



Combined Transport in Brief

October 2008 - Newsletter n° 8

Editorial

Judging by the speed with which the railway undertakings and infrastructure/rail managers gathered together within a joint Federation have reacted to the European Commission's decision to withdraw its draft Regulation on compensation in the event of failure to adhere to contractual requirements on quality in rail freight, they must have been very relieved indeed - but is this actually a responsible way to behave?

Yes, the decision does free them - and perhaps for quite a while - from something which was less a constraint than an incentive to offer better services. On the other hand, from our point of view, it shatters the long and highly commendable efforts made by the Commission which - with help from ourselves, amongst others - had led to the drawing up of a motivational text which left plenty of room for negotiation, axis by axis, of the rates of compensation for any delays incurred, and the times within which they would come into effect, between the partners directly involved.

Unfortunately, our findings have not changed: without any other intervention, all the signs are that rail service providers are unable to improve the overall qualitative level of their services - or not in relation to freight, in any case. Indeed, what more would it take than the deterioration of overall punctuality rates, for instance in combined transport, since the publication of Charters and other solemn Declarations (continued p. 2)

Greening Package

On 8th July, the European Commission adopted the Greening Transport Package which includes a strategy to internalise the external costs of transport, a proposal to amend the Eurovignette directive and a communication on rail noise. The UIRR is pleased to note that there is finally a willingness to move from the "user pays" to the "polluter pays" principle. On the negative side, a few elements illustrate the lack of ambition of the Eurovignette proposal that could thus be rather a more symbolic than efficient proposal towards greening freight transport. Indeed, the exclusion of both CO2 emissions whereas transport is responsible for 27% of these at EU level -72% stemming from road transport- and accidents is difficult to understand, not the least given the EU objectives of the Climate Change Package of January 2008 that sets targets for CO2 reduction for sectors such as transport. The UIRR hopes that EU Member States will to a wide extent take the strategic decision of earmarking revenues deriving from the new Eurovignette to promote Greener modes of transport so that they will develop further to the benefit of all.



Following the communication on rail noise, the DG TREN held on 29th September a workshop designed to review this matter which has considerable consequences, obviously for the environment close to rail routes, but also because of the substantial investments which have to be made in quieter braking systems.

In a joint position paper the rail sector - CER, EIM, ERFA, UIP and UIRR - discussed its concerns about the risks of making the railways less competitive if various conditions are not fulfilled.

So an anti-noise programme needs to be applied to all modes at the same time, all the more so that the railways already produce the lowest noise levels.

We must also refrain from lumping the extra expense of sophisticated recovery systems on top of the costs of the actual retrofitting; the UIRR is unconditionally calling for the Authorities to follow the example set by Switzerland and meet directly the cost of the improvements they require to be made to equipment which they have authorised for service for a long time.

Finally, it is important to wait until brake shoes which are far less expensive than the K type which has already been approved are available before engaging in any specific plan; they may actually cut down the total bill for those who will finally have to pay by one to one and a half thousand million euros.



(edito, continued) over the last five years to show that texts without either specific undertakings or penalties do not resolve anything - or nothing very much, anyway?

A few carefully chosen statistics about whose scope – volumes handled, density of network use and the distances of the routes taken – there is no mention, are not likely to make us change our minds. So there does not appear to be any immediate likelihood of coming in below the 40% barrier for delayed CT trains, even though they have the simplest operational profile for RUs, with full trains, routes and timetables which are broadly the same from one year to the next, the financial loading risk borne by the customer!

We are not blindly in favour of financial penalties, but any supplier of services or products at all is subject to this, even in sectors where there are thousands of competitors. Is the opening up of the rail sector to intramodal competition the cure for all our ills?

Obviously not yet. So, it will be important to find better ways than we have today of guarding against certain pernicious tricks which have the effect of making access to rail more difficult for new entrants, often giving them access to downgraded services only, or taking control of those which achieve a certain degree of success on the market. So it is still crucial for there to be a supervisory and aid role supported by the Authorities. The creation of neutral national cells with actual powers and to which recently established and potential railway undertakings can talk about their expectations and all of the problems encountered within this context is something for which the UIRR has been calling for a long time. Against a background of considerable increases in trade on the

horizon, the business world will be requiring enormous transport capacities offering appropriate quality. What we have constantly been saying is that the rail sector cannot – out of convenience or self-importance – allow the chance to make the most of its major advantages pass. Behaving in this way would be damaging to the interests of its own structures, its customers and everyone who counts upon this transport mode it in order to offer broadly more sustainable forms of mobility.



Standardisation - Codification

Technical harmonisation and standardisation are a lever for improving the productivity of the intermodal sector and guaranteeing or enhancing safety/security in the medium to long term.

We also find ourselves at a historical turning point where a transition from private law agreements (RIV, UIC leaflets) to European regulations (TSI, GCU and CEN standards) is taking place with the liberalisation of the rail transport sector. Railway and UIRR companies are presently working on modernising codification and their adoption of UIC leaflets in relation to CEN standards with the following priority areas:

- Strength and suitability tests on intermodal loading units for rail transport (EN 12642 and 283 standards).
- Marking with a profile code stating the routes a loading unit can be transported on (EN 13044).
- Introduction of an owner code for European loading units (swap-bodies) which is compatible with the worldwide BIC code and allocating this “Eurocode” via UIRR (EN13044)

The introduction of the Eurocode results in substantial rationalisation gains for railways, intermodal transport terminals and logistics companies, e.g.:

- All standardised loading units (LUs) can be deployed immediately in combined transport in the future because the manufacturers already deliver these in codified form, even for purchasers that only want to use these initially in road transport (increase the intermodal transport potential of LUs, reduction of entry barriers to combined transport)
- Saving working time through computerised code with a check digit showing up 95% of entry errors.

- Suitability for optical character recognition (OCR), facilitates automatic identification of LUs. This enables corresponding techniques and software from the seaports to be adopted economically for combined transport terminals.

The activities referred to in the area of standardisation are very important for the development and rationalisation of combined transport, which already accounts for a quarter of the goods traffic volumes of the largest European rail companies. UIRR therefore calls on all European railway companies, manufacturers and operators in the national CEN organisations to cooperate in this work.



Meeting with DG TREN

On September 3rd, a UIRR delegation met high level representatives of DG TREN in order to discuss various important issues for the development of CT in Europe. In particular, the urgent need to invest in intermodal terminals, many of them being presently subject to severe congestion, as well as the danger represented by a possible generalized introduction of Megatrucks in Europe were highlighted by respectively Ing. E. Muzio, President of the UIRR Board of Directors, and M. R. Colle, UIRR Director General.

On the latter issue, it appeared last July during the final presentation of the study conducted by TML regarding possible changes of Dir 96/53 that the input parameters and assumptions used by consultants do not take into account the reality of the market by stating in general terms that there is hardly any price/demand sensitivity (elasticity) of freight moved in Europe.

The study seems to also completely disregard the fact that freight business is financially marginal and that even in case of "loss" of "only" a few loading units per full combined train, the whole train may well have to be taken out of service.

In addition to that, UIRR fears that no sustainable distinction has been made in the analysis of consequences between conventional rail and CT, and no breakdown considered between short and longer haul transport. Therefore, the study could only come up with fallacious conclusions.

The UIRR has repeatedly stated that there are ways to improve Dir 96/53 that would be all but harmful to rail and combined transport, such as:

- extending the 44 tons exemption in positioning legs to/from transshipment terminals to all road vehicle combinations and loading units, an idea the UIRR has pushed forward since 1994

- extending the authorization of 45ft containers on European roads in cross border operations, as a facilitation for such positioning legs

The UIRR will examine with interest the forthcoming final report of this study and will continue proposing constructive solutions to effectively move towards a more efficient and sustainable mobility.



The Kick-off meeting of this project bringing together nine partners and led by Ecorys as coordinator took place on September 18th in Amsterdam.

The objective of "Benchmarking logistics for Co-modality" is to contribute to the efficient use of transport modes and resources and to help small and medium sized enterprises (SME's) understanding the options available for them to make the right logistics choices.

The major improvement potential in logistics performance is among SME's, which have relatively small transport volumes. The approach includes three viewpoints: from the policy maker, from transport chains and from transshipment points. The UIRR contribution will focus on the quality and benchmarking of intermodal terminals.

The European Commission expects to receive inputs from the project for its logistics action plan.

Implementation of the First Railway Package - shortcomings

At end June, the European Commission sent letters of formal notice to 24 member States regarding their failure to implement the First railway Package legislation properly. The main shortcomings are the following:

- Lack of independence of the infrastructure manager (IM) in its relations with railway undertakings (RUs)
- Insufficient implementation of the rules of the Directive on track access charging, such as the absence of a specific regime to improve the performance of the railway network
- Failure to set up an independent Regulatory Body with strong powers to remedy competition problems in the railway sector

Noting that the deadline for implementing the First Package was March 2003, the UIRR regrets that such numerous obstacles to railway market are still a fact in 2008, not the least because they hinder considerably the improvement of rail services.

Therefore, it urges member States to observe their commitments in view of greener and more efficient freight transport in Europe.





UIRR & INTERUNIT 2008 General Assemblies

The Ordinary General Meeting of the UIRR took place on June 5th 2008 in Portoroz (Slovenia). The annual accounts in balance, a more than fair improvement of member companies' businesses thanks particularly to the development of East-West services and to the increase in transalpine and maritime container traffic, as well as UIRR's future organization and strategy were major topics on the agenda. In parallel, Interunit, the association of railway undertakings (RUs) which are members of the CT Group of the UIC, and the UIRR operators, held its General Committee Meeting. Among other subjects, the final report of the Diomis project was presented, catching due interest, and the strategy for its implementation as well as future works related to Diomis 2 were discussed.

The next day, the UIRR Congress organized on the subject of "Achieving greener mobility in South-Eastern Europe" attracted 250 participants from the sector. In his opening address, the President of the Republic of Slovenia (and of the European Council at that time), Dr Danilo Türk, kindly underlined the major role played also in the region by the UIRR member companies in actively promoting a transport system leading to a more sustainable mobility. Many further high-level speakers contributed to the success of the conference. Among them, the Slovenian Mi-



*Dr Danilo Türk,
President of the Republic of Slovenia*

nister of Transport, Mr R. Žerjav, DG Tren Director E. Grillo-Pasquarelli, and the Chairman of the port of Koper, Mr R. Casar. On behalf of UIRR, M. E. Muzio, Chairman of the Board, illustrated the numerous initiatives of member companies to develop services towards East and South-Eastern Europe and their growing success. Mr J. Sušnik, Chairman of Adria Kombi, stressed the need to invest in rail infrastructures.

For their part, Dr H-J Bertschi (Chairman, Bertschi-AG) and Mr G. Poschalko (Chairman, RCA) underlined the importance of rail liberalisation for better quality of service and the constructive role played by the UIRR in this respect.

For more information: www.uirr.com

Project freight vision

Freight Transport FORESIGHT 2050

The Kick-off meeting of this project took place on 29th-30th September 2008 in Vienna. The consortium, which consists of 13 partners, will be coordinated by AustriaTech during 18 months.

The objective is to develop a long-term vision (until 2050) accompanied by robust and adaptive action plans both for transport and technology policy for sustainable inter-urban freight transport, which are supported as much as possible by the relevant stakeholders.

The project partners want to reach at least a common understanding of this vision, the action plans and their impact. The common understanding will be achieved by establishing a FORESIGHT process, in particular by establishing 'FREIGHTVISION Fora' in order to get a feedback and validation by stakeholders to ensure a realistic approach both in the vision and the action plan. The first FREIGHTVISION forum (on policy, technology & mega trends) will take place on the 10th March 2009 in Brussels.

The UIRR contribution will be focused on providing trends on Road-Rail CT, identifying the infrastructure bottlenecks on the railway and collecting information regarding future railway technologies.

For more information:
www.freightvision.eu

Agenda

Interunit technical Commission	15-16 Oct 08	Siegburg (D)
Interunit operational Commission	5 Nov 08	Brussels (B)
Counteract final conference	3 March 09	Brussels (B)
UIRR General Assembly	10 June 09	Belgium

UIRR

Address: 31 rue Montoyer bte 11
B - 1000 Bruxelles

Tel.: +32 2 548 78 90

Fax: +32 2 512 63 93

E-mail: headoffice.brussels@uirr.com

Internet: www.uirr.com

Editor: Grégory Gosp (UIRR)