

COMBINED TRANSPORT COMING UP TRUMPS

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**DOMINIQUE
DENORMANDIE**,
PRESIDENT OF THE GNTC
(FRENCH NATIONAL
COMBINED TRANSPORT GROUP)

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**STÉPHANE
DERLINCOURT**,
DIRECTOR OF
COMBINED TRANSPORT,
FRET SNCF

CROSS-PERSPECTIVE

// **Combined rail-road transport is often highly rated by shippers. Why is that? What does the future hold for this mode of transport? Dominique Denormandie, President of the GNTC and CEO of Transports Labouriaux* and Stéphane Derlincourt, Director of Combined Transport at Fret SNCF, sat down to discuss these issues.**

What are the advantages of combined transport for shippers?

Dominique Denormandie: Combined transport provides access to the railways for shippers located in areas without railway coverage, and offers both the high load capacity of the railway and the flexibility of the road.

Are there enough hubs?

Stéphane Derlincourt: The French hubs offer good cover overall in relation to our needs. The difficulty lies more in their ability to adapt to today's types of trains. They were built more than 20 years ago for 500 m trains, whereas trains are

now generally between 750 and 850 m long. Sometimes when we arrive on-site, we have to split trains in two, which involves costs and waiting times that are detrimental to service quality. So, it would make sense to refurbish some sites in particular areas and to think about expansion, because we are approaching maximum capacity.

D. D.: It is difficult to cross the French border. We are lacking major hubs close to the border for connections with other trains travelling through Europe. Another issue is the acute shortage of drivers. That's a real problem since there are some markets that we cannot service because we don't have enough drivers for pre-shipment and last mile services.

Is State support still a requirement for the economic model?

D. D.: We have more than 85% fixed costs that we cannot reduce. When the State allows the railway sector, and SNCF in particular, to be more competitive, we will no longer need assistance. In the meantime, we remain dependent on subsidies.

S. D.: We work together to improve railway series by offering better quality and by responding to the demand for additional trains, but also by means of innovation. We are also careful to ensure that our train fares are attractive enough to entice people away from the roads by working continuously on our costs and by offering our customers the option of entrusting us groups of wagons to complement full trains. We also want an incentive-based train path tariff structure. The planned tariffs are not the best option from our point of view; the more heavily-loaded trains are put into circulation, the more tariff fees soar. This is a real concern because, according to this logic, the work being done to optimise loading and on train configuration will not benefit modal shift.

When we look at the positive image of combined transport among shippers, can we say that it is perhaps the future of freight?

D. D.: Yes. When shippers move to combined transport they stick to it because they will already have put in place a culture and logistics chain specific to this particular mode of

transport. We need to develop a common argumentation and communicate positively and more often. Our challenge at the moment is to deal with issues that fall within the responsibility of the government.

S. D.: Combined transport is one of the elements of the railway freight sector of the future, and Fret SNCF specifically. This will mean developing transport of swap bodies or containers, but also being able to open more railway lines to semi-trailer transport in order to increase the potential for combined transport. We are working on all of this together with all of the operators involved in combined transport and with SNCF Réseau.

* Dry bulk rail-road combined transport player