

Amsterdam cargo tram in desperation

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CityCargo: a unique, internationally highly revered project in trouble. This is the story of a company that seemed to be on the right track, but may very soon cease to exist. Will Amsterdam get a cargo tram?

The city of Amsterdam could boast a unique form of cargo transport, the cargo tram. Other cities worldwide have shown interest. But according to [CityCargo's](#) director Mr Peter Hendriks, the Municipal Board is blocking actual realisation in the last phase. Should Amsterdam invest money in this company?

[F021 Image 1](#)

Dead tracks

In 2007 CityCargo seemed to have cut a good deal. The company got a ten-year exclusive concession for use of the rail infrastructure of Amsterdam. So-called 'dead tracks', tramways that were no longer in use, could serve as parking lanes for loading and unloading cargo trams. Otherwise, when not loading or unloading, the cargo tram can follow passengers trams in their tracks.

A clever and clean idea. The cargo tram has the capacity of four large trucks, but without the tail emissions. And while trucks add to the overly busy traffic between Amsterdam's orbital road and the city centre, the cargo tram could cut right through the busiest routes.

A spokesperson for the City Council confirms this. "We are focusing on air quality and support various projects that can contribute. CityCargo is amongst the projects we have embraced. We have, amongst other things, extended the concession from the usual six years to ten years to give the company more time to become profitable, and we've made available a project leader to help them."

Opposition

But Mr Hendriks relates: "When the municipal transport company (GVB) heard of the concession, it suddenly claimed the dead tracks for its own use as 'calamity tracks'. CityCargo was summoned to build their own designated parking tracks. A costly operation of a million euro per kilometre. And as the tracks would remain legal property of the city of Amsterdam, they are very hard to finance."

“Three stretches were needed,” Hendriks continues, “one of which ran from the Osdorp district into town. Osdorp, recognising the opportunities for its industry area and the labour this project would generate, was willing to pay for its two million euro stretch and announced this intent to the Amsterdam Municipal Board. But the council replied that any Osdorp contribution would flow into the city’s general treasury instead.”

CityCargo supposedly met with more forms of opposition by the Board. “Designing the tram took four months instead of one,” says Hendriks. “Whereas this is a project that international magazine *Monocle* listed at the top of its list of innovative projects. In the future, civic leaders and governments would be asking themselves 'Why didn't I think of this myself?' Mind you, Europe has 250 tram cities. But the cargo branch is a very traditional branch.”

[F021 Image 2](#)

Promising start-up

Hendriks continues: “The Board simply ruled that we're not a stable company. And they are right: we can only be profitable in three years from now. But name one start-up that is profitable from the onset.”

CityCargo has a lot of backing. It was winner of the third Green Bilderberg Conference, the Energy Award 2007, and 2008 EEP award for innovation and the European GreenFleet Award. CityCargo signed an agreement with major Dutch bank Rabobank and has 140 companies behind them. Hendriks even received a sustainability ribbon from the Dutch transport minister last September.

Chapter 11

A compromise seemed to be found when the Municipal Board decided to apply for European funding. Three ministries, the City region of Amsterdam and the City of Amsterdam itself all pitched in. Together they were good for 2.8 million, leaving 3.8 million to be financed.

Last November CityCargo received a letter from alderman Ms Marijke Vos giving the company no more than three weeks to come up with an unconditional bank guarantee. The deadline of December 1st has passed and CityCargo was forced to continue under a chapter 11 scenario. Ms Vos does not want to comment on this situation.

Mindset

So what reasons does the city have for taking this position? Hendriks says that Amsterdam has set their mind on electric vehicles. “The city is currently focusing on air quality,” he says. “But

Amsterdam changes their mind more often than their underpants. And large electric trucks don't even exist yet! Whereas the cargo tram has a capacity of four trucks." Of course, there would be other options than electric vehicles.

The municipal spokesperson refuses to go into the financial details, but stresses that the city has a broad mindset. On a [dedicated website](#) the city presents projects it is currently investing in. "The city of Amsterdam can be considered a company as well," she says. "We are replacing our own vehicle fleet, and buying electric scooters. We are also focusing on hydrogen and green current and we have instated an environmental zone to ban high emission trucks from the city centre. We've paid a visit to London, where they are much further with electric vehicle charging points in the streets, to be able to present our possibilities in this field as well."