

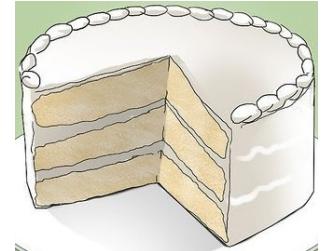
Greening Freight Transport Package: protectionism or rebalancing?

Something must be wrong with road transport – this is the quick conclusion if confronted with the sector's '*performance indicators*':

- a continuous carbon footprint increase,
- ever growing pollutant emissions,
- lacklustre energy efficiency improvement,
- relentless increase of fossil fuel demand,
- more and more noise,
- persistently poor safety performance, as reflected in accident statistics,
- unabated road congestion,
- rapidly deteriorating road infrastructure,
- an unresolved truck driver shortage and continuous social issues.

Reading the list, one may easily conclude that the 76% market share of the road sector is not only **exaggerated**, but it is simply **unsustainable**.

Trucking companies are increasingly resorting to borderline legal business models complemented by fierce lobbying to uphold the low freight rates, which enabled the conquering of a '*three-quarters slice*' of the freight transport pie.



The question
everyone is asking?

Should the prevailing market share of the road sector be maintained – confirmed by legislative means – while simultaneously neutralising '*peripheral concerns*' such as the carbon footprint, pollutant and noise emissions, wasteful use of scarce energy resources, rapid infrastructure degradation, labour and land overuse, a dismal safety record, and endless congestion, which costs society 1-1,5% of GDP annually?

Road sector advocates clearly say yes to this question.

The **low freight transport rates**, desired by shippers and consignors, can only be provided by unimodal long-distance road haulage if it is accompanied by increasing costs to society and public budgets. The severity of the costs required from society has been rapidly growing: climate change, energy scarcity, health concerns, congestion and accidents, deteriorating road and bridges, and the lack of willingness for the young to become truck drivers. By today, however, the **Combined Transport alternative to unimodal long-distance trucking emerged as a door-to-door freight transport solution capable of similar low freight transport rates but without much of the burden to society**.

Policies should be employed to **rebalance the modal share** of the long-distance freight transportation services that we need. The sacrifices imposed by the dominance of unimodal long-distance road haulage are not unavoidable. **There is a way to break the excessive and unsustainable dominance of long-distance trucks.**

3 October 2023

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A trend started with the recently adopted **Mobility Package legislation**, which attempted to fix some of the social and working condition deficiencies, the **Smart Tachograph Regulation** addressing deficiencies of enforcement, and the **Eurovignette Directive** revision addressing the chronic undercharging of heavy goods vehicles for the use of the public road infrastructure. The extension of the European **Emission Trading System** to road transport should deliver the internalisation of carbon emissions.

The **Greening Freight Transport Package** should reinforce the trend started with the new EU laws, and together with the new **TEN-T Regulation**, it forms the foundation of the necessary modal rebalancing in long-distance freight transportation. The aim should be to find **a new, sustainable modal equilibrium** that can satisfy the freight transport needs of society and the economy with competitive overall conditions.

Analysis

A comparative analysis of the legislative proposals that make up the Greening Freight Transport Package follows from the perspectives of

- A. Protection** of the *three-quarters slice* of the pie of road freight transportation
- B. Rebalancing** the modal equilibrium

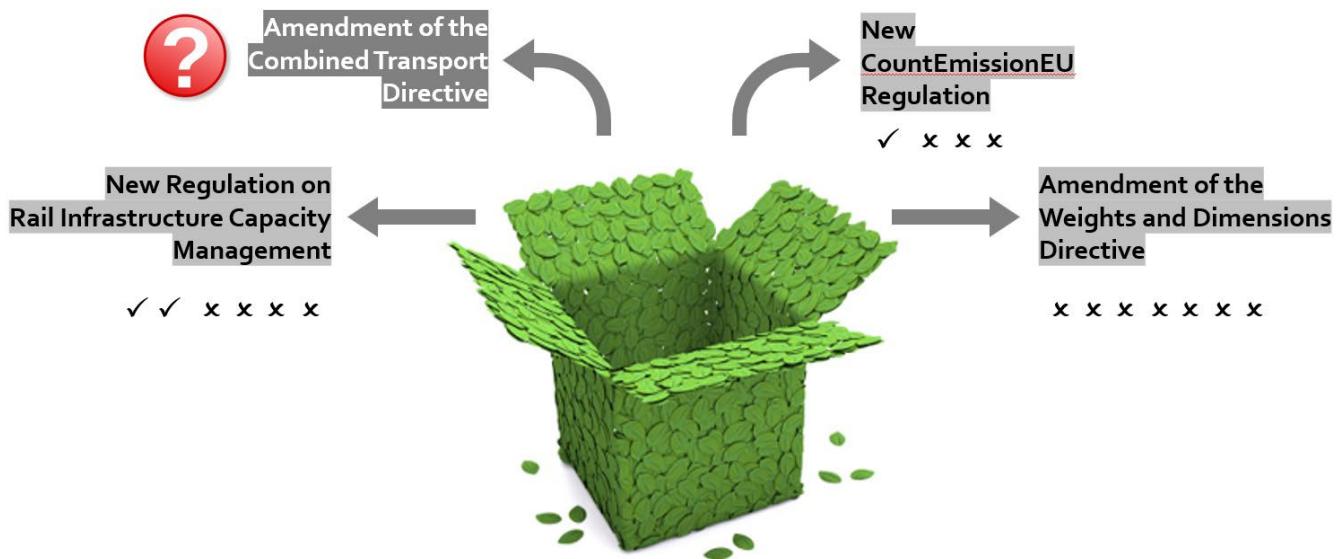
Weights and Dimensions Directive amendment	A. Protection	B. Rebalancing
- 44-tonne gross weight trucks allowed to cross borders	✓	✗
- EMS trucks (gigaliners) allowed to cross borders	✓	✗
- diesel traction for EMS trucks (gigaliners) until 2035	✓	✗
- 90cm additional vehicle length	✓	✗
- no interoperability requirement between modes	✓	✗
- no intermodal compatibility requirement	✓	✗
- Member State rules to replace Single European Transport Area rules	✓	✗

CountEmissionEU Regulation	A. Protection	B. Rebalancing
- using ISO14083	✗	✓
- exclusion of "other adverse effects"	✓	✗
- voluntary opt-in + exclusion of SMEs	✓	✗
- no labelling of transport-chains	✓	✗

Combined Transport Directive amendment	A. Protection	B. Rebalancing
UNKNOWN	?	?

Rail Infrastructure Capacity Management Regulation	A. Protection	B. Rebalancing
- socio-economic and environmental cost/benefit analysis requirement	✗	✓
- multiple-network trains to enjoy priority over single-network trains	✗	✓
- train categories defined without determining their hierarchy	✓	✗
- "strategic instructions" given to IMs by Member States	✓	✗
- rulemaking outsourced to IMs (ENIM + Network Coordinator)	✓	✗
- only 4% additional train paths expected from such a major reform	✓	✗

Evaluation



Based on the analysis and without knowing the contents of the proposal to amend the Combined Transport Directive, UIRR finds the Greening Freight Transport Package proposals to be leaning towards protecting the prevailing market share of road haulage.

The European Combined Transport sector can deliver the long-distance door-to-door freight transportation services needed by society and the economy for the same rates as long-distance trucking, but without much of the sacrifices that road haulage demands. Door-to-door Combined Transport is up to 70% more energy efficient than Euro6 diesel powered long-distance trucks, while its carbon footprint is up to 90% smaller. Combined Transport efficiently inserts non-road modes – electric rail freight and waterborne means with a superior safety record – into long-distance transport chains. Trains and maritime vessels can genuinely remove trucks from the roads, reduce Europe's fossil fuel dependency, materially improve air and noise pollution levels.

The Greening Freight Transport Package should follow the trend that will rebalance the modal equilibrium of freight transportation in Europe. This does not mean no trucks at all – trucks are and will be needed, but it will mean substantially fewer long-distance trucks. Both the new CountEmissionEU Regulation and the Rail Infrastructure Capacity Management Regulation contain positive components in this direction. By refining these, UIRR is confident that the legislative process can steer the direction of the Package towards 'rebalancing'.

UIRR calls for the return of the Weights and Dimensions Directive to the Commission to be reworked. In case this would not happen, proposals will be tabled that will compensate some of the most protectionist road-favouring regulatory measures and counterbalance the undesirable side-effects. Separate position papers and amendment packages will be offered to this effect to each of the 4 components of the Greening Freight Transport Package.

The Combined Transport for Europe campaign

A broad campaign with the support and active participation of

- European Combined Transport Operators responsible for more than 50% of the EU's CT performance
- Intermodal Terminal Managers running nearly 200 terminals
- National and international associations advocating for Combined Transport from 17 Member States
- 22 supporters – dominantly shippers who use Combined Transport day-after-day



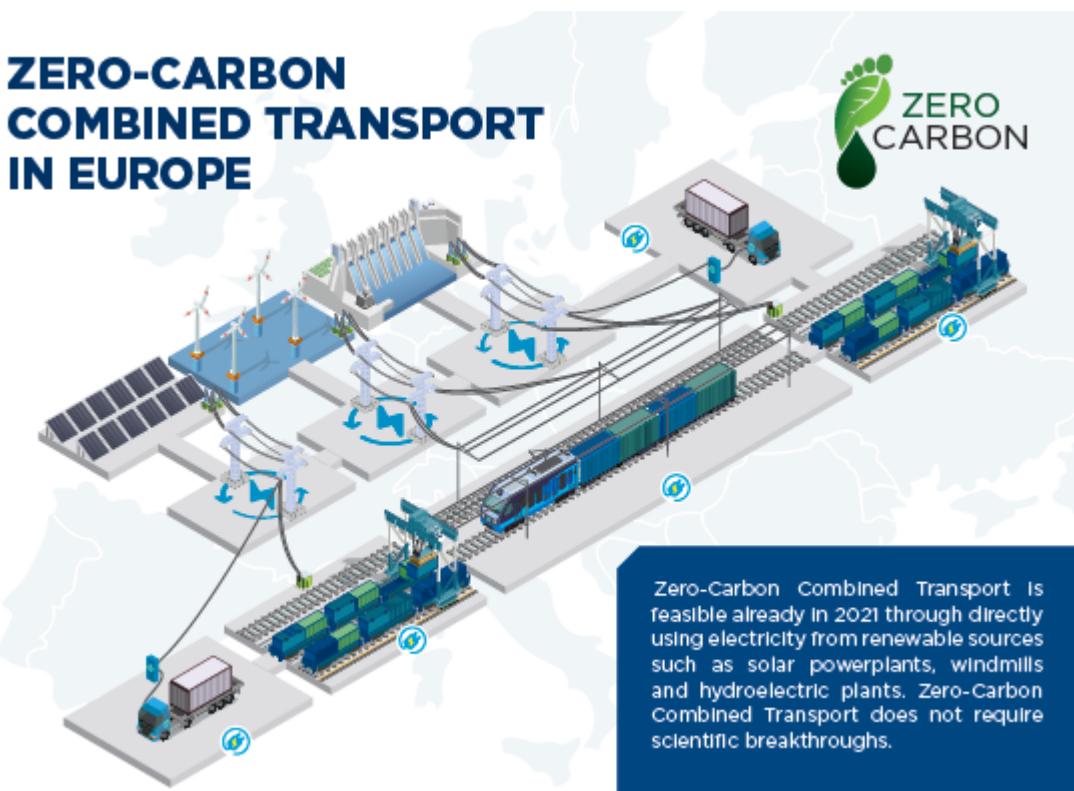
The messages of CT4EU were formulated along 3 studies published between 2021-22 [<https://www.ct4eu.eu/studies>]:

1. ENERGY EFFICIENCY AND CARBON FOOTPRINT OF CONTEMPORARY COMBINED TRANSPORT :

Door-to-door Combined Transport has up to **70% better energy efficiency** than Euro6 diesel trucking.
The **carbon-footprint is up to 90% smaller** than Euro6 trucking.

2. TECHNICAL FEASIBILITY OF ZERO-CARBON DOOR-TO-DOOR COMBINED TRANSPORT :

ZCCT is **technically feasible** using products already in the market today.
ZCCT is the **most effective, most affordable and lowest risk** solution on a comparative basis.



3. THE ROADMAP TO PROLIFERATING ZCCT BY 2050 :

€16,5 billion annual investment into the railway infrastructure – 66% already pledged under TEN-T.
€1,5 billion annual investment into intermodal assets – already outperformed by the sector.
A supportive regulatory environment – through the Greening Freight Transport Package.