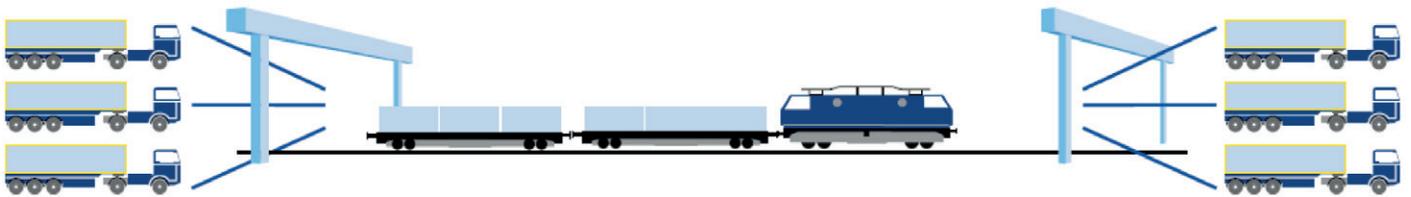




From Road to Rail: how to boost Intermodal Transport in Europe

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



Combined Transport : trucks deliver all types of cargo packed into loading units for easy transhipment at terminals to freight trains for the longer section of the journey. The railway carriage ends at another terminal from where the loading unit is trucked to its destination.



Containerisation revolutionised transcontinental trade after World War II by making the transport of all types of cargo possible on a single vessel. High frequency **intermodal connections** between producers and customers helped create logistics chains delivering the widest possible range of products to supermarket shelves. Manufacturers got access to markets previously beyond their reach. Economic collaboration across continents emerged. The result is public welfare and the presence of European goods in markets throughout the world.

Continental intermodal transport was introduced into Europe in the 1950s as the number of trucks increased to unbearable levels - initially in the mountain regions around the Alps. Development of intermodal freight transport accelerated with the 1973 oil crisis. The first European Directive on **Combined Transport** - promoting the variant of intermodal transport where the length of the road legs is kept to a minimum - was adopted in 1975.



What does Combined Transport do ?

The use of easily transhipped intermodal loading units - containers, semi-trailers, swap bodies - to hold the cargo enables the efficient insertion of electric rail freight into longer distance transport chains. The result: **superior energy efficiency, radically lower carbon footprint, less pollutants, fewer accidents and road fatalities, reduced road degradation and congestion.**



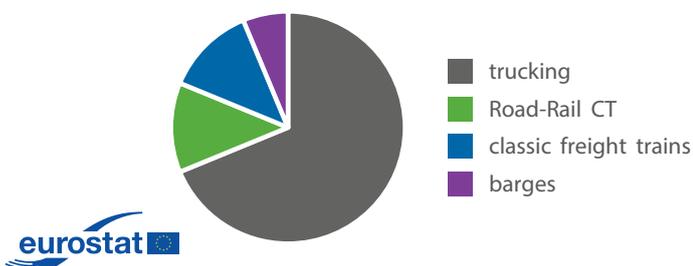
Rail
16g CO₂/tkm



Inland waterways
51g CO₂/tkm



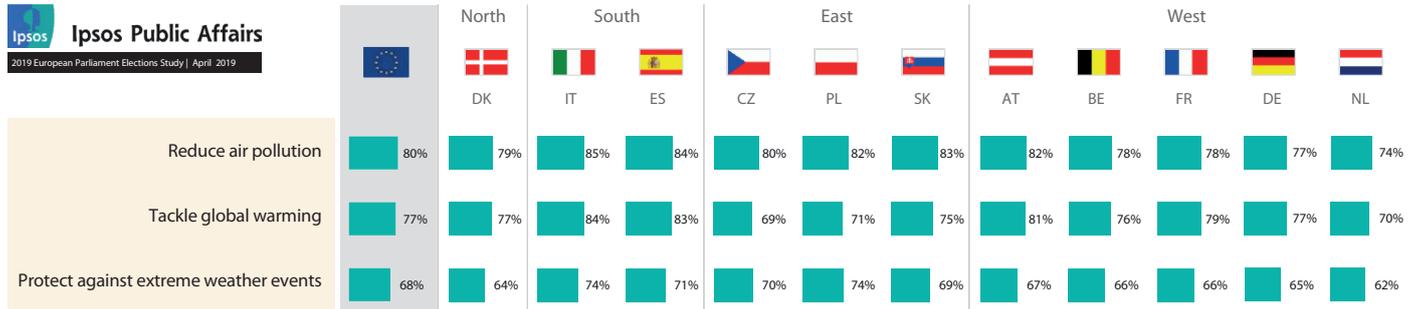
Road
140g CO₂/tkm



Road-Rail Combined Transport (CT) performs about 15% of longer distance continental freight transport in the EU today. This market share should be much higher if the European Combined Transport sector could function under a regulatory framework that resembled more closely the non-European OECD countries, where the market share of long-distance trucking is considerably smaller.

What European citizens want

An extensive research of public opinion done by Ipsos prior to the European Parliament Elections shows an **overwhelming preference in favour of effectively reducing pollution, and trackling the climate crisis as well as the resulting extreme weather events.**

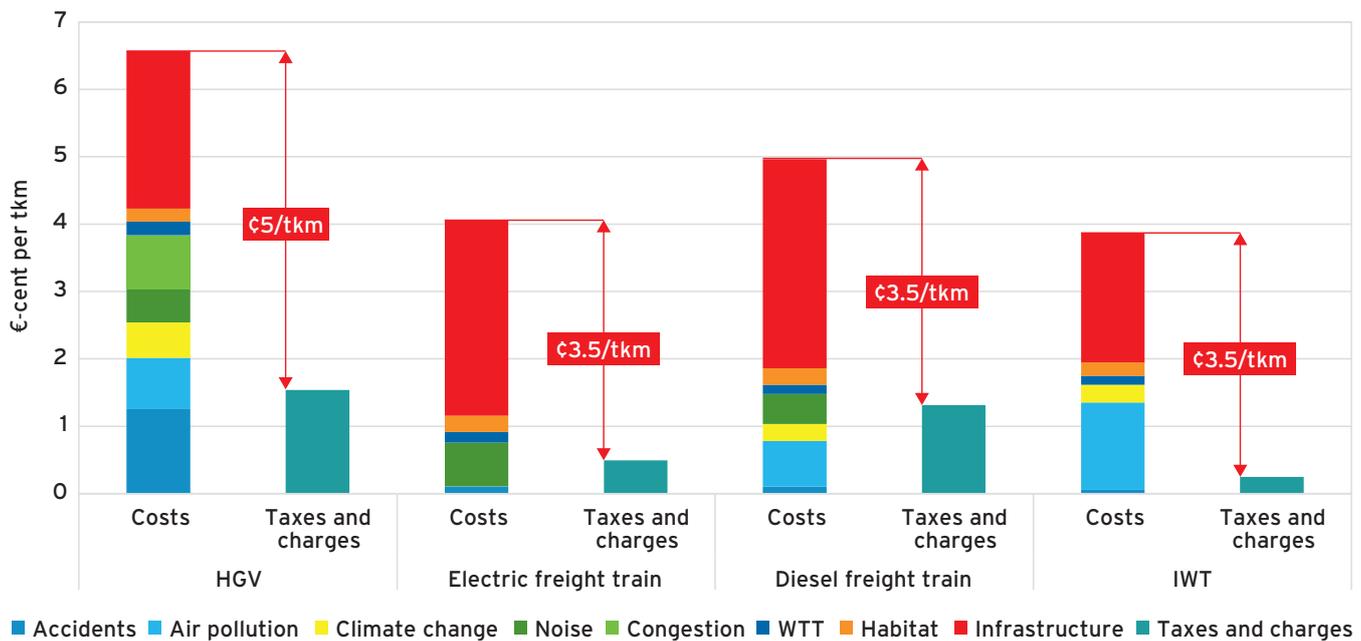


A dominant majority in all 11 surveyed Member States - constituting a majority of EU population as well as being evenly distributed in geographic terms - are in support of the aims that should drive EU transport policy decisions in the 2019-2024 legislative period.

Where does European transport policy stand now?

The study carried out by CE Delft on behalf of the European Commission concerning Sustainable Transport Infrastructure Charging and Internalisation of Transport Externalities published in June 2019 has identified the reason for the excessive market share of road haulage in longer distance land transport (distances more than 300km): **excessive Member State subsidies to road.**

COVERAGE OF AVERAGE COST - FREIGHT TRANSPORT MODES (PER TKM)



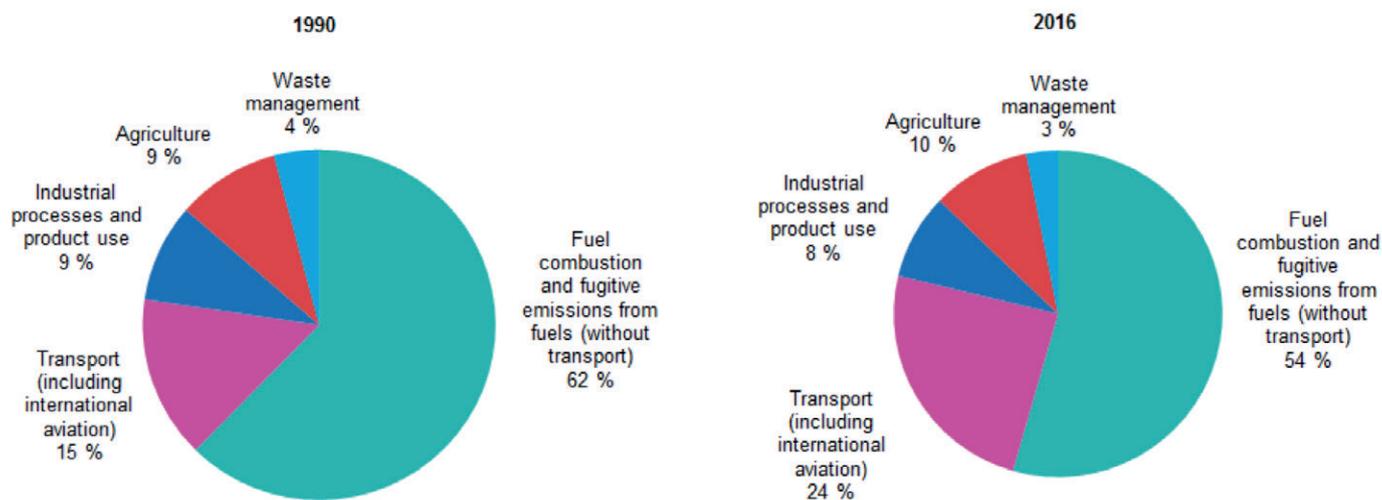
Source: updated European Commission Internalisation Handbook - CE Delft (2019)

All transport policy decisions can ultimately be transformed into monetary terms. The 5 eurocent subsidy per tonne-kilometer enjoyed by trucking, when compared to the 3,5 eurocents extended to freight trains and barges, means a €22 billion a year extra support to trucks. This translates to **40 eurocents per vehicle kilometer in case of a fully laden truck carrying 26 tonnes**, which is equal to a **40% price subsidy**. Should the European Union Member States subsidise the mode of transport that is the least energy efficient and the source of most transport pollution, greenhouse gas emissions, accidents and congestion?

Combined Transport is the easiest way to reduce freight transport's externalities

From 1990 to 2016 the transport sector's share of greenhouse gas emissions rose from 15% to 24% of the EU total. Transport has been the only sector of the European economy, which saw its emissions grow not only in relative, but also in absolute terms.

GREENHOUSE GAS EMISSIONS, ANALYSIS BY SOURCE SECTOR, EU-28, 1990 AND 2016 (Percentage of total)



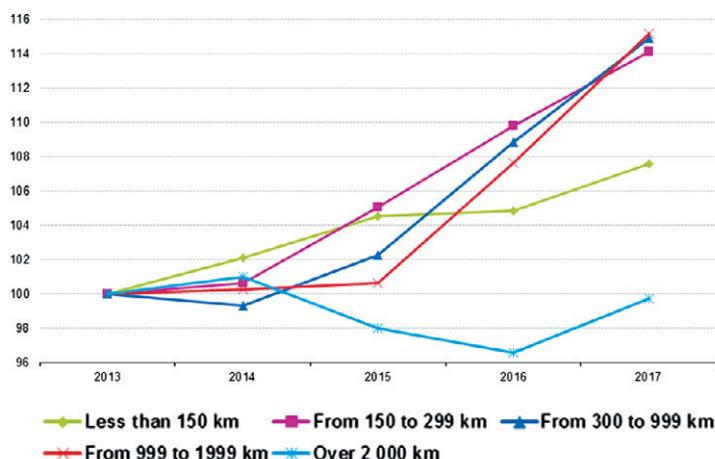
Source: European Environment Agency (online data code: [env_air_gge])

While heavy goods vehicles (HGV) make up only 2% of the total vehicle fleet in Europe, they are responsible for over 20% of the greenhouse gas emissions of the transport sector. It is clear that - among other measures addressing road transport - emissions from trucks need to be reduced sharply. And stricter standards prescribing better fuel efficiency for trucks alone will not do the job.

The easiest way to reduce HGV emissions is by transforming truck-based unimodal long-distance transport into intermodal transport chains, whereby over the longest section efficient non-road modes forward the cargo.

The easiest is also the most effective

ROAD FREIGHT TRANSPORT BY DISTANCE CLASS, EU-28, 2013-2017 (based on tonne-kilometres, 2013=100)



Note: Malta excluded (see chapter 'data sources')
Source: Eurostat (online data code: road_go_ta_dctg)



The strongest growth in road freight transport between 2013-2017 took place in the distance categories between 300 km and 2000 km.

Combined Transport is capable of competitively transferring any type of cargo, carried on the roads in truckload quantities, to ecologically sustainable (electric) railway or waterborne modes of transport.

Therefore more Combined Transport in place of unimodal longer distance trucking is an efficient way to reduce transport-related greenhouse gas emissions, pollution, accidents, fatalities, accelerated road infrastructure degradation and traffic congestion.



European transport policy measures should deliver more intermodal transport

The European Union is a collaborative project of presently 28 Member States, primarily using it to align their regulatory framework with each other. The aim is to create a Common Market defined by harmonized rules. Through this common work Europe should become stronger, safer and happier. In this spirit and to deliver on the logic presented across the first three pages of this paper, UIRR has identified the following policy actions that it recommends to European legislators and the European Commission to pursue over the 2019-2024 period.

Enhance the quality performance of railways

1. **Amend the Rail Freight Corridor Regulation** by transforming it into a tool for efficient Pan-European rail infrastructure management for cross-border rail freight. The capabilities of RFCs should be reinforced: to plan and to secure corridor capacity for freight trains in line with the EU modal shift target, to manage quality performance, to harmonise national rules, to coordinate works, to handle contingencies, and even to manage traffic along the railway lines that make up the corridor. Digitalisation should be promoted by RFCs through requiring from infrastructure managers that access is provided to train running data to all partners involved in organising a particular train service.
2. **Allocate CEF Transport financial support** at least in the same value as it existed during the 2014-2019 period to financially assist Member State efforts of compliance with the agreed TEN-T requirements.
3. **Amend the TEN-T Guidelines** to better cater to the needs of freight transport: requiring the P400 loading gauge, eliminating all bottlenecks primarily concentrated around internal borders between Member States and offering strong links to neighboring countries and regions - to make Europe more interoperable.

Create a fair, mode-neutral regulatory framework and contribute to the enhancement of intermodal transport

4. **Adopt the amendment of the Combined Transport Directive (92/106)** by offering efficiently enforceable, harmonized definitions and rules, creating a new incentive by directing the attention of Member States to the need to develop transshipment terminals, while updating the temporary compensatory measures needed until the regulatory anomalies that currently prevail between the different modes will have disappeared.
5. **Reform the Eurovignette Directive** by turning it into the roadmap for how Member States can replace time-based road tolling with a distance-based regime, which more closely conforms to the user-pays principle, while also permits the efficient internalisation of the costs of local air pollution, congestion and capacity scarcity.
6. **Demand the tabling of a fuel excise duty reform proposal** from the European Commission that should manifest in the comprehensive updating of the 2003/96 Directive - the ideal instrument to internalize CO₂ emissions.
7. **Adopt Mobility Package 1** with a view to resolve the problems without compromising the Common Market principle and possibly by taking inspiration of regulatory solutions in place in the USA, such as multiple state-vehicle registration and local minimum wage requirements.
8. **Adopt the Electronic Freight Transport Information (eFTI) Regulation** which should become a powerful tool to boost digitalization and competitiveness to efficiently run intermodal transport chains.

Measures recommended specifically to the European Commission

9. **Revise the EU Transport White Paper** so that it reflects the new facts uncovered since 2011 when the last such strategy paper has been published, and achieve its endorsement by the European Council and Parliament.
10. **Draw-up a new Transport Logistics Action Plan and a Vision for Intermodal Transport** in conformity with this new Transport White Paper to summarize in a transparent and accountable way the measures to be undertaken.
11. **Recreate a dedicated logistics and intermodal unit within DG Move** - which used to exist some time ago - to effectively address the issues of logistics and intermodal, and to reflect on the multitude of related horizontal issues.
12. **Organise an annual EU multimodal conference on logistics and intermodal issues** to boost the transparency and accountability of measures and tasks related to these essential areas of responsibility.
13. **Transform the EU Agency for Railway into an all-out EU Agency for Land Transport** to create a body responsible for among others the technical aspects of intermodal transport across the various modes that perform it.