



Position of the European Sea Ports Organisation on the Commission's proposal for the Combined Transport Directive (2023/0396 (COD))

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The European Sea Ports Organisation (ESPO) welcomes the Commission's aim to revise and update the Combined Transport Directive 92/106/EEC and to develop a support framework that effectively and efficiently promotes multimodal transport in Europe. With the proposed Directive, the Commission intends to refocus the existing support framework in such a way to increase the competitiveness of intermodal transport, to stimulate the modal shift, to reduce the external costs of transport and to act upon the lessons learnt from the previous revision attempts. ESPO very much supports and shares these objectives. ESPO yet sees considerable room for improvement in the proposed measures if these objectives are to be reached.

To reach the aims put forward, ESPO believes the proposed Directive should be improved by addressing the following elements:

- **Europe's ports ask for a simpler definition of combined transport in the new Directive in order to remove legal uncertainty and avoid unnecessary complexity.** The Commission has shifted from using a distance-based definition of combined transport to one that is based on the reduction of negative externalities. The proposal is however not explaining how such negative externalities will be calculated and as such clarifying which operations will be eligible for support. Such lack of information on the concrete calculation methodology and the eligibility hampers a comprehensive assessment of the proposed measures and complicates rather than simplifies the current approach. ESPO therefore encourages the co-legislators and the Commission to develop a definition and underlying methodology that is easy to understand and easy to implement.
- A plausible way forward could be to **define combined transport in the sense of this Directive as any intermodal operation which includes at least a minimum share of operation of 50% by sustainable transport modes** – i.e. short-sea shipping, rail, inland waterway transport and pipelines.
- **Pipelines should be considered as a sustainable transport mode under the revised Directive** and as such as a potential mode under a combined transport operation. Pipelines have a large potential to transport large amounts of current and future energy sources, such as hydrogen, and hence the potential to take significant amounts of heavy lorries off European roads.
- **The new Combined Transport Directive should ensure a comprehensive approach and address the existing regulatory, operational and infrastructural obstacles** in order to effectively realise a competitive intermodal transport network in Europe. As essential multimodal hubs, Europe's ports bring together short-sea shipping, rail and road transport and function as crucial starting points of intermodal transport operations. In this light, crucial for the success of a higher uptake of intermodal transport are the quality, quantity and availability of infrastructure and equipment

both inside the port area and beyond. The availability of state-of-the-art transshipment terminals, which are connected to all modes, is as essential as a good connection between the terminals. ESPO appreciates Europe's recent focus on multimodal terminal capacity in ports, including in the new TEN-T Regulation. Europe's ports however believe that the support framework created under the new Combined Transport Directive must also allow for support for infrastructure and equipment, both in terms of ensuring suitable and sufficient terminal capacity and connectivity as well as maintenance support. **Such an approach is to the benefit of all operators and avoids a selective approach where only some players receive support.** In order to ensure a level playing field, the incentives have to be harmonised between the Member States, as far as possible.

- **While reducing the cost of intermodal transport must be a priority and all elements leading to this should be encouraged, ESPO does not see how such a reduction can be imposed in a sector where the prices are set by the market, at a time where inflation is raising price levels and all transport modes are subject to ambitious and cost-intensive investments to reach the Green Deal and Fit for 55 targets.** According to the Commission's proposal, the support measures taken under the new Combined Transport Directive should in each Member State lead to a reduction of at least 10% of the total costs of combined transport operations by 7,5 years after the entry into force of the Directive. How such 10% threshold will be calculated and implemented is however not clarified and would only be decided later by the Commission in an implementing act.
- **The Commission's approach to island connections and predefining maritime legs risks a too top-down approach and leads to significant market interference.** The proposed Directive states that in the case of connections between an island and the mainland without a road alternative, a combined transport operation must produce at least 40% less external costs than the regular maritime intermodal operation in order to be eligible for support. A list of predefined maritime legs of such alternative maritime intermodal operations would be established later, by means of an implementing act. ESPO's members oppose such a top-down proposal, as the choice for specific maritime connections between specific maritime ports to be part of an intermodal operation should follow market-based deliberations and factors rather than a top-down decision by the Commission. A possible alternative could be to make a certain connection eligible for support if it can be demonstrated that the environmental footprint of a certain maritime connection between the island and the mainland has substantially decreased (through e.g. use of new fuels, more efficient operations etc.).
- ESPO underlines the importance of **promoting further digitalisation and market-based digital tools** in the maritime and logistics sector as a priority under the new Combined Transport Directive's support framework. More effective, cooperative and safe communication and data sharing between operators of the logistics chain are crucial for improving the planning, reliability and streamlining of the different modes of transport as part of well-functioning combined transport operations.
- ESPO stresses the importance for ports to maintain good relations with the surrounding cities and local communities. As regards the Commission's proposal to exempt the road legs of combined transport from national weekend and holiday driving bans, **for ESPO it is crucial that the local port context and the interests of local citizens are duly taken into account** on this matter. Therefore, ESPO urges the co-legislators to allow Member States to take their own decision on a potential exemption from national, regional or local driving bans, after careful coordination with and consultation of the local players involved, and instead to **include the exemption of driving bans as one of the optional support measures listed in the Annex of the Directive.**

To conclude, EPSO believes that the proposal should be adapted and the co-legislators should:

- Define combined transport in the sense of this Directive as any intermodal transport operation of which a minimum share of operation of 50% is performed by inland waterway transport, rail, short-sea shipping or pipelines;
- Remove the 10% cost reduction target for Member States, while instead encouraging measures to improve the cost-effectiveness and competitiveness of intermodal transport;
- Foresee that island-mainland connections can be eligible for support under this Directive if the environmental footprint of the given connection has been reduced;
- Prioritise support for investments in state-of-the-art combined and multimodal infrastructure, including terminal infrastructure, and equipment in order to ensure an approach that comes to the benefit of all;
- Include the exemption of driving bans for combined transport as one of the optional support measures listed in the Annex of the Directive.