



A modern European intermodal terminal. About half of European intermodal freight travels outside the region to North America and other continents.

Directive 92/106: The European Union's Intermodal Legislation

Potentially significant changes to European rules that apply to intermodal transportation are in the works.

The European Union's 23-year old freight transportation rules, which have been criticized for failing to facilitate efficient transportation, are undergoing a review process that is intended to remove barriers, such as ambiguous regulatory language and inconsistent legal standards among the EU's member states. An important change that is being considered would standardize definitions of multi-modal transport, with the intention of encouraging more use of intermodal, as it is known in the U.S., to address broad EU goals such as reduced emissions throughout the region.

The Combined Transport Directive (92/106/EEC) is an EU legal instrument that aims to reduce the negative side effects of freight transport (i) on the environment (caused by CO₂ and other pollutant emissions) and (ii) on society (such as road congestion, accidents, noise – also called *negative externalities*), while (iii) offering enhanced safety and security to shippers through supporting the shift from long distance road haulage to railroad, inland waterway and maritime transport on the grounds that

these cause considerably fewer negative externalities.

Three important terms:

- **Multimodal transport:** the goods (or passengers) transported use more than one mode of transport.
- **Intermodal transport:** the type of multimodal transport where the cargo carried is loaded into an *intermodal loading unit* for the entire duration of the journey, which enables efficient transshipment from one mode of transport to another (such as transport of a container first by road and then by a barge on an inland waterway).
- **Combined transport:** the type of intermodal transport where the first- and last-mile road legs are limited to the shortest possible distance, while the long(er) segment of the journey is carried out by rail, inland waterways or maritime transport.

Directive 92/106 contains a definition of what is to be considered the preferred combined transport, mandates the

liberalization of extending combined transport services in the EU single market (freeing it from the need to obtain any specific permit), as well as declares that first and last mile road haulage is part of a cross-border operation. Thereafter, the directive lists the various forms of promotional measures that Member States are authorized to implement to compensate for the added complexity and to promote the shift to combined transport. Lastly, a monitoring mechanism is defined to enable the controlling of the progress achieved.

Problems with this quarter-century-old directive are multi-fold: the definitions are difficult to interpret, making roadside enforcement problematic; several aspects of a single intermodal transport market are missing (national rules make seamless operations cumbersome, resulting in the loss of efficiency); compensatory measures are obsolete and do not relate to the sector's needs; and the monitoring mechanism is inadequate. Consequently, the European intermodal sector has been calling for a modernization and the correction of the defects of this otherwise useful legislation.

A clear definition of the forms of intermodal transport eligible for state preference has been asked for, alongside the recognition that intermodal transport is generally useful to society. The latter could be expressed through the Europe-wide authorization of the German government's support scheme offered to aid the construction of transshipment terminals.

Recognizing that defining the regulatory framework of transport is a Member State competence, National Intermodal Development Plans need to be drafted. This could bring together modally oriented regulators to jointly set targets for

intermodal development and to define the right (temporary) compensatory measures needed to achieve these. An elaborate assessment of (regulatory) disparities of the various modes of freight transport would be necessary, which is to set the upper limits of state compensation. Finally, through the biannual review of these national plans the progress could be effectively measured against the declared (modal shift) targets. The exercise will enable the quantification of the achieved social and environmental externality savings, which is indispensable to explain the advantages of intermodal transport to the electorate.

The European Commission met on May 18th and confirmed that the amendment for Directive 92/106 will be adopted by the College of Commissioners – as a formal amendment proposal – and submitted to the European Parliament and Council for consideration this December.

See more details on the directive at https://ec.europa.eu/transport/themes/urban/consultations/2017-CTD_en.

View the most recent study of the European Commission on Combined Transport at <https://ec.europa.eu/transport/sites/transport/files/themes/strategies/studies/doc/2015-01-freight-logistics-lot2-combined-transport.pdf>.

UIRR, as the industry association of intermodal transport in Europe, promotes the needs of the sector towards regulators, while facilitates the enhancement of its industry best practice and offers support services to its daily operations.

Editor's Note: Akos Ersek, chief policy adviser to UIRR, provided this article to Intermodal Insights, which is grateful for this contribution.



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