



**„Cheap isn't always economical”**

Consolidation is continuing in both the car manufacturer and car owner sectors: Trinity Rail Group (TRG) is withdrawing from Europe. International

## Personal

Rail-way Systems S.A. (IRS) has taken over the freight car works Astra Arad and now owns all three Rumanian freight car works with an annual new car capacity of up to 6,000 cars, making it the market leader in Europe.

Let's face it: aren't we, the buyers of freight cars, primarily responsible for this development? Is the car that costs the least really the most „economical?” Or don't we sometimes simply „forget” to include the costs of the more complex technical support for a new car project, the more intensive quality assurance the losses in profit through delayed delivery of cars, etc., in the overall cost calculation?

It would appear that what has become a matter of course in other industries, namely a consideration of all of the costs of capital equipment over its entire service life (Life-Cycle-Costing) still poses problems for the freight car industry.

Anyone who regards „supplier development” as nothing more than the negotiation of the lowest prices rather than the establishment of a long-term partnership that brings benefits for both sides should not be surprised if the trends of the past 4 years continue in the European freight car market: a reduction in competition and a loss of know-how and innovation.

This ultimately means the emergence of a seller's market, in other words rising car prices. This could be combated by a correctly applied Supplier-Relationship-Management (SRM).

Irmhild Saabel, Technical Manageress  
Member of the Managing Committee

## Future approval of freight cars with TSI Wagon

Up until now, freight cars have been approved on a national level. If the car parameters met the RIV (agreement on the exchange and use of freight cars between rail transport companies), the RIV code was marked on the car with the national approval so that it could travel freely throughout Europe and other countries. The approval of freight cars will change significantly with the adoption of the technical specification for the interoperability (TSI) of the sub-system "vehicles - freight cars" in conventional trans-European rail systems.



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The Technical Specification for the Interoperability (TSI) of the sub-system "Vehicles - Noise" in conventional rail systems (TSI CR Noise) has been in force for several months (for more details see the EUROTANK infoletter no. 7 from April 2006). This is the first TSI that also affects freight cars. It is a precursor for the TSI Wagon which as resolved on 28 July of this year and will become mandatory in the states of the European Union as of 31.01.2007. But

just what do these TSIs contain and what will change for freight cars?

The TSIs are based on EUR directives in which the EU specifies the framework conditions for a universal, interoperable and freely-accessible railway system. TSIs define the basic requirements for an interoperability component or sub-system (a freight car is a "sub-system") and are thus of a legal nature.

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TSIs are based on UIC data sheets. Up until now, RIC and RIV agreements have regulated the interoperable use of railway passenger cars and freight cars. Separate approvals are required for all cars from the individual countries in which the vehicles are used. These individual approvals will be replaced in future by harmonised technical requirements and a harmonised approval procedure.

The central document for freight cars will be the TSI Wagon. This defines the basic requirements for interoperable freight cars. Reference is made to harmonised standards wherever these exist (usually Euronorms EN). Since many requirements for freight cars are still defined in UIC data sheets and for legal reasons no direct reference can be made to these from a TSI (UIC is an industrial organisation and not a recognised "standardisation organisation"), numerous technical requirements have been adopted directly from the relevant UIC data sheets in the TSI. The technical requirements on freight cars will thus not change significantly through the introduction of the TSI Wagon.

### Maintenance requirements

What is new in the TSI Wagon, however, is the clearly defined requirement, for maintenance documents. Whereas in the past the approval for a new freight car was completely independent of the type and scope of its later maintenance the TSI now requires the documentation of maintenance regimes together with the vehicle to be approved. The TSI Wagon places requirements on the type and scope of the documents setting out the maintenance regime.

### Approval procedure with TSI

The approval procedure for a freight car will also change. This process is essentially based on the so-called "New Approach". This process is generally used to prove that a product meets certain basic requirements; be they for toys, lifts, machines, railway components or subsystems.

Different demands are made on the process and participants in this process depending upon the risk associated with a product.

For example, a toy manufacturer can confirm conformity with the requirements itself and affix the CE symbol to the toy. The "New Approach" foresees various paths (so-called modules) for the approval of freight cars.

- Type approval by a conformity assessment office (module SB), followed by:
  - monitoring of the manufacturer's production quality management system (module SD),
  - or
  - product testing, i.e. testing every individual product in production (module SF)
- Comprehensive quality assurance with design testing (module SH2) by a conformity assessment office

The manufacturer normally submits proof that the freight car meets the TSI requirements with the modules SB (type approval) and SD (test of the quality management procedure in production). This is similar to today's approval procedure.

The main difference today is that the manufacturer now no longer applies for a type approval from the national approval authorities but orders the type approval from a recognised conformity assessment office, the „Notified Body" (e.g. SCORAIL AG or EBC). The manufacturer can itself commission an accredited testing authority (e.g. PROSE AG) to perform the type approval or can alternatively purchase this from the conformity assessment office. The results of the type approval are documented by the testing office in the type approval report.

The conformity assessment office then issues the type approval test certificate based on this test report confirming that the tested vehicle meets the TSI requirements. Following the test of the manufacturer's production quality

management process within the scope of the module SD, the conformity assessment office then issues a certificate that rates the quality management system. The overall EC testing process is then concluded by the conformity assessment office through the issue of the EC certificate of conformity. On the basis of this final EC certificate, the applicant or manufacturer itself is then allowed to test the conformity of each series vehicle with the tested design and issue the relevant EC declaration of conformity. The operator presents the EC certificate of conformity and the EC declaration of conformity to a national approval authority for both TSI (TSI WAG and TSI NOISE). This authority can then issue a commissioning approval for the freight car. This commissioning approval must be recognised by all member states and thus permits an unrestricted use of the vehicle on the sections of the TransEuropeanNetwork (TEN) of the EU countries.

### Summary

Compared to today's well-rehearsed approval processes for freight cars based on RIV rules in various countries, this new process appears somewhat cumbersome. It will only be able to demonstrate its great advantages if and when it can be used for international approvals across the entire conventional railway sector, i.e. not only for freight cars. There are also better ways of minimising the costs of the approval procedure through a standardisation of processes, a concentration of type approvals, as is already practised today by PROSE AG in the field of freight car noise measurements. The risks of arbitrariness and the different requirements in national approvals are also largely eliminated by the transparent and uniform specification of requirements and processes.

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The engineering firm of PROSE was founded in 1982 and concentrates on the development and construction as well as testing of rail vehicles and their components. Here PROSE focuses on the mechanical parts.

PROSE operates an accredited testing office for railway rolling stock and has been certified as a testing office by the German Federal Railway Office. PROSE is a leader in the field of measurements in development processes and for vehicle approvals in running technology, driving dynamics and comfort, noise, brakes and overall load configuration sectors.



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SCONRAIL is a joint venture of the firms of PROSE AG, ENOTRAC AG and TÜV Rheinland Inter-Traffic GmbH. SCONRAIL is a conformity assessment office for railway components and subsystems. SCONRAIL is currently being accredited as a product certification and inspection office. SCONRAIL will have itself appointed as a recognised office as soon as Switzerland has adopted the interoperability guideline and TSI.



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News

## International Railway Systems (IRS) takes over the European business of Trinity

**International Railway Systems (IRS), the largest manufacturer of freight cars with its headquarters in Luxembourg, has taken over the European business of the US firm of Trinity Industries Inc.. Trinity is the largest freight car manufacturer in the USA.**



*The "Astra Vagoane Arad s.a." works in Rumania that has been taken over by IRS.*

IRS expects an annual turnover of EUR 300 million with the newly-acquired units and has a production capacity of almost 6000 units per year. Other sites taken over include Astra Vagoane in Arad (Rumania) and TVS Metalls, Studenka (Czech Republic). Organisations were also taken over in Zug (Switzerland) and Poprad (Slovakia).

IRS which was founded in 2002 owns not only a Rumanian hipyard but also the following companies:

- Meva SA, one of Rumania's three biggest freight car manufacturers with its plant in Drobeta Turnu Severin; Meva was acquired by Trinity in 1999 and sold to IRS in 2002;

- Romvag SA in Caracal; a further Rumanian factory for freight cars; Romvag was purchased when the former owner went bankrupt in 2004;
- Astra Vagoane, the biggest freight car manufacturer in Rumania with headquarters in Arad, a new acquisition;
- TVS Metalls; a forge in Studenka, Slovakia;

IRS's portfolio also includes a leasing subsidiary (IRS Leasing LTD) for railway business and Rumanian railway operations (Servtrans Invest SA).

## The future perspectives for UIP

There have been some major changes recently in the rail sector due to the liberalisation policy of the EU. This has led in part to great uncertainty in the whole sector, an uncertainty that still prevails today.



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Certain old familiar behavioural patterns, dictated by the national railways that managed European rail-freight traffic for almost a century like a "family-run business" under patriarchal guardianship, are now a thing of the past. Concepts such as individual responsibility, equal treatment, improvement in the quality of services, economic efficiency, etc., keep cropping up in speeches and articles and force a re-consideration of each rail market participant's position.

These changes particularly affect companies who are suddenly faced with having to apply market economy laws to rail-freight traffic.

It does not affect companies in the P-car sector who have regarded efficiency as a guiding principle for their business activities for decades and are thus now able to handle a disproportionately large share of European rail-freight traffic with only a third of all European freight cars.

It is undisputed, however, that the aforementioned guardianship of the railways created a framework which, whilst being detrimental to competition within the rail sector, nevertheless allowed

freight cars to be approved and move freely throughout the whole of Europe and beyond.

The loss of this framework (replacement of the UIC data sheet 433 and lapse of the liability agreement) could however lead to the "worst case scenario" which Mr. Müller considered possible in his leading article ("What comes after UIP and UIC?") but only if one misconstrues liberalisation as meaning a play of forces according to the motto "every man for himself" or a "free for all".

In contrast, UIP, the European umbrella organisation of P-car companies, sees its main task as filling the vacuum, left at the end of state-owned railway domination, through the new responsibilities of P-car owners and helping counterbalance the new interaction between state (European) supervision and the parties involved in rail-freight traffic.

The general contract of use – AVV, a new contractual framework has been worked out over three years of tough negotiations with the state-owned railways. It has adapted the legal framework, to the altered legal and political environment and has

banished archaic constructs such as the obligatory purchase of third party insurance by P-car operators as part of an annual flat rate, to the archives of railway history.

In the meantime, the EU has also recognised the importance of this contract for liberalisation and is providing active support. The promising initial wave of accessions to the AVV leads us to hope that it will soon be generally accepted throughout Europe.

The position of the "car owner" has been created, his responsibility defined in the new COTIF (CUV). He is now liable for damage caused by his car if his responsibility can be proven, thus greatly facilitating the insurability of this responsibility.

Independent car owners, former state-owned railways and new private rail traffic companies have equal rights when it comes to the administration of the AVV. UIP, the European umbrella organisation of independent car owners, will meet its liabilities in full within this framework

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and uncompromisingly represent its members' interests in a "Joint Committee" to administer the AVV set up in accordance with Annex 8 for the purpose of boosting the appeal of rail traffic. The way in which this committee works is currently being put to the test. One thing does, however, seem clear: the contractual model will remain a patchwork without a functioning arbitration and contact point for disputes as regards the application of the AVV.

Discussions on defining the position of independent car owners with their own field of responsibility (particularly as regards the maintenance of their cars) in EU law have just begun with offices in the EU Commission. In order for credibility to be a decisive factor in the positive development of European railfreight, it is essential that we can clearly demonstrate that we are prepared to assume our responsibilities. It goes without saying responsibility for safety must be paramount.

UIP experts are instrumental within the EU, ERA, OTIF and CEN in ensuring that time-honoured market economy and technical know-how and thus the keynote principles of liberalisation find their way into international and thus national legislation.

In this context it should also be noted that private EVUs have only been able to enter and survive in the market thanks to the existence of a neutral, independent fleet of freight cars which has facilitated or even enabled competition in rail-freight traffic.

So there is no need to ask the question "What comes after UIP?". The liberalisation of rail-freight traffic is inconceivable without UIP, and who now doubts liberalisation?

Wolf Gehrman, UIP General Secretary

## Interesting facts

# The people on the AVV committee

**The general contract for the use of freight cars (AVV) came into force on July 1, 2006. But who is responsible for the application and further development of the AVV?**

Annex 8 of the AVV determines how the associations involved in drafting the AVV are organised to ensure the application and further development of the contract.

Apart from the AVV office, described in Section I of Annex 8 which is primarily responsible for administrative tasks, great importance is also placed in the joint committee. The tasks of the committee are specified in Section II. This states that the committee is responsible for the application, spread and further development of the AVV.

The membership of the committee has been set at 12. The UIP and UIC each appoint 5 members, ERFA 2. According to Wolf Gehrman, General Secretary of UIP, this approximates to the importance of the interest groups represented in the committee. In view of the inefficiency of former joint UIP/UIC meetings with around 50 participants, the number of members has been kept deliberately small, as Mr. Gehrman went on to explain.

### Who has been appointed to the committee?

#### For ERFA

- Mr. M. Vaerst, AAE
- Mr. D. Paillat, Veolia Transport

#### For UIC

- Mr. L. Armeti, TRENITALIA
- Mr. J.-F. Meunier, SNCF
- Mr. E. Peetermans, SNCB
- Mr. M. Palka, PKP
- Mr. R. Wilke, DB

#### For UIP

- Mr. G. Schwayer, formerly with KVG
- Mr. S. Lohmeyer, VTG
- Mr. P. Boucheteil, VTG France
- Mr. J. Feindert, GATX (KVG)
- Mr. B. Dambrine, Ermewa

#### As reporter

with no voting rights

- for UIC Mr. J.-P. Lehman,
- for UIP Mr. W. Gehrman und
- for ERFA Mrs. M. Heimig.

All of the UIP representatives have long been involved in negotiations on the wording of the AVV. According to Gehrman, it can be assumed that they have profound specialist knowledge.

Three of the members from UIC (Meunier, Wilke and Peetermans) were also involved in the AVV negotiations, as was the UIC reporter Mr. Lehman. The same applies for Mrs. Heimig, the reporter for ERFA.

There was some isolated criticism regarding the composition of the representatives in the committee, claiming that there was a bias towards the interests of the car owners.

For example, the International Association of Companies for Combined Rail-Road traffic UIRR had demanded direct representation in the joint committee, not least because of the very specific composition of its members' fleets of vehicles.

Further information from  
UIP & UIC: [info@uiprail.org](mailto:info@uiprail.org)  
ERFA: [monika.heimig@erfa.be](mailto:monika.heimig@erfa.be)

News

# A further 200 Wascosa euro tank cars®



Recently delivered new cars for the Deutsche BP AG.

There is no slump in demand for the patented Wascosa euro tank car®; more and more customers from the chemicals and petrochemicals industry are capitalising on the advantages of this car that was introduced in 2002 and can be used throughout Europe. This led to WASCOSA AG commissioning 200 further vehicles at the beginning of

2006. The Wascosa euro tank car® is the ideal vehicle for customers who want to use a tank car flexibly, from both a geographical and product-specific point of view. This is particularly true of customers who want to implement Europe-wide, centrally managed rail distribution logistics efficiently and cost-effectively.

## On our behalf

### Werner Handelsmann to strengthen sales

WASCOSA AG is strengthening its team in the sales sector. A few months ago WASCOSA AG welcomed Mr. Werner Handelsmann, a proven and experienced expert, to its ranks.



Mr. Handelsmann is very familiar with the product "railway freight cars". For almost ten years he was deputy sales manager in the rail vehicle division at a wagon builder.

Mr. Handelsmann will assume an executive post at WASCOSA AG and will be responsible for attending to the needs of our customers together with the CEO Philipp Müller. Please don't hesitate to contact Mr. Handelsmann.

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## Feedback

### Pass it on

Would you like to recommend our infoletter for someone else? Simply forward the E-mail you receive. If this person wants to subscribe to the infoletter in future they can register at any time on our Homepage.

### Questions, suggestions, tips

Send your questions, suggestions, tips to [infoletter@wascosa.ch](mailto:infoletter@wascosa.ch).

### Change of address

Inform us of a change of address by sending an E-mail to [infoletter@wascosa.ch](mailto:infoletter@wascosa.ch).

## Calendar

### Exhibitions, trade fairs, congresses 2006 / 2007

03.10.2006 Vienna (A)	The latest news on railway bridges, track routing, grade-free platform access and transfilling inflammable liquid gases	Info: Forschungsgesellschaft Straße, Schiene, Verkehr (FSV) office@fsv.at / www.fsv.at
04.-06.10.2006 Dresden (D)	8th International Rail Vehicle Conference "Rad-Schiene"	Organiser: HTW Dresden in co-operation with TU Dresden and Eurailpress rad@mw.htw-dresden.de / www.rad-schiene.de
12.-13.10.2006 Berlin (D)	22nd Members Meeting and Function of Rail Carriers -	Info: Interessengemeinschaft der Bahnspediteure, e.V. (IBS) steffi.schmidt@kuehne-nagel.com / www.ibs-ev.com
16.-17.10.2006 Berlin (D)	VDV Academy Conference 2006 "Which network do railways need?"	Info: Verband Deutscher Verkehrsunternehmer (VDV) eckert@vdv.de / www.vdv.de
25.10.2006 Halle (D)	1st Trade Conference Rail-Freight Traffic Central Germany	Info: Gleisanschluss Mitteldeutschland and the Verband Deutscher Verkehrsunternehmen info@schienen-verkehr.de / www.schienen-verkehr.de
01.-03.11.2006 Moscow (RUS)	exporail 2006	Info: Mack Brooks Exhibitions Ltd. exporail@mackbrooks.co.uk / www.exporail2006.com
22.-24.11.2006 Warsaw (PL)	6th International Railway Fair & International Conference	Info: Europoint b.v. Tel.: +31 (0)30 69 33 48 9, Fax: +31 (0)30 69 17 39 4 cdevrij@europoint-bv.com www.europoint-bv.com/events/?interrailtech2006
23.-25.11.2006 Berlin (D)	9th Hazardous Goods Technology Days Berlin	Info: BAM Federal Institute for Materials Research and Testing jourg.ludwig@bam.de / www.bam.de
30.11.-01.12.2006 Vienna (A)	Cost optimisation in rail traffic RAM(S)-LCC-Engineering: Proven methods of technical and economical optimisation in track-bound traffic	akademie@ove.at / www.ove.at/veranstaltungen
<b>2007</b>		
13.-14.02.2007 Fulda (D)	9th EBA Experts Conference	Organiser: Eurorailpress in co-operations with the Association of German Railway Engineers (VDEI) and the German Federal Railway Authority (EBA) hagen@dvv-gruppe.de / www.eurailpress.com
20.-22.02.2007 London (GB)	Railtex 07	Info: Mack Brooks Exhibitions railtex@mackbrooks.co.uk / www.railtex.co.uk
15.-21.03.2007 Hannover (D)	CeBIT 2007	Info: Deutsche Messe AG Tel.: +49 (0)511 89-0, Fax: +49 (0)511 89-3 26 26 www.messe.de
27.-29.03.2007 Utrecht (NL)	Rail-Tech Europe 2007	Info: Europoint BV exhibition@railtech.nl / www.europoint-bv.com
21.-24.05.2007 Helsinki (FIN)	57th World Congress & Mobility and City Transport	Info: UITP hicham.badrans@uitp.com / www.uitp.com
01.06.2006 Kassel (D)	VPI Annual Members Meeting Association of Private Freight Car Interested Parties	vpihamburg@t-online.de
12.-14.06.2007 Lille (F)	Sifer 07	Info: Mack Brooks Exhibitions Ltd. sifer@mackbrooks.co.uk / www.sifer2007.com
12.-15.06.2007 Munich (D)	transport logistic	Info: Messe München GmbH newsline@messe-muenchen.de www.transportlogistic.de
19.-20.06.2007 Halle an der Saale (D)	VDV Annual Conference 2007	Info: Verband Deutscher Verkehrsunternehmer (VDV) www.vdv.de

On our behalf

# WASCOSA AG is moving to new offices



After almost 10 years in Metallstrasse 9 in Zug, WASCOSA AG will be continuing its business at a new location. The constant growth in business over the past 4 years has meant that we will have to move to new offices at the end of August, 2006 with almost double the space.

New address as per 01.09.2006:

WASCOSA AG  
Grafenastrasse 5  
6300 Zug  
Switzerland

There will be no change to the former contact data.

The new offices can be found in a new office building directly adjacent to the station, only a few hundred metres from the present location.

## The fastest way to find us

### By car:

Take the Baar/Zug-Zentrum motorway exit. Follow the signs for Zug. Our customers will find parking space in the car park.

### By Train:

Only a 5 minute walk from Zug station.

