



The railway landscape is at a turning point - changes in the roles

Although the current economic crisis has put the brakes on growth in rail-freight traffic, no change in the general trend need be feared. But it is doubtful whether the railway landscape will be the same as before the crisis. We are already experiencing the changes today: railways are being bought and sold, alliances forged and partnership discussions are on the daily agenda of big name railway companies.

But experts are already predicting that the decisive question will not be that of the right partner but the right business model. These discussions revolve around the question as to whether railways could be more successful in future if they concentrate on their role as a traction leasing company („freight

trader“), and in which they forego a direct market cultivation through their integration in a logistics network, or if they remain a full-service provider with their own final customer sales. The distribution of roles between railways and rail forwarders also requires a rethink in this context.

A small anniversary

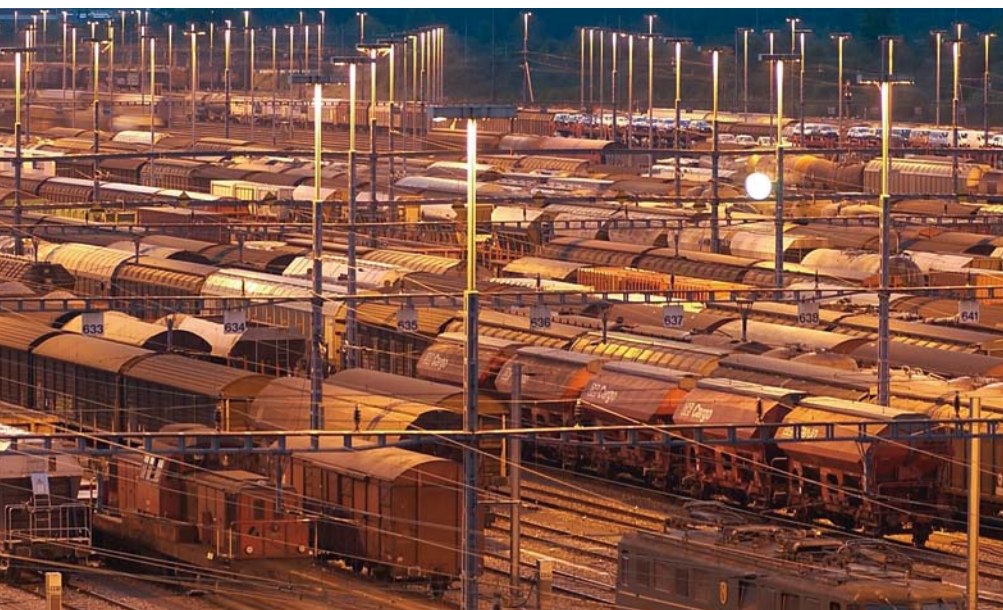
Dear readers, WASCOSA is celebrating its 45th anniversary this year, and can look back over a business year that will go down in the company's annals as the most successful yet.

We have our growing number of customers to thank for this almost half century of our business success, many of whom have remained loyal for decades. This success spurs us on to become even better than before, with the goal of not only satisfying the needs of our business partner but of exceeding them.

In this sense, we want to constantly improve the content of the WASCOSA infoletter and adapt it to the needs of you, our readers.

For example, as of this issue you will get the latest news on the AVV from Jens van Laak, DB Schenker Rail Germany, who can report competently at first hand as a member of the AVV standing committee of experts. I hope you enjoy reading the infoletter!

Philipp Müller
Delegated by the Board of Directors





Richard Seebacher
Manager of ChemOil Logistics AG in Basel

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Conflict of aims between the market and railway companies

Railway companies have changed considerably over the past years in the course of liberalisation. Today's crisis will further accelerate these changes in their struggle for economic survival. Former state railways have to become profitable, the newcomers in the market have to find the right growth development. The criteria that make railways economically successful today are the same for everyone. The key words are predictability, standardised production sequences and capacity utilisation. This makes it obvious where the main problem lies, namely the needs of the market; in other words, of the customers. These demand flexibility and individuality, very much the opposite of what a railway needs for optimum capacity utilisation. Railways who want to offer their customers this flexibility thus have to constantly strike a balance between cost-optimised production and short-term customer fluctuations. This conflict of goals is even more difficult to solve the smaller the railway is, and thus the less „clout“ it has.

However, there is one radical solution: railways forego final customer sales and assume a purely traction leasing company role. Railways that forego their own market cultivation today can then focus on their core competence, i.e. producing trains of a high quality and with a lean cost structure. These services will always be in demand, so that the risk is controllable and marketing can be left up to third parties. These railways then sell their services either to a large,

centrally-controlled logistics network (DB Schenker model) or to flexible rail forwarders, who will increasingly assume this role and will bundle these fixed services into complete packages.

The new role of rail forwarders

Rail forwarders traditionally only appeared because the railways were very complicated and inflexible. Their added value was often limited to buying from the railways for customers, and



charging a small margin, quasi as expenses („sofa forwarder“).

But modern rail forwarders have to perform very different jobs today and in the future, especially since they are becoming more and more the architects of bespoke solutions for customers. At the same time, the railways have caught up and reduced their complexity. But the reason why rail forwarders can still be more successful on the market than the actual railway is related to the fact that the rail forwarder does not use products from only one single railway but can compile the products from several railways as well as other value creation stages in the supply chain into a bespoke solution for the customer.

If this task is consistently refined by rail forwarders, they assume a new role alongside their actual sales work, namely that of a network manager. Such a network manager purchases capacities from the railways and other suppliers, combines them into new products and then offers these to its own customers as well as other rail forwarders and logistics companies.

The benefits are obvious: customers get a bespoke solution, the railways can pass on their capacity utilisation risk and get their orders in the way they need for an economically successful production. The rail forwarder itself has to ensure the capacity utilisation of the network through operational excellence and capacity management in order to be successful. ■

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Good to know

How long can a freight train be?

Freight transport should be settled rationally. Costs can be saved, for example, if an engine driver pulls as many cars as possible.

The German and Dutch railways are experimenting with container trains up to 1,000 metres in length on the new freight route (Betuwelinie) from the port in Rotterdam to the German border. Only 750 metres are currently allowed in Europe, even though this is not possible everywhere. In the longer term, the max. limit could even be 1,500 metres. The Gotthard base tunnel is in principle designed for 1,000 metre trains. Trains carrying two-tier containers are out of the question in Europe. Railways in the USA already have such two-tier cars – and routinely run trains of 1,500 metres in length.

The ore trains of the BHP Billiton mining company in Australia are even longer: Several trains with 6 locomotives and 208 cars with an overall weight of 26,000 tons travel on their 426 kilometre long private track every day. Each of them measures 3,750 metres. ■

Source: Tages Anzeiger (CH)



The ultramodern car transporters from BLG AutoRail.

Market

Car transports by rail

Transporting vehicles by rail is large-scale industrial traffic. The market share for railways as a carrier in Europe is over 40% of the volume of transport. The distances are becoming longer on account of the new, fast-growing production and sales markets in Eastern Europe. Rail offers advantages over road as a carrier, particularly for large, unpaired traffic flows.

The increased use of rail as an ecological carrier is the solution to questions related to securing the economic future of areas, climate protection and functioning mobility that is affordable for the economy. It is hereby important that the competitive strength of rail service providers is not affected by exorbitant demands on the use of routes and energy.

Processes at the production sites and ports throughout Europe have been strongly adapted and optimised to the rail carrier system over the past ten years. Most automobile manufacturers have a sliding platform loading facility that allows a direct and low-cost transfer from production to the special cars with no further temporary storage.

Lack of modern rolling stock

The demands of the automobile industry on the rail car equipment have changed over the past years due to the stron-

„Processes at the production sites and ports throughout Europe have been strongly adapted and optimised to the rail carrier system over the past ten years.“

Gerald Binz, BLG AutoRail GmbH

ger trend towards higher vehicles. Even in the compact and mid-range segment,

many cars have now reached a height where they can no longer be loaded in two tiers on the existing transporters. Of the around 17,000 special transporters for vehicles in Europe at present, only 20 % of the capacity meets the requirements of the shippers. Market leaders in Germany, France and Italy have either ignored this situation or they have reacted inadequately or too late. The loss of production capacities has also led to further significant delay in the construction of new transporters. This made it possible for new companies such as BLG AutoRail GmbH to identify this gap in the market and invest in modern rolling stock for vehicle transport by rail. The new rolling stock for BLG AutoRail has a load length of 31 m, 840 mm wheelsets, a flexible



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upper loading level, a load limit of up to 34 t and an upper level that can be

„WASCOSA was commissioned with the fleet management on the basis of key criteria such as costs, know-how, existing network, spare parts management and availability.“

Gerald Binz, BLG AutoRail GmbH

completely lowered so that these cars can also be used as flat bed cars.

Procurement of more than 1,200 new cars

Delivery of the first complete trains, each with 19 cars, began in October 2008 and will be continued over the next five years so that BLG AutoRail will have over 1,275 modern, special cars for vehicle transport by rail by mid 2014. The marketing and Europe-wide use of the modern equipment will be handled by an experienced team at the location in Mainz on the Rhine. Apart

WASCOSA successfully expands its fleet management business with the BLG order

WASCOSA has successfully expanded its fleet management business following the receipt of an order from BLG AutoRail. This service satisfies a growing demand, even outside the tank car sector, based on the changes in the market caused by AVV and TSI, and is offered by WASCOSA to ow-

ners of fleets of cars who wish to remain in possession of their cars and do not want to have to capitulate in the face of the new tasks imposed by AVV/TSI thanks to the fleet management provided by WASCOSA. Contact us now or find out more about our services at www.wascosa.ch.



Gerald Binz, BLG AutoRail, and Philipp Müller, WASCOSA, at the signing of the contract on 22.12.2008.

Validity of type approvals

from a universal fleet of cars, customer-driven work along with personal commitment, a long-standing knowledge of the market and the necessary creativity are the decisive success factors for this young company.

Fleet management by WASCOSA

BLG AutoRail drew up specifications for its maintenance management and invited tenders from throughout Europe. WASCOSA from Zug (Switzerland) was commissioned with the fleet management on the basis of key criteria such as costs, know-how, existing network, spare parts management and availability. The maintenance contract between BLG AutoRail and WASCOSA was signed on 22.12.2008 by the Managers Gerald Binz, BLG AutoRail, and Philipp Müller, WASCOSA.

For the BLG Logistics Group, this venture into vehicle transport by rail rounds off its existing range of services. Customers from the automobile industry can in future be offered not only terminal and technology services but also transport by road, inland waterways and rail as well as single or complete services. ■

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Ernst Winkler, GEFAG Gefahrgutausbildung und -Beratung AG

The document from the ECMA (European Cylinder Manufacturer Association) that deals with the validity of type approvals was discussed at a joint ADR/RID conference. What is the significance of this application for tank car owners and operators?

It first has to be said that since the RID Edition 2009 only standards for the manufacture of tanks may be used. However, the majority of tanks in use were manufactured at a time when the reference to standards was not mandatory and the general references to standards were not binding. But just what is a type approval? It is generally regarded as being both a manufacturing approval as well as a approval for use, and this for the entire service life of the object.

The following resolutions were taken:

- The validity of the type approval is limited to 10 years, unless it becomes invalid for technical reasons or on account of developments in the sets of rules.
- If an existing type approval is used for manufacturing the office that performed the first test must check the validity of the approval.

- The office that has issued the type approval must withdraw this and inform the holder of the type approval if this has become invalid within the granted validity period. In this case, however, it must be guaranteed that the relevant terms of the use and recurrent tests can still be applied and it also has to be ensured that those objects being operated in accordance with invalid type approvals can still be used and adapted to the changing requirements (6.8.2.3.2. second paragraph).

- The validity expires after 10 years. The holder of the type approval, however, can apply for an extension or expansion at any time and from any pertinent authority or appointed office, though the issuing authority of the original approval should ensure the overall validity of the type approval by archiving.

- The tank file should contain a copy of the type approval.

Although the suggestion for the discussed document only relates to pressure vessels in accordance with TPED (transportable pressure equipment directive) and tanks (tank vehicles, tank cars, tank containers, battery cars/vehicles and MEGC) the suggested concept is by all means suitable for use in all fields of Part 6 of the RID / ADR. The objects in Chapter 6.8 are a special case since all gas tanks are also governed by the relevant terms of the sections 1.8.6 and 1.8.7 via the TA 4.

The complete article by Ernst Winkler can be downloaded from www.wascosa.ch. ■

WASCOSA flex freight system® - a world first to increase the productivity of freight cars

WASCOSA has set itself the goal of becoming the most innovative freight car leaser. This leads to the obligation of satisfying the highest customer demands and constantly setting new trends in the freight car industry. The WASCOSA flex freight system® was developed for participants in rail-freight traffic who want to increase the long-term productivity and profitability of their rolling stock and optimise the number of freight cars in use. The aim of this project was to develop a freight car that can be used throughout the year for different types of freight and thus allows a continuously high employment and productivity over the car's entire life cycle.



The starting point was the fact that a number of rail transport companies' use special freight cars that can only be used for certain freight and thus leads to unsatisfactory economic results with a fluctuating demand, on the one hand through inadequate capacity utilisation and on the other through an excessive number of cars in the fleet. What's more, the parking charges also take their toll.

The WASCOSA flex freight system® concept was completed on time for the 2009 transport logistic trade fair in Munich and is based on two elements. The first element is a fully fledged 60' container car that can be used at any time without restrictions to transport all possible containers in combined traffic. In addition, the container car has special additional attachment features to attach a special car superstructure. These make the car an exclusive

vehicle with a corresponding added value for shippers.

The second element in the concept are different superstructures that allow the car to be converted into a special freight car depending on the needs and cargo. The superstructure on show is an E-tank (load volume 85.72 m³, payload 59.61 t) based on the idea of the Eanos car and having 4 double doors as well as a steel floor. The car can thus be used for all common cargoes that would otherwise be carried in an Eanos car. Examples include scrap, refuse, sugar beet, building materials, wood chips, etc.

The superstructures can be removed and stacked when empty. The big advantage here is the ability to react to seasonal fluctuations and avoid special freight cars standing around unused, which has a negative effect on the profitability of the vehicle.

This big advantage on the one hand justifies the non-standard length of the car and clearly compensates the on the whole higher procurement and rental costs on account of the permanently higher productivity. In this way the WASCOSA flex freight system® makes a significant contribution to effectively reducing the number of freight cars used for various cargoes.

Other superstructures are currently being developed and will be introduced continuously. Patent protection has been applied for on the WASCOSA flex freight system®. ■

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Winds of change - the general contract for the use of freight cars (AVV) is facing some far-reaching changes

The general contract for the use of freight cars (AVV) has been in force since 1 July 2006 for the use of freight cars. This contract replaced the RIV regulations together with the European guidelines „Technical Specification for Interoperability“ (TSI). Whereas various TSI have been developed and improved since 2006 under the supervision of the European Railway Authority ERA, the AVV has remained unchanged for quite some time. It is now facing substantial amendments. But what are the reasons for this? And how will the changes affect the practical use of freight cars?



„The Annexes are subject to regular revision – the AVV members will thus vote on changes to these Annexes more frequently in future.“

Jens van Laak,
Member of the AVV Team of Experts

Jens van Laak is responsible for AVV matters at DB Schenker Rail Germany and is a member of the standing committee of experts of the AVV.

We have to differentiate between two different amendment packages: firstly, a further development of the technical and operational Annexes 9, 10 and 11 of the AVV, and secondly changes relating to the cooperation between AVV members.

The AVV members agreed on the technical and operational Annexes last year. These are the regulations for the car inspector, the guideline for the technical restoration of the running ability and the regulations on car plates. These Annexes are currently being developed by the teams who were formerly responsible for drafting these regulations at the International Union of Railways UIC. Since the AVV came into force,

this is now carried out in cooperation with representatives of the associations UIP and ERFA. The Annexes are subject to regular revision – the AVV members will thus vote on changes to these Annexes more frequently in future.

The new definition of the owner

The second package that is pending amendment this year is the amendment to Annex 8 of the AVV and the change in the definition of the owner. The aim of the amendment to Annex 8: to improve the workflows in the AVV office and accelerate the change procedure. The period from the start of the adjustment until the coming into force of the amendment can hereby be reduced from a maximum of 21 months to only six to nine months. This is an important step for the AVV: operational and technical adjustments that are relevant for safety can now be implemented speedily.

On our behalf

The new definition of the owner is based on the definition of the owner in the EU safety directive and clearly states: the owner of a car is always the company specified in the official car register of the national safety authorities. The advantage of this ruling: it unmistakably specifies which company has access rights to the car. And it is clear to whom the railways have to talk with regard to the processes set out in the AVV.

The changes are developed directly by members of the three associations UIP, ERFA and UIC and discussed in the Joint Committee of the AVV. This procedure differs greatly from the approach taken in the development and revision of the European guidelines TSI. In this case the associations only play an advisory role – the European railway authority ERA and political representatives of the member states take decisions on rail-freight traffic completely independent of the associations. The consequences are not always in the interests of the AVV members and will have to be actively monitored in future by the associations. Because it is too late to exert any pressure as soon as an EU regulation becomes effective. ■

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Rita Schwegler celebrates her „porcelain“ anniversary

Following Cécile Arnosti last year, the controller Rita Schwegler celebrates her „porcelain“ anniversary at WASCOSA this year. „A high degree of individual responsibility is demanded in our company“, says the talented organiser, who also celebrates a 20th anniversary.

Originally, Rita Schwegler only wanted to check out her market value in 1988 when she went for an interview with the company founder Max Sandmeier. This statement is still in the heads of both of them 20 years later and remains a talking point.

Following her initial work as an all-rounder, the 57 year old has been demonstrating her skill and experiences for over 12 years as a controller. She sees

herself a pivot between various business partners, for example customers, workshops and railways. Rita Schwegler can count the number of days she has had off due to illness since joining WASCOSA on one hand.

WASCOSA is glad that customers have Rita Schwegler as a contact person, someone who leaves nothing to be desired when it comes to reliability and helpfulness. ■



Replacement Head of Finances + Organisation

WASCOSA is a certified and experienced expert richer since August 2008 with Fabian Stadler as Head of Finances + Organisation. Stadler completed his economics degree in finances as a Business Economist at the University of Lucerne. For almost 10 years in various national and international posts within the Shell Group, Fabian Stadler acquired a sound knowledge and experience of the various problems within an organisation. Apart from diverse financial posts he also worked in the Business Improvement sector following additional training as a Six-Sigma Black Belt. Over this period he acquired de-

tailed knowledge in the field of process management and control.

WASCOSA is glad that Fabian Stadler now contributes this know-how to the sustainable growth of WASCOSA as a Member of the Management Committee. ■

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Sven Spörer strengthens sales

„It is exciting to see how more and more bulk goods are being loaded in containers and thus how intermodal traffic is

becoming increasingly important“, says Sven Spörer, the new member of the sales staff at WASCOSA AG.

Mr. Sven Spörer, a qualified forwarding merchant, has been working in sales at WASCOSA since August 2008. Mr. Spörer can look back over 25 years of experience in logistics and has worked for companies such as Imperial Logistik, Rhenus Port Logistics and TX Logistik. He has concentrated on various fields of work in rail logistics since the railway reform. He has experience in the sale of rail forwarding services, car leasing and sales of traction services. ■

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Calendar

10.06.2009 Paris (FR)	AFWP General Meeting	Info: Association Française des Wagons de Particuliers webmaster@afwp.asso.fr
17.06.2009 Bremen (D)	CRSC Conference	Info: Cargo Rail Service Center CRSC info@crsc.ch / www.crsc.ch
18/19.06.2009 Bremen (D)	Technical Event VPI	Info: VPI Association of Private Freight Car Interested Parties mail@vpihamburg.de / www.vpihamburg.de
18.09.2009 Budapest (H)	UIP Executive Committee and General Meeting	Info: UIP Union International d'Associations de Propriétaires de Wagons de Particuliers info@uiprail.org / www.uiprail.org
24.09.2009 Delitzsch (D)	CRSC Conference	Info: Cargo Rail Service Center CRSC info@crsc.ch / www.crsc.ch
11.11.2009 still undecided	CRSC Conference	Info: Cargo Rail Service Center CRSC info@crsc.ch / www.crsc.ch
12.11.2009 still undecided	VAP Autumn Conference	Info: VAP Switzerland vap@cargorail.ch / www.cargorail.ch

WASCOSA extends its network of agents in Europe

Are you interested in a new challenge?

Due to the expansion of our international business we are looking for

Sales Agents Freight Cars

for various countries to supplement our team. The work primarily involves the acquisition and mediation of new customers, support for existing customers, the hiring of freight cars as well as sales of our services in the fleet management sector.

We can offer a job with a lot of scope and potential for success as well as appropriate remuneration.

If you are interested please send your full application with photo to:

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The Cargo Rail Service Center CRSC receives the 2009 IBS Award



The prize was awarded on 12 May, 2009 during the „transport logistic“ in Munich on the BLG booth.

The ten-strong jury, which included Dr. Klaus Kremper, Chairman of the Advisory Board of Railion Germany AG, unanimously decided to award the EUR 5,000 prize to Cargo Rail Service Center CRSC. The concept received the award as a new practical logistics

solution that strengthens the competitive strength of rail-freight traffic.

Irmhild Saabel, Technical Manageress of WASCOSA AG and member of the founding and steering committee, received the award on behalf of the Cargo Rail Service Center CRSC. She was very pleased with the clear and unanimous decision and at the same time indicated that half of the EUR 5,000



prize money would be donated to a welfare foundation. ■

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Cargo Rail Service Center CRSC

The Cargo Rail Service Center CRSC is the new practical logistics solution that strengthens the competitive strength of rail-freight traffic.

In order to cut waiting times for spare parts during unscheduled repairs and improve the availability of freight cars, state railways used to exchange standard components amongst each other throughout Europe. Since the introduction of the General Contract for the Use of Freight Cars around two years ago this Europe-wide „exchange pool“ ceased to exist. Each owner has to manage his own spare parts. The CRSC is an independent and au-

tonomous organisation that ensures its members the rational, international availability of spare parts on legal, high-quality and low-cost terms.

Although otherwise in competition with each other, the 12 founding members agreed on a practical solution for their customers shortly before the introduction of the GCU: standard terms throughout Europe for the exchange of freight car wheelsets.

Today an increasing number of other spare parts such as drawgear and buffer elements, brake components and springs are being offered. The

CRSC is increasingly becoming an ideal platform for the Europe-wide distribution of all types of freight car components, the organisation of conversion projects and the utilisation of workshop services.

Anyone interested in properly functioning rail-freight traffic can become a member: owners, workshops, shippers and rail transport companies. Around 50 members are currently organised in CRSC. The network of CRSC workshops and stores now numbers almost 30 locations.