



COMBINED TRANSPORT IN BRIEF

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Q2.2011

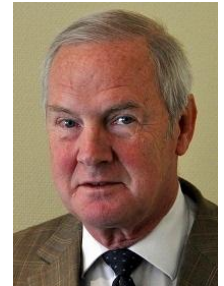
12 July 2011

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The Last Quarter in Brief

While overall land transport has largely been stagnating in Europe, road-rail Combined Transport continued its post-crisis rebound which commenced in the last quarter of 2009. The positive development, however, was adversely affected by rolling stock shortages (e.g. pocket wagons needed to transport semi-trailers). The direct train connection between Antwerp and the dynamically growing city of Chongqing, the Gateway of Western China, announced by Hupac attests well to the product innovations of UIRR Operators.



Rudy Colle
Executive Chairman

UIRR completed its preparations as the Administrator of the ILU-Code, and began issuing this new standardised owner identification marker in accordance with EN13044-1. Applications are fully paperless using the www.ilu-code.eu website. As a follow-up activity, UIRR will contribute to the revision of Combined Transport-related UIC leaflets over the coming 18 months, which was decided in relation to the newly introduced ILU-Code.

The European Parliament reached a second reading position on the amendment of the Eurovignette Directive, important to rail freight stakeholders as it is seen as a vital tool to realign the economic framework conditions of freight transport presently positively biased towards truckers. While discourse was focused on which externality to internalise and what to do with the notion of earmarking, many forgot of making the introduction of distance-based (electronic) tolling, the most important precondition to road-internalisation, mandatory.

The declared aim in the European Commission's recently announced Transport White Paper of shifting 30% of long-distance road transport volumes (on 300km or more) to ecologically sustainable modes by 2030 and 50% by 2050 came under heavy fire together with the emission and oil-dependency reduction targets from road sector representatives in Brussels. It will be an important task of the organisations representing the environmentally friendly modes and transport solutions, like UIRR, to define a roadmap how, through what decisions and means these aims can be achieved. It is certain that permitting circulation of longer and heavier commercial road vehicles – megatrucks to many – beyond the sparsely populated Nordic region of Europe will be counterproductive to these aims.

Reminder:

www.ilu-code.eu

awaits your application



Reminder:

Marco Polo 2011 call due in October
(proposals due in December)



Business outlook for the 12 months ending on 30 June 2012





Change of EU Rotating Presidencies: Hungary to Poland

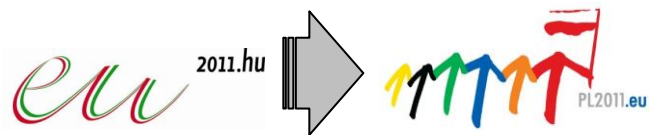
30 June 2011

The end of June brought with it the change of (rotating) presidencies of the European Union: the outgoing Hungarian presidency handed the baton to the incoming Polish presidency. As customary, balances are drawn and the new presidency's program is scrutinised.

The transport-related ambitions of the Hungarian presidency were modest with the Danube Strategy as its only own-initiative with a (vague) transport angle. Nevertheless the inherited numerous open dossiers were diligently carried forward, while discussion of several important topics started:

- The EP reached a second reading conclusion on the Amendment of the Eurovignette Directive, which will likely be endorsed by the Council.
- The revision of the TEN-T network rules was carried forward.
- The Recast of the First Railway Package and on the European Commission's Transport White Paper was started.

No spectacular results were expected from the Hungarian presidency in the field of (freight) transport, as none were promised at the start.



Low ambitions characterise the Polish presidency's (freight) transport program, with completing the TEN-T revision at its core, which is based on the fundamental notion of the Polish that sees "European integration as source of growth". The most controversial issue of that dossier is whether long-distance road haulage should be encouraged through European funding provided to road infrastructure projects, which serve the purpose of enhancing the productivity of long-distance trucking. (Just as a reminder: the Polish government recently initiated the restructuring of its Transport Operational Program with the aim of transferring funds originally earmarked for rail projects to road investments.)

The not unimportant Transport White Paper, conclusion of the Eurovignette Amendment or the Recast of the First railway package are not even mentioned in the presidency program issued in June. Considering the other two members of the presidency-trio, Denmark (H1.2012) and Cyprus (H2.2012), not much progress may be hoped for in the coming 18 months.

Eurovignette Amendment

June 2011



Viewing the deep differences that became obvious between the first reading decision of the European Parliament and the narrow Council compromise negotiated in

the last weeks of 2010 by the Belgian presidency, it was obvious to many that the Parliament will have to step back from its earlier ambitions if the dossier is to be fruitfully resolved.

EP Rapporteur, Mr. Saïd El Khadraoui, has skilfully negotiated with the factions wishing to achieve more and hopefully reached a compromise text that will be acceptable for the Member States as well.



Accordingly, the present condition of the draft permits only limited internalisation of external costs for HGVs for noise, local air pollution, and congestion (latter with a condition of revenue neutrality, which means that a toll discount commensurate to the surcharge in busy hours must be given in less-congested periods).

The external costs of accidents were "lost" in the legislative process as it was felt that more studies were needed to properly quantify this externality, while GHG emissions were declared to be internalised in alternate ways (fuel tax). The external costs of increased oil dependency caused by transport were not even considered. The revenue neutrality provision of congestion internalisation does not comply with the practice in rail, where capacity scarcity surcharges are not 'revenue neutral'. Earmarking rules for the internalisation revenues (on how the income is used) were also made vague in the legislative process.



Recast of the First Railway Package

June 2011

The Transport and Tourism Committee of the European Parliament began deliberations of the Commission's recast proposal in April. The Parliament's approach may be considered quite constructive, though several of UIRR's suggested changes, aiming to improve the competitiveness and transparency of the rail sector, were not taken up among the over 700 amendments submitted. The extent of the debate arising around the structural separation of rail infrastructure managers and (incumbent) railway undertakings, as well as the desire to create a Pan-European Regulatory Body, caused the Committee to postpone its vote on the amendments to mid-July. Consequently the EP's plenary decision is not to be expected until September the earliest.

The debate regarding the creation of a European Regulatory Body was further complicated by the announcement on 9 June that 15 national rail regulators formed the Independent Regulators' Group - Rail. IRG-Rail immediately unveiled a position paper that implicitly questions – on the basis of subsidiarity – the need for a European Regulatory Body and the Commission's right to revise common standards and practices.



Megatrucks and the revision of 96/53

June 2011

The European Commission ordered a study to better understand the impact the authorisation of the circulation of megatrucks (heavier and longer HGVs than those allowed today) would cause in among others road-safety, additional infrastructure needs and in the long-distance land transport market. This study was abruptly suspended due to the improper behaviour of one of the consortium members.

Many in Brussels thought that considering the declared opposition of Transport Commissioner, Siim Kallas, to megatrucks alongside this development was enough to shelve the topic for a number of years.

Well they thought wrong. The Netherlands recently authorised the circulation of megatrucks and the Flemish government followed suit by allowing them on six routes.



The Danish – set to assume the rotating presidency of the EU in the first half of 2012 – are rumoured to have called upon the European Commission to submit legislation under their presidency which would authorise megatrucks for Europe, which could take shape through the amendment of Directive 96/53.

The introduction of megatrucks, making commercial sense primarily in long-distance road transport, would seriously undermine the aim to shift road transport volumes to ecologically sustainable modes of transport, which is a declared goal of the European Commission.

New Road Tolling Systems Planned in Romania and Spain

June 2011

With public finances under pressure and spending €6 million a day to maintain its highway network Spain's ruling political parties have announced their intention to fully "implement the Eurovignette Directive". This translates to the introduction of a distance-based electronic tolling system that might raise revenues up to €2 billion a year, which is also the pre-requisite for internalisation. The system is foreseen to go live in 2016.



The Romanian government's long-term fiscal plan (until 2014) contains a provision to increase revenues from fees charged for accessing public infrastructures. The country's transport minister has unveiled plans to introduce a toll on all highways in Romania from as early as the beginning of next year.

Introducing a road tolling regime is considered a prerequisite for further international funding support of road projects.





Track Access Charging Reform Announced in Switzerland

6 May 2011



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

The Swiss Federal Transport Office announced a long awaited comprehensive overhaul of the track access charging system used. The changes foreseen aim at creating a better link between quality of service and the amount to be paid.

Consequently once the new scheme is implemented, charges will vary according to:

- The hour of the day and day of the week of usage of each line/section (an internalization measure for congestion).
- Charge discount in case of quality defects (deviation from declared technical parameters).
- Differentiation according to the nature of the line (sidings, regional lines, main lines).

- Noise-differentiation of applicable charges (an internalization measure).

UIRR stated its position – most recently in relation to the recast of the First Railway Package – that differentiation of track access charges should be based on the quality of the train path offered, rather than according to “what the market can bear”. Freight train paths should accordingly be differentiated like postal products, where different (quality) classes and the term “priority” are known and recognised concepts.

Concerning internalisation of externalities: UIRR believes that it should be simultaneously implemented for all (competing) modes of transport. For example the internalisation of the noise externality into track access charges on rail should go hand-in-hand with the internalisation of noise related external costs of road and air transport. A similar pattern should be followed with local air pollution and congestion related externalities.

Marco Polo Program: 2010 Results and 2011 Call for Proposals

6 April 2011

32 projects – including 19 under the modal shift action – qualified for the €57 million funding made available during the 2010 Marco Polo Call for Proposals.

Funding from the Marco Polo Program is designed to aid the start-up costs of new sustainable transport services, which may provably reduce road transport volumes.

The UIRR Office has successfully aided applications and managed Marco Polo projects before, and wishes to hereby remind its members of this financing opportunity.

The 2011 Marco Polo call for proposals is expected in October, (submission deadline in December) while the 2011 Marco Polo Info Day will be on 13 September in Brussels.



European Union Signs COTIF Agreement: What does this mean?

5 June 2011

The European Union became the latest signatory of the COTIF Agreement and with it the newest member of the Intergovernmental Organisation for International Carriage by Rail (OTIF) based in Bern, Switzerland. While the Council of European Transport Ministers approved the move at its meeting on 16 June, OTIF's General Assembly ratified on the decision on 22-23 June, which brought an end to 12 years of negotiations.

Acceptance of the COTIF Conditions is essential to develop legal interoperability between railways in the EU and its neighbouring countries. The differences presently existing between COTIF conditions and European Law will gradually be dissolved as a consequence.





Committee Work and INTERUNIT News

April-May-June 2011

The Technical Committee met in Luzern on the 13th and 14th April to consider dossiers such as the revision of the construction tolerances for road vehicles by DG ENTR and the rail-noise reduction proposal, in particular the testing of LL brake blocks (project EuropeTrain).

UIC invited UIRR to join a common working group on the revision of the UIC leaflets related to Combined Transport encompassing seven leaflets and will last 36 months. As the shipping of cranable semi-trailers is dynamically increasing, new technical solutions in adopting current pocket wagon designs need to be developed.

The Operations Committee, gathering UIC and UIRR member companies, met in Paris on the 31st May. The agenda focused on the E-Railfreight project, whose objective is to demonstrate a fully paperless solution on several important combined transport corridors. The new custom regulations especially on the unique movement reference number and on the simplified rules for the Swiss transit were also discussed.

UIC extended invitation to its Safe Loading Workshop (on 12 October, Paris) during the INTERUNIT Liaison Committee gathering, focusing on the loading and securing of steel, paper and other concentrated cargo.

New ISO50001 Standard on Energy Management

February 2011



The International Standards Organisation (ISO) announced that the ISO50001 standard, which provides a management tool for increasing energy efficiency and improving energy performance, will become available in the third quarter of this year.

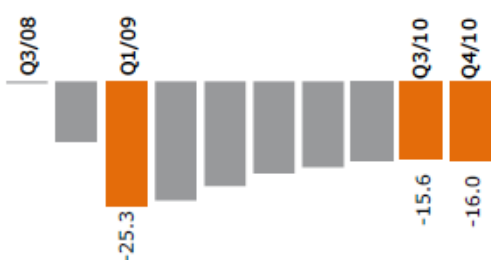
Applying the 'ISO-logic' on energy management in the field of transport and logistics should considerably enhance the energy consciousness of cargo owners and shippers in – among others – their choice for mode of transport. Combined Transport, which efficiently inserts electric railways into pure road transport-chains, uses up to 40% less energy per tonne-kilometre than long-distance trucking, and therefore has a good chance to be preferred also on these grounds.

OECD Freight Transport Statistics

EU 27 road freight



EU 27 rail freight



Source:



The recovery of EU land transport performance (road and rail) hardly progressed throughout 2010, despite the convincing performance of transcontinental trade, where maritime traffic has almost entirely recovered to its pre-crisis levels, while air cargo has even surpassed that.


The stagnation seen in rail freight performance, fortunately, did not affect Combined Transport, which managed a near 8% growth in 2010 as compared with the preceding year. And the intensification of maritime transport gives ground for further optimism as unaccompanied Combined Transport has a prime role in hinterland transport.

The status of Combined Transport as the sole engine for rail freight growth should be reflected by closer attention paid to the quality needs of CT Operators materialising in enhanced punctuality- and reliability-performance of rail infrastructure managers and traction service providers.

Finally, the stagnation of road transport performance suggests that the aggressive pricing seen from long-distance road hauliers, as a reaction to the crisis induced shrinking of orders, will continue in the foreseeable future.



Project-Work Update

SEEIS		Launched in February 2008, the SEEIS project is officially terminated in March 2011. Despite the economic crisis the partners successfully maintained the two new CT services: Ljubljana with Halkali (Turkey) and hinterland connection between the port of Koper and Ljubljana. At over 500 million TKM about 70% of the planned performance was achieved.
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Members' News

Hungarocombi	Ro-Mo-Net (Marco Polo) project partners launched a new RoLa Service: Budapest-Wels. Click: http://www.hungarokombi.hu/melleklet/m461_RoLaBP-W2011.pdf
Hupac	Launched direct service between Antwerp and Chongqing (China). Click: http://www.hupac.com/index.php?MasterId=g1_207&id_item=207&lng=2&node=363&rif=83cf89f27f
Interferryboats	Several new shuttle services introduced between Belgium and Italy. Click: http://www.interferryboats.be/news/new-concept-intermodal-transports-belgium-italyitaly-belgium-13-june

Recent Appointments

Barbara BENTO
(01.06.2011)



Ms Barbara BENTO was appointed as **Customer Service Officer at UIRR's** Liaison Office in Brussels, where she will be the main contact for ILU-Code clients. Ms Bento, having recently moved from Lisbon, Portugal, to Brussels, worked as Account Manager in Communication agencies. She has a diploma in Marketing and Innovation from Universidade Catolica Portuguesa and a master of Communication Sciences from Universidade Nova de Lisboa.

Ms Bento speaks English, French, German, Spanish besides her native Portuguese.

Key Dates & Events

1 July, Brussels	Issuance of the ILU-Code begins (by UIRR)	UIRR s.c.r.l. 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
5 July, Paris	Board of Directors Meeting	
6 July, Paris	Interunit Liaison Committee Meeting	
13 July, Brussels	Issuance of DB 2011 Rail Competition Report	
13-14 September, Bonn	International Mobility Conference http://www.traffictalks.de/en/home/	
13 September, Brussels	Marco Polo Info Day 2011 http://ec.europa.eu/transport/marcopolo/events/european-info-day-2011_en.htm	
12 October, Paris	UIC workshop on safe loading and securing of heavy goods	
20-22 September, Antwerp	Transport & Logistics 2011	
25-26 October, Hamburg	Technical Committee Meeting	
26 October, Hamburg	UIRR Board of Directors meeting and General Assembly	
27 October, Hamburg	INTERUNIT General Assembly	