



COMBINED TRANSPORT IN BRIEF

Page 1 of 8

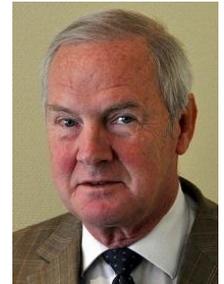
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CONTENTS:

- European internalisation legislation	2
- DB Competition Report 2011	2
- Developments of rail noise legislation	3
- Noise-related TAC in Germany	3
- EC: Road Transport Vademecum 2010	4
- Eurotunnel infringement procedure	5
- Simplon tunnel and Brenner renovation	5
- Dangerous goods issues	6
- Marco Polo	6
- TAF TSI developments	6
- ILU-Code developments	7
- OECD Transport Statistics	7
<i>Project Work and Members' News</i>	8
<i>Recent appointments</i>	8
<i>Key Dates and Events</i>	8

The Last Quarter in Brief



Rudy Colle
Executive Chairman

European road-rail Combined Transport recorded robust growth in the first half of 2011 with members of UIRR reporting a year-on-year performance increase of about 9%. Clouds, however, are beginning to gather on the horizon of CT as several operators already experience a slowdown in growth – mirroring the European economy – which is further exacerbated by the declining quality of rail operations. Consequently the UIRR CT Sentiment Index has turned (slightly) negative for the first time since 2009.

A compromise was found between the European Parliament and Council, thereby allowing the Eurovignette Directive's ever important amendment to pass. Consequently internalisation of transport noise and local air pollution will become possible for Member States. The Transport Committee of the European Parliament began deliberation of an even more important internalisation proposal related to CO₂ emissions within the revision of the Energy Taxation Directive. UIRR issued a position paper in support of this dossier.

In light of recent occurrences, 2011 will be recorded as a year of leadership changes in European transport-related organisations: Johannes Ludewig will leave CER at the end of 2011 to be succeeded by Libor Lochman, UIC Freight Director Oliver Sellnick has returned to Deutsche Bahn – his successor not yet named, Michael Clausecker joined Bombardier, and Philippe Citroen was elected to lead UNIFE, EIM's Henrik Abma was replaced by Monika Heiming, who left control of ERFA to Pierre Tonon, Marco Sorgetti joined FIATA to be replaced by Nicolette vander Jagt who came from ESC, while Hans Rat retired from the helm of UITP to be succeeded by Alain Flausch. UIRR hereby congratulates all the newly appointed leaders, and looks forward to a continued good collaboration in the future.

On a more personal note, I will be retiring as Director General from 1 January 2012 – after 22 years with UIRR – and then as Chairman in June 2012. Our organisation will continue its 40-year-old mission under the leadership of a new executive, Dr Patrick Stumm, whose appointment should be finalised in the coming weeks, and co-Director General, Martin Burkhardt. UIRR will continue to work toward correcting the imbalances that prevail in the European regulatory environment, to enhance the productivity of CT operations, and to promote an increased use of CT in Europe.

www.ilu-code.eu
awaits your application

ILU-Code
identification of Intermodal Loading Units in Europe

Marco Polo 2011 proposals are due on
16 January 2012



Business outlook for the 12 months ending on 30 September 2012





European internalisation legislation

September 2011



The current – fourth – amendment of the Eurovignette Directive was passed in second reading by both the European Parliament and Council.

Based on the new legislation Member States may choose to charge a fee for local air pollution and noise emissions of road and rail transport.

The other element of change is a road congestion mitigation measure: the 'zero balance' surcharge. This means that Member States choosing to do so may increase the applicable (distance-based) road tolls by 75% over a limited congestion period on each route. The surcharge will have to be counterbalanced by a discounted charge in low-traffic periods, whereby the total toll intake remains unchanged.

The new legislation failed to declare a mandatory introduction of distance-based (electronic) road tolling, which is a prerequisite for the application of either internalisation measures. Moreover, the internalisation of accident related externalities was abandoned.

The TRAN Committee of the European Parliament began deliberations of the Energy Taxation Directive's (2003/96/EC) amendment, which sets the mutually agreed minimum levels of excise taxes in the European Union.

The amendment proposes to introduce an algorithm for setting the minimum excise tax levels based on the energy content of the fuel (expressed in gigajoules, GJ) and introduces a greenhouse-gas internalisation component based on the amount of CO₂ released when burning a unit of fuel.

UIRR issued a position paper in relation to the proposal (<http://uirr.com/en/media-centre/press-releases-and-position-papers/2011/mediacentre/478-uirr-on-energy-taxation-directive.html>) in which it greets the fundamental philosophy of the amendment, while voicing concern over the exemption of inland and coastal navigation, as well as the lack of internalisation for nitrous oxides (NO_x).

The Hungarian Government proposed an interesting solution to the partial internalisation of accident-related externalities in the 2012 tax laws it submitted recently to Parliament: a 30% tax will become payable on compulsory third party liability insurance in transport designed to help finance the social and healthcare costs of those causing the accident. While this notable measure covers the largest component of accident-related external costs, a measure which is more directly related to the distance covered is deemed more suitable to the purpose by UIRR. Nevertheless the Hungarian Government should be applauded for recognising the need to internalise the external costs of traffic accidents.

DB Competition Report, repercussions of the McNulty Report

July 2011



The tenth edition of Deutsche Bahn's Rail Competition Report, published since 2002, was unveiled in Brussels. DB argues that the 52 percent increase of rail freight ton-kilometres (and the parallel 27 percent increase in passenger traffic) experienced in Germany is not only adequate proof, but directly attributable to the

competitive conditions which prevail in the German railway sector. The report can be downloaded from here: http://www.deutschebahn.com/site/bahn/en/press/brochures/competition_reports/competition_report_2011.html

The report, titled "Realising the Potential of GB Rail", referred to as the "McNulty Report" after its author, Sir

Roy McNulty, was unveiled in May 2011. This report gave new impetus to the unbundling debate through identifying as one of the ways to remove "barriers to efficiency" (within the UK rail sector) being "changes to structures and interfaces to improve the ways in which rail organisations and people work together".

The Report's statement that "fragmentation... of the structures within the industry... have not worked well" is used by proponents of maintaining the prevailing holding structures in rail (and protecting potential privileged RU-IM relationships of incumbents) is used to argue against unbundling (or structural separation), and was effectively applied to eliminate the personnel separation provisions proposed by the European Commission in the recast of the First Railway Package. (Link: <http://www.rail-reg.gov.uk/server/show/ConWebDoc.10401>)



Developments of rail noise regulation

September 2011

The European Commission is determined to introduce noise differenced track access charges (NDTAC) in order to encourage wagon holders to retrofit their wagons with brake shoes that do not cause roughening on the rolling surface of the wheels and thus lead to a rail-noise reduction of about 10dBA.

UIRR's Director General M. Burkhardt attended the European Commission's expert group which shall reflect on putting into practice of this initiative. The problem that UIRR has raised from the beginning is that all possible systems will burden the sector with additional administrative costs on top of the retrofitting costs. It was now confirmed by a study commissioned by UIC, ERFA, DB, VDV and AAE that the administrative costs could even exceed the costs of retrofitting with LL-blocks. (http://www.uic.org/IMG/pdf/transaction_cost_study_kcw_english.pdf) Only the scenario of a pure rebate (bonus) system with self declaration of the wagon keepers would keep the administrative costs at an acceptable level.

For the European process it is of course not beneficial that Germany has already decided to impose such a system

from 1st of January 2013 (see article below). The German government has pledged to provide a 50% co-financing of the bonus to be paid to wagon-keepers. The rapid introduction is a reaction to the complaints of citizens living in heavily crowded areas like in the Rhine valley. Nevertheless the Commission is urged to align on this solution that could be an acceptable compromise.

On the other side it is high time that the UIC Eurotrain project delivers results so that hopefully some LL-break blocks may be homologised to avoid the more expensive retrofitting with K-blocks that require changes in the whole brake system of wagons.



Noise-related track access charging plans in Germany

5 July 2011



The Federal Ministry of Transport, Building and Urban Development and the DB Netze plan to introduce a noise-related track access charge system for December 2012, whereby rail noise should be significantly reduced.

The German noise related track access charge system will grant a bonus to wagons which are converted to low-noise braking technology. This bonus will be payable directly to the wagonkeeper. Adequate funding will be made available for the first eight years through a federal grant. Thus, the noise related track access charge system will be financed until 2020 in equal parts by the railway sector and the public sector. The cost of retrofitting the 180,000-strong German freight wagon fleet is estimated at more than €300 million.

The Federal Transport Ministry and Deutsche Bahn already supports the retrofitting of existing wagons with the quieter so-called K- or LL-blocks (through the "Leiser Rhein Project").

Under the auspices of the International Union of Railways (UIC) a total of 30 European railways and other industrial partners participate in the European homologisation process of this quieter braking technology by the test runs of the "Europe Train".





EC Report: Road Transport Vademecum 2010

September 2011

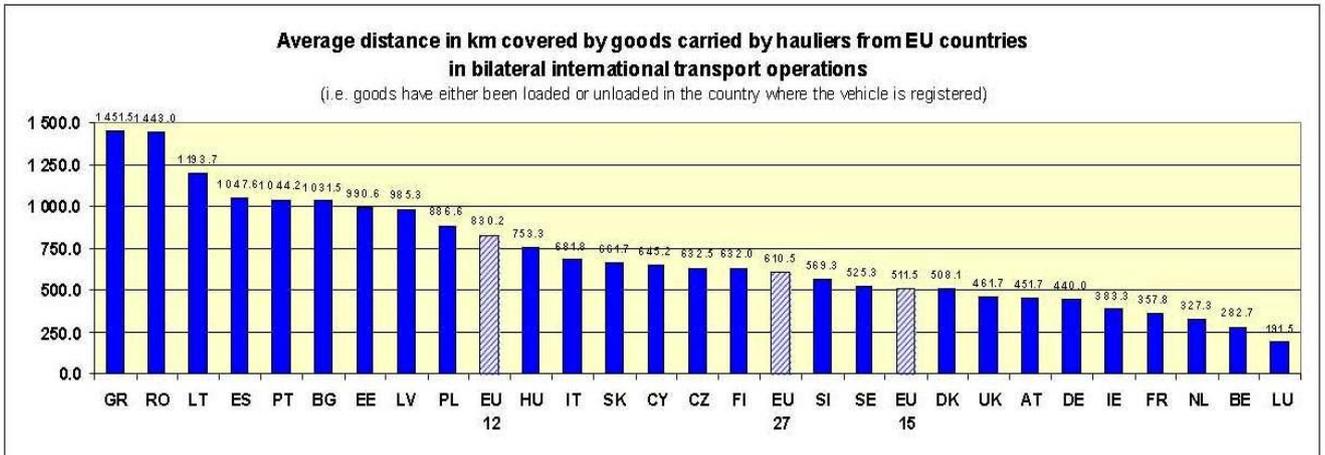
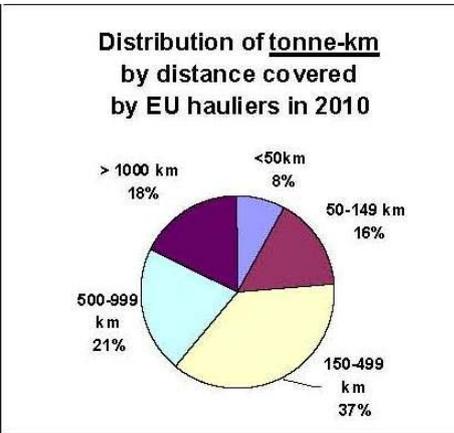
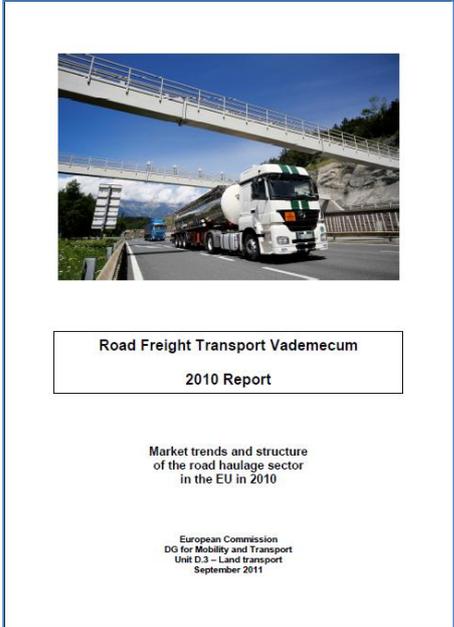
The European Commission published a very important and informative Report – titled Road Freight Transport Vademecum 2010 –describing the status of the status of the road freight transport sector in 2010 (<http://ec.europa.eu/transport/road/doc/2010-road-freight-vademecum.pdf>).

The Report is based on an extensive collection of road-transport related statistics including a distribution of tonne-kilometres by distance covered. UIRR pointed out in its position paper on track access charging and internalization, published in December 2010, that Combined Transport is “ideal for any consignment destined to travel for 300 kilometres or more”, and that “more than half of road tonne-kilometres are realized over 300km or longer distances”. (<http://uirr.com/en/media-centre/press-releases-and-position-papers/2010/mediacentre/403-pos-pap-infra-externalities-fair-competition.html>).

The existence of this market is confirmed by the Report when stating that 39% of road tonne-kilometres were realised on distances over 500km and a further 37% between 150 and 499 km. Moreover the European Commission’s 2011 Transport White Paper recognises the importance to reduce this extreme share of the road haulage in longer distance freight transport when stating the aim that “half of the tonne-kilometres realised by road on distances of 300km or more should be shifted to more sustainable modes”, including (electrified) rail by 2050.

Combined Transport operators should find the country and distance breakdown (shown in the bar-graph below) especially useful, as it indicates the countries from/to where consignments must cover the longest distances by road. UIRR Operators have been systematically expanding their offering in the directions in question: both towards East and Southeast Europe, as well as the Apennine Peninsula.

The easiest shift of consignments from road to rail may be performed by using Combined Transport, where the cargo is loaded into intermodal loading units (ILU=craneable semi-trailer or swap-body), which enable the use of efficient transshipment between modes.





Eurotunnel infringement procedure

29 September 2011



EUROPEAN COMMISSION

The European Commission has launched infringement proceedings against France and the United Kingdom over their failure to implement legislation to open the market for rail services using the Channel Fixed Link.

The infringements raised with France and the United Kingdom concern the lack of independence of the rail infrastructure manager of the Channel Fixed Link and the insufficient implementation of provisions in the First Railway Package concerning rail access charging, the independent regulatory body and capacity allocation as regards the Channel Tunnel. Combined Transport makes up a vast portion of the rail freight traffic of this Tunnel.

Simplon tunnel and Brenner line renovation

June 2011



Renovation works on the 100-year-old, nearly 20km long *Simplon Tunnel* connecting Italy and Switzerland are expected to cause considerable traffic disruptions for rail freight operations in 2012 and 2013 due to a severe shortage of train paths.

Similar disruptions will be caused along the *Brenner Crossing* to the East (between Austria and Italy) by a drastic reduction in available train paths, as well as a complete line closure scheduled for about six weeks, in the Summer of 2012.

Infrastructure works of this kind, and the magnitude of the disruption they cause in rail freight (Combined Transport) operations, emphasise not only the importance of Trans-Alpine routes, but also the intensity of traffic along these lines. Careful planning of the unavoidable renovation works, adequate bypass routes, and train-paths on them, as well as sufficiently early warning to operators are all prerequisites to minimise the disruption caused. Regulators must also pay special attention to infrastructure managers planning procedures.

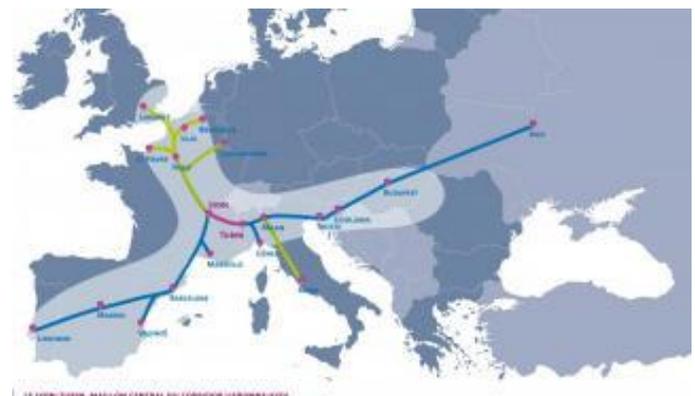
UIRR Operators forecast significant performance-shortfalls in 2012-13 as a consequence of these renovation projects.

Lyon-Turin: Hannibal's Path

June 2011

France and Italy have recently agreed the financing of this €27 billion TEN-T Project, which will see the development of this part of ERTMS corridor D connecting Lisbon with Kiev, incorporating a 57km long base tunnel in the Alps to be completed by 2023.

The total road traffic volume along this section today exceeds three million trucks a year, which is equal to roughly the total 2010 rail freight volume in France. The new line will have capacity to take a third of this traffic in freight, as well as five million passengers off the roads, and thus provide a saving of about 6-700 million tons of CO₂ annually. Vast portion of this new rail freight traffic is expected to be performed by Combined Transport.





Dangerous Goods Committee

20 September 2011

The UIRR dangerous goods experts group met on the 20th September in the UIRR's offices in Brussels. It was the occasion for the experts to exchange their experiences and opinions on the measures taken by the Italian authorities after the serious accident in Viareggio and by the adoption of the new legal texts such as ADR/RID version 2011.

Concerning the situation in Italy, the obligation to control all imported trains containing dangerous goods loading units based on a specific check-list is still problematic as these administrative controls are differently interpreted and carried out by the railway staff, which result in some cases to huge delays. Moreover it should be reminded that railways undertakings, members of the UIC, must comply with the controls set by the UIC Leaflet 471-3, which also

includes a similar check-list and implements the 'trust principle' (if the controls are made upstream no need to check additionally at the arrival). Concerning the new measures in the ADR/RID legislation, the experts reported on imprecision concerning the markings of loading units with limited quantities, the transportation of fireworks (template filled in by the Authorities) and waste (transmission of documents).

The specifics of the transportation of dangerous goods in Combined Transport have been compiled in a leaflet which has been published in four languages (DE, EN, FR and IT) and is available for download on the UIRR's website (<http://www.uirr.com/en/media-centre/leaflet-and-studies/mediacentre/53-leaflet-on-dangerous-goods-version-2011.html>)

TAF TSI

February 2011

The deployment of the Telematic Applications for Freight (TAF) continues. The prototype of the common components that have been elaborated under the coordination of UIC will be delivered for testing in January. This is an important step towards implementation of the TSI that should at its end enable an efficient data exchange between railway undertakings and infrastructure managers and allows fast and reliable information of rail customers with an estimated time of arrival of their trains and wagons.

The TAF-TSI steering committee in which UIRR takes part as representative of rail customers, is supervising the progress. UIP has presented their Rolling Stock Reference Database (RSRD) which is open for all wagon keepers and will store data on wagon movements and allow queries on authorisation/registration, technical design and maintenance intervals for stakeholders. Railway Undertakings may provide mileage data to keepers/ECMs to fulfil safety and maintenance requirements. UIP has invited wagon keepers and RUs to test their prototype. They announced to assure neutrality and keep costs low in the hope that the sector will align one single RFRD.

Marco Polo Information Day

October 2011

57 million euros will be made available to finance about 30 projects in the 2011 call for proposals under the European Commission's Marco Polo program. The deadline for submission of proposals is 16 January 2012.

Member Companies of UIRR have a history of successful submissions, as well as participation in common learning actions which resulted in enhanced operation of road-rail Combined Transport.

UIRR gathered considerable experience in drafting proposals, as well as managing the administration and

reporting of Marco Polo proposals on behalf of members. The financial support provided by Marco Polo is designed to reduce the start-up costs of new services that result in modal shift from less sustainable (long-distance) road transport to more environmentally friendly modes, including (electric) rail.



MARCO POLO 
NEW WAYS TO A GREEN HORIZON



ILU-Code experience

September 2011



Barbara Bento, UIRR's Customer Service Officer, shares her experience of the first three months of ILU-Code allocation:

Can you give an overview of the first months of the ILU-Code activity?

More than 60 companies reserved a code through the ILU-Code website. With a large majority of German companies, followed by Austrian and Swiss companies, ILU-Codes were allocated throughout 11 European countries.

Is there a special company profile applying for an ILU-Code?

The company profile is very heterogeneous: includes small, medium but also large-sized companies, with the number of owned loading units ranging from 1 to 3500!

How can companies register for an ILU-Code?

The procedure is very simple and fast. A multilingual website, www.ilu-code.eu, was developed to manage the ILU-Code issuance electronically. This interface was designed with a special attention on its user-friendly features. The user just has to register his company under the website www.ilu-code.eu and after verification of the legal existence of the company by the ILU-Code team, he



identification of Intermodal Loading Units in Europe

can reserve an owner-key and pay it by credit card or bank transfer. Although the goal was to have a paper-free interface, some documents can also be sent to the recipient when requested as an additional service. In one day, you can have your Code registered.

What are the most frequent questions?

First experience shows that users' questions are mainly linked to calculating the check digit, difficulties in adapting their internal series numbering to the registration number, changes in the registration data, reproduction (layout) of the markings on the loading unit (size, colour and position of the ILU-Code)... Also very frequent is the request of information about the yellow codification plate, also specified in EN13044, which however goes beyond the scope of the ILU-Code.

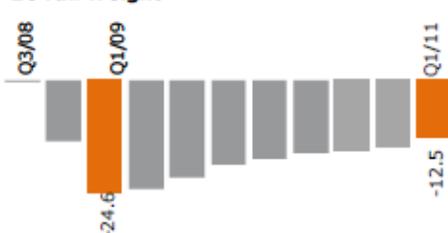
How can UIRR's client service support be reached?

The ILU-Code allocation is fundamentally an online procedure; nevertheless we think that it is very important to make personalised support available to answer any queries. To this end I can be reached in business hours by phone (+32 2 548 7894), as well as through email (administration@ilu-code.eu). All information can also be found on the ILU-Code website: www.ilu-code.eu.

OECD: Freight volumes indicate a marked macroeconomic slowdown

Q2.2008-Q2.2011

EU rail freight



EU road freight



OECD's data collection through June 2011 suggests a significant macroeconomic slowdown for the world's most developed industrialised countries. Further slow growth in inland freight transport volumes continues to contribute to the sense of weak recovery in domestic demand.

UIRR Member Companies confirm the economic slowdown visible through their forecast embodied in the UIRR CT Sentiment Index projecting a slightly negative business sentiment for the 12 months ahead.

Both road and rail freight performance within the EU27 still falls short of the peak level reached three years ago: the shortfall is 12,5% in case of rail freight and 8,6% in case of road. Compared to the bottom rail managed to recover nearly half the performance lost, whereas road worked off over a third of its much shallower decline.

Source:





Project-Work Update

	<p>From November 2011, DB SCHENKER Rail and FRET SNCF will start running bilateral paperless shipments as a regular procedure, with the option of print-outs as a fallback only. The implementation of the Electronic Consignment Note (ECN) between France and Germany was started in 2010. Green Cargo is currently developing and implementing the ECN, and other partners (Trenitalia, Rail Cargo Austria, etc.) are ready to take the first steps. In 2012 the project will go further, with strong support from RAILDATA and CIT in Bern, using a subset of ECN for Combined Traffic Operators and an electric version of the CIM/SMGS consignment note for shipments to Asia. Paperless transport by rail from Bordeaux to Beijing will perhaps then become possible.</p>
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Members' News

Cemat	<p>New connection on Milan-Ljubljana relation. Click: http://www.cemat.it/site/ENGLISH/news/?id=84</p>
Crokombi	<p>New block train between Budapest-Rijeka relation. Click: http://www.crokombi.hr/news.htm</p>
Interferryboats	<p>Launched new, informative, English-only website. Click: http://www.interferryboats.be/</p>
Kombiverkehr	<p>Introduces fixed-wagon-set shuttle connections between Germany and Poland Click: http://www.kombiverkehr.de/neptun/neptun.php/oktopus/page/2/207?sid=u1oqejei7imoebtdcq2f01aol4&version=&show_article=4437</p>
Naviland Cargo	<p>New train network linking Antwerp with multiple destinations in France announced. Click: http://www.naviland-cargo.com/spip.php?article45&lang=en</p>
Polzug	<p>New terminal opened near Katowice to serve Southern Poland. Click: http://www.polzug.de/index.php?id=132&L=2</p>
RALpin	<p>RALpin celebrates 10-year anniversary of its founding. Click: http://www.ralpin.com/itool3/frontend/files_db/1308915541_42_8.pdf</p>

Key Dates & Events

8-9 November, Paris	UIC Noise Workshop	UIRR s.c.r.l.
17 November, Berlin	CEN TC119 Working Group	
17 November, Brussels	CLECAT Conference	Address: 31 rue Montoyer B-1000 Brussels Belgium
22-23 November, Paris	Working group on revision of CT-related UIC Leaflets	Tel: +32 2 548 7890 Fax: +32 2 512 6393
29 Nov - 1 Dec, Hamburg	Intermodal Fair http://www.intermodal-events.com/	E-mail: headoffice.brussels@uirr.com Internet: www.uirr.com
1 December, Vienna	RNE Business Conference	Editor: Ákos Érsek, UIRR
11-12 January, Brussels	Working group on revision of CT-related UIC Leaflets	