

Corridor Management in the ACE Green Corridor

- outcomes and discussions from the TransBaltic extension seminar and related to previous research

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Summary

In this report the possibility of creating a corridor management for the ACE-Green transport corridor was investigated by Luleå Technical University (LTU) by participating in a seminar arranged by TransBaltic extension in Örebro 30th of September 2014, and relating to previous research.

It is recognised that corridor management has different understanding in different contexts. Corridor management in the sense of developing an entire corridor, including political interests, regional development, environmental concerns as well as business concepts is something different from management of a business logistic concept in a corridor. Both contexts are present in these discussions, so it is of importance to clarify the aims for corridor management in future work.

For the ACE-Green corridor a short-term and long-term perspective is suggested for future activities. Focus in a short-term perspective is to get the transport service developed within the project started in practice, and a continued process with interested parties.

In a long-term perspective a corridor management in a larger sense involving private and public actors, aiming to develop the entire corridor is suggested. Development of business concepts could be a matter for private and public actors together with consultants and academia to more thoroughly investigate interests from various actors and aspects of neutrality, robustness and economy.

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Appendix 1. Invitation to TransBaltic Extension Seminar ACE-Green,

Örebro 30th of Sep 2014

1. Introduction

This report has been prepared in connection to the TransBaltic extension project by Luleå University of Technology (LTU), Sweden, and funded by Port of Bodö. The TransBaltic extension project, funded by the EU Baltic sea programme 2007-2013, aims for a pilot implementation of some of the policy actions proposals in The Macroregional Transport Action Plan, developed and in the earlier TransBaltic project (also funded by the EU Baltic Sea Programme 2007-2014) and adopted by the TransBaltic partner regions. Port of Bodö is the leader of one of the pilot policy actions aiming for increased intermodal flows, especially focusing on the potentials between Scandinavia and Poland through the ACE Green corridor.

The aim of LTU:s participation was to investigate the possibilities of creating a corridor management for this transport corridor by participating in discussions about corridor management at a seminar in Örebro 30th of September 2014, arranged by the TransBaltic extension project, and relate to earlier performed research integrated in the Bothnian Green Logistic corridor project (BGLC), funded by the EU Baltic Sea Programme 2007-2014 as well. The outcome has been summarised in this report, as an input for future work. This was performed by Maria Öberg, supported by Kristina L Nilsson, both at Luleå University of Technology.

2. The ACE Green corridor

The ACE Green includes rail from Bodö in northern Norway to Karlskrona in southeast Sweden. In Bodö it connects to sea transport further north to Tromsø and Kirkenes in Norway and the rather new "Northern sea route" that opens possibilities for transport across the Arctic Ocean to Asia. In Karlskrona it connects to the ferry crossing to Gdynia in Poland and on to the Baltic-Adriatic corridor leading to ports in the Adriatic Sea and the Mediterranean.

Development of the ACE Green corridor is aiming for a freight transport connection between northern Scandinavia, with its industry and immense natural resources, and processing industry and markets in Central Europe. Promoting intermodal transport services based upon rail and sea combinations support efficient and environmentally acceptable transport solutions. The idea for this corridor was first derived from the "Interbaltic" project, which lasted between the years 2005-2007, funded by the Baltic Sea programme. Due to the geographical context of long distances in this northern part of EU, and low transport volumes compared to Central Europe, stakeholder cooperation is suggested in developing new transport services.

In this project a transport service using a rail shuttle between Bodö and Karlskrona for container and semitrailer transports is developed. In order to organise the transport service a corridor management organisation or company is pursued.



Figure 1. The ACE Green transport corridor. Source: TransBaltic extension project (Appendix 1)

3. Input from the seminar concerning corridor management

There were 37 individuals registered to the seminar (estimated to be in line with actual participation), of which barely half of them were private actor representatives and around a third public actor representatives. Remaining individuals were representatives from publically owned ports, academia and consultants attached to the project. The main theme of the seminar was intermodal and rail transport solutions for freight from Scandinavia to central Europe.

3.1 Pre-seminar meeting about corridor management

Right before the open seminar a meeting concerning corridor management of a more informal character was held, arranged by Port of Bodö. With eight participants (three public actors representatives, one representative from a publically owned port, two private actor representatives, one academia representative and one consultant representative) future corridor management for the ACE Green corridor was discussed. Inputs as basis for discussion were made from the participants in various ways. The thoughts of future possibilities were presented verbally by some participants. A public actor participant had prepared a power point and the academia participant had prepared questions largely overlapping each other concerning why a corridor management could be considered at all (the concept of corridor management, actors interests), which tasks such corridor management could have, and how the cooperation could be performed (actors, stages of cooperation (simple to integrated), and formalisation). A summary of the discussion is presented below, in themes emerging from the input for discussion combined with how the discussion went on.

Public, private and joint interests in a corridor development

Public interests in a transport corridor development are several. With support to and extension of the local commercial and industrial life job opportunities can be created. Another example is that a dialogue with business life and their needs are desired in the planning process for infrastructure

investments. The foremost private interest in developing a transport corridor is the increased business opportunity.

A joint objective could be to strengthen the competitiveness of the offered transport service, to both render financial benefits and regional development of the geographical area. To accomplish this, joint activities could consist of coordination to remove “bottle necks” for the transport service, in the infrastructure as well as in cooperation processes.

Long-term and short-term perspective

Generally public actors’ field of work concerns matters in a more long-term perspective, like infrastructure planning or policy changes. Private actors generally have a shorter term perspective concerning development of business concepts. However, the cargo owners need to consider both the long term and short term perspective. Perhaps the public actors need to adjust their perspectives to be able to better support cargo owners and forwarders in developing transport services.

Need of cooperation

A private and public cooperation is foreseen in developing transport corridors, since different actors have different areas of expertise which are all needed in different stages of the development. To what extent various actors should participate in this cooperation is correlated to which mandate the actors have to influence the specific issue to be solved, and can therefore vary during the cooperation.

An enhanced cooperation among public actors along the corridor is anticipated, as corridor development leads to an adoption of a larger perspective across administrative geographical borders. Enhanced cooperation between private actors is suggested as well. Private actors often want to discuss transport development one to one and perhaps they underestimate the opportunities of discussing with their competitor, especially in sparsely populated areas where the freight flows are scattered. Due to competition between companies there is certain suspiciousness regarding sharing of information, but agreements of suitable forms for this could perhaps overcome the difficulty. A combination of resources from different companies could ease the development of transport services.

Tasks for a corridor management

Possible tasks for a corridor management were discussed from both a policy and a more business oriented point of view. The tasks could consist of support to politicians, to enhance trade opportunities, input in land use planning and elimination of bottle necks in infrastructure or processes. Other tasks might be to promote environmentally and socially acceptable transports and monitoring the outcome, handling facilities for shared information, communication and marketing. Additional possible tasks could be to develop even more efficient transport services and global connections, arrange a system for backhaul, ensure same size of containers is used and keep continuous discussions with business life in the corridor locality aiming to attract cargo flows to this intermodal transport services based on rail. More tasks mentioned are to act as a mediator in eventual conflicts between participating actors, and facilitate an arena for discussion between actors.

Business logistic concept organisation

An organisation is needed to start up the transport service developed within the ACE Green corridor. Such an organisation could be a neutral part that negotiates with different parties to carry out the service. A key issue is who can arrange this service and who can take the business risk. The cargo owners can commit to use the service with a certain amount of goods. Terminal owners and forwarders can allocate goods to the service, and operators perform the transport. Finding time slots for this new rail transport on the rail track is a main concern, but the service is likely to build on existing flows that already utilise parts of the corridor.

An organisation could be a consortium of actors with cargo owners, terminal owners, forwarders and operators, with or without public participation. Public contributions might be needed in a start-up phase. How matters of neutrality are addressed in such a consortium is unclear. On one hand the organisation is assumed to be a neutral part using a procurement process to hire operators to perform the transport. On the other hand rail operators are important actors, where a large company as a partner have the ability to start a transport service in practice. Business risks taken in such a scheme can be repaid when the service works well and they are the operator.

How to proceed?

The first and most urgent part is to find agreements for a management organisation to get the transport service running that has been developed for the ACE Green corridor in this project. Discussions are already (before this meeting) on-going with rail operators and forwarders to start up the service. A core group who have a will and drive to push the work forward is suggested. There is need for both public and private actors who can take a lead in this work. In the future other more broad tasks can be considered for a corridor management.

3.2 Open seminar

The open seminar was arranged in two parts (Appendix 1). First a number of presentations were held, followed by a panel discussion including those who presented various intermodal solutions at the seminar and representation from the Swedish transport administration. The panel debate was led by a moderator and focused on how to further develop intermodal transports.

A new transport service developed within the TransBaltic extension project for the ACE green corridor between northern Norway and Gdynia and central Europe was presented. It is a rail shuttle between Bodö and Karlskrona with connection to sea transports between Karlskrona – Gdynia and Bodö-Tromsö. It is not yet in operation but freight volumes have been clarified through a market analysis and contacts with cargo owners, and a consortium with rail operators and forwarders is anticipated.

Other examples of transport concepts were also presented. One example is Three links – a recently launched combined rail and sea transport between Gdynia and several terminals in Sweden (Karlskrona, Göteborg, Hallsberg, Stockholm, Borlänge, Gävle, Sundsvall, Örnsköldsvik, Umeå, Skellefteå, Piteå, Luleå, Haparanda och Kiruna) and Oslo. It is a cooperation scheme between Stena line, Green cargo and Logent, where you can send your trailer or container at any of the terminals and pick it up at another one. As a customer you have one contact point for the entire service.

As an example of further connections to the south of Gdynia, PCC intermodal from Poland presented its' business operations. They organise intermodal container transports and has ownership of, or access to, several terminals across Poland with connections to Hamburg and Rotterdam and Moscow. The company offers rail transports for longer distances combined with trucks the last mile to customer.

The seminar ended with a panel debate touching upon several important issues. A summary of the discussion is presented below, in themes emerging from the discussion.

Simplicity for the customer

The need for cooperation with cargo owners is seen as important and there was just a few participating in this seminar. Also smaller customers should be attracted to the services. However a service should be easy for the customer to use.

Private actor perspective

The financial aspect is a main reason for a company to get involved in new developed transport services. Economic viability is crucial to keep the service going. Marketing of corridor services are needed, and market actors perceive that they are most suitable for marketing since they know their customers and their needs.

Public actor perspective

From the public actors the environmental aspect was highlighted and the future goals of fossil free transports. Large concentrations of transport flows and intermodal transports are seen as positive as they are supporting a "greener" development.

Cooperation

There is a need for different actors like cargo owners, authorities and others to support the development of transport corridors and transport services. There is however lack of a neutral body in development of these intermodal transport corridors, which can evaluate the most cost-effective corridors and solutions to be used. The rail option (as an alternative to trucking) needs to be strengthened and therefore rail operators are suggested to cooperate more rather than compete against each other.

4. Previous research integrated in the BGLC project

Findings in previous research regarding corridor management can be used in discussions and creation of a corridor management in the A2A corridor. A recently conducted project is the Bothnian Green Logistic Corridor (BGLC), which was conducted 2011-2014 and aimed for strengthened transport connections foremost concerning the vast natural resources in the northern Scandinavia to central Europe. Almost 30 partners from five countries participated in the project. Participating partners were public actors or actors governed by public interests in some sense. Private organisations participated as associated partners. The Bothnian corridor is part of the core network of the Trans-

European network for transports (TEN-T), initiated by the EU in a regulation (Regulation (EU) No 1315/2013). However, there is no description in the regulation of how the governance should be arranged in this corridor, since it is not part of the strategically most important core network corridors.



Figure 2. The Bothnian Green Logistic corridor (BGLC, 2013)

The result from the research integrated in the BGLC project regarding corridor management is based on several studies:

- Scientific literature reviews (transport, governance)
- Study of transport projects, together with VTT technical research centre in Finland and University of Thessaly (UTH) in Greece
- Workshop (around 50 participants, six countries)
- Document studies of EU initiatives (European coordinators, TEN-T, Railway freight corridors) and interregional initiative (East West Transport Corridor EWTC)
- Interviews (handful of responsible persons in the Brenner corridor and Rotterdam-Genoa corridor).
- Bothnian corridor case study, including focus group discussions (Bothnian corridor stakeholders).

Development of a transport corridor including infrastructure investments, transport services, green aspects etc. involve a number of stakeholders influencing the outcome or sharing responsibilities. When several actors are part of decision-making in this way, where matters earlier were handled mostly single-handedly by governments it is referred to as governance in literature. In the research work done in the BGLC project (Öberg, 2013) about governance structures for transport corridors it was concluded that developing major multimodal transport corridors is the concern of many stakeholders, both private and public. These stakeholders have various needs and desire to be involved. Therefore an inclusive multi-optional governance structure was recommended where a

group of core stakeholders drive the process forward. They can be mandated by the EU or national governments, or directly by the concerned stakeholders.

Other stakeholders are suggested to be connected in thematic groups, as strategic advisors or simply in an information network. Diverse forms like networks, alliances and partnerships, new or already existing, can be used for the thematic groups depending on what is most convenient. The thematic groups concern topics of interest for development of the specific corridor; it could encompass logistic concepts, environment, traffic information etc. An inclusive approach enhances a combined top-down and bottom-up perspective.

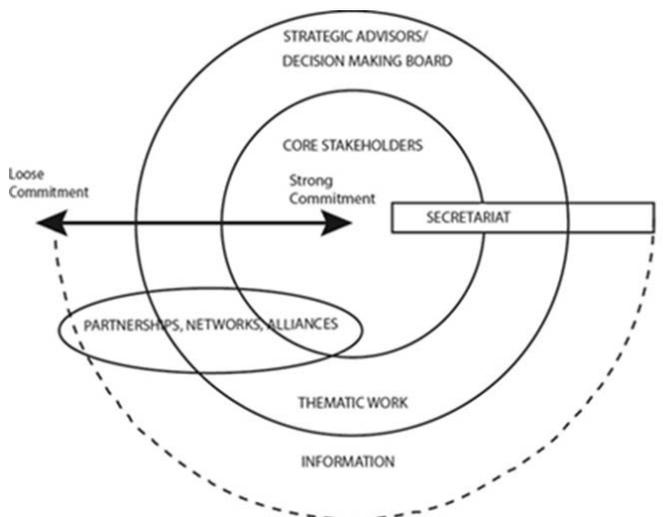


Figure 3. Outline of multi-optional transport corridor governance structure (Öberg, Nilsson & Johansson, 2013)

Further the processes for cooperation are suggested to be driven by clear objectives and transparency in motives and procedures. Communication are crucial, both between partners, but also in interaction with society. Compatibility between ordinary work processes and the work performed within the corridor management structure enhance the possibilities of a strong performance and active partners. It is also necessary to be able to handle upcoming changes in politics or EU initiatives so a built-in flexibility of the structure is proposed.

Formal and informal agreements are seen as important parts of the cooperation to clarify the commitments and expectations of the partners.

But, there is no universal governance structure that suits all transport corridors. A multi-optional governance structure needs to be customised to a particular corridor and the customising factors are proposed to be existing management structures, connection to on-going initiatives and stakeholders intentions. Stakeholders' intentions are the most difficult factor to grasp, since there are many stakeholders with more or less out spelled intentions. Consensus on main targets and core stakeholders is fundamental in forming a structure.

Relevant corridor management is also related to the maturity of the particular corridor according to Leviäkangas and Eckhardt (Eckhardt, 2013). With development of an entirely new transport corridor it is likely to be led by public actors with a policy-oriented perspective. As the corridor develops and business potentials are identified the market-oriented perspective increases. But even in a business-lead corridor management there might be need for infrastructure investments or other policy actions that requires political involvement.

Geographically based corridor development often engage numerous actors, and includes publically oriented interests like political lobbying and regional development, while business based corridors lean on business economics and the management is normally simpler (Eckhardt, 2013).

5. Discussion

In this chapter the input from the seminar is discussed and analysed, in relation to previous research when appropriate.

5.1 Corridor management

Geographical corridor or Business lead corridor

The ACE Green corridor appears to have both a geographical context and a business context. From the discussion of possible tasks for a corridor management in section 3.1 it is notified that some of the tasks are clearly publically oriented while some are strongly connected to a business management. Referring to corridor maturity described above, perhaps the corridor is under development from a publically driven corridor towards a more business oriented type. However the general impression is that it is still to a large extent leaning on public interest and support for development, not least through the EU-funded TransBaltic extension project.

Corridor management or Business concept management

It seems like the discussion during the seminar shifts between corridor management in the sense of development of the entire transport corridor and development of a single transport service. Previous research as referred to in chapter 4 describes a possible structure for development of an entire corridor, with core stakeholders acting like driving forces and public and private actors attached to the structure in partnerships or alliances concerning specific issues. The overall corridor management discussed in the ACE Green seminar can be interpreted as such a structure, while the business concept management for the new transport service could be seen as an attached partnership for this specific issue.

The need of activity of various actors in a corridor management structure differs over time. A multi-optional structure described in chapter 4 gives opportunities to attach interested stakeholders in a rather flexible way. Since an inclusive attitude is promoted, aspects of competition between actors should not be a main concern.

Arena to meet

A neutral body is requested as driver of development of intermodal corridors, rather across several corridors than just one single corridor. Generally need of forum or arenas to meet between various actors are important for developing intermodal corridors, for this corridor as well. The aim of such an arena could be to clarify how the actors can support each other in developing joint interests. A multi-optional structure described in chapter 4 could provide such an arena.

Lead actors/core stakeholders

The need for some actors to take the lead, both public and private, was discussed during the pre-seminar and it is also proposed in referred research to have core stakeholders which are strongly committed to developing the corridor and have an interest in pushing the work forward.

5.2 Management of transport service

A neutral body

A neutral body has been discussed to be jointly owned by forwarders and/or terminal owners along the corridor, including ports, and be run on a commercial basis. This means it could be a joint company for combined rail and sea transports in the ACE Green corridor. Terminal representatives usually have good local knowledge of industry needs and freight flows. To avoid competitive distortion the ownership would be open for several forwarders that might be competitors in other circumstances. The joint company would procure the transport service, and business risks in the start-up stage could be diminished by applying for EU-funding. The transport service should be open for anyone to use and the possibility of launching an electronic booking system could simplify for the customer and for capacity planning. Those who participate as owners in the start-up phase get an advantage in using the service, but the aim is to have opportunities to “buy-in” to the concept.

This approach of a joint company still needs to be further discussed and clarified. Firstly, it is relying on the interest of the possible owners, especially the forwarders. Their interest in this type of scheme remains unclear, as their possible gains, compared to costs for establishing the company and service. Secondly, from a business perspective it is unclear how an opportunity to “buy-in” in a later stage is perceived, and how the rules for such a process might be.

Robustness

This particular corridor is still rather unknown among decision-makers and there are not large freight flows at the moment. Developing intermodal transport services for a single corridor lacks the flexibility of handling freight destinations outside the corridor within the same concept. The three links concept presented in the seminar launched by Stena line, Green cargo and Logent aims to serve several corridors. If there could be an opportunity to create an intermodal network instead of single corridors, where initiatives like this can be combined in a more robust system the start-up risks would probably decrease. Connection to other structures covering other parts of Europe, like the presented example of PCC Intermodal in Poland increases the possible service level.

Developed pilot transport service

The new intermodal transport service in the ACE Green corridor developed within this project is in the process of being established, and there are on-going discussions with rail operators and forwarders to create a consortium for realisation. It is valuable to convert these aims and targets into practice and to identify which actors are really interested in participating.

6. Conclusions about the ACE Green corridor

It is the stakeholders in the corridor that are forming the future of the ACE Green corridor. As a summary of the presentations, reflections and discussions in this report the next steps can be seen both in a short-term and a long-term perspective.

Short-term perspective

Getting the developed transport service in the ACE Green corridor realised in practice is a main target in the project. This way the intermodal alternative can be used and discovered as a reliable and suitable alternative to long-distance road transports. This implies a continued process with interested parties.

Long-term perspective

To support the development of the corridor in a longer perspective the larger concept of corridor management including investments, business concepts etc. is suggested to strengthen cooperation between private and public actors in the corridor and create an arena where actors can meet.

Further development of business concepts could be performed by the private actors in cooperation with public actors and consultants/academia where neutrality, robustness and economy are more thoroughly examined.

References

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Appendix 1. Invitation to TransBaltic Extension Seminar ACE-Green,
Örebro 30th of Sep 2014

TransBaltic Extension Seminar: ACE – Green

Arctic - Central Europe Green Transport corridor

Purpose:

- To present intermodal and rail service solutions along the corridor from the Sea of Inland to Finland, to the European Continent
- To identify measures to improve and integrate these transport networks in order
- To increase the service level for the private sector along these corridors

Örebro Castle, 30 September 2014

Agenda

September 29th		Optional
20.00 -	Get together	
September 30th		
08.30-12.00	Site visit Logistics Region Örebro	
12.00-13.00	lunch	
13.00-13.20	Welcome to The Heart of Sweden - A hub	Andreas Swahn, Mayor of Halsberg Tobias Ilgner, Regionförbundet Örebro
13.20-13.45	Introduction TransBaltic Extension project & ACE Green Corridor	Erik Skönlund, Port of Borås
13.45-14.10	ACE Green - Introducing a new transport service between Northern Norway and Central Europe	Fredrik Bärhol, WSP
14.10-14.35	Three Links – combined rail & sea transports to and from Gdynia	Christie Kjellberg, Sana Line
14.35-18.00	Perspective: ACE Green linking Scandinavia with Central and Southeastern Europe	Monika Kozłowska, PSC Intermodal
15.00-15.30	Coffee break	
15.30-16.00	New Swedish Domestic Intermodal Freight Solutions	Tommy Jonsson, Tra Rail
16.00-16.20	The forest industry's sustainable solutions for transports to Central Europe	Fredrik Öpamark, Skanska Logistics
16.20-16.40	Sea-log – sea freight forwarder presenting existing service supply in the corridor Halsberg - Antwerpen	Matti Vuorela, Sea-log
16.40-17.00	Corridor Management	Maria Öberg, Luleå Technical University
17.00-17.15	Intermodal High Capacity Cargo Corriers	Fredrik Bärhol, WSP Tobias Ilgner, Regionförbundet Örebro
17.15-18.00	Panel Discussion	Muhammed, Mikael Vantti, Jageri
18.30	Dinner	Optional

Limited number of participants!

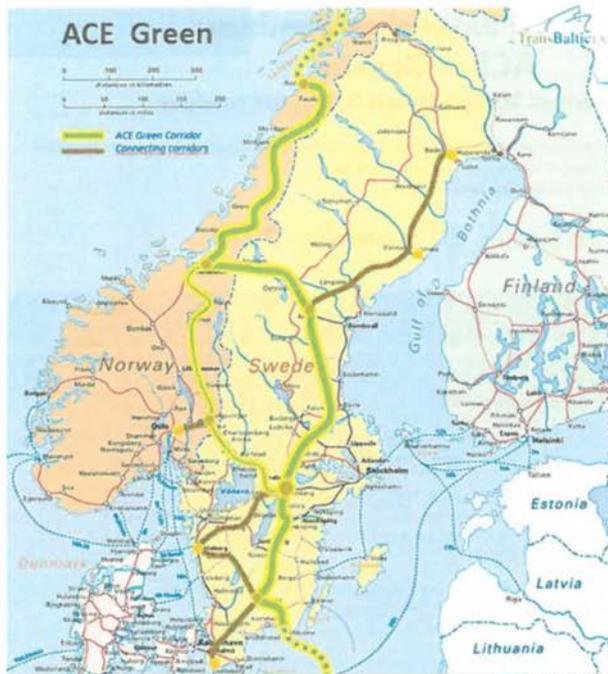
[Click on this link to sign up](#)

Deadline: 22 sept 2014!









Background

- The freight volumes between Scandinavia and Eastern Central Europe increase significantly due to improving trade relations.
- Great interest in intermodal solutions between the Scandinavian Peninsula and Eastern Central Europe has been identified.
- The need for sustainable transport solutions is growing.
- The Trans-European Network for Transport (TEN-T) has recently been redrawn.
- A freight network with Örebro/Hallsberg as the central hub can offer integrated solutions between Scandinavia and Western, Central and Eastern Europe.