



Output contracted, outlook uncertain

Following a positive second quarter as compared with a year earlier, the third quarter of 2017 delivered a decline of -2,17% as reflected by the UIRR Quarterly CT Performance Indicator – echoing the stagnation in overall EU rail freight volumes as reported by OECD/ITF. The concerns of CT Operators remain unchanged: low freight rates (result of the cheap oil price and stagnating road tolls), higher costs (resulting from stagnant or increasing traction electricity prices and track access charges) and stubborn rail quality performance issues. These resulted in a decline in the UIRR CT Sentiment Index, which reflects the business outlook of European CT for the coming 12 months, to 'slightly negative'.

The European Commission unveiled two documents that could shape the future perspectives of CT: The Strategy for Low-Emission Mobility and the first draft of the Implementing Act on Access to Servical Facilities.

In UIRR's assessment, however, the Low-Emission Mobility Strategy overly relies on technology- and innovation-based solutions, whereas it falls sadly short on regulatory, legislative and enforcement measures, which should be the core competence of the Commission. And much regulatory action would be necessary to correct the imperfections of the regulatory framework of the transport sector. A small, but bright light is the promised revision of the CT Directive 92/106, which UIRR has been calling for since many years. This is listed among the few legislative actions promised in the Strategy.

The first draft of the Commission Implementing Act on Access to Service Facilities – under Directive 2012/34 – is a promising first draft that could be turned into a very useful implementation tool with a number of changes.

A series of developments such as the ECA Report of Rail Freight, the mid-term review of CEF Transport, the proposed extension of EFSI and the ongoing evaluation of the Rail Freight Corridor Regulation, as well as the ratification of COP21 have recently propelled the overall stagnating European rail freight sector into the limelight of attention. UIRR, together with CER and ERFA, will host an event on 5 December under the Rail Forum Europe to discuss the issue with European Parliamentarians. This meeting will kick-off a week of conferences and events that are all foreseen to look at rail freight from different perspectives peaking in the Commission's Rail Freight Day Conference in Vienna on 9 December. The entire sector will be watching these events closely with a hope to understand the solutions identified to the challenges that cause the lack of progress.

With foresight to the upcoming intermodal standardisation initiatives, UIRR has recently launched a Platform for Manufacturers of CT equipment. Several loading unit- and wagon-makers have joined this group to discuss the topic and advise the CEN Working Group that will convene on the topic.

Ralf-Charley Schultze - President



European Commission
Mobility & Transport

Rail Freight Day

Vienna, 9 December 2016

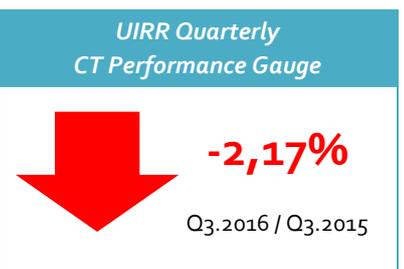


Event on Issues of Rail Freight

Brussels, 5 December 2016

CONTENTS

Commission Strategy for Low-Emission Mobility	2
Transport is the biggest CO ₂ emitter ...	2
Mid-year data: 2016 hottest year	2
Record cartel fine for truck makers	3
Dieseltgate signals engineering limits	3
Study on CO ₂ reduction through ITS	3
Minimum wage enforcement on roads	4
8 states launch labour complaint	4
Chronic truck driver shortage	4
New German infrastructure plan	5
Rail freight-related UK best practice	5
ECA Report on maritime spending	5
Principles to design taxation system	5
Quality indicators, transparency on rail	6
Eurostat delivers intermodal data	6
Ireland commits to equalising fuel tax	6
Innotrans report	7
Personnel News	8
Members' News	8
Key Dates & Events	8



Record cartel fine for European truck makers

19 July 2016



Margrethe Vestager, Commissioner for Competition oversaw the investigation which resulted in a historic fine of €2,93 billion for breaking EU antitrust rules to five European truck manufacturers – MAN, Volvo/Renault, Daimler, Iveco and DAF - which have participated in a cartel.

The cartel activities were found to have taken place over a duration of 14 years, colluding on pricing and on passing on the costs for meeting environmental standards to customers. Moreover, the timing of introducing of emission technologies to comply with increasingly strict emission standards was also coordinated between the culprits. The investigation continues against Scania, which did not join its peers in settling the case.

It is worth to note that improvements in the fuel efficiency of trucks have slowed considerably over the past 10-15 years, as engineering optimisation of the diesel internal combustion engine has reached its optimum point. The Euro 5 emission class represents an energy efficiency peak, which Euro 6 could only make cleaner, but not better.

The affected companies, responsible for producing 9 of every 10 medium and heavy truck in Europe, have acknowledged their involvement and agreed to settle the case.

Dieselpgate scandal points to engineering limits

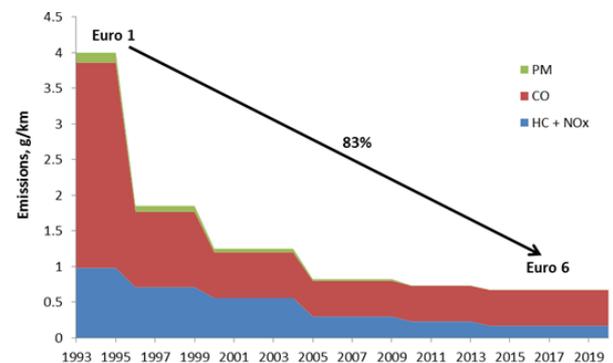
30 August 2016



The several-year-long diesel engine manipulation malpractice of Volkswagen, uncovered by the US EPA in September 2015, has long reaching effects. The emissions testing manipulation technique has since been found to affect most diesel engine manufacturers, effectively underlining that the optimisation of the diesel internal combustion engine has peaked.

Compared to the 83% emission improvement achieved over the first 12 years of the Euro emissions standards, the 10% foreseen in 11 years signals that the engineering limits of diesel internal combustion engine technology have been reached - and 10% improvement will not be enough to halt climate change.

Since then in automobiles and light commercial vehicles a turn towards electric propulsion – as the only viable low(er) emission alternative – has been observed. But electric propulsion is not a viable alternative to power heavy trucks on long(er) distance assignments.



The United States has announced new standards for CO₂ emissions of heavy trucks that will apply from 2021. The standards – described as “very ambitious” – are expected to result in trucks that consume 10% less fuel (emitting 10% fewer CO₂) by 2027.

Study on CO₂ emission reduction through ITS

4 October 2016



A new report of ERTICO looks at the various ITS technologies under development with a potential effect to reduce CO₂ emissions. The outcome is discouraging if one looks at the “most promising in-vehicle ITS technologies”:

- Traffic signal systems: only relevant in urban environment
- Delivery space booking: 1-3% potential savings on long(er) distance relations
- Intelligent Truck Parking: up to 2% potential savings for long(er) distance freight transport
- Eco-ramp metering for motorway access: very limited potential saving for long(er) distance haulage
- Driver behaviour and CO₂ footprint monitoring for large fleets: up to 9% potential savings.

- Eco-driving: 7-10% savings potential (difficult to imagine with drivers – who the hauliers cannot afford to pay even the minimum wage – will they be worth the training investment)
- Eco-routing: 1-3% savings potential on longer distance relations
- Truck platooning: 7-16% savings potential depending on inter-vehicle spacing of the following vehicles, while 1-8% for the lead vehicle (the open issues around implementation: legal/risk management, distribution of the benefits between the lead vehicle and those enjoying the savings in the platoon, training needs for drivers)

It is quite visible – by adding up the potential savings offered to long(er) distance trucking – that ITS technologies will not enable a ceteris paribus future for long(er) distance surface freight transport in the European Union.

Minimum wage enforcement in road haulage

July-August 2016

The Freight Transport Association of Ireland called upon the Irish government to introduce countermeasures to the "Loi Macron" of France, which aims to control the wages of overseas workers whilst they are engaged in transport operations in France. The notional aim of the law is to enforce the French minimum wage, but there are interpretations that view it as a cynical protectionist measure designed to make transport operations within French territory administratively difficult unless carried out on French vehicles.

Accepting a complaint from the UK Freight Transport Association, the European Commission decided to challenge the French law – initially calling for the postponement of the enforcement of the new employment legislation which came into force on 1 July 2016. The basis of the Commission action is to determine whether the law may be considered a barrier to trade and the proper functioning of the internal market.

Similar action is under way against Germany as well, which also decided to boost its labour rule enforcement in the road transport sector recently.

The European Transport Workers' Federation complained that the Commission action would create a legal vacuum for international professional drivers across Europe by questioning the validity of the Posting of Workers Directive (96/71/EC).

The unions demand that instead of a Commission inquiry, a three-way negotiation be launched – involving the social partners – to settle the issue. The ETF published its set of proposals "The extra-mile towards a full-fledged enforcement scenario in the EU road transport sector, an ETF proposal to policy makers." The solutions described in that document allow immediate enforcement of cabotage, posting of workers and access to occupation, with only minor - if any - changes in the EU rules.

Some employers in the road haulage sector cannot seem to afford to pay even the minimum wage to their drivers, which is particularly contrasted by the ever increasing tasks and responsibilities the road technology developers (and the transport politicians endorsing these) foresee to place on their shoulders concerning eco-driving, manipulation of protruding aerodynamic devices, route planning, loading space optimization, load securing, working time planning, etc.



8 Member States complain of illegal road sector labour practices

14 October 2016

Eight European countries, Austria, Belgium, Denmark, France, Germany, Italy and Luxembourg and non-member (but EU rule-taker in transport) Norway launched a complaint over labour practices in road haulage. The complainants claim that "the fundamental rights such as the free movement of goods and services, which we wholeheartedly support, are increasingly being invoked in an abusive way in order to avoid conforming to European regulations [by some market players], which are the guarantee of fair competition in the internal market." For instance 'letterbox companies' - set up to circumvent legal and collective agreement obligations in another EU country – lead to unfair competition and 'social dumping'.

Choosing a different path from France and Germany, which took the matter into their own hands, the eight complaining states formulated recommendations and expectations to Labour and Social Affairs Commissioner, Marianne Thyssen, who is overseeing the preparation of revising Directive 96/71/EC.



Marianne Thyssen, Commissioner for Labour and Social Affairs

Chronic driver shortage in long(er) distance trucking

29 July 2016

The UK Freight Transport Association became the latest road haulier body to warn of a chronic driver shortage: 45,000 missing in the UK alone. In Germany, 250,000 drivers (40% of all) are slated to retire by 2027, and replacements are not on the horizon. According to the Road Haulage Association the 600,000 registered truck drivers of the UK had an average age of 57 in 2015.

The FTA's Logistics Report 2016 makes a plea to attract more women into the truck driving profession (today 99% of lorry-drivers are men) – this will not be easy considering the irregular workhours, the long missions away from home, the arduous lifestyle and the physical demands on truck drivers performing long(er) distance road transport.



New German transport infrastructure plan

26 July 2016

The German Government has approved the Transport Infrastructure Plan (BVWP) 2030, that includes 1000 projects with a total value of €269,6 billion – of which €112,3 billion will be provided for railway projects (49,3 % are road projects, 41,6% rail transport and 9,1% waterway projects). 70% of the total allocation will be used for infrastructure maintenance. Compared to BVWP 2003 plan, this is a 56% increase. Investments will be focused on reducing congestion on large corridors in order to optimise traffic flow. Under the plan, 800 km of rail bottlenecks will be removed.



VDV Die Verkehrs-
unternehmen

VDV, the German industry association, praised the plan for its comprehensive – rather than project – approach and better preparedness. On the other hand, the association warned of the general danger of underfunding and an overall deficit for prioritising railway projects, including the all-important freight priority of extension of maximum allowed train length.

The legislative process to adopt the plan is currently under way. Rail stakeholders strongly hope that the observations of VDV will be adequately taken into account.

Best practice: freight focused rail infrastructure development

1 July 2016

UIRR has reported on the UK rail infrastructure development practice before – with Network Rail's five-year control periods at the heart of it. The freight focused projects for the Strategic Freight Network Fund are compiled after coordination with the users and sanctioned by the Office of the Rail Regulator.



The UK method allows for closer stakeholder participation, where the government only sets the budgetary limits, but all other decisions are subject to stakeholder input.

See: https://www.networkrail.co.uk/Developing_rail_freight_in_Control_Period_5.aspx

Best practice: rail freight strategy planning

13 September 2016

The UK government set a best practice example by publishing a Rail Freight Strategy plan. The UK DoT stated that transporting freight by rail offers significant benefits to the UK economy:

- by reducing road congestion
- improving industry productivity
- cutting carbon emissions and air pollution

The UK government recognised the importance of a clear policy framework to support rail freight and enable it to grow and achieve its potential. This strategy aims to establish that framework.



The compilation of the Report (<https://www.gov.uk/government/publications/rail-freight-transport>) was accompanied by supplementary research, which included a study on the future potential for modal shift in the UK: <http://www.arup.com/railfreightmarket>. UIRR strongly recommends that all EU Member States follow this example.



Distance a tonne of goods can travel on a gallon of diesel

ECA Report on maritime spending by the EU

23 September 2016

Report 23/2016 of the European Court of Auditors covered Maritime Transport in the EU. The report examined €6,8 billion worth of EU funding provided between the 2000-2013 budget periods looking into 37 projects and reassessing a further 5.

The Member States and the Commission did not provide a robust and coherent basis for planning the capacity needed in EU ports, which resulted in parallel developments in neighbouring ports.

The ineffectiveness was exacerbated by delays, cost overruns and missing components such as hinterland rail and road infrastructure.

The Court of Auditors recommended a series of measures to improve the government managed investment process; most prominently a "sufficiently large involvement of private capital" was seen as a necessary guarantee a clearly established need and adequate execution.



Redesigning the tax systems for a green economy

6 September 2016

Environmental taxes can contribute to a healthier planet and healthier people. They also spur jobs and growth, are easy to administer and difficult to evade. However, meeting EU climate and other environmental policy targets will erode the existing base for these sort of taxes. This and other systemic factors have implications for the design of future tax systems in Europe. Environmental taxes play in decoupling pollution and resource use from economic development. For example, in Sweden, GDP has grown by 58%



between 1990 and 2013 since the introduction of a carbon dioxide tax that contributed to a 23% reduction of greenhouse gas emissions over the same period. Demographic trends and a reduction of environmental tax revenues must be taken into account, besides competitiveness and income distribution considerations, when designing the revenue sources of the future. http://www.eea.europa.eu/publications/environmental-taxation-and-eu-environmental-policies/at_download/file

Quality indicators and transparency on rail

1 July 2016

The actual performance of rail freight services and the infrastructure, which it is based on, has to be made transparent. According to UIRR this is essential to win the trust (and preference) of shippers. Business is accustomed to seeing performance expressed in numbers through cleverly designed, consistently measured and regularly published key performance indicators. Customer satisfaction is a sentiment that can also be measured and then shared to complete the picture.

This concept was embraced within the Zukunft Bahn 2020 strategy of Deutsche Bahn, which was reported on in the UIRR Newsletter earlier this year. In its recent Facts & Figures 2015 publication, Deutsche Bahn reported punctuality and customer satisfaction KPIs openly and transparently for the first time, making it the first major European railway and infrastructure manager to do so: https://www.deutschebahn.com/file/en/11887746/dawl4KJk_JtwAPsVq8PIk-6DPUU/10948124/data/2015_duf_en.pdf.

UIRR commends DB for this openness and hopes that other sector players will adopt a similar (best) practice soon, and begin publishing similar reports to better inform the market and to enable the identification of the result(s) of improvement efforts.



Rail Freight Corridors were created by the European legislator upon being confronted with the apparent dysfunctionality of the Freight Quality Charter (<http://www.cer.be/publications/charters-and-agreements/cer-uic-cit-freight-quality-charter>) and the continued stagnation of quality performance. An important component of Regulation 913/2010, which created the Corridors, prescribed a systematic regime of performance monitoring and reporting, including customer satisfaction.

The North Sea - Mediterranean Corridor recently issued its 2015 Performance Monitoring Report (http://www.rfc-northsea-med.eu/sites/rfc2.eu/files/rff/rfc_2_north_sea-mediterranean_-_2015_performance_report.pdf), as well as the result of its extensive customer satisfaction survey and action-plan, both of which may be considered best practice (http://www.rfc-northsea-med.eu/sites/rfc2.eu/files/rff/2015_customer_satisfaction_survey_-_results_action_plan.pptx.pdf).

UIRR would like to see every corridor to issue identically structured performance reports. The indicators contained in these should be systematically collected and presented side-by-side on a single central Rail Freight Corridor Portal.

Eurostat offers intermodal statistics

1 July 2016

Following development efforts, Eurostat recently began offering data on "Intermodal transport – unitisation in freight transport (tran_im)" which extends to details concerning unitisation in the four different modes of surface freight transport as well as to modal shift potential of long-distance road freight in containers (tran_im-mosp) expressed in both tonnes and tonne-kilometres: http://ec.europa.eu/eurostat/web/transport/data/database?p_p_id=NavTreeportletprod_WAR_NavTreeportletprod_INSTANCE_yjUOJMEUIFPI&p_p_lifecycle=o&p_p_state=normal&p_p_mode=view&p_p_col_id=column-2&p_p_col_count=1



The modal shift data, which cover 2011-2014 period, identified 85 million tonnes and 42 billion tonne-kilometres worth of demand (for 2014), which compared with the 52 billion tkm performance of UIRR members in the same year presents a considerable 80% demand reserve. In the opinion of UIRR this potential is even greater, which can only be confirmed if Eurostat now offers a report to interpret the figures and help the sector understand the results, including the methods of data collection from the Member States.

Ireland pledges to close the fuel tax gap

15 July 2016

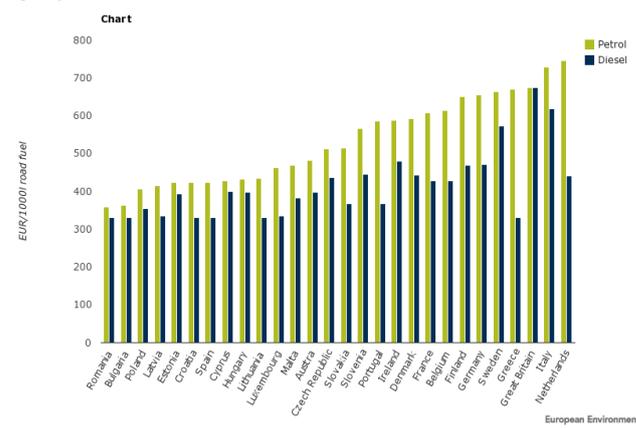
A paper from an interdepartmental committee of the Irish government has proposed a way to wipe out the 22% tax advantage diesel currently enjoys over petrol. The paper – which comes from a tax strategy group within Ireland's finance ministry used input from several other ministries and the prime minister's office – justifies the move on air quality and climate change grounds.

The proposal maps out how Ireland's fuel tax gap could be closed by the end of 2021. Tax on diesel in Ireland is currently 22% less than on petrol. In monetary terms, that is €0.1087, so the report proposes a five-year plan for diesel to rise by €0.0218 per year starting in 2017.

This measure would only equalise the excise, but not (yet) move to implement the notion contained in the former Commission proposal to revise Directive 2003/69 on energy taxation, which proposed to adjust taxes based on the carbon (energy) content of the fuel.



The chart below shows that a lot needs to be done to fairly and correctly tax fuels across the Member States of the European Union.



Innotrans and IAA report

September 2016

UIRR attended two important international trade fairs in September: the InnoTrans 2016 for rail transport technologies and the IAA for commercial road mobility and transportation.

UIRR discussed with key rail and road players on how to make road and rail more technically compatible, integrated and efficient.

The implementation of Directive 719/2015 on weights and dimensions is an ongoing process within the European Member States. It must however be noticed that the text might - in some aspects - be confusing and not well understood when implemented in national law. The insertion of a new definition of intermodal transport is not fully in line with the current Directive 92/106 on Combined Transport: the non-harmonised weight exemption rule for intermodal transport operations (semi-trailer not listed, differentiation between road and articulated trains, missing traction/trailer axle combinations), the non-description of the technical requirements of the foldable aerodynamic devices and the non-mandatory rule for the weight declaration of the shipper and the road haulier might lead to significant discrepancies among the Member States.

Moreover, the ongoing test trials for longer road vehicles in various European countries, especially in Germany with the Lang-LKW of 14.92m, should be carefully analysed and assessed as far as technical compatibility with Combined Transport is concerned. According to the actors met they all support the initiatives of UIRR to launch a letter campaign on Directive 719/2015, to promote a full revision of the Directive 92/106 and to take any measures to facilitate discussions between the road and rail environments.



In this respect, UIRR has decided to create a dedicated platform for the manufacturers of loading units and wagons and for leasing companies. The Platform for Manufacturers of CT Equipment will ensure a sound and coherent coordination of all technical and operational requirements related to the manufacturing, the leasing and the handling of intermodal loading units with a particular attention to the Road-Rail combination. The mission of this platform is to analyse and assess any road and rail legislations impacting the interoperability and the connectivity of the ILUs (Directives/Regulations/national implementation) and to provide guidance and recommendations on all standardisation aspects related to ILUs (mainly ERA/UIC/CEN/ISO). UIRR has already signed up five companies to the Platform. On the standardisation aspects, UIRR will take the chairmanship of the working group (WGo6) dealing with intermodal loading units in the CEN Technical Committee 119 (Intermodal Transport). This working group is dealing with significant standards impacting the interoperability between road and rail interfaces (tests of loading units, craneability of semi-trailers, identification of loading units, codification plates).



The use of (craneable and non-craneable) semi-trailers is a growing market in Combined Transport (20% of all UIRR consignments in 2015 - 530,000 units in total). Therefore, the compatibility of the road units with railway cars should be ensured by common shared regulations and standards. For that reason, UIRR is participating - as observer - in the project launched in May 2016 by the Logistik Kompetenz Zentrum (LKZ) based in Germany (Prien-am-See). The objective of this study is an analysis and assessment on the future technical design of a road semi-trailer, that might be easily used and transferred from one transport mode to the other without technical and operational constraints. During the fairs, two dedicated workshops have been organised to collect the current regulatory frameworks for the semi-trailers. A joint session will be organised in December to debate on the results collected so far.



Recent Appointments and Personnel News

T3M

1 July 2016

Mr **Gwendal Gicquel** was appointed Director General of T3M. Previously, Mr Gicquel worked for major French corporations such as Total, GETMA and DAMCO. He is trained as a logistics engineer and holds a master's degree in supply-chain management.

UIC

1 November 2016



Ms **Sandra Gehenot** has been appointed Freight Department Director of UIC. Ms Gehenot, originally from British Rail and EWS has developed her talents within UIC specialised in CT. She replaces Mr Hans Günther Kersten, who returned to Germany.

Members' News

BOHEMIAKOMBI

July 2016

New bilingual website

Click: <http://bohemiakombi.cz/?sekce=hlavni&lang=en>

COMBINANT TERMINAL

November 2016

Start with fast gate for accelerated entry of pre-registered trucks

Click: <http://www.combinant.be/start-fast-gate.aspx>

JOHN G RUSSELL

July 2016

New company website

Click: <http://www.johngrussell.co.uk/news/welcome-to-our-new-website/>

POLZUG

July 2016

Internet presence merged into parent company (HHLA) website

Click: <http://hhl.de/de/intermodal/polzug/>

Key Dates & Events

5 December, Brussels	Rail Forum Europe event on Issues of Rail Freight
8 December, Brussels	FEPOR Annual Stakeholders' Conference
9 December, Vienna	DG MOVE Rail Freight Day Conference
17 January, Brussels	SERAC RMMS meeting
24-25 January, Bonn	10 th BME-VDV Forum on Rail Freight
26 January, Milan	RFC6 RAG/TAG meeting
7 February, Brussels	CER-UNIFE European Railway Award event
9 February, Basel	RFC1 TAG meeting
21-22 March, Brussels	CEN TC119 WGo6 meeting
22-24 March, Prague	International Rail Forum and Conference
18-20 April, Moscow	TransRussia Transport Logistics Exhibition
9-12 May, Munich	Transport Logistic Exhibition
18 May, Brussels	UIRR General Assembly and Conference



UIRR s.c.r.l.

Address: 31 rue Montoyer
B-1000 Brussels, Belgium

Tel: +32 2 548 78 90

Fax: +32 2 512 63 93

E-mail: news@uirr.com

Internet: www.uirr.com

Editor: Ákos Érsek, UIRR

