



UIRR Press Release – 30.03.05

Marco Polo II is good but needs to be refocused



Ambitious objectives

The Marco Polo programme is an important instrument in support of traffic shifting from road to alternative modes. The UIRR welcomes the increase of budget for the Marco Polo II programme, namely 740 Mio. € for 7 years, or 105.7 Mio. € per year instead of 18.8 Mio. € in the first programme. The extension of the geographical area concerned will help to build an integrated intermodal European transport system, not only within the EU-25 but also with all close third countries. The overall objective of supporting the shift of 144 billion tonnes-kilometres seems very ambitious and difficult to achieve by creating only new intermodal services. Per year it represents an additional shift equal to the international traffic the UIRR companies had built up in the last three decades. Only supporting also intermodal services in already self-developing markets will achieve this goal.

Emphasis on rail and combined transport

Emphasis should be led on combined road-rail and rail transport. These sectors require and deserve special support for as long as the announced framework conditions have not been put in place. Other modes representing an alternative to road transport, such as short sea shipping (SSS) and inland waterway are already marked by more extensive competition. Incentives should be given in the first place to actors in the market who are willing to take initiatives on their own but are facing huge market barriers, also where putting innovations into practice is particularly risky and where it has been established that these alternatives are more energy- and environment-friendly than the modes of transport which they replace.

The focus on the transferred tonnes-kilometres promotes the shift of heavy goods over-proportionally and puts light goods at a disadvantage. As the program's objective is to promote alternatives to road, it would be better to consider counting the transferred road-units. This is the benchmark UIRR is applying in its statistics, with one consignment equalling one complete road train, two swap bodies or containers or one semi-trailer.

The threshold of tonnes-kilometres transferred for a modal shift action has been increased: from 250 million tkm (Marco Polo 1) to 500 million tkm (Marco Polo 2). This represents for combined transport the instauration of 4 daily new block trains for a two-year project! This objective can only be fulfilled by large operators and will reduce the number of proposals coming from SME's.

Questionable criteria for environmental benefits

The Commission assumes that alternative modes are more environmental-friendly than road, which is unfortunately not always the case. In the first call of Marco Polo I, UIRR provided the evidence that the external costs for SSS were too low. The Commission adapted the levels in the second call but without mentioning its sources and calculation methods, and it is not transparent to what kind of maritime services the new figures are applicable.

Due to lack of scientific data, often general data concerning worldwide sea transport are applied. But the energy consumption of SSS is several times higher than the consumption of big general bulk or container ships on intercontinental distances. This is especially true for RoRo ships and even more for high speed ships, as the energy consumption rises over-proportionally with the speed. Furthermore the bunker oil is not taxed, so energy for ships is much cheaper than for the land transport modes road and rail. This led to less efforts in reducing the energy consumption.

It is therefore very important to analyse carefully the external costs for each transport mode. In the two calls of the Marco Polo I Programme, an average rate was fixed for each transport mode (road, rail, SSS and inland waterway). The external costs for all intermodal rail services do not differ too much from the average rate (+/- 50%). The unaccompanied services with swap-bodies, containers and trailers do have better results compared to the Rolling Motorway services but all these services show lower external cost than road¹. The situation is quite different in the maritime sector. It is not appropriate to assign only one average external cost rate for all SSS services. These cases may differ in an order of magnitude of 1 to 8 in their external costs.

¹ See « CO₂ Reduction through Combined Transport » published on UIRR website <http://www.uirr.com>



(continued from page 1)

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Studies have shown that some SSS services have even higher external costs than road.² UIRR proposes that maritime services applying for Marco Polo support must prove their specific environmental advantage.

Contradictions in the EU policy

The TEN guidelines are among others proposing important bridge projects (Fehmarn Belt, Sicilia). When built, these will significantly reduce the existing maritime services (SSS, ferries) in these geographical areas of the European Union whereas the Marco Polo II programme intends to shift freight from road to the maritime sector in other areas.

The liberalisation speed for the road and rail sectors is quite different. A nearly complete liberalisation has been achieved in the road mode, whereas liberalisation in rail is just starting. The consequence: traffic is shifted back from rail to road (the rolling motorway has recorded huge drops in 2004 with the entering of the new member states in the European Union). In this situation, the Marco Polo programme will be helpful for some new intermodal projects, which will shift freight from road to rail again. This will in the end only lead to a positive balance if transport policy rapidly enforces competition on rail in practice and also finances the necessary infrastructure investments.

Actions: new proposal

The Marco Polo II programme proposes the avoidance of traffic as a new action. The UIRR supports this initiative but is of the opinion that the main place to deal with this issue lies in the (industrial) territory planning, tax and infrastructure policy.

Today the Marco Polo II programme does not help to restructure services in difficulty. Traffic has first to collapse with operators often going bankrupt before their successors may apply for help of the Marco Polo programme, presenting them as modal shift action of x tonnes-kilometres for new services!

A sad example was the collapse of the combined traffic to and from United Kingdom through the channel tunnel due to the illegal immigrants' problem two years ago. The restructuring of the traffic via rail plus ferries was not supported in Marco Polo. Therefore the UIRR again proposes to include a new type of action: restructuring of intermodal traffic in order to achieve sustainability and to prevent shifts from intermodal to road.

Conclusions

The Marco Polo programme will be helpful to shift traffic to alternative transport modes, but it has to be refocused to efficiently achieve its objective and to contribute to an optimal reduction of environmental damages. The UIRR fears that there is a high risk of distortion between the transport modes if the Marco Polo II programme will be adopted without any changes. The key for refocusing is a realistic case by case evaluation of the external cost of the different SSS services. Without being refocused, it will mainly be a programme for the promotion of short sea shipping (39% of the planned budget)³. Anyway, for a large part of the continental traffic, especially in the alpine transit, rail is the only alternative mode. If the focus was changed, the programme could provide more resources for the highly efficient unaccompanied combined transport of intermodal loading units (swap bodies, containers and semi-trailers) and for projects which are now disadvantaged because of lack of liberalisation and competition, especially in the railway sector. Marco Polo will be an important instrument, but a positive overall balance in the traffic shift to alternative modes will only be achieved if the European Commission and its member states will seriously enforce rail liberalisation as well as the user pays principle for environmental damages and if the necessary important investments in rail infrastructure are implemented.

² See two case studies in the RECORDIT project

³ Final Report of ECORYS Transport : Ex ante Evaluation Marco Polo II (2007-2013)