



EUROCHAMBRES

Connecting **business** to Europe

Position Paper

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A sustainable Future for Transport:
Towards an integrated, technology-
led and user friendly system

1) Introduction

EUROCHAMBRES and the business community attach great importance to sustainable mobility and transport and its sustainable development for the future. This involves making both passenger and goods transport more efficient and to decouple them from their negative impacts on the environment.

The choice of policy measures must therefore strike the right balance between the three sides of the sustainability triangle – environmental, social and economic. The positive external effects provided by transport (such as efficiency gains by division of labour, connection of remote regions to economic centres, availability of goods and services all over the EU territory) should not be neglected in this.

Europe needs an efficient transport system, not a transport policy focused on regulation. Only in this way can Europe persist in the worldwide competition for business location and peripheral regions of the EU have developing chances. Mobility has to remain affordable for citizens and businesses. Without doubt, the transport sector has to contribute its part to the reduction of emissions, though this should be achieved through a combination of technology solutions and behavioural changes.

2) Comments on the Communication

(1) INFRASTRUCTURE

The capacity of transport infrastructure is to be adapted speedily to the increase in traffic. The responsibility here lies with the member states, the EU having to play a coordinative role. They must provide sufficient investment capital and the legal framework to enable fast implementation. With the nomination of the priority transport projects within the framework of the trans-European Transport Network (TEN) the EU is on the right way. But as the TEN are neither construction nor financing programs, but only foresee co-financing, they have lacked decisive power so far. The EU should hence enforce member states on the political level, to tackle projects timely which are crucial for the efficiency of the transport network. The funds for co-financing should be increased considerably.

Economic growth means transport growth: A decoupling of economic and transport growth has not taken place. The mobility of persons and goods in the majority of economic activities will remain indispensable. The EU transport policy must be detached from the policy of price increase and avoidance of traffic. The increasing volume of traffic can only be managed, if all modes of transport are supported and not by playing them off one against the other.

The lack of coordination between member states, as well as the possible misalignment between regional and national transport policy at a Member State level, might preclude a further deepening of European integration due the suboptimal integration and interoperability of the different transport and communication networks. Therefore, the EU should promote active cooperation and collaboration between all stakeholders within a framework of the “Open Method of Coordination”, where sharing best practices and the principle of peer pressure are key instruments. The infrastructure development must also be discussed and coordinated with non-EU neighbouring countries to ensure a smooth development of trade relations.

Furthermore, the use of the existing infrastructure can be improved and the capacity better maximised. This can be done through investments in better organisation of the traffic, such as

Intelligent Transport systems or through better capacity utilisation for vehicles (for example better filling rates for passenger and freight transport).

(2) FUNDING AND PRICING

The attempt of a politically induced charging of congestion, noise and pollution costs (external costs) of traffic, as envisaged by the revision of the Eurovignette directive, leads to a dead end for the following reasons:

- **Absolutely objective quantification of external costs is almost impossible:** External costs cannot be quantified exactly, and despite efforts by the Commission to propose a science-based calculation mode. The results based on studies or models with slightly different assumptions or base data will always be open to dispute. This leaves leeway for an increase of charges influenced more by financing considerations than exact cost calculations.
- **Alternative measures available and potentially more appropriate:** Various policy measures are available or already in place, such as air quality legislation, emission and safety standards for vehicles, promotion of related research, construction of noise barriers, fuel taxes, subsidies and campaigns for public transport and fuel-efficient driving, to name but a few. The ability of alternative measures to provide more effective, less costly and less bureaucratic solutions for mitigating external costs from transport should be more thoroughly analysed. Thus, the “cheapest cost avoider” principle should be applied instead of a pure “polluter pays” principle, to avoid imposing unnecessarily high overall cost to society.
- The **external benefits** are not viewed in regard to the external costs. This restriction causes a biased view of the overall economical results of transport at the macroeconomic level. Therefore welfare losses are pre-programmed due to the one-sided “polluter-pays-principle”.

The discussed artificial pricing of noise and emission pollution makes transport more expensive but does not lead to an efficient relief of the environment. Instead the EU should support the use of new technologies in vehicles and telematic systems and thus provide a much more effectual contribution towards the reduction of environmental burdens through transport.

The revenues generated from the different transport sectors should be **earmarked** for the operation and development of infrastructure respective sectors. This should also apply for the revenues from **user charges** which should be earmarked for exclusive financing of traffic routes.

Decisions for certain modes of transport cannot always only be taken due to pricing and costs, but are also strongly influenced by factors such as time, accessibility, infrastructure and network availability (these factors strongly influence “just-in-time” deliveries for example). Unless other modes than road have developed a similar level of performance, increasing road price will not result in modal shift only but in higher cost for EU companies, undermining their competitiveness.

In order to maintain the wide variety of SME operators the opening of public urban transport to private providers through public bidding should be considered.

(3) TECHNOLOGY

The EU should promote and actively drive scientific and industrial solutions in the fields of fuel dependency, biofuels, international standards for vehicle emissions and sharing of best practices

in the field of network congestion and network operational excellence. All standard setting should be of global nature and Europe should not be locked into overly specific and severe rules.

The development of such technologies should be continuously encouraged through relevant programmes and initiatives (e.g. Framework Programme on RTD). Additionally member states should be urged to encourage deployment through various incentives, including fiscal incentives.

An important tool to promote and accelerate the deployment of new technologies is the **communication of best practices**.

(4) LEGISLATIVE FRAMEWORK

Make use of private financing models as complementary measures: Private financing can help to close the gap which results from tight public capital and the actual need for investment. Therefore, effective private participation must be a legal possibility for all infrastructure projects within the EU. Due to uncertainty of construction costs and income and the long amortisation periods, transport projects tend to be challenging investments. Complementary private financing does not relieve the state from its duties to provide a demand suited infrastructure and affordable mobility.

Initiatives aiming at administrative simplification, seeking at reducing unnecessary boundaries applicable to transport companies are welcome. Whilst insisting on the need to create a level playing field for effective competition, the Commission paper also stresses the need to ensure high safety, security and environmental standards and to guarantee that these norms converge upwards rather than towards the minimum common denominator. Whilst these principles are very sensitive, the Commission paper does not define them any further than developing the general need and principle, which involves that they are currently mere declarations of intents which need to be translated into a fully-fledged description of how they are to be interpreted.

Over-regulation should be avoided as it will not achieve the desired results. The desired outcome can also be achieved through encouraging the use of new technologies and products through campaigns, dissemination of best practices, exchange of experience etc.

(5) BEHAVIOUR

Every transport of goods reflects both a cost and a market need, agreed upon at a price all parties accept. Therefore, it can be argued that there is no unnecessary transport of goods. As the transport incurs costs, in a competitive market both seller, buyer and transporter have strong incentives to keep cost and transports at a minimum. Government intrusion in the market aspect of the transport industry should therefore be avoided. Competitiveness is best assured by a competitive market. The EU should, however, promote research into various fields of transport to promote new technology, better logistics and increased competitiveness.

A more intensive dialogue should be envisaged with those affected, i.e. the general public, representative organisations, etc but also more involvement and consultation of these groups. In order to change and influence behaviour from an early age onwards, transport and travelling should be taken into account in education.

Chambers of Commerce and Industry (CCIs) play an important role in **promoting voluntary approaches** for businesses in favour of sustainable mobility. Fields in which CCIs support businesses are for example the implementation of mobility plans by companies, to provide information and the dissemination of best practice.

(6) COORDINATED ACTION

Coordinated actions shall also be encouraged at local level between transport authorities as they often have overlapping competencies in terms of transport modes and territories concerned.

Coordination between policies is also necessary so as to have a further multidimensional approach. In particular, landplanning and transport planning shall cooperate further as the location of schools, enterprises, hospitals, retailers (etc.) have an impact on the transport needs and organisation...

(7) THE EXTERNAL DIMENSION

Transport policy measures in aviation and shipping must be coordinated on an international level: sole EU measures can weaken the global competitive position of EU aviation and shipping companies. A mere couple of months before the directive and future-shaping Copenhagen climate conference, non-coordinated and unilateral decisions such as the EU inclusion of aviation within the EU ETS scheme are not desirable. Such an EU policy, decided beforehand and without thorough discussion with all the stakeholders, might lead to the exact opposite result, in terms of creating a non-conducive working climate and a situation where the EU, in order to ensure the competitiveness of its aviation industry, might try to compel international partners to enact comparable restrictions within a very short timeframe. There is a high likelihood that partner countries will not yield to such pressures from the EU.

EUROCHAMBRES is the sole European body that serves the interests of every sector and every size of European business and the only one so close to business. EUROCHAMBRES has member organisations in 45 countries representing a network of 1,700 regional and local Chambers with over 19.8 million member companies. Chamber members employ over 120 million employees.

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