

Strategy Paper

2021-2024



Change History

Version	Author	Reviewed by	Change	Date
2016.1	RFC3 Team, PIMs, MaBo	Customers and Users		2016-09-30
2021-2024	RFC3 Team, PIMs, and WG Leaders		Update of the Strategy for the next four years according to the upcoming EU co-financing scheme 2021, Green Deal 2019, Reg.913-10 Evaluation roadmap of DG MOVE 2019-2020	2020-06-30

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Preamble

The Scandinavian Mediterranean Rail Freight Corridor (ScanMed RFC) entered into the operational phase in November 2015, once the paperwork was completed. As the EU-Regulation was implemented, the real work started. The Infrastructure Managers (IMs) involved in ScanMed RFC decided to develop a vision and a strategy for the corridor with the aim of increasing volumes and market shares of rail – and to do so in cooperation with its users and partners.

Infrastructure Managers have invited users and partners, i.e., Railway Undertakings (RUs), Terminals and Ports and applicants for rail infrastructure capacity (End users) to:

- Enlarge their understanding of market needs by encouraging recommendations from customers and potential consumers of international rail freight services
- Identify lines of improvements towards the objective for improving the share of rail in international freight transport

During the last four years, ScanMed RFC has developed to reach relevant results both in terms of requested international capacity and in terms of studies and pilot projects developed according to and in cooperation with users, customers, and partners from Scandinavia towards Germany-Austria until Italy. It has been achieved while measuring the performance of the services continuously and introducing corrective actions. In contrast, the results were diverging from the expected ones.

At the end of 2020, the time has come to close the co-financing cycle linked to the Program Support Action covering October 2017 until December 2020¹. The Commission launched an evaluation roadmap with a planned completion date by the second quarter of 2020. The evaluation aims to assess the implementation and impacts of Reg.913-2010 on the transport of goods by rail. Finally, yet importantly, a European Green Deal was set forth at the end of 2019 to re-establish the Commission's commitment to tackling climate and environmental-related challenges. The Green Deal aims at transforming the EU into a fair and prosperous society with a competitive economy. In a society where there are no net emissions of greenhouse gasses in 2050. Where economic growth is decoupled from resource use to achieve the reduction of GNG emissions, the European Green Deal prioritizes a substantial shift of EU freight traffic from road to rail by 2050.

The strategy paper is aimed primarily towards corridor users: Railway Undertakings and their customers, i.e., End-users and corridor partners, Terminals, and Ports. As a result, it is shared with the Ministries in charge of Transport and Third parties, i.e., the European Commission.

The strategy paper sets the direction for developing ScanMed RFC in the next four years.

¹ An amendment to the Grant Agreement has been requested by the ScanMed RFC to prolong the end date of the PSA from 2019 to 2020 and accepted by the INEA in 2019.

Two documents focused on implementation were also developed based on the previous strategy paper:

- Principles for business co-development, setting the implementation methodology shared among the IMs, the users, the partners, the supervisors, and facilitators of ScanMed RFC.
- A work plan for the IMs specifically

Whenever relevant, the strategy will be implemented to harmonize services, processes, and tools across RFCs, considering the existing efforts, such as RNE Guidelines, made in that direction.

Actions involving other Parties than the IMs will be led to the extent reasonable and pay attention to avoid duplications with existing services.

The Rotterdam Ministerial Declaration 2016 on "Rail Freight Corridors to boost international rail freight" and the subsequent implementation of the concerned priorities, which directly involve RFCs activities, underlined the necessity of continuing strong cooperation of the stakeholders involved in rail freight. To enable an efficient follow-up and an update of RFCs priorities, the Rail Freight Corridors' continued commitment must be ensured in the next four years.

Monitoring will be necessary to enable efficient follow up. The follow-up will take place in regular meetings.

Linda Thulin,
Chairperson of the Management Board

Who we are

Rail Freight Corridors were initially set up in 2010 through the EU-Regulation on a competitive rail freight network. Their purpose is to create a European system composed of initially nine international Rail Freight Corridors (RFCs) with a high level of performance. ScanMed RFC is one of the nine initial RFCs² and crosses six countries. Namely, Norway, Sweden, Denmark, Germany, Austria, and Italy.

² As of 2020, we have 11 RFCs in Europe – see <http://rne.eu/rail-freight-corridors/>

What we do and with whom

The scope of ScanMed RFC

ScanMed RFC has three core areas of competence:

Customer and Market Management

ScanMed RFC regularly delivers Transport Market Studies (TMS) as a minimum requirement for delimitating³, quantifying⁴, and qualifying⁵ its business environment.

An annual customer satisfaction survey highlights areas of improvement to meet customers' expectations and needs better.

ScanMed RFC provides coordinated information on corridor-relevant infrastructure investments, including interoperability investments, such as ERTMS-ETCS. Planning, financing, and implementation remain a competence of the individual Ministries and Infrastructure Managers. In this regard, the organizations within the TEN-T Core Network Corridors (CNC), as well as the ERTMS Corridors, have a key role. ScanMed RFC, with its institutional involvement of users and partners in RAG/TAG, plays a leading role in providing the market's view and perspective on how infrastructure and interoperability investments can promote international rail freight.

Eventually, ScanMed RFC aims at being the backbone of a logistic service chain, better-connecting rail to other modes, such as road and sea transport.

Capacity Management

ScanMed RFC delivers international capacity in the form of:

- A yearly catalog ("Pre-arranged paths" or PaPs) published the second Monday of January
- Reserve Capacity (RC) is published two months before timetable change.

Both are coordinated to reduce waiting times at border-crossings.

A Corridor One Stop Shop (C-OSS) Manager supervises the planning and construction of PaPs RC, Terminal Integrated Capacity Offer (TICO) product, and their booking, as well as their allocation and the delivery of a final offer.

In addition to the capacity products and the included services provided by ScanMed RFC, the corridor is focused on improving the coordination of Temporary Capacity Restrictions (TCRs). It aims at ensuring a limited impact of the works on traffic while already in the capacity offer, taking into account the necessity of periodical closures caused by construction and maintenance work on the tracks.

³ Main Origins and Destinations

⁴ Transport volumes

⁵ Main decision-making drivers for using RFC services

TTR is a strategic project that aims to re-design the actual timetabling and capacity allocation process that will be implemented by 2025. Until then, the corridor is open for pilots and offers its support.

TTR is likely to influence the ScanMed Strategy, and therefore there is a need for monitoring and actively take part in the project. Taking advantage of findings and influencing this project will significantly impact the European capacity allocation process; it's a strategic opportunity to be taken.

Performance Management, Accessibility, and Operations

ScanMed RFC facilitates cross-border operations and monitors cross-border punctuality. It analyzes causes of disturbance as well as sketches improvement lines and solutions. The approach for punctuality/performance monitoring, cross-border and specific operational issues, short-term coordination of TCRs (Temporary Capacity Restrictions) is coordinated at corridor level within the Working Groups or WGs:

- Train Performance Management (TPM) WG
- Operational (OPE) WG
- Temporary Capacity Restrictions (TCR) WG
- Regional Working Group North covering Norway, Sweden, Denmark, and the north of Germany
- Regional Working Group South covering the Brenner stretch from Munich to Verona

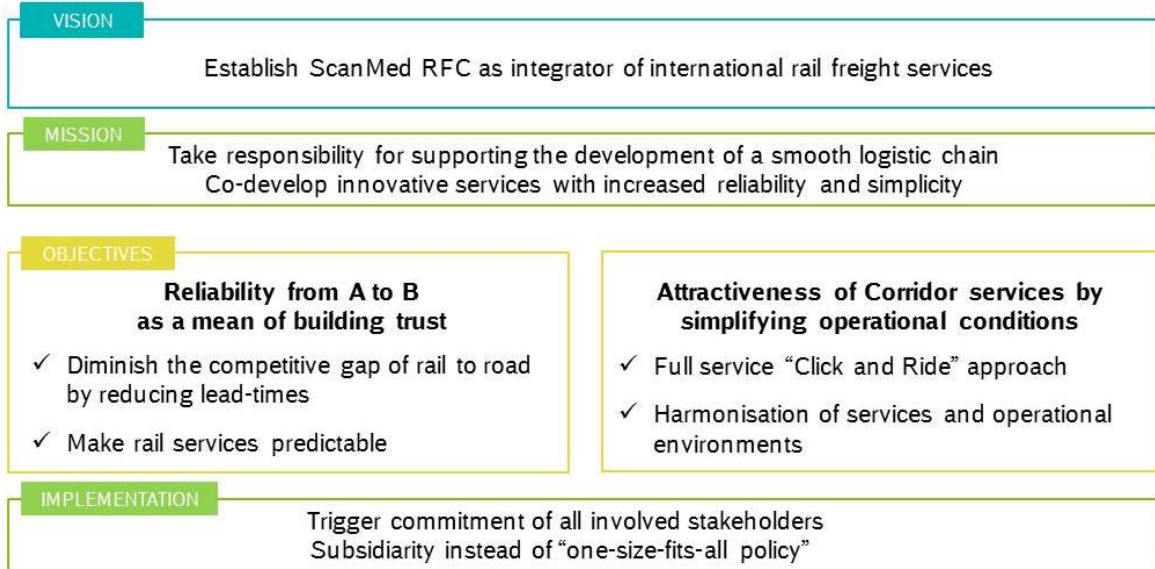
Within the operational field of traffic management, ScanMed RFC has a strong supporting role in International Contingency Management (ICM). Processes and routines for Incident Management and Communication have been implemented. They are continuously optimized, both by simulations and in real cases. ScanMed RFC has now established an organization that allows the ICM procedures to be activated 24 hours a day, seven days a week, whenever an International Disruption is declared along the corridor.

Stakeholders involved in ScanMed RFC

ScanMed RFC involves four categories of Stakeholders:

1. **Corridor Capacity Providers**, Railway Infrastructure Managers are in charge of steering RFC activities in the three core areas mentioned above.
Seven IMs are involved in ScanMed RFC:
 - a) Bane NOR (BNO)
 - b) Trafikverket (TRV)
 - c) Øresundsbro Konsortiet (OBR)
 - d) Banedanmark (BDK)
 - e) DB Netz AG (DB)
 - f) ÖBB-Infrastruktur AG (ÖBB-Infra, or ÖBB-I)
 - g) Rete Ferroviaria Italiana S.p.A. (RFI)
2. **Corridor Partners**: Terminal Operators and Ports ensure smooth last-mile connections and guarantee multimodality of the logistic chain.
3. **Corridor Users**, of which there are two:
 - a) **RU Rail Freight Service Providers** such as Railway Undertakings, Logistic Operators, and Multimodal Transport Operators
 - b) **RU Rail Freight Service Buyers, i.e., Customers of the Rail Freight Service Providers.**
They are the corridors End users, as
4. **Corridor Facilitators** are the Ministries in charge of transport, the CNC, as well as the European Commission

Our strategy at a glance



Vision and Mission

Further development and universal recognition of ScanMed RFC as an integrator of international rail freight services by

- Taking responsibility for supporting the furthering of a smooth logistic chain
- Co-developing, with all stakeholders mentioned above, innovative services and solutions with increased reliability and simplicity

General Goals

- **Capacity:** Reaching a market share on the border points of 20% on average while increasing each border point's value.⁶
- **Combined Transports:** Increase the 2017-2020 share of international combined freight transport involving rail (i.e., rail and road or rail and short sea shipping) so that the total international freight volume transported on ScanMed RFC routes substantially contributes to the achievement of the climate and commercial goal of the members
- **Customer satisfaction:** Increase the 2017-2020 Customer Satisfaction level based on figures derived from the USSs
- **Stakeholder engagement:** Increase the level of engagement in ScanMed RFC through active participation at meetings and task forces, engagement on Social Media and our website, follow-through in surveys, etc., and increased CIP-tools usage. An increased level of engagement generates added value to stakeholders.

⁶ The goal of 20% is based on the calculation of the quotient from running days for international freight trains allocated by the COSS divided by all international freight traffic running days through at least one of the five border points along the ScanMed RFC. *ScanMed RFCs individual market shares for the border points along the corridor are the followings: For Peberholm and Padborg they are already above 50%, whereas the market shares for the border points Kufstein and Brennero are below 1%. Kornsjö has around 4% market share.*

$$\text{ScanMed RFC market share} = \frac{\sum \text{running days allocated by the C-OSS for each corridor's border point}}{\sum \text{total sum running days for each corridor's border point}}$$

Strategic objectives – Reliability and Simplicity

Improve Reliability from A to B as a mean of building trust

A to B designates the scope of the transport service addressed within the present paper; *A* is the first loading point to rail, and *B* the point of the last unloading from the railway.

Diminish the competitive gap of rail to the road by reducing lead-times from A to B

Contribute in improving access to Rail freight services

- Reducing the time and effort needed to obtain complete information on prices
- Reducing the time and effort needed for accessing complete offer, booking/rebooking capacity

Reduce operational downtimes

- Reducing stop-times at cross-border points
- Improving rail freight operations within nodes
- Improving coordination between trains running on the corridor and operations at Terminal and Port hand-over points

Make rail services predictable

Facilitate operational planning for users by timely informing on route and capacity

Enabling timely production planning for corridor users, ensure transparent information on:

- The corridors Principal and Diversionary routes
- The corridors capacity volumes to expect both for the medium term (e.g., in percent of increase per year) and for the short term, including real-time capacity availability
- The availability of the Terminal Integrated Offer (TICO) to integrate the order process of paths and terminal slots

Contribute to smooth operations through better coordination of works across borders

- Develop long, medium, and short-term planning of works
- Provide updated information on planned works on the corridor route, both for future and current timetables
- Gather input from corridor users to adjust the planning of works maximizing the productivity and minimizing costs of all involved infrastructure managers and corridor users
- Provide coordinated information about planned works and timetable changes

Support logistic efficiency by facilitating real-time traffic information sharing and coordination of dispatching decision

- To coordinate and integrate existing traffic monitoring systems to ensure consistency of information. In particular, interfacing corridor IT- tools with Terminals and Ports. Including estimated time of departure at A and of arrival at B
- Coordinate the available real-time capacity of neighboring IMs and terminals with corridor users' resources to enable the optimal dispatching decision.

Improve routines for contingency management

- Provide the corridor partners and users with ad hoc procedures describing recurrent mitigation scenarios in case of typical disturbances either in ICM-cases or other contingencies.

Enhance the attractiveness of the corridor services by simplifying operational conditions

Full service "Click and Ride" approach

Pre-sales – a complete offer accessible in one single point

- One single point of information to display corridor capacity offer. An essential tool is the Path Coordination System (PCS)⁷
- PCS allows the customer to place annual requests, short-term requests (Reserve Capacity), and TICO requests. The aim is to further include the terminals in PCS.

Sales and after-sales – reduce the paperwork

- Promoting, if not unique, standardized contracting and, as a further step, invoicing processes along the corridor. The current approach is to introduce the service in a step-wise manner to evaluate and monitor every single step (single contract of use, common invoicing, etc.) to ensure a qualitative, high-end product

Harmonization of operations, processes, and IT-tools

ScanMed RFC as part of a European network of rail freight services

- Promoting and contributing to standardizing offers and booking, modification/alteration, and cancellation processes among RFCs. Shaping, within the RFC Network and the Sector, the role and competence of the Corridor One-Stop-Shop according to the evolution of the IT tools and processes

ScanMed RFC as part of a European network of rail freight operations

- Promoting and contributing to reducing operational disruptions at cross-border sections by supporting coordinated operational rules
- Coordinate characteristics of corridor services, specifically parameters for the use of the infrastructure applying an approach as described in the ScanMed RFC Longer & Heavier Trains Study

⁷ <http://pcs.rne.eu/>

Market Intelligence Provider

ScanMed RFC to act as an advisor towards the IMs of the corridor

- Providing corridor market intelligence to the IMs. It can include market evolution, changes in the legal framework for transport, transport quality requirements, requests by logistic operators in the corridor's catchment area, and significant changes in other transport modes.

ScanMed RFC contributes to it by knowing the market to define the volume and capacity characteristics required for international freight.

Possible 2021-2024 scenarios for ScanMed RFC

Guaranteeing the legislative requirements of EU Regulation 913/2010 while pursuing ambitious strategy goals

- Market Analysis relies on some instruments: A corridor Transport Market Study is carried out, on average, every four years, or on an ad-hoc basis. A yearly User Satisfaction Survey, together with other studies, are carried out.
- Rail Freight Services are no more restricted to allocating a yearly defined number of train paths coordinated at cross-border sections (Pre-arranged train paths or PaPs) located on the main corridor routes and the offering of reserve capacity. Feeder and outflow paths connecting the PaPs from/to A and B complement the scope of ScanMed RFC. Freight services include the data, information, cooperation opportunities, proposals of involvement in projects and studies, and other services that the ScanMed RFC carry out for the benefit of, and in collaboration with, users and customers of the corridor.
- For actions such as traffic management and quality monitoring, non-binding guidelines and information sharing are always the first step. However, concrete steps to achieve measurable results in the field of corridor coordination of traffic and capacity, both in the planning phase and in the operational phase (i.e., real-time), will be a priority for ScanMed RFC members. The steps will involve, when possible, Terminals and Ports as well as customers and users in a pragmatic manner.
- The Covid-19 crisis is bringing temporary uncertainties. On the other hand, the railway system has proved to be a more resilient mode when transporting goods. The railway system has continued to deliver essential services during the pandemic. It highlights how vital rail transport is for our modern society as it is resilient and climate-friendly. It is commonly recognized within the sector that two key aspects for the upcoming years will be the right balance between transport modes and achieving the climate goals. A transition to climate neutrality is, in any case, needed to achieve the Green Deal's sustainable growth goals. An interesting challenge will be to enable the transition in the context of the EU recovery plan.

The Target: ScanMed RFC as an A to B Network Integrator

- At the ends of the corridor routes, the field of action of ScanMed RFC is enlarged from the first loading point on the train to the last unloading point from the train
- In terms of transported volumes, the services (and thus the related TMS) of ScanMed RFC cover all international freight among the countries involved in the RFCs and potentially to all neighboring Member States of ScanMed RFC as well as 3rd countries
- In terms of services, ScanMed RFC aims to offer a full-service approach (e.g., a click and ride approach, allowing to access and book short term capacity) and simplified processes for the complete logistic chain, i.e., from the request of services (e.g., transparent pricing), the placement of an order (e.g., single contracting), operations (e.g., real-time traffic information) to its completion (e.g., single invoicing as a future step)
- Following the same approach, already with TICO in the portfolio, ScanMed RFC includes service facilities in marshaling yards, Terminals, and Ports
- Capacity is guaranteed, and the choice of paths are made flexible
- Furthering a shift of freight to rail through the broadening of the network used by ScanMed RFC market players; the activities of the Customer and Market working group aim at exploring business cases with potential new users and customers

The way there - ScanMed RFC as an A to B Coordinator

- At the ends of the corridor routes, the field of action of ScanMed RFC is enlarged from the first loading point on the train to the last unloading point from the train
- The inclusion of services in the field of action of ScanMed RFC is pushed forward using regional or corridor pilots and, whenever possible, increased coordination among the RFCs emphasizing:
 - Increased flexibility of the capacity offered
 - Extended competence of the C-OSS to path-related services (e.g., access to, and availability of, service facilities)
 - Simplified administrative procedures accompanying the ordering, booking, and payment of international rail freight services
 - Develop common IT-tools for capacity management (i.e., displaying the offer, booking, and cancellation) and tools for traffic management and monitoring. It can also be done in association with RNE, cooperating in the developments of existing and future IT-tools in several operational domains (PCS, TCR IT-tool, TTR, TIS, etc.)
 - Increased information sharing on cross-border sections during operations
 - Transparency in quality monitoring
 - Supporting customers and users in the development of solutions to solve cross-border issues and to pursue interoperability and harmonization through the elimination of National barriers. National barriers impede productive and competitive freight transport by rail
- In terms of method, a specific effort will be made:
 - To better understanding the market at both ends. It means both at the European level with an analysis of significant Origin and Destinations on the Rail freight corridors network. And on regional corridor level with an analysis of the market structure and market drivers
 - To improve coordination, whenever needed, at the early planning stage (e.g., coordination of works)
 - To define, implement, and monitor results of improved services together with corridor Users, Partners, and Facilitators

Implementation as the materialization of a "corridor system."

Enable commitment of all involved stakeholders

Commitment combines the **transparency** of intentions and **consistency** of implementation.

Develop the corridor as a purpose-oriented community

- **Vertical commitment**

Political action is needed to achieve the goals set in the present paper – this involves, specifically, the national Ministries in charge of Transport and EU-Institutions

- **Horizontal commitment**

Improved dialogue, alignment on conventional approaches as well as coordinated actions among all parties involved with the corridor operations are crucial to the implementation of the present strategy

Such commitment is fostered by:

- Regular status reporting
- A clear expression of needs and open dialogue on possible ways forward
- Timely actions, including legislative action when deemed appropriate
- Close monitoring of results

Share fields of action and monitor results

- The definition of shared Principles for co-development is a crucial step for the implementation of the present strategy
- In compliance with the RNE Guidelines⁸, a set of Key Performance Indicators (KPIs) are defined together and serve as a quantitative basis for implementation monitoring. An annual Customer Satisfaction Survey will guarantee a qualitative monitoring

⁸ http://www.rne.eu/tl_files/RNE_Upload/Downloads/RFC%20Guidelines/RNE_Guidelines_KPIs_of_RFCs.pdf

Bring the big picture closer to the day-to-day business needs

Privilege subsidiarity in a coordinated frame to a "one-size-fits-all" policy

Action to implement the current strategy is taken where it is likely to bring the highest "outcome-for-effort" for the corridors' users:

- A **Network approach** is preferred for developing core RFC-services in the field of a capacity offer. It includes the definition of C-OSS competencies and roles.

It is supported by a market analysis carried out across the different RFCs, a coordinated appraisal of customer satisfaction, and a collaborative approach to monitoring service quality.

- **Enhanced decentralized implementation**, however, better serves the general objectives of the RFC by considering regional characteristics of operational environments, cooperation legacies, and regional market structure

It applies to the coordination of works, traffic management, the actions in favor of improved interoperability at borders, and the harmonization of Operational rules.

Use feasibility studies and pilots on innovative approaches before considering general action

Pilots provide an experience that strengthens compromise-building at the upper level. It applies for:

- The simplification of administrative processes (e.g., Single Contract of Use)
- The harmonization of operational rules (supporting the concerned European platforms and developing ad-hoc working group and task forces according to the market needs)
- The test of new multinational processes to fill the existing gaps (such as communication, overcoming language barriers, etc.) and make the system more efficient under each possible scenario.

Corridor coordination of Traffic and Capacity benefitting the users

The international coordination of traffic and capacity, in the planning phase, in the real-time operational stage, and after the train has run, is key to the users and stakeholders of the corridor. As of January 2019, when the RNE ICM Handbook was concretely implemented on ScanMed RFC, the corridor played a prominent role in coordinating traffic and capacity in case of international disruptions.

It means to provide with the leading IM (the one where the contingency occurs), and in cooperation with all corridor members, quick, coordinated response in case of incident or accident. The involved IMs agree on mitigation measures, re-routing options, coordinated actions among each other. All the concerned stakeholders and users are informed with official multi-lingual information in English and the National language(s). The information includes freight focused elements such as the recovery activities' status and suggested actions to face the various phases until the disruption is handled.

The ambition of ScanMed RFC is to develop a harmonized approach for joint coordination of traffic and capacity among its members and partners⁹ also in case of minor disruptions or during the regular service. It will improve the corridor services' effectiveness and efficiency to ensure that the railway system can become a more attractive transport decision-maker option.

It will entail being recognized as a European Contact Point by corridor users for international coordination of traffic and capacity, not only when dealing with an ICM-case but in all operational scenarios.

⁹ Possibly also at European level within the RFC Network group