

Combined Transport Directive amendment: a necessary modernisation with preconditions

The European Commission's proposal to amend the Combined Transport Directive, published on 7 November, is the fourth and final component of the Greening Freight Transport Package of legislative initiatives on freight transport. The proposal has been highly anticipated by the users of rail freight transport, and as such Combined Transport Operators and Terminal Managers.

Objectives of the amendment proposal

The Commission declared the following objectives for the proposed amendment:

1. The legal ambiguities of the existing Directive need to be remedied and the efficiency of enforcement must be improved.
2. The share of intermodal rail freight that qualifies as Combined Transport needs to be increased.
3. The efficiency and quantity of compensatory state aid must be enhanced.

The Combined Transport sector supports these objectives.



Changes proposed by the European Commission

- A. **Scope of Combined Transport** [Article 9a]: The current Combined Transport operation definition is limited to cross-border transport only. This left it up to the Member State law to determine the conditions for **domestic door-to-door Combined Transport** conducted entirely on the territory of a single Member State. Large Member States of the European Union, such as France, Germany, Italy, Poland, Spain or Sweden, offer plenty of opportunities for domestic Combined Transport. The European single market, also known as the Single European Transport Area, requires uniform rules and definitions, therefore the proposal rightly extends the concept of Combined Transport operation to include domestic Combined Transport as well.
- B. The inclusion of **empty container transport** to/from container depots in the definition of combined transport operations is a very positive element (Article 1c). It recognises the operational needs of container management in a combined transport operation.
- C. The requirement for the **marking of intermodal loading units** carried in a Combined Transport operation in accordance with ISO6346 or EN13044 should be part of the definition of an intermodal transport operation and should only address the marking related to the owner identification. The reference should be to EN13044 part 1 only. Further evidence should be presented on the necessity to impose such standardised owner identification for non craneable semi-trailers carried in an intermodal transport operation.
- D. The general **drive-ban exemption** (Article 9a) of road legs performed as part of a Combined Transport operation is seen as a step in the right direction towards an EU harmonised framework. Additional similar rules should be inserted.

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- E. The continuity of the **equal treatment of international combined transport and international road transport** regarding the use of non-resident hauliers (Article 4) and the option for Member States to reimburse road taxes applicable to road vehicles used in combined transport are also highly welcome..
- F. The obligation undertaken by the European Commission to **publish on its internet portal** the support measures and various other implementing choices of the Member States that are notified to the European Commission is welcome as it will provide the much sought-after access to Member State specific "national" rules.
- G. The additional **information disclosure requirements and categorisation proposed towards intermodal transhipment terminals** continues to be evaluated and UIRR will propose adaptations to this once the justification, said to be contained in the background study to the impact assessment, has been published and is adequate.
- H. **Objective for Member States** [Article 3a paragraph 1] The benefits of door-to-door Combined Transport when compared to its unimodal long-distance trucking alternative have been quantified in the European Commission's Transport Externality Handbook, and as such, these can be made part of the transport policymaking. Door-to-door Combined Transport operations offer a **superior remedy to the adverse byproducts of long-distance unimodal truck transport** compared to the solutions offered by the suppliers of road transport technologies ranging from hydrogen propulsion to longer and heavier truck configurations.

Member States are obliged to draw up a policy plan to quantify the various policy objectives they wish to achieve through having more Combined Transport. The required increase in Combined Transport activity should be achieved through a series of measures – drawn from a toolbox contained in the Annex of the Directive – with a combined effect of **at least a 10% reduction in the operating expenses of Combined Transport** on their territory.



Leaving the design and implementation support measures up to the Member States will maintain the present fragmented and incoherent framework potentially impacted by conflicting conditions for cross-border services. Support measures for the establishment of new services risk the cannibalisation of existing services on similar relations pursuant to the poor experiences with the Marco Polo Programme.

The measures should be implemented at the latest within 90 months from the date of adoption of the amended Combined Transport Directive.

Preconditions for the support measures

- The Combined Transport policy plan required by the Directive should be part of a broader freight transport strategy plan referencing every transport policy objective listed in Annex II.
- The operating cost reduction of Combined Transport needs to be designed to be sufficient to achieve the declared policy objectives; this principle should override the "at least 10%" indication in the amendment.
- The source of operating cost data needs to be defined.
- State aid measures harmonised on an EU level will need to be much more precisely described in the Annex to prevent the emergence of a fragmented European operational framework.
- Implementation of the Directive amendment should come much faster than the stipulated 90-month deadline.

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I. **The definition of Combined Transport** [Article 1c, Article 3], created by European law and contained in the current text of the Combined Transport Directive from 1992, has been criticised from several perspectives:

- **Ambiguity:** what makes a terminal used in a Combined Transport operation the “nearest suitable”? Who is to make this designation? These deficiencies in the definition have been severely criticised.
- **Enforcement:** the ambiguity of the definition has resulted in a multitude of disputes during roadside police enforcement actions in several Member States, sometimes leading to severe disruptions to transport chains, legal disputes and fines. Problematic enforcement has ultimately undermined the good standing of Combined Transport in the eyes of several shippers and authorities.
- **Single solution:** while Combined Transport is a freely competing form of freight transport, the definition based on the use of the “nearest suitable terminal” means that, in theory, only one single Combined Transport service could be used, since only one single terminal is the “nearest suitable”.

The proposed combined transport calculator that is to replace the current definition of a *combined transport operation* aims to solve the deficiencies of the current definition by using decades of research into the externalities of freight transport and the use of digitalisation solutions. It is built on the transport externality differences which exist between the modes. This principal foundation is much appreciated by the sector.

However, the technical implementation of the switch from the current definition to a calculator in daily life needs further evaluation. The Commission’s background study is not yet available, and uncertainties and concerns regarding the calculator itself and the way to use it remain. The sector needs to be comforted regarding the administrative burden and the complexity of the system.

After having studied and analysed the technical details more deeply, UIRR will deliver a second position paper on the topic of the combined transport calculator and the new definition, which should correct the shortcomings of the current definition of combined transport operation.

UIRR will prepare and submit amendments on

- the identification of intermodal loading units in accordance with ISO6346 or EN13044(1) as part of the definition of intermodal transport operation,
- the elimination of any duplications or excessive administrative burden with regards to the disclosure of information and categorisation of intermodal terminal,
- the need to a Member State level broad freight transport strategy plan,
- the need to adjust support measures to the objectives set by each Member State, and
- the harmonisation of state aid measures listed in the Annex
- adequate references from the Commission Handbook on Transport Externalities
- the combined transport modelling calculator and
- the necessary amendments of the eFTI dataset
- the definition and the role of an intermodal transport operator



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ANNEX I.

Combined Transport is a creation of European law:

1. **Multimodal freight transport** is the carriage of goods by two or more modes of transport to perform a single transport operation that has a superior overall outcome from a total cost/total impact perspective, including externalities that are not reflected in the price to be paid by the customer.
2. **Intermodal freight transport** is a freight subset of multimodal transport, during which the cargo carried in the transport operation is contained from start to finish in a single intermodal loading unit (ILU) – a container, a swap body and a semi-trailer – or a full truck carried in accompanied intermodal transport. The use of an intermodal loading unit (ILU) enables the use of intermodal transhipment techniques which provide the fastest, most efficient and the safest shifting of cargo between several modes of transport.
3. **Combined Transport** is a category of intermodal freight transport, which was created by a definition contained in European Union law known as the Combined Transport Directive. The major part of the European journey is by rail, inland waterways or coastal navigation and any initial and/or final positioning legs carried out by road are as short as possible. The definition of Combined Transport refers to those intermodal freight transport operations that *maximise the desirable total cost/total impact door-to-door performance* when compared to the unimodal trucking alternative.

ANNEX II.

The European Union has been battling the adverse externalities of its excessive reliance on truck transport for many decades:

- **Air and noise pollution:** the emission of air pollutants – such as NOx, PM10, PM2,5 and ozone – are proven causes of chronic diseases and premature deaths, while road traffic noise is a nuisance for some 150 million Europeans, one in three citizens of the European Union.
- **Greenhouse gas emissions:** 30% of road transport's greenhouse gas emissions can be attributed to heavy goods vehicles, which account for just 2% of the road vehicle parc using Europe's roads.
- **Road congestion:** over 1% of the EU's annual GDP is lost due to road congestion, which may be attributed to (i) too much road traffic, (ii) maintenance works required due to the excessive circulation of heavy vehicles, and (iii) the poor safety record of road transport.
- **Road accidents:** while being a major cause of road congestion, the consequences of accidents are (i) a major cost to social security budgets and (ii) result in significant losses of future tax revenues.
- **Fossil fuel dependency:** Europe must rely on the import of fossil fuels to power road transport, as adequate supplies are not available on its territory. This exposes the continent to costly supply risks and security challenges. Non-road modes of transport offer (i) superior energy efficiency and (ii) the capability of being powered by locally generated renewable electricity.
- **Truck driver shortage:** the increasingly complex task of a long-distance truck driver, coupled with the arduous work/life balance, has resulted in a shortage of Europeans choosing this profession. The labour efficiency of truck driving is very low compared to the jobs offered by non-road modes. Short-haul truck driving, which is an essential component of a door-to-door *Combined Transport operation*, remains attractive.