

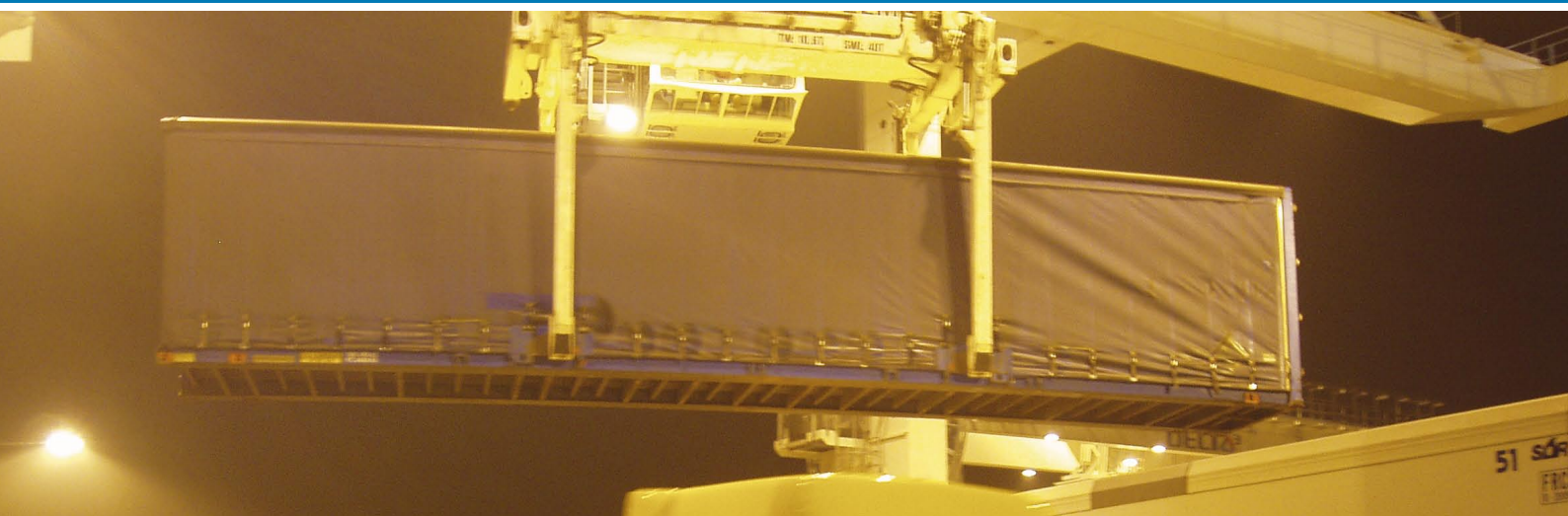


Report 2004 **EN**

International Union of combined Road-Rail transport companies

UIRR





IMPRESSUM

Publisher: UIRR s.c.r.l., Brussels
c/o Aurélie Dhaussy

Pictures: UIRR s.c.r.l. and
member companies

Design: Tostaky s.a., Brussels

Printed in Belgium on chlorine-free paper.



FOREWORD

Eugenio Muzio

Chairman of the Board

The year 2004 was undeniably marked by developments that were at one and the same time positive and negative.

Among the positive elements, the admission of ten new countries to the European Union on May 1st has significantly increased its economic potential in an ever more dynamic and world-global context.

This widening of the Community's internal market made its effects on the movement of people and goods making use of the major European axes felt quite rapidly in the "old" Member States.

Among the negative aspects we observe that, contrary to the United States and the Far East, economic recovery has been slow to appear here.

Such a situation obviously delays any rationalisation processes and especially the one that would allow a more consistent modal split. The Combined Transport sector (CT) was also affected by this economic situation, in particular during the second half year:

- the impact on unaccompanied CT was not too pronounced considering that, despite some difficulties, this technique recorded a global traffic increase of 4% (new members not considered);
- in accompanied CT however, several routes suffered a significant decrease in the number of consignments following the discontinuance on January 1st of the eco-points system that applied to traffic transiting through Austria, and on May 1st of the quotas for the commercial exchanges between old and new Member States.

Various political developments also took place at the European level.

The newly appointed Commission has included various initiatives in its work programme, designed to increase the efficiency of rail freight and hence increase the market shares of the railways for which CT represents the best possible asset.

I would in this respect like to express my thankfulness to Transport Commissioner Mr. Barrot for having, right from the beginning of his mandate, demonstrated a clear

interest in CT as a key tool to modal shift. This allows us to hope that under his impulse all relevant Community bodies will implement a policy of support to CT, amongst other things by means of specific aid plans, so as to give the goal of road to rail transfer of goods stated in the 2001 White Paper the better chances to be reached.

The creation of the European Railway Agency (ERA) constitutes another essential instrument to ensure that the interoperability associated with targeted organisational choices and infrastructure projects will over time allow for the harmonious development of cross-border exchanges.

Furthermore, the rail liberalisation – in which the members of our international Union strongly believe – is beginning to take concrete shape. So one of them came through a call for tenders to entrust several railway undertakings (RUs) with the traction of its trains on condition that on each of the axes concerned one single such undertaking would be responsible for the entire route regardless of the countries crossed and RUs involved in the provision of the service.

In this encouraging context and in accordance with its custom, the UIRR presents itself to the Commission and European Parliament as an interlocutor able to provide the best 'field' experience so as to ensure that their options are made up of the most efficient solutions and so as to make sure that this transport technique deserves to be considered as the best answer for a sustainable development of European freight. The admission of new important members/operators within the UIRR as well as the newly adopted dual management of its Brussels Bureau will undoubtedly help it to carry out its mission.

Eugenio Muzio



GENERAL PROMOTION OF CT

Rudy Colle

Director General

This UIRR Annual Report has selected the promotion of Combined Rail-Road Transport as its main theme.

This specific technique for the forwarding of goods has well-established – ecological and other – advantages but for the market to have recourse to it, the product must be competitive by its reliability and its prices and benefit also to that end from fair conditions of access to the business.

This requires unremitting vigilance as the transport sector is in constant evolution and is subject to lobbies driven by political, industrial and commercial interests which are often different from ours.

UIRR promotes CT at two closely interactive levels. The Brussels Office sees to support the activity of its member companies by putting forward, by all useful means, the needs relating to the political and regulatory provisions suited to a more sustained development of CT; it also coordinates the various projects awarded to the UIRR in the context of the R&D framework programmes of the EU and Marco Polo. For their part, our members primarily seek to promote CT by means of their product, that is to say, by elaborating the services and systems most likely to meet their clients' requirements. Their targeted participation in EU projects is in line with this objective.

At the political level, we have been led to take position concerning several important issues amongst which:

- the liberalisation of rail transport which is – slowly – taking actual shape as regards freight transport, with initial convincing results. Very many services of this kind will, in any event, continue to be provided on the same infrastructure and with the same production means by railway undertakings further entrusted with the provision of passenger train services for which the opening to competition will only take place, at the earliest, in five years' time. We shall need to pay attention to this cohabitation, bearing the additional danger that only passenger trains might benefit from a legal non-quality compensation regime;



- the promotion, by means of a draft Directive of the Commission on "European" intermodal loading units, of which the objective of dimensional compatibility with

a maximum number of transport modes is praiseworthy, and supported by the UIRR to the extent, however, that the Community text would not involve a de facto or legal obstacle to continuing to produce and operate non-stackable swap bodies; the economic, operational and commercial success of the latter units is indeed not accidental;



- safety in intermodal transport, an essential area in which it will be necessary to ensure that the specific characteristics of CT, a mode already accompanied by various protection measures, are taken into account, in order to avoid a commitment to excessive expenditure as compared with actual risks;
- finally and above all, the quality of rail freight services. The statistics published further in this report show an improvement in average punctuality in 2004 as compared with the deplorable results of the previous four years, although progress must and can still be made in CT, especially as these data relate to full train services with constant annual programme planning.

A framework text which would offer minimum quality guarantees to clients and would be drawn up, if possible, by the various groups of actors concerned, would constitute for each of them an incentive to provide services in accordance with the contractually agreed standards and, in this way, to meet the requirements of the market and the interests of all.



PROMOTION THROUGH PROJECTS

Martin Burkhardt

Director General

The EU Commission is eager to shift a major part of the projected transport increase to rail. In the chapter entitled "Sustainable surface transport" of the 6th research framework programme it promotes implementation of the change in the European railway system.



The UIRR office in Brussels and its member companies are committed to participating actively in projects for the development of a uniform European rail freight transport market.

Practically all Combined Transport actors on the Brenner transit corridor through the Alps are participating in the BRAVO project: both traditional and new private railway undertakings, the CT operators Cemat, Kombiverkehr and Ökombi, as well as a wagon manufacturer and several consultants, under the project coordination of KombiConsult. The goal is to develop a set of measures in order to increase Combined Transports in the long term on the Brenner axis:

- coherent corridor management system
- interoperability and use of multi-current locomotives
- customer information and quality management system
- innovative technologies and services.

The project participants are already demonstrating direct implementation of these measures in practice. Through documentation and dissemination of the experience gained, it will benefit the entire European rail freight transport sector.

The TREND project supports the incipient change in the rail freight transport market. A consortium consisting of the railway organisations UIC and CER, the UIRR as representative of major customers and a number of consultants under the guidance of HaCon is coopera-

ting in this regard with a network of experts from both traditional and new railway undertakings, from the shippers, from ports as well as from terminal and CT operators. The aim of this "coordination action" is to enlist the participation of as many important groups of actors as possible in the development of strategies for the railway market of the future.

During the analysis stage, a knowledge database is being compiled which will document the structural changes and their deficiencies in the railway market of 14 European countries (additional countries are being covered by a parallel "Reorient" project). This work is serving as an input for the European Railway Agency which is in its setting up phase; this Agency will continue market surveillance and is receiving considerable powers to push European harmonisation forward. The collected data will be made available to the public in a geo-information system on the project web site. This work will be deepened by a number of studies on main freight corridors in order to identify problems and elaborate "best practices", i.e. key factors for successful products and strategies. In the end, corridors and operational models will be submitted to the EU Commission for subsequent project allocations.

As leader of the "Freight Transport" user group, the UIRR is also participating in the COUNTERACT coordination project, in which recommendations are worked out for increasing security especially in relation to terrorist threats towards the energy and transport sectors.

The project work is promoting concrete innovation and is contributing to exchanges of experience not only among the partners but also in relation to the EU Commission, Parliament and Council of Ministers which determine the future framework conditions for the transport sector.

www.bravo-project.com
www.trend-project.com





PROMOTION THROUGH CONTINUOUS TRACTION

Bernhard Kunz

Director General of Hupac SA

Hupac is the first operator in Europe to fully use the opportunities of the railway reform for the entire range of its services. At the beginning of 2004, traction of its trains was put out to international tender. Thanks to this call for tenders, five railway undertakings are operating today in transit through Switzerland: SSB Cargo, Stinnes, Trenitalia Cargo, Rail4Chem and FNM.



The production system which was newly introduced in December 2004 is based on the principle of continuous traction and sets the stage for an efficiency increase in the rail system. Multi-system locomotives are being used which can operate in two or three countries. Crew is changed at the borders, while Swiss locomotive drivers are already on duty in this

capacity also in Italy. In addition, for each international journey only one railway undertaking is responsible as the main carrier from origin to destination. The new competitive situation in Alpine transit has a positive effect on railway costs and helps compensate the reduction of the Swiss federal government's operating aid.

According to a Prognos study, Combined Transport will expand considerably during the next few years. In Switzerland, we assume a doubling of the current CT volumes over the next ten years. How is the shift of traffic from road to rail to be carried out? The new situation is bringing the long-awaited turning point towards better traction quality. At the beginning of 2004, we invited various European railway undertakings to submit their bids for the traction of our trains during the years 2005/2006. The Hupac tender for the entire train package was, in terms of turnover, the largest of its kind in European Combined Transport. The award criteria were clear: in addition to the cost-performance ratio, the continuous traction.

What are the advantages for the railway undertakings and their customers?

- Traction productivity can be improved on a long-term basis. The present changes of locomotives at the border will no longer be necessary. These interfaces frequently

give rise to problems as the necessary resources are lacking, e.g. on the further segments of the journey.

- Responsibility for traction lies with only one railway undertaking, the only contact for the service in question. A train used on a 1,000-km-long route can be coordinated and monitored through a single interface.
- Quality agreements in cooperation with customers are made possible.
- Administrative burden is reduced. The data relating to the train, consignment note and customs, which today have to be reported to up to five different railway undertakings and customs offices, can in future be coordinated through one interface.



We were pleasantly surprised by the quality of the bids we received and above all by the innovative approach. This shows how openly the railway people see this opportunity. The new concept was implemented in December 2004. We are sure that, together with our partners, we can make a major contribution to shifting traffic to rail.



PROMOTION THROUGH THE PRODUCT

Denis Petitmengin

Deputy Director General of Novatrans SA

Combined Transport has become an unavoidable technique when it comes to materialising transfer of goods from road to rail and should thus be at the middle-point of political and operational promotion campaigns.

Sustained contacts with European and national policy-making bodies and with other professional organisations, active participation in trade fairs and in seminars devoted to transport and logistics, as well as publication of reports in the major media, are our traditional tools for promoting CT. On a day-to-day basis, the product which we are capable to offer to the market, meeting service quality criteria but also in economic terms the prices applied are also evident means of support.

Regarding pricing seen in the light of the full-road haulage market, two considerations deserve our attention.

The first concerns the enlargement of the European Union to 25 Member States and the fact that the new entrants benefit from much lower production costs than those that apply in France, with a downward pressure on the prices of road transportation as a consequence.

The second observation relates to the policy followed by certain railway undertakings (RUs) by which their – legitimate – attempt to reach balanced accounts is pursued more through price increases than through a reduction of their production costs. Very obviously the opposite strategy would prove beneficial, in first instance to the customer, but also to the whole rail freight sector considering the fact that its market shares would increase by reason of demand elasticity in a situation of decreasing prices.

In the absence of such a change, the only way to limit the effects of this pricing policy on our customers is further bulking traffic flows, sometimes at the risk of a drastic reconfiguration of the transport schemes which may also lead to a reduction of the capacities supplied.



Such a reconfiguration produces clear positive results since it increases the load factor of the trains and hence the overall efficiency of actual CT consignments.

Further developments should also be pursued or taken into consideration, such as the option of carrying out ourselves the shunting and other operations in the transshipment yards, the RUs only providing traction between the formation sidings.

Competition afforded by the development of new RUs should equally enable us to keep our capacity purchase costs down and consequently enable us to improve our selling prices as well as the attractiveness of this specific transport technique.

This scissors' effect combining reduction in road market prices with an upwards revaluing by the railway undertakings of their prices must necessarily be controlled by means of an action plan targeting each constituent of the production costs. Failing to do this, there is a major risk of missing the development of CT, which represents one of the explicit priority objectives of national and European policies, but also of missing the opportunity to reinforce our role and our contribution to a sustainable freight transport system.



PROMOTION THROUGH ACCOMPANIED TRANSPORT

René Dancet

Director General of RALpin AG

"The Rolling Motorway of RALpin AG is generating a very visible transfer of traffic": this is the cheerful conclusion that our company, operating this type of service on the Lötschberg-Simplon axis, can draw on the occasion of its fourth anniversary.



The RALpin AG was founded in April 2001 by three companies, BLS Lötschbergbahn AG, Hupac SA and SBB Cargo AG. The supply of services connecting the two terminals of Friburg-in-Brisgau and Novara now makes it possible to forward trucks with a corner height of 4 m, a width of 2.50 m and a total weight of 44 t by rail across Switzerland.

During 2004, 64,717 drivers of heavy goods vehicles crossed, so to speak, the Alps while sleeping, which corresponds to a 15% increase over the preceding year. The 5,333 trains had an average load factor of 80%.

Taking advantage of the opportunities offered by rail liberalisation, the traction of an additional pair of trains was put out to international tender during the autumn of 2004. In addition to the current railway undertakings – BLS Cargo, Trenitalia and Railion – services were awarded for the first time to FN Cargo established in Milan. This trend will also continue in 2005: on the occasion of the change of schedule on 12th December 2004, the management of the trains between Friburg-in-Brisgau and Basel was transferred to SBB Cargo Deutschland. Competition on rail enables us to hope for a reduction in the important delays in rail transport. From this point of view, a corresponding quality agreement will be concluded in 2005 with the railway undertakings concerned.

RALpin is looking forward to consolidating its position in Alpine transit traffic. The introduction of a tenth pair of trains in the autumn of 2004 laid the foundations for achieving, in the long term, a supply of 105,000 booking capacities, corresponding to the objective of the Swiss

transport policy. The planning of a new and gradual expansion of our supply in connection with the opening of the basic Lötschberg tunnel in 2007 is already under study.

By transport prices which are unchanged since 2001, the Rolling Motorway is a highly interesting solution as compared with the cost of road transport. In 2005, this attractiveness will be further enhanced in Switzerland as a result, on the one hand, of the increase in the heavy vehicles fee, depending on the kilometres driven, weight and emissions (LSVA) and, on the other hand, of the introduction of the distance-based toll (Maut) on the same vehicles in Germany.

With operating accompanied CT on the Lötschberg-Simplon route, RALpin AG is contributing to a decrease of heavy traffic in the Alps and to a reduction in environmental damage in this region. In first instance this involves primarily a commercial quality service for the shipper and, in particular, for trucks and their drivers.



The Rolling Motorway is actively transferring transalpine road traffic to rail and has established itself in the market. Thanks to an attractive offer, it will constantly consolidate its market shares in the years to come.

With its current results, RALpin AG accounts for a substantial part of accompanied UIRR consignments. Since RALpin joined the UIRR in 2003, we have together contributed to strengthening the role of Combined Transport.



THE YEAR 2004 IN BRIEF

THE UIRR

The Association

UIRR's Autumn Assembly was held on September 23rd-24th 2004 in Bruges and its Belgian member company **TRW** seized this opportunity to celebrate at the same time its fortieth anniversary. Among the subjects addressed were service quality, future infrastructure capacity needs, the proposal for a Directive on loading units as well as safety. During the closing Congress, representatives of the various sectors concerned presented their respective point of view on "CT – a strategic element in rail freight".

On the occasion of its December meeting in Brussels, the Board of Directors unanimously approved the joining of **Intercontainer Austria** as a new full member of the UIRR with effect on January 1st 2005. **ICA** provides, primarily, various services for the carriage of containers in maritime (70% of consignments) and continental (20%) traffic but also rolling road services (10%). Its shareholders are the companies Spedition Holding AG (ÖBB), ICF as well as the railway undertakings MAV and Raab-



Ödenburg-Ebenfurter Eisenbahn AG. **ICA** commercialises 100 full trains weekly which in 2004 accounted for a total traffic of 330,000 TEUs.

Following the termination of the CESAR project, the Cesar Information Services company was formed to operate commercially this harmonised European information interface for CT consignments. The year 2004 also saw the launch of the BRAVO project in which various UIRR companies are participating and which aims at developing traffic on the Brenner route.

The member companies

The change in the structure of the **Ökombi** company, which had been planned for a while, has taken shape. The takeover of the activities of **Ökombi KG** by **Ökombi GmbH** took place at the beginning of 2005, with the subsidiary of ÖBB Rail Cargo Austria (RCA) as shareholder. Thanks to this strategic partnership, the company armed itself to continue playing a major role in the European CT market.



Considering its figures for 2003, its commercial projections and the expected increase in production costs, **CNC** has taken measures aimed at improving the relation between transport flows and transport plan and at adapting its means accordingly. The 2004 financial year was nevertheless marked by a negative result both for external reasons (an increase in the cost of traction, reduction of State aid to CT) and for specific internal grounds (economic inadequacy of the plan built around a nodal point in its present form). The company has therefore drawn up additional measures and is considering various scenarios relating to a new operating model.

The UIRR companies have been further actively promoting CT in general and specifically promoting their products on the occasion of various exhibitions such as the SITL in Paris (**Novatrans**, **TRW**, **Cemat** and **Hupac**), Transpotec in Verona (**Cemat**, **Hupac** and **Ökombi**) and ITL in Copenhagen (**Kombi Dan**, **Hupac** and **Kombiverkehr**).

Community policy

Third railway package

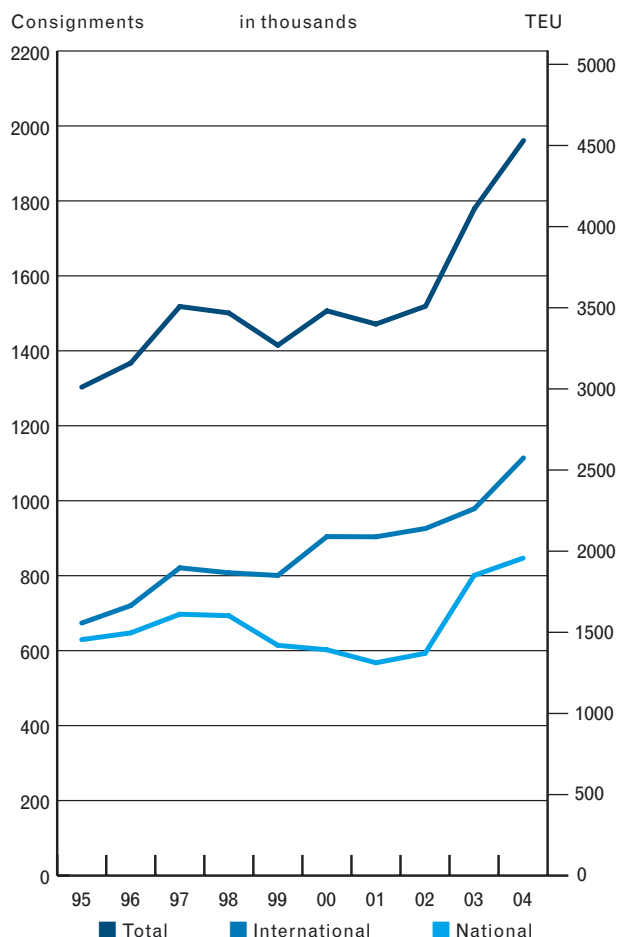
In March 2004, the European Commission adopted a third railway package designed to increase the share of rail in the modal split of freight in Europe. This package comprises four legislative proposals concerning respectively liberalisation of passenger transport, certification of train drivers, the rights and obligations of passengers and also, as most important issue for the UIRR, compensation in case of non-compliance with the contractual quality requirements for rail freight services. This third package has been transmitted to the Council and the European Parliament, called to assess the Commission's proposals and to define their position by means of the co-decision procedure regarding the four issues.

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THE YEAR 2004 IN BRIEF - TRENDS

Unaccompanied Transport 1995-2004 (Swap bodies, Containers, Semi-trailers)



Unaccompanied Transport (Consignments)

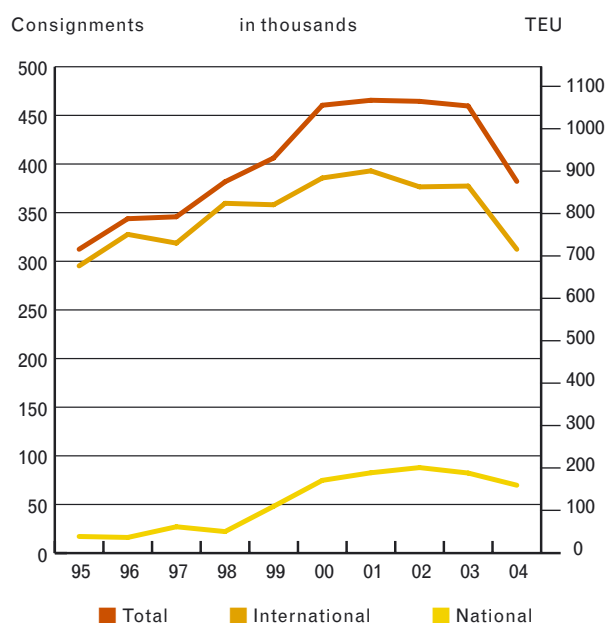
Year	International	National	Total
1995	673.649	629.359	1,303.008
1996	720.190	647.287	1,367.477
1997	821.009	697.191	1,518.200
1998	807.739	693.233	1,500.972
1999	800.624	614.183	1,414.807
2000	904.339	602.314	1,506.653
2001	903.708	567.642	1,471.350
2002	925.742	592.731	1,518.473
2003	978.915	800.612	1,779.527
2004	1,114.364	846.775	1,961.139

International unaccompanied transport handled by UIRR companies has increased by 143,000 consignments or 14% compared to 2003. Transalpine traffic has again recorded considerable progress, particularly to/from Germany via Gothard and Brenner (growth rate of 11%). Liberalisation is starting to bear fruit on these two main corridors, with increased capacities available in competition, but also with an overall improvement in the quality of service. Traffic to/from France is up by 18%, and the trend is even more marked during the first quarter of 2004, thanks to an increase in the amount of rice traffic from the Ile de France region to Northern Italy. Traffic to/from the Netherlands rose by 22%. The product strategies implemented by some UIRR companies aimed at extending traffic with the Benelux countries, especially between Belgium/Netherlands and Germany, as well as at increasing services for Scandinavia. Certain traffic flows from ports in Northern Germany have had to cope with tough competition, especially on the Germany/Austria (-38%) and Germany/Hungary (-8%) routes.

National unaccompanied transport is up by 46,000 units or 6% compared to 2003. Germany, France and Italy share 85% of these consignments. The high level of punctuality in Germany (90% on average) has led to a net increase in consignments (+20%). In Italy, traffic is up by 3% thanks to new direct trains to Sicily, thus avoiding the hub of Marcianise, near Naples. In France, the rise in prices has caused considerable disruption to CT operations (-6%).

In total, unaccompanied transport shows a 10% growth. The fact that Alpe Adria and Conliner joined the UIRR in 2004 has accentuated the rate shown in these statistics.

Accompanied Transport 1995-2004 (Rolling Road)



Accompanied Transport (Consignments)

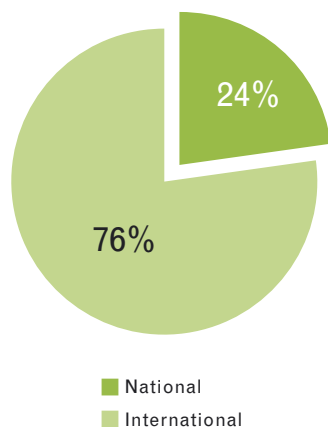
Year	International	National	Total
1995	295.261	17.095	312.356
1996	327.676	16.103	343.779
1997	318.657	27.087	345.744
1998	359.606	22.122	381.728
1999	358.111	48.099	406.210
2000	385.643	74.777	460.420
2001	382.964	82.589	465.553
2002	376.512	87.922	464.434
2003	377.348	82.308	459.656
2004	312.329	69.786	382.115

International accompanied transport had a very difficult year, with a 17% decline in consignments. Following the EU enlargement, the considerable shrinking of demand on the Dresden-Lovosice link led to its cessation in June 2004. Following the suppression of the Austrian ecopoints system on 1.1.2004, traffic on numerous Rolling Road links to/from Austria have significantly dropped, especially the one between Manching and Brennersee (-41%), closed down in December 2004. Thanks to the Swiss framework conditions which are more favourable to CT, the situation is quite different on the Gothard line, especially on the links between Singen-Milan (+56%) and Fribourg-Novare (+15%). The same observation can be made for national accompanied transport, where international road consignments in transit are also routed by rail: in Austria, it has fallen by 20% whereas in Switzerland, it is up by 27% thanks to a doubling of services available between Basel/Aarau and the Tessin region.

THE YEAR 2004 IN BRIEF - TRENDS

Total Traffic

(Accompanied and Unaccompanied)

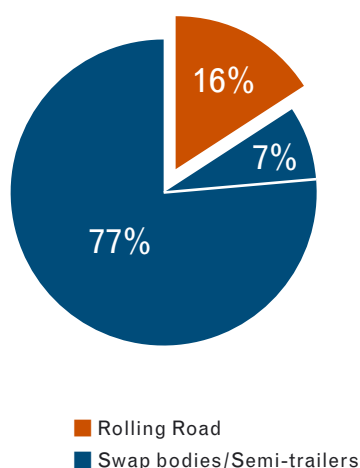


International and National traffic in Mio TKM

Year	International	National	Total
1995	17.720	7.250	24.970
1996	19.584	7.583	27.167
1997	21.527	8.334	29.862
1998	21.926	8.308	30.234
1999	20.742	7.846	28.588
2000	24.330	8.156	32.486
2001	24.663	7.217	31.880
2002	25.027	8.047	33.074
2003	25.248	7.671	32.919
2004	26.173	8.338	34.511

The traffic performances, expressed in tonne-kilometers (tkm), were positive. Internationally, they rose by 4%. A few links have made particularly important contributions to this result: Germany-Belgium, Germany-Switzerland, Germany-Spain, Germany-Italy, Germany-Netherlands, Belgium-Italy and France-Italy. National traffic for its part has recorded an overall increase of 8% in tkms. The main reasons for these changes are on the one hand the increase in the average distance covered in France, Italy, Romania, and on the other hand the traffic growth in Germany, Italy and Switzerland. The average distances are around 760 km for international journeys and 560 km for national ones. The gross average tonnage for a loading unit is 24 tonnes internationally and 21 tonnes nationally.

Techniques



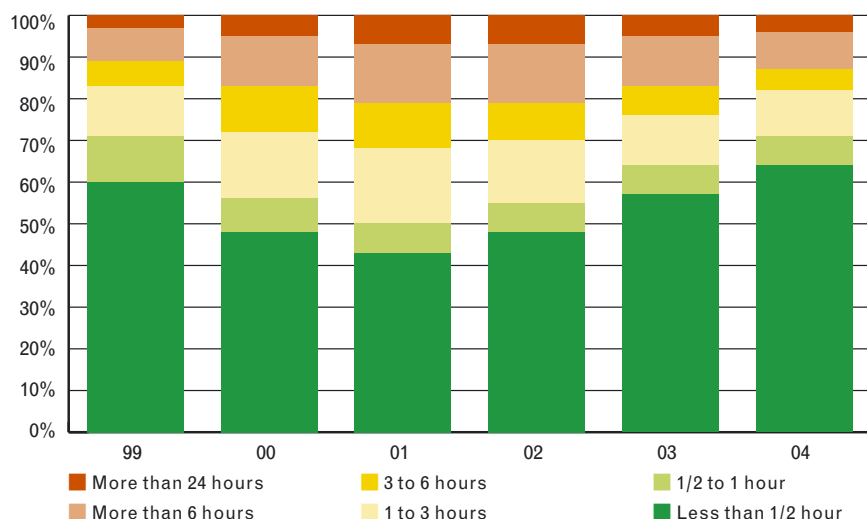
Proportion of CT techniques in total traffic in thousand consignments

Year	Swap bodies	Semi-trailers	Rolling Road	Total
1995	1.079	224	312	1.615
1996	1.161	207	344	1.711
1997	1.333	185	346	1.864
1998	1.335	166	382	1.883
1999	1.260	154	406	1.821
2000	1.333	172	460	1.964
2001	1.300	171	466	1.937
2002	1.367	152	464	1.983
2003	1.405	145	460	2.010
2004	1.806	155	382	2.343

In 2004, unaccompanied CT represented 84% of the consignments, 77% using swap bodies (used both for pure road transport and for Road-Rail CT) and containers, and 7% using semi-trailers. The proportion of loading units other than semi-trailers increased mainly due to the container traffic of two new UIRR members. 56% of the swap bodies and containers are routed internationally, the remainder nationally. In unaccompanied international CT, customers have mainly chosen small units (consignments of two 7m-8m units) which account for 37% of the consignments. The market is changing perceptibly: the proportion of large units (over 8.30m) has moved from 29% (2003) to 33% (2004). The total number of semi-trailers transported increased on the Germany-Italy (+14%) and Germany-Switzerland (+10%) links, but they could not maintain their share in CT because the use of swap bodies and containers grew more significantly. Accompanied CT has sharply decreased (-17%): an important fall nationally (-15%) and an even sharper drop internationally (-17%) in spite of RAlpin's contribution of over 60,000 consignments.

Punctuality

(Delays)



On 28,230 trains monitored in 2004, 64% were on time (tolerance of a 30-minute delay). Compared to 2003, this is a positive evolution, but even so we cannot consider the average rate achieved to be satisfactory yet. 81% of the delays can be attributed directly to the RUs, the lack of traction or locomotive drivers remaining one of the major causes. The Brenner, Gothard and Modane axes account for just over 50% of all of the trains monitored. The Brenner line has seen its punctuality improving considerably thanks in particular to the arrival on the market of new competing RUs. Through the 'Brenner Action Plan 2005', various measures have been taken and clear responsibilities assigned to each partner. This kind of programme should be applied to other lines which are unable to announce results as positive as those achieved on the Brenner. Increasing the punctuality would allow to enter market segments which are inaccessible for the moment, such as consolidation goods, food products or express parcels.



THE YEAR 2004 IN BRIEF

The Committee of the Regions had given a generally favourable opinion, while the Economic and Social Committee declared to be in favour of positive incentives rather than of compensations for improving freight quality. The UIRR and the railway undertakings (RUs) have also studied this essential subject and have sought to jointly draft a framework agreement which would constitute a voluntary commitment. Nevertheless, various draft agreements – including the one which was presented at the UIRR and UIC/GTC Autumn Assemblies in September 2004 and was approved by the CT operators – have not been accepted by the railway undertakings. At the time of going to press, it has not been possible to conclude any agreement with concrete substance yet.

Railway harmonisation

The European Railway Agency (ERA), which has its offices in Lille/Valenciennes (F), held the first meeting of its Administrative Board on 15th July 2004. The European Commission appointed Dr. János Berényi, Vice-Chairman of the UIRR, to represent the freight customers in the Administrative Board of the ERA. The main tasks of the Agency are to improve interoperability and strengthen



safety of rail transport in Europe. At a more operational level of CT, the Commission has amended its draft Directive on intermodal loading units (ILU) and the standardisation of a European intermodal loading unit (EILU) which it had initially adopted in April 2003. In accordance with the opinion of the European Parliament in its first reading, the new text certainly brings the control requirements into alignment with those of the Container Safety Convention (CSC), which is in force throughout the world, but the Commission has not adopted an amendment guaranteeing that all swap bodies without exception can continue to be used. The UIRR is consequently devoting efforts to ensure that the Council and Parliament support taking this amendment into consideration during their examination of the new proposal.



Development of CT services

Accompanied CT (RoLa)

The suppression of the ecopoints system for the transit through Austria by heavy goods vehicles on January 1st 2004 has considerably affected recourse to the rolling road (RoLa) services supplied by the UIRR companies. On the other hand, the accompanied services provided by **Hungarokombi** on the EU territory benefit further from VAT exemption. The enlargement of the EU by ten new countries on May 1st has also involved the shifting of the external borders and the inherent abolition of authorisations for the transport of goods by truck between the "old" and the "new" Member States. On several routes, this situation has severely disadvantaged accompanied CT which finds itself in direct competition with full road transport. Thus the **Ökombi** company registered a 22% drop in its accompanied traffic even if it showed a substantial 30% increase on the Brenner route; while **Crokombi** had to abandon opening a service it had planned between Zagreb (HR) and Wels (A), it will open, in cooperation with **Adria Kombi**, a new connection between Spačva (HR) and Ljubljana (SL), which is particularly attractive for South-East European (Romania, Bulgaria, Turkey etc.) hauliers providing transport to the Western parts of the continent. The accession of Slovenia to the EU has had immediate consequences for the accompanied traffic volumes of **Adria Kombi**: the major contraction in Slovenian demand entailing a 30% fall on the Ljubljana (SL)-Salzburg (A) and Maribor (SL)-Wels (A) lines has been partly compensated for by the demand from Turkish carriers. All of the accompanied services of **Hungarokombi** have also experienced a 23% fall in traffic and its client structure is now almost exclusively outside the EU. In addition, the Sopron (HU)-Wels (A) connection was, despite an adaptation of its frequency, halted in October, while **Kombiverkehr** and its partner **Bohemiakombi** have had to eliminate the Dresden (D)-Lovosice (CZ) RoLa service which had forwarded more than 93,000 consignments in 2003.



THE YEAR 2004 IN BRIEF

As far as the **Hupac** company is concerned, it registered a 20.4% increase in accompanied traffic transiting through Switzerland thanks to the absence of disruption in its activities and it was therefore able to recover the market shares which it had lost due to infrastructure problems in the Monte-Olimpino Tunnel.

Unaccompanied CT

The suspension, due to lack of profitability of the unaccompanied service provided by **Ökombi** to and



from German ports has led to a 33% fall in the total volume carried, but at the same time to productivity increase of the services provided. The number of the other consignments reached the level of 2003, with the Austrian company focusing its activity more on the supply of full trains and the development of their antenna links. As far as **Rocombi** is concerned, it achieved an 8% increase in its national traffic with focus on serving the hinterland of the port of Constanta (RO). The consignments forwarded by **Crokombi** to and from the port of Rijeka (HR) increased by 35% during 2004 because of its privileged geographical position and also of the interest shown by major shipowners. Despite the complexity of adaptation to Community requirements, **Hungarokombi** was able to register growth in the number of loading units from other EU States which were previously forwarded by road. The national consignments organised by **Kombiverkehr** experienced a 20% rise in 2004 thanks to consistent service quality which made it possible to integrate new relations in the Kombi-Netz 2000+ network. The global activity of **Novatrans**, for its part, experienced the effects of a reduction of State aid to CT. Despite the difficult economic situation, the postponement of State aid in Italy as well as of the kilometre tax (Maut) applied to heavy goods vehicles in Germany, all activities of **Cemat** showed an increase of 3% over the preceding financial year.

Innovations on the supply side

Operational developments

Since it has changed its schedules in December 2004, **RAipin** has been using different railway undertakings: SSB Cargo Deutschland for the German section previously operated by DB, BLS in Switzerland, as well as Trentitalia (70%) and now Ferrovie Nord Cargo (30%) in Italy. Moreover, the volume of national activity of **Cemat** experienced an established growth in 2004, in particular thanks to the development of its "gateway" traffic (traffic which, having foreign countries as origin or destination, has transited through the national network). The **Conliner** company, which specialises in serving Western ports, has reorganised its production around a system of direct shuttles, thus developing, in cooperation with **Kombiverkehr**, the Duisburg terminal as a "gateway". **Novatrans** has refocused its activities on the main routes which, starting from Lille, serve Bayonne, Perpignan and Marseille; despite a 20% reduction in the transport plan, its national consignments were maintained at the level of the preceding year, while its international traffic is increasing. Using the opportunities created by the reform of the railways, **Hupac** launched in 2004 a call for tenders for the traction of its trains with, as the main criteria, the cost-performance ratio as well as continuous traction: from now on five railway undertakings are operating transit services through Switzerland. The shuttle traffic provided by **Eurotunnel** has remained stable for the year as a whole with a record – registered in June – of 6,390 trucks transported in 24 hours. As regards capacity control, **Kombiverkehr** is currently developing a railway capacity management system in association with Lufthansa Systems. Harmonisation of the loading structure and of wagon types will make it possible in the long term to optimise train composition, while the organisation of reservations from origin to destination on several sections will improve transport procedures.





THE YEAR 2004 IN BRIEF

Likewise, **Alpe Adria** has intensified its services to/from the port of Trieste and the region around, mainly through an increase in the frequency of its trains and also by improving their capacity. Due to an important rise in rail tariffs in France and also due to a lack of service quality, **TRW** has transferred all of its trains from/to Italy to the Athus-Basel axis, thereby increasing its total capacity by 15% while capacity from/to Spain, offered in partnership with **Combiberia**, has been increased by 10%. In Denmark a reduction by the railway undertakings of the number of trains available for the traffic of isolated wagons to Germany and Italy has led to a drop in the turnover of **Kombi Dan**; the national transport policy appears however to be moving towards more pronounced support for alternative modes of freight transport. In addition, the Danish company has finished putting in place the Goal system, which was developed by **Hupac** and **Cemat** for computer processing of its data, and is preparing for participation in the Cesar System.



New lines

The **Alpe Adria** company has put a new rolling road into service between Trieste (I) and Salzburg (A) for traffic from the Middle East and bound for EU countries. Since the schedule change in December, **Conliner** has been offering a daily direct train service between Rotterdam (NL) and the ports of Cologne and Düsseldorf (D). The **TRW** company, for its part, is offering new services linking Ronet and Liège (B) with Piacenza (I). In July 2004, **Hungarokombi** opened a new accompanied CT line between Budapest (HU) and Wels (A) for which, in response to demand, a second train was organised at the end of the year. The Swiss operator **Hupac** has continued to develop its products to the Benelux countries (serving of the ports of Zeebrugge and Rotterdam), Germany and Scandinavia and also its national traffic with a doubling of the capacities between Basel and Tessin. The Ljubljana-Munich connection, jointly established in June by **Adria Kombi** and **Kombiverkehr**, has since then registered a sharp increase thanks to its performance. Finally, Duisburg was confirmed in its interface position for the **Kombiverkehr** traffic to the destinations of Novare (with **Cemat** and **Hupac**), Lübeck, Wels and Lyon (in cooperation with Novatrans).

Terminals

Since the end of 2004, the transport operations carried out by **Rocombi** can transit through the new private terminal of Bucarest Berceni. The gradual putting into service of the new BILK terminal in Budapest has contributed to the development of the **Hungarokombi** services. Moreover, the end of the extension works at the Busto-Gallarate terminal in Northern Italy is planned for the second half of 2005 and this will make it possible to increase the volume carried by rail across the Alps. The year 2004 also saw the development by **Adria Kombi** of the "Gateway Slovenia" hub as well as the participation of **Kombiverkehr** in the management of the terminals of Ludwigshafen, Rostock Trimodal and Neuss Trimodal.



Rolling stock

During 2004, the activity of **Hungarokombi** was somewhat disrupted by infrastructure works as well as by insufficient capacity owing to a reduced number of wagons made available by the national railways. For their part, the **Cemat** and **Kombiverkehr** companies ordered wagons intended for the transport of wide-gauge loading units, while **Kombi Dan** replaced 25 4-axle wagons by 12 multipurpose 6-axle pocket wagons, following diversification of the loading units forwarded during the last few years.





MEMBERS OF THE UIRR ON 1st JANUARY 2005

AUSTRIA	INTERCONTAINER AUSTRIA Wiedner Hauptstr. 120-124 A - 1050 Wien	Tel: (+43) 1 504 95 60 0 Fax: (+43) 1 504 95 60 150 E-Mail: global@intercontainer.at
	ÖKOMBI GMBH Taborstraße 95 A - 1200 Wien	Tel: (+43) 1 331 56 0 Fax: (+43) 1 331 56 300 E-Mail: info@oekombi.at
BELGIUM	T.R.W. Avenue du Port, 100 / bte 1 B - 1000 Bruxelles	Tel: (+32) 2 421 12 11 Fax: (+32) 2 425 59 59 E-Mail: dg@trw.be
CROATIA	CROKOMBI Miramarska 13 a HR - 10000 Zagreb	Tel: (+385) 1 615 18 67 Fax: (+385) 1 615 18 69 E-Mail: crokombi@crokombi.hr
CZECH REPUBLIC	BOHEMIAKOMBI Opletalova 6 CZ - 113 76 Praha 1	Tel: (+420) 2 42 444 560 Fax: (+420) 2 42 444 924 E-Mail: bohemiakombi@bohemiakombi.cz
DENMARK	KOMBI DAN Omfartsvejen 1 DK - 6330 Padborg	Tel: (+45) 74 67 41 81 Fax: (+45) 74 67 08 98 E-Mail: kombidan@kombidan.dk
FRANCE	CNC 8, Avenue des Minimes F - 94300 Vincennes	Tel: (+33) 1 43 98 40 00 Fax: (+33) 1 43 74 18 40 E-Mail: continental@cnc-transports.com
	NOVATRANS 21, Rue du Rocher F - 75008 Paris	Tel: (+33) 1 53 42 54 54 Fax: (+33) 1 45 22 45 25 E-Mail: info@novatrans.fr
GERMANY	KOMBIVERKEHR Ludwig-Landmann-Str. 405 D - 60486 Frankfurt/Main	Tel: (+49) 69 79 50 50 Fax: (+49) 69 79 50 51 19 E-Mail: info@kombiverkehr.de
HUNGARY	HUNGAROKOMBI Szilágyi Dezső tér 1 H - 1011 Budapest	Tel: (+36) 1 224 05 50 Fax: (+36) 1 224 05 55 E-Mail: info@hungarokombi.hu
ITALY	ALPE ADRIA Via Santa Caterina n. 1 I - 34122 Trieste	Tel: (+39) 040 63 92 33 Fax: (+39) 040 66 00 08 E-Mail: alpeadria@alpeadria.com
	CEMAT Via Valtellina 5-7 I - 20159 Milano	Tel: (+39) 02 668 951 Fax: (+39) 02 668 00 755 E-Mail: info@cemat.it
NETHERLANDS	CONLINER Abel Tasmanstraat 81 NL - 3165 AM Rotterdam	Tel: (+31) 10 299 48 48 Fax: (+31) 10 299 48 55 E-mail: info@conliner.com
	HUPAC INTERMODAL NV Albert Plesmanweg, 151 NL - 3088 GC Rotterdam	Tel: (+31) 10 495 25 22 Fax: (+31) 10 428 05 98 E-Mail: info@hupac.nl
ROMANIA	ROCOMBI B-dul Dinicu Golescu 38 RO - 010873 Bucureşti, sector 1	Tel: (+40) 21 312 23 14 Fax: (+40) 21 312 17 74 E-Mail: rocombi@hotmail.com
SLOVENIA	ADRIA KOMBI Tivolska 50 SI - 1000 Ljubljana	Tel: (+386) 1 23 45 280 Fax: (+386) 1 23 45 290 E-Mail: infor@adriakombi.si
SPAIN	COMBIBERIA c/Rafael Herrera, 11; 2º, Pta 203 E - 28036 Madrid	Tel: (+34) 91 314 98 99 Fax: (+34) 91 314 93 47 E-Mail: combiberia.madrid@combiberia.com
SWITZERLAND	HUPAC Viale R. Manzoni 6 CH - 6830 Chiasso	Tel: (+41) 91 695 28 00 Fax: (+41) 91 695 28 01 E-Mail: info@hupac.ch
	RALPIN Genfergasse 11 CH - 3001 Bern	Tel: (+41) 31 327 28 39 Fax: (+41) 31 327 28 60 E-Mail: info@ralpin.ch
ASSOCIATED MEMBER		
FRANCE	EUROTUNNEL 19, Boulevard Malesherbes F - 75008 Paris	Tel: (+33) 1 55 27 39 59 Fax: (+33) 1 55 27 37 75 E-Mail: freight@eurotunnel.com



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UIRR
International Union of combined
Road-Rail transport companies

Rue Montoyer 31/bte 11
B-1000 Bruxelles

Tel.: +32 2 548 78 90
Fax: +32 2 512 63 93
E-mail: headoffice.brussels@uirr.com
Web: <http://www.uirr.com>