

**Minutes of RECORDIT PROJECT
5th Steering Committee Meeting
2-3rd of July 2001, Copenhagen**

Present:

1. Andrea Ricci (AR)	ISIS
2. Riccardo Enei (RE)	ISIS
3. Claudia Vannoni (CLV)	ISIS
4. Stephan Schmid (SS)	IER Stuttgart
5. Sigurd Weinreich (SW)	ZEW
6. Georg Buehler (GB)	ZEW
7. Carlo Vaghi (CV)	Gruppo CLAS
8. Ian Black (IB)	Cranfield University
9. Roger Seaton (RS)	Cranfield University
10. Michael Henriques (MH)	TETRAPLAN
11. Tim Gustav Weibel(TW)	TETRAPLAN
12. Michel Savy (MS)	LATTS/ENPC
13. Nienke Maas (NM)	TNO
14. Yannis Handanos (YH)	NTUA
15. Akos Radoczy (AKA)	RT-TRANS

Monday, 2nd of July

1. WP3: Summary of results

CV summarises the current state of advancement of WP3 as follow:

- Results on two corridors (Patras – Gothenburg, Genoa – Manchester) are already available
- Results on the third corridor (Barcelona – Warsaw) will be available in few days since data have been provided late
- Common technical assumptions were agreed and circulated
- A preliminary draft version of DL3 was finalised

CV highlights that an intensive exchange of information with the transport operators took place in the last months. The contribution to WP3 of the User Group's members also resulted to be very useful.

CV illustrates the preliminary findings of WP3 on two corridors (Patras – Gothenburg, Genoa – Manchester) comparing the intermodal solution to the all – road solution (see slides attached).

The internal costs assessment includes:

- Costs of the shipper logistic unit
- Time costs

CV points out that for transshipment waiting time represents the period of time between the arrival at the terminal and the next scheduled train.

MS proposes to analyse in the next working steps more realistic origin – destination segments in order to enrich the analysis and to validate the results achieved.

2. WP4: Summary of results

SS gives an overview of the current status of WP4 (see slides attached).

The analysis of the three corridors is mainly completed apart from few points to be refined and further discussed.

The assessment of external costs confirms that the damage due to atmospheric emission is site dependent: the impact of the particulate matter (PM10) varies with the population density at local level. Calculations reveal a big difference in terms of cost per gramme of pollutant between urban (high damage cost) and non – urban (low damage cost), while the NOx damage cost varies along a corridor at regional scale.

In order to develop the external costs module in the DSS it is agreed to proceed in WP7 calculating a set of average national damage costs assuming the high population density areas along the Recordit corridors to be negligible when compared to the long distance low population density segments.

Concerning congestion, SS points out that the final calculations should take into account different trip purposes (business/commuting/leisure), thus, this assumption makes the results varying with respect to the features presented in Athens.

Concerning road accidents (only highways), WP4 has to deal with a relevant difference among the EU countries on the risk of fatalities. The external costs of accidents may vary significantly between pre and post haulage.

SS comments on the numerical findings of WP4 and summarises the conclusion as follows:

- Only the most significant categories of external costs have been evaluated in WP4
- The approach carried out allows to achieve the main objectives of WP4 and to disclose inefficiencies in different transport modes (e.g. ferries and barges, which produce a remarkable amount of emission)
- Noise due the railways transport activities represents a big part of the overall IT external costs while air pollution and accidents are the major problem for the all – road transport solution.

3. WP5: Summary of results

NM illustrates the state of the art on WP5.

The final draft of DL5 has been finalised and the electronic version of the document will be circulated among the partners in the next days.

NM presents the results of WP5 (see slides attached): it is pointed out that features on taxes change significantly among the EU countries.

NM stresses that calculations are based on the information collected by the partners.

Direct subsidies were evaluated within WP5 as far as data were available. At corridor level it is quite impossible to gather those data.

4. WP6: Current status of advancement and way forward

MH presents an overview on the current status of WP6 (see slides attached).

MH illustrates the general framework for evaluating imbalances and inefficiencies of the pricing system.

MH asks for comments on the following open issues:

- How to include external costs connected to the infrastructure maintenance
- How to deal with the accident costs already covered by the insurance premium

- How to separate those taxes and charges that are already included in the internal costs in order to avoid double counting.
- Which price to choose for comparisons (e.g. at forwarder level, at shipper level, etc.).

The deadline of the 31st of august for finalising WP6 is agreed. Tetraplan will provide a clear description of division of work for task 6.1 and 6.2.

TW illustrates a preliminary application of the methodology developed in WP6 to the Genoa – Manchester corridor.

It is agreed to replace the nomenclature “internal costs” with “resource costs”.
It is also agreed to replace the nomenclature “profits and taxes” used within the WP3 when collecting data on internal costs with “gross profit”.

In the context of WP6, RE outlines a tentative approach aiming at evaluating subsidies (running side) for infrastructure maintenance (see slides attached) per LU. Such figures could be compared with taxes, charges and external costs in order to allow a more comprehensive evaluation of costs of intermodal transport activities.

Recordit partners agree with this proposal, provided that the data can easily collected.
RE takes responsibility to produce and circulate the list of data required for the estimation of the subsidies in intermodal transport at national level.

5. WP8: Current status of advancement and way forward

MS illustrates the steps to be undertaken in order to co-ordinate the findings of the previous Wps with the WP8 task’s (cost reduction options). He suggests the following four steps:

1. identification of segments or sections of the selected intermodal corridors, particularly significant from a market viewpoint (flows, etc), also taking in account coefficients and factors from other European projects being able to adapt the selected corridor segments with the “real life” of market competition;
2. indication of a list of significant factors influencing direct and external costs
3. indication of area of potential intervention
4. impacts assessment of costs reduction options

AR suggests that, in order to avoid further delays, it is better to start the analysis from the points 2 and 3. Concerning the impact analysis (point 4), it is planned that by the end of July the intermodal corridor database (DSS) will be updated. MS agrees with this approach.

The activity providing information concerning the factors that could reduce costs, performed in their country/topic area by each partner involved in WP8, has been extended to include the coverage of relevant European projects (checked by Cranfield) and to make targeted interviews with some of the Recordit user’s group members. MS will prepare a selected list of potential user’s group members to be interviewed.

RS will circulate among Recordit partner’s the contribution already prepared on the input that can be shown from previous projects.

MS will comment on the deliverables yet provided by TNO and Cranfield.

ACTION: LATTs/ENPC, TNO, IER, CLAS, Cranfield University

6. WP9: Current status of advancement and way forward

IB introduces the contents and timing of WP9 (see attached slides) for the period June-December 2001. After discussion, the deadline for the production of scenarios for reducing intermodal transport costs (ISIS) is shifted to September 20th.

Other partners agree with the following timing:

- IER and ZEW by August 31 for the generalisation to overall intermodal movements of emissions/accidents costs and taxes;
- Gruppo Clas for the analysis of barriers to the development of intermodal transport by October 31.

AR proposes that during the third week of September a working meeting in Rome between ISIS and Cranfield University is held, to check upon the state of the art of the implementation of DSS and transfer it to Cranfield University in view of WP9. IB and RS agree.

ACTION: IER, ISIS, ZEW, NTUA, CLAS, Cranfield University

7. AOB

In conclusion of the first day of meeting, AR introduces some management administrative issues:

1. preparation of the third Management Report (MR)
2. payment of the first cost statements should be made over the forthcoming weeks
3. data on freight flows could be purchased from NEA. Price should be negotiated by AR

All partners WP leaders must draft their contribution to the MR by July 20th.

The next steering committee meeting will be held on Monday the 12th of November in Rome.

ACTION: ISIS, TNO, IER, ZEW, TETRPLAN, ENPC-LATTs, CLAS, Cranfield University

Tuesday, 3rd of July

AR asks the partners to specify the deadlines for Deliverables 3,4,5 and the corresponding assignment for quality review.

The following is decided:

DELIVERABLES	DEADLINE	PARTNERS FOR QUALITY REVIEW (other than ISIS)
D3	Friday 13 th	TNO and CRANFIELD
D4	Friday 13 th	TETRAPLAN and ZEW
D5	Friday 13 th	CLAS and NTUA

After reviewing will be performed (in 2/3 days) the Deliverables will be sent to the Commission.

ACTION: ISIS, TNO, IER, ZEW, TETRAPLAN, CLAS, Cranfield University, NTUA

1. WP3: critical issues

CV introduces the main critical issues concerning D3 (see attached slides):

1. Costs vs current price for all road. Costs for intermodal services as calculated with a bottom-up approach show values greater than the respective prices. A possible interpretation could be found in the difference between real and declared costs.

CV asks the partners to evaluate the potential dangers caused by providing such a “strange” or counterintuitive figures.

The partners agree with RS that the real results consist in the interpretation of figures and not in the figures itself.

2. Railways companies “other costs”. CV illustrates the methods to estimate the heading “other costs” (including overhead estimation and loss rates). In order to cope with the difficulty in the overheads methods, a reasonable way is to assume the final loss rate reported for the railways companies by balance sheets and calculate ”overhead costs” by difference. The partners agree.

Concerning the East-West corridor, AKA will deliver the “average loss rate” for Hungary section of corridor Barcellona-Warsaw. A translation in English of results for the Polish segment of corridor will be delivered by University of Economics in Katowice.

CV invites the partners involved in Barcellona-Warsaw corridor to provide missing data.

ACTION: CLAS, RT-TRANS

2. WP4: critical issues

SS presents the following critical points for WP4 (evaluation of external costs):

1. Noise assessment for rail;
2. Accident costs, which show high shares in road transport externalities;
3. Global Warming;

4. Transshipment/shunting because of the lack of data;
5. SSS, which shows high damage costs;
6. Congestion, because of some data gaps and a difficult evaluation for rail congestion (only qualitative information).

Concerning point 1, a debate arises about the choice of the most appropriate method of evaluation (through hedonic prices or damage costs).

High shares of accidents costs (point 2) are considered quite plausible. Lacks of data in congestion (point 6) and transshipment (point 4) shouldn't affect the consistency of the final results.

3. **WP5: critical issues**

NM illustrates the following critical points of WP 5 (see slides attached).

- Accessibility of data: few subsidies and high sum of taxes;
- Sensitivity analysis: cross-country calculation is based on the assumption that the country of refuelling is where it is as cheap as possible

IB asks if calculations in D5 are expressed in TEU per capacity or TEU per carriage (this could explain the differences between cost and prices in all road solution). NM confirms the calculations are provided per TEU capacity.

Furthermore, IB suggests modifying the assumption for road transport concerning the load factors by Loading Units, differentiating them by long distance and pre-post haulage:
- 85% long distance and 60% pre-post haulage.

Partners commit to provide the updating of calculations accordingly.

ACTION: TNO, IER, CLAS

4. **WP7: DSS implementation: internal and external costs section**

CLV illustrates the DSS utilities and the implementation of simulation of policies/measures. During the presentation the partners propose the following suggestions:

- including the block “forwarder” in the all – road solution
- developing a macro in order to create automatically different alternatives of the same corridor
- adding more significant unit of measurements in the cost structure
- adding the possibility to calculate costs expressed in terms of Euro/LU.km in order to compare different corridor segments
- Replace the label “use coefficient” with “utilization”

With reference to demand analysis, IB proposes to check information from Stratec concerning expected demand share of intermodal traffic volume.

Concerning WP6 external costs calculation module, MH introduces the methodology in order to create a link between internal and external costs (see attached slides).

After analysing external costs through statistical tests, a relationship with the country, the length of the section and the transport modality has been found.

Debate arises on the following sensitivity issues:

- how evaluate the impact on external costs when a new Euro normative is introduced. AR suggests adopting hypotheses of linearity (at least for pollution external costs). SS suggests considering the lengths of the route (the peak impacts in small urban area could be offset by a long distance routes). MH suggests specifying cost of pre-post haulage (basically in urban areas), as a separate item.
- how to estimate impacts on existing Recordit corridors, due to the simulation of policies/measures. In order to cope with this issue MH suggests finding a way to create a link with the inputs required by DSS and the outputs in terms of expected impacts on external costs.

AR stresses that the data formats (both input output) should be specified on detail to ensure the development of the relevant section of the DSS.

MH will circulate detailed proposals.

ACTION: TETRAPLAN, ISIS

5. Final Conference

First ideas concerning the characteristics of Final Conference are outlined:

- two days with no parallel sessions;
- open participation to policy makers and experts (ca. 100), with a strong participation from other European Projects, i.e Unite, MC-Icam, etc;
- focus on results, not on methodologies

It's important to prepare the list of the invitees (at least 200) and all Recordit partners are invited to give inputs both on topics and invitees.