

## Express industry priorities for the revision of the EU Combined Transport Directive (92/106/EEC)

### Introduction

The European Express Association (EEA) fully supports the revision of the current Directive 92/106/EEC on the establishment of common rules for certain types of Combined Transport of goods between Member States (the “Directive”). In this perspective, the EEA would like to highlight its key priorities, which we conceive as an integral approach with other mode-specific transport policy initiatives to be covered under the upcoming “Greening Transport Package,” now planned for mid-2023.

### Key priorities

By nature, express transport operations are intermodal. Our industry is interested in all modes of transport provided that they allow to deliver goods needed by citizens and businesses in a speedy, timely, reliable and cost-effective fashion.

#### A. Transport modes complement each other instead of competing with one another

The revision of the Combined Transport Directive forms an important pillar of an evolving regulatory framework that should seek to improve all modes of transport, in order to enhance the commercial environment and accelerate decarbonization. Both rail and road are core components, and they complement each other. Economic development is expected to increase freight transport activity by 82% by 2050 (on a 2005 baseline)<sup>1</sup>. Rail and inland waterway transport, even if they were to considerably increase their capacity, will not be able to absorb a significant part of road freight which accounted for 77.4 percent of the total inland freight transport in 2020.<sup>2</sup>

Meanwhile, existing railway solutions do not necessarily offer adequate alternatives to road transport in terms of speed and operational flexibility for overnight express deliveries in certain markets. The existing European railway network also doesn’t allow to cover all the lanes and hub connections that express operators need in order to operate efficiently. However, the attractiveness of rail freight can be increased by upscaling rail infrastructure throughout the EU and by putting rail cargo and passenger cargo on an equal footing. To that end, rail freight should have equal priority with passenger freight when sharing the same network in order to guarantee timing and improve reliability – key to the express business model. At a minimum, rail freight should be guaranteed dedicated slots (for example, but not limited to, overnight) that apply EU-wide where they maintain priority over passenger rail and apply equally when moving between EU countries in cross-border transport.

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<sup>1</sup> Impact Assessment, Future of Transport White Paper, 2011

<sup>2</sup> Eurostat, 2022

## **B. No forced modal shift but more incentivization**

Forced modal shift would be ineffective and damaging as it does not take into account the realities of transport operations and business where the decision to select a combination of modes of transport depends upon multiple factors including speed, cost, time constraints, road network connections, characteristics of the goods and service quality and reliability.

In line with the tax reductions/refund and tariff exemptions provided for in the existing Combined Transport Directive, the EU should set the right incentives – whether regulatory, operational and/or financial – to increase rail and waterborne transport use and to address cross-border infrastructure bottlenecks. Direct financial support could include, for example, an eco-premium, i.e. financial support for customers and logistics service providers when shifting goods from road to rail, to compensate for the higher costs. Indirect financial support measures could also be introduced for multimodal transport, including, for example, a reduction of track access charges, a waiver of road toll charges for the road leg of Combined Transport, as well as a reduction of administrative burdens and costs surrounding multimodal transport operations, or tax incentives. It should also seek to develop adequate rail alternatives to road and/or air transport for express freight transport (e.g. high-speed rail).

More broadly, support for starting up routes or making those routes more competitive, new terminals and for technological upgrades, alongside increased digitalization will help to enhance the commercial attractiveness of multimodal operations.

## **C. Alignment with the revision of the EU Weights and Dimensions Directive**

The existing patchwork of national rules in place for heavy duty road transport causes legal uncertainty and a lack of flexibility to the sector at a time of growing demand, rising driver shortage and increasing supply chain instability.

As indicated in a [dedicated paper](#), the EEA is calling for a revision of the Weights and Dimensions Directive that raises the EU-wide maximum weight and length threshold of heavy-duty trucks to at least 44t, and 46t in Combined Transport, while continuing to allow countries to go beyond these minimum criteria where they seek to do so. It will be critical to ensure that the Combined Transport Directive is revised in consistency with the Weight and Dimensions Directive revision, particularly for European Modular Systems (EMS) cross-border use.

## **D. No cross-subsidization**

Bearing in mind the complementarity of road and rail transport and the high sustainability challenge in terms of truck and aircraft technology, any EU and/or national financial support to rail (or waterborne) transport should not be funded from revenues proceeding from charges paid by operators of other modes of transport - whether air or road - under the ETS or any other scheme.

## **E. Clearer definitions and scope and harmonization through a Regulation**

The definition and scope of Combined Transport appear outdated and need to be simplified. For instance, “as the crow flies” is confusing: the actual leg distance in kilometers – if any - should be the reference. Indeed, the current distance limitations in the road leg are highly restrictive and should be removed or at least significantly increased in order to fully incentivize multimodal operations.

Similarly, we recommend clearer and more practical definitions for the initial and final transport leg of the journey. For instance, referring to the “nearest suitable terminal” for road-rail transport is not the

most practical and logical option from a network perspective, and is particularly challenging as terminal slots are limited and point-to-point connections are not always available. This provision should be removed and all transport from a multimodal terminal should be covered by the Combined Transport Directive.

There are also challenges related to definitions emerging from differences in national interpretation that create major uncertainty for cross-border operations.<sup>3</sup> To that end, the Commission should consider elevating the current Directive to a Regulation to ensure a fully harmonized approach that eliminates national variations. For more simplification, there should also be equal regimes between all modes used in Combined Transport, whether road, waterborne or rail.

### **Next steps**

The EEA stands ready to provide further input and expertise as the possible revision moves forward through the legislative process. In that regard, we urge the European Commission to put forward its proposal for a revision of the Combined Transport Directive as soon as possible, in view of the limited timeframe for finalizing a revised text before the end of the current legislative term.

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### **About the European Express Association**

*The European Express Association (EEA) represents the interests of the express industry in Europe. The express industry provides door-to-door transport and delivery of next-day or time-definite shipments, throughout Europe and the world. According to a 2020 Oxford Economics [study](#) on the impact of the express industry on the EU economy, the European express industry directly supported 330,000 jobs and an estimated 1.1 million indirect jobs in the EU in 2018, while generating €24 billion in tax revenues for EU Member States' governments that same year.*

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<sup>3</sup> For example, in France, only journeys starting in a terminal in France are considered as Combined Transport operations. This means that a Combined Transport operation starting in a neighboring Member State and continuing on to France requires an exemption from the French authorities for the authorization of a heavier load – a costly and time consuming administrative burden.