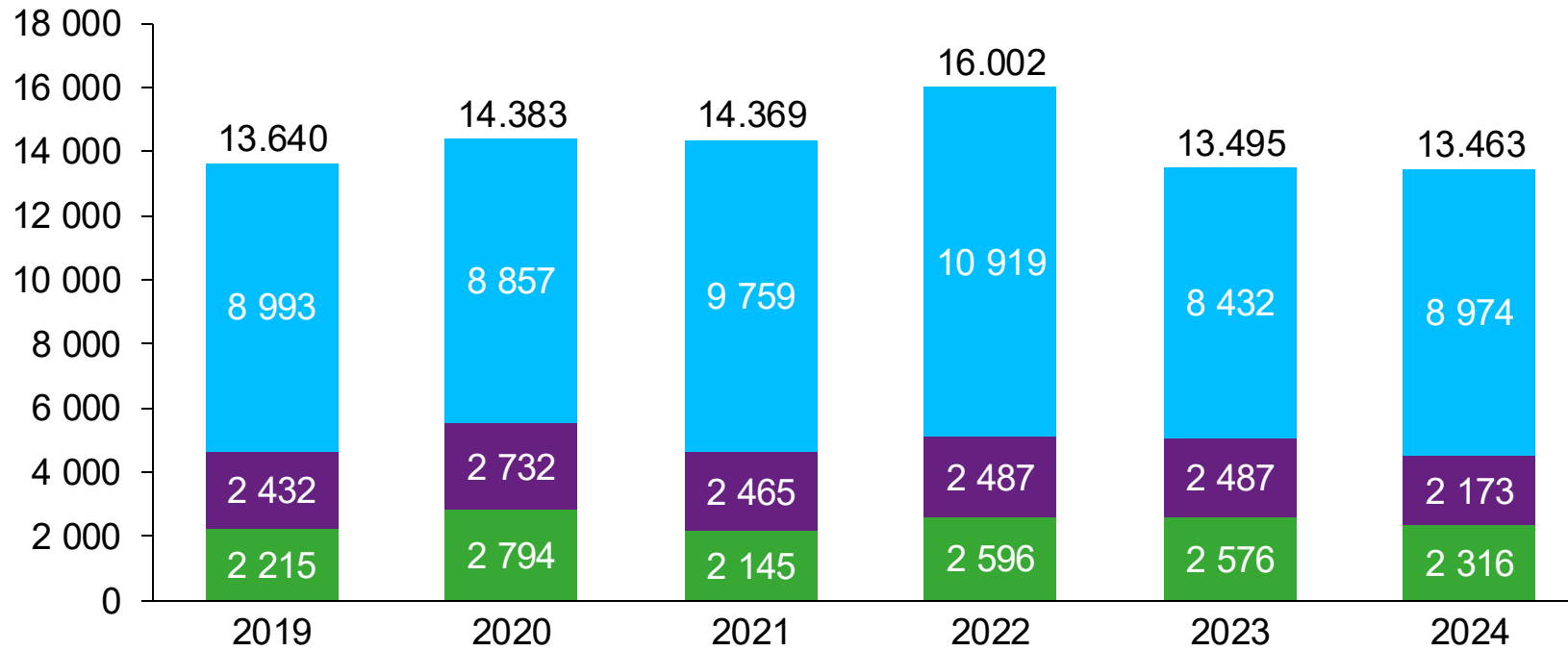
- ❑ All PaPs requested by RUs will be pre-booked by the C-OSS and submitted to IMs for path construction.
- ❑ The C-OSS will monitor and coordinate the construction and allocation process until the Final Offer.
- ❑ All requests will be responded no later than April 28th.

6. KEY PERFORMANCE INDICATORS

Capacity KPIs. Average Planned Speed for PaPs 2026

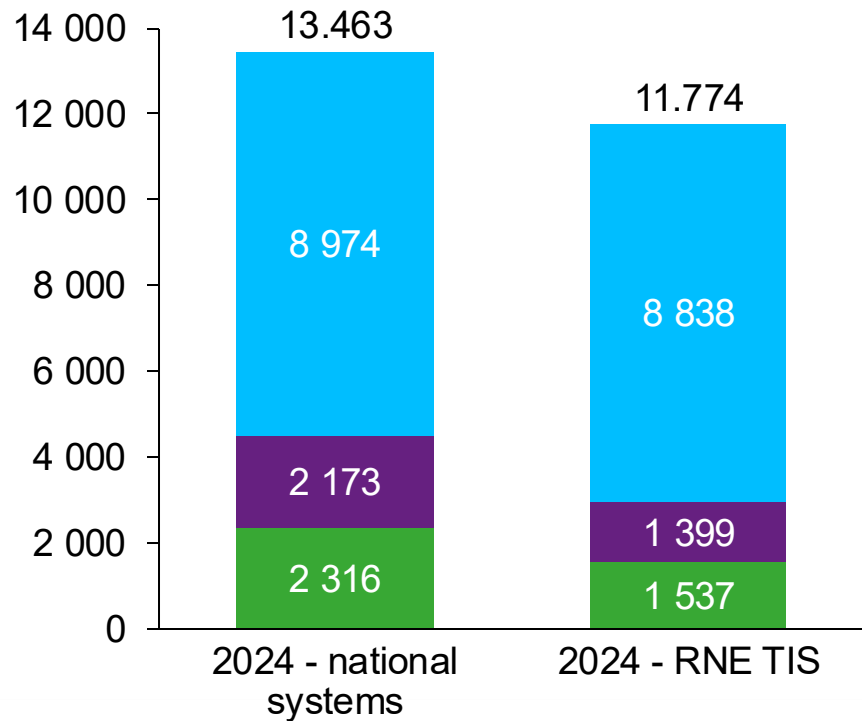


THE NUMBER OF TRAINS PER BORDER IS STABILISING ON THE LEVEL OF 2019



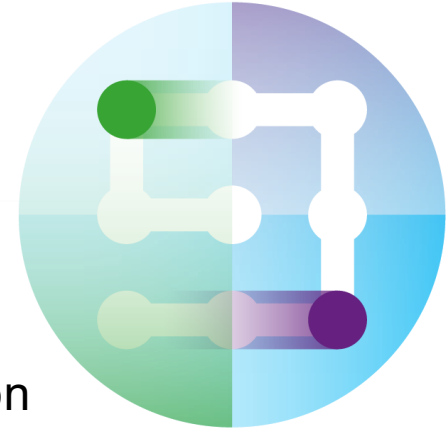
Trains per border DE - FR Trains per border FR - ES Trains per border ES - PT

COMPARISON OF INTERNATIONAL TRAINS PER BORDER FROM NATIONAL SYSTEMS AND RNE TIS – TRAINS OFTEN NOT LINKED

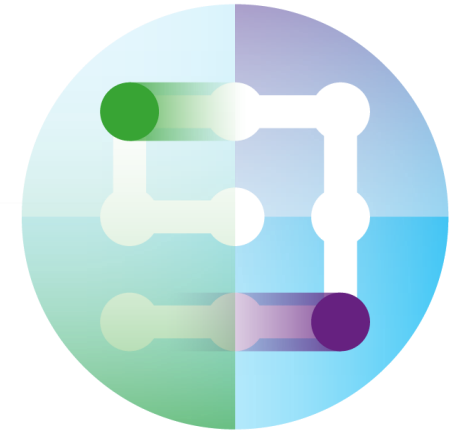
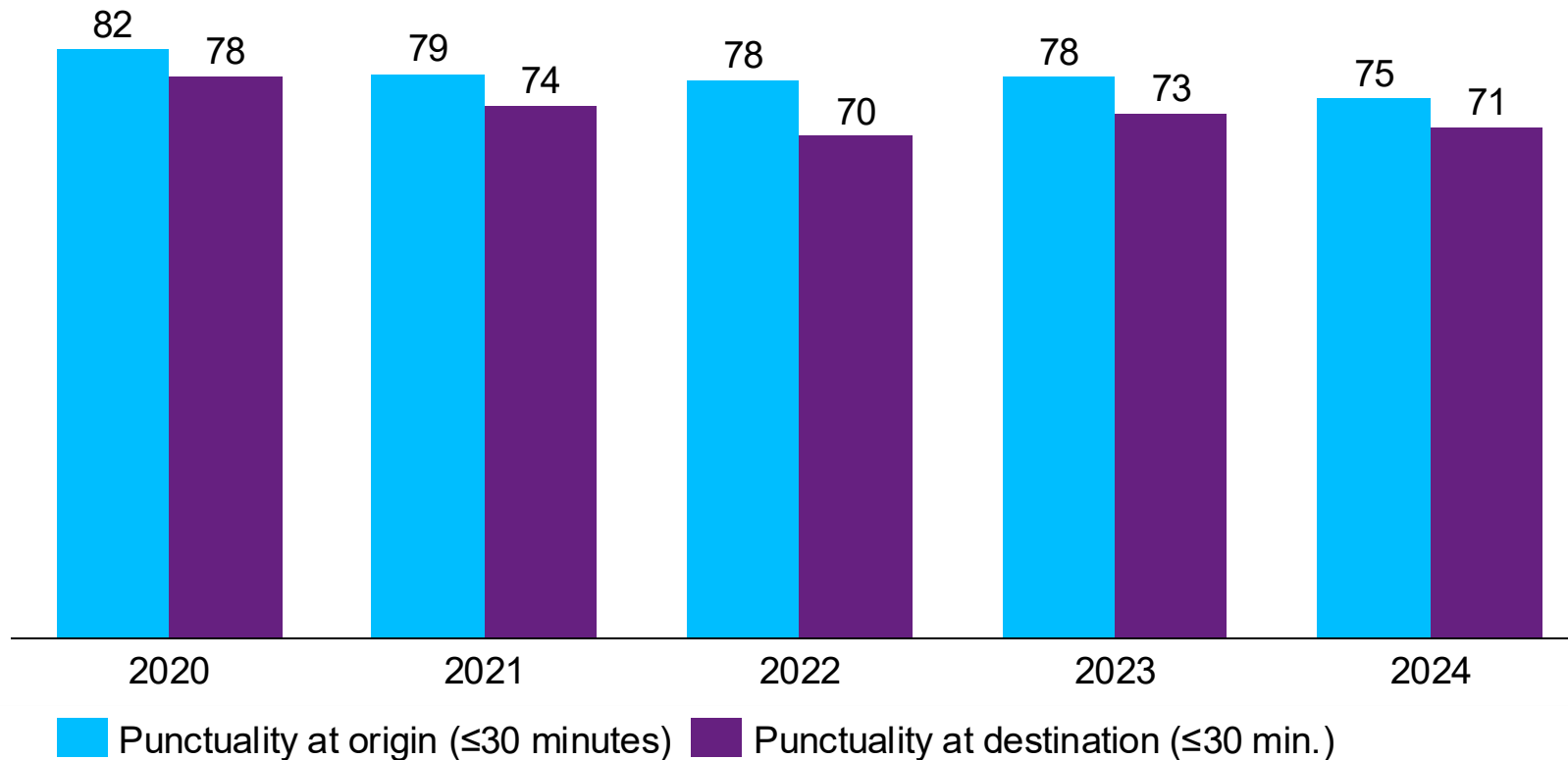


Trains per border DE - FR
Trains per border ES - PT
Trains per border FR - ES

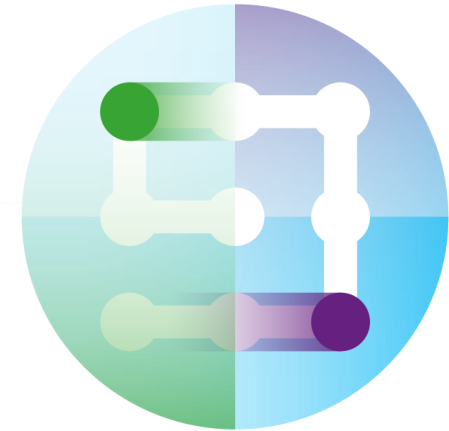
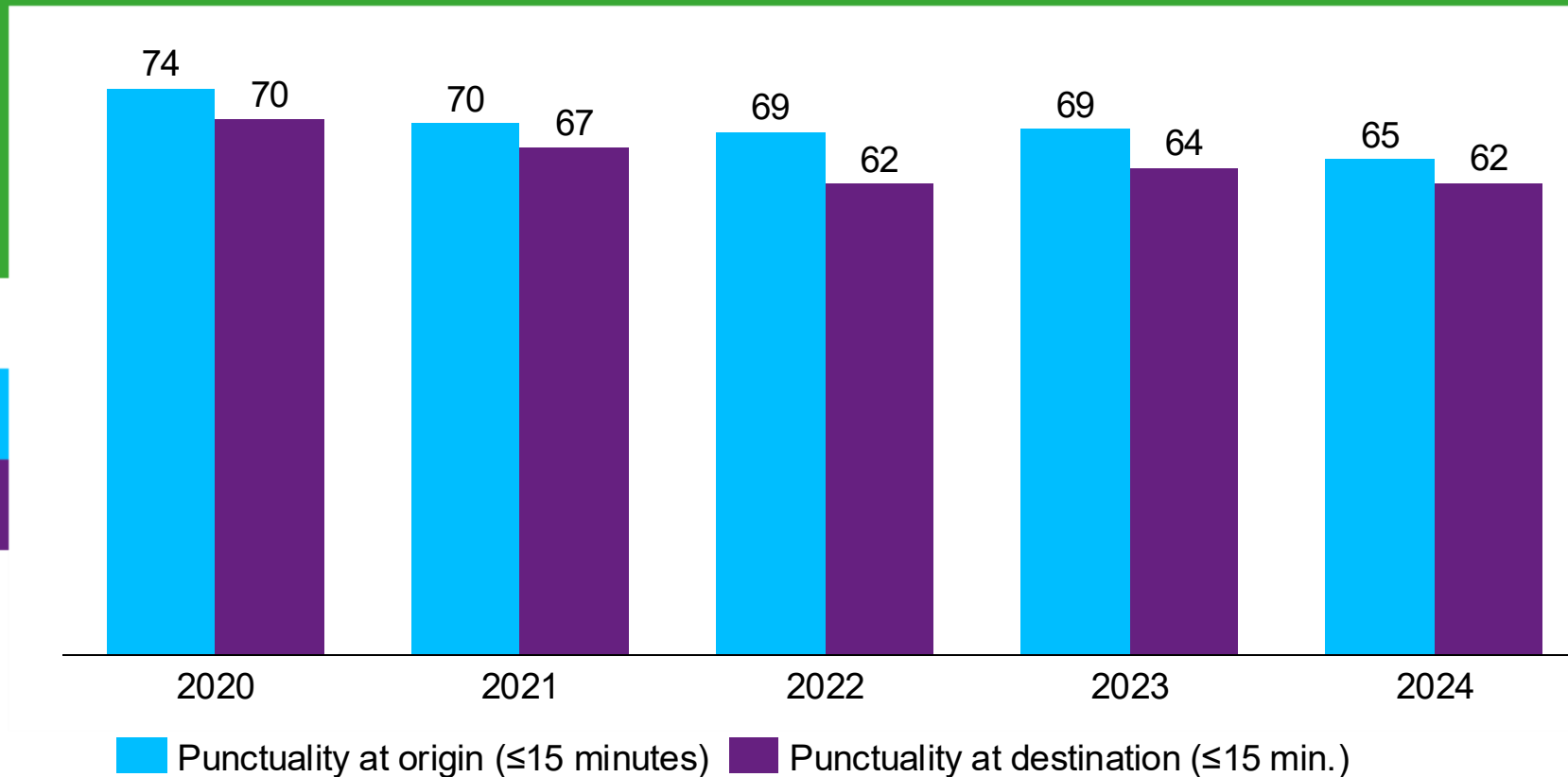
- Number of trains in RNE TIS on borders FR-ES and ES-PT is too low – international trains often not linked / identified
- In status quo, RNE TIS data is therefore used for punctuality figures and average dwell time, but not for kilometres per border / per RFC



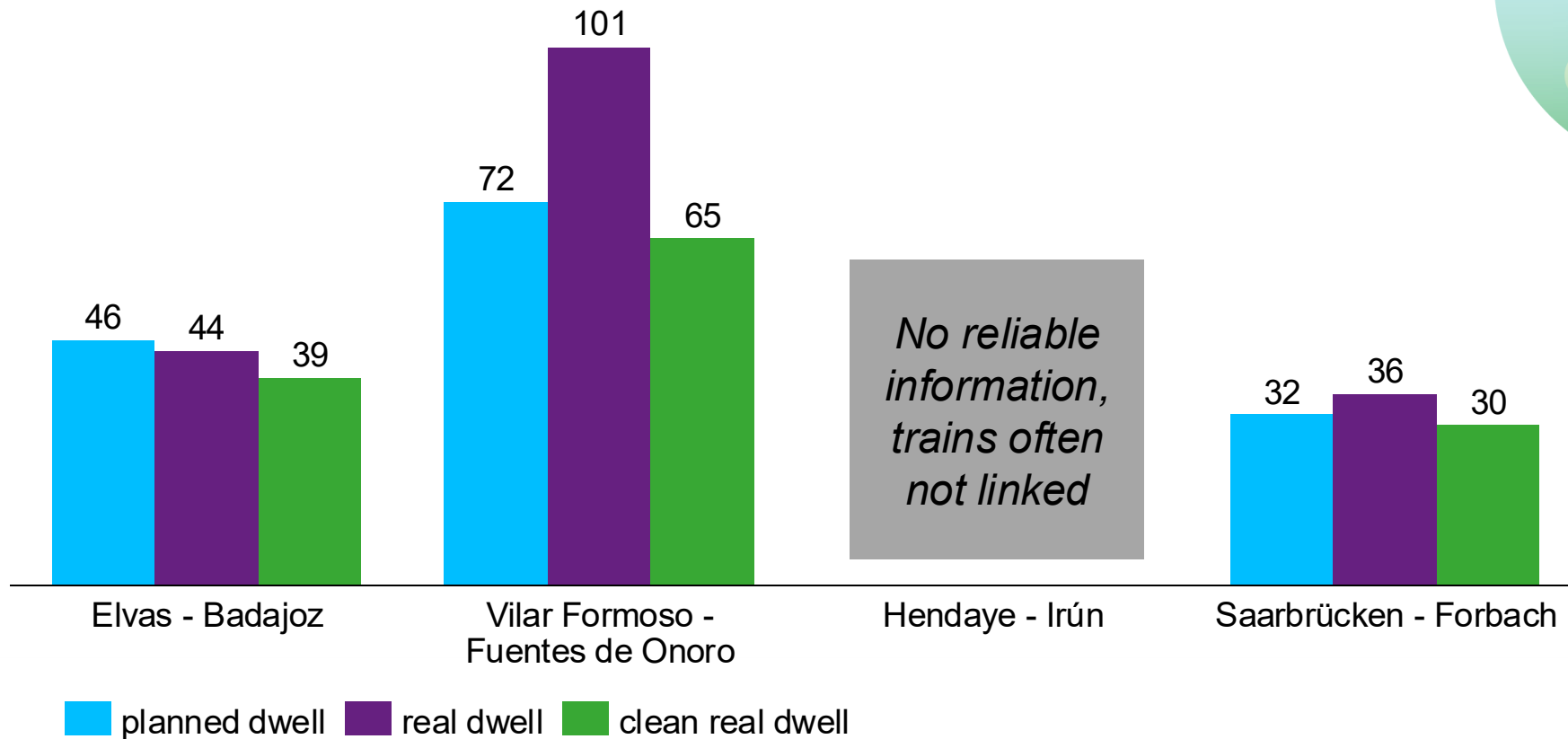
PUNCTUALITY (≤ 30 MINUTES) IS DECREASING WITH LITTLE DIFFERENCE BETWEEN ORIGIN AND DESTINATION



PUNCTUALITY (≤ 15 MINUTES) IS ALSO DECREASING WITH A SIMILAR PICTURE

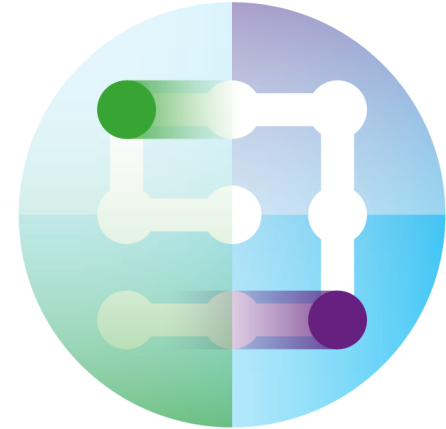


AVERAGE DWELL TIME PER TRAIN [IN MIN] - REAL DWELL IN VILAR FORMOSO – FUENTES DE ONORO STANDS OUT



RAG/TAG VIEW ON KPI DEVELOPMENT

- Do you see a similar development as shown in these RFC Atlantic KPI?
- What can be expected in 2025?
- You will soon be consulted on the performance / KPI development





7

CONSULTATIONS OF THE TAG RAG IN 2025

1. CONSULTATION ON INVESTMENT PLAN

REGULATION (EU) 913-2010

Art 11 Investment planning

« **The MB shall consult the advisory groups on infrastructure developments & investment needs** »

Documentation : adequate, up-to-date

Opinions: substantiated with sufficient justification

Topics :

- capacity needs, in particular 740 m trains
- TEN-T infrastructure requirements
- need for targeted investments to remove local bottlenecks, improvements to nodes and rail access routes or technical equipment enhancing operational performance

PROPOSAL BY THE MB

Basis: draft project list of the ETC coordinator + maps on TEN-T developments

through the **RAG TAG speakers**

Foreseen timeline: April to May

+ organize a specific meeting with TAG RAG (April/May)

 Results of consultation sent to **ETC coordinator**

2. CONSULTATION ON PERFORMANCE INDICATORS

REGULATION (EU) 913-2010

Article 19 Quality of service

«The MB shall consult the advisory groups and the European Coordinator on performance indicators (KPIs)»

PROPOSAL BY THE MB

Perform the consultation at RFC Network level
(not yet decided by RFC Network)

3. CONSULTATION ON PERFORMANCE

REGULATION (EU) 913-2010

Article 19 Quality of service

“The MB shall present the views and assessment of performance by the advisory groups in a dedicated section of the annual report»

PROPOSAL BY THE MB

The views come from :

- the minutes of the TAG RAG meetings
- a direct consultation by the RAG TAG speakers which can be based on the annual report
- + organize a specific meeting with TAG RAG (April/May)

4. CONSULTATION ON DEVELOPMENT VIEWS & IMPLEMENTATION PLAN

REGULATION (EU) 913-2010

Article 9 Measures for implementing the freight corridor plan

« The implementation plan must include the **views and assessment of the advisory groups with respect to corridor development** »

Article 10 Consulting applicants

“Applicants are consulted before the **implementation plan** is submitted to the executive board”

PROPOSAL BY THE MB

- Consultation on **implementation plan & developments** together
- through the **RAG TAG speakers**
- **Foreseen timeline:** September – October
- **Publication of the implementation plan** which includes the views and assessment of the advisory groups on development & the results of the consultation on investment planning