Modal Shift to Rail through Supply Chain Collaboration for Efficiency and Sustainability

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Use of rail - findings

• 11 (42%) of participating companies currently use rail

• Rail in current mode share:
  6 companies - 5% or less
  4 companies - 10-20%
  1 company - 62%

• Change in use of rail in the last 2 years
  2 companies – Rail not used 2 years ago
  5 companies - Increased by 10% or more
  4 companies - Decreased by 10% or more
Rail’s performance and cost

- Existing users generally happy with service quality but cost often a barrier
- Financial and operational efficiency (for long distance and big volumes)
- Environmentally friendly
Main obstacles discouraging use of rail - 1

- Lack of required access, infrastructure and service provision
- Lack of information on routes, costs, grants etc.
- Complicated and rigid rail contracts
- Road transport normally still needed at either end of rail operation
- Less reliable, flexible and slower than road
Main obstacles discouraging use of rail - 2

- Longer lead times required
- Risk associated with delay, damage and loss of products
- Regular and substantial volume needed
- Supply chain network
- Product characteristics
- Difficulties in finding rail backloads
- High cost
Practical measures to increase the use of rail freight

- Supply chain related
- Rail industry related
- Government’s role
Supply chain related

- Supply chain restructuring to include rail connected locations
- Rail access to influence decisions on new facilities and locations
- Flexibility from customers needed
- Customers to be more insistent on rail
- Unfavourable perception of rail to be challenged
Rail industry related - 1

• Rail industry to become more commercially aware, responsive and customer oriented
• Frequency and availability of services should improve
• Capacity and rolling stock availability issues must be resolved
• Rail has to become more affordable and cost-effective
Rail industry related - 2

- Better quality of service and more shared user services to be offered
- Simplified and more flexible contracts required
- More competition within rail industry needed
- More advanced technology required
- Investment in green technology needed
Government’s role - 1

- Greater support for rail should be offered
- Investment and rail infrastructure upgrade needed
- Help with provision of freight facilities
- Help to companies interested in modal shift
- Rail must become cheaper
Government’s role - 2

- Investment in electrified rail
- Encourage greater flexibility of rail operators
- Changes in land use planning
- Information on plans and confidence about policies needed
- Listen to what business have to say
Good practice in rail freight operations

- Special high cube containers to improve container utilisation
- Rail used to move empty pallets
- Considered shared user service for flows coming from France via Channel Tunnel
- Innovative rail operations, e.g. shared user temperature-controlled service operated between Spain and the UK by Stobart and DB Schenker
Conclusions

• Existing users generally happy with rail performance
• Investment in rail infrastructure is needed
• Rail has to become more affordable
• Partnership needed between rail operators and their customers
• Certainty and continuity are important