



Orientation Paper

Brussels, 15 January 2024

Combined Transport Directive

Summary

The opportunity to rely on **transport modes' integration** to **reduce externalities** and drastically **enhance the energy-efficiency** of the transport system is essential in a new era of expensive and scarce energy and in order to contribute to the EU's climate objectives.

The Commission amendment proposals to the **Combined Transport Directive** have the potential to enhance modal integration, as long as the Weights & Dimensions directive does not contain contradictory provisions (e.g.: effecting the ability of road units to be transported on rail). Therefore, **CER suggests** that the **EU co-legislators**:

1. **DELIBERATE** on the Combined Transport directive **IN COMBINATION WITH** the revision proposal of the **WEIGHTS & DIMENSIONS** Directive.
2. **SUPPORT** a proper implementation of the **eFTI (Electronic Freight Transport Information)** regulation on which the new Combined Directive will rely to calculate the external cost of transport chains. Coupled with the promotion of **Smart Tachographs** (within the Weights & Dimensions directive), the eFTI regulation will also guarantee a much more efficient enforcement of the rules applicable to Combined Transport.
3. **MAKE SURE** that the **new definition of Combined Transport (40 % external cost saving)** does not lead to **inadequate red tape**. **Extra savings beyond 40% should be rewarded** and the reference to the **calculation methodology (Externality Cost Handbook)** should be strengthened in the Directive.
4. **CALL for** a more ambitious target of **operational costs reduction** for Combined Transport, i.e. the target for combined transport should be higher than the cost reduction that may be achieved on road-only transport via the revision of the Weights & Dimensions directive. From this point of view, **the proposed cost reduction of 10% is insufficient**. **Cost reductions should be eased via appropriate State Aid facilitations**.

Detailed Position (1½ page)

CER would like to highlight **3 aspects** of the directive: A. Enforcement; B. External costs savings; C. Operational costs savings.

A. On Enforcement...

1. To yield benefits for the sector the revised directive will need **proper implementation of the eFTI** (Electronic Freight Transport Information) regulation in order to check enforcement and provide the data necessary to make external costs calculations easy to perform by all companies and authorities and available to all those concerned. EFTI should be subject to pilot testing in order to ensure buy in and integration into existing IT tools, therefore avoiding disproportionate migration costs..
2. Beyond and in addition to eFTI, another condition for success will be the use of **Smart Tachographs** to easily check whether a truck is running on a road leg of a combined transport operation or doing road-only transport. This should be promoted in the revision of the Weights & Dimensions Directive.

B. On External Costs savings...

- 3 It generally makes sense to base the **new definition for Combined Transport on the saving of external costs**. However, as long as the methodology is unclear the new legislation remains difficult to assess for the sector.
- 4 The methodology to assess external costs should be the European Commission's **Externality Cost Handbook**, which is mentioned in the recitals. The rail sector can only accept the calculator to replace the current definition if the Commission's Handbook is the backbone for the methodology of external costs calculation.
- 5 While a **40% external cost saving** to characterize a combined transport chain **seems reasonable, any extra saving (beyond 40%) should be rewarded** either via public support or based on a market-based mechanism. This threshold may however be too high for those intermodal chains that have obtained a "combined transport" label via the provision of reaching the "nearest suitable rail loading station" under the current directive (e.g.: Rolling motorway across the Alps, traffic from Spain via the intermodal terminals at the French-Spanish border).
- 6 If **empty runs of containers** and swap bodies are to be accounted for, empty trucks runs should also be included in the external cost calculation to **ensure a level playing field**. OR **the intermodal transport of empty containers** and swap bodies **should be eligible to be considered** as combined transport in their own right if they comply with the requirements of this directive.

C. On Operational costs savings...

- 7 If implemented as proposed, the Weight & Dimensions Directive will allow trucks to save substantial costs. **The Combined Transport Directive should target at least the same level of cost savings** in order to keep market shares constant. To increase Combined Transport market share, **cost saving targets should be set at a higher level**. The 10% operational cost saving proposed will not be sufficient.
- 8 The proposed cost reduction of **10% is anyway insufficient**, considering that the Impact Assessment demonstrates that the highest impact of cost reduction on modal shift would be achieved between 10% and 20% cost reduction. The cost reduction target **should therefore be set at least at 20%**.
- 9 The proposed **90-month deadline** to apply cost reduction schemes **seems too long**.

D. On facilitating and providing financial support through state aid...

- 10 On top of the in-kind support measures foreseen in the tool box (construction of terminals, last mile rail access to terminals, etc.), **measures to facilitate state aids should be considered** (under this Directive or the State Aid Guidelines). Red tape should be cut via the block exemption mechanism or any equivalent incentive tool. The current threshold (foreseen in the State Aid Guidelines) for presumption of aid compatibility in relation to the total cost of rail transport should be at least doubled, i.e., increased to at least 60% of the total cost of rail transport.

E. On definition combined Transport ...

- 11 The issue of codification of the intermodal loading units will also have to be addressed in this directive to include non-codified trailers into the definition of Combined Transport.