



## COMBINED TRANSPORT IN BRIEF

### Liberalisation of the railways – what progress has been made to date?



*Mr Jörg Hennerkes, German Secretary of State for Transport, pays close attention during the presentation by Mr Rudy Colle*

On 7 March the UIRR co-organised a conference in Brussels with the EIM (lead organisation), the ERFA and the ERFPC. The fourth staging of this joint event was devoted to discussion of suitable means of improving rail freight logistics. The contribution of the UIRR to this general subject, made by Rudy Colle, addressed the liberalisation of rail and the current consequences of this for intermodal transport.

His statement was fairly mixed because, seen from the point of view of combined transport, there are not really that many routes already subject to competition between several railway undertakings, be they historical and/or new.

Two operations were described by way of example: the Brenner route (Munich-Verona) that the two new entrants, RTC/Lokomotion, operate for Kombiverkehr and Cemat in competition with the historical RUs, and the invitation to tender organised by Hupac, the UIRR's very important Swiss member, as a result of which for the past three years the latter has been using no less than five RUs for its unaccompanied CT and rolling road services, two of which are non-historical and all of which serve specific international routes. Such operational plans have brought about very significant advantages in terms of development of traffic and quality.\*

In the case of Hupac, exploitation under the re-

spective responsibility of a single RU has made operations simpler (among other things the absence of the need to change locomotive), more homogeneous and therefore more effective. The fact that initiatives of this type continue to be limited is likely to be due to the slowness of converting European directives into the national legislation of the EU member states and to behaviour that remains protectionist in favour of certain national RUs, the new entrants all too frequently being confronted by cumbersome approval procedures and a desire by these RUs to appropriate the entire supply chain. The national and supranational Authorities should therefore take steps to facilitate access to the motive power sector by supervising the legitimacy of procedures, by punishing infringements or abuse, and by providing temporary support to new entrants also at operational level in order to allow them to overcome the obstacles and bear the initial burden.

Since the creation of the UIRR in 1970, its member companies have constantly worked at improving their product, among other things by means of the progressive transition from isolated ITU routings to complete trainloads and shuttles; in liberalisation they see the next essential stage towards an effective rail sector supported by strong but fair competition like that foreseen by all other commercial sectors.

#### European Railway Agency

On 27 February last Dr János Berényi was appointed Vice-President of the Board of Directors of ERA, where he represents the freight clients. Dr Berényi is also President of the Hungarian Railway Association, Vice-Chairman of the Board of Directors of UIRR, and President of INTERUNIT.

\* Nevertheless, improvement of punctuality due to the effect of new entrants has been less pronounced lately due to deficiencies attributable in some cases to the infrastructure managers and which by their nature are likely to affect the smaller RUs in particular.



## Forty-five-foot containers can remain in use

The European Commission's decision concerning a possible prohibition of 45-foot ISO containers was very much expected by the shippers and transport personnel. As they are too long by a few centimetres these containers could have been banned from European roads from 1 January 2007 in accordance with Directive 96/53 defining weights and dimensions in road transport. Just to recap, 45-foot containers account for about 2% of the total container inventory and are principally used in rail, short sea shipping and inland navigation. The UIRR welcomes the judicious choice of the Com-

mission, which decided last December to authorise their utilisation after 2006 subject to conditions, but permitting pre- and post-routing in the framework of intermodal operation. The Commission has thus expressed its desire take account of the needs of the logistics chain on the one hand, and, on the other hand, people's expectations of the EU, by encouraging the more environmentally-friendly modes of transport, an area in which combined road-rail transport provides an excellent reference.

## Enlargement of the UE: a threat to CT

Three years after the first eastward enlargement of the UE to include ten new member states, the extension has continued with the admission of Bulgaria and Romania. With the addition of these two member states the population of the UE has increased by 30 million inhabitants and the economic zone has grown in size so that it now contains 485 million consumers. Enlargement of the internal market will also generate more traffic due to the intensification of economic relations and of the distribution of work at international level. Nevertheless, a large part of this additional traffic had already been anticipated in the course of the preceding years; rather, membership of the UE constitutes the accomplishment of this process of economic interpenetration. In the member states of the former Soviet bloc rail was the dominant method of transport. Adaptation of the economic system to that of the UE has brought about strong growth of road transport while rail transport has seen a decline. Prior to membership of the UE, authorisations for bi- and multimodal road consignments were limited, which was a notable argument in favour of using the rolling road for transit of Bulgarian and Romanian road vehicles via Hungary and Austria. Membership has brought about immediate liberalisation of international road transport and Bulgarian and Romanian road transport companies can operate throughout the whole of the EU without authorisation. On the other hand, the liberalisation of rail transport will take time to become a full reality. Even if it takes shape from a legal perspective, technical deficiencies in respect of harmonisation

will prevent Bulgarian and Romanian locomotives from operating throughout the EU with their drivers and at their wage level. It is no surprise, in a context of such unequal competition, to observe a transfer of combined transport to the road, whereas the Hungarian and Austrian governments are encouraging routing by road-rail CT in order to encourage, thanks to a fall in price, part of the Bulgarian and Romanian consignments to continue to use rail. The situation seen with the first wave of enlargement towards the east, which saw CT suffer a spectacular decline, therefore threatens to return if a specific programme of promotion and support for rail transport is not drawn up for a transition period to be determined. For its part, the UIRR has proposed to the European Commission that it exploit to the maximum the CT promotional tool represented by the Marco Polo programme and together with its member companies Hungarokombi (Budapest) and Ökombi (Vienna) it has developed plans for an attractive rolling road proposal. In addition, the directives on driving and rest times are also applicable in the new member states and should be more effectively implemented in future. Following their introduction in Austria and Germany, motorway and road taxes for the transport of heavy goods have now also been introduced in Hungary and the Czech Republic and increased in countries where they already existed. These encouraging developments, which complete the initiatives of the CT companies, must help in getting through the period of transition towards more straightforward framework conditions and avoiding undue losses by sustainable transport.

## Security of the logistics chain

It was with interest that the UIRR acknowledged the announcement made last December by the Vice-president of the Commission for Transport to freeze the draft regulation on security of the logistics chain for two years following the opinion of the Rapporteur in the European Parliament, Jeanine Hennis-Plasschaert. The timing of this is interesting because at the beginning of 2008 the new customs code is due to come into force. It should thus be possible to check for a year on the functioning of the certification (for those who demand it) of the authorised economic operator (AEO), who is a key factor, and to identify what the overlaps would be with the concept of a “secure operator” of the project relative to the securing of the logistics chain. Prior to this announcement, and faced with failings that it had felt it would have to raise in the Commission proposal, the UIRR had recommended a strategy consisting of a balanced combination of measures which:

- secure the transport network at the UE’s external borders,
- are based on effective information and police systems,
- prove to be sustainable in economic terms, and
- are directed at the points in the transport chain recognised as being specifically weak.

The UIRR will continue to follow attentively future developments linked to this major issue and intends to assure the Authorities of its full collaboration, favouring a co-ordinated approach between them and the economic operators towards terrorism. Indeed, this type of approach is best suited to permit the required differentiation between the risks, most notably by taking account of the types of goods transported and of the mode of transport, as well as effective allocation of the limited resources of the parties concerned, in accordance with one of the objectives of the Lisbon strategy.

## MARCO POLO II

The UIRR welcomes the adoption of Regulation (EC) no. 1692/2006 of 24 October establishing the second “Marco Polo” programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system (“Marco Polo II”). Endowed with funds amounting to EUR 400m, the programme will realise the accumulated ambitions of the political authorities and will also meet the need to do more in this strategic subject area; the period of

effectiveness of Marco Polo II is seven years (2007-2013). The UIRR will be sure to participate in the annual calls for proposals put out by the DG for Transport regarding modal transfer activities or having a catalyst effect, that is to say being designed to improve synergies through better usage of the existing infrastructures. Short sea shipping is well positioned among the various modes of transport eligible for this support programme. Although this mode of transport may in several cases represent an alternative to road transport, the UIRR nevertheless stresses that no studies have been carried out to date on the environmental impact of short sea shipping. Failing all else, the much better emission figures of large-volume international sea shipping are ascribed to it without any established basis. Thus there is a risk that where “roll-on roll-off” or high-speed boats are used or where point-to-point routing involves detours, short sea shipping will have a worse environmental record than the road transport which it is supposed to replace.





## DIOMIS

On 1 February 2007 the second seminar on the DIOMIS project was held in Paris in order to discuss the growth of national combined transport on infrastructures. Just to recap, this project launched by the UIC in partnership with the UIRR aims to identify means of relieving congestion in the rail network and terminals in order to improve the competitiveness of rail freight transport.

This measure is all the more necessary given that the results of a study presented on this occasion by Rainer Mertel (KombiConsult) indicate that the volume of unaccompanied domestic transport will double between 2005 and 2015 (countries taken into account: Germany, Austria, Belgium, France, Italy, and Switzerland). Even if all the measures to increase capacities currently under consideration were implemented, this development would be accompanied by bottlenecks which would become even more numerous and severe. Through its representative, Mr Jacques Rousseaux, the European Commission expressed the view that a network oriented towards freight in the medium term could be an appropriate response to this problem. Moreover, a communication on this subject could be published next October. On the other hand the rail community stated that it is in favour of an even more ambitious project, that is to say a "network prioritising freight" which is freed of bottlenecks and capable of improving the productivity of rail. Martin Burkhardt (UIRR) reiterated the necessity of investment in rail freight along the lines of what has been achieved for passenger rail transport. He also appealed to all the parties involved in CT proposing the undertaking of an effective campaign in favour of rail freight in Europe in partnership with the logistics companies and other parties concerned (e.g. automobile associations...). This intervention was supported by several participants.

## Revitalisation of the railways

On 13 December last the EC adopted a series of measures designed to rationalise and reduce the multitude of rules with which the railway undertakings must comply before being authorised to use the railway networks in the EU. The EC thus proposed to modify Regulation no. 881/2004 establishing the ERA and Directive 2004/49 relating to railway safety, and to merge the existing directives concerning rail interoperability (96/48, 2001/16). The UIRR welcomes this series of measures and urges the speedy implementation of their principles in order to remove certain obstacles to the realisation of a true European rail market.

### BRAVO conference

The closing conference of the BRAVO project designed to improve the transport of rail freight through the Brenner corridor will take place in Munich on 17-18 April 2007. The partners in this project have obtained some remarkable results such as 50% increase in traffic, use of multi-current locomotives for freight and new wagons, information in real time with scheduled time of arrival.

### New UIRR Website

The UIRR is pleased to be able to announce the launch of its new website by 30 April 2007. Although its address remains unchanged: <http://www.uirr.com>, its structure and its user-friendliness have nevertheless been greatly improved. The essential new features are simplified navigation and clearer presentation of our members, of our projects and of our media centre. The search engine has also been refined in order to allow the visitor to carry out searches throughout the whole site

#### Agenda

BRAVO Closing Conference INTERUNIT Technical Commission General ASSEMBLY UIRR	17/18 April 2007 22 + 23 May 2007 25 June 2007	Munich (D) Douges (F) Brussels (B)
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UIRR srl  
31 rue Montoyer bte 11  
B - 1000 Brussels

Tel. +32 2 548 78 90  
Fax +32 2 512 63 93

E-mail [headoffice.brussels@uirr.com](mailto:headoffice.brussels@uirr.com)

Internet [www.uirr.com](http://www.uirr.com)