



COMBINED TRANSPORT IN BRIEF

Page 1 of 8

Q4.2011

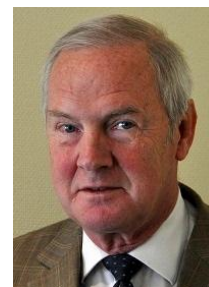
31 January 2012

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The Last Quarter in Brief

Contraction of the European economy exacerbated by price increases of strategic railway subcontractors, while delivering a declining quality performance, and (temporary) infrastructure limitations play a simultaneous role in the **first ever 12-month "negative" outlook of the UIRR Combined Transport Sentiment Index** since it was conceived in 2009. This unfavourable outlook starkly contrasts with the performance of 2011, when preliminary indications suggest that European road-rail Combined Transport has likely reached its pre-crisis level of tonne-kilometre performance. This year will also be marked by transport historians since in 2011 Combined Transport has likely **exceeded single wagonload, and became the dominant production system for transporting single loads by rail in Europe.**



Rudy Colle
Chairman

In the debate of the EU's First Railway Package recast Combined Transport operators called for **much more transparency, more competition**, and a discontinuation of privileged relationships that prevail between incumbent railways and national rail infrastructure managers. If not in the current legislative round, then meaningful change must be brought to the European rail sector in the Fourth Railway Package – promised for 2012 – through measures which would improve reliability and quality of service.

The 2011 amendment of the Eurovignette Directive marked the beginning of the much desired process of internalisation of (road) transport externalities, which would be further carried forward if the European legislators adopted the energy taxation reform proposal put forward some months ago by the European Commission. Preparations for the next round of Eurovignette amendment should nevertheless commence in 2012 with the dual aim of (i) **completing internalisation** and (ii) **prescribing the mandatory introduction of distance-based (electronic) road tolling** – possibly utilising the value pricing principle for effective tackling of road congestion.

Adding its own bit to enhancing the competitiveness of Combined Transport, UIRR commenced with the issuance of the ILU-Code in 2011, which should make the handling of European loading units as easy as the BIC-Code-equipped maritime (ISO) containers. Proliferation of the new codification regime for intermodal loading units (ILUs) prescribed in EN13044 should result in additional productivity gains in the years to come.

www.ilu-code.eu

awaits your application



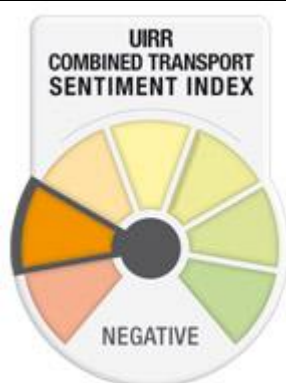
identification of Intermodal Loading Units in Europe



MARCO POLO
NEW WAYS TO A GREEN HORIZON

Upcoming call for proposals expected in
June 2012

Business
outlook
for the
12 months
ending on
31 December
2012



kombi
verkehr

NOVATRANS

ÖKOMBI
Rail Cargo Austria Group

HUPAC



RAILCARGO

KUGELKOMB

croKombi

POLZUG

Combi-beria
transporte intermodal

BOHEMIAKOMBI
INTERMODAL TRANSPORT ROAD – RAIL

ADRIA
KOMBI

IFB
member of the Logistics

NAVILAND

CEMAT



Effect of Megatrucks on Rail Freight and Combined Transport

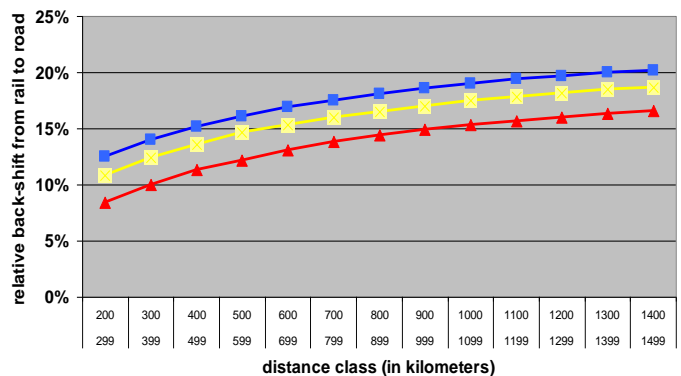
October 2011



Railways and European industry organisations under the management of CER provided data and advice to renowned consultants Kessel & Partners, who together with the Fraunhofer Institute produced a valuable study analysing the effect of authorising the various types of megatrucks proposed by the road sector on rail freight transport (and Combined Transport within it) over five carefully selected representative corridors.

1. German seaports – Czech Republic
2. Belgian/Dutch ports – France – Spain
3. Scandinavia – Denmark – Germany
4. Germany – Switzerland/Austria – Northern Italy
5. SE Germany – Austria – Hungary

Including the downward-spiral effect – stemming from loosing the necessary critical-mass for various rail freight service types – the **negative impact of the various megatruck types analysed ranges between 8-20% of rail freight tonne-kilometre loss**. See figure below for details:



The megatruck-types studied were as follows:

Vehicle type	Maximum payload	Maximum volume/ pallet spaces
Standard semi-trailer 40 t vehicle gross weight 16,5 m length	28 t	100 m ³ 33 pallet spaces
„BigMaxx“ 40 t vehicle gross weight 17,8 m length	27,5 t	110 m ³ 37 pallet spaces
44 t vehicle gross weight 25,25 m length	18 t (maximum payload) + 8 t	150 m ³ 51 pallet spaces
60 t vehicle gross weight 25,25 m length	11 t + 27 t	150 m ³ 51 pallet spaces

Considering the substantial back-shifts projected by the study, and the aims spelled out in the European Commission's Transport White Paper, which sets the aim of transferring 50% of longer distance (>300km) road tonne-kilometres to sustainable modes of transport, like electrified rail, it is obvious that **the increase of maximum allowed road vehicle dimensions and weight is not desirable**. For more information click: http://www.cer.be/media/090512_cer_study_megatrucks.pdf

Austria's Trans-Alpine Truck Ban illegal

December 2011

Austria acted illegally when it banned some trucks from a section of the A12 motorway in the region of Tyrol, the European Court of Justice of the EU (ECJ) has ruled. The move was intended to improve air quality but the European Commission says it hinders the free movement of goods.

The ruling from the Court of Justice, released in late December, is the latest stage of a long-running battle between Austria and Brussels over the stretch of motorway around Innsbruck, used to transport goods between Italy and Germany.

Austria first tried to ban trucks over 7.5 tonnes carrying a range of goods it declared suitable for rail transport, including waste, steel and cars, from parts of the A12 in 2003, but was blocked by a ruling from the ECJ.

In 2007 the Austrian government again proposed similar measures arguing they were necessary to meet EU air quality targets for 2010.

The ECJ agreed that limiting the volume of traffic on the A12 was an effective way of improving air quality but did not think Austria had given sufficient consideration to alternative methods such as **lower speed limits** and **restrictions on more polluting trucks**.





45-foot Square Swap-Bodies and the Revision of Directive 96/53/EC

December 2011

The EU Directive (96/53/EC) governing the weight and dimension of road vehicles is due for revision this year. The European Commission has duly initiated a public consultation on the topic with a deadline of end of February.

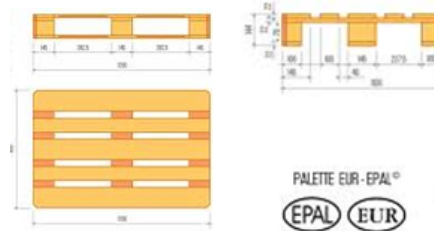
The extension of road vehicle dimensions, generally speaking, contravenes with the overriding aim to meaningfully improve the performance of road safety in Europe. Longer vehicles and aerodynamic elements would only have some advantages for road vehicles travelling over long distances outside urbanised areas. UIRR shares the EC's conviction that road transport should be replaced over longer distances (of 300km or more) by sustainable modes, such as electric rail or forms of navigation.

The considerations to improve safety, the energy efficiency and the environmental performance of European land transport would require that **road haulage be specialised to carry out short-distance positioning traffic** of loading units. In case wishing to improve safety, energy and environmental efficiency a **reduction in maximum allowed speed and European harmonisation to 80 km/h are more effective** than aerodynamics or size extension.

The only change of road vehicle dimensions that UIRR could support, in the spirit of the above detailed logic, is an **extension of semi-trailer length by the centimetres**.

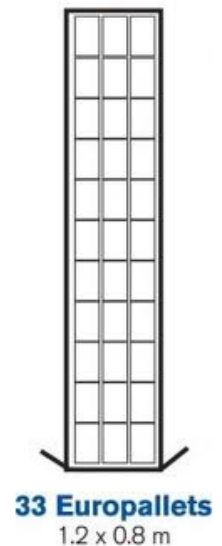


45-foot European swap-body/container: optimized for Europallets



The Europallet

These 12 centimetres would be needed, as compared to today's maximum allowed length, to carry a 45-foot square edged swap-body optimised to Europallets, which is the basic packaging unit for a wide variety of cargo in Europe. A 45-foot (13,72 metre-long) swap-body can optimally replace the more costly shipping of semi-trailers on rail.



Register of European Rail Infrastructure (RINF)

October 2011

The Register of Infrastructure (RINF) is a tool required by the Interoperability Directive (2008/57/EC) which mainly aims at giving a full transparency on technical characteristics of the European railway network that are necessary for interoperability.

Having started at the beginning of 2009, the drafting process of a recommendation for the Register of Infrastructure led by the European Railway Agency (ERA) ended in June 2011 with the resulting decision becoming applicable from 16 March 2012.

The decision yielded a list of technical characteristics of the infrastructure that each country-specific RINF has to contain; onto which UIRR successfully requested the inclusion of the Combined Transport loading gauge.

The next step should be to updating of the invaluable CT Profile Map, presently published by UIC and UIRR, using this improved more precise and detailed information.

A further potentially valuable addition to the RINFs would be to indicate, besides the nominal technical parameters, the **actual performance limitations of the various lines and infrastructure elements** (i.e. slow signals, axle load limitations). This would be especially interesting for those operators intending to use the rail network in the Member States whose network suffers from considerable maintenance backlogs.



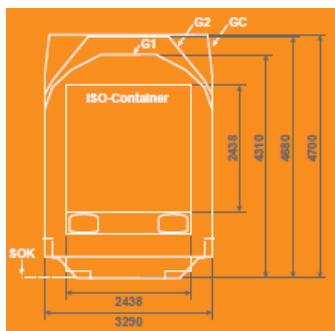


Codification and Rail Gauge Profile Extension

November 2011

The transport of intermodal loading units (ILUs) on railway wagons requires in most cases a rail gauge which exceeds normal clearance and subsequently would fall into the category of "exceptional transport". A system of codification of railway lines, loading units and wagons was developed by UIRR and UIC to enable safe and smooth rail operations in order to conduct intermodal transport.

The general objective of UIRR was always that everything that is regularly transported by road should also be able to be shifted to rail. While the transport of 8-foot high ISO containers on standard flat wagons was possible on most railway lines within the G1 profile all other ILUs require a higher profile. The transport of up to 4m high road vehicles creates the greatest problems. So "pocket wagons" were developed that enable to lower the platform for the axle aggregates of semi-trailers to 33 cm above rail.

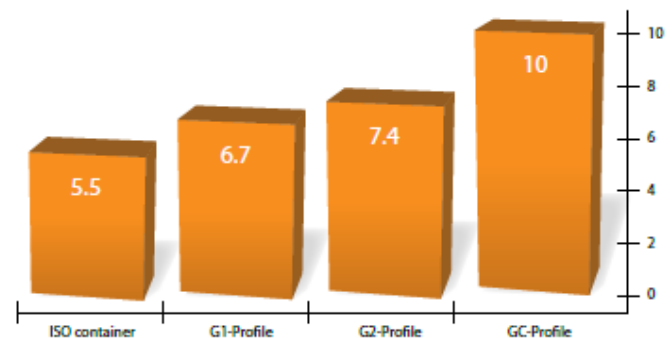


On the other hand Member States and infrastructure managers constantly work to upgrade main railway lines. Ideally to the profile GC which is the basic requirement for new lines or in case of major reconstruction-work.

The density of the average cargo transported in Europe is gradually decreasing, as the maintenance of European infrastructure requires less building materials and steel to be shipped, agriculture uses fewer chemical (fertilisers) and the mining and iron smelting industries diminish. Consequently, a greater volume of cargo can be packed into a loading unit, while staying within maximum allowed axle weight constraints. This however requires bigger loading units that are not only longer, but also somewhat higher and wider than the ones used today (see 45-foot swap-bodies on page 3) so that not only semi-trailers require line upgrades, but the pressure comes from logistics companies using high cube containers and swap-bodies.

In order to use larger loading units on simple flat wagons the present structure gauge profiles of some railway lines require an extension. An increase from the present G1, or slightly higher gauges to the GC gauge is required, rather than applying the intermediate G2 UIC gauge, since the narrow cutting of the top edges results in expensive to manufacture and difficult to use loading units with rounded roofs or limited height.

The uniform extension of structural gauge profile on, for instance, an entire rail freight corridor can result in significant increases of effective cargo throughput capacity without an extension of train length or weight. The useful load throughput increase can be as much as 50% in case of an upgrade from G1 to GC gauge (see the graph below).



The presently used codification enables the maximum utilisation of available space (clearance), however the measurement of railway lines to these CT-related subcategories has not been fully completed to this day. There is hope, however, that the CT loading gauges will be established for every line with the creation of the national Registers of Rail Infrastructure (RINF – see article on page 3).



Freight train carrying swap-bodies enters a rail tunnel

UIRR collaborates closely with regulators, the ERA, rail infrastructure managers and their organisations UIC, RNE, EIM, codification entities and manufacturers of ILUs to continuously improve this complex system of Combined Transport-related codification, vital for safe and efficient daily operation of CT trains.

Source for graphics: Wascosa Infoletter No. 18



Rail Baltica: Feasible!

October 2011

The idea of establishing a normal gauge (1435mm) railway line, named Rail Baltica, to connect Helsinki with Warsaw through the three Baltic states was devised in 2005. The concept reached an important milestone recently with the completion of a comprehensive feasibility study.

The most optimal route of the Rail Baltica would run 728 kilometers to the Polish border on the Tallinn-Pärnu-Riga-Panevezys-Kaunas trajectory. The distance takes a little more than four hours for passenger trains which would travel six days a week every second hour. Freight trains would ride at night, and it would take not more than 10 hours to travel this distance.

The study shows that the profitability of the project depends mainly on two factors: the volume of passengers and freight, and the European Union's support. Assuming, for example, that in 2030 there will be adequate passenger interest and some 13 million tons of cargo along the route, then EU support for the whole project would be profitable.

Total cost as shown by the study for the railway infrastructure would be 3.7 billion Euros in current prices, of which the Estonian share is 1.04 billion Euros. The European Union is considered to support the project with two billion Euros by the study.



The next phase of developing Rail Baltica, the preferred route as well as the resulting costs, revenues and a potential business model will be made.

Orient Dedicated Rail Freight Corridor to be Operational in 2013

November 2011

Organisation of European dedicated rail freight corridor Number 7, called "Orient", connecting Vienna with Athens has commenced in November. Orient – devised in line with EU Regulation 913/2010 – is the most complex rail freight corridor as it affects the highest number of EU Member States: Austria, Bulgaria, Czech Republic, Greece, Hungary, Romania and Slovakia.

UIRR welcomed Regulation 913/2010 and supported the development of the Handbook aiding its implementation (http://ec.europa.eu/transport/rail/infrastructures/doc/ernc_f_handbook_final_2011_06_30.pdf) during the course of 2011. The harmonized management of European dedicated rail freight corridors should not only make possible the coordinated development of these important lines, but will **also enable efficient cross-border operation of freight trains, a key requirement of Combined Transport Operators.**





Electrification of Surface Transport in Europe

December 2011

Eurelectric, the Union of Electricity Industry in Europe, and CER called for the electrification of surface transport in Europe in recognition of the European Commission 2011 Transport White Paper's 60% CO₂ reduction target by 2050. Electrification holds a great potential to reaching this goal, and simultaneously to promoting fuel diversification, strengthening energy security, and reducing transport-related air and noise pollution.

Reaping the maximum benefits of electrification in freight transport would require that an **extensive modal shift of long distance transport occurs to (electrified) rail**, the only mode of transport capable of turning electricity to high-power motion, while short-haul positioning road traffic is to be performed by electric road vehicles.

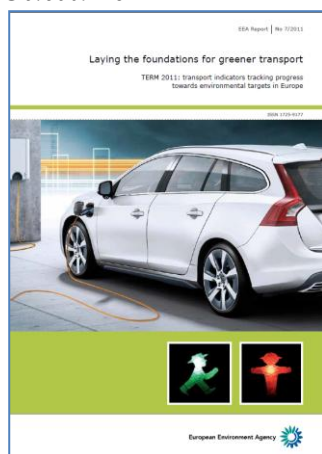
The European power-generation industry has managed to increase its efficiency and its share of renewable energy sources is dynamically increasing. A **fair transport-related energy taxation regime, based on energy content of the fuels, would be essential** to turn this vision into reality.

eurelectric
ELECTRICITY FOR EUROPE



TERM 2011 Report of EEA

October 2011



The TERM report of the European Environment Agency is an annual review of transport-related indicators that track progress towards environmental targets in Europe. The report monitors such targets contained in the EC Transport White Paper as modal shift of longer distance freight transport (from road to "sustainable modes"), decoupling of transport and GDP growth, and the 60% reduction of transport-related CO₂ emissions.

The 2011 issue of the report notes that transport related GHG emissions have only been on the decline for two years in 2009 because of the economic slowdown, and nevertheless exceeded the 1990 reference level (also for the 60% reduction target) by 27%. Between 1990-2009 **only rail transport was capable to decrease its pro-rata energy consumption**, which indicates that an obvious way of reducing transport-related energy use is by shifting more consignments to rail. For more information click:

<http://www.eea.europa.eu/publications/foundations-for-greener-transport>

2013: the European Year of Air

November 2011

The EEA's 2011 report on air quality, released on 9 November, shows broad historical improvements, with concentrations of sulphur dioxide falling by more than 50% in the decade ending in 2009. Carbon monoxide, a gas formed from imperfect burning of fossil fuels, has also fallen by as much as half.

Yet the report also shows that beginning in 2008, levels of nitrogen oxide (NO₂), ozone and particulate matter have risen, leading to concerns about overall air quality especially in urban "hot spots".

Environment Commissioner, Janez Potocnik, who oversees the 21 EU regulations and directives governing air quality in Europe, wants a comprehensive review of these pieces of legislation by 2013 **along the lines of the US Clean Air Act (1970)**, which governs US environmental policy and enforcement since. In relation to this review, Commissioner Potocnik is proposing to declare 2013 as the Year of Air in Europe.



EU Environment Commissioner,
Janez Potocnik



First ILU-Code Register Published

December 2011

By the end of 2011 UIRR, the Administrator of the ILU-Code issued the first 100 ILU-Codes (issuance of the ILU-Code started in July 2011).

A brochure explaining the new markings of intermodal loading units in Europe is accessible in ten languages on the www.ilu-code.eu website: CZ, DE, EN, ES, FR, HU, IT, NL, PL, SI (Click: <http://www.ilu-code.eu/en/about/usefuldocuments>). Additional translations will be prepared should the demand arise.

UIRR is mandated by the EN 13044 standard to regularly publish the ILU-Code Register. The electronic database may be accessed online here: <http://www.ilu-code.eu/en/consult-the-ilu-code-register>, while semi-annual printed copies (due in January and July) may be ordered from UIRR for €25.

The Austrian Federal Railways, ÖBB, as the codifying body for intermodal loading units in Austria has recently introduced a requirement that it only accepts a loading unit for codification if it features an ILU-Code for owner identification.



UIC Leaflet Revision

December 2011



INTERNATIONAL UNION
OF RAILWAYS

UIC founded a working group in June 2011 to revise its leaflets related to Combined Transport. The Group consists of experts of DB, Infrabel, ÖBB, SBB, SNCB, SNCF, Trenitalia and UIRR.

Work is currently under way to amend the following UIC leaflets: 571-4 (characteristics for standard CT wagons), 591 (roller units for horizontal transshipment), 592 (minimum requirements for the ITUs for vertical transshipment), 596-5 (conveyance of semi-trailers with P coding or N coding on recess wagons) and 596-6 (conditions for coding CT loading units and lines).

Concerning codification, the experts are examining the question of the transposition of the EN 13044 standard,

which introduces new operational markings for intermodal loading units: the ILU-Code (owner-identification code similar to the BIC for ISO-Containers and new yellow plates for swap-bodies and semi-trailers).

Even if the EN standard has been unanimously adopted in 2010 by all actors, it has been differently interpreted by the codification entities and, as a result, the manufacturers and the owners of the loading units are confronted with **an unclear situation in some countries: a mix of the past and the new situation**. The UIRR office will take care that the new process will be clearly transposed into the different UIC leaflets that are the rail industry norms consulted by operational personnel. The objective is to have a final voting before the end of the year in order that the UIC leaflets will come into force in January 2013.

Project-Update



www.vel-wagon.eu

Increasing the productivity of Combined Transport is constantly in the focus of UIRR. For this reason Martin Burkhardt, Director General of UIRR, participates in the advisory board of the VEL-Wagon Project for the development of a "Versatile, Efficient and Longer Wagon". The project consortium, led by Berlin Institute of Technology, has analysed the future trends and demands of intermodal transport, with an emphasis on the development of types and sizes of intermodal loading units, in order to develop a set of important **market-based and technical inputs to developers of intermodal rail wagons** with optimised payload/deadweight ratio, allowing to transport a maximum number of loading units within a given train length.





Recent Appointments

NOVATRANS
Naviland Cargo
(01.12.2011)



Mr Charles Puech d'Alissac was appointed General Director of Novatrans, and CEO of Naviland cargo, replacing in both capacities the departing Mr Tarek Hosni. Mr Puech d'Allisac has over 20 years of rail operations and commercial management experience which he gathered in France and the United kingdom.

INTERUNIT
(01.10.2011)



Mr Eric Lambert, Combined Transport Director of CFL Multimodal (Luxembourg) was elected Chairman of Interunit in October. Mr. Lambert transformed EuroLuxCargo, the freight company of the National Railway company (CFL) of Luxembourg into a Combined Transport Operator. CFL Multimodal (for the Logistic and Multimodal transport) has been created during the 2006-7 restructuring of CFL Cargo. For the time being, Mr. Lambert is Combined Transport Manager by CFL Multimodal and he is also Director of ACTS Luxembourg S.A. (Abroll Container Transport System), he is the representative of the CFL within several international Associations.

Members' News

Bohemiakombi Cemat Kombiverkehr	Kombiverkehr joins forces with Cemat and Bohemiakombi to launch direct train between Czech Republic and Italy <u>Click:</u> http://www.kombiverkehr.de/neptun/neptun.php/oktopus/page/2/207?sid=r5pkcgr9jff1ah0n7nn6fnut6&version=&show_article=4520
Hupac 28 November 2011	Hupac and the Swedish Intercontainer Scandinavia join their forces to offer a powerful intermodal network between Sweden and Italy. <u>Click:</u> http://www.hupac.com/index.php?MasterId=g1_237&id_item=237&lng=2&node=363&rif=8bf9217d39
Hupac	Launched new trilingual (IT, EN, DE) website. <u>Click:</u> http://www.hupac.ch

Key Dates & Events

2 February, Brussels	Extraordinary General Assembly, UIRR	UIRR s.c.r.l.
8 February, Brussels	European Railway Awards	
23 February, Brussels	GHG 2050 Final Conference	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
29 February, Brussels	EU-IRU Conference: Making Road Transport Greener	
12 March, Bologna	Agora Partners' Meeting	
28-29 March, Vienna	UIC/UIRR Leaflet Revision Steering Committee Meeting	
3-4 April, Belgium	Interunit Technical Committee	

