COMBINED TRANSPORT
A SUCCESSFUL BUSINESS CONCEPT?

Presentation by
Rudy COLLE, Executive Chairman

Global Rail Freight Conference
Saint-Petersburg, 06/07.07.2010
Freight Transportation – General Considerations

• MAJOR ANCILLARY ACTIVITY TO THE ECONOMIES
  – Supporting mobility (Labour)
  – Providing flexible industrial location
  – Linking production sites / consumer markets

• OVER PROPORTIONAL DEVELOPMENT vs. GDP

• GLOBALISATION OF TRADE
  – Concentrated intercontinental flows

• INCREASINGLY UNBALANCED MODAL SPLIT -> ROAD (EUROPE)
  – Insupportable nuisances (congestion, pollution, safety)

• ANOTHER 40% GROWTH ANTICIPATED (HORIZON 2015)
Advantages of Road-Rail CT (general)

- relief of the road network
- transfer of goods to a safer and more environment-friendly transport mode, which is also more independent from climatic conditions
- better sharing of transport volumes between modes
- recourse to available transport capacities
- co-operative activity combining the advantages of road (flexibility) and rail (more economical mass transport on longer distances)
- competitiveness in given circumstances
- less space taken up per ton carried than in full road haulage
CREATION, AS FROM THE LATE 60’s, OF COMMERCIAL STRUCTURES TO ACT AS INTERFACES BETWEEN COMPETING MODES:

– ICF, COMMON RU’S SUBSIDIARY
  (ORIGINALLY MARITIME ACCENT)

– PRIVATE COMPANIES (UIRR MEMBERS)
  (ORIGINALLY CONTINENTAL BUSINESS)
• Exclusive mission

The development of mainly Road to Rail Combined Transport

• Structure

<table>
<thead>
<tr>
<th>LIAISON OFFICE BRUSSELS</th>
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<tbody>
<tr>
<td>• Promotion</td>
</tr>
<tr>
<td>• Coordination</td>
</tr>
<tr>
<td>• Service centre</td>
</tr>
<tr>
<td>• Projects</td>
</tr>
<tr>
<td>• Seat: Montoyerstreet 31 box 11</td>
</tr>
<tr>
<td>1000 Brussels (Belgium)</td>
</tr>
<tr>
<td><a href="http://www.uiir.com">www.uiir.com</a></td>
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<tr>
<td><a href="mailto:headoffice.brussels@uiir.com">headoffice.brussels@uiir.com</a></td>
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<table>
<thead>
<tr>
<th>MEMBER COMPANIES (18 CT operators)</th>
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<tbody>
<tr>
<td>• Organisation and marketing of CT</td>
</tr>
<tr>
<td>• Supply of (full) train capacities on a European-wide network</td>
</tr>
<tr>
<td>• Provision of wagons and state-of-the-art IT systems</td>
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<td>• Management of terminals</td>
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<tr>
<td>• Seat: 15 (EU/non EU) countries</td>
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</tbody>
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## Traffic Performance 1980-2008 (in 1,000 TKM)

<table>
<thead>
<tr>
<th>Year</th>
<th>International</th>
<th>National</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>2,152,715</td>
<td>3,857,310</td>
<td>6,010,024</td>
</tr>
<tr>
<td>1990</td>
<td>11,708,314</td>
<td>6,968,906</td>
<td>18,677,220</td>
</tr>
<tr>
<td>2000</td>
<td>24,329,830</td>
<td>7,216,750</td>
<td>31,546,580</td>
</tr>
<tr>
<td>2008</td>
<td>35,722,336</td>
<td>10,249,394</td>
<td>45,971,730</td>
</tr>
</tbody>
</table>

*Year International National Total*  

*TKM repartition 1980*  
- National 54%  
- International 36%

*TKM repartition 2008*  
- International 72%  
- National 28%
• Europe-wide CT network, in continuous extension (mainly block trains)

• Total volume transported more than doubled in 15 years (1994-2008)
• International volume tripled in 15 years (1994-2008)
• Close to 6 million TEU transferred from road to rail in 2008
• Almost 12,000 long-distance lorries removed daily from roads

• More than 500 CT trains en route daily throughout the European Union
• More than 23,000 trains subjected to quality monitoring in 2008
• More than 13,000 wagons under own management

• More than 250 transshipment yards offered (>100 under own management)

• More than 3 mill. loading units processed in the CESAR tracking tool
• More than 9,000 regular clients
### UIRR Traffic Development 2009-2010

<table>
<thead>
<tr>
<th>CT Technique</th>
<th>2009/2008</th>
<th>2010/2009 (estim. 4 months)</th>
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<tbody>
<tr>
<td>Unaccompanied*</td>
<td>-19%</td>
<td>+6%</td>
</tr>
<tr>
<td>Accompanied</td>
<td>-3%</td>
<td>+15%</td>
</tr>
<tr>
<td>Total</td>
<td>-17%</td>
<td>+7.5%</td>
</tr>
</tbody>
</table>

*(number of UIRR consignments)*

* IFB figures left out
Traffic development at the horizon 2015 (=> 2017/2018)

Despite the current recession, European CT volumes will increase by 2015

**DIOMIS: Projected evolutions of CT volumes 2005-2015**

- **2005**: 125.35
- **2007**: 172.16
- **Estimate 2008**: 177.32
- **Forecast 2005**: 141.86
- **2015 Forecast Agenda 2015 (January 2008)**: 258.59
- **2015 Revised forecast (Impact of the recession)**: 206.37

**Sources:** UIC, DIOMIS, Agenda 2015 for Combined Transport in Europe, January 2008; UIC. DIOMIS Report on CT in Europe 2007, January 2009
### Combined Transport – Conditions governing growth

#### Provision of appropriate rail infrastructure
- Interoperable networks (signalling, language, track width, ...)
- Technical efficiency (axle weight, length of trains)
- Confirmed access for freight trains (adequate slots)
- Suitable terminals (status, location, size, access, services)

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<th>Responsibilities</th>
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#### Supportive framework conditions
- Fair intermodal competition (internalisation of external costs, usage-based road tolls)
- Open intramodal rail competition (FRP re-cast)
- Consistent and stable technical parameters, e.g. weights/dimensions ILUs and (road) TUs
- Europe-wide balanced frame rules (security, customs, noise...)
- Certification of railway rolling-stock (cross-acceptance)

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#### Performing operators
- Rail (productivity, pricing, quality)
- Road (cost of positioning legs)
- Supply of overall market-compatible services

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• Further as neutral interfaces the interests of both the road and the rail sector
• Constant search for more efficient services
• Development of polyvalent craning systems (cont./SB/S.Tr.) and wagons
  – Full trains (of which they take the financial load-factor risk)
  – Shuttle trains (id.)
  – Gateway systems, e.g. Busto (IT), Duisburg (DE), Ljubljana (SI)
  – Supportive state-of-the-art codifications and EDI systems
Cross-alpine traffic: market shares

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<th>2007</th>
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<tr>
<td>France</td>
<td>Road 76,6%</td>
<td>Road 36,0%</td>
<td>Road 73,3%</td>
</tr>
<tr>
<td></td>
<td>Rail 23,4%</td>
<td>Rail 64,0%</td>
<td>Rail 26,7%</td>
</tr>
<tr>
<td></td>
<td>Total 28,2 Mio. t</td>
<td>Total 39,5 Mio. t</td>
<td>Total 49,6 Mio. t</td>
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</table>
On the right track? Two illustrations

Comparative development 2007/1998 (freight)

CT as a % of Tkm-road (Germany 2006)
THANK YOU FOR YOUR ATTENTION

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Fax      +32 2 512 63 93
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• “Intermodal transport* where the major part of the European journey is by rail, inland waterway or sea and any initial and/or final leg carried by road are as short as possible”

• “An intelligent system making transport (more) endurable”

*Intermodal transport: the movement of goods in one and the same loading unit or road vehicle, which uses successively two or more modes of transport without handling the goods themselves in changing modes
Advantages of Road-Rail CT (for customers)

- lower manpower costs: savings on variable costs, reduced personnel needs (drivers, driving time, night work)
- competitive gains
- savings on fuel, thanks to the major part of the journey by rail
- Less wear on equipment (tires, maintenance), longer life for trucks and reduced fleet of vehicles due to investment in transferable equipment
- Exemption from, reduction or reimbursement of road vehicle taxes
- No need for shippers to change their equipment/logistics
- Increased flexibility in the management of transport flows
## UIRR – Its products

<table>
<thead>
<tr>
<th>Unaccompanied CT</th>
<th>Accompanied CT</th>
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<tr>
<td>Transhipment of the loading unit (swap body, container, semi-trailer)</td>
<td>Forwarding by train of the complete truck (including its driver)</td>
</tr>
<tr>
<td><strong>86% of UIRR traffic (2009)</strong></td>
<td><strong>14% of UIRR traffic (2009)</strong></td>
</tr>
</tbody>
</table>
UIRR – Main (unaccompanied) Traffic Flows

5,000-10,000
10,000-20,000
20,000-50,000
50,000-100,000
100,000-200,000
>200,000

1 Modane
2 Gotthard/Lötschberg
3 Brenner
UIRR – Current CT offers to the East

More information on the websites of HUPAC, KOMBIVERKEHR and POLZUG
Network coverage – Member HUPAC