



COMBINED TRANSPORT IN BRIEF

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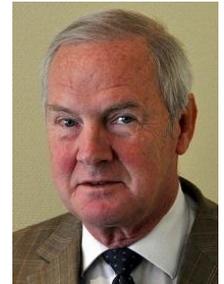
Q1.2012

19 April 2012

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The Last Quarter in Brief



Rudy Colle
Chairman

The recently unveiled OECD (ITF) rail freight transport statistics for Q3.2011 (see p.7.) accurately reflect the **negative sentiment reported by UIRR Operators** in the CT Sentiment Index. The Index turned (slightly) negative for the first time last October showing the combined effect of severe disturbances expected from critical rail infrastructure works, as well as the downturn of European economic performance. Fortunately local circumstances have resulted in a brighter outlook for some operators.

The first quarter of 2012 was dominated by the debate around weights and dimensions of road vehicles (preparations for a possible amendment of Directive 96/53), including the surprise announcement of Vice President Kallas that the European Commission was in the process of reinterpreting the 16-year-old provision prohibiting the cross-border trials of Megatrucks. UIRR entered this debate with an unchanged position **reinforced by recently uncovered empirical data** pointing to (i) the tangible threat of reverse modal-shift presented by these larger and heavier trucks; which (ii) make the utilisation of Combined Transport more difficult, and (iii) disable of reaching the EU's road safety improvement, as well as transport externality reduction aims.

Advancing the implementation of the EN13044 standard, which separates the codification and ownership marking of intermodal loading units (ILUs), and thereby significantly aids the smooth functioning of Combined Transport, remained also high on UIRR's agenda. Under the new regime **a change in ownership will not require a costly (re-)codification of ILUs**; only the ownership indicator – ILU-Code – will have to be changed. UIRR's Marco Polo initiative titled DESTINY, which was recently positively endorsed by the European Commission (EACI – see more on p.7.) foresees a significant effort to **deliver the benefits of new standards** in codification and marking, safety and security to the industry players.

Implementation of the Dedicated Rail Freight Corridor Regulation has also progressed. UIRR follows the process with great interest as this new structure is seen as a potent contributor to **improving presently poorly performing cross-border rail freight services**. CT Operators have been included in the Governance Bodies of some corridors in their capacity of terminal managers.

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 March 2013





Playing with fire? – the possible amendment of Directive 96/53

March 2012



European Commission Vice President and Commissioner for Transport, Mr Siim Kallas, shocked his audience when announcing at a special hearing of the EP's Transport Committee on 26 March that DG MOVE is reinterpreting the 16-year rule, which prohibits cross-border trials of megatrucks. Mr Kallas stated that contrary to the opinion of the EP and the German Bundestag's legal services – confirmed by an expert legal opinion by a recognised law office in Brussels obtained by the Future Freight Coalition, of which UIRR is a member – no legislative change would be required to facilitate this reversal.

On 8 March UIRR issued a press release pointing to the recently uncovered empirical evidence of reverse modal shift, the related road safety deterioration and growth of other external costs in case of the proliferation of megatrucks would be allowed in the EU (See: <http://uirr.com/en/media-centre/press-releases-and-position-papers/2012/mediacentre/492-tangible-risks-of-lhvs-in-eu-wide-circulation.html>). Reacting to this Mr Kallas confirmed that he has "no intention" of proposing the across-the-board circulation of megatrucks during a presently considered amendment of Directive 96/53 on weights and dimensions of road vehicles.

DG MOVE initiated a public consultation to obtain inputs related to the possible amendment of Directive 96/53, to which UIRR has also responded in February this year. To further clarify the positions of various stakeholder groups the relevant unit of DG MOVE is organising stakeholder consultations.

UIRR participated in the consultation for Combined Transport stakeholders on 2 April. The related CT position was summarised by UIRR in the following brochure: <http://uirr.com/en/media-centre/press-releases-and-position-papers/2012/mediacentre/512-ec-public-hearing-on-the-revision-of-directive-9653.html>, in which it is pointed out that Combined Transport fundamentally requires stability in maximum allowed road vehicle dimensions. Due to the slow improvements in structure gauge of the European rail network, while giving consideration to the heavy investments made into the existing wagon fleet and other CT-related infrastructure such as transshipment terminals, **no change should be proposed** without comprehensive empirical studies being carried out.

Permitting seemingly less significant dimension-changes for aerodynamic elements should also be postponed until the effectiveness of presently available aerodynamic solutions falling **within the existing size limits** are analysed in a scientific study. Achieving the EU's road safety, energy efficiency and GHG emission targets would best be served by a reduction of the top speed of HGVs (it should be noted that a slower speed exponentially reduces the effect of any aerodynamic solution).

Enhancing road safety is an emphasised aim of the EU, where every improvement target has been grossly missed. Consequently, UIRR is surprised that DG MOVE's **Road Safety unit is only indirectly involved** in the presently contemplated increase of weights and dimensions of road vehicles, factors that have an undeniably adverse effect on accident severity. Whereas the potential benefits of modal shift to a 25-times safer mode – i.e. Combined Transport – are not even discussed in this context.

France permits all HGVs to weigh 44t

March 2012

The French government has announced that it will permit every HGV to weigh up to 44t, not only those executing a positioning leg of Combined Transport, from 1 January 2013. The decision removes an important component aiding CT today.



The President of GNTC, the French organisation for the promotion of CT, Mr Gérard Perrin, personally criticised the move in a press release on 13 March by confronting the French government with its own commitments made, pledging to shift freight from road to rail, in its environmental programme titled Grenelle de l'Environnement.



 **gntc** *Groupement National des Transports Combinés*



EU – Belarus dispute threatens with disruption of Smolensk Corridor

March 2012

CT transport-chains, heavily relying on the rail corridor connecting Poland with Moscow through Belarus through the so-called Smolensk Corridor, are threatened to be disrupted by Belarusian Authorities after the recent upsurge of a dispute over the democratisation of Belraus.

Whereas the EU questions the jailing of pro-democracy activists by the Lukashenko-regime, the Minsk government complains of excessive divisions to Belrusian society caused by Poland's unilaterally awarding of "national cards" to the million-strong Polish minority living in the country.

The crossing of the country by Polish road hauliers is feared to be adversely affected as **border-crossing checks are already being slowed** through meticulously applied administrative procedures.

Freight railways are yet to report a serious disturbance, but they must remain alert to re-route trains to the Ukraine if retributions are extended to them.



Operational productivity enhancement opportunities for railways

January 2012



The European Railway Agency has issued an impact assessment report concerning the introduction of a **single EU rail safety certificate**.

The verdict is clearly in favour of the initiative as it is seen as a major cost saving opportunity for especially those players of the sector, who conduct cross-border operations.

With the regulation 62/2006 railway undertakings (RU) and infrastructure managers (IM) are obliged to develop a harmonised European scheme of databases and messages (TAF TSI) in order to communicate between each other and for the final objective to enhance efficiency of the sector and to better inform rail freight customers about estimated times of arrival of trains.

While UIRR members in their role as important rail freight customers should mainly benefit from the results, some of the CT-operators are also wagon keepers, who are required to provide data in this capacity. The International Union of Wagonkeepers (UIP) has developed a **rolling stock reference database** and is proposing to the entire sector to jointly use its RSRD database. This would be a more efficient solution than to coordinate the access to hundreds of de-centralised databases. The RSRD database will not only allow to exchange the legal minimum of data but also enable the exchange of mileage and other useful data between RUs and keepers that are important for the maintenance of wagons. A governance structure will be created where all involved actors may participate.



Poland to UK rail freight service through the Eurotunnel

February 2012

The frequency of a recently started CT train service connecting Wroclaw (Poland) and Barking (UK) through the Eurotunnel is set to be doubled in September this year, with a view of reaching the one-train per working day level in 2013.

The 60-hour-long journey allows the reliable forwarding of up-to 2,85m high swap-bodies and containers using UIC-gauge wagons using the Eurotunnel and High Speed 1 in the UK to avoid the restricted UK railway gauge. Services to/from additional UK terminals are also being considered.





UIC Report on Combined Transport in Europe

January 2012

The International Union of Railways (UIC) is gearing up to revising its Report on Combined Transport in Europe. The latest one is the Report 2010 containing statistics and analysis of the intermodal traffic, operators and their business models, development of railway lines and terminal infrastructure. (See: <http://www.uic.org/spip.php?article2715>) UIRR is represented in the steering committee of the report

by its Director General, Martin Burkhardt. The upcoming 2012 report – expected to be released in early 2013 – will be a complete compendium as several additional chapters on market trends, relevant policy measures and innovations will be included.



INTERNATIONAL UNION
OF RAILWAYS

Paperless customs declarations introduced in Switzerland

January 2012

SPEDILOGSWISS
Verband schweizerischer
Speditions- und Logistikunternehmen

The presently used paper based freight forwarding contract (4 page carbon copy form) is being replaced by the paperless solution called “webentry” (See: www.webentry.ch). This easy access (Internet-based) four language system offers tracking and

tracing data as well. The Swiss Customs Authority’s tax assessment decision – in a VAT-compliant manner – can also be readily downloaded and archived.

Annual access charge for using the system amounts to CHF 60, with no additional fees involved.

Commission announces the recast of the Modernised Customs Code

February 2012

Well before the deadline of implementation into practice (by the Member States) of the Modernised Customs Code, the European Commission surprised everyone by announcing the recast of the Regulation itself.

The proposal, titled “Union Customs Code” in nominally motivated by the need to align with the Lisbon Treaty. The Trade Contact Group, through which UIRR has been a partner to the decade-long process of developing the present legislation, thinks that the recast will make the arduously negotiated Implementing Provisions obsolete,

which raises the fears that many valuable aspects agreed with trade stakeholders will be lost. Some allege that the entire recast was motivated by the significant delays of several EU Member States with developing the required IT systems by the presently valid deadline of June 2013. The legislative process of adopting the recast, and then rewriting the Implementing Provisions may push out the actual implementation to as far as 2020, or beyond.



OECD’s recently announced emissions projection for 2050

March 2012

ORGANISATION
FOR ECONOMIC
CO-OPERATION
AND DEVELOPMENT



OECD released its report, “Environment Outlook to 2050” on 15 March, which contains the stark warning that unless the global energy mix changes fossil fuels will supply about 85% of energy demand in 2050 will result in a 50% increase in greenhouse gas emissions. (OECD believes that the global economy will be four times larger than today and use about 80% more energy in 2050.) Despite the economic slowdown, world CO₂ emissions have reached an all time record at 30,6 gigatonnes in 2010.

The resulting global average temperature increase by 2100 is foreseen between 3 and 6 degrees Celsius. As a consequence demand for water could grow by as much as 55% meaning that two in every five people will live in water-stressed areas.

Immediate action to establish a global carbon market was seen as the most efficient tool to counter this development alongside with cutting inefficient fossil fuel subsidies. Energy efficiency improvements and the growth of renewables should be encouraged.



Threat of 4 degree warming and dangers of putting-off action

March 2012



Arthur Runge-Metzger, the EU's Chief Climate Negotiator, issued a warning that the **present carbon emissions trend places the world on track for around four degrees of global warming**, which some scientists believe carries the risk of – among others – a planetary mass extinction event.

The official target agreed under the UN Framework Convention on Climate Change is two degrees. A recent study by the Royal Society (UK) found that four-degree warming would exceed the limits of human and environmental adaptation in many parts of the world, as it would result in a 2m rise in sea level and the extinction of 40% of species. Droughts and wildfires would exacerbate the situation.

Molecular biologist professor, Anne Glover, who was recently appointed as the EU's Chief Scientific Advisor on climate change pointed out in a recent communication that the economic recession should not be accepted as an excuse for delaying action against climate



change. The potent greenhouse gas methane is being released in northern areas previously covered by ice, which now melted, making the situation worse. Black carbon is excessively released, when burning coal and other solid fuels, which accelerates the melting of glaciers. **The use of fossil fuels must be seriously curbed** on a foreseeable timeframe if wishing to achieve worthy progress, which calls for more electrified rail in transport.

Interunit Technical Committee meeting

March 2012

The working group – coming from RUs and UIRR member companies – discussed the following issues: (i) the revision of the **TSI Wagon** (which should be definitively adopted in June despite significant questionings of some national safety authorities); (ii) the implementation of the different **European registers** (18 in total among others ERATV – authorisation of the types of vehicle); (iii) the finalisation of the guidelines related to the **entity in charge of the maintenance** (all ECMs must be certified before 31 May 2013, while only five entities in Europe are at the moment allowed to deliver such a certification); and (iv) the evolution of the **GCU contract** (current amendments on the core articles and on the annexes in particular the Appendix 7.8.3 of Annex 9 related to the marking, coding for intermodal transport).

The experts had also the opportunity to discuss the ongoing progress of the **revision of the UIC leaflets related to Combined Transport** (571-4, 591, 592, 596-5 and 596-6).

Clarification of the different roles and responsibilities related to certification, homologation and delivery of codification plates are an absolute necessity to fully transpose EN13044.



A visit of the Belgian ILU manufacturer, Van Hool (www.vanhool.be), was also on the program.

Van Hool manufactures a comprehensive range of transport means including semitrailers, tank-trailers, tank- and bulk-containers, swap-tanks, swap-bodies and container chassis for a diverse range of users and applying the latest technologies. It was the occasion for the Committee to gain first hand information on the production of tank containers for the transportation of dangerous goods and gases, as well as on how the different technical standards (e.g. ISO, UIC leaflets), the safety checks and quality controls are integrated in the various production phases.

Interunit Operations Committee meeting

March 2012

The Operations Committee held its meeting under the newly elected Chairman, Mr Eric Lambert (CFL). The focus was on three issues: the possible impacts of the EU Corridor Regulation, the possibility to operate longer and heavier trains and the still unsatisfactory quality of service.

CT Operators were invited to define their technical and operational requirements regarding the **use of longer and heavier trains**. Since most partners maintain their objection towards providing the necessary data, the long desired quality monitoring scheme could not be agreed.



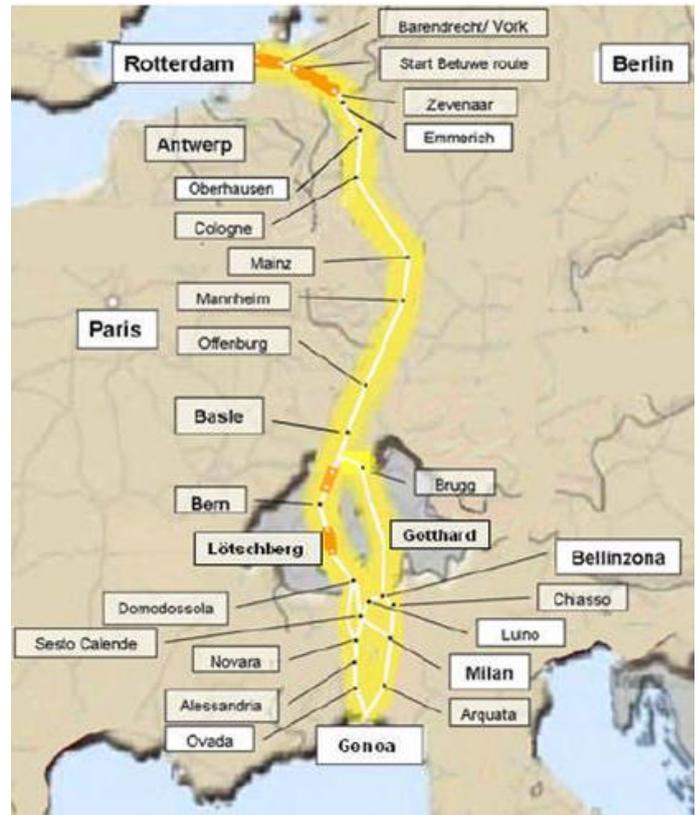
The Rhine-Alp rail freight corridor

March 2012

EU Regulation 913/2010 (European Rail Network for Competitive Freight) foresees the establishment of nine dedicated rail freight corridors in Europe, each of which crossing several Member States. The Commission uniquely aided the establishment of these corridors through the issuance of a Corridor Handbook in 2011, to which as stakeholder UIRR contributed too.

Corridor 1 in the Regulation is the Rhine-Alp Corridor (also known as ERTMS corridor A), which is the most important rail freight axis for CT trains – making up about two-thirds of the traffic performance along this route – and European rail freight in general. This Corridor links the Netherlands (Rotterdam starting with the Betuwe line) and crosses Germany and Switzerland all the way to Northern Italy (overall length is 2540km with an axle load of 22.5t; the Corridor allows a diverse maximum train length of between 400-750m). The Corridor connects four European Countries, and is run by five different infrastructure managers, while incorporating more than ten CT transshipment terminals. (See: http://www.rne.eu/tl_files/RNE_Upload/Corridor/C02/C02.pdf)

Significant infrastructure investments are foreseen along the Corridor, most qualifying as TEN-T priority projects. The Swiss government, which is conducting major investment projects (i.e. the Gotthard and Ceneri base tunnels), is particularly keen to enhance this rail axis. UIRR has recently highlighted the necessity for enhancing the coordination process along this Corridor in particular along the Luino section. (See: <http://www.uirr.com/en/mediacentre/press-releases-and-position-papers/2012/mediacentre/491-serious-limitations-on-key-north-south-european-rail-freight-axis.html>).



The advisory board of the Corridor includes UIRR-member, Hupac, who as the operator of the all important Busto Terminal in Italy has been officially named as one of the terminal representatives for Italy.

Adversely affecting the development of the German section of ERTMS corridor A is the recent announcement of DB to delay the implementation of the new EU signalling system.

Eurasian landbridge has significant potential

January 2012

A recent study by Roland Berger found that the Eurasian landbridge has a potential value of \$2,5-4Bn a year. Presently three companies, including UIRR-member Hupac, offer regular services on this corridor connecting Chinese and European destinations. Under the present conditions 500.000 TEU's could be transported along this route by about 20 trains a day in 2020. This volume could then double by 2030 considering the investments planned in the meanwhile. (These projections were made with the modest assumption of between 3-4% year-on-year growth.) In the meanwhile the presently 20-day journey times will likely be reduced to 15-days or less.



China, Russia, Kazakhstan, Turkey and other countries affected are all facilitating ambitious infrastructure development programmes to cash-in on this potential.



Codification- related UIC leaflet revision

March 2012

The revised EN 13044 standard introduces new operational markings for ILUs: a new owner identification key (the ILU-Code - fully compatible with the worldwide-used BIC marking for ISO containers) and revised yellow codification plates for swap bodies and semi-trailers. The aim was to simplify the access to Combined Transport by clarifying the roles of the homologation and the codification process, and by improving railway efficiency through faster and more secure operations. Thanks to the new procedure, a clear separation is made between the owner of the loading unit and its technical specifications.

On 1 July 2011, UIRR, as Administrator of the ILU-Code, commenced with the registration of the ILU-Code Owner-Keys using a fully-functioning web platform under the following address: www.ilu-code.eu. UIRR members and European railway undertakings jointly decided to accept, from 1 July 2014, only loading units marked with an ILU-Code or a BIC Code.

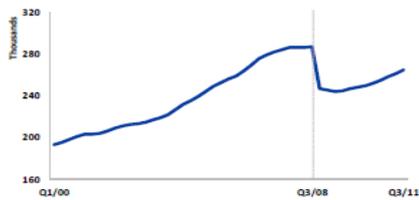
Since the adoption of the standard swap-bodies and semi-trailers can be 'codified' with the new yellow plates. Currently some actors are on a hold-position with these new codification plates as they request that this European standard should be first integrated into railway regulation (taking the shape of UIC Leaflets). A first legislative step has been reached by updating the RIV loading rules linked to CT (Appendix 9) in which the new codification plates have been inserted. A second step should be reached when the revision works on the relevant UIC Leaflets related to Combined Transport will be completed: this revision is not limited to the EN 13044-related changes, but will also lay down new essential technical requirements for both loading units and CT-wagons.

UIRR is proud to announce that these standard-deployment activities will be supported by a common learning action project, called DESTINY, of the Marco Polo Programme (see more information below).

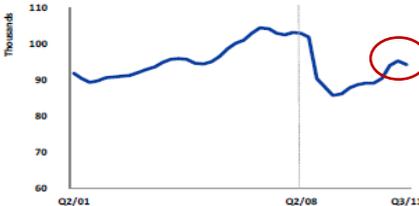
OECD transport statistics

March 2012

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



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



Whereas the recovery of both road and rail freight followed a more-or-less parallel path from 2009, neither have achieved their levels of performance before the economic crisis.

The growth of rail freight tonne-kilometres has shown an unwelcome downward turn (see red circle in the lower right graph) in the third quarter of 2011. This unfavourable development was accurately forecast by the UIRR Combined Transport Sentiment Index which turned negative in October 2011 for the first time since its inception.

A second dip in European economic activity together with persistently poor rail freight service quality performance exacerbated by numerous infrastructure maintenance projects explain this change in trend.



Project-News

DESTINY

a Marco Polo common learning initiative

The UIRR-led DESTINY-project proposes to facilitate the deployment of standards on codification and marking of ILUs, load securing and dangerous goods handling, and thus to enhance the operational best practice of intermodal freight transport in Europe through the development of training materials, organisation of dissemination campaigns, development of multilingual printed and online best practice guidelines and e-learning modules for use by every stakeholder of intermodal transport chains including consignors, shippers, logistics service providers, carriers and government agencies. DESTINY was chosen by the European Commission; the project will start its work following contract negotiations in September 2012.



Recent Appointments

Cemat

(10.11.2011)



Mr Marco Gosso was appointed Managing Director and elected to the Board of Directors of Cemat, following the departure of Mr Silvio Rocca as Chairman as well as his management functions with the company. Mr Gosso served as Director General of Cemat beforehand.

At the same time **Ms Barbara Morgante**, Director of Strategy and Planning of Ferrovie dello Stato, was elected Chairperson of Cemat.

Polzug

(19.03.2012)



Mr Peter Plewa has joined POLZUG Intermodal as second Managing Director. Mr. Plewa comes from HHLA Intermodal where he was responsible for among others the development of production systems for HHLA's intermodal companies. He especially focused on hub-and-spoke and shuttle concepts as well as inland container terminals. Mr Plewa started his professional career at TNT and gained his knowledge in railway logistics through assignments with SBB cargo and the CTL Group, the largest private railway undertaking in Poland.

Members' News

Hungarokombi 8 March 2012	Moved to new offices at H-1133 Budapest, Váci út 92 . Telephone and telefax numbers, as well as Email addresses of Hungarokombi remain unchanged. <u>Click: http://www.hungarokombi.hu/index.php?lang=en</u>
Hupac 4 April 2012	Hupac and SNCF Geodis will combined their networks via the Antwerp-Dourges line in view of linking Hupac's European network with the French domestic CT routes of SNCF Geodis. <u>Click: http://www.hupac.com/index.php?MasterId=g1_248&id_item=248&lng=2&node=363&rif=414c8fab02</u>
Kombiverkehr 5 March 2012	Managing Director of Kombiverkehr, Mr Robert Breuhahn celebrated the 35 th anniversary of his joining the company. <u>Click: http://www.kombiverkehr.de/neptun/neptun.php/oktopus/page/2/207?sid=005kldvhpupraqmovnvair7530&version=&show_article=4549</u>

Key Dates & Events

25-26 April, Constanta	Freight and Logistics Conference, <i>Club Feroviar</i>	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
2-4 May, Leipzig	International Transport Forum, <i>OECD/ITF</i>	
10 May, Frankfurt	European Rail Freight Corridor Conference, <i>CER/RNE</i>	
5-6 June, Brussels	General Assembly, <i>UIRR and INTERUNIT</i>	
13 June, Antwerp	TIGER Project Final Conference	
27 June, Brussels	Dangerous Goods Working Group Meeting, <i>UIRR</i>	
28 June, Brussels	Marco Polo Information Day, <i>EACI</i>	

