



COMBINED TRANSPORT IN BRIEF



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Q1.2011

28 April 2011

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The Last Quarter in Brief

The rebound of road-rail Combined Transport traffic managed by UIRR member companies has continued unabated throughout 2010 and in the first months of 2011. The level of CT traffic nevertheless still falls short of the pre-crisis peak recorded in mid-2008, which is a good reminder of the serious fall-back suffered by the industry.



Rudy Colle
Executive Chairman

The European legislative bodies took a jump-start with the beginning of 2011 as several very important dossiers with the potential of meaningfully improving the fairness and effectiveness of the legal environment of transport in Europe:

- The Parliament's Transport and Tourism Committee concluded the second reading of the Eurovignette Directive's crucial amendment at its 11 April meeting.
- Consideration of the First Railway Package's re-cast has also begun in both the Parliament and the Council.
- The Commission issued its Transport White Paper for 2011-2020 expressing the intention of a very encouraging and much anticipated policy paradigm shift.
- The Commission finalised the implementation-aiding handbook of the Rail Corridor Regulation.

UIRR not only contributed with extensive background papers to these initiatives, but also expressed its views on the concrete proposals upon their appearance.

The two FP7 research projects that UIRR was working in, BE LOGIC and IMCOSEC, completed their work on schedule by 31 March. Hopes are high that the results will meaningfully contribute to further enhancing European Combined Transport. Simultaneously preparations are made to join projects that will commence their work in the foreseeable future.

Preparations to begin issuing the ILU-Code from 1 July are progressing on schedule, and UIRR is also encouraging its members to consider during the development of their new product ideas the financial support that can be obtained from the EU's Marco Polo program.

Reminder:

63 days until the issuance of the ILU-Code by UIRR begins (on 1 July 2011)

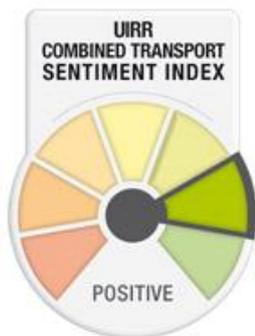


Reminder:

Marco Polo 2011 call due in September (only four months remain)



Business outlook for the 12 months ending on 31 March 2012





The European Commission's 2011 Transport White Paper

25 March 2011

The much anticipated long-term transport policy declaration of the European Commission, the Transport White Paper, was introduced by Commission Vice-President and Transport Commissioner, Siim Kallas on 25 March.

The fundamental directions of the paper are to be strongly welcomed as it attests to the Commission's realisation of its responsibilities and the declaration of its intentions to turn Europe's transport sustainable. Most importantly the Paper correctly sees the need to considerably reduce the CO₂/GHG emissions and the overall oil dependency of transport. Moreover, the safety and security of transport and its social responsibilities (adherence to working time rules) should be meaningfully enhanced.

To achieve these goals the most important aim proposed by the European Commission is to **transfer every second ton-kilometre performed by trucks over distances longer than 300km to sustainable modes by 2050**. Electrified rail (freight) and Combined Transport are expected to assume a strategic role to achieve this aim.

UIRR issued a press release on this occasion (on 28 March to be found here: <http://uirr.com/en/media-centre/press-releases-and-position-papers/2011/mediacentre/416-welcoming-the-transport-white-paper.html>).

Three issues were mentioned in this communication: (i) a mistaken limitation foreseen in the growth (potential) of rail freight in the Paper, (ii) the need to introduce modern technologies (ITS solutions) in aiding the effective enforcement of existing rules of road transport, and (iii) the need for a clear set of European train categories and hierarchy to facilitate the much needed enhancement of rail service quality.

UIRR will continue to point to the traits of Combined Transport to aid in achieving the goals of the Paper and voice its positions throughout the coming discussions in the Parliament and Council. It is UIRR's strong hope that **both of these legislative bodies will endorse this policy declaration and act in unison with the Commission when devising the legislative changes needed to achieve the goals defined within it**.



Facts and figures website of the European Commission linked to the Transport White Paper: <http://ec.europa.eu/cgi-bin/etal.pl>

Eurovignette Amendment

16 March 2011

Following the European Council's first reading decision (October 2010) which contained numerous changes as compared with the Parliament's resolution (June 2010) a **second reading consideration of the dossier became necessary**. The most significant contentious issues were the internalisation of accidents, earmarking of revenues (both rejected by Council), and the introduction of a 'revenue neutrality' in case of congestion surcharges.

The efforts of **the Belgian Presidency must be applauded** for negotiating a consensus in the Council in an environment where two groups of Member States attacked the proposal (periphery countries and those with a strong automotive industry) joined by a general voice pointing to

the need to avoid any burden increase on (road) transport in light of the economic crisis.

UIRR fundamentally accepted the Council decision and called on the Parliament to find common ground in the hope of **passing the legislation soon** rather than enter into a prolonged argument (resulting in conciliation) with the ultimate risk of aborting the entire legislative initiative. In relation to the First Railway Package recast UIRR pointed out that congestion surcharging on rail is not capped, hence congestion charging on road should not be either.

Link: <http://uirr.com/en/media-centre/press-releases-and-position-papers/2011/mediacentre/415-pospap-ep-2nd-reading-eurovignette.html>



Recast of the First Railway Package

3 March 2011

The European Commission announced in late 2010 its proposal to recast its most fundamental legislation pertaining to the functioning of the rail sector called the First Railway Package. Prior to commencing deliberations of the proposal in the European Parliament UIRR unveiled its position paper on the proposal (link: <http://uirr.com/en/media-centre/press-releases-and-position-papers/2011/mediacentre/414-pospap-recast-first-rail-package.html>).

The proposed amalgamation of Directives 12, 13 and 14/2001 is to be welcomed as (i) it should reinforce rules related to the financing of rail infrastructure managers, (ii) it should contribute to improve the fairness of competitive relations within the rail sector, and (iii) will reduce the inequality of the competitive framework conditions between competing modes of transport.

Seeking further improvements during a meeting with rapporteur Madame Debora Serracchiani UIRR Executive Chairman, Rudy Colle, stressed the need to **cap the year-on-year change of track access charges**, completely **terminate privileged (ownership-type) relationships between railway undertakings and rail infrastructure managers**, maintain the principle of mode-neutral internalization of transport externalities.

Moreover, it was mentioned that 'market segmentation', whereby mark-ups are proportioned to the perceived ability of the client to pay, are considered unfair and thus should be rejected. **Mark-ups are only acceptable if an improved level of service is guaranteed alongside it**, as expressed in the UIRR concept of a Pan-European categorisation of trains and hierarchy thereof. On the other hand, a **track access charge discount should apply in case of a permanent degradation** in the condition of rail infrastructure used, which should be calculated in line with the rate of degradation.

Finally, UIRR called for **increased transparency**, as the ultimate means of ensuring fairness, through an extended reporting obligation for both Member States and infrastructure managers as compared with the proposal.



MEP Debora Serracchiani



Megatrucks Continue to Threaten

January 2011

Interested parties continue their relentless push to convince decision-makers on the introduction of longer and heavier commercial vehicles, or 25m/44t 'megatrucks,' to travel freely throughout the European road network.

The recent suspension of an impact study ordered by the European Commission, due to the disqualification of a lead consultant in the consortium, may have won some time for those seeking to promote the increased role of sustainable modes, like electrified rail, in longer-distance freight transport to gather their arguments.

The pending revision of Directive 96/53/EC in parallel with a merger of existing European legislation on type-approval of road vehicles realistically endanger Combined Transport, whereby presently allowed tolerances of physical dimensions are to be loosened and in some cases additional allowances made for so-called 'aerodynamic

devices'. This could prevent the carrying of ILUs by trucks or the use of RoLa services in case of exceeding the respective rail gauges. UIRR has pointed out these unwanted consequences at numerous instances towards representatives of the European Commission and other decision-makers.

UIRR also became a signatory of the 'Ferrmed Manifesto' attesting to the importance of developing this Southwest-Northeast Rail Axis Network, which could greatly contribute to eliminating the need to use megatrucks along the corridor from Spain through France all the way to the Baltics.





New Road Tolling Regime Planned in Britain

February 2011

The British government announced its intention to **introduce a road tolling scheme for trucks using highway in the United Kingdom**, where presently all road vehicles may circulate without any road infrastructure access charge.

While this news should fundamentally be welcomed, the contents of the decision raised eyebrows around Europe as:

- The new regime is to take effect only **from April 2014**.
- It will only apply to vehicles above **12 tonnes**, while the Eurovignette Directive stipulates 3.5 tonnes.
- It will be a **vignette-, or time-based toll**, rather than the fairer distance-based charging being gradually implemented throughout Europe.

Distance-based charging was first introduced over ten years ago in Switzerland. UIRR is arguing, alongside several organizations fighting for a more sustainable transport and fair charging, to shift all road-tolling to such distance-based electronic systems. Hence the decision caused disappointment with Combined Transport operators.



Polish Attempt to Transfer EU Development Aid from Rail to Road

February 2011

The Polish government, which assumes the rotating presidency of the European Union on 1 July, has announced its intention to shift considerable amounts of infrastructure development aid that it is scheduled to receive in the present EU budgetary period under its National Development Program for rail infrastructure to road projects.

UIRR criticised this intention considering that 80% of transport-related EU aid given to Poland is already slated for road projects, while **the condition of the rail infrastructure in Poland, the second longest rail network in Europe, is dismal**, hindering the development of Combined Transport.

A list of **desirable rail infrastructure improvement projects** will be delivered to the European Commission to aid their negotiations aiming to convince the Polish government to **invest considerably more in rail**.



New Topics for CT-related EU Transport Research

April 2011

The ERRAC working group finalized the consultations for the rail-related research topics to be announced in the fifth call under the FP7 research program.

Preliminary information suggests that a topic, originally proposed by UIRR, will be included during the official call expected on 30 June on examining **the economic and technological circumstances of single wagon load as well as Combined Transport-related investments**.

With the support of its members, UIRR will aim to become a part of a consortium to bid for this research-project as it falls in line with its members' interests.





OECD Freight Transport Statistics for Q1.2011

While total rail-freight transport in the EU27 declined over 25% as a consequence of the economic crisis, road freight volumes only fell by 13.8% (compared to its peak in Q2.2008).

Both modes **recovered considerably** during the two years that have passed since the bottom with rail regaining almost half of its lost performance, and road about a third.

Rail freight lost significant volumes sinking to lows not seen in more than a decade as a consequence of the economic crisis. Nevertheless the trend for its recovery since the beginning of 2009 shows **significant dynamism**.

The Community of European Railways (CER) reported a roughly 5% overall growth in rail freight tonne-kilometres during 2010, whereas UIRR's Combined Transport statistics for the same period show **an even higher rate of expansion of 8%** compared to a year earlier.

Total road freight performance lost only four years of growth (or considerably less than its rail rivals) as a consequence of the crisis, its rebound is positive, though less remarkable than that of rail freight.

In summary: despite the dynamic recovery of rail freight, and Combined transport within it, as compared with road since hitting the bottom in mid-2009, **the pre-crisis modal balance of road and rail freight has not been reached by the end of 2010.**

Figure 2. National and international rail and road freight, percentage change from pre-crisis peak Q2/08 (Tonne-km, quarterly trend)

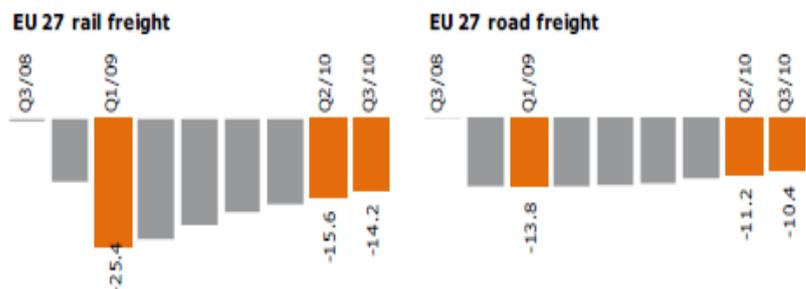
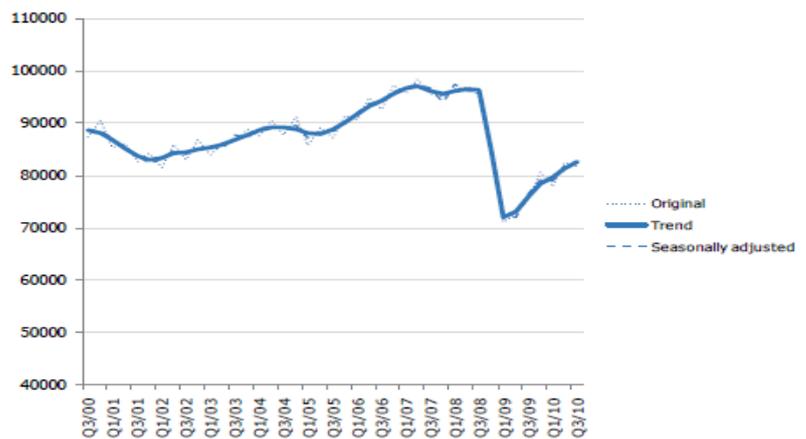
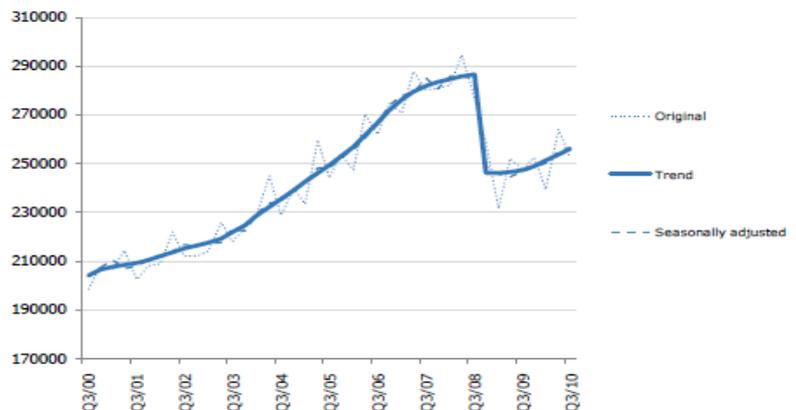


Figure 11. National and international rail freight in the EU (Million tonne-km)



Note: Data on rail freight in the EU area exclude Austria, Greece, Luxembourg, Netherlands and Romania.

Figure 13. National and international road freight in the EU (Million tonne-km)



Note: Data on road freight in the EU area include Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, Lithuania, Poland, Slovakia, Spain, Sweden. These cover around 65% of total road freight in the EU27.

Source:





Project-Work Update

	<p>The BE LOGIC project started in September 2008 ended on 28 February with a final conference organized in Rotterdam bringing together more than 100 experts. The main project's main results were presented in particular the development of a logistics benchmarking tool and the European Intermodal Route Finder (EIRF) database, which include more than 800 terminals covering 27 European countries. For more information: www.be-logic.info.</p>
	<p>Phase I of this project aiming to devise a roadmap describing the optimal way to parallel enhance security and productivity of ILU-based transport-chains has ended on 31 March. Using its contacts to daily operations of Combined Transport and its four decades' experience, UIRR brought vital practical insight to the consortium. The roadmap, discussed during the final conference on 24 February in Brussels, will form the basis of the multi-year second (demonstration) phase to be launched later this year. For more information: www.imcosec.eu.</p>

Members' News

Bohemiakombi	Introduced new bilingual (EN/CZ) website. Click: http://www.bohemiakombi.cz/
Cemat	Introduced a new bilingual (EN/IT) website. Click: http://www.cemat.it/site/ENGLISH/homepage/
IFB	Introduced new English language (only) website. Click: http://www.interferryboats.be/
IFB	Oranises barge connection to Rotterdam and Antwerp ports Click: http://www.interferryboats.be/news/press-release
RALpin	The Swiss Transport ministry awarded its contract for organizing (state subsidized) RoLa services in Switzerland between 2012-2018 to RALpin. Click: http://www.ralpin.ch/itool3/frontend/files_db/1289566006_88_8.pdf
RALpin	RALpin obtained the ECM (Entity in Charge of Maintenance) certification at the end of 2010. Click: http://www.era.europa.eu/Document-Register/Documents/ECM%20Certificate%20-%20RALPIN%20AG.pdf

Key Dates & Events

20 April, Brussels	IBM Rail Liberalisation Index presentation	 Address: 31 rue Montoyer B-1000 Brussels Tel: +32 2 548 7890 Fax: +32 2 512 6393 E-mail: headoffice.brussels@uirr.com Internet: www.uirr.com Editor: Ákos Érsek, UIRR
4 May, Brussels	UIRR Board of Directors meeting and General Assembly	
10-13 May, Munich	Transport Logistic Exhibition	
25-27 May, Leipzig	International Transport Forum (OECD)	
31 May, Paris (TBC)	INTERUNIT Operations Committee	
1 July, Brussels	Issuance of the ILU-Code begins (by UIRR)	
20-22 September, Antwerp	Transport & Logistics 2011	
25 October, Hamburg	UIRR Board of Directors meeting and General Assembly	
26 October, Hamburg	UIRR General Assembly	
27 October, Hamburg	INTERUNIT General Assembly	