

## Road-Rail Combined Transport: America shows the example

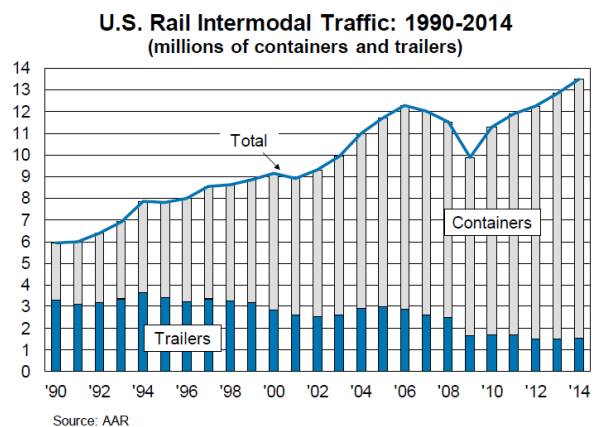
The Association of American Railroads (AAR) reported<sup>1</sup> in 2014 a historic record for the number of consignments carried via Rail Intermodal, the equivalent of Road-Rail Combined Transport in Europe on the other side of the Atlantic Ocean. The 13,5 million consignments shipped is nearly 60% higher than what European Combined Transport achieved. What is there to learn from this in Europe?

While the economic crisis caused a dip in Rail Intermodal transport in the USA, it quickly rebounded and returned to its robust, pre-crisis growth dynamic. Subsequently, the sector reached a new historic record in 2014 by transporting 13,5 million consignments.

Considering that the USA's rail infrastructure is nearly the same in length as that of the European Union (while its population is a third smaller, its land area twice as large and its GDP about the same) one may logically wonder: why is the EU not capable of the same performance (as it can be witnessed from the UIRR CT Growth Index graph to the right)?

This question is especially valid as we prepare for the mid-term review of the European Commission's Transport White Paper, which foresees a major modal-shift from long(er) distance trucking towards more sustainable modes of transport<sup>2</sup>, to contribute materially to the reduction of EU transport's carbon footprint.

Intermodal loading units<sup>3</sup> conform best to the preferred unit of shipment of a vast majority of economic sectors, the truckload. And Combined Transport offers the most efficient industrialised method of transshipment between the various modes that make up an intermodal transport-chain. Hence one must wonder: why is European CT not up to par with its US counterpart today?



**UIRR CT Growth Index - Consignments and Tonne-Kilometres**  
(REFERENCE YEAR: 1990 = 100)



<sup>1</sup> <https://www.aar.org/BackgroundPapers/Rail%20Intermodal.pdf#search=rail%20intermodal>

<sup>2</sup> Electric rail, inland waterways (IWW) and short sea shipping (coastal navigation)

<sup>3</sup> Containers, swap-bodies and semi-trailers

Intermodal considerations formed an important motivation behind a broader set of \$575 billion of rail-freight related investments, carried out between 1980 and 2014 in the USA. This figure - more than 40 cents out of every rail freight revenue dollar - contained \$28 and \$29 billion for 2013 and 2014 respectively and all these investments were paid for with the railways' own funds, not taxpayer sources. This is because the USA regulatory framework creates a stable setting to make rail freight attractive for private capital investment.

Extensive and growing international trade, which is also a feature of the European economy, as well as standardised technical parameters (train length, axle load, signalling, etc.) formed additional pillars of this dynamic growth.

The share of intermodal transport is foreseen to grow in the USA as it is clear that rail-freight requires far more affordable capital investments than what highway development would cost in case trucks were used. And then we have not even considered the lower labour, energy and carbon intensity, as well as the superior safety and security performance offered by rail freight - particularly if compared to trucking.

Subsequently, the issuing organisations of this statement call on the European legislator to learn the lesson from America and focus their efforts on creating a regulatory framework in the EU that

- makes rail-freight investments attractive for private capital,
- ensures that competition of the various modes of freight transport is based on their inherent technical merits, giving consideration to their respective capital, energy and labour intensity, and
- contributes to the development of a more liveable Europe through the emergence of sustainable long(er) distance freight transport based on the intermodal principle.

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#### *About CER, ERFA and UIRR*

The **Community of European Railway and Infrastructure Companies (CER)** brings together more than 70 railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The membership is made up of long-established bodies, new entrants and both private and public enterprises, representing 73% of the rail network length, 80% of the rail freight business and about 96% of rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policy makers and transport stakeholders, advocating rail as the backbone of a competitive and sustainable transport system in Europe.

**ERFA, the European Rail Freight Association**, represents new entrants i.e all those operators who want open access and fair market conditions, and sustains their role of pushing forward the development of the railway market. ERFA's 33 Members from across Europe share a commitment to work towards a competitive and innovative single European railway market by promoting fair and transparent market conditions for all railway companies.

Founded in 1970, the **International Union for Road-Rail Combined Transport (UIRR)** represents the European Road-Rail Combined Transport Operators and the Transshipment Terminal Managers and as an industry association the interests of the sector. Road-Rail Combined Transport (CT) is a system of freight forwarding which is based on efficiently and economically inserting electric rail into long-distance (road) transport-chains through the use of intermodal loading units (ILU).