



## Amendment of Combined Transport Directive: Position

### KEY MESSAGES

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- Focus on the multimodal optimisation in European transport, while avoiding a ‘one-size-fits-all’ approach, as the expected increase in demand for freight transport services must be accommodated by *all* different transport modes.
- Establish the Single Market freedom to provide services across borders as the underlying principle to ensure that the Directive guarantees the seamless functioning of a cross-border transport system and prevents the creation of additional barriers.
- Urgently update the current Handbook on the external costs of transport to include a wider list of external costs considered for eligibility – environmental, social, economic – from all modes of transport before the entry into force of the Directive.
- Provide further clarity regarding the common methodology for calculating the 40% external cost reduction target, ensure legal consistency with other legal texts and avoid diverging methodologies.
- Increase the level of ambition for Member States’ reduction in total costs of combined transport operations, avoid a patchwork of national support measures and guarantee measures’ compatibility with the Single Market principles.
- Ensure a simple and quick use of the eFTI platforms and align the data and reporting requirements for undertakings and operators concerned with the Commission’s commitment to reduce reporting requirements by 25%.

### CONTEXT

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Multimodal and intermodal transport provide the leverage to enhance the decarbonisation and greening of the European transport sector and contribute to the reduction of externalities of freight transport by up to €15.3 billion over the period of 2025-2050<sup>1</sup>.

In a previous position paper<sup>2</sup>, BusinessEurope underlined that it is crucial to create an ambitious regulatory framework at EU level that improves the efficiency of *each* transport mode, as the expected increase in demand for freight transport services must be accommodated by all different modes, while strengthening their multimodality and

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<sup>1</sup> SWD (2023) 351 final, Commission Impact Assessment Report

<sup>2</sup> See BusinessEurope [Comments](#) on the Revision of the Combined Transport Directive



interoperability. Thus, the focus should be on the multimodal optimisation in European transport, avoiding a 'one-size-fits-all' approach and considering the different transport modes as complementary rather than competing.

BusinessEurope strongly welcomes the Commission's proposal<sup>3</sup> for amending Directive 92/106/EEC<sup>4</sup> on the establishment of common rules for certain types of combined transport of goods between Member States (CT Directive) and supports its overall objectives to facilitate the uptake of sustainable transport options and reduce EU greenhouse gas emissions and other external costs of the Union transport system.

## COMMENTS

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### 1. Objectives and consistency with other legal acts

BusinessEurope welcomes the Commission's intention to increase the use and competitiveness of intermodal transport in the EU with a view to greening the European transport system, making it more efficient and reducing its externalities. To this end, the optimisation of terminal and network capacity, the simplification of market entry for new players and access to intermodal transport and the increased interconnectivity and capacities across all modes of transport are key.

At the same time, the amended Directive should aim at reducing regulatory, operational and administrative barriers between Member States and guarantee the seamless functioning of a cross-border transport system. It should prevent the creation of additional barriers and burdens for businesses when carrying out intermodal transport operations and ensure fair competition and a level playing field between the different modes. The Single Market freedom to provide services across borders should be the underlying principle supporting this endeavour.

Complementarity with related proposals and legal acts, in particular the Greening Freight Package, is key. BusinessEurope welcomes<sup>5</sup> the provisions of the Commission proposal for a revision of the Weights and Dimensions Directive to facilitate intermodal transport by allowing additional weight for vehicle combinations used in such transport operations, and underlines the importance of further ensuring coherence between the two legal acts. In particular, BusinessEurope stresses the need to ensure intermodal compatibility throughout the revision process, for example of intermodal loading units, and avoid any obstacles to the development and deployment of intermodal operations.

Moreover, ensuring an increase in rail network capacity and reliability must be key for the upcoming negotiations on the proposed Regulation on the use of railway infrastructure capacity in the single European railway area as the promotion of intermodal transport must go hand in hand with the development of adequate and reliable infrastructure.

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<sup>3</sup> COM (2023) 702 final, Proposal for a Directive amending Council Directive 92/106/EEC as regards a support framework for intermodal transport of goods and Regulation (EU) 2020/1056 as regards calculation of external costs savings and generation of aggregated data

<sup>4</sup> 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

<sup>5</sup> See BusinessEurope [Position Paper](#) on the Revision of the Weights and Dimensions Directive



### 2. Scope and definitions

BusinessEurope supports the extension of the narrowly defined scope of the current CT Directive to all intra-EU intermodal transport operations beyond cross-border combined transport operations, including the EU part of international operations with third countries. Enabling more intermodal transport operations to benefit from the regulatory framework and extending the scope of the Directive to national operations will make intermodal transport more attractive on shorter distances and contribute to the reduction of negative externalities.

The clarification of the definition of intermodal transport operations proposed by the Commission is important to achieve the revision's objective, create regulatory certainty and counteract the current EU-wide fragmentation of national support regimes. European business therefore welcomes the clarifications regarding the use of road transport in both the first and last leg of intermodal transport operations under Article 1b(1), and the removal of the ambiguous concept of "nearest suitable loading/unloading station" from the Directive, which resulted in different transposition and application in Member States. Furthermore, BusinessEurope supports the proposed treatment of empty containers according to Article 1c(3) of the amended Directive, i.e., considering the road transport of empty containers used for a combined transport operation and covered by the same transport contract as an integral part of such an operation, thus extending the application of support measures to more operations. However, it is important to clarify whether such treatment applies only to empty containers or also to empty trailers and swap bodies, which would be the preferred option, while ensuring the realisation of the proposed 40% external cost reduction target.

Moreover, as the loading point of a semi-trailer or trailer might not always be the starting point of an intermodal operation, and to avoid ambiguous application at national level, BusinessEurope suggests to slightly amend the proposed definition of intermodal transport under Article 1b(1) and replace "loading point" and "unloading point" with "starting point" and "end point", respectively, based on the definitions provided thereof in Article 1b. Furthermore, when defining an "intermodal loading unit" as proposed in Article 1b(3), it may be helpful to use the additions "handleable", "loadable" or "craneable".

### 3. Eligibility criteria

#### External costs of transport

BusinessEurope supports the introduction of new principles for eligibility based on avoided externalities. Such externalities should consider *all* transport modes to ensure a level playing field between the different modes, with the underlying aim of improving the efficiency of *each* mode and achieving the decarbonisation of the European transport systems as a whole. To this end, the external costs considered for eligibility as defined in the Commission's Handbook on the external costs of transport<sup>6</sup> last updated by the Commission in 2019 should be subject to an urgent update and an assessment to include a wider list of aspects, such as energy efficiency, health impacts, subsidies, reliability or scarcity, in addition to externalities already taken into account, such as greenhouse gas emissions, air pollution, noise, congestion and accidents. They should be linked to performance-based indicators aimed at increasing efficiency and customer services of transport operations. Externalities

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<sup>6</sup> European Commission (2020), Handbook on the external costs of transport, Version 2019 – 1.1



taken into account in the framework of the amended CT Directive will be based on the unit values from the Handbook, however, the current version fails to include other relevant external costs – environmental, social, economic – from all modes of transport. To this end, and to ensure reliable policy making based on the latest scientific evidence, best practices and latest technologies available on the market, BusinessEurope calls for a balanced and transparent approach to the internalisation of external costs of transport considering all transport modes, and an urgent revision of the Handbook before the entry into force of the Directive, including the involvement of relevant external stakeholders. At the same time, it must be ensured that the administrative burden of providing data on such externalities in order to prove that a transport operation qualifies as combined transport does not discourage operators, counteract the intended 10% reduction in total costs by increasing compliance costs for operators, or undermine the Commission's commitment to reduce burdens associated with reporting obligations by 25%.

### **Target for reduction of externalities**

Under Article 1c(2), the amended CT Directive sets a target of 40% reduction of external costs compared to alternative unimodal road transport operations to determine the eligibility for support for combined transport operations. BusinessEurope supports such an ambitious approach towards the promotion of intermodal transport, however, it is important to raise issue of the medium and long-term feasibility of such a target. The current external cost reduction target may risk excluding parts of existing combined transport from eligibility of support schemes. The increasing decarbonisation of unimodal road freight transport over the next few years, especially over shorter distances, will make it more difficult for combined transport operations to effectively achieve a 40% reduction compared to decarbonised unimodal road transport. While the target to reduce external costs must be ambitious to increase incentives for the use of intermodal transport and sustainable transport options, it should not bring the opposite effect compared to the objectives set out by the Directive.

Moreover, it needs to be ensured that the common methodology for calculating the 40% reduction target is not overly complex, leading to excessive administrative burden and discouraging operators from using intermodal transport, especially SMEs. BusinessEurope further suggests developing and setting out the common methodology or, in any case, providing further detailed information on the calculation of the 40% reduction target and referring to methodologies already applied by stakeholders in the Directive rather than through implementing acts, while ensuring that the legislative process is not hindered or delayed. This would not only ensure legal consistency with other legal texts and avoid diverging methodologies, thus providing clarity for all stakeholders involved and allowing a proper assessment of both the impact and feasibility of the reduction target, but also help to reduce delays in the implementation of the Directive.

As transport operators from islands may opt for longer non-road sea shipping legs instead of the closest port destination, thus avoiding long distances of road transport, BusinessEurope supports the clarification regarding connections between an island and the mainland without a road alternative as defined in Article 1c(2)(b) of the amended CT Directive, i.e., a 40% reduction target of operations between an island and the mainland compared to the alternative maritime intermodal operation. However, additional and clearer reference should be made to transport operations and journeys between EU island states and other Member States, as the current wording of 'connections between an island and the mainland' may be



interpreted in a purely national context. Moreover, a better understanding of the criteria which will be used by the Commission to establish the list of the predefined maritime leg of the alternative maritime intermodal operations under Article 1c(7) of the amended Directive is needed.

#### **4. Support measures and incentives**

As the current support measures of the CT Directive fall short of the last years' developments in the European transport sector and freight market, BusinessEurope strongly welcomes the Commission's intention to increase and strengthen the choice and level of measures to support intermodal and combined transport in the EU. Such measures should be practical, feasible, based on relevant data, applicable to actors from all transport modes and target the efficiency of the logistics chain as well as the individual modes. At the same time, policies should aim at improving the intermodal compatibility of vehicle and vehicle units and integration between the different modes, without distorting competition and the level playing field. To foster long-term sustainable solutions and enhance competitiveness, BusinessEurope stresses the importance of introducing and promoting administrative and regulatory measures alongside financial incentives.

##### **Regulatory measures**

To this end, and to increase the attractiveness and speed-up of intermodal and combined transport, BusinessEurope strongly supports the continuation of existing regulatory measures, such as fiscal support to road vehicles, ban on quotas and exemptions from price regulations, and exemption of cross-border combined transport operations from cabotage rules, i.e., the equivalent treatment of international combined transport and road transport as regards the use of non-resident hauliers. As a means to improve the use of terminal and other infrastructure capacity, thus enhancing the efficiency of the transport network, BusinessEurope welcomes the exemption of combined transport road legs from weekend, night and holiday driving bans, as introduced by Article 9a of the amended Directive. This exemption should apply throughout the EU to avoid divergent approaches in neighbouring Member States.

##### **National support measures**

Moreover, BusinessEurope supports the objective of an overall 10% reduction in total costs of combined transport operations in each Member State to promote medium-distance intermodal operations as introduced under Article 3a(2)(a) of the amended CT Directive. However, BusinessEurope believes that the currently proposed timeframe of 7,5 years for Member States to achieve such a cost reduction is insufficient and lacks ambition to effectively facilitate the uptake of intermodal transport, including the upgrade or uptake of relevant technologies and infrastructure. The 10% target should be brought forward and aligned with other relevant EU targets, while further savings should be sought in the medium and long term.

BusinessEurope welcomes the indicative list of national support measures suitable to facilitate the uptake of intermodal transport operations provided in the Annex of the revised Directive. However, while transport policies, requirements on transportation or infrastructure needs differ at national level, it is crucial to ensure coherence and compatibility at EU level of



such measures to be adopted at national level to guarantee efficient cross-border intermodal and combined transport operations. The current proposal of the Commission provides Member States with some leeway in the design and beneficiaries of regulatory and non-regulatory measures aimed at supporting intermodal and combined transport operations, which may lead to a patchwork of national frameworks and distortion of competition between Member States. To this end, and to avoid a possible impairment in the application of the Directive, Member States should demonstrate the compatibility of existing and new measures with the Single Market principles and freedoms granted by the Treaties.

Moreover, it is important to ensure that national support measures do not create additional bureaucratic burden jeopardising the Directive's implementation. This is in particular important when it comes to the interplay and compatibility of support measures with applicable EU state aid rules. Appropriate options to prevent and further cut red tape, for example as part of the block exemption regulation or state aid guidelines, should be considered.

### **5. Operationalisation and implementation**

BusinessEurope supports the obligations conferred upon the Commission regarding the preparation and publication of a market report on intermodal and combined transport in the EU every 5 years, and the revision clause, allowing for a review of the CT Directive in 10 years to evaluate whether the support provided under the Directive is still needed, or may need to be adjusted. To this end, it is crucial to improve the availability, collection, and quality of relevant data on transport modes and operations within the EU.

With a view to reduce administrative burden and reap the full benefits of digitisation in multimodal transport, BusinessEurope supports the mandatory use of electronic freight transport information (eFTI) platforms for the proof of eligibility and compliance. Such eFTI platforms should furthermore be used as a control mechanism to prevent possible misuse of the support measures offered by the CT Directive. In this context, and to assure operational flexibility and reduce compliance costs, BusinessEurope underlines the need to facilitate integration with existing IT systems and ensure simple and quick use of the eFTI platforms without creating additional administrative burdens for the undertakings organising intermodal transport operations, or requiring excessive information which is not needed for the purpose of proving compliance. The data and reporting requirements for concerned undertakings and operators should be balanced and in line with the Commission's commitment to reduce reporting requirements by 25%.

Moreover, new methods, such as the virtual planning of alternative unimodal road and maritime transport operations to determine the eligibility for support, should under no circumstances impose additional administrative burden on transport operators, but automatically be tied to eFTI platforms.

While it is important to ensure the availability and establishment of eFTI platforms and thus the proper functioning and application of the Directive, BusinessEurope considers its deferred transposition of 30 months to be disproportionate and calls for a shorter deadline for transposition into national law in order to realise the intended positive effects on intermodal transport.