

COMBINED FREIGHT TRANSPORT

Proposal COM(2023) 702 of 7 November 2023 for a **Directive** of the European Parliament and of the Council **amending** Council **Directive 92/106/EEC** as regards a **support framework for intermodal transport of goods (CT Directive)** and **Regulation (EU) 2020/1056** of the European Parliament and the Council as regards **calculation of external cost savings and generation of aggregated data**

cepPolicyBrief No. 5/2024

SHORT VERSION [[Go to Long Version](#)]

Context | Objective | Interested Parties

Context: Shifting freight transport off the roads and onto rail, inland waterways or the sea, will reduce the negative effects of freight transport - CO₂ and air pollutant emissions, accidents, noise and congestion (“external costs”). Transporting goods by rail, inland waterways or sea, invariably involves various modes of transport (“intermodal”), including road legs. If the road legs are short, intermodal transport can be promoted as “combined transport” (CT).

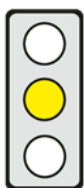
Objective: By revising the CT Directive, the Commission wants to increase the competitiveness of intermodal transport compared to road freight transport, promote the shift of freight transport off the road and onto other modes of transport, and generally reduce the external costs of freight transport.

Interested parties: CT operators, terminal operators, freight forwarders, transport companies and shippers.

Brief Assessment

Pro

- ▶ It makes sense to promote CT as it is more environmentally friendly than road-only freight transport.
- ▶ Exempting the initial and final legs of CT operations from weekend, night and public holiday driving bans increases the competitiveness of CT without the need for state funding.



Contra

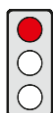
- ▶ The new CT definition, which requires CT operations to save at least 40% of the external costs of road-only transport, does not adequately reflect the complexity and benefits of CT, fails to provide planning security and excludes many existing CT operations.
- ▶ Proving via eFTI platforms that a transport qualifies as an eligible CT is over-complex, impractical, requires too much sensitive data and will deter new customers.
- ▶ The 10% CT cost reduction target for Member States is too low because CT, which is more environmentally friendly, will be cannibalised if new competitive advantages for road freight transport – due to increases in dimensions and weights – are not sufficiently compensated for in terms of costs.

Alternative options for action

- ▶ A CT definition that limits the proportion of road legs in the overall route, as well as special regulations for trans-Alpine routes, maritime transport and countries with a different rail gauge.

New CT definition [Long Version A.3.2, C.1.3]

Commission proposal: Eligible CT operations within the EU must generate at least 40% less external costs than the alternative transport in unimodal road transport or – in the case of transport between an island and the mainland – in intermodal maritime transport (“40% external cost threshold”).



cep-Assessment: The new CT definition does not adequately reflect the complexity and benefits of CT beyond the reduction of external costs - such as energy efficiency, better working conditions for lorry drivers, additional capacity in the face of driver shortages. The arbitrary 40% external cost threshold excludes many existing CT operations – such as trans-Alpine journeys, as well as transport operations to the Iberian Peninsula which are only carried out by rail as far as the French-Spanish border due to a different rail gauge.

Proof of CT – 40% external cost threshold [Long Version A.4, C.1.3.3-4]

Commission proposal: To prove that a transport operation qualifies as eligible CT (“Proof of CT”), the CT organiser must record, on an electronic freight information platform (“eFTI platform”), details of the companies, terminals, modes of transport and cargo involved, the starting point and destination, and the start and end dates (“transport information”), for all legs of the journey, before the operation begins. The platform then calculates whether the transport exceeds the 40% threshold for external cost savings.



cep-Assessment: Providing proof of CT by calculating the savings in external costs is over-complex, impractical and requires too much sensitive data. This will discourage potential new CT customers. Due to the dynamic development of external costs, there is a lack of planning certainty which will inhibit long-term contractual relationships. Instead, proof of CT should be based on the requirement that a minimum proportion of the route – e.g. 55% – is not covered by road.

Requirements for eFTI platforms [Long Version A.5, C.1.3.5]

Commission proposal: eFTI platforms must make it possible to calculate external cost savings from transport information, and to generate annual aggregated data on CT operations for Commission reports, such as regarding the volume of intermodal transport, broken down by modal combination, market segment, transshipment technology, type of loading unit and geographical coverage – national versus international.



cep-Assessment: Even if, contrary to expectations, the eFTI platforms soon become available and equipped for the new requirements, the obligation to use them for providing transport information as proof of CT represents an unnecessary further hurdle to CT use, especially while the use of eFTI platforms remains voluntary – i.e. currently until at least 2028.

EU-wide support measures [Long Version A.6, C.1.4.1]

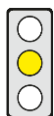
Commission proposal: “Quota systems and systems of authorisation” will be prohibited for all intermodal transport operations – as is already the case for CT. Each Member State must adopt a national support strategy, by no later than 24 months after entry into force of the amended CT Directive, in order to facilitate the use of intermodal transport and in particular CT operations. Vehicles covering road legs in CT are exempt from the weekend, night and holiday driving bans applicable only to heavy goods vehicles.



cep-Assessment: The ban on authorisation and quota systems for intermodal transport is appropriate for reasons of competition, as this ban also applies to cross-border unimodal road freight transport. Exempting the initial and final legs of CT operations from weekend, night and public holiday driving bans increases the competitiveness of CT without the need for state subsidies.

Cost reduction obligation for Member States [Long Version A.7.1, C.1.5]

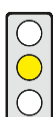
Commission proposal: The national support strategy must reduce the total door-to-door cost of CT operations, borne by CT organisers in their area, by at least 10% (“10% CT cost reduction obligation”) by no later than 90 months after entry into force of the amended CT Directive.



cep-Assessment: The mandatory CT support strategies and the 10% CT cost reduction obligation provide the Commission, for the first time, with a means of exerting pressure on Member States to take concrete action in favour of CT, as they risk infringement proceedings if implementation is inadequate. This promotes the EU-wide development of CT as well as positive network effects. However, the 10% cost saving is too low to compensate for competitive disadvantages. The 90-month implementation period is too long.

Possible support measures [Long Version A.7.2, C.1.5.2]

Commission proposal: Member States can choose from numerous support measures. These include, for example, the priority treatment of intermodal transport; simplified administrative procedures; reduced charges for rail infrastructure; the inclusion of external costs in tolls and congestion charges applicable to road freight transport; better planning and leasing conditions for land used for transshipment terminals; the promotion of digitalisation; reinforcement of non-craneable semi-trailers; gantry crane grapple arms for “vertical transshipment”.



cep-Assessment: Allowing Member States broad freedom of choice regarding support measures could easily lead to a confusing patchwork that makes it difficult to calculate and implement cross-border CT transport operations. It would make more sense to initiate a number of EU-wide measures relating to the pricing of external effects in road freight transport, and efficiency improvements in the CT system. Horizontal transshipment should also be promoted since it is ideal for non-craneable semi-trailers.