

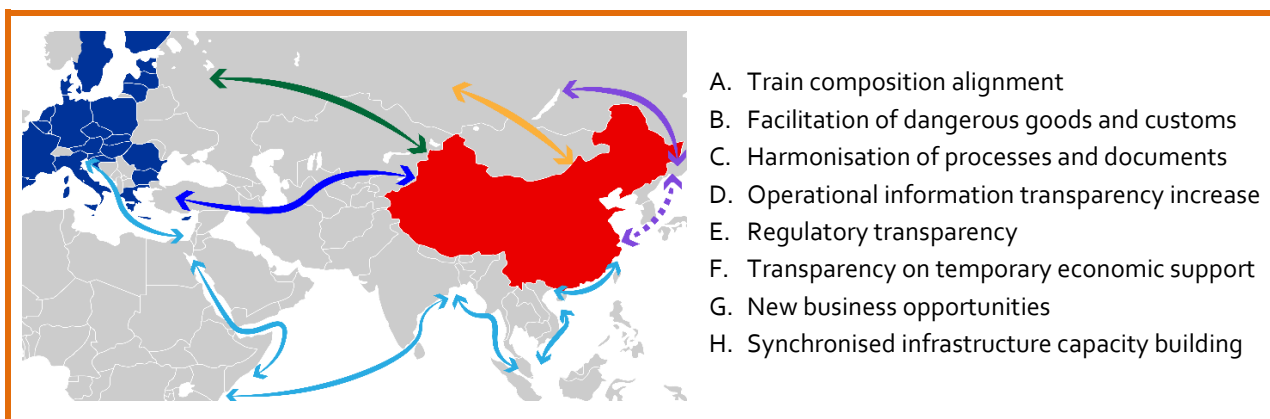
Recommendations to overcome critical hurdles for Combined Transport services

by UIRR/IBS Intercontinental Collaborative Platform¹

Improving complex systems such as the New Silk Roads linking all European and Asian stakeholders requires to focus on key bottlenecks impacting interoperability and efficiency of Combined Transport (CT) services.

Under the coordination of UIRR and IBS, the Intercontinental Collaborative Platform (ICP), set up during the European project PLANET, has identified the key hurdles over the last six months and developed recommendations on how to jointly overcome these hurdles on the most utilised Eurasian corridors, the New Silk Roads. Despite serious disruptions (e.g. Covid-19 pandemic, Russia-Ukraine war), the logistics ecosystem based on Road-Rail Combined Transport solutions has proven to be beneficial to the global resilience of freight forwarding required to cope with global disruptions. ICP targets better results for shippers, logistics service providers and asset owners. The lever must be coordinated action to reduce avoidable disturbances in the supply chain stemming from a lack of information, standards, regulatory requirements, or infrastructure gaps.

ICP has identified the following eight most critical improvement areas to increase transparency, compliance, and performance:



Our aim is to foster actions towards increasing attractiveness for end users (shippers) and lowering cost levels of intermodal rail freight on the New Silk Roads. Thereby, the rail-related volumes increase and the greening of global freight transport can advance to meet the required EU targets². The expected improvements will lead to

- a drop-down of costs (Co ↘);
- reduced risk of disruptions (D ↘);
- improved quality (Q ↗);
- increased capacity (Ca ↗) and
- speed-up (S ↗).

¹ ICP is a non-commercial open interest group of UIRR/IBS to improve the collaboration and business conditions of the Combined Transport Operators and Terminal Managers on the Eurasian corridors.

² See for example REPowerEU (https://ec.europa.eu/commission/presscorner/detail/en/ip_22_3131), Green Deal & FitFor55 (https://ec.europa.eu/commission/presscorner/detail/en/IP_21_3541), Smart and Sustainable Mobility Package (https://transport.ec.europa.eu/transport-themes/mobility-strategy_en)

A. **Train composition rules** need to be known from end-to-end and usable in both directions equally. Identified hurdles and improvement needs are:

Detailed hurdles (↔)	Co	D	Q	Ca	S	Recommendations #1
a. Implementation of standard infrastructure parameters within EU needs to materialise faster (# of containers per train and weight vary by up to 22%-36%) and should be in alignment with deep sea and international train standards	➔	➔		➔	➔	Foster coherence in EU member states (infrastructure + regulations) and further alignment
b. On the Westbound routes the accepted weight is restricted to 30-35 tons for ISO 20' tank containers, whereas on the Eastbound routes 36-39 tons are allowed	➔	➔		➔		Update & align regulatory rules
c. New build tank containers cannot be filled and moved Westbound due to insurmountable cleaning certificate and administrative hurdles. Obligation that all tank container shipments need to start or end in China limits options.	➔	➔	➔		➔	Update & align regulatory rules

B. **Dangerous goods and customs processes** are too often not streamlined and digital enough.

Detailed hurdles (↔)	Co	D	Q	Ca	S	Recommendations #2
a. Harmonisation of customs procedures within EU is required to comply to the same rules for the same customs code and acceptance of digital documents	➔	➔		➔	➔	Foster coherence in EU Member States (infrastructure + regulations)
b. Dangerous goods are in principle not allowed within China with only a few exceptions		➔	➔	➔	➔	Explore possibility to define chemical corridors for selected dangerous goods

C. **Harmonisation of processes and documents** supports the seamless flow of products to reduce disturbances and increases attractiveness of road-rail CT traffic. An IT system has been piloted within the EU PLANET project to demonstrate the end-to-end flow of chemical non-dangerous goods cargo to allow for an enhanced pre-clearance and document exchange before the arrival of physical goods.

Detailed hurdles (↔)	Co	D	Q	Ca	S	Recommendations #3
a. Sanction cargo regulations facilitation to ease compliance to EU law and avoid misinterpretation	➔	➔	➔	➔	➔	Digital import of sanction lists and enhanced updates
b. Multiple pictures for (chemical) containers to China lead to disruptions in the transport flow.	➔	➔		➔	➔	Re-evaluate if all shipments require pictures and standardise
c. Non-dangerous goods certificate on top of the SDS ³ declaration adds a rail-specific administrative hurdle.	➔	➔				Re-evaluate if a non-DG certificate is needed for all shipments / routes

³ Safety Data Sheets (SDS) are describing the health and safety information about materials in a globally accepted way in alignment with the Globally Harmonised System of Classification and Labelling of Chemicals (GHS) regulated by the United Nations.

D. **Regulatory transparency** helps to avoid unintended disturbances and reduces delays if all stakeholders are informed about the latest status and changes.

Detailed hurdles (↔)	Co	D	Q	Ca	S	Recommendations #4
a. Train length (Westbound) 50 x 40 ft should be harmonised for optimal EU-CN shipping processes ⁴	↘	↘		↗	↗	Focus on long-term harmonisation and transparency (TEN-T)
b. Train length (Eastbound) not sufficiently known for EU-based operators which lowers plannability	↘	↘	↗		↗	Establish regulatory information exchange platform
c. Expand CO ₂ regulation to encompass all external effects between different transportation modes	↘			↗		Level just competition between modes (Count Emissions EU)

E. **Information transparency**

Detailed hurdles (↔)	Co	D	Q	Ca	S	Recommendations #5
a. Lack of comprehensive requirements from China Rail / Chinese logistics partners to avoid disturbances and delays prior and during shipments	↘	↘		↗	↗	Mutual information flow via improved IT solution(s)
b. Information transparency for terminal and platform access		↘	↗		↗	Increase transparency for EU/CIS train operations
c. Telegram announcement of trains for next month (lack of reliability even for regular trains, no confirmation of reservation)	↘	↘	↗		↗	Development of a reliable system for train reservation with guarantees

F. **Transparency on temporary economic support** aids the fair competition and increases the compliance towards the desired results (e.g. greening freight). Pre-requisite is ease of access to support for trade with Asia.

Detailed hurdles (↔)	Co	D	Q	Ca	S	Recommendations #6
a. Transparency on EU economic support for intercontinental intermodal shipments needs to improve to strengthen EU Combined Transport operators competitiveness ⁵	↘	↘	↗	↗	↗	UIRR and EC identify and structure effective funding options
b. Increase transparency on Chinese temporary economic support and financial measures to enable more traffic and to allow for synchronised development directions	↘				↗	Accessibility of conditions and incentives in English

⁴ Potential increase to 55 x 40 ft in 2023 possible (ongoing alignment process)

⁵ See Connecting Europe and Asia (https://www.eeas.europa.eu/sites/default/files/joint_communication_-_connecting_europe_and_asia_-_building_blocks_for_an_eu_strategy_2018-09-19.pdf); <https://euinasean.eu/connecting-europe-asia-the-eu-strategy/>

G. **New business opportunities** are both the basis for greening transport and salient to justify cost-efficient infrastructure capacity expansion.

Detailed hurdles (↔ ↔ ↔ ↔ ↔ ↔)	Co	D	Q	Ca	S	Recommendations #7
a. New energy sources generate new transportation needs (e.g. hydrogen or ammonia from Central Asia) for efficient, secure and fast shipments ⁶ to increase resilience	↘	↘	↗	↗	↗	Collaborate on interoperability, infrastructure, asset and service capacity increase
b. Acceptance of additional loading unit types (e.g. semi-trailers or swap-bodies with or without tarpaulins)	↘			↗	↗	Pilot the most economic combination
c. Enhance 45-foot loading unit possibilities for EU-CN / EU-KZ to optimise capacity utilisation (container types, wagon and (temperature-controlled) goods))	↘			↗		End-to-end capacity and asset provision

H. **Synchronised infrastructure capacity building** support for intercontinental Combined Transport border crossings reduces bottlenecks of EU-Asia trade.

Detailed hurdles (↔ ↔ ↔ ↔ ↔ ↔ ↔ ↔)	Co	D	Q	Ca	S	Recommendations #8
a. Capacity build-up in EU and at the interchange points of intercontinental trade (e.g. border crossings)	↘	↘	↗	↗	↗	Concerted build-up of capacities on the TEN-T corridors (esp. North-Sea Baltic, Rhine-Danube and Mediterranean)
b. Elimination of capacity bottlenecks and electrification gaps of tracks outside of EU	↘	↘	↗	↗	↗	Concerted infrastructure capacity enhancements plus establishing of a coordination function (esp. Middle Corridor)



Summary

The above-mentioned hurdles and proposed recommendations by the ICP need to be further discussed and elaborated in detail with all stakeholders. They must be aligned on the priorities and implementation schedules to reap the largest possible benefits for rail transport on the New Silk Roads. ICP strongly advises to apply an end-to-end systemic perspective to achieve the biggest value for the customers to facilitate an improved shift to Combined Transport, to get closer

to zero-carbon emissions and to facilitate intercontinental trade. With the new opportunities of a changing energy system (green energy, batteries, and hydrogen) the infrastructure is required to become more automated and digital and must offer higher capacities. ICP has collected detailed material on each of the above-mentioned hurdles and will support any effort to improve this situation and other potential future success hurdles. In the pursuit of further improvements, the collaboration with other multi-lateral organisations like OSJD, European Bank for Reconstruction and Development, GETO and WTO will be involved where beneficial.

⁶ See UIRR (2022) Hydrogen feasibility and roadmap study (to be published in March 2023)



Who we are

ICP is a non-commercial open (interest) group to improve the collaboration and business conditions on the New Silk Roads. Its core members are road-rail Combined Transport operators that are supported by two associations and other interested stakeholder roles. Initial funding was provided by the EU-funded Planet project. The core focus is twofold: (1) foster standardisation and harmonisation of existing standards within and across the European borders on regulatory rules, documents and IT standards and services, and (2) explore future growth opportunities for Combined Transport.

In several workshops the ICP identified eight key areas of improvement (1) within the EU, (2) on the corridor, and (3) with China to improve the business context for all stakeholders.

Current members of the ICP group

DB Cargo Eurasia, Hupac, UIRR, IBS, Duisport, VTG, RTSB, TransContainer Europe, InterRail, ICL, Rail Cargo Operator, FELB that represent about 85% of the Silk Road rail business supported by Consilis as consulting partner. Selected guests such as BASF and DHL provided the EU customer view. The inclusion of other stakeholder roles and regions is on the development roadmap for the future.



PLANET Living Lab 2 is working on dynamic and synchro modal management (achieving synergies between) of TEN-T & intercontinental rail freight flows. Under the coordination of UIRR, the second use case focuses on the development of intermodal services on the Eurasian corridors with the aim to increase the share of rail freight on selected relations.