



Intermodal logistics cooperation in the region of Trier / Luxembourg

The EURES pilot project in INNESTO

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The long way to a German pilot project: Difficulties in Southern Baden

- **1st attempt 2002: Cooperative Distribution logistics in the region of Freiburg**
 - **2nd attempt 2002: Large infrastructure projects in Southern Baden (waste, rail, Rhine project)**
 - **3rd attempt 2002: Cooperation of the ports in the Basel agglomeration**
- All failed. Very little interest in cooperation, especially between private and public actors. Very short term thinking of private operators under very high economic pressure. No strong public supporter.**

The long way to a German pilot project: Region of Trier

- **A strong public supporter was found:
The city development department of the city of Trier**
 - a long record of efforts to promote regional logistics cooperation
 - strong interest in cross-border cooperation with Luxemburg
 - support in searching a concrete project and gathering data
- **However, continuing difficulties to find private partners:**
 - 4th attempt: cross-border general logistics concept in the Region Trier / Luxemburg
→ interest of the city of Trier, other actors too difficult to seize
 - 5th attempt: steel logistics in the region of Trier
→ actors originally interested, but dropped the project because of high time pressure in an economic difficult environment
 - 6th attempt: waste logistics in the region of Trier in connection with a new waste treatment plant
→ all actors very interested. Insolvency of the waste treatment company. Search for new investor. Logistics concept postponed

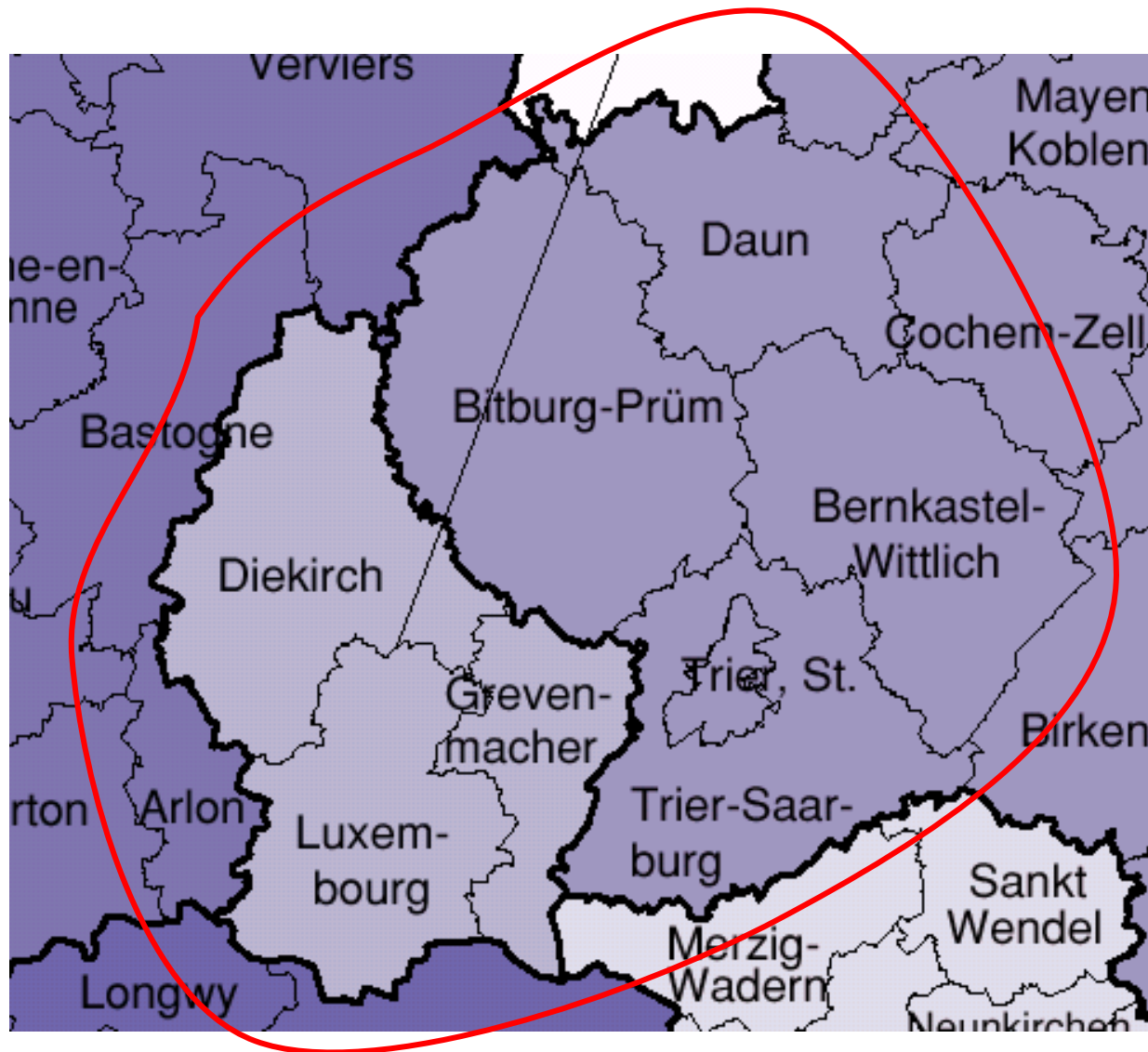
The seventh and successful attempt

- **Three transport companies (already involved in the previous project ideas) were considering to establish a joint intermodal cross-border company:**
 - water transport / ports
 - rail
 - road
- **They are strongly linked to the district, have an interest in regional development and have occasionally cooperated before**
- **Railway and inland waterway operators are more strongly infrastructure-bound and subject to public decision-making**
- **All three are strongly affected by the transformations in the transport sector**
- **Although strongly conditioned by short-term problems they recognise the need for strategic action beyond their present structures**

Local Context Analysis

- **LCA of Southern Baden not be presented here**
- **Collection of elements during the whole collaboration with the city of Trier**
- **Good knowledge of the region by the main actors**
- **Low interest to gather additional data concerning the overall state of the region**
- **Hesitations to systematically improve and share data concerning potential clients**
- **LCA systematics was very useful for facilitating the process**
- **In the talks with the operators a systematic separation between LCA and DLA was not possible**

The Crossborder District Luxemburg / Trier



LCA highlights

- **The district itself has no strong crossborder identity. It is a part of the „Grande Région SaarLorLux – Rheinland-Pfalz – Wallonie“ striving for a stronger image and role**
- **The “Grande Région” is strongly marked by steel and coal industries which have declined over the last three decades**
- **ARCELOR in Luxemburg is the worlds largest steel producer**
- **Mainly Luxemburg but also the Trier region are better off than their neighbours**
- **Good development of a service economy, mainly banks and EU institutions in Luxemburg**
- **Not much other manufacturing industries**
- **Mainly rural areas, environmental problems minor compared to Saarland and Lorraine**
- **Competence of cross-border and intercultural cooperation mainly in Luxemburg**

DLA highlights

- **Inland navigation and railways have suffered from the decline of the steel industry but are still strongly linked to it**
- **inland navigation and railway operators have started cross-border operations**
- **Weak east-west railway connection, especially between Trier and Bettembourg/Luxemburg**
- **Growing importance of containers, sea-bound transports mostly going on trucks to the sea ports**
- **The Deutsche Bahn has withdrawn from the regular services in the region but aggressively chases potential rail competitors with very low prices**
- **Potential freight volumes for regular east- and northbound trains exist but need to be organised**
- **A tri-modal cooperation between companies from the three modes could contribute to a modal shift, reduce truck traffic on sensible routes and open new markets**

Scenario Construction:

Questions concerning frame conditions

- **Today's short-term thinking is a difficulty for inter-modal logistics. When will more favourable economic conditions allow for more medium-term commitments?**
- **Concentration in the logistics sector, formation of large integrators: how stable are present niche markets?**
- **Railway politics: Will the big railway companies leave space for other rail and intermodal operators, how will the market in Germany and France evolve?**
- **How will highway tolls in Germany evolve and affect prices?**

Frame Scenarios

1. Stagnation and Monopolisation:

- Continuation of economic stagnation and short-term thinking of the clients
- Increasing dominance of large integrators monopolising the organisation of intermodal operations.
- Further delays in the introduction of truck tolls.
- Aggressive policy of the large railway companies, independence of small operators difficult.

2. Growth and Competition:

- Stable growth perspectives encourage long-term thinking
- Tolls and taxes increase competitiveness of rail and navigation
- Political push for intermodal solutions increases
- Accelerated containerisation
- Smart deregulation increases competition on the rail
- High qualifications needed for survival on new markets

Action Scenarios

– Two main hypotheses for cooperation

- an EEIG (European Economic Interest Grouping) with simple rules for new common projects which can be well calculated in advance. Good experiences could let grow trust for more ambitious projects
- an ambitious EEIG with more complex rules for the joint development of long-term projects with differentiated risk-sharing and strategic capacity-building for complex logistics tasks

– The two frame scenarios would have different impacts on the single modes and on the role of the partners in a cooperation

The chosen strategy

– The conclusion was:

- For all partners it makes sense to move into a new dimension and to start to cooperate systematically. The partners are the right ones.
- Confronted with an unpredictable context, an ambitious solution would be difficult to construct and need long negotiations
- The partners hesitate to engage in projects where larger investments are necessary
- The partners decide to implement the first solution within the next months and to develop it further step by step

– Hesitations and a final decision

- Increasing difficulties on the railway market led to severe hesitations and a temporary stop of the contract preparations
- The partners then decided to focus on specific corridors
- An additional logistics company joined the partnership
- The preparations for the legal establishment are under the way

Lessons

- 1. Multi-stakeholder, multi-dimensional public-private cooperation projects need several years to grow**
- 2. A new methodology is no incentive to start a cooperation project, however, it can accelerate and facilitate it**
- 3. A strong public supporter is important (essential?) for an SDL project**
- 4. The general SDL approach was very useful for understanding and facilitating the construction of a cooperation in a short time**
- 5. The detailed methodology was too complex to be used directly by the operators themselves. They had little experience in and time for strategic discussions. The methodology had to be translated and adapted to their working habits**
- 6. The SDL online instrument was not yet available during the process. It could have facilitated the collection and visualisation of data and encouraged their disclosure.**
- 7. The experience was useful for conceiving further simplifications and options in the online instrument SDL.development. Visualisation needs to be further improved.**

LCA: ORIENTATION

ORIENTATION		S	W	O	T
O-01	Environment	● ● ● ● ●	● ●	● ● ● ● ● ●	● ●
O-02	Economy	● ● ● ● ●	● ●	● ● ● ● ●	● ●
O-03	Socio-culture	● ● ● ● ●	● ● ● ● ●	● ● ● ● ● ●	● ● ● ●
O-04	Equity between individuals	● ● ● ●	● ● ● ●	● ● ● ● ●	● ● ● ● ● ●
O-05	Equity between territories	● ● ●	● ● ● ● ●	● ● ● ● ●	● ● ● ●
O-06	Equity between generations	● ● ● ●	● ● ●	● ● ● ● ●	● ● ● ●
O-07	Diversity	● ● ● ●	● ● ● ● ●	● ● ● ● ●	● ● ●
O-08	Subsidiarity	● ● ● ●	● ● ● ●	● ● ● ● ●	● ● ●
O-09	Networks / Partnership	● ● ● ●	● ● ● ●	● ● ● ● ● ●	● ● ●
O-10	Participation	● ● ● ●	● ● ● ●	● ● ● ● ●	● ● ● ● ●

SOCIAL POTENTIAL		S	W	O	T
P-01	Perception of a variety of development approaches	● ● ●	● ● ● ●	● ● ● ● ●	● ● ●
P-02	Creativity and innovation in an entrepreneurial culture	● ● ● ●	● ● ●	● ● ● ● ●	● ● ●
P-03	Capacity to cope with complexity and ambiguity and to ...	● ● ●	● ● ● ●	● ● ● ●	● ● ● ●
P-04	Openness to enrich culture, multicultural cohesion	● ● ● ●	● ●	● ● ● ● ●	● ● ● ●
P-05	Discovery & re-encoding territorial specificities & local know...	● ● ●	● ● ● ●	● ● ● ● ●	● ● ●
P-06	Ability to reach own optimal level of attainment & fulfilment	● ● ● ●	● ●	● ● ●	● ● ● ●
P-07	Fractal distribution of competence / counterflow principle	● ● ●	● ● ● ●	● ●	● ● ● ●
P-08	Autonomy of strategic decision making / facilitating infrastr...	● ● ● ●	● ● ● ●	● ●	● ● ● ●
P-09	Primary reliance on own resources without compromising ...	● ● ●	● ● ● ● ●	● ● ● ●	●
P-10	Shared value system ...	● ● ●	● ● ●	● ● ● ●	●
P-11	Social cohesion	● ● ●	● ● ●	● ●	● ● ● ●
P-12	Opportunities and room for equitable interaction	● ● ●	● ● ●	● ●	● ●
P-13	Capacity for creating shared visions	● ●	● ● ●	● ● ● ●	● ● ●
P-14	Integration of social and technical skills into innovation pro...	● ●	● ● ●	● ● ● ●	● ● ● ●
P-15	Access to information and to the arena of dialogue and debate	● ● ●	● ●	● ● ●	●
P-16	Multiplicity of interactions, enhanced by local actors	● ● ●	● ● ●	● ● ● ● ●	●