

LE RENDEZ-VOUS DE L'ASSURANCE TRANSPORTS

Cannes, 28th and 29th April 2009

Railways Perspectives

Prof. Dr. Rainer Freise

Chairman International Rail Transport Committee CIT, Berne

Managing Director

DVA – Deutsche Verkehrs-Assekuranz-Vermittlungs-GmbH

DE - 61352 Bad Homburg, Norsk-Data-Straße 3

Tel.: + 49 6172 / 48 68 – 600 Fax: -109

Mail: Rainer.Freise@DVA.DB.de

Ultra-large means of Conveyance: what is at stake?

How does the supply chain adapt?

Railways perspectives

I. Ever larger means of transport?

not in the railway sector! (standards are set by the **given infrastructure**)

- standard gauge: 1435 mm
- standard measurements (vehicles): Width 3300 mm / Height 4300 mm
- max. length of a freight train: 750 (1.000?) m
- max. capacity of a freight train: 50 x 2 Containers (TEU)
- max. speed of a freight train: 120 (160) km/h

So you need at least **100 freight trains** to transport all the containers from **one 10.000 TEU megaship** into the „hinterland“. In practice that means a great **spread of the risk!**

The „**American way**“ with double stack trains and train lengths of one mile or even more (see charts 4, 5) is not feasible for European railways.

In any case: values and risks of the **operational unit** of the railways, that is the **train**, have **not got bigger and bigger** during the last decades;

and if a freight train has an **accident**: in practice this does **not affect the whole train**.

This is good news for the underwriters.





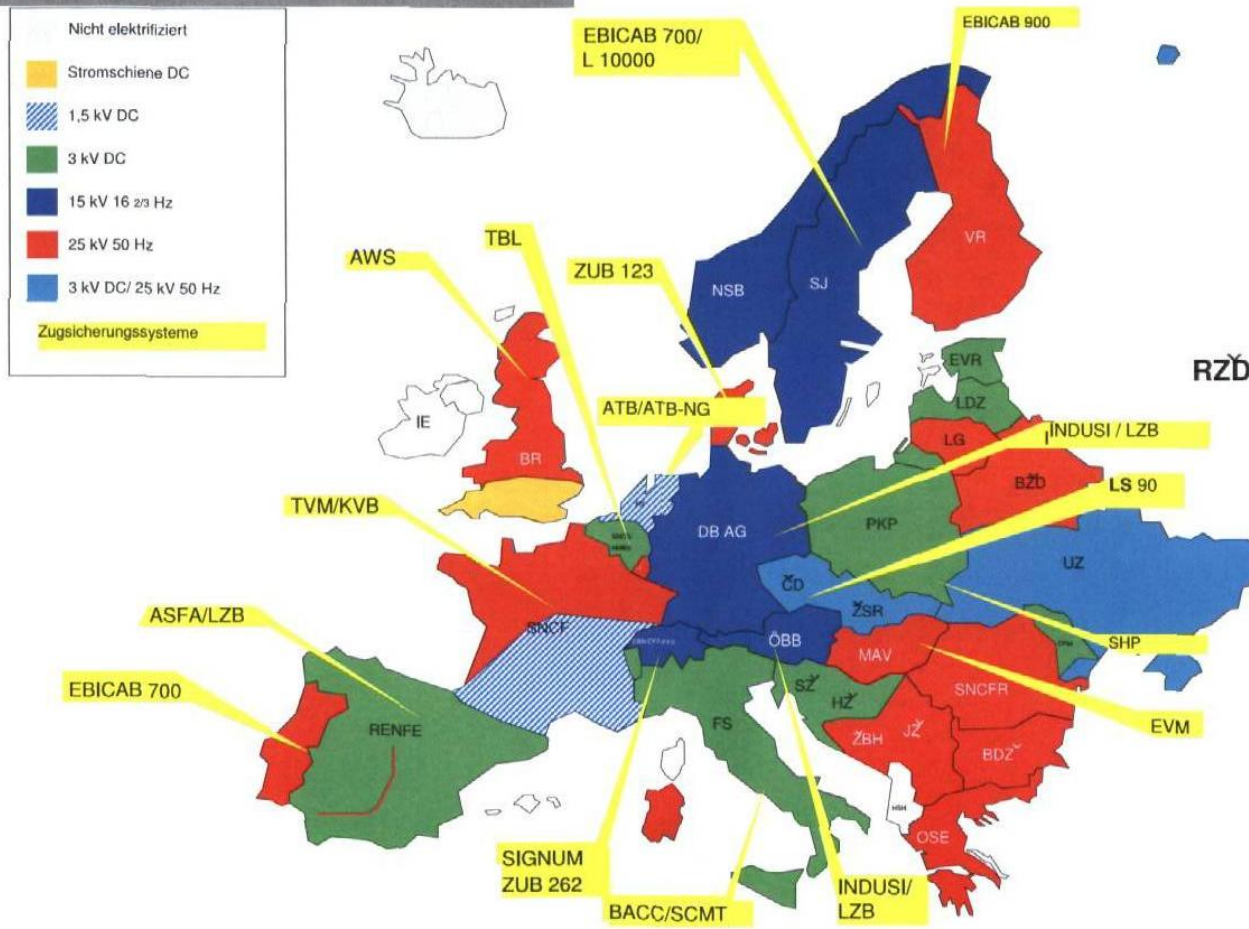
II. How the railways meet the challenge

- Further improvement of **tracks, infrastructure** and **capacity** for freight trains (discussion about priority tracks, freight corridors);
- more **interoperability** between technical and operational railway systems (chart 8)
- higher operational and economic **efficiency**:
 - further improvement and **higher standards** for **operations** and **safety**:
 - increased implementation of tracking systems („**tracking and tracing**“, the customer always should know, where the goods are and when they will arrive),
 - further implementation of the European Rail Traffic Management System (**ERTMS**),
 - intensified implementation of the European Train Control System (**ETCS**) based on **GSM-R** (Global System for Mobile Communications – Rail) to simplify cross-border traffic flows;

- **intramodal „coopetition“**
international network, subcontracting with other railways
(e.g. „Alleo“: Joint venture between SNCF and DB to operate the TGV Est);
- **intermodal cooperation** with freight forwarders, combined transport operators, other modes of transport – to provide high quality **door-to-door-services**;
- **acquisition** of other railway undertakings;
- **new fields of activities** in the world of transport:
from mere **trucking** to full services (**Supply Chain Management / Contract Logistics**) to increase the **value chain** and to further improve **customer-connectivity** (one-stop shop)

and
- last but not least: **sustainable development.**

Different signalling systems and different electrification systems



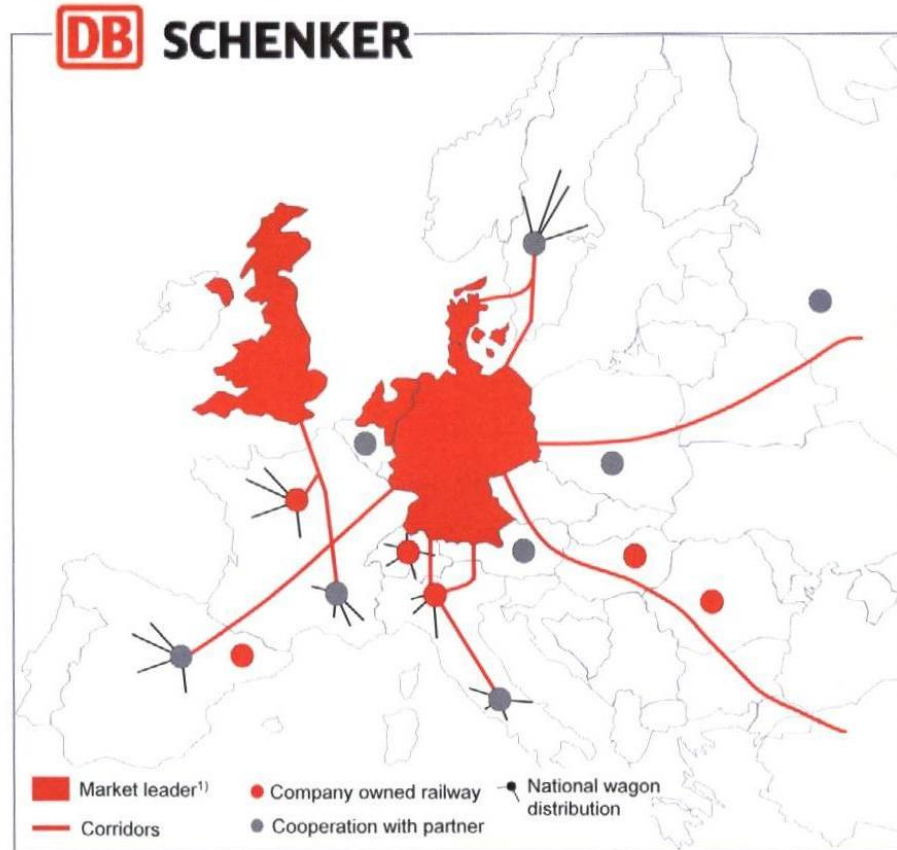
DB Netz AG, I.NVT 3

1

III. For example Deutsche Bahn / DB Schenker

- Enhancement of its leading position in **Europe`s rail market** (*DB Schenker Rail*).
- **Connecting all modes of transport** in a network to offer optimized solutions to the customers (*DB Schenker Logistics*).
- The result: **leading position** in all business fields.
- Green Projects to realise **Green Logistics**.

DB Schenker is consistently expanding the European rail cargo network along the main corridors



Key acquisitions

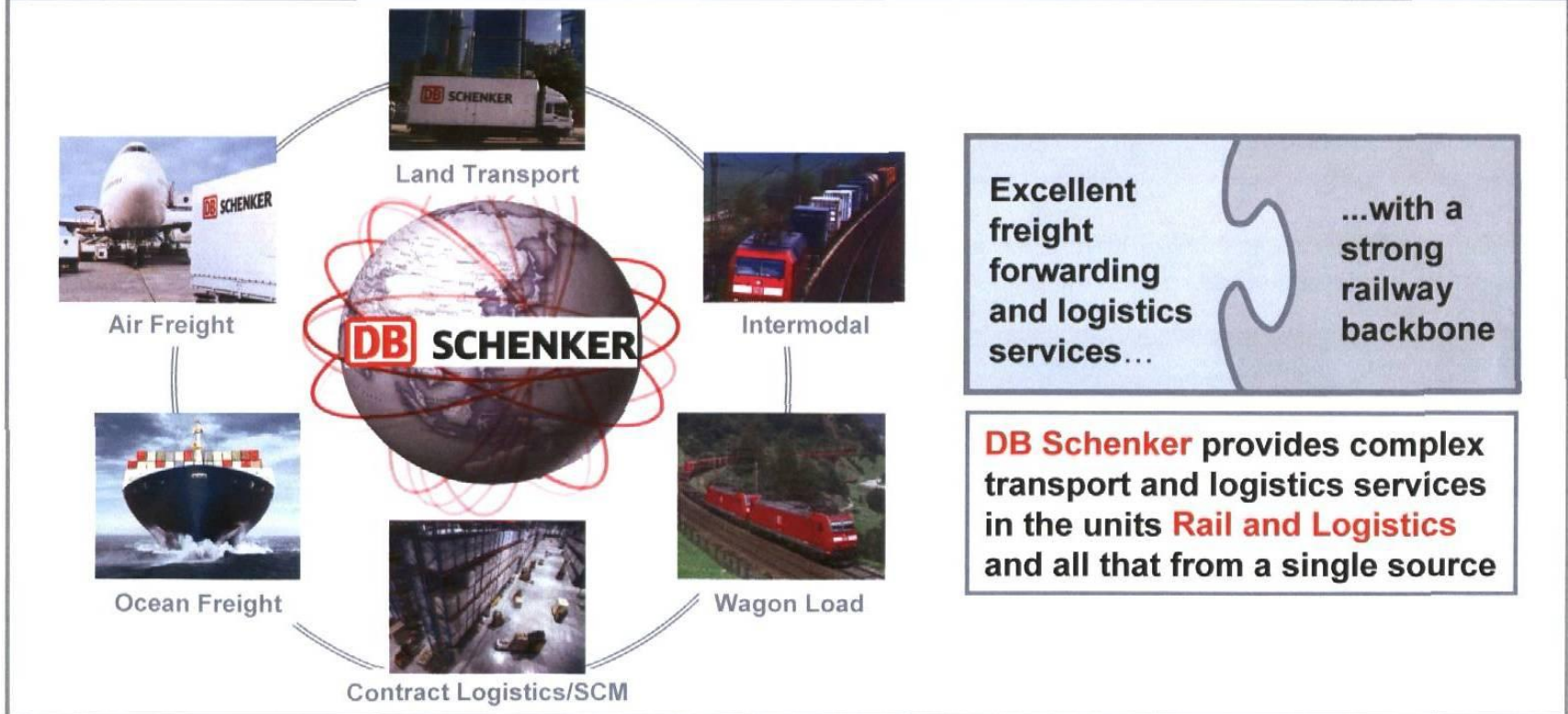
- NL NS Cargo (2000)
- DK DSB Gods (2001)
- IT Strade Ferrate del Med. (2004)
- DE RBH Logistics (2005)
- CH Brunner Railway Services (2007)
- UK / FR EWS (2007)
- ES Transfesa (2008)
- PL PCC (2009)

Strategic partnerships

- CH BLS
- DK / SE Railion Scandinavia
- RU Trans Eurasia Logistics
- PL East West Railways
- CN CUIRC

Connecting all modes of transport of our network, we offer optimized solutions to our customers

Transportation networks



DB Schenker Logistics has leading market positions in each business unit



Land Transport



No. 1 in European land transport

- 720 locations in 36 countries
- 250,000 shipments/day and
- est. 32,000 line hauls per week

Air/Ocean Freight



No. 2 in global air freight

No. 3 in global ocean freight

- 800 locations in over 100 countries
- Over 900 charter flights per year
- 1.3 m t air freight volume/year
- 1.5 m TEU ocean freight volume/year

Contract Logistics/SCM



No. 6 in global contract logistics

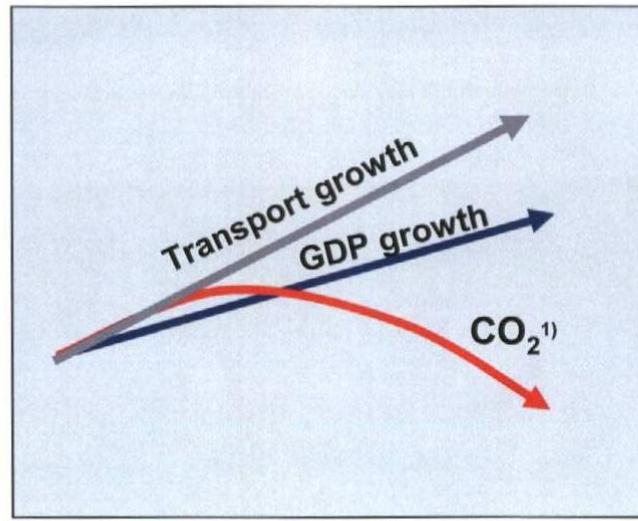
- 500 locations in over 50 countries with >4 m sqm warehouse space



DB Schenker's claim: Becoming the leading green transport and logistics provider

We decouple CO₂ emissions from transport growth...

DB's goal: 20% specific CO₂ reduction until 2020



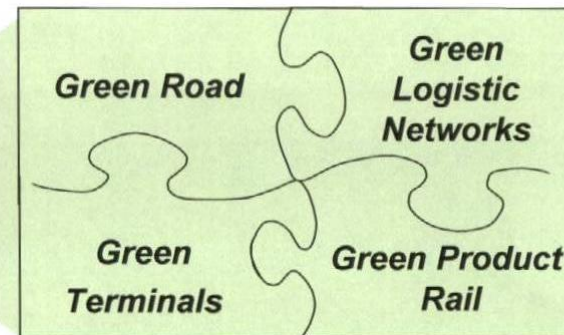
Source: Integrierte Klima- und Energiestrategie, DB Umweltzentrum

1) CO₂ aus Transporten

DB Schenker, March 2009

...and are active to further improve carbon our emission profile

"Green" flagship projects for realization of Green Logistics defined



IV. Insurance requirements for Railways

1. Three major issues

- Liability,
- Rolling Stock,
- Property.

2. Liability especially

- **General liability insurance:**

„A railway undertaking shall be **adequately** insured or make equivalent arrangements for cover, in accordance with **national and international law**, of its liabilities in the event of **accidents**, in particular in respect of **passengers, luggage, freight, mail and third parties**“

(Directive 95/18/EC, Article 9);

mandatory, necessary to get a licence;

different limits: from 0,430m Euro (Estonia)
to 10,226m Euro per insured event (Germany),
up to 155m GBP (Great Britain);

several countries just require “adequate” insurance cover as stated in the directive (e.g. France).

- **Freight forwarder's (carrier's) liability insurance**

Mandatory or optional in different countries.

Several railways do without insurance cover in respect of the limitation of the carriers liability according to COTIF/CIM (17 SDR per kg).

LE RENDEZ-VOUS DE L'ASSURANCE TRANSPORTS

Cannes

28th and 29th April 2009



FR40. **CESAM**

Prof. Dr. Rainer Freise



**LE
RENDEZ-VOUS
DE CANNES**