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| **Executive Summary Sheet** |
| **Impact assessment on the amendment of Directive 92/106/EEC on the establishment of common rules for certain types of combined transport of goods between Member States** |
| **A. Need for action** |
| **What is the problem and why is it a problem at EU level?** |
| The uptake of intermodal transport in Europe has not grown sufficiently to meet the modal shift target set in the 2011 White paper, despite the contribution to modal shift by the Combined Transport Directive. This is due to :  A) a lack of investments in intermodal infrastructure, and most notably on transhipment terminal, and  B) shortcomings of the Combined Transport Directive identified in the REFIT evaluation:   1. Ineffective implementation of the Directive due to complex and narrow eligibility criteria and lack of effective enforcement conditions; 2. Ineffective and insufficient economic support : narrow scope of the support measures, insufficient economic support and limited monitoring and lack of review mechanism   These problems affect all actors in the international freight transport chain, such as shippers, freight forwarders, national authorities involved in the enforcement of the combined transport conditions etc. They also hinder the effective implementation of support measures.  In the absence of intervention, intermodal transport will remain less competitive vis-à-vis road transport and the modal shift target for 2030 set in the 2011 White Paper will not be reached leading to persisting externalities. . |
| **What should be achieved?** |
| The initiative aims at improving the effectiveness of the Combined Transport Directive (complex definition, limited incentives and outdated provisions) and enhancing the existing partially ineffective support measures meant to tackle the regulatory and market failures to the wider uptake of intermodal transport (modal shift). The shortcomings of the Directive relate in particular to the definition of Combined Transport, the limitations of fiscal incentives and the outdated provisions relating to transport documents. The three main specific objectives are: 1) to clarify the definition of combined transport eligibility conditions; 2) to further stimulate the competitiveness of combined transport; 3) to increase the investment in, and the capacity of, intermodal terminals |
| **What is the value added of action at the EU level (subsidiarity)?** |
| Coordinated EU action in the scope of Combined Transport Directive is necessary to address the transport (especially road) negative externalities and promote modal shift with an aim to achieve the goals set in the Transport White paper 2011, the Low-Emission Mobility Strategy and other EU policies in the area. To this end, an updated common definition and common criteria are needed to ensure that the benefits foreseen in the Directive are applicable the same way throughout the EU, notably considering that from all intermodal transport operations in the EU, 81% are cross-border ones. If Member States would use different definitions, enforce the Directive differently and apply different support schemes, operators might not be able to benefit from the foreseen incentives throughout the transport chain. |
| **B. Solutions** |
| **What are the various options to achieve the objectives? Is there a preferred option or not? If not, why?** |
| **Policy options consist of packages of policy measures addressing the specific objectives, and more specifically the identified main problem drivers:**  **Policy option 1(PO1):** Minimal amendment with focus on simplification **:** compared to the baseline, this consists of a simplification of the definition (i.e. with road-leg distance set at 150km); the acceptance of simple electronic documents as proof of eligibility and the extension of the fiscal incentive to road hauliers when other modes but rail are used on the non-road leg (e.g. IWW or maritime);  **Policy option 2.** Simplification of the eligibility criteria (definition) and the control thereof and providing more effective economic support. There are two sub-options**:**  **-** with limited ambitions (PO2A): extension of geographical scope to include national CT; a common definition of the road leg (150km or 20 whichever is longer); the acceptance of only ISO/ILU identified load units; the clear definition of requirements for proof eligibility; and more options for economic support  - with higher ambitions (PO2B): in addition to PO2A, the possibility for MS to have some flexibility as regard the road leg distance; the extension of load units to all sizes; a mandatory support measure for building terminals.  **Policy option 3 (PO3) :** Changing the eligibility criteria (definition) to cover all intermodal transport with mandatory support measures :extended geographical coverage as for PO2; no limits on road and non-road legs, nor on load units; no data requirements for proof of eligibility; mandatory support measures (beneficial regime) for all intermodal transport  The preferred option is Option PO2B which ensures that the modal shift target for 2030 is reached and which delivers a higher return on investment (B/C) and environmental efficiency than Option PO3. |
| **What are different stakeholders' views? Who supports which option?** |
| There is a broad agreement among all stakeholders that the status quo (baseline) cannot be maintained and that measures to clarify the CT definition, ease its enforcement and provide with extended support measures are supported. Positions are split on the nature of support measures: while operators are in favour of extending and mandating support measures to all types of intermodal transport (Option PO3), Member States rather prefer some flexibility in the support measures they should or shall apply (PO2A and PO2B). Member States also support flexibility in the definition of CT as long as road legs remain "as short as possible"(PO2B). The majority of stakeholders (2/3 mostly operators) support the geographical extension to national CT (Options PO2A, PO2B, PO3). Note: On the so-called "cabotage" exemptions, the majority of stakeholders (operators + MS) support the maintenance of current provisions although Member States underline the need to ensure better enforcement conditions and hence avoid possible circumvention, through the Combined Transport Directive, of "cabotage" rules. |
| **C. Impacts of the preferred option** |
| **What are the benefits of the preferred option (if any, otherwise of main ones)?** |
| - strong potential to achieve the modal shift target of 30% or freight transport (>300 km) by 2030;  - positive impact in terms of savings (reduced cost) for industry (operators) from clearer conditions in the implementation of the Directive, usage of electronic transport documents and means, extended economic support, etc... These are estimated to be around €64.6 billion for the period between 2022 and 2030.  - positive impact in terms of external cost savings (due to modal shift) around €1,62 billion for the period between 2022 and 2030,  - positive impact in terms of expected job creation due to more investments in terminals, which can be estimated at an economic benefit of €361.41 million for the period between 2020 and 2030 |
| **What are the costs of the preferred option (if any, otherwise of main ones)?** |
| - the combined additional cost for the authorities in terms of additional support measures (operational and investment) in the period 2022-2030 amounts €2.9 billion. |
| **What are the impacts on SMEs and competitiveness?** |
| While intermodal operators in the area of rail transport and shipping tend to be big-medium or large companies, operators in road transport and inland waterways are often SMEs. For those, the impacts of policy option PO2B are expected to bring along a higher shift to intermodal transport thanks to wider definition of the eligibility criteria. However, the introduction of electronic structured data for control purposes may bring along relatively high investment costs for SMEs engaged in organising the transport operation and preparing the data (e.g. 137.250€ per company) although savings are expected to be €145.000 per company per year. The impact on road SME operators using the new systems should thus be small and positive. |
| **Will there be significant impacts on national budgets and administrations?** |
| As mentioned above, the preferred option would entail additional costs for national authorities to enforce the rules (but far less significant than the savings for industry). |
| **Will there be other significant impacts?** |
| As mentioned above, the initiative is expected to have significant positive environmental impacts (€1,62 billion of external savings for the period between 2022 and 2030) and impacts on the overall level of jobs at the EU level (between 1428 and 4759 between 2022 and 2030). |
| **Proportionality?** |
| The preferred option does not exceed what is necessary to solve the original problem and meet the objectives of the initiative. Member States will have some flexibility in terms of application of some of the provision (road-leg definition) and the support measures to be taken, while a common understanding of the fundamental set of rules will be ensured. |
| **D. Follow up** |
| **When will the policy be reviewed?** |
| Updated monitoring conditions and a review mechanism is foreseen, with a first report after five years of entry into force of the Directive. |