



24 March 2023

## Comments: Revision of Combined Transport Directive

### KEY MESSAGES

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*A revision of the Combined Transport Directive should:*

- Focus on the multimodal optimisation in European transport, while avoiding a 'one-size-fits-all' approach, as an increase in the demand for transport services will have to be accommodated by *all* modes of transport.
- Extend the Directive's scope to a wider set of operations to enable more multimodal transport operations to benefit from the regulatory framework, including operations between and within Member States.
- Establish a common, harmonised framework for combined transport operations at EU level with a view to eliminate the existing patchwork of national regulations.
- Provide clear and harmonised definitions at EU level to ensure a uniform understanding and application of the Combined Transport Directive throughout the EU.
- Foster investment in high-quality infrastructure, which is compatible with multimodal transport operations, including technical compatibility between the different modes to optimise logistic chains, and in line with revised TEN-T guidelines, and strengthen the infrastructure, efficiency, and availability of multimodal freight terminals.
- Reduce administrative burden and reap the full benefits of digitisation in multimodal transport by promoting end-to-end monitoring of combined transport operations along the entire transport chain and enable digitalised business-to-authority communication.



### CONTEXT

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Combined Transport (CT) provides the leverage to enhance the decarbonisation and greening of the European transport sector by promoting the use of efficient and sustainable transport solutions. In this context, CT can be an important vehicle to reduce carbon emissions and other negative externalities for freight transport, thereby contributing to the EU Green Deal's ambition of a 90% reduction in transport-related greenhouse gas emissions.

Considering that the substantial increase expected in the demand for transport services, in line with GDP and trade growth, will have to be accommodated by *all* modes of transport and thus by the efficiency improvement of each mode, strengthening multimodality and interoperability as well as ensuring a level playing field between the different modes remains key. High quality CT services are required in order to cope with the increasing transport demand. In this context, it is essential to focus on the multimodal optimisation in European transport, while avoiding a 'one-size-fits-all' approach, and consider the different transport modes not as competing, but as complementary.

[Directive 92/106/EEC](#) on the establishment of common rules for certain types of combined transport of goods between Member States (CT Directive) was adopted to promote CT operations by defining eligibility criteria for regulatory and financial support. However, thirty years after its adoption, the current legislative framework for CT is outdated and ambiguous, leading to barriers and inefficiencies, diverging interpretations of provisions at national level, and lacking effective support to overcome inherent disadvantages of intermodal and multimodal transport operations.

BusinessEurope strongly welcomes the upcoming review of the CT Directive and supports its overall objective to facilitate the uptake of sustainable transport options with a view to greening the European transport system. The revision provides the opportunity to successfully promote CT by creating a common, ambitious framework at EU level, based on fair competition between and within transport modes, and achieve the EU's climate and sustainability goals as laid down in the European Green Deal and the [Sustainable and Smart Mobility Strategy](#).

**As a key societal stakeholder and social partner, and a representative of 40 national industry federations, BusinessEurope outlines its priorities and key issues for the upcoming revision of the CT Directive below.**



### COMMENTS

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**Objectives.** EU transport policy should aim at achieving a well-functioning transport Single Market which connects our businesses and regions, ensures a fully interconnected all-modes-of-transport system and supports efficient and sustainable mobility in the EU. The efficiency of all transport modes and their interconnection will allow businesses to develop more efficient EU-wide solutions, thereby reducing costs and emissions, strengthening EU value chains, and contributing to the EU's global competitiveness.

To this end, BusinessEurope supports the following overall objectives in revising the CT Directive:

- Facilitating the uptake of sustainable freight transport options and increasing the use and competitiveness of intermodal or multimodal transport in the EU with a view to greening the European transport system, reducing its negative externalities, and ultimately achieving the EU's climate and sustainability goals as laid down in the European Green Deal.
- At the same time, considering that CT is, by current definition at EU level, a cross-border operation, the revision should aim at reducing regulatory, operational and administrative barriers between Member States and guarantee the seamless functioning of a cross-border transport system without hindering the smooth functioning of the Single Market and creating additional obstacles for businesses when carrying out CT operations.

To ease access to CT and increase its capacity to achieve the above-mentioned objectives, the revised CT Directive should focus on removing the inefficiencies and disadvantages which are specific to inter- and multimodal transport, such as higher costs due to switching transport modes, long delivery times, and lower reliability, in particular through:

- Reduction of administrative burdens and removal of regulatory barriers creating difficulties in the interface between the different transport modes and in cross-border transport and ensuring a higher level of harmonisation between Member States.
- Increasing interconnectivity and capacities across all modes of transport since the surge in demand for transport services will have to be accommodated by all modes.
- Bridging the missing links and ensuring the availability of high-quality infrastructure which is compatible with multimodal transport operations and in line with the TEN-T guidelines, as the promotion of CT must go hand in hand with the development of adequate and reliable infrastructure.
- Strengthening the infrastructure, efficiency, and availability of multimodal freight terminals, including upgrading and optimisation of existing facilities and services, as the provision of CT and multimodal transport solutions must be accompanied by adequate infrastructure, including terminals, the latter serving as nodes for four transport modes (maritime, rail, road and inland waterways).



- Increased uptake of smart digital solutions and promotion of seamless data- and information exchange as a basis for execution and optimisation of CT operations, enabling the tracking and tracing of CT operations, ensuring reliable information on the expected time of arrival (ETA) and promoting process integration between supply chain actors.

**Scope and eligibility.** The narrowly defined scope of the current CT Directive limiting support measures to cross-border CT operations only hinders an effective uptake of intermodal or multimodal transport in the EU. In fact, many Member States have already extended the geographical scope of the Directive, currently constrained to operations between Member States, to national and/or international CT operations with third countries to extend the benefits of the Directive to more operations.

To ensure the uptake of CT and an effective application of the Directive, BusinessEurope welcomes the need for clarification and modification of the conditions for eligibility. The current eligibility criteria as defined in the CT Directive – i) cross-border nature of a CT operation, ii) loading unit must be at least 20 foot, iii) non-road leg must be at least 100km, iv) distance limitation of a road leg, differentiated for waterborne or rail-road CT – discourage some sustainable CT operations while supporting others, which in fact do not significantly contribute to the uptake of more sustainable transport modes. For example, by limiting support to cross-border transport operations only, the current Directive fails to promote intermodal transport between ports and industrial clusters situated in (national) hinterland, despite large volumes handled and increasing congestions in many port areas.

Thus, BusinessEurope supports an extension of the Directive's scope to a wider set of operations to enable more multimodal transport operations to benefit from the regulatory framework providing appropriate incentives, including operations between and within Member States. Extending the scope of the Directive to national operations will make CT attractive on shorter distances and contribute to the reduction of negative externalities.

Current eligibility criteria, in particularly regarding the road leg of a CT operation, have led to inconsistencies and inefficiencies in the application of CT rules. In this context, the ambiguous concept of “nearest suitable loading/unloading station”, as contained in the current Directive, should be removed or, in any case, clarified. The revised Directive should provide greater flexibility in determining the maximum length of the road transport leg by allowing an extension of the road leg to the nearest terminal with appropriate facilities, including transshipment equipment, terminal capacities and appropriate rail freight services. At the same time, the Directive should clearly state that road freight transport can be used in the first and last leg of CT operations.

Moreover, as transport operators from islands may opt for longer non-road sea legs instead of the closest port destination, thus avoiding long distances of road transport, BusinessEurope considers it imperative that the transport of goods from insular Member States and regions to mainland EU is not considered an inevitable non-road leg. Instead, in such cases, connections between Island Member States and mainland EU should automatically be considered CT within the framework of the Directive.



BusinessEurope underlines the importance of introducing new principles based on avoided negative externalities. Such externalities should consider all transport modes and include a wider list of aspects, such as GHG emissions, congestion, accidents, reliability or scarcity. Moreover, incentives for CT should be linked to performance-based indicators aimed at increasing efficiency and customer services of transport operations. Evaluations of eligible transport operations should be based on current and future technology to ensure the uptake of innovative solutions. However, it is crucial that the establishment of a new eligibility approach does not jeopardise existing facilitations for CT, for example by introducing a transitional period.

To ensure a uniform application and calculation for determining the operations which are eligible for support based on the list of identified negative externalities, the revised CT Directive should also introduce provisions on the establishment of a harmonised methodology at EU level, such as the well-to-wheel analysis to assess an operation's environmental impact. Moreover, extending the Directive's scope to enable more multimodal transport operations to benefit from the regulatory framework must be accompanied by efficient, reliable, and clear procedures for proof of eligibility to prevent misuse of support. To this end, and in order to avoid additional administrative burden, calculation tools or other digital instruments should be used to assist businesses in the proof of eligibility for support measures.

**Level of harmonisation and consistency with other EU legal acts.** Considering that CT is, as defined in the current CT Directive, a cross-border operation involving at least two member States, BusinessEurope underlines the need to establish a common, harmonised framework for CT operations at EU level. A well-functioning, effective multimodal transport system requires increased interoperability among Member States, both concerning technology and the regulatory framework, eliminating the existing patchwork of national regulations. With the aim to improve the reporting and monitoring conditions of the CT Directive, BusinessEurope supports the introduction of planning and reporting obligations both at EU and Member States level.

Moreover, consistency with related proposals and legal acts, such as the revised Regulation on the trans-European transport network (TEN-T), as well as the upcoming revisions of the Weights and Dimensions Directive and the Rail Freight Corridor Regulation is key to ensure an efficient, well-functioning EU transport system without creating additional barriers in the Single Market. Support measures in the framework of the revised CT Directive must foster the synergies between the different legal acts and ensure compatibility with the ambitions laid down therein.

**Definitions.** Clear definitions are needed to ensure a uniform understanding and application of the CT Directive throughout the EU, leaving no room for diverging interpretations of legal provisions amongst Member States. The lack of legal clarity and certainty has led to a patchwork of national regulations on CT, hindering the smooth functioning of the Single Market, distorting the level playing field and imposing additional burdens on companies operating in the EU. The definition of CT operation itself is being ambiguously interpreted and modified by Member States: while some Member States define the road transport part of CT as a 1-leg operation, other countries regard CT as a 2-leg operation. This heterogenous



interpretation and application have resulted in different ways in which CT operations are treated in Member States, causing delays, administrative barriers and additional costs for transport operators.

To counteract the current EU-wide fragmentation of CT regimes, BusinessEurope strongly supports the establishment of clear and harmonised definitions at EU level of, *inter alia*, the following concepts, provided that they are further maintained in the revised Directive, where applicable:

- CT operations between and within Member States
- Accompanied CT
- Road leg of a CT operation (initial and final road transport leg)
- Nearest suitable terminal and intermodal terminal
- CT container

**Support measures and incentives.** The current support measures of the CT Directive fall short of the last years' developments in the European transport sector and freight market. Revised support measures should aim at removing and covering the inefficiencies and disadvantages which are inherent in inter- and multimodal transport. It is imperative to create appropriate economic and non-economic incentives at EU and national level to promote multimodal transport as laid down in the EU's Sustainable and Smart Mobility Strategy, while at the same time consider different modes of transport not as competing, but as complementary, thus enabling a modal optimisation in transport and ensuring a level playing field.

The ambitious climate goals require a massive overhaul across all modes of transport, as all of them have the potential to contribute to these goals and improve the resource efficiency of the entire European transport and logistic network. Hence, BusinessEurope considers it crucial to make use of the strengths of the individual transport modes (e.g., speed, cost, reliability, predictability) and potential of the Single Market in a climate-optimised interplay, promoting the optimum mix of modes for transport operations to offer more efficient and sustainable transport solutions. The promotion of energy-efficient unimodal transport chains must go hand in hand with the promotion of multimodal transport chains and the revision of the regulatory framework. Thus, adequate economic and non-economic support measures should apply to actors from all transport modes and target the efficiency of each mode, as well as the compatibility and integration between the different modes, without distorting competition and the level playing field.

Efficient international network corridors and closing missing links – especially at cross-border sections – are the prerequisite for multimodality and thus, all the relevant infrastructures must be equally considered: the EU legal framework must ensure that, while support for rail freight and inland waterway transport continues, also investments to upgrade the performances of road, seaport and airport infrastructures must be guaranteed.

To make CT accessible and competitive, the focus of investment must be on solving existing structural problems. Therefore, incentivising investments for and providing high-quality reliable infrastructure which is compatible with multimodal operations and in line with TEN-T guidelines is needed. As multimodal freight terminals serve as nodes for four transport modes (maritime, rail, road and inland waterways) and fulfil an important role in providing multimodal transport



solutions, their infrastructure and technical equipment, efficiency and availability, including the upgrading and optimisation of existing facilities and services, should be strengthened. In this regard, and for the purpose of resource efficiency, better coordination of terminal planning and infrastructural development in border regions is essential.

Furthermore, to foster long-term sustainable solutions, BusinessEurope supports the introduction and promotion of administrative and regulatory measures. The revised CT Directive should urgently address increasingly existing administrative burdens and costs surrounding CT operations by simplifying current procedures.

Currently existing restrictions of the road leg by road transport regulation prevent CT from reaching its full potential. BusinessEurope underlines that a moderate increase in the permissible gross weight of road vehicles for the first and last mile road leg of CT, for example to 48 or 50 tons, has great potential of further increasing the attractiveness of CT as well as reducing carbon emissions and driver shortages. Applying the weight increase in a first step only to certain routes (defined zones or dedicated lanes) in the road network could be an option for implementation. The increase in the permissible weight should be carefully evaluated for its feasibility and technical suitability, and not be conditioned upon the use or deployment of any specific vehicle technology or fuel type.

As a means of further increasing the attractiveness and speed-up of CT, BusinessEurope supports the exemption of first and last mile road transport of CT loading units from weekend, Sunday and public holiday driving bans as well as from road access charges, considering the lower external cost of CT. Such exemptions for CT road legs should be further extended to the return or relocation of empty transport containers and swap bodies, among others, which were used for CT operations and should thus be considered as components of CT.

At the same time, it is essential to maintain the currently applicable exemption from cabotage rules for CT road transport, and further extend it to the return of empty CT containers and swap bodies, among others, while ensuring compliance with existing labour and social requirements in other EU transport laws. As underlined in the 2021 [Commission's study on the Mobility Package 1](#), applying cabotage rules on CT road legs would undermine CT's attractiveness and result in a decline in its operations, thus impairing the objectives of the CT Directive. In practice, a uniform interpretation and application of the cabotage exemption for CT across the EU is needed to promote harmonisation among Member States and ensure that national authorities clearly differentiate between road legs in international CT operations and cabotage operations. As different shipping documents or waybills are used for different parts of the CT journey, the introduction and promotion of a single, uniform transport document covering all parts of the CT operation and provision of evidence through electronic means, for example through an eFTI platform (see below), would ensure an effective application of the rules.

In order to improve the efficiency of multimodal transport systems, the revised CT Directive should urgently address and foster investments in digitalisation and end-to-end monitoring of CT operations along the entire transport chain, promoting smart digital solutions and technological innovations. Through a seamless data- and information exchange, the tracking and tracing of CT operations, gathering of reliable information on the ETA and improved process integration between supply chain actors could be promoted. Uniformly monitoring the





punctuality and reporting the causes for delays of CT operations further supports end-to-end traffic management.

With a view to reduce administrative burden and reap the full benefits of digitisation in multimodal transport, the eFTI Regulation on electronic freight transport information will offer possibilities for digitalised business-to-authority communication. In practice, the requirement for authorities to approve a multimodal transport operation should be simplified by providing the necessary information in digital format through an eFTI platform. Actors involved in CT should be encouraged to harmonise, digitalise and automate CT processes, so users can fully seize the potential thereof.

BusinessEurope considers it essential that EU and national funding schemes support growth and availability of CT solutions and facilities, with a focus on, among others:

- Increase in capacity of existing terminals and investment in new terminals
- Transshipment costs and investments in transshipment infrastructure on private sidings to increase access to the CT rail network
- Adaptability of companies' administrative and operational procedures to CT
- Preservation and reactivation of (disused) rail tracks for additional terminals
- Promotion and facilitation of the use of European Modular System combinations in national and cross-border CT operations, considering, where appropriate, existing infrastructure

An adequate, well-balanced level of harmonisation and obligation of support measures is necessary to foster the attractiveness and competitiveness of CT. A patchwork of different national rules must be avoided. At the same time, however, BusinessEurope notes that the objective of fewer optional provisions and less interpretability must not lead to a loss of attractiveness of CT.