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Working Party on Combined Transport

Working Party on Rail Transport

Joint Meeting of the

Working Parties on Combined Transport

and Rail Transport

(19 April 2001)

**REPORT OF THE JOINT MEETING OF
THE WORKING PARTY ON COMBINED TRANSPORT AND
THE WORKING PARTY ON RAIL TRANSPORT**

Note by the secretariat

REPORT

INTRODUCTION

1. The present document has been prepared by the secretariat on the basis of the proceedings of the Joint Meeting of the Working Party on Combined Transport (WP.24) and the Working Party on Rail Transport (SC.2). The report summarizes the presentations made, the views expressed and some of the conclusions drawn during the Joint Meeting. The purpose of this report is to provide a basis for the consideration of the Working Parties in their further deliberations in this field.

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ATTENDANCE

2. The session was attended by representatives from the following countries: Austria, Belarus, Belgium, Bulgaria, Czech Republic, France, Germany, Hungary, Italy, Netherlands, Poland, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, as well as a representative of the European Commission (EC).

3. The following inter-governmental organizations were represented: European Conference of Ministers of Transport (ECMT), Intergovernmental Organization for the International Carriage by Rail (OTIF).

4. The following non-governmental organizations were represented: International Container Bureau (ICB), European Intermodal Association (EIA), International Road Transport Union (IRU), International Organization for Standardization (ISO), International Union of Combined Road/Rail Transport Companies (UIRR), International Union of Railways (UIC).

5. On the invitation of the secretariat, a representative of the Groupement Européen du Transport Combiné (GETC) participated at the session of the Joint Meeting.

ADOPTION OF THE AGENDA

Documentation: TRANS/WP.24/2001/1-TRANS/SC.2/2001/2.

6. The Joint Meeting adopted the provisional agenda prepared by the secretariat.

ELECTION OF OFFICERS

7. The Joint Meeting elected Mr. G. Szabo (Hungary) as Chairman of the meeting.

MANDATE AND OBJECTIVE

Documentation: TRANS/WP.24/89, Informal document No. 4

8. The Chairman recalled that the Joint Meeting had been initiated by the Working Party on Combined Transport with the aim of exploring how to best promote combined transport involving rail.

9. The Joint Meeting took note of information provided by the Chairman that, while world trade and international transport volumes had experienced increases of 2 to 3 per cent and maritime container transport had experienced an increase of around 10 per cent over the last 10 years, combined transport volumes had experienced a decline during the years between 1998 and 2000. These figures illustrated the necessity of implementing urgent and effective measures to turn around the downward trend experienced by combined transport.

10. The Chairman expressed the hope that the Joint Meeting would take place in a constructive manner with a spirit of partnership and result in good pointers towards finding solutions for the benefit of the whole combined transport chain and in particular in considering the role of Governments, the UNECE and other intergovernmental bodies in promoting combined transport including rail.

ISSUES FOR CONSIDERATION

Documentation: TRANS/WP.24/2001/2–TRANS/SC.2/2001/3 ; TRANS/WP.24/2001/3 – TRANS/SC.2/2001/4; TRANS/WP.24/2001/4 – TRANS/SC.2/2001/5; TRANS/WP.24/2001/5 – TRANS/SC.2/2001/6; TRANS/WP.24/2001/6 – TRANS/SC.2/2001/7; TRANS/WP.24/2001/7 – TRANS/SC.2/2001/8; Informal document No. 1 (2001); Informal document No. 2 (2001); Informal document No. 3 (2001); Informal document No. 4 (2001); Informal document No. 5 (2001); Informal document No. 6 (2001); Informal document No. 7.

11. At its thirty-fourth session, the Working Party on Combined Transport had already considered in some detail the objectives for the Joint Meeting as well as some of the elements to be addressed. On this basis, the secretariat had prepared the agenda for the Joint Meeting with the following focus:

- (a) Current situation of combined transport;
- (b) Problems encountered in combined transport operations;
- (c) Possible solutions to overcome problems and best practices;

(a) **Current situation of combined transport**

12. The Joint Meeting took note of the facts and figures on combined transport developments provided by the secretariat (TRANS/WP.24/2001/2 – TRANS/SC.2/2001/3).

13. The Joint Meeting was informed by the participants about the current situation of combined transport in their respective countries:

14. Austria: Considers combined transport very important, in particular as a way of promoting environmental-friendly transport.

15. Belarus: Container traffic increased by 20 per cent in 2000. Belarus has developed a programme for transit traffic towards 2005 with an ecological emphasis. Studies are being carried out, together with Poland concerning developing a rolling road solution to Germany as well as with the Russian Federation concerning the co-ordination of tariffs, technical solutions and the use of the Trans-Siberian railway for transport to Japan and China.

16. Bulgaria: Is running two projects on combined transport. One project with containers between Sofia and Thessaloniki. The other project concerns unaccompanied combined transport between Poland and Belarus for auto parts.

17. Czech Republic: Combined transport has increased around 20 per cent per year since 1994. The Czech Republic has focused much attention on reducing border crossing procedures. With the EU, procedures have been reduced to 5 minutes. Focusing on making bilateral agreements with neighbouring countries.

18. France: Combined transport increased until 1997, where it amounted to 14 billion ton/kilometres. Decrease registered in 1998 and 1999. In the year 2000, the volume was almost back to the 1997 situation. Combined transport has gained 1 per cent of transport volume from road transport. The decrease in combined transport has been due to lack of quality in the service. As a consequence, forwarders withdrew their goods volumes. One of the main reasons for the lack of quality has been strikes. Main combined transport lines are saturated. A system of key performance indicators for combined transport has been launched in France to improve the quality.

19. Germany: Domestic combined transport is constantly declining. The main reason is the refocus of DB Cargo operating on commercial terms. Service quality is lacking. More than 50 per cent of combined transports are delayed 2 hours or more. DB Cargo has created a new unit for combined transport. Together with the introduction of delay notifications, this has led to improved service quality. International combined transport could increase by 30 to 40 per cent if the necessary corridors were available, in particular the alpine corridors.

20. Hungary: Has experienced a permanent increase in combined transport. In 2000, the increase was 8 per cent for rolling road and 5 per cent for unaccompanied combined transport. The funding need for rolling stock and terminals is US\$ 4 million per year.
21. Netherlands: The Netherlands sees combined transport as a method, not an objective. A dedicated freight line between the Netherlands and Germany will be finished in 2005. Together with a subsidy scheme for the construction/extension of combined transport terminals, this is expected to lead to new growth.
22. Poland: Transport volumes in combined transport in Poland have not grown since 1999. Poland has focused on legal issues such as non-discriminative state aid and the restructure of the Polish State railways.
23. Russian Federation: In 1999 and 2000 combined transport volumes have increased by 11 per cent; in particular, containerized combined transport has increased by 25 per cent. These increases derive mainly from the Trans-Siberian railway. Measures are being implemented to protect the goods en route, such as real time tracking. The Russian Federation is studying if the SMGS consignment note can be accepted as a customs transit document.
24. Slovakia: Concept for combined transport has been developed until 2010. Focus on three main issues: Infrastructure development (terminals); harmonization of legislation with the EU and development of unaccompanied combined transport. Bilateral agreements with neighbouring countries are being negotiated.
25. Slovenia: Combined transport constitutes 11 per cent of the total rail transport in Slovenia. New services such as block trains and new lines are being introduced. Slovenia has launched a project called "Gateway Slovenia", through which Ljubljana is being promoted as the focal point between east and west.
26. Switzerland: From 2000, Switzerland allowed on a restricted basis the transit of heavy goods vehicles. This has resulted in a growth in road transport of around 17 per cent. Unaccompanied transalpine combined transport increased by 18 per cent in 2000. Accompanied combined transport increased by 3 per cent. The expanded Lötschberg/Simplon corridor will start operation on 1 July 2001. It is expected that this corridor will be able to have a through traffic of 100,000 vehicles per year.

27. ECMT: ECMT is conducting a study via a questionnaire to the member States on the use of combined transport. Only 5 replies have been received, but the preliminary results do not indicate any increase in the use.

28. UIRR: UIRR represents around 65 per cent of the European road/rail combined transport industry. The combined road/rail industry had experienced an increase of volumes in 2000 after a 2 years' volume decline. At the same time, combined transport has experienced a deterioration of the quality of service according to the quality measurement carried out by UIRR. UIRR has, jointly with the European Commission, carried out a project, which seeks to give directions to the improvement of the quality of combined transport in Europe. The main findings of the project can be found in TRANS/WP.24/2001/4-TRANS/SC.2/2001/5.

(b) Problems encountered in combined transport operations

29. The primary problem pointed out by several representatives is related to the issue of quality, in particular the lack of reliability and punctuality of the rail service. There seem to be several reasons behind the reliability/punctuality problem. The change of locomotives and personnel is a contributing factor to delays, in particular when rolling material and personnel in the receiving country are not available when the combined transport arrives at the border. Delays lead not only to a decrease in the quality, but also to increase in costs. When a train is delayed 3 hours, the cost for the road operator waiting for the combined transport is euro 2,300. The transshipment procedures and the border crossing procedures are also factors, which cause delays.

30. The cost and pricing structure of combined transport was pointed out as an essential element in the competitive comparison with unimodal transport options. Only if combined transport is operated under optimal conditions, will it be possible to offer a product that in cost terms is competitive with unimodal transport, in particular road transport.

31. The problems concerning reliability and punctuality are accentuated by the lack of responsiveness by railways for providing information about such problems. This is also linked to the fact that the concept of corridor managers is not implemented in rail transport in a coherent manner in order that the users can consider combined road/rail transport a one-stop solution.

32. Some representatives pointed out that the concept of one-stop solutions also relates to the issue of cargo liability. Combined transport is disadvantaged by the fact that different liability regimes are involved in the combined transport operation. A harmonization of the liability regimes, primarily between CMR and CIM would make combined transport more user-friendly to shippers.

33. As mentioned above, it was pointed out that, in order for combined transport to compete with unimodal transport, in particular road transport, conditions for combined transport must be optimal. As mentioned above, one of the factors that leads to delays is due to the change of locomotives and personnel at borders. This is due to the lack of mutual recognition of rolling stock between countries. The reasons given for this are mainly safety related and to a lesser extent technically determined.

34. The policy of splitting infrastructure management and traction operations and to operate both on a commercial basis in a liberalized environment is being implemented in more and more countries, primarily in the European Union. This policy, however, creates difficulties for Governments in granting financial assistance to combined transport and could endanger the competitiveness.

35. Combined transport must also consider if it should continue to focus on both accompanied and unaccompanied transport. Accompanied transports are not cost optimal. Consequently, it should be considered to utilize the limited resources available for combined transport, in the area of unaccompanied transport where combined transport can better compete with unimodal transport.

36. The Joint Meeting also noted that combined transport is competing with passenger transport for the available infrastructure, which is limited. With the recent success of longer distance high-speed passenger transport such as TGV and Thalys in Western Europe, it could be envisaged that infrastructure managers and rail companies could obtain a better return on investment by focusing on passenger transport. This question needs to be clearly addressed by the railways and the partners in the combined transport chain.

(c) **Possible solutions to overcoming problems and best practices**

37. The Joint Meeting, noting that only some of the identified problems lie within the area of competence of the Working Parties, was of the view that Governments in general are interested in promoting combined transport.

38. As a result of the apparent lack in the quality of service in combined transport, initiatives have been taken to establish co-operations between railways, combined transport operators and transport and logistics operators to measure and thereby improve performance in combined transport. Such partnerships have been taken for instance in France and Belgium.

39. The Joint Meeting was of the opinion that it would be important for the promotion of international combined transport to build on these initiatives and to share best practices between operators and regulators. Furthermore, the Joint Meeting considered that it would benefit the entire international combined transport industry if initiatives concerning partnership models and performance measurement were to be aligned and harmonized to the extent possible in order not to develop differing standards. In this context, the Joint Meeting noted that Governments and international organizations could play an important co-ordinating role.

40. The Joint Meeting also considered the issue concerning costing and pricing to be of the utmost importance when considering the competitive strength of combined transport. The Joint Meeting took note of the fact that, due to the involvement of several operators in a combined transport operation, it was important to have very strict application of the cost structure in order that the combined transport product would still be competitive. The issue of costing and pricing is to a large extent an operational issue. However, it is important to identify if any of the costs linked to combined transport are inherent to obstacles that could be alleviated with the assistance of Governments.

41. The Joint Meeting also noted that, due to the positive implications of combined transport in relation to the environment, safety and congestion, it would be important to consider if combined transport should be assisted through public funding. Funding should be considered in relation to both infrastructure and operation. In this context, it is important to consider the competitive implications on other transport modes.

42. The Joint Meeting considered that issues such as border crossing facilitation, frontier controls, interoperability and mutual recognition of rolling stock and personnel were issues that lie within the Government's competency.

43. In this context, the Joint Meeting took note of the situation in road transport where such issues have for a long time already been regulated on an international level.

44. The Joint Meeting noted that it had already been recognized on an international level that the unification of civil liability regimes would contribute to facilitating combined and multimodal transport and thereby make these transport alternatives more attractive.

45. The Joint Meeting was of the view that a global uniform civil liability regime for multimodal transport is the ultimate goal. However, in order to promote Pan-European combined transport, it should be considered to explore the possibilities of harmonizing, as a first step, the civil liability rules for road and rail transport.

CONCLUSIONS AND FOLLOW-UP ACTIONS TO BE TAKEN BY THE WORKING PARTIES

46. The Joint Meeting emphasized the importance of a continuous dialogue between all partners in the combined transport chain in order to resolve the issue of service quality in combined transport, which was considered by the Joint Meeting to be the main obstacle for developing further the combined transport market segment. In this context, the Joint Meeting considered, in particular, which kind of supportive Governmental measures could assist in this process.

47. The Joint Meeting was of the view that follow-up action should focus on the following issues:

- (a) Partnership models including model agreements and best practices and key performance indicators taking into consideration the question of free competition and anti-trust regulations. The Joint Meeting considered that it could be valuable to develop a harmonized performance measurement tool;
- (b) Costing, pricing and subsidies focusing on the specific elements which make up each of these economic parameters, what factors influence each of the elements and how an optimization of the elements can assist in promoting combined transport;
- (c) Facilitation of border crossing procedures, harmonization of frontier controls and interoperability in international transport, including mutual agreement of rolling stock;
- (d) Harmonization of liability regimes in multimodal transport in order to be more user friendly.

48. The Joint Meeting requested the Working Party on Combined Transport (WP.24) and the Working Party on Rail Transport (SC.2) to consider these follow-up actions at their forthcoming sessions.
