

## **EC consultation on logistics to promote multi-modal freight movements Action plan and role for public and private stakeholders**

**Integrated and innovative logistics have the potential to drive a successful and sustainable economy. Transport operates in a very competitive market with a short-term horizon. A supportive policy, which sets framework conditions allowing transport businesses to operate more effectively and lowering thresholds for transport users to opt for multi-modal distribution solutions, enables to reach long-term socioeconomic goals. A strong focus on relieving the concrete bottlenecks that bar industry from investing in multi-modality is paramount. Identifying and screening the barriers is a good example of such bottom-up policy. It provides good input for a pragmatic policy package of pro-competitive regulation, promotion and targeted investment in traffic-generating infrastructure contributing to an attractive business climate and fostering innovation. Finally, a creative use of new information and communication technologies can make multi-modal transport easier to use.**

### **1. The approach of framework conditions**

Where vertical actions such as the promotion of short sea shipping and inland waterway transport contribute to more efficiency within the modes, complementary horizontal action across the modes is welcome. With the progressive relocation of manufacturing, logistics is set to play an increasing role in the European service industry, which accounts for 70% of Europe's economy.

Faced with the costs of worsening congestion on roads and rail tracks, it is no longer a question of playing off the modes against each other to guarantee a seamless exchange of goods. Europe needs a well-functioning transport system enhancing the combination of different means of transport in the most cost-efficient and sustainable solutions. Transshipment is traditionally conceived as an extra cost, although it also provides genuine opportunities to maximise added-value logistics on-site and to create jobs.

Market parties indeed remain the main actors of the supply chain, but the Commission is right in outlining that macroeconomic policies setting positive framework conditions have an important impact on the underlying business cycle. Pro-competitive regulation, promotion and a reduction of investment barriers create an attractive business climate and encourage innovation in logistics, all essential to keep goods flowing.

### **2. The quality approach**

#### **2.1. Certifying quality**

There is no doubt that Europe requires quality logistics to maintain its position as a centre of logistics excellence in the world. Along with the role of the Commission and public authorities to provide favourable framework conditions for logistics excellence, INE suggests, rather than certifying the quality of commercial operations, to concentrate in the first place on actions, which allow businesses to operate more effectively and lower thresholds for transport users to opt for multi-modal solutions such as:

- Reducing existing barriers in infrastructure (the quality of public infrastructure could perhaps be certified!), in the regulatory and administrative environment;
- Enhancing access to capital to encourage innovation;
- Facilitating information, promotion and training.



Training is very important, both at the level of education and vocational training. INE's members are involved in both, incl. in the development of eLearning tools. INE's members also focus on in-house on-the-job training to make sure positive effects take place immediately without waiting for a new generation of students to graduate. INE and its members are at the disposal of the Commission to contribute to training objectives.

## **2.2. Multi-modal liability**

INE considers an international instrument to govern the liability arising in multimodal transport to be most desirable and effective. A unified and predictable international system of rules in the framework of UNCITRAL would greatly reduce the uncertainty and expense involved in litigating which contract terms or convention terms apply to a given case. This proposed approach unfortunately is a long term one and will presumably take more than a few years and a great deal more detailed debate. It is tempting to create legislation of a stop gap nature in the meantime, but there is a great danger that it will only partly solve the problems at hand and even hinder the development of the aimed for international convention, since a make-shift solution may add to the current complexity without providing long-term benefits.

## **2.3. Promotion and focal points**

INE welcomes the Commission's intention to support promotion activities. The short sea promotion centres have a European wide network and some countries also have established promotion offices for inland waterway transport. The effectiveness of their activities is demonstrated by the growth figures in these countries. Short sea and inland waterway promotion offices successfully work together in some countries on project basis. This type of cooperation should be certainly encouraged and supported.

A particular advantage of the existing promotion centres is that they are close to operators & users and function as catalysts for new projects at regional and national level. They concentrate on a particular mode, but each project result is multi-modal in the end. For projects across borders, they cooperate with their colleagues. They also exchange with other European colleagues on possible best practices. The close interaction with users and operators brings to light specific bottlenecks, which businesses encounter when planning their particular multi-modal transport solution. Promotion centres report these to regional and national authorities, who can use this information as input for positive policy measures.

In the field of short sea shipping, a European bottleneck exercise is ongoing with national focal points, Commission and industry participating in the process to resolve barriers, to exchange best practice and to reflect on positive policy measures. In the field of inland waterway transport, such an exercise will follow. Barriers of a multi-modal nature, which cannot be solved within the current structures, could be tackled by multi-modal focal points operating in a network.

Above all, INE advocates the bottom-up approach is maintained, because only if the barriers encountered by users in their concrete projects are solved at the appropriate level, multi-modal logistics will become more attractive. The project-based cooperation between modal promotion centres should be supported and stimulated. If a European multi-modal platform is to be set up, INE recommends a solution-driven approach as described above, in close relation and coordination with the ongoing bottleneck exercises with their bottom-up method instead of adding an additional layer to the multi-modal labyrinth.



### **3. Individual actions in multi-modal logistics strategy**

#### **3.1. Infrastructure**

Quality infrastructure is an indispensable asset for trade because there is no such thing as a virtual exchange of goods. The outcome of discussions on the financial perspectives of 2007-2013 covering resources for infrastructure works, and in particular for linking up the modes, will leave little room for improvement. The decision to curb underinvestment is in Member States' hands.

Alternative financing, such as loans from the EIB and public private partnerships, is welcome, but will never be a magic wand.

#### **3.2. Standardising loading equipment**

The Commission's attempt to introduce a European intermodal loading unit was no success. There is no doubt that intermodal units easily usable across the modes would have a great advantage, certainly in continental transport. INE therefore recommends to support market initiatives which work towards solutions. Meanwhile, INE advocates that decision makers lift the ban to use 45 ft palletwide containers in road transport as of 2007.

#### **3.3. Modern innovations in information technology and one-stop-shopping**

River Information Services (RIS), ITS, ERTMS and others have initially been developed by authorities in Europe to increase the efficiency and safety of transport. Today, state-of-the-art projects show that they can also help to integrate multi-modal waterborne logistics into the supply chain, as they enable all involved parties to participate in intelligent information routing.

When, for instance, the required traffic information such as electronic charts, standardised messages and documents which authorities make available to inland waterway operators in the framework of RIS, would be made available to a wider range of logistics players by means of a single window, this would create a European data exchange platform providing relevant in-advance and real-time information on waterways, ships, their movements and cargo. To ensure data protection, the owner of the data should decide if the data is communicated to other commercial parties. RIS as such would not aim at interfering with trade procedures but would be a tool to support trade by providing dedicated information. Next to the closed systems of large companies, it could offer access to all interested users incl. SMEs with its open architecture for common messaging.

This could lay down the basis for evolving towards one-stop administrative shopping where operators and logistics players exchange data in a coordinated way while they have a single point of entry towards all national administrations leading to paperless transport.

Finally, interoperability between modal systems in an open architecture could help to make multi-modality easier to use.