

# CombiNet “THE INTERMODAL TRANSPORT CHAIN - EFFICIENT AND SUSTAINABLE”.

Netzwerk Kombierter Verkehr

## TECHNOLOGY AND FRAMEWORK CONDITIONS



Ralf Charley SCHULTZE  
President



## „CT4EU Initiative – Intermodal transport is already the solution – what else is needed?“

1. Summary of 2021: a historic year with historic highs

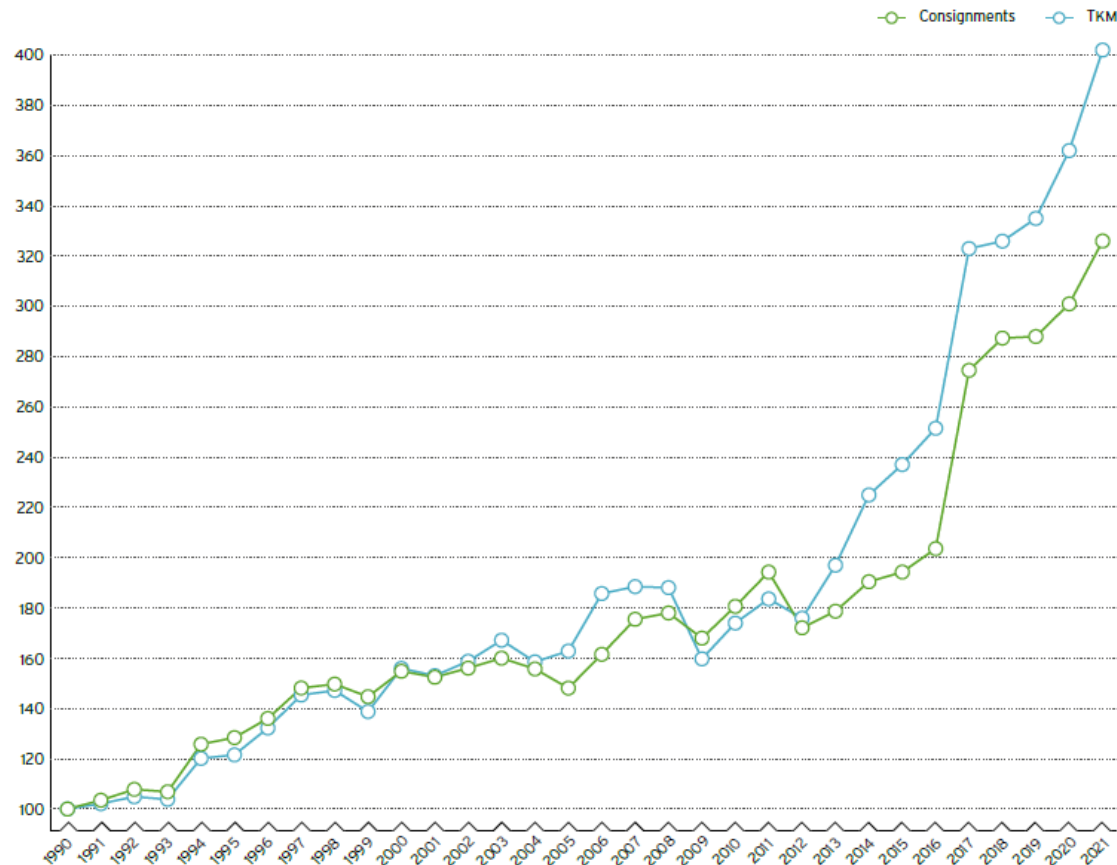


2. The long-term: EU legislative initiatives (“Greening Freight Package”) and the CT4EU campaign
3. In the short-run: crisis management to cope with the “New Reality”

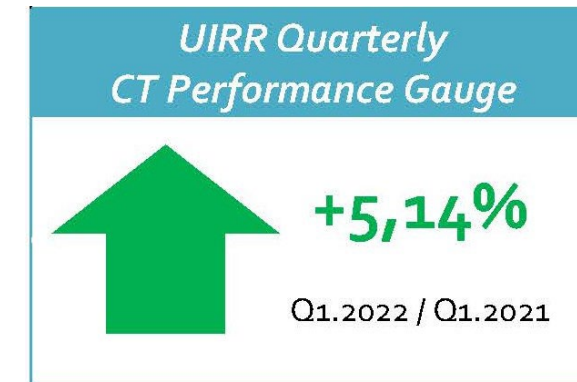


## UIRR CT Growth Index

CONSIGNMENTS AND TONNE-KILOMETRES (REFERENCE YEAR: 1990 = 100)



During 2021 the performance of UIRR members **grew by 8% in terms of number of consignments and by 11% when counted in tonne-kilometres.**



H1.2021 growth of CT in Europe: **+2,35%**

# UIRR : a well embedded industry association

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## PARTNERS



## MOU PEERS



## UIRR OPERATORS



## UIRR TERMINALS

## INDUSTRY ASSOCIATION PEERS



## GOVERNMENTAL BODIES





**Zero-carbon emission Combined Transport is the solution for well performing longer distance surface freight logistics in a carbon-neutral Europe**



**UIRR advances the development and actively promotes competitive zero-carbon emission Combined Transport for Europe**



**The road part:** by battery-powered trucks charged with renewably generated electricity

**The transshipment:** terminals offer direct entry for electric line locomotives, and operate exclusively electric transshipment technologies that use renewably generated electricity



**The Rail transport:** electrically powered shunting and mainline traction using renewable electricity obtained directly from local sources

### Present day Combined Transport:

55% CO<sub>2</sub> reduction objective of the EU can be fulfilled in freight transport by shifting long-distance trucks to intermodal freight trains

---based on a study by d-fine GmbH published in November 2021

### Zero-Carbon Combined Transport:

The cheapest, the most energy efficient and the only proven, industrial scale solution to fully decarbonise inland freight transportation in Europe

---based on a study by d-fine GmbH published in May 2022

I.

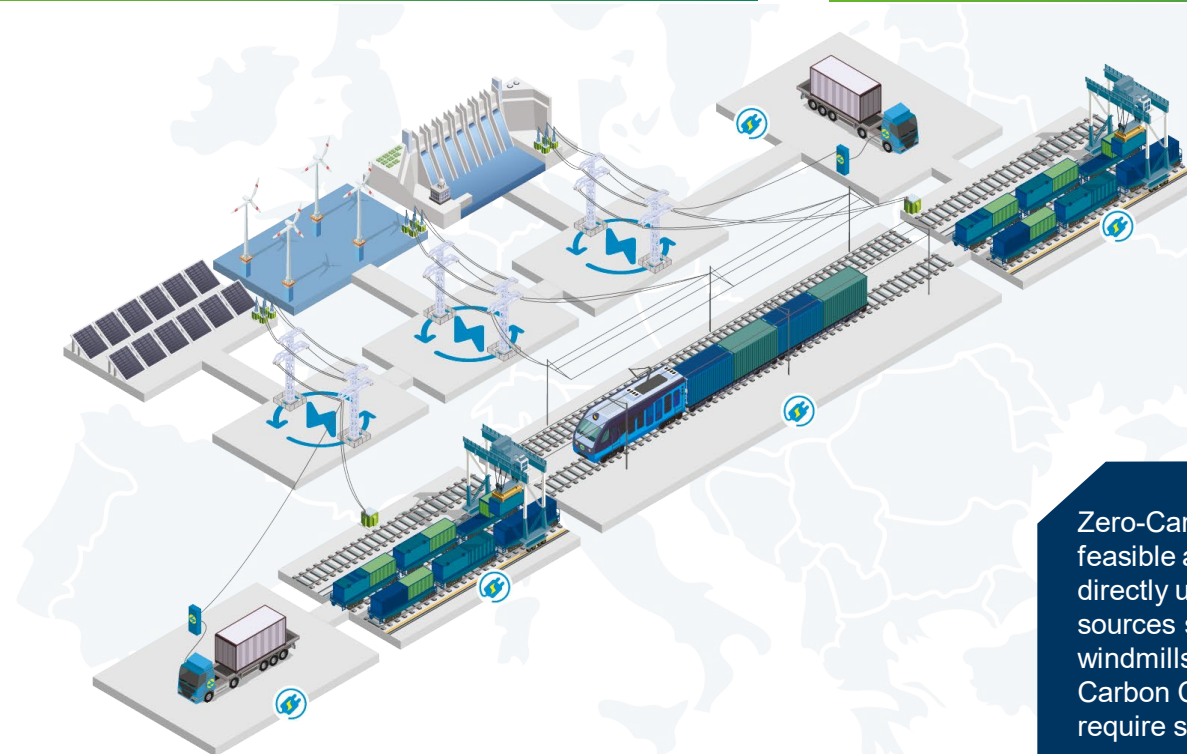
#### **40-70% GREATER ENERGY EFFICIENCY\***

Comparing door-to-door combined transport with its best performing unimodal trucking alternative

II.

#### **60-90% SMALLER CARBON FOOTPRINT\***

Comparing door-to-door combined transport with its best performing unimodal trucking alternative



Zero-Carbon Combined Transport is feasible already in 2021\* through directly using electricity from renewable sources such as solar powerplants, windmills and hydroelectric plants. Zero-Carbon Combined Transport does not require scientific breakthroughs.

## **TEN-T Regulation:** *(in legislative phase)*

- reinforced technical parameters: P400 loading gauge, 740m train length, 2000t gross weight 22,5t axle load, electrification;
- 5-minute punctuality threshold and 15-minute border crossing;
- socio-economic cost-benefit analysis to drive decisionmaking;
- terminal modernisation through enhanced technical parameters

## **State aid guidelines:** *(expected in December 2022)*

block-exemption for rail freight and Combined Transport

## **RFC Regulation:** *(expected in Spring 2023)*

enhanced governance + deeper IM integration + increased traffic management role + improved transparency

## **Weights and Dimensions:** *(expected in Spring 2023)*

- continued compatibility with intermodal transport upheld
- simplified 44-tonne GVW rules

## **CT Directive amendment:** *(expected in Spring 2023)*

- guidelines for terminal investments + clear objectives
- temporary compensatory measures to enable the growth required of Combined Transport

## **CountEmissionsEU regulation:** *(expected in Spring 2023)*

- standard European methodology for calculating transport externalities
- framework to monetise externalities







### Capacity issues:

- **TCRs caused by extensive works:** long-neglected rail infrastructure development  
+++extra funding through the EU Recovery and Resilience Facility
- **Status of Energy Trains:** priority granted over all other trains (in Germany)
- **Low water on European inland waterways:** need to rely more on freight trains
- **EU action-plan to boost passenger rail:** with a focus on border-crossing trains and night trains
- **Punctuality and reliability:** down to historic lows

### War issues:

- **Traction energy price:** up to 10-fold increase versus a 69% increase in the price of diesel
- **Truck driver shortage:** exacerbated by the war – also impacting CT road legs

A SOLUTION  
IS NEEDED  
TO UPHOLD  
THE GROWTH  
OF COMBINED  
TRANSPORT

# SHORT-TERM INTERVENTION: UIRR's solutions

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- **Capacity:** creative compromises from PSO authorities and IMs [timetabling departments/train path designers]
  - more trains need to run and punctuality needs to be enhanced [rolling stock utilisation, terminals/turnaround]
- **TCRs caused by works:** transform the RNE Handbook to cover “man-made TCRs”
- **Traction energy price:** (1) make use of EU Energy Price Toolbox, (2) regulated traction electricity for rail freight
- **Truck driver shortage:** (1) use more Combined Transport, (2) refrain from and/or reverse CTD Article 4 suspension decisions
- **State aid:** (1) extended track access charge waiver, (2) state aid block exemption, (3) national promotion programmes



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## PRE

### New reality: adjusted framework and const

Price negotiations between freight railway undertakings and Combined Transport Operators for the coming year are starting throughout Europe under conditions characterised by war and crises of multiple nature. Consequently, adjusted framework conditions and constructive compromises must be sought under which intermodal freight trains will run during the coming years.

It is imperative that our present day *new reality* is taken into account:

- **The war in Ukraine**
  - exacerbated the increasing truck driver shortage throughout Europe
  - sharply reduced the performance of pipeline transport in the resources that now needs to be replaced by alternate surface transport
  - caused an increased rail freight transport demand to and from Ukraine
  - adversely impacted the otherwise rapidly developing intercontinental freight transport
- **The accelerating climate change**
  - has resulted in an unprecedented hot and dry summer that raises levels on Europe's key inland waterways to below navigable.
- **The pandemic-related supply chain disruptions**
  - severely undermined the reliability of global maritime container shipping and predictability of seaport operations.
- **The energy crisis and the need to curb global warming**
  - require modal shift towards energy-efficient and low-carbon freight transport to minimise the use of diesel- and LNG-fuel in freight transport

Much more rail freight will be necessary in 2023 and the following period than in the preceding years as freight trains will have to compensate the shortfalls in road transport capacities. Freight trains will also have to step in for the trucks and the barges that presently cannot navigate most European waterways and will need more and much better quality train paths at a time when the European rail infrastructure network is being expanded.

Member State ministries of transport and energy, PSO authorities, freight forwarding companies and capacity allocation bodies will have to hammer out the framework changes and the *constructive compromises*. Only this way, freight forwarding companies can offer acceptable commercial conditions to Combined Transport Operators and Transshipment Terminal Managers. The reliable functioning of Combined Transport is a clear interest of European citizens and economic actors.

Conventional and intermodal freight trains will have to transport consumer goods, as well as every other commodity, component and finished good in trucks. This is needed to maintain the supply of Europe's consumers, European jobs and the economy running.

The intermodal sector is calling on the Member States to adjust the framework and to use the recently enacted special exemptions of the European Union State aid rules. Authorities will have to consider *constructive compromises* to allow for the increased number of freight trains needed to keep Europe's consumers supplied with goods. The changes must support the optimal utilisation of rolling stock, human- and traction assets, while transshipment terminals will have to ensure that inbound trains punctually to load and offload in time to maintain the time



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## PRESS RELEASE

Monday, 5 September 2022

### Regulated traction electricity prices for Combined Transport

Combined Transport urgently demands regulated traction electricity prices as it unavoidably depends on electric rail freight.



The DG Energy non-paper on Emergency Electricity Market Interventions, which leaked on 1 September, recommends to Member States to “regulate the price of electricity for volatile consumer groups”. Combined Transport actors clearly qualify as a volatile group of electricity users:

- Road-Rail Combined Transport must unavoidably use electric rail freight;
- Traction electricity prices have increased 3-10-fold depending on the Member State throughout the European Union, whereas the international Road Union has recently confirmed that the pre-tax price of diesel fuel – used in long-distance trucks – only increased by 69% since January this year<sup>2</sup>;
- Most Combined Transport Operators and Transshipment Terminal Managers, as well as many rail freight traction providers are SMEs, moreover, their profitability levels do not enable them to erect a fiscal shield to defend such an explosive change to a strategic input as energy.



The OECD together with the International Energy Agency published on 29 August its latest report on fossil fuel subsidies<sup>3</sup> which recorded the first increase last year since 2018. The “near-doubling” of subsidies proportionately applies to petroleum products throughout the 51 developed economies monitored by OECD.

Combined Transport can not compete with long-distance trucking under these conditions.

Door-to-door intermodal transport chains – when compared to a road-only transport by a Euro 6 truck – use up to 70% less energy, which translates to significant diesel fuel savings for Europe, and which turn intermodal freight trains into “energy trains”. The reliable functioning of Combined Transport is a clear interest of European citizens and economic actors.

It is imperative that energy ministers of Member States give the right instructions to the European Commission on how to develop its electricity market intervention package. Combined Transport must be declared a high priority volatile consumer group for rail traction electricity, while transshipment terminals should also receive regulated electricity so they can continue performing their transshipment operations unhindered.

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<sup>1</sup> <https://www.politico.eu/wp-content/uploads/2022/09/Non-Paper-on-Energy-markets.pdf>

<sup>2</sup> <https://www.itu.org/en/news-resources/newsroom/benchmark-european-road-freight-rates-q2-2022-european-road-transport-prices-break-new-records>

<sup>3</sup> <https://www.oecd.org/euenergyreport-for-fossil-fuels-almost-doubled-in-2021-climate-crisis-toward-international-climate-goals-according-to-new-analysis-from-oecd-and-isa.htm>



Ralf-Charley Schultze

*“The European Commission should specifically propose to the Member States that the actors of Combined Transport are declared a volatile consumer group worthy of a regulated electricity price. The intermodal freight transportation sector should be adequately shielded from the explosive electricity price increases with a view to its outstanding performance from a socio-economic perspective.”*  
– stated UIRR President Ralf-Charley Schultze.

**Who is UIRR?**  
Founded in 1970, the International Union for Road-Rail Combined Transport (UIRR) represents the interests of European road-rail Combined Transport Operators and Transshipment Terminal Managers.  
Road-Rail Combined Transport (CT) is a system of freight forwarding which is based on efficiently and economically inserting electric rail into long-distance (road) transport-chains through the use of intermodal loading units (ILU).

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# THANK YOU

## For your attention



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