

The definition of Combined Transport Operation: good logic, but it needs to be simplified

The European intermodal sector asks for the replacement of the calculator-definition in the European Commission proposal with the approach presented in this position paper. The uncertainties arising from an implementing act to be drawn up by the Commission and the updating process of the Transport Externality Handbook could this way be eliminated.

The term of “**combined transport operation**” [Article 1c, Article 3] is a creation of European law dating back to 1975. Criticisms of the current definition were collected from several actors during the impact assessments carried out as part of prior attempts to amend the Directive. Consequently, the European Commission determined that there is a need for the definition of “combined transport operation” to be reformed.

Bearing in mind that the sector has always called for a level playing field between the various modes of transport based on the internalisation of external costs, factoring in the external cost advantage of door-to-door intermodal freight transport over its unimodal road haulage alternative is a logical and a relevant choice.

The resulting proposal of the European Commission, replacing the combined transport definition with an **external cost calculator** and a **40% threshold** is theoretically possible. Nevertheless, the intermodal transport sector is highly sceptical of its practicability in everyday use. On this basis, the calculator received several criticisms from intermodal customers, shippers and logistics service providers. **The definition should give a simple, harmonised and undisputed Europe-wide solution, while eliminating uncertainties.**

The European intermodal freight transport sector proposes the following definition to be used in the revised Combined Transport Directive:

➤ ***Combined transport operation: an intermodal transport operation where the non-road modes of transport carry out more than 50% of the actual distance that the intermodal loading unit is carried. The 50% should change to 60% in 2035 reflecting the anticipated enhancements in terminal density and rail infrastructure development.***

The reference values contained in Table 69 of the current edition of the Transport Externality Handbook - the same as in the European Commission impact assessment study – have been used to model the ratio of non-road modes to road needed in an intermodal transport operation to qualify as a combined transport operation that saves 40% of external costs compared to its unimodal road haulage alternative. The result over long distances is **a ratio of 60:40 non-road sections to road sections of a single intermodal transport operation**, which should be possible to derogate from wherever the terminal density and the available transport capabilities do not support it. The applicable ratio should be **at least 50% for the non-road modes until 2035**.

The definition proposed above is based on modelling with the following assumptions:

- The end-to-end road alternative covers a distance that is 15% shorter than the door-to-door combined transport operation;
- A Euro 6 diesel truck is used for both the combined transport road legs and the unimodal road haulage; and
- 40% of the external costs of the end-to-end unimodal road haulage operation had to be saved.

The Commission's proposal contains the requirement to regularly report on the impact and practicability of the Directive. This reporting will provide the opportunity to take any technology change or resulting changes to the Transport Externality Handbook into account. Such changes can then be implemented through a future amendment of the legislation.

The Commission's proposal also took note of the Electronic Freight Transport Information Regulation (1056/2020), which was recently reconfirmed by the Member States during the revision of the TEN-T Regulation. The CTD proposal correctly addresses the case if eFTI platforms are not available in every Member State until the foreseen CTD implementation deadline: a **deferred implementation of the new definition** of "combined transport operation" is proposed until such eFTI platforms are in place and widely accessible to every intermodal actor. The concept of deferred implementation should be extended with the adoption of the implementing acts of the amended Directive.

The European Union has been battling the adverse externalities of its excessive reliance on truck transport for many decades:

- **Air and noise pollution:** the emission of air pollutants – such as NO_x, PM₁₀, PM_{2,5} and ozone – are proven causes of chronic diseases and premature deaths, while road traffic noise is a nuisance for some 150 million Europeans, one in three citizens of the European Union.
- **Greenhouse gas emissions:** 30% of the greenhouse gas emissions from road transport can be attributed to heavy goods vehicles, which account for just 2% of the road vehicle fleet on Europe's roads.
- **Road congestion:** over 1% of the EU's annual GDP is lost due to road congestion, which may be attributed to (i) too much road traffic, (ii) maintenance works required due to the excessive circulation of heavy vehicles, and (iii) the poor safety record of road transport.
- **Road accidents:** while being a major cause of road congestion, the consequences of accidents are (i) a major cost to social security budgets and (ii) result in significant losses of future tax revenues.
- **Fossil fuel dependency:** Europe must rely on the import of fossil fuels to power road transport, as adequate supplies are not available on its territory. This exposes the continent to costly supply risks and security challenges. Non-road modes of transport offer (i) superior energy efficiency and (ii) the capability of being powered by locally generated renewable electricity.
- **Truck driver shortage:** the increasingly arduous task of a long-distance truck driver, coupled with the difficult work/life balance, have resulted in a shortage of Europeans choosing this profession. The labour efficiency of truck driving is very low compared to the jobs offered by non-road modes. Short-distance truck driving, which is an essential component of a door-to-door *Combined Transport operation*, remains attractive.

The European legislator will have ample time to react by amending the CTD to (i) the proliferation of the various road transport technologies proposed today as alternatives to the currently used fossil-fuel based propulsion systems, (ii) the promised new alternative fuels and fuelling infrastructure, (iii) the potential innovations in asphalt and tyre combinations, (iv) the automation of driving and boosting road safety, as well as (v) other measures to reduce externalities. The same consideration should be applied to the improvements under way to intermodal transportation technologies aiming to further reduce energy need, to increase electrification and to build new terminals.

UIRR will submit an amendments package based on the Combined Transport Directive position paper published in December 2023¹ and this position paper and deliver it to the European Union co-legislators: the European Parliament and to the Council of the European Union.

¹ <https://www.uirr.com/en/media-centre/press-releases-and-position-papers/2024/mediacentre/2709-position-paper-ct-directive-a-necessary-modernisation-with-preconditions.html>