



Temporary measures to assist the transition period - the recast of Directive 92/106/EC

The first European legislation concerning the common rules to be applied to Combined Transport dates back to 1975, attesting to the recognition by the Institutions of the importance CT can deliver to the wellbeing of Europe. The Directive (92/106) in its present form has last been revised 22 years ago, meaning that it is ripe for a thorough recast and updating to continue its mission of providing the framework of CT's development as well as compensating it for the adverse effects of the prevailing regulatory imbalances. The six points of the UIRR's proposal to guide this recast can be found here:

1. Definitions and legal framework

2. Temporary benefit rules

In the regulatory framework, the disparities of the various (competing) modes of transport, particularly between road haulage and the sustainable modes of transport (rail, inland waterways and short-sea shipping), exist in a variety of extents from Member State to Member State; hence it is reasonable to offer temporary benefits to compensate the disadvantaged sustainable modes until the regulatory framework is rebalanced.

3. Infrastructure optimised to intermodal/combined transport

While several EU regulations provide assistance to developing infrastructure related to intermodal/combined transport, Member States should be allowed to provide additional support to the development of infrastructure **specific to CT**; specific rules and conditions of such funding schemes need to be defined.

4. National intermodal/combined transport development plans

Considering the complex approach necessary to create an environment that can encourage/accelerate the proliferation of Intermodal/Combined Transport, Member States should be required to draft a multi-year strategic plan to develop Intermodal/Combined Transport on their respective territories. Using these plans, the European Commission should create a consolidated EU-level Intermodal/Combined Transport development plan.

5. Intermodality test

As a measure to counterbalance the modal structure of DG MOVE and the often modal nature of European transport policy measures and legislative proposals: the Commission should be mandated to carry out an "Intermodality test" as part of its justification and impact assessment carried out when drafting transport legislation.

6. Intermodal/combined transport statistics and reporting

Definition of data and variables to be collected by the European Commission - following the style of the SERAC Railway Market Monitoring Scheme. A biannual or three-yearly report detailing the level of development in intermodal/combined transport in Europe, and the progress in accordance with the national intermodal/combined transport development plans.

PROPOSED LEGISLATIVE ACTIONS FOR THE 2014-2019 PERIOD

1. Enact the amendment of the Directive 96/53/EC regarding weights and dimensions as adopted in first reading in April 2014
2. Conclude the Fourth Railway Package Technical and Governance Pillars as proposed by the European Commission
3. Adopt the revision of the European Excise Duty Directive (2003/96/EC) as proposed by the Commission (COM/2011/169)
4. Recast the Combined Transport Directive (92/106/EC) to become an effective temporary mitigation and promotion tool
5. Recast the Eurovignette Directive (1999/62 modified twice by 2006/38 and 2011/76) into the eToll Directive
6. Consistently monitor the progress of implementation of adopted laws through consideration of the Commission's Reports
7. Participate in the mid-term review of the Commission's Transport White Paper and the Freight Logistics Action-Plan

EU Freight Transport Policy Expectations

UIRR is the industry association of European Combined Transport Operators and Intermodal Terminal Managers



Road-Rail Transshipment Terminals are the critically important interface connecting the two transport modes which perform Combined Transport road and rail

Intermodal freight transport fulfils long(er) distance freight forwarding assignments through the collaboration of two or more different modes of transport. Its variation where non-road modes perform the greater portion of the distance (**called Combined Transport, abbreviated as 'CT'**) offers an even SAFER, MORE ENERGY EFFICIENT, MORE ENVIRONMENTALLY FRIENDLY solution to Europe's long(er)-distance freight transport needs as compared to single-mode long-haul road trucking.

Additionally, more CT would considerably **reduce the oil dependency of the European Union**, thus making our home a safer place to live in. Simultaneously, this would result in **less road congestion** and slower degradation of our road infrastructure.

Founded in 1970, the **International Union for Road-Rail Combined Transport (UIRR)** – with 44 years of experience, wide-scale recognition and strong reputation – has in the past decades fruitfully catalysed the development of road-rail CT, making it the most dynamically and consistently growing production system of rail freight.

In spite of all the progress achieved, meaning that road-rail CT accounts for about 15-20% of long(er) distance tonne-kilometres performed in Europe, **several obstacles remain in the regulatory framework of transport**. These hinder the further development of CT as an economically and ecologically sustainable solution to long(er) distance freight transport.

Actions needed

- **User-pays:** fair and equal charging for the use of publicly owned transport infrastructure - road, rail, ports and terminals
- **Polluter-pays:** the inclusion of all adverse environmental consequences of transport into the prices of transport
- **Fair intramodal competition:** ending the *privileged relationships* that link incumbent (state owned) rail freight operators and rail infrastructure managing monopolies, giving them an edge over private (newcomer) freight railways
- **Infrastructure optimisation:** adapting the rail profile gauge to suit the needs of CT, and allowing longer and heavier trains
- **Policy measures:** assisting temporarily - until the prevailing regulatory imbalance is corrected

UIRR aims to achieve a level, transparent and balanced, regulatory framework, which would **enable the fair and equal competition of modes offering long(er) distance freight transport** based on technical merit and management excellence.



Level regulatory playing-field of transport modes

■ Comparable and fair infrastructure access charging

The publicly-owned and maintained transport infrastructure is one of the most important assets of the Member States of the European Union: 92.000 km of highways, 160.000 km of railway lines, 32.000 km of inland waterways, altogether 1.200 seaports, inland ports and transshipment terminals. While a suitable infrastructure is indispensable for the efficient working of transport operators, the development, maintenance and operation of this infrastructure poses a significant and growing burden on public budgets. This motivated the gradual introduction of user charges (tolls) for the use of this public asset; initially on a time (or vignette) basis, later to be replaced by distance-based charging. Charging for the use of the rail infrastructure dates back to the First Railway Package, whereas road tolling regulation was established in the Eurovignette Directive.

Infrastructure charges account for a significant portion of the costs of transport (up to 40% in some instances), yet they are inconsistently applied from Member State to Member State. Homogenization of these infrastructure charges along the user-pays principle is an immense task facing European transport politics, but it is indispensable to achieve a fair regulatory playing-field.

■ Full and equal internalisation of transport's externalities

Externalities, costs that emerge while operating transport services, include greenhouse gas emissions (i.e. CO₂, NO_x), pollutant emissions (i.e. SO_x, PM₁₀), noise, congestion, accidents, landscape destruction, and oil dependency. The adverse consequences of these externalities (climate change phenomena, extreme weather damage, mass-scale health problems, public security issues and other losses to the society) are only partially covered by the inconsistently applied internalisation measures (i.e. excise duties and other fees); what is left is typically absorbed by public budgets. Regulatory changes would be necessary to ensure that all externalities are accurately reflected in the prevailing prices, which are the main drivers of the market players' choices. This is the only way to enable, in a market-conform way competition between the various transport modes to be based on technical merit.

■ Regulatory stability when it comes to weights and dimensions applied to freight transport

Every mode of transport searches for means to mitigate the challenges that it faces. In some instances it is seen best remedied through enlarging aircraft and ships, as well as allowing longer and heavier trains and in case of road, megatrucks. Aircrafts and seafaring/inland waterway vessels have reached the maximum limits permitted by the infrastructure and material science.

However, the road sector continues to struggle for the Europe-wide regulatory recognition of uniquely long vehicles, or megatrucks, which were allowed to fare the roads of the sparsely populated Nordic countries prior to their accession to the European Union. These megatrucks, a third longer and 10-50% heavier than the maximum size of commercial road vehicles allowed to circulate on our roads today, would clearly overstep the limits set by the existing road infrastructure and prevailing traffic density (made up of automobiles and other smaller vehicles) raising, among others, serious safety concerns. Moreover, through megatrucks long(er) distance road haulage could offer a temporary reduction in prices effectively resulting in a reverse modal-shift of consignments from sustainable modes to megatrucks. This process would eliminate a critical volume of traffic on several CT relations causing a considerable deterioration in frequency of services that would severely undermine the competitiveness of the CT offering there. All this at a time when the CT sector is gearing up to fill longer and heavier trains, which are indispensable to optimise infrastructure utilisation on railway lines without compromising safety, yet further enhancing energy efficiency. Subsequently, UIRR would like to encourage long-lasting stability in weights and dimensions, which is also essential encourage private investments into CT.

■ Effective enforcement for every mode

Good regulation needs effective implementation, consistent controlling and ultimately transparent monitoring (reporting) in order to achieve its aims. Tackling persistently missed safety improvement targets, and the stubbornly high level of safety incidents (accidents), injuries, fatalities and material damages observed predominantly in road transport, and linked in particular to long(er) distance haulage, as well as the social dumping within the same long-haul segment of trucking, all demand improved enforcement. The technology is available, hence only regulation and political will are needed to ensure that the effectiveness of enforcement of exterior dimensions, gross vehicle weight, drivers' hours and resting times, the roadworthiness of vehicles and the observance of maximum allowed speed limits in road transport are upgraded to the level already practiced in the other modes. The creation of a European Road Safety Agency (alike aviation and railway safety) should also be considered.

Changes necessary within the railway mode

■ A truly Single European Railway Area

Since European railway regulators have defined for themselves an aim to reduce the technical diversity observed even to this day across the 26 European railway jurisdictions, and in spite of the European Railway Agency's achievements over its decade of existence, additional action is needed to achieve the envisioned truly Single European Railway Area.

Firstly, the Technical Pillar of the Fourth Railway Package needs to be adopted in the form that the European Parliament has concluded in its first reading in April 2014. Thereafter the European Railway Agency will have to rapidly be upgraded and allotted with the necessary (competent) human and material resources to ensure implementation.

Secondly, a consistent application of the Rail freight Corridor Regulation (913/2010) will have to be ensured through effective monitoring. A best practice example of cross-border operations, harmonised technical parameters, as well as development and maintenance routines need to be put into place along the most important trans-European railway lines with an ultimate aim to achieve uniform cross-border traffic management and train path allocation.

■ Fair and transparent competition within the railway sector

The opening up of the rail freight market occurred more than a decade ago, nevertheless some (state owned) actors continue to retain an advantage over their privately owned newcomer peers through the 'privileged relationships' that they enjoy while being part of a state owned railway holding, which incorporates the national monopoly for managing the rail infrastructure.

The European Commission recognised and understood this problem when devising the Governance Pillar of the Fourth Railway Package. Two countermeasures were proposed while continuing to respect the freedom of organising the state enterprise: (1) a requirement to separate the infrastructure managers into a stand-alone legal entity dealing with the same fundamental functions and responsibilities of infrastructure management, and (2) the introduction of so-called 'Chinese Wall' provisions to prevent improper financial flows and the exercising of undue influence within these vertically integrated undertakings.

UIRR endorsed this solution which was largely upheld in the TRAN Committee compromise vote in early 2014. Unfortunately, the plenary session of the European Parliament watered down this compromise in April in an unfavourable way. UIRR would hereby like to strongly encourage the new European Parliament to reconsider this decision prior to beginning the tri-party talks with its co-legislator, the European Council.

■ Development and optimal utilisation of the railway infrastructure

The TEN-T Guidelines and its financing instrument, the Connecting Europe Facility, were adopted in 2013 (Regulation 1315/2013 and 1316/2013 respectively), in time to be taken into account within the seven-year-budget of the European Union. UIRR endorsed the outcome of this legislation and eagerly awaits the first call for proposals under the new system with a hope that emphasis is placed upon the elimination of bottlenecks, including the enlargement of profile gauge and the extension of maximum allowed train length along key railway lines used for freight traffic, and the construction of freight bypasses around key European cities. Assistance to the construction of new transshipment terminal and for the enlargement of existing ones should also be included.

UIRR also welcomed the Shift2Rail initiative, which promises adequate financial aid to the technical developments (research and innovation) needed to maximise the utilisation of the infrastructure capacity, and to limit the diversity that results in excessive acquisition and maintenance costs of rolling stock and other railway technologies.

UIRR POSITION PAPERS AND REGULAR COMMUNICATION

UIRR publishes a quarterly Newsletter (<http://www.uirr.com/en/media-centre/newsletters/2014.html>), as well as position papers (<http://www.uirr.com/en/media-centre/press-releases-and-position-papers/2014.html>) and an annual UIRR Report that includes extensive statistics (<http://www.uirr.com/en/media-centre/annual-reports/annual-reports.html>).

The staff of the UIRR office stands by to provide additional information and insights related to road-rail Intermodal and Combined Transport at any time (<http://www.uirr.com/en/our-association/organisation-chart/uiirr-office.html>).