

Road transportation

The need for flexible and optimal solutions on European roads

According to EU Commission's forecasts, total freight transport volumes are expected to grow by about 38% by 2030 in Europe, with road and rail growing at comparable rates. Road transport would maintain its dominant role in freight transport, contributing 73% in 2030, followed by rail 17%. Inland navigation¹ is expected to grow but at lower pace. Fuel costs and congestion levels are expected to rise significantly, as well as greenhouse gas emissions.

The paper industry: in search of cost-efficient and sustainable transport modes

The paper industry recognises that the transport sector must take its responsibility to significantly reduce its greenhouse gas emissions and welcomes any measure increasing the efficiency and sustainability of transport in accordance with the principle of "co-modality".

The European paper industry represents 25% of the world production and is the world top leader in exports. It makes use of the three basic modes - rail, road and water, but like many industry sectors, road is the main mode of transport for European distribution and, due to customers' demands, this will continue. The ongoing deterioration of the service supplied by rail freight companies - low cost-efficiency, lack of reliability and fragmented networks - in most of the EU countries has caused rail freight to lose market share mainly to the benefit of road transportation. A vast majority of the yearly 250 million tonnes of the paper industry raw materials and finished products is indeed transported by road in Europe. Around 55% of road transport concern long distance trips, 30% regional distance and the remainder local distance². Road transport provides flexible services regarding departure time and destination, and it is the fastest transport mode for distances up to about 500 km.

Logistics costs average 10% of turnover and further cost increases are expected in the coming years due to further internalisation of external costs, rising road charging - Eurovignette Directive - and stricter safety standards.

The European paper industry is looking for cost-efficient and sustainable transport solutions.

All modes of transport should strive for efficiency, as clearly stated by the 2006 Commission's Mid Term Review of the White Paper on Transport Policy. The remaining obstacles identified between means of transport and between national systems of transport should be removed as said in the

¹ Inland navigation includes inland waterways and short-sea shipping.

² Forest and paper industry: long distance > 250km, regional 50-250km, local < 50km – source: Volvo, 2006



Commission's Communication on a Single Market Act ³, which clearly states that *"The creation of a single transport system is still being delayed by a number of technical, administrative and regulatory obstacles that have been hampering the competitiveness of the single co-modal transport market in particular and holding back economic growth in Europe in general"*.

The road transport challenge

Recognising the problems caused to society and industry by traffic congestion and pollution, the European paper industry is looking closely at improving road transport efficiency and increasing incrementally the maximum dimensions and payload of trucks when legislation allows it and overall sustainability improves. The European paper industry considers this as an opportunity to reach a 'win-win' situation for European society and the industry, thanks to potential reduction of fuel consumption and pollution, lower transport cost and reduced number of transports. This has proven to be a successful approach, particularly in the North of Europe.

Innovation, smart solutions and rationalisation in the transport and logistics field can have a great impact on competitiveness and sustainability and should therefore be promoted, to contribute to the EU 2020 strategy about sustainable growth and jobs and the success of an ambitious industrial policy.

About trucks dimensions - European Modular System⁴: too good a solution to be ignored

The European Modular System (EMS) is a concept that allows combinations of existing loading units (modules) into longer and sometime heavier vehicle combinations to be used on some parts of the road network, but obviously not in city centres or any other sensitive areas. Indeed, based on standard modules, it gives high flexibility to operators to adapt the vehicles to different situations, offers the possibility to use long combinations when possible and shorter combinations when necessary, and favours co-modality. As it is based on existing equipment (vehicles and load units), it is easy to implement and very easy to rearrange to shorter combinations and adapt to local conditions: it means making a better use of what we already have!

EMS already operates in several Member States under certain circumstances and conditions and offers industry a much needed efficiency and a greener alternative to many other current logistics solutions. EMS favours the development of intermodal transport and co-modality and supports the development of other transport modes like rail since it is built on using standard ISO 20 and 40 feet containers common also to rail and maritime freight transport. Allowing longer trucks on the roads would not shift substantial volumes of loads from rail to road as goods transported by road tend to be higher value goods, whilst rail is more suited to lower value goods. Road and rail are indeed complementary modes with limited areas of competition.

EMS should be further promoted as its use throughout Europe would have the clear advantage of achieving an environmental improvement while at the same time supporting logistics efficiency and competitiveness. It is however lacking national implementation, thereby preventing many European countries from getting its benefits.

³ "Towards a Single Market Act - For a highly competitive social market economy", 27 October 2010.

⁴ More information can be obtained at the following web address: <http://www.modularsystem.eu/>



CEPI, like many other European and national trade organisations gathered into the EMS Forum⁵, supports **the European Modular System for the following reasons⁶**:

- It offers a cost-effective solution for European shippers and European competitiveness;
- It is excellent from a transport efficiency point of view, reduces congestion and favours co-modality;
- It improves fuel efficiency and reduce CO₂ emissions per unit of cargo carried;
- It provides a flexible, easy and quick solution to implement and does not require major investments in equipment;
- It will give stability to future EU demands on vehicle weight and dimensions.

And this:

- Without increased risks of accidents;
- Without hampering rail development;
- Without more wear and tear on roads;
- Without major investment in infrastructure.

About trucks weight - the need for higher limits

Under the current EU legislation⁷, the limits to truck weight are set at 40 tonnes, with the exception of intermodal transport where a maximum of 44 tonnes is permitted in a range of 150 km. However, individual Member States can allow higher weight limits on their roads. Some countries like France, Germany and Spain apply a 40 tonnes limit for road transport and 44 tonnes limit for intermodal transport. But some others have allowed 44 tonnes for all transports - Belgium, Italy, Luxemburg or United Kingdom - and even higher weight limits - 48-50 tonnes in Czech Republic, Denmark, the Netherlands and Norway and 60 tonnes in Finland and Sweden for a long time. Low weight limits lead to additional costs and hinder smooth transport of goods throughout the EU and constitute an obstacle to the well-functioning and the completion of the Single Market.

The paper industry as well as other industry sectors would benefit from increased weight limits throughout the EU, with the necessary restriction on axles pressure. Heavier loading contributes to road safety since it means fewer trucks on the road, less congestion and also less pollution.

The wider introduction of EMS in logistics operations in Europe would help operators and customers alike, optimising the utilisation of trucks and trailers, road infrastructure capacity, and integration with rail, air, inland and short-sea shipping for the door-to-door total logistics solutions. EMS can be considered as one of the most valuable tools to succeed in meeting the environmental challenges regarding global warming and air quality as well as having a positive impact on competitiveness.

The European paper industry is thus calling for extensive trials of the EMS by EU Member States on European roads and based on its obvious benefits ultimately calling for a wider use of the EMS. It is essential that road transport-related legislation also encourages increased weight limits.

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⁵ More information about these organisations on:

http://www.modularsystem.eu/en/organisations_saying_yes_to_ems/

⁶ For more facts, figures and results of impact assessment studies, go to:

http://www.modularsystem.eu/en/facts_and_figures/

⁷ Directive 96/53/EC



The European pulp and paper industry key figures:

- It is composed of 700 companies and 1,000 mills
- It has a turnover of 71 billion Euros and a value added of 15 billion Euros
- It employs some 230,000 people directly and provides indirect employment to some 1.8 million people
- It produces some 89 million tonnes of paper and 12 million tonnes of market pulp
- It represents 25% of the world production
- It exports 15 million tonnes of paper, around 17% of its production
- Some 72% of the paper and board consumed is recycled
- It is part of the Forest-Based Industries, which has a turnover of 375 billion euros, i.e. 6.5% of the European manufacturing industry's turnover