The challenge of Combined Transport

article by Ralf-Charley Schultze, President of UIRR (Railway Pro 30.06.2017)

Transport is a tremendous headache for the modern world. Few recognise its true value, while the economic and social costs of transport continue to climb higher and higher. Despite all the development and innovation, transport's overall performance and environmental footprint are still subject of intense debate.

Among the various types and forms of transport, viable alternatives have been long-known to the dominant form of long(er) distance overland freight haulage; that is the combination of internal combustion engines powering rubber wheels that turn on asphalt and require an attendant for each consignment. Electric rail, inland waterways and coastal navigation (short sea shipping) all have superior pro-rata energy efficiency, a far smaller carbon footprint, while needing much fewer employees working in higher quality jobs, having inherently greater systemic safety and security parameters, as well as these forms of transport disturb nature, landscape and our living environment to a far lesser extent than road. How could we better involve these favourable modes of transport in fulfilling our freight transport needs?

The answer is containerisation. Packing cargo into intermodal loading units – containers, swap-bodies and (craneable) semi-trailers – enables the smooth and productive transhipment of the cargo between the different modes. This added complexity results to be less of a hindrance than the longer the distance to be covered becomes. Containerisation and intermodal terminals provide the solution for the efficient integration of economically, environmentally and socially preferable modes of transport into contemporary long(er) distance transport chains.

Intermodal transport has enjoyed unabated growth, far outpacing the total freight transport market, until the economic crisis that began in late 2008. This was attributable to the gradual performance improvement of the non-road transport modes: the development of intermodal-specific transport infrastructure, transhipment terminals, the constant growth of transport demand and the gradual reduction of the economies of trucking – mainly attributable to high(er) oil prices and increasing wages. Several components of this formula changed, however, during the past years: the demand for transport is stagnating, the price of oil has halved, wage increases stopped and the Eastern expansion of the EU opened-up a seemingly endless source of cheap labour for the road sector.

Subsequently, the growth of intermodal transport, or modal shift as we more conveniently know it, has slowed down. The situation in case of Road-Rail Combined Transport was further exacerbated by the robust demand for passenger railway services and the poorly performing state owned rail infrastructure. The rail network continues to rely on public investments that grew ever more focused on passenger needs – mirroring politicians' inclination to favour railway using voters. And, as we all know it: freight does not vote. Combined Transport must find the solution that supports its continued development within this challenging setting. The continued elevation of sector-level best practice must be complemented by improved infrastructure, harmonised legal framework for both CT operations and rail infrastructure management, while new rules are needed to balance out the regulatory playing-field biased towards road.

The European Commission has introduced its Europe on the Move initiative on 31 May, which aims to correct the defects of the European regulatory framework by proliferating the user-pays and the polluter-pays principles. Later in the year the amendment of the EU Directive 92/106, concerning Combined Transport, will be unveiled with – hopefully – additional progressive content. And transport ministers promised action in their Declaration adopted at the OECD's International Transport Forum in Leipzig. Therefore, intermodal freight transport may look forward to a favourable environment to enable the modal-shift that is expected of it.