

AEL contribution to European Commission consultation on the review of the Combined Transport Directive 92/106/EEC

The Alliance for European Logistics (AEL) is the leading body representing the entire logistics value chain at EU level. With our unique membership of companies, including logistics providers, users and suppliers - BASF, CEVA Logistics, Deutsche Post DHL, duisport, Hapag-Lloyd, Hutchison Whampoa, IVECO, Kuehne + Nagel, Michelin, Motorola Solutions and SAP - AEL is committed to raising the profile and understanding of the logistics industry amongst European policymakers and promote an integrated, long-term EU strategy for logistics.

Introduction

This contribution represents the Alliance for European Logistics (AEL) members' views on European Commission's public consultation on the Combined Transport (CT) Directive 92/106/EEC. AEL members represent freight transport operators, logistic service providers, port investors, developers and operators. Our members operate in all transport segments, i.e. urban, regional, national, international intra-EU and intercontinental as we operate in road freight, inland waterway, maritime freight, intermodal, freight rail, and aviation modes. AEL is registered in the European Commission's Transparency Register number 3803312805139.

General remarks

AEL members consider that the CT Directive would benefit from a review as in its current form, the Directive does not achieve its objectives to liberalize Combined Transport services in the EU and to stimulate their use, while reducing road congestion and negative environmental impacts. The current Directive is complex as well as creates administrative burden and costs due to different implementation in the EU Member States. For example, Article 3 requests that in the case of combined transport, a transport document shall specify the rail loading and unloading stations relating to the rail leg, or the inland waterway loading and unloading ports relating to the inland waterway leg, or the maritime loading and unloading ports relating to the maritime section of the journey. These details shall be recorded before the transport operation is carried out and shall be confirmed by means of a stamp affixed by the rail or port authorities in the railway stations or inland waterway or sea ports concerned when that part of the journey carried out by rail or inland waterway or by sea has been completed. The mere implementation of Article 3 is not only administratively burdensome but also the different Member States have interpreted it very differently with high costs for compliance.

Moreover, Combined Transport and the reduction of the carbon footprint of the supply chain should be interlinked. As such, AEL members suggest that ongoing EU initiatives on carbon footprint for the logistics sector and the CT Directive review are coherent with each other. Further, in order to select the most efficient and sustainable transport option, the business case scenario should become an important part of the assessment and final decision. This means that the comparison of costs and CO2 emissions of a door-to-door operation should be made for the CT option versus the road option. Furthermore, AEL members recommend increased use of European Modular System (EMS) for specific transport operations because they are efficient, sustainable and well-tested.

Specific topics

1) Definition of Combined Transport (Article 1)

The definition of “Combined Transport” in the Directive currently limits the scope to transportation of goods between Member States to certain conditions such as that the goods must be moved by road transport on the initial and / or final leg of the journey within a radius of 150 km, from inland waterway and / or seaport of loading or unloading. In Europe, there are too many destinations, which are not reachable within 150 km from a port. As a result, AEL members believe that the current restrictive definition of Combined Transport outlined in Article 1 will discourage the use of sea transport for parts of the transport operation. In most cases, this will be to the benefit of road transport, as rail alternatives are not in place everywhere. **In addition, limitation of the road leg of the journey results in limiting of the logistic service provider to provide tailored sustainable solutions for its customers.** Consequently, AEL members consider that in order to encourage Combined Transport in Europe, where **all modes of transport are used efficiently, there should be no kilometers limit on the road leg from the port or the inland waterway.** This is particularly the right approach because combined transport can be used depending on the available infrastructure: rail, inland waterways are viable alternatives for some journeys of less than 150kms, but very often there is no alternative infrastructure and the only way of transporting those cargoes is by road. By way of example extended gateways in EU ports make it increasingly interesting for freight to travel using rail or waterborne transport regardless of the distance. To illustrate, the port of Rotterdam is linked to a number of destinations both via rail and inland waterways including with Willebroek in Belgium (120 kms), Venlo and Moerdijk in the Netherlands (40 kms and 170 kms respectively), as well as by rail to Duisburg in Germany (200 kms). Likewise, the port of Barcelona will be linked to Lyon (France) via rail links covering a distance of approximately 600 kms. Last but not least, back-loads are key element to the economic viability of CT routes. In AEL members’ experience, it is cost-effective to establish intermodal routes only when sufficient backloads of approximately 80% are ensured.

2) Cabotage (Article 4)

AEL members emphasize that removing the remaining of the existing restrictions and further opening of cabotage would contribute to efficient CT operations. In this way, existing free capacities will be used efficiently to the advantage of sustainable logistics solutions. Another important element regarding cabotage is to work together with the Member States towards proper enforcement of the social rules on the resting and driving time along with ensuring fair competition in the overall road freight. AEL members also support the exemption for cabotage in the CT Directive which should be maintained in the future.

3) Financial incentives (Article 6)

Financial incentives are central in order to encourage Combined Transport in Europe. Currently, the Combined Transport Directive provides for the financial incentives at Member State level, based on differing national taxation regimes. As taxation remains Member States competence, where only minimum harmonization at EU level applies, the financial incentives at present differ substantially depending on the Member State’s policy. Therefore, AEL members consider that additional financial incentives should be provided for in a revised Combined Transport Directive. Moreover, AEL members believe that such incentives will be more efficient at EU level, rather than at Member State level due to diverse national situations. In light of the above, good examples for EU funding can be found in the TENT-T/CEF transport budget for infrastructure projects with clear guidelines and funding sections.

Hence, AEL members think that an adequate financial incentive scheme must be included in the Combined Transport Directive, in order to encourage all actors in logistics and supply chain to shift to more environmentally sustainable transport solutions.

Other incentives to boost CT solutions: AEL members support the free circulation of the 45' containers as they facilitate Combined Transport. In order to further promote efficient circulation of the 45' containers with the maximum allowed gross vehicle weight of 44t transport throughout the EU, removal of any administrative burden is key: the extra 4t in comparison to 40t allows increased container loading for the entire length of the logistics chain including any rail or short sea shipping leg.

Conclusion

AEL members consider that the upcoming review of the Combined Transport Directive should focus on removing administrative burden and costs, link Combined Transport and the reduction of the carbon footprint of the supply chain, make further use of the business case scenario as part of the assessment and CT solution final decision, and promote increased use of European Modular System (EMS) for specific transport operations. **Our members recommend that the CT Directive review particularly addresses the definition of Combined Transport (Article 1) where there should not be any kilometers limit on the road leg, further facilitation of cabotage should be ensured (Article 4) as well as EU-level financial and other incentives (Article 6) should be provided in order to achieve the objectives of the Directive.**