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European Express Association Consultation Response on draft Land and Multimodal Transport Guidelines (LMTG) and draft Transport Block Exemption Regulation (TBER)

Express transport operators operate extensive and efficient logistic networks, utilizing a number of modes, including through combined or multimodal solutions. As a result, the European Express Association (EEA) welcomes the opportunity to participate in the consultation for the draft Land and Multimodal Transport Guidelines (LMTG) and draft Transport Block Exemption Regulation (TBER). In this respect, the EEA similarly welcomes the European Commission's proposed revision of the Combined Transport Directive (CTD), and strongly advocates alignment with the CTD file during this consultation phase.

An introduction into the EEA and our key recommendations can be found below:

Introduction

The European Express Association (EEA) – comprising DHL Express, FedEx, and UPS – connects European businesses, citizens and communities with swift, reliable next-day delivery across the EU and beyond. Our industry directly employs 330,000 people and supports over 1 million jobs across our European supply chains. Focused on providing value-added services to our customers, we generate nearly €70 billion for the EU's GDP and €25 billion in tax revenue.

Europe's express industry is an integral pillar of the Single Market. As such, our industry is committed to supporting the EU Green Deal, enhancing Europe's competitiveness and spearheading digital innovation. We do that by investing in zero-emission vehicles, sustainable fuels and, where feasible, intermodal connections, complemented by route optimisation in the skies and on the ground. In addition, our industry delivers the building blocks of European competitiveness and strategic autonomy, be that tech electronic components to life-saving pharmaceutical products. EEA members have also remained ahead of the innovation curve, by continuously investing in cutting-edge technologies to keep global and European supply chains secure and efficient.

Reducing the Cost of Multimodal Transport, Effectively

The EEA believes that the current distance-based restrictions limiting access to incentives which are currently included in the draft guidelines will hinder the ability to truly reduce costs of multimodal

transport solutions; a key goal of the CTD revision. In some cases, distances larger than 800km for rail movements in multimodal operations and 350km for unimodal rail operators are carried out in freight services. Such operations would similarly benefit from access to incentives to ensure their competitiveness with other modes of transportation. As such we believe no limitations on distance should be included within the draft guidelines.

Moreover, the EEA believes that the drafts currently do not focus incentives effectively enough in the key areas where costs for multimodal transport will truly be reduced. It is the association's belief that greater attention must be provided to key freight infrastructure in order to reduce or avoid bottlenecks in rail freights, or to actively reduce the costs of transport for the final customer (e.g., state aids on the rail terminals' costs or rail transport costs). This approach would result in a reduction of transport costs for the user and final customer, key political goals of the proposed revision of the CTD and the overarching goals of the EU to double rail freight by 2050¹, of which incentives and the role of state aid play an incredibly important role. Any legislative initiative within the area of multimodal must keep the reduction of transport costs at the forefront if these goals are to be achieved.

To further support uptake and access to state aid for multimodal transport, an overarching European tool should also be pursued to support navigation and overview of national incentives (including requests/applications). Such a tool would significantly aid operators undertaking cross-border trade, and realise cost reductions across trade corridors. Whilst it is also understood that national approach must be taken within the context of the application of state aid, the development of such a tool will support companies to identify available funds in an area which is often complex and administratively burdensome and ultimately support the reduction of transport costs in line with the goals of the EU.

Revision of the Combined Transport Directive; Alignment Remains Key

It is vital that legislative tools such as the LMTG and TBER are aligned with other pieces of EU legislation such as the revision of the CTD. The EEA therefore advocates for incentive intensity factors to not be based on a reduction of external costs, but on distance (or share of distance via certain modes), and thus aligning with the current discussions on this topic. Whilst the members of the EEA support the reduction of emissions within transport supply chains, the surrounding complexity and unclarity with the calculation of external costs, creates administrative barriers to cost-reduction tools for multimodal solutions. Any requirement to do so would negate any benefit gained from a change in the definition of the revised CTD.

Finally, further support and incentivization is required for cross-border freight transport. Without such a cross-border approach, costs reductions for multimodal transport will experience hurdles due to fragmented approaches across the freight's route.

¹ https://transport.ec.europa.eu/transport-themes/mobility-strategy_en