



COMBINED TRANSPORT IN BRIEF

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Q2.2012

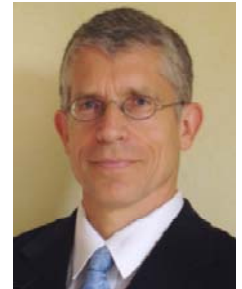
19 July 2012

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The Last Quarter in Brief

The slowing European economy paralleled with booming passenger railways using valuable train paths on busy relations, and intensifying maintenance-work related disturbances are the challenges Combined Transport operators prepared to face in 2012 until an unexpected landslide in Switzerland added to their peril. Maintenance crews at work to secure a hillside on the Gotthard line (Switzerland) triggered a landslide that unexpectedly closed this important Trans-Alpine route for nearly four weeks, at a time when the complete line-closure planned for the Brenner line (Austria) already spelled serious capacity shortages. Two-thirds of CT traffic takes place on Trans-Alpine relations today, which will now be negatively impacted, drawing the UIRR CT Sentiment Index into negative territory for the third quarter in a row.



Martin Burkhardt
General Director

The European legislative scene was busy with completing the Recast of the First Railway Package, the production of a revised Directive that forms the fundament of the Single European Rail Area. While the original Commission proposal lost considerable portion of its teeth in the approval process, nevertheless UIRR welcomes the new rules that promise reinforced transparency, strengthened national regulators and more efficient rail operations in general. The Fourth Railway package, presently under drafting, will hopefully provide the opportunity to correct some of the remaining shortcomings, as well as introduce new measures to further boost the competitiveness of rail services – ever important to CT Operators.

It has been one year since UIRR began distributing the ILU-Codes in the capacity of Administrator of the ILU-Code – as prescribed in the standard EN13044 – on 1 July 2011. UIRR launched a website (www.ilu-code.eu) to facilitate the processing the ILU-Code with 21st Century efficiency. An extensive information campaign was also conducted using an information brochure available in ten languages. The EU is supporting dissemination further through the UIRR-proposed Marco Polo Common Learning Project, DESTINY, which awaits signing and is ready to launch in September 2012.

UIRR's General Assembly elected a new Board of Directors and a Chairman, Mr Robert Breuhahn (Kombiverkehr) on 5 June, while thanking the 21-year contribution of retiring Executive Chairman, Mr Rudy Colle (72).

www.ilu-code.eu

awaits your application



identification of Intermodal Loading Units in Europe



Deadline for submission of proposals:
21 September 2012

Business outlook for the 12 months ending on 30 June 2013





Political compromise: Recast of the First Railway Package

June 2012



The European Council reached a final compromise with the European Parliament in the conciliation procedure that followed the diverging second reading positions of the two legislative bodies in June.

Several measures from the original Commission proposal (COM 475/2010) were lost in the process, whereas numerous additional requirements were added. Subsequently noise and ERTMS differentiated track access charges (TAC) will become a possibility alongside TAC mark-ups based on market segmentation and congestion, as well as to recover the investments of significant upgrades to the infrastructure. Marginal costs will have to form the basis of the track access charging.

The financial standing of infrastructure managers will be reinforced, though their books will only have to balance on the scope of five years, not three as proposed originally by the Commission. The creation of Debt Amortisation Unit to eliminate historic debt will remain an option.

The Commission's market monitoring functions will be reinforced by additional mandatory data provision obligations placed on the Member States and a biannual reporting obligation.

Access to essential facilities will have to be granted and unused facilities will have to be offered for lease or rent.

Every bilateral agreement concluded by Member States in the past, or from now on will have to be reported to the European Commission, which will be mandated to assess whether these agreements ensure fair and equal treatment of every operator. Similarly, bilateral agreements concluded between a Member State and third countries will also be subject to the preliminary control of the European Commission. Unfortunately the control criteria do not include those provisions which may undermine the efficiency of the entire rail system, like unnecessary locomotive and/or driver changes when crossing borders.

The independence, competences, resources and cooperation of national rail regulators have all been reinforced. The network statements will have to be published in two official EU languages.

The European Commission has been extensively mandated to adopt implementation rules and guidelines on a series of topics ranging from Member States' reporting obligations, to the general conditions for licensing railway undertakings, the method of TAC calculation, as well as noise and ERTMS internalisation, TAC discounts and unpaid externality compensation, and rules of accessing essential infrastructure.

Preparations for the Fourth Railway Package

July 2012

The European Commission (DG Move) is actively drafting its proposal for the Fourth Railway Package that is expected to be unveiled by the very end of 2012.

UIRR recently attended a meeting with the responsible Head of Unit (B.2 Single European Rail Area), Madame Sian Prout, to outline the position of European Combined Transport Operators on the prominent topics of the planned legislation (<http://www.uirr.com/en/media-centre/press-releases-and-position-papers/2012/mediacentre/531-position-paper-on-the-fourth-railway-package.html>) including:

- Six measures offered to neutralise the problems posed by integrated incumbent (state owned) railway holdings in case full structural separation would not be made mandatory.

- Support for the extension of the European Railway Agency's mandate to make it a fully fledged European entity for rail safety and interoperability.

- Reasons and mission for a European rail regulatory body to accelerate the emergence of a genuinely Single European Rail Area.

- Additional four measures that are proposed with the aim of enhancing the quality of rail freight services.

UIRR, being confronted daily by the lagging quality performance of European freight railway subcontractors of CT Operators, encouraged the European Commission to make rail freight quality a declared subject of the upcoming Fourth Railway Package.



European Railway Agency 2011 Rail Safety Report

7 June 2012

2011

Railway safety performance in the European Union



<http://www.era.europa.eu/Document-Register/Pages/Railway-Safety-Performance-in-the-European-Union-2011.aspx>

The European Railway Agency published its fourth Annual Report on the development of Railway Safety in the European Union.

According to the reported data, the last reported year was the safest on the EU's railways for both passengers and rail staff since 2006. Railways remain one of the safest modes of transport in the EU.

Trends derived from the common safety indicators (CSIs) indicate an overall improvement in railway safety since 2006. Both the number of fatalities and the number of seriously injured persons fell. According to the CSI data provided by the national safety authorities (NSAs) to the Agency, 1 391 people were killed and 1 114 people were seriously injured in 3 073 railway accidents. These figures are by far the lowest among figures recorded since 2006. The majority of fatalities on the EU railways are suicides.

The report must also be commended for its consideration of the economic evaluation of safety, as well as its discussion of accident costs.

Rail transport stands out from the other land transport modes as the only one on the safety performance of which such a comprehensive European-level report is issued year after year. UIRR wishes that a similar report on the safety of road transport would also be issued by the responsible European Authority.

Revision of road vehicle masses and dimensions (type-approval)

June 2012

The European Commission (DG Enterprise and Industry) is presently finalising its draft to revise the current Directive (97/27/EC) – into a Regulation form – pertaining to the type approval of commercial road vehicles.

During the preparatory process an expert group of the DG Enterprise made a recommendation that has the potential to not only to undermine road traffic safety, but could also endanger Combined Transport compatibility of future European HGVs. The Motor Vehicles Working Group, accepting the argumentation of the Transport & Environment (T&E), has recommended that road vehicles be allowed to be built longer and wider to provide room for aerodynamic elements campaigned for by commercial vehicle manufacturers.

UIRR studied the argumentation contained in the only known study analysing the potential impact of this decision, made by FKA on behalf of T&E: http://www.transportenvironment.org/sites/default/files/media/2012%2002%20FKA%20Smart%20Cab%20study_web.pdf.

The study is flawed in its potential fuel saving projection as its results were based on a test conducted at speeds up to 90km/h in Germany (where the legal maximum is 80km/h), which resulted in an average faster than reached by the average HGV. At a lower speed the fuel saving would be obviously much lower.

Secondly, the aerodynamic elements possible within the prevailing maximum HGV dimensions were not regarded. Thirdly, 2650mm wide trucks, 5cm wider than today's maximum, would become instantly incompatible with RoMo, while semi-trailers with existing CT pocket wagons. <http://uirr.com/en/media-centre/press-releases-and-position-papers/2012/mediacentre/512-ec-public-hearing-on-the-revision-of-directive-9653.html>

Modal shift of long(er) distance road haulage to rail (CT) could deliver not the marginal fuel saving achievable with such costly and cumbersome aerodynamic devices, but over 30% in energy- and 75% in GHG emissions savings. Subsequently, UIRR proposed to the European Commission to carefully evaluate the recommendation of this working group, and abstain from endorsing it.





Best practice road transport regulation from North America

June 2012



The Federal Transport Safety Administration of the USA clearly sets a best practice example for Europe in comprehensively handling the safety of every transport mode under one roof.

The likes of the Large Truck Crash Causation Study (<http://ai.fmcsa.dot.gov/lccs/default.asp>) or the Motor Carrier Safety Progress Report (<http://www.fmcsa.dot.gov/facts-research/art-safety-progress-report.htm>) should be studied and incorporated into European system of road traffic safety monitoring.



The Ministry of Transport of Ontario, Canada also sets a positive example to be followed with its Ontario Road Safety Annual Report (to be found here: <http://www.mto.gov.on.ca/english/safety/orsar/orsar09/>).

UIRR is of the opinion that a *supramodal* approach to land transport safety would be needed to capitalise on the intermodal solutions readily available to enhance the overall safety performance of transport, utilising – among others – the effective tool of modal shift to reduce the human cost of (road) accidents for the benefit of society.

Introduction of distance-based electronic road tolling

May 2012



According to the first publicly available comments of the Ministry of Finance, **Denmark** will replace its current Eurovignette system in 2015 by a distance-based electronic road tolling regimes for vehicles over 12 tonnes. The new tolling system will be based on the GPS technology and will propose tariffs according to the Euro-category of the engine and the number of axles.

Annual intake from the new charging scheme are estimated at around 3 billion Danish Crones (about 400 million €), which is nearly 10 times more than today's revenue achieved with the Eurovignette system.

Belgium, which presently charges HGVs using a time-based (Euro)vignette scheme recently announced their decision to change the current system to a distance-based electronic toll. The three regions of Belgium, are closely cooperating in order to introduce the new road tolling system at the latest end of 2013. The future road toll system will be applied for vehicles over 3.5 tonnes and should cover the highways and the most important road sections of the country (the choice of these remaining in the hands of the Regions). Road vehicles lighter than 3.5t will be required to pay a time-based charge (electronic vignette).

In the **Netherlands**, which also uses a time-based (vignette) scheme presently, the current government decided to postpone the implementation of a distance based electronic toll. Nevertheless a similar system to Belgium will likely be put in place in the foreseeable future, however, it is still unclear if the new system will be applied for vehicles over 3.5 tonnes, or only to those over 12 tonnes.

The government of **Spain** is presently contemplating the introduction of a distance-based electronic tolling system, similar to the one used on the motorways built under concession in the country, on 15,000 km of state built motorways. Considering the extent of the network to be introduced into the distance-charging scheme, the new system will only be launched the earliest in 2015.

Hungary, whose government already made several announcements of intentions to introduce electronic (distance-based) charging for HGVs, has recently unveiled details that the new type of payments will be levied on trucks over 3,5t and the kilometre charge will likely reach €0,2 per kilometre in the heaviest over 12t class. The official launch date is mid-2013, however experts opined that due to the delays in preparation it is only likely to happen in 2014. Hungarian RoMo operator and UIRR member, Hungarokombi, is encountering difficulties to maintain its traffic since the government eliminated its €2,6 million annual RoMo subsidy already in 2012.



Gdansk – Trieste(Bologna) Corridor

June 2012

The Gdansk – Trieste/Bologna rail freight corridor (number 5 according to regulation 912/2010/EC) forms the main north-south axis of the East European new Member States. It is fed by traffic from the Port of Gdansk, as well as the Rail Baltica Corridor (see: <http://uiirr.com/en/mediacentre/newsletters/2011/mediacentre/488-issue-q4-2011.html>) in the north, and transit traffic from the East (Belarus/Russia/China).

The Corridor further serves the industrial areas of Southern Poland, the Czech Republic and Slovakia, establishing a connection to the North Adriatic ports of Koper and Trieste, as well as the North Italian industrial areas.

Six EU infrastructure managers are directly involved in organising the Corridor, however another three may be added if we consider Rail Baltica, while Croatia (through the Rijeka port) and Hungary are also be closely interested in its success.



http://www.rne.eu/index.php/x-24/items/x-24_Corridor_7.html

Combined Transport operators – conducting primarily cross-border services – have strong interests in the efficient functioning of this Corridor in both northbound and southbound relations. Significant investments will be required to eliminate the historic maintenance backlog that presently prohibits this axis from functioning at the peak of its abilities.

Rolling Motorway operations on the southern segment of the Corridor pose special requirements on the structural profile gauge of the lines there, as Ro-Mo requires the highest clearance possible. The construction of the new Semmering Tunnel in Eastern Austria is expected to considerably contribute to the competitiveness of the Graz – Vienna section. The alternate route to the Semmering through the flat areas of Western Hungary, which is presently being renovated, could offer a valuable choice for traffic destined for Slovakia in particular.

Prague – Slovak/Ukrainian border

June 2012

The success of the European Rail Freight Corridor Number 9, which contains the most important East-West railway lines of the former Czechoslovakia, depends on the collaboration of only two infrastructure managers. SZDC (Czech Republic) and ZSR (Slovakia) not only formed the same company (former Czechoslovak National Railways), but the communication between their staffers should also not be hindered by language barriers. Consequently the organisation and management of Corridor 9 should be a rapid success setting a benchmark example for other, more complicated axis.

Eastbound traffic converging on Prague from the north and west feeds traffic from the one side, while trains from the Ukraine and Russia from the other, broad gauge (1520mm) end.



<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32010R0913:EN:NOT>

According to UIIRR records presently there is only single-wagon-type CT traffic on this relation, however following the necessary upgrades to this axis unaccompanied traffic is bound to pick-up. The distance-based electronic road tolls imposed by both the Czech republic and Slovakia should also aid in the launching of Ro-Mo services, especially when considering the Tatra mountain range to be crossed along this Corridor.



Unilateral (national) safety measures to hamper cross-border services

June 2012

Experts discussed current experiences with the transportation of dangerous goods, which represent an important share of about 15% of their overall traffic volumes, on 26 June in the UIRR Dangerous Goods Group.

Top on their agenda was the impact analysis of the measures taken by the respective national rail safety authorities after the incidents in Italy (Viareggio) and in Belgium (recent accident near Godinne). In order to avoid similar incidents the NSAs are (or intend to) implementing measures that while appearing quite understandable, but which will however endanger, or even completely halt, the transportation of such dangerous goods on rail.

The CT Operators active in Italy had to reorganise their trains completely to fulfil the new legal requirements (new types of controls at the terminals, new rules at the marshalling yards) and some traction companies decided to entirely withdraw from some lines. Even in the conventional traffic, a particular railway undertaking decided not to propose single wagon load services with dangerous goods. In Belgium, the measures foreseen (strict composition of trains with dangerous goods, interdiction of grouping wagons with dangerous goods

in marshalling yards) will certainly have the same effect as in Italy.

The experts clearly observed the risk that the logistics companies specialised in chemical products will resort to back-shifting loading units from rail to road, which will actually mean the transfer of shipments away from the safest land transport mode to a multiple times riskier one. It was opined that Transport and Environment Ministries will have to collaborate more closely in favour of the cause of overall safety of dangerous goods transport to prevent such unilateral measures in the future.

The Dutch initiative 'Basisnet Railways' was mentioned in contrast, whose main objective is to clearly separate the chemical industrial plants from residential areas (better spatial integration to mitigate the risks) with a close cooperation between chemical producers and railways operating on the Betuwe line (dedicated rail freight track from Rotterdam to Germany). Ongoing legislative work within OTIF and UNECE was also discussed, in particular the most probable changes to ADR/RID 2013. The UIRR initiated DESTINY Project was also welcomed (for more information see ILU-Code Anniversary on P.7).

OECD European Land Transport Statistics

June 2012

1. National and international road freight in the EU (Million tonne-km, trend, seasonally adjusted)

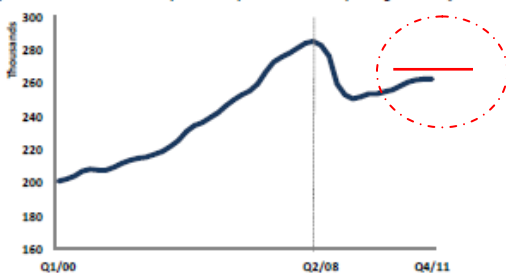
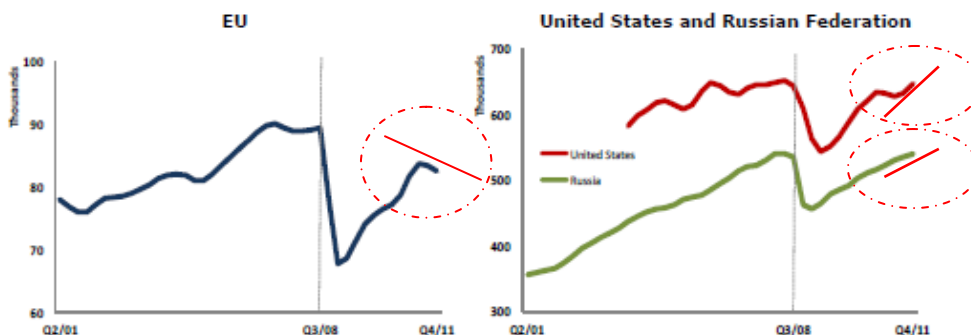


Figure 10. National and international rail (Million tonne-km, trend, seasonally adjusted)



The recovery of European road haulage has stalled in the first quarter of 2012, while the performance of rail freight took a nosedive. The red and green lines below show that the same decline in rail freight is not experienced in either the USA, or in Russia.

The UIRR CT Sentiment Index has – unfortunately – accurately reflected the downturn visible in the presently reported OECD statistics of rail freight performance.



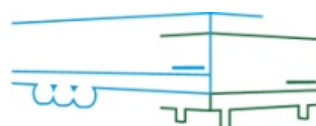
First Anniversary of the ILU-Code

1 July 2012

A new regime of ownership marking for European intermodal loading units (swap-bodies and semi-trailers) was established by the EN13044 standard called the ILU-Code. The same Standard appointed **UIRR as the Administrator of the ILU-Code** with a similar role and function as the Bureau International des Containers (BIC) which issues the BIC-Code used for the owner-identification of globally used (maritime) containers.

In line with the requirements of EN13044, exactly one year ago UIRR – using the website www.ilu-code.eu – commenced with the allocation of the ILU-Code (owner-keys) on 1 July 2011. As part of the preparation process for the transition to the new marking regime, the sector stakeholders of CT Operators, transshipment terminal managers and railway undertakings agreed in a three-year deadline from 1 July 2011 to achieve full compliance. Consequently, **intermodal loading units that do not feature an ILU-Code for swap-bodies and semi-trailers, or a BIC-Code in case of containers, will not be admitted into Combined Transport from 1 July 2014.**

UIRR launched a thorough information campaign aimed at every stakeholder group: owners and manufacturers of intermodal loading units, logistics companies, railways, CT Operators and terminal managers. Today a **basic information brochure is available on the ILU-Code website in 10 European languages.** The **Marco Polo Common Learning Project, DESTINY**, which was initiated by UIRR and supported by a wide range of industry associations and other stakeholder organisation, will also contribute towards the dissemination of the ILU-Code.



ILU-Code

Identification of Intermodal Loading Units in Europe

Inclusion of the ILU-Code – as well as the new codification plate also defined in EN13044 – into the UIC Leaflets which govern the transport of loading units by rail is also essential. The necessary UIC working group was formed and started its work in 2011. UIRR's experts are significant contributors to this important work, the completion of which is seen as a prerequisite to genuine acceptance and proliferation of the Standard. Stakeholders agree that **the new standard will not only enhance the operational efficiency of terminals, but also lead to improved security and a considerable reduction in codification costs for all who invest in loading units.**

Project-Update

<p>HUBWAYS</p>	<p>UIRR, together with its members Adria Kombi and IFB, joined the HUBWAYS consortium (of 14 partners in total). The HUBWAYS concept focuses on how to create efficient and green hubs for well-functioning co-modal transport networks. HUBWAYS will provide examples for cooperation and communication between green hubs' stakeholders, plus establishing value added services making co-modal networks attractive and simultaneously contributing to the reduction of pollutant and greenhouse gas emissions. A Cooperative Model for Green Hubs will be developed enabling low-carbon, resource-efficient and secure multimodal freight transport, an Ecosystem for electronically connecting multimodal terminal network stakeholders, shared value-added services facilitating end-to-end co-modal solutions that maximise the utilisation of terminal and logistics resources. Four demonstrations will guaranty that the solutions will address the needs of the sector in a cost-effective way. The duration of the project is 30 months, and will commence its activities in September/October 2012.</p>
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Recent Appointments

Naviland Cargo

(14.05.2012)



Mr. Frank Bensaïd was recently appointed deputy CEO of Naviland Cargo. Mr. Bensaïd is responsible for sales and marketing activities amongst others. Prior to this, he was Director Corporate Strategy and Development for the intermodal transport operators (Naviland Cargo, Ermefret, Novatrans) at SNCF Geodis. At earlier stages in his career Mr. Bensaïd worked for Geodis Calberson and Giraud International, with a special focus on Central and Eastern Europe.

UIRR

(05.06.2012)



Mr. Robert Breuhahn was elected as the Chairman of UIRR on 5 June 2012. Mr. Breuhahn is presently the Chief Executive Officer of UIRR founding member Kombiverkehr of Frankfurt, Germany. He served as Vice Chairman of UIRR's Board of Directors before.

Members' News

Cemat 1 June 2012	Cemat completed the acquisition of Italcontainer, the Italian hinterland operation of FS Logistica. This milestone in Cemat history will result in an increase of the number of trains operated per year by 3 000 and the number of consignments by 120 000.
Cemat, Hupac 11 May 2012	FSI, Cemat and Hupac reach agreement to place freight at the very centre of their railway infrastructure development strategy in the Lombardy Region (south of the Gotthard Base Tunnel). Click: http://www.hupac.com/index.php?MasterId=g1_253&id_item=253&lng=2&node=363&rif=cbd92c251c
Hupac, RAlpin 13 June 2012	Following the landslide accident which closed down the Gotthard line for a month Transalpine operators agreed in constructive collaboration to efficiently share available train capacity. Click: http://www.hupac.com/index.php?MasterId=g1_269&id_item=269&lng=2&node=363&rif=5d2b661a34

Key Dates & Events

6 September, Brussels	DESTINY Project kick-off meeting, UIRR	UIRR s.c.r.l. Address: 31 rue Montoyer B-1000 Brussels Belgium Tel: +32 2 548 7890 Fax: +32 2 512 6393 E-mail: headoffice.brussels@uirr.com Internet: www.uirr.com Editor: Ákos Érsek, UIRR
6 September, Brussels	Reforming European Railway Legislation Conference, EESC	
11-12 September, Paris	TAF TSI Workshop, UIC	
13 September, Lille	Workshop on Registers, ERA	
18-19 September, Berlin	Innotrans 2012 Exhibition	
20-22 September, Antwerp	Transport & Logistics Exhibition	
24 September, Brussels	Fourth Railway Package Stakeholder Conference, DG MOVE	
27-28 September, Brussels	TAF TSI for Small RUs and TAF TSI Steering Committee	
27 September, Brussels	TIGER Project Final Conference	
16-17 October, Olten	Interunit Technical Committee + UIC Leaflet Revision Group	
17 October, Brussels	5 th European Logistics Summit	
14-15 November, Essen	Gefahrgut 2012 Exhibition & Conference	
27-29 November, Amsterdam	Intermodal Europe 2012 Exhibition & Conference	

