

GETC/G3311/SPR

Geneva, 29 November 2001

**INTERMODAL TRANSPORT
AND THE
WHITE PAPER**

IRU POSITION

INTRODUCTION

The White Paper EUROPEAN TRANSPORT POLICY FOR 2010: DECISION TIME published by the European Commission 12 September 2001 contains at several places the idea of revitalising the non-road transport modes and by that returning in the coming years to a modal split of the freight transport market similar to the situation in 1998.

In its first reaction to the White Paper, IRU recognized that with 38 % growth of freight transport demand over the coming 10 years a need for all modes of transport exists, even if members of IRU certainly have doubts as to the railways ability to live up to an assumption of unchanged market shares.

It is understood in the White Paper that intermodal transport solutions, where different transport modes work together in setting up transport and logistic solutions, is a means to the revitalisation of the non-road transport modes. IRU stressed again that for capacity reasons "the road transport sector supports the White Paper's call for combined transport to play more of a role in the sustainable transport solution; indeed the IRU has repeatedly said that combined transport falls short of its potential."

IRU will shortly publish results of a study analysing the energy consumption and CO₂ emissions in concrete intermodal transport solutions compared to road transport.

In this paper IRU has taken a position on 7 statements regarding intermodal transport in the White Paper.

<u>WHITE PAPER STATEMENTS</u>	<u>IRU COMMENTS</u>
<p>1. The liberalisation of the freight market is the key to the revitalisation of rail freight. It was a “historic decision to open up the rail freight market in 2008” (ref. Council and Parliament reconciliation in December 2000).</p> <p>(White Paper p. 6)</p>	<p>IRU agrees that access to the rail freight market should be liberalised as soon as possible. Railway traction of international combined transport trains was however already liberalised in 1993 with the following paragraph in Council Directive 91/440: “10,2: Railway under-takings ...shall be granted access on equitable conditions to the infrastructure in the other Member States for the purpose of operating international combined transport goods service...”</p> <p>The Directive had to be implemented by the Member States on 1 January 1993, which was not respected in all countries.</p> <p>The possibility of carrying out rail traction in other countries was never used. IRU hopes that initiatives taken by some new rail operators will be supported and followed by others, leading to more reliable rail traction services for combined transport trains.</p>
<p>2. In its pledge for non-road transport modes, the White Paper refers to rail freight transport as a homogenous notion, at the same time referring to the need for inter-modalism.</p> <p>(White Paper p. 26ff)</p>	<p>What is called Rail Freight transport is in reality 3 completely different types of transport products:</p> <p>(a) Transport of parcels and general cargo, where only the transport between terminals takes place by rail; this product has for non-profit reasons been given up in most European countries.</p> <p>(b) Wagon load transport of bulk goods, where loading and unloading facilities are situated close to private sidings. In most countries this transport type has stagnated following the reduced demand for transport of coal, steel, iron scrap etc. The number of private sidings has been reduced for operative cost reasons. The railway wagon load transport compete with inland waterways more than road. The transport demand suitable for railway wagon load transport is seldom to be found at the road transport market.</p> <p>(c) The only sector where Rail Freight has a possibility of increasing volumes and market share is combined transport.</p>

<u>WHITE PAPER STATEMENTS</u>	<u>IRU COMMENTS</u>
	<p>Within most existing state-owned railways the combined transport sector is still a small member of the family and an unpopular member as it is said to be loss-making. Within the Swiss railways SBB/CFF Cargo combined transport accounts for</p> <ul style="list-style-type: none"> – 40% of the transported tkm – 27% of the transported tonnes – 21% of the turnover <p>In other railways the combined transport sector is even smaller.</p> <p>IRU is concerned that a commercially thinking state or private railway will give first priority to passenger transport and too little priority to combined transport of freight.</p> <p>The conflict between political wishes and commercial realities is obvious.</p> <p>IRU believes that more nuanced and precise expressions lead to a better understanding of the need for <i>high quality rail traction of combined trains</i>.</p>
<p>3. “Intra-Community maritime transport and inland waterway transport are two key components of intermodality which must provide a means of coping with the growing congestion of road and rail infrastructure and of tackling air pollution. The way to revive them is to build motorways of the sea and offer efficient, simplified services.”</p> <p>(White Paper p. 41)</p>	<p>Referring to the statement that all transport modes are needed, IRU agrees that both inland waterways and coastal shipping can be used more by establishing intermodal transport solutions in certain regions. Stimulating business solutions whereby trailers, semitrailers, vehicles, swapbodies or containers are moved partly by sea modes is welcome, and IRU is convinced that road transport operators will make use of such possibilities. Both inland waterways and short sea shipping is, however, for the time being mainly used for transport of maritime containers. These modes substitute only to a very limited extent long distance road transport.</p>

<u>WHITE PAPER STATEMENTS</u>	<u>IRU COMMENTS</u>
<p>4. The White Paper makes no distinction between the different combined transport techniques. As the technical characteristics and hence the costs and market acceptance differ considerably, this deficiency is important.</p> <p>(White Paper p.46)</p>	<p>Only one of the 3 different combined transport techniques used today is suited for a revitalisation as described in annex 1. Rolling Highway is a cost-ineffective way of using the railway capacity and should only be used to overcome infrastructure bottlenecks (Alpes, Channel tunnel, mountains between Dresden and Lovosice).</p> <p>Unaccompanied semi trailer or swap body combined transport solutions using existing terminal techniques or more sophisticated techniques like RoadRailer or other horizontal transshipment is <i>the</i> rail related product with potential for revitalisation.</p> <p>A calculation of the maximum possible extension of this type of combined transport will prove that it will only have a marginal effect on the growth rate of road transport.</p> <p>IRU calculations show that even a doubling of the rail freight volume would only lead to a reduction of the growth of road freight transport from 38 to 33%.</p>
<p>5. In the White Paper words like “alternative modes of transport to road” and “Rail Freight transport mode” are used to describe the idea of moving for capacity and environmental reasons, more freight by other means than the door-to-door road transport.</p> <p>In the paper itself it is not recognised that more use of intermodal or combined road/rail or road/water transport solutions imply efforts and initiatives from transport operators and forwarding agents coming from the road transport industry.</p> <p>In the White Paper the term “Freight Integrator” is introduced to influence the industry to more use of intermodal transport.</p> <p>(White Paper p. 46 –47)</p>	<p>At her speech to the IRU on 20 September 2001 the Commissioner presented the same idea using more positive language:</p> <p>“Let us try to invest more intelligently, to seek transport capacity beyond the road and set up priorities where weaknesses are in the transport system: in sorting out <i>bottlenecks</i>, in <i>supporting greater use of modes which are totally under-utilised</i>. This has to be completed by a real expansion of intermodal services – combined transport – making a <i>better use of road and rail and also linking road and rail services with short-sea shipping</i>.”</p> <p>The members of the IRU’s member associations can agree to that formulation and will play an active role in its realisation. But instead of the classical notion of road versus rail it has to be recognised that more use of combined rail-road transport in reality means road transport operators subcontracting railway traction services through intermodal operators.</p>

<u>WHITE PAPER STATEMENTS</u>	<u>IRU COMMENTS</u>
	<p>The road transport industry has proved that it accepts this recommendation and considers combined transport as a possible alternative to classical road transport.</p> <p>The role of the railways should be limited to improve the quality of the traction service and its productivity.</p> <p>Community legislation on “Freight Integrator” is misguided, and such legislation will only bring confusion to transport operators wishing to use combined transport.</p>
<p>6. The Commission plans to establish the principles of infrastructure charging and a pricing structure for all modes of transport.</p> <p>Even if it is not said directly it is supposed that infrastructure charging internalising external costs leads to a modal shift. References to the Swiss tax system indicate the way of thinking.</p> <p>(White Paper p. 72ff)</p>	<p>IRU has always stated that the road transport sector accepts to pay for external costs involved on the condition that other modes do the same, and fixation and collection of taxes and charges is harmonised and transparent.</p> <p>IRU does not believe that changes in taxation lead to more use of combined transport. If the unaccompanied combined transport would meet the qualitative needs of the clients, mainly regarding punctuality, it would be competitive from an economic point of view over long distances.</p> <p>Infrastructure charging substituting existing taxes on the vehicle at the level indicated, would lead to increases in the total cost of road transportation over longer distances by up to 10%, which would have to be paid by the user, but very limited transfer to other modes. Higher taxes does not lead to better environment.</p> <p>In any case vehicles involved in combined transport should, as an incentive, be exempt from the infrastructure charging.</p>

<u>WHITE PAPER STATEMENTS</u>	<u>IRU COMMENTS</u>
<p>7. The priority is to open up the rail markets, not only for international services, as decided in 1991 and again in December 2000, but also for cabotage on the national markets (to avoid trains running empty).</p> <p>The opening up of possibilities for railways to load and unload in other countries is planned to be integrated in the next railway package.</p> <p>(White Paper p. 28)</p>	<p>It has to be said that this remark, which is repeated in the list of 60 measures to be proposed, shows that DG TREN needs to be better informed about the real problems related to rail traction of intermodal trains. Only rail systems linking 2 terminals with direct block trains without stop en route and marshalling will obtain a quality of service and a cost structure meeting the needs of the clients.</p> <p>As the main quality/price problems in rail traction is found in frontier crossing train systems a proposal opening up for rail cabotage will be of limited importance..</p> <p>On the contrary, the Commission proposals regarding interoperability will support the opening up of the rail traction market.</p>

COMBINED TRANSPORT TECHNICAL AND MARKET CHARACTERISTICS

Rolling highway

- Easy to use as a ferry on land, easy loading
- The driver, the truck and trailer (semi-trailer) stay on board the train, no security problems
- Usual truck and trailers admitted, but many routes have height restrictions
- CMR valid for the transport??
- Lower varying costs and wages is not enough to compensate for the ticket
- The price of the ticket is heavily subsidised

Conclusion: Only a solution as short term bridge over infrastructure bottlenecks. Is not part of revitalisation.

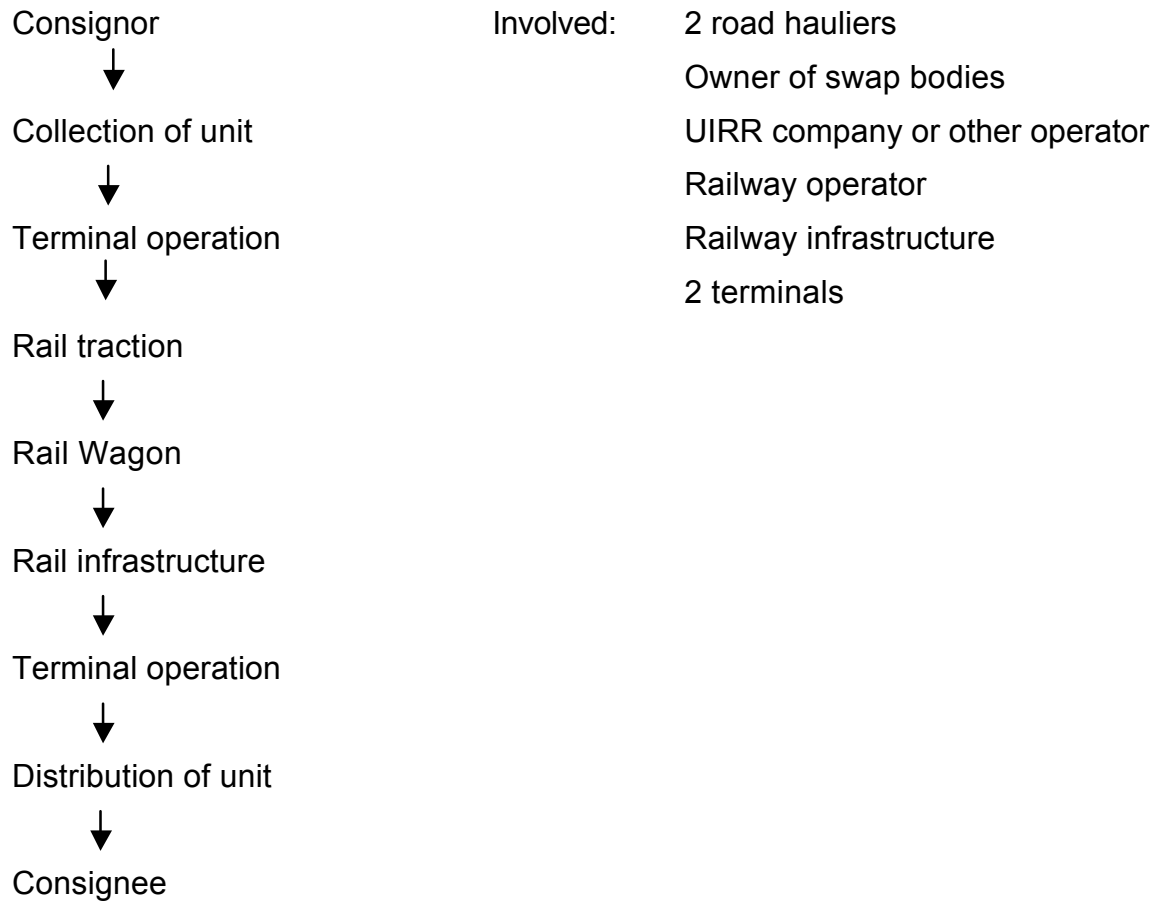
Maritime containers in shuttles to and from ports

- A ship carries 6.000 TEU – a train carries 80 TEU
- Only to and from major ports and only from and to industrial centres
- In sharp competition with inland waterway to and from Rotterdam and Antwerp
- Trucking by lorries only for short distance distribution or for last minute delivery, in both cases rail or water form no alternative

Conclusion: Seldom alternative to road.

Unaccompanied semi trailers or swap bodies in block trains

- Successful over distances above 1000 Km like Scandinavia – Italy, Germany – Iberian peninsula, Benelux/Germany – Poland/CIS, Benelux/Germany – Balkan peninsula/Turkey
- Also much used over distances between 500 and 1000 km like Germany –Italy, Benelux – Italy, domestic transport in Scandinavia, Germany, France, Italy
- Needs good organisation by transport logistic operators as the chain is complex:



- Needs approved equipment – not a major problem except for newcomers
- CMR – CIM differences
- Competitive cost situation, but fear of increased railway prices
- Train delays cost 30 Euro per consignment per hour

Conclusion: For transport in important corridors with long distances absolutely an alternative to road. Is the only rail-based product, which can lead to a revitalisation.

RoadRailer

- To be considered as a technical variation of usual unaccompanied semi trailer transports.

Only used between Munich and Verona