



**Economic and Social
Council**

Distr.
GENERAL

TRANS/SC.2/1999/18
14 July 1999

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

Working Party on Rail Transport

(Fifty-third session, 6-8 October 1999,
agenda item 16)

RAILWAYS' PRACTICES AND COMBINED TRANSPORT DEVELOPMENT

Transmitted by International Union of Combined Road-Rail Transport Companies
(UIRR)

Please note that the distribution of documentation for the Working Party on Rail Transport (SC.2) is no longer "restricted". Accordingly, the secretariat has adopted a new numbering system whereby all working documents other than Reports and Agendas will be numbered as follows: TRANS/SC.2/year/serial number. Reports, Agendas, resolutions and major publications will retain their previous numbering system (i.e. TRANS/SC.2/189).

Note: The Working Party on Combined Transport (WP.24), at its thirty-first session (13 April 1999), discussed, inter alia, the role of railways in the promotion of combined transport. Most representatives expressed their concerns about the relative decline of combined transport, and felt that the reasons for this decline were partly unsatisfactory levels of service quality, particularly unreliability on the part of railway operators. Accordingly, the Working Party invited SC.2 to comment on this situation (TRANS/WP.24/83, paras. 38-40).

At the request of the secretariat, the International Union of Combined Road-Rail Transport Companies (UIRR) has transmitted the briefing note that is reproduced below for consideration by the Working Party.

* * *

Declining Trends in Combined Transport
Facts and Figures
Discussion Paper prepared by UIRR
International Union of Combined Road-Rail Transport Companies, Brussels

It is well known that the UN-ECE is much concerned about the development of combined transport and the UIRR is particularly grateful for the opportunity to have its views shared and to participate in its debate on the declining trends in this transport technique.

For the very first time in decades, nearly all operators united in the UIRR, registered a dangerously negative trend in transport volumes. Although they were still able to record a slight increase in 1998, based in part on two-digit growth during the first half of the year, the second half was marked by a decline which unfortunately continued this year. Already at its General Assembly in September 1998, the UIRR had publicly expressed its concern about the intolerable lack of quality on the major international routes and warned of its consequences.

Although a great many railway undertakings have not seen to it to provide the services agreed upon by contract with their client operators and that the latter had nonetheless to pay for it, they try, without taking into account the fact that it put some of the clients in serious difficulties, to improve their financial situation via unjustified price increases. The market's reaction was not long in coming. The gap between the expectations of the market and transport policy and the services provided by the railways continues to widen. Road congestion is expanding, amongst other recent reasons because rail traffic is shifting back to road.

The UIRR is of the opinion that the fundamental idea of the reform in the rail sector is right, which is based on the principle that only significant competition between railways will in the longer run provide an increase in productivity in line with other branches of transport and industry. A short term solution could be to consider combined transport as a public service - as is the case for passenger rail or bus transport - and thus to have it financed as such. Subsequent subsidies would, however, have to be provided in such a way that they do not conflict with competition rules, which means that they would have to be available to all those who provide rail transport services. Lower infrastructure charges would probably be the most neutral solution. Such lower charges are justified as long as the internalisation of external costs and hence the higher level of safety provided by rail transport are not integrated in a harmonised charging system for all forms of transport.

In the current situation, in which rail transport continues to lose market shares, the UN-ECE and its Member States ought to discuss and to continue working on this issue in the future to eventually introduce measures

which would :

- * support traditional rail companies making progress towards liberalisation;
- * supervise those companies exploiting or extending their monopoly situation;
- * relieve newcomers of unacceptable risks and
- * protect private companies already active in this market.

The situation will continue to be difficult for combined transport operators as long as the framework conditions for rail transport are not right. The UIRR companies are doing their utmost, however, to manage the situation by various measures. The UIRR has e.g. drawn up new General Terms and Conditions which create a transparent legal framework and take better account of the customers interests.

In addition, its members do their very best to increase productivity thanks to better utilisation of train capacities, to avoid unbalanced transport, to extend the network of lines serviced by shuttle trains rather than single wagon traffic, to improve logistical supply thanks to state-of-the-art computer applications and closer collaboration between the operators. The latter is not limited to the operational field, but it does in some cases also take the form of close partnerships.

The UIRR, in its capacity of association, has reacted to these changes in the transport market by introducing a modification to its Statutes which allows it to represent the interests of all independent combined transport operators, even those competing with each other. The most recent developments show that all operators have a joint interest in fields such as harmonisation of techniques, telecommunications and data-processing or transport policy, framework conditions for combined transport, the quality of railway services, etc. Operators, whose main shareholders are rail companies, are meanwhile welcomed within the UIRR as associate members. We at UIRR see our role not only as one of promotion of our affiliated members but also as one of a permanent dialogue with all those in the operational and political field who are able to force combined transport to develop further and to contribute to sustainable mobility.

Rudy COLLE
Director General
