

PRESS CONFERENCE: IMPACT OF NEW EU ROAD HAULAGE RULES ON COMBINED TRANSPORT



Ralf-Charley SCHULTZE
President

Welcome and introduction of participants

2



Welcome: on behalf of UIRR and the member companies having participated in the study (Hupac, Kombiverkehr, Rail Cargo Operator, Novatrans, Lineas Intermodal and East West Gate), as well as Oliver Wyman

Technical rules: please keep your microphone muted – questions are welcome during the question & answer session

Introduction of participants:

Joris d’Inca, Partner, Oliver Wyman Consultants
Michail Stahlhut, CEO, Hupac
Alexander Ochs, CEO, Kombiverkehr
Bernhard Ebner, CEO, Rail Cargo Operator
Thibault Fruitier, CEO, Novatrans/Greenmodal
Ralf-Charley Schultze, President, UIRR

The relevance of road transport to the intermodal sector:

- long-distance trucking: direct competitor
- short-distance trucking: essential complements of CT transport-chains – responsible for first/last mile transport

New EU road haulage rules: access to the market, access to the profession, social/working/posting rules for truck drivers
– 2 regulations and a directive adopted in July 2020

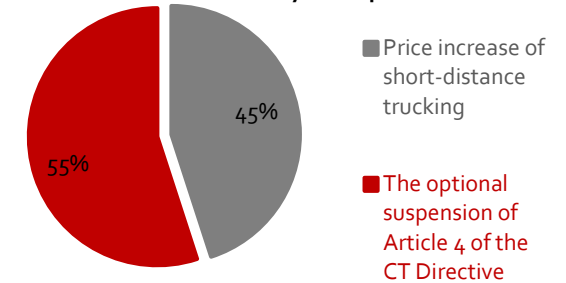
Reasons for the study:

- Combined Transport is a price taker – prices for end-to-end CT are determined by long-distance trucking rates
- The price and ease of access to providers of road positioning legs at the start and the end of CT transport-chains have a major impact on the competitiveness of end-to-end Combined Transport – the shorter the non-road portion of the carriage the greater the importance
- Two provisions of the legislation – (i) the optional possibility allowing Member States to suspend compliance with Article 4 of the Combined Transport Directive and (ii) the mandatory return of trucks to the countries of registration – have not been impact assessed by the Commission as these were devised by the lawmakers
- The ultimate effect of the mix of rules in the legislation adopted in July 2020 has not been comprehensively assessed from the perspective of Combined Transport before

Joris d’Inca, Partner, Oliver Wyman Consultants

5% cost increase for long-distance trucking vs. **9%** cost increase for Combined Transport on distances shorter than 1.000km

Causes of reverse modal-shift from CT to road-only transport

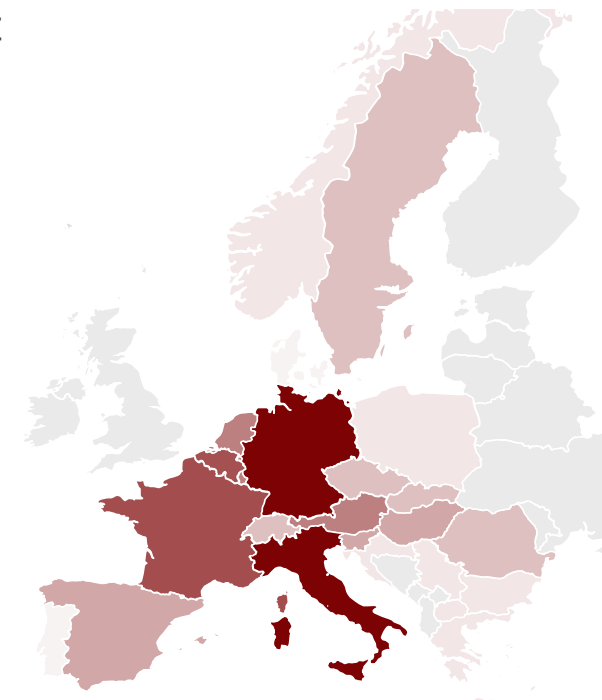


if the new EU road haulage rules are completely implemented

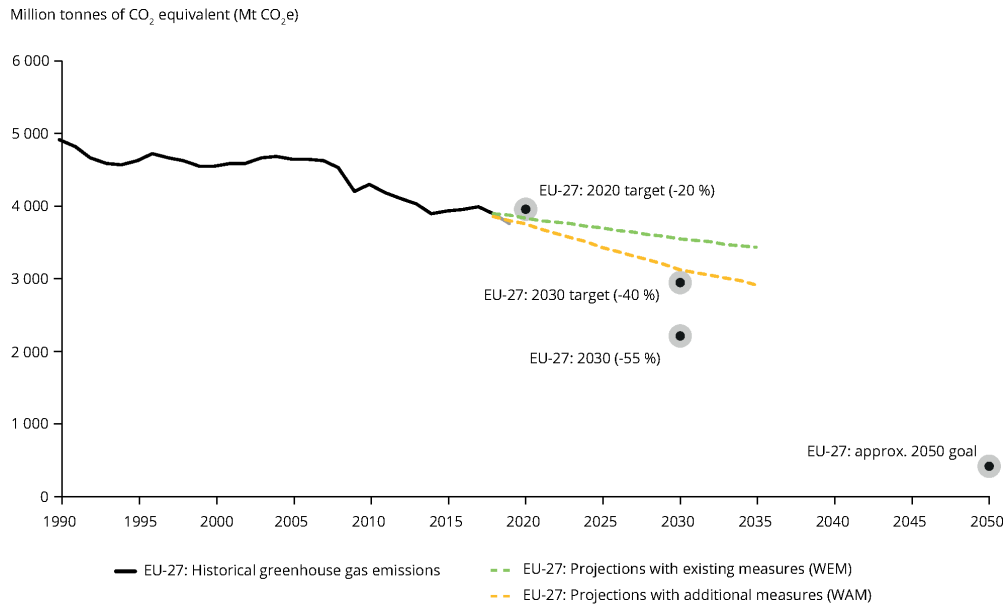
up to **8%** of Combined Transport performance in 2019 will revert back to road-only transport

The Top 10 countries to suffer the most severe setback:

1. Germany
2. Italy
3. France
4. Belgium
5. Austria
6. The Netherlands
7. Luxembourg
8. Sweden
9. Spain
10. Hungary



The impact on decarbonisation of the European economy



Europe will have to cut over **90 million tons of CO₂ emissions annually** if it wants to achieve the 55% reduction target set for 2030.

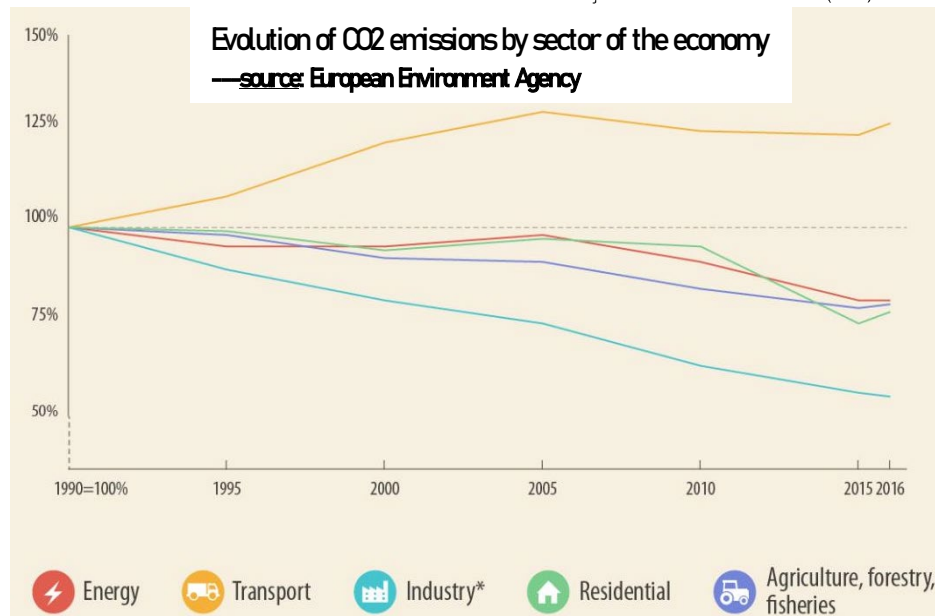
The transport sector has **increased its GHG emissions by 25%** since 1990 --- it is the only sector of the European economy that failed to reduce its carbon footprint.

If the new EU road haulage rules are adopted to their entirety – causing an 8% reduction in Combined Transport volumes – total **transport CO₂ emissions will grow by 12 million tonnes** over a 10-year period

On the other hand, if the European Climate Law target of 55% reduction is to be reached by 2030 **Combined Transport will have to double its performance** to nearly 400 billion tkm/year, as foreseen in the Strategy for Smart and Sustainable Mobility.

This doubling would deliver **38 million tonnes of CO₂ saving** over 10 years

Europe needs every tonne of CO₂ saving that can be mustered to achieve its decarbonisation objective



What needs to be done?

7



1. Refrain from the optional possibility to suspend Article 4 of the CT Directive

- clever enforcement can achieve the desired results without this harmful measure

2. Distance-based road tolling and internalisation of external costs

- Adopt Eurovignette Directive reform in line with the European Parliament's position
- Reform energy taxation: proportionality with the energy content of the fuel + adopt timetable for €100/t price of CO₂

3. Temporary Compensatory Measures

- Until the price neutrality (complete internalisation of external costs) is achieved – in 2050 according to the Commission
- | | |
|--------------------------|---|
| SHORT-TERM | <ul style="list-style-type: none">- Waiver of train path costs, parking and cancellation fees (legally possible until end 2021)- Adopt block exemption for state aid- Compensation for productivity gap for "underlength 740m" along the Rail Freight Corridors- Promotion of CT semi-trailers: Investment cost subsidy or compensation for reduced loading weight for the current, non-optimised trailers |
| MID-TERM
(until 2025) | <ul style="list-style-type: none">- Upgrade of the TEN-T network for train paths 740m / P400- Craneability of semi-trailers as a standard- Improve quality by revising passenger timetables (buffers for getting on/off the train) |
| LONG-TERM | <ul style="list-style-type: none">- Securing capacity for freight transport through network utilisation concepts (with TTR) |

4. Transparency and Key Performance Indicators

- Regular and comparable reporting in order for decisionmakers to be properly informed



THANK YOU
For your attention

