



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 7 May 2002 (14.05)
(OR. fr)**

8708/02

TRANS 134

COVER NOTE

from : the Secretary-General of the European Commission
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date of receipt : 3 May 2002

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Subject : Report from the Commission on the application during the years 1996 to 1999
of Council Directive 92/106/EEC of 7 December 1992 on the establishment of
common rules for certain types of combined transport of goods between
Member States

Delegations will find attached Commission document COM(2002) 215 final.

Encl.: COM(2002) 215 final



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 02.05.2002
COM(2002) 215 final

REPORT FROM THE COMMISSION

on the application during the years 1996 to 1999 of Council Directive 92/106/EEC of 7 December 1992 on the establishment of common rules for certain types of combined transport of goods between Member States

INTRODUCTION AND SUMMARY

This report has been compiled to meet the obligation imposed by Article 5 of Council Directive 92/106 of 7 December 1992. It follows up the report¹ of 18 July 1997 and covers only the new developments since then.

Just over seven and a half years after the date originally set, every Member State has transposed the Directive (see Section 1.1.1).

The tax measures provided for by the Directive have been put into effect in Austria, France, Germany and Italy. The other Member States have been applying the mandatory measures, without recourse to the other possibilities offered (see Section 1.1.2).

Directive 96/53/EC² allows a derogation from the maximum weight limit (40 tonnes) for the road leg of combined transport operations. The Member States have been applying this very differently (see Section 1.1.3).

Substantial financial aid has been granted to combined transport, both by the Commission and by various Member States. The latter have not always complied with the Community rules on State aid. Regulation (EEC) No 1107/70 on the granting of aids for transport by rail, road and inland waterway³ is being redrafted (see Section 1.2).

Two Member States added to their data on combined transport operations suggestions for measures to be taken at Community level. These all go beyond the scope of the Directive (see Section 1.3).

Despite the disparities between the statistics, the figures collected show an increase in combined transport between 1996 and 1999. A slight downturn in rail traffic was observed in 1999. The UIRR⁴ data show growing use of the rolling road and an increase in the share of traffic taken by international operations at the expense of national services (see Section 2).

Over the period 1996–1999 the rail and inland waterway legs of combined transport operations were equivalent to 26.5% of road traffic over distances of more than 500 kilometres. This is an approximation since some services by sea also compete against long-distance intra-European road freight services (see Section 2.1.5).

¹ COM (97) 372 final.

² Council Directive 96/53/EC of 25 July 1996 laying down for certain road vehicles circulating within the Community the maximum authorized dimensions in national and international traffic and the maximum authorized weights in international traffic (OJ No L 235, 17.9.1996, pp. 59 to 75).

³ OJ L 130, 15.6.1970, p. 1, as last amended by Council Regulations (EEC) No 3578/92 (OJ L 364, 12.12.1992, p. 11), (EC) No 2255/96 (OJ L 304, 27.11.1996, p. 3) and (EC) No 543/97 (OJ L 84, 26.3.1997, p. 6).

⁴ International Union of Combined Road/Rail Transport.

1. REGULATORY ASPECTS

1.1. Application of Directive 92/106/EEC

1.1.1. Transposition into national legislation

Article 10 of Directive 92/106/EEC required the Member States to transpose the Directive by 1 July 1993. The last Member State did so in February 2001.

1.1.2. Application of the tax-related provisions in the Directive

1.1.2.1. General

Article 6(1) of Directive 92/106 introduced an obligation to grant reductions or reimbursements of the taxes applicable to road vehicles when they are routed in combined transport.

Some Member States have complied with this mandatory requirement solely for road/rail combined transport, principally rolling road services.

Others, more inclined to promote combined transport, have gone further and availed themselves of the other options opened up by the Directive. However, the impact of these optional measures on combined transport traffic cannot be assessed scientifically. Instead, changes have been observed in the other parameters, notably higher costs for rail traction and lower quality of service. The general impression amongst the Member States leading the way is that these measures are indispensable.

The tax measures have been put into effect in Austria, France, Germany and Italy.

1.1.2.2. Conclusions

By way of conclusion, most Member States have not been making full use of the tax options offered by the Directive. However, the external costs of road transport are not fully internalised, giving rise to artificially low prices. All the possibilities offered by the legislation should therefore be used to soften the resulting adverse impact on combined transport.

1.1.3. Derogation from the maximum weight limit for road vehicles

Directive 96/53⁵ (Article 3 and point 2.2.2.(c) of Annex I) stipulates that: "A Member State may not reject or prohibit the use in its territory (...) [of a] three-axle motor vehicle with two or three-axle semi-trailer carrying a 40-foot ISO container as a combined transport operation" provided the total weight is not more than 44 tonnes. This provision has proved important for the development of combined transport. This section describes the situation in August 1999.

⁵ Council Directive 96/53/EC of 25 July 1996 laying down for certain road vehicles circulating within the Community the maximum authorized dimensions in national and international traffic and the maximum authorized weights in international traffic (OJ L 235, 17.9.1996, pp. 59 to 75).

In seven countries (B, DK, I, L, NL, FIN and S) there is no need for the derogation since the weight limit for certain vehicle configurations is already 44 tonnes, if not higher.

Two other Member States (D since July 1997 and F) allow 44 tonnes by way of derogation for the road legs of combined transport operations, irrespective of the ITU⁶ used. France, however, strictly applies the obligations imposed by Directive 96/53 to seaport services.

The United Kingdom used to grant this derogation exclusively to six-axled road vehicles with twin tyres on the drive axle and air suspension for legs forming part of combined transport services. Since 1 February 2001 this measure has been extended to all road transport.

Ireland allows 44 tonnes for movements of all swap bodies and all containers.

Three Member States (EL, E and P) strictly apply the obligations imposed by Directive 96/53 to all combined transport services.

For geographical reasons, Austria allows only a 41-tonne derogation for container and swap body movements by road.

1.2. Community and State aid for combined transport

Although Directive 92/106 does not cover aid, several Member States have called for updating of Regulation 1107/70 on State aid. New rules on State aid are being prepared⁷.

1.2.1. Community financial assistance

Besides the research and development programmes, over the report period the PACT programme also provided support for innovative combined transport schemes. It has proved its worth, and on 4 February 2002 the Commission proposed⁸ launching a more ambitious programme - Marco Polo - which will cover all segments of the freight market and action of three types:

- start-up aid for environmentally sustainable freight services;
- catalyst action steered by the Commission;
- knowledge-sharing and a strategy for spreading good ideas.

⁶ ITU: intermodal transport unit. This term covers semi-trailers suitable for intermodal transport, containers and swap bodies.

⁷ See Commission proposal for a regulation of the European Parliament and of the Council concerning the granting of aid for the coordination of transport by rail, road and inland waterway; COM(2000) 5 final, 26 July 2000.

⁸ COM(2002) 54 final.

1.2.2. *Aid of various kinds from the Member States*

This section draws on all sources of information available to the Commission. Several Member States grant combined transport financial aid not provided for in Directive 92/106:

- investment aid (sites and equipment); and
- operating aid.

The Commission points out that Member States must submit notification of any aid which they wish to grant to combined transport. If they fail to comply with this obligation, they make it impossible for the Commission to check whether the aid (which is illegal without notification) is nevertheless compatible with the common market, i.e. will neither cause unacceptable distortion of competition nor put certain undertakings at an advantage.

1.3. **Proposal to amend the Directive**

On 10 July 1998 the Commission proposed amendments⁹ to Directives 92/106 and 96/53. Parliament voted to remove two key clauses - the permanent derogation from bans on week-end driving and the general authorisation for weights up to 44 tonnes for combined transport of all types. The Commission withdrew this proposal on 11 December 2001¹⁰.

⁹ Proposal for a Council directive amending Council Directive 92/106/EEC of 7 December 1992 on the establishment of common rules for certain types of combined transport of goods between Member States and proposal for a Council directive amending Council Directive 96/53/EC of 25 July 1996 laying down for certain road vehicles circulating within the Community the maximum authorised dimensions in national and international traffic and the maximum authorised weights in international traffic; COM(1998) 414 final.

¹⁰ COM(2001) 763 final: Communication from the Commission - Withdrawal of Commission proposals which are no longer topical.

2. ECONOMIC DEVELOPMENT OF THE SECTOR

2.1. Statistical trends in Europe

2.1.1. Remarks concerning the statistics available

Several Member States reported that they had no usable statistics available or only incomplete data.

The figures from the combined transport organisations are more usable: there is less overlap. But numerous estimates still have to be made. For example, in maritime transport each container is counted as 1.5 TEU, whereas in the UIRR statistics one consignment is about 2.3 TEU. There are also problems with the definitions. It will therefore take a long time to improve the statistics.

2.1.2. Combined transport in twenty-foot equivalent units (TEU)¹¹

Table 1 shows the total number of twenty-foot equivalent units (TEU) moved by combined transport. Since the figures available are non-standardised the table contains best estimates.

Table 1: Trends for combined transport, in million TEU

	Million TEU				Percentage change		
	1996	1997	1998	1999	97/96	98/97	99/98
Rail	9.8	10.2	10.6	10.4	4.6%	3.1%	-1.6%
Inland waterway	1.5	1.7	1.7	1.8	8.8%	1.7%	5.8%
Sea	17.6	20.6	22.3	24.9	16.9%	8.5%	11.5%
Rail + waterway	11.3	11.9	12.3	12.2	5.2%	2.9%	-0.6%
Three modes	28.9	32.5	34.6	37.1	12.3%	6.5%	7.2%

Source: DG for Energy and Transport, *estimates*.

Figure 1 in the Annex illustrates this trend.

2.1.3. Conclusions

The number of TEU moved by combined transport rose from 29 million to 37 million over the report period.

The downturn in rail between 1998 and 1999, confirmed by the UIRR statistics, was stemmed in 2000, according to data from the same source.

¹¹ Measurement unit equivalent to one 20-foot (6.10 metre) long ISO container, used to express transport capacity or flows.

2.1.4. *Attempt to compare transport operations by mode and combined transport*

Traffic in tonne-kilometres was the parameter selected.

Table 2: Total traffic in billion tonne-kilometres

	1996	1997	1998
Road	1.152	1.205	1.255
Sea	1.076	1.124	1.167
Rail	220	238	241
Inland waterway	112	118	121
Pipelines	85	85	87
TOTAL	2.645	2.770	2.870
TOTAL excluding pipelines	2.560	2.685	2.783

Source: DG TREN: Transport in figures

Figures 2-1 and 2-2 in the Annex illustrate these trends.

Table 3: Combined transport by mode

Billion tonne-kilometres	1996	1997	1998
Sea	140,7	164,5	178,5
<i>Combined as % of total traffic on this mode</i>	<i>13,1%</i>	<i>14,6%</i>	<i>15,3%</i>
Rail	53,7	61,1	62,0
<i>Combined as % of total traffic on this mode</i>	<i>24,4%</i>	<i>25,7%</i>	<i>25,7%</i>
Inland waterway	4,7	5,0	5,1
<i>Combined as % of total traffic on this mode</i>	<i>4,2%</i>	<i>4,2%</i>	<i>4,2%</i>
TOTAL	2.645	2.770	2.871
<i>of which combined transport</i>	<i>199,1</i>	<i>230,6</i>	<i>245,6</i>
<i>Combined as % of total traffic</i>	<i>7,5%</i>	<i>8,3%</i>	<i>8,6%</i>
TOTAL excluding pipelines and road	1.405	1.480	1.529
<i>of which combined transport</i>	<i>199,1</i>	<i>230,6</i>	<i>245,6</i>
<i>Combined as % of traffic on the modes covered</i>	<i>14,1%</i>	<i>15,6%</i>	<i>16,1%</i>

Sources: Eurostat for total traffic; DG for Energy and Transport estimates for combined transport

The volume of road transport forming part of combined transport operations is not known. The figures given for combined transport by sea must be treated with caution, since there is nothing to say that all intra-European container traffic carried by sea comes under the definition of combined transport. It seems unlikely that combined transport could enter into competition with pipelines. Also, the Eurostat series do not yet include 1999.

The following conclusions can be drawn from these tables:

Short-sea shipping and road take almost equal shares of around 84% of the tonne-kilometres recorded in Europe.

The share of mass transport taken by combined transport rose over the report period, exceeding 25% in the case of rail.

The share of total traffic taken by combined transport, excluding the road legs of combined transport operations, is increasing.

A number of Union countries have islands. Consequently, it cannot be said that short-sea shipping is always an alternative to road haulage. A more detailed study is still needed to estimate how much of the seaborne traffic could have been carried by road.

The tonne-kilometre figures for combined transport by rail or inland waterway - two modes which certainly are alternatives to road - are equivalent to over 6% of road traffic. This figure is still low considering the objective of increasing combined transport to take traffic off the roads.

Road's share of the transport market as a whole increased from 43.5% in 1996 to 43.7% in 1998 (Transport in figures, 2000).

2.1.5. Comparison of combined transport (rail and inland waterway) traffic and road transport over distances longer than 500 km

The next question is what are the relative volumes of road and combined transport when these two modes are in competition.

According to the DG TREN statistical pocketbook "Transport in figures 2000", 80% of national road traffic, in tonne-kilometre terms, is generated by journeys shorter than 500 kilometres.

As an initial approximation, it can be assumed that the same proportion is also valid for international road haulage services (the bias introduced by this assumption seems negligible in relation to the uncertainties surrounding the figures used) and that combined transport is not economically viable over distances shorter than 500 km¹².

Under these circumstances, the volume of traffic carried by inland modes as part of combined transport operations must be comparable to one fifth of the volume carried by road.

¹² Note, however, that research projects (TERMINET and SCANDINET) have shown that, under certain conditions, combined transport can be viable over a distance of 300 km.

Table 4: Journeys over 500 km

	Billion tkm			
	1996	1997	1998	Total
Road (over 500 km)	230,4	241,0	251,0	722,4
Non-maritime combined transport	58,4	66,1	67,1	191,6
Ratio between non-maritime combined transport and road (over 500 km)	25,3%	27,4%	26,7%	26,5%

Source: DG for Energy and Transport, *estimates*.

This approach should be taken further by including the volume of traffic which could have been on Europe's roads but was carried by short-sea shipping instead. If half of intra-European container traffic carried by sea were defined as combined transport, this would push the ratio between combined transport and road (over 500 km) up to 60% over the same period. Despite its current limitations, this approach confirms that the policy of promoting combined transport is well founded.

2.1.6. *Conclusions on the quality of the statistics*

There is a need for more uniform statistics. In their replies both Germany and Belgium explicitly raised this point, which was also echoed by other Member States. The Commission is working on this.

Eurostat should develop an appropriate data collection system by working towards a standard, harmonised reporting structure, safeguarding business interests. The Member States should therefore agree on the content of the statistics to be used in such reports and give an undertaking to conduct the necessary surveys, under the coordination of Eurostat.

2.1.7. *Combined transport of ITUs by inland waterway*

The most important routes are in the triangle between the ports of Rotterdam and Antwerp and the Rhine. Not all these services between Antwerp and Rotterdam can be defined as combined transport, because often no road leg is involved. However, they frequently take traffic off the roads. Also, between Lille and these ports and on the Danube container services are taking off, with a helping hand from the PACT programme, which co-financed a number of pilot actions for combined transport with Commission funds during 1993-1996¹³ and 1997-2001.

In the years covered the number of TEU carried by inland waterway increased by 19.5%. In tonne-kilometre terms the volume rose by 13%.

¹³ Commission Decision 93/45/EEC of 22 December 1992, OJ L 16, 25.1.1993, p. 55.

2.1.8. *Transport of ITUs by rail*

Transport of ITUs by rail suffered a bad year in 1999. After an increase of 6% in terms of TEU (and of 10% in tkm) between 1996 and 1999, both these indicators slipped back between 1998 and 1999 (by 1.6% and 4.6% respectively). The UIRR has figures for 2000. Figure 3 in the Annex shows trends in the number of consignments handled by the companies active throughout the report period, without double counting.

The international share of the total traffic carried by undertakings in the UIRR is growing strongly, from 61% in 1996 to 65% in 2000.

2.1.9. *Road/rail combined transport of swap bodies, semi-trailers and rolling road¹⁴*

The UIRR report for 2000 contains extremely interesting figures for the breakdown of consignments carried by its members.

Table 5: Types of ITU carried by UIRR members

(in thousand ITU)	1996	1997	1998	1999	2000
Semi-trailers	207	185	166	155	172
Rolling road	344	346	382	406	460
Containers and swap bodies	1.160	1.333	1.335	1.260	1.333
Total	1.711	1.864	1.883	1.821	1.964

Converted into percentages, the figures in this table become:

Table 6: Types of ITU carried as a percentage (UIRR)

%	1996	1997	1998	1999	2000
Semi-trailers	12%	10%	9%	9%	9%
Rolling road	20%	19%	20%	22%	23%
Containers and swap bodies	68%	72%	71%	69%	68%

It must be repeated that 1999 was not a good year for road/rail combined transport. However, growing use is being made of the rolling road.

¹⁴ Trucks on train.

3. CONCLUSIONS ON THE STATISTICS

3.1. Number of units carried in combined transport

The number of TEU carried rose from 29 million in 1996 to 37 million in 1999. In absolute terms, these figures are overestimated because they unduly count all intra-European short-sea container services. Combined transport, in the strict sense, by the three modes probably grew by less than 28% over the four years covered. Combined transport by rail/inland waterway as a whole probably grew by over 7%.

3.2. Comparison of road, rail, inland waterway and combined transport

These comparisons are based on tonne-kilometres recorded over the entire period from 1996 to 1998.

Total rail traffic was equivalent to approximately 19.4% of total road traffic and total inland waterway traffic 9.7%.

Combined transport makes up one quarter of rail traffic.

On the inland waterways, combined transport generates just 4%.

Containers make up 14% of the traffic carried by intra-European short-sea shipping. However, not all of this can be attributed to combined transport in the strict sense since some shipping routes are shorter than 100 kilometres.

On average, the number of tonne-kilometres carried by inland waterway and rail as part of a combined transport operation was equivalent to one quarter of goods traffic by road over distances longer than 500 kilometres. Inclusion of the stretches by sea as well would probably push this proportion up to approximately one half.

3.3. The quality of the statistics

There is a need for more uniform statistics. The Commission is working on this, notably by following up the thinking started by research such as the IQ, IMPULSE and RECORDIT projects.

ANNEXES



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