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UNION EUROPÄISCHER INDUSTRIE- UND HANDELSKAMMERN (UECC)
FÜR VERKEHRSFRAGEN

UNION EUROPÉENNE DES CHAMBRES DE COMMERCE ET D'INDUSTRIE (UECC)
POUR LA POLITIQUE DES TRANSPORTS

UNION OF EUROPEAN CHAMBERS OF COMMERCE AND INDUSTRY (UECC)
FOR TRANSPORT

UECC position on the “Roadmap to a Single European Transport Area”

On 28 March 2011, the European Commission published the White Paper “Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system” (COM(2011), 144 final). The document contains a comprehensive strategy (Transport 2050) for a competitive transport system with the aim of improving mobility, eliminating major obstacles in key areas and promoting economic growth and higher employment. At the same time, the Commission aims at reducing Europe’s dependence on fossil fuels and substantially decreasing the amount of transport-related CO₂ emissions. To achieve these objectives, the Commission plans to restructure Europe’s current transport system. The following major targets have been set for 2050:

- 50 % of passenger and goods transports over 300 km between cities to be shifted from the road networks to the railways and the waterways
- This should result in a 60 % reduction of transport-related CO₂ emissions by the middle of this century
- Conventionally fueled cars to be banned from the cities
- Low –carbon sustainable fuels in aviation to reach a share of 40%
- CO₂ emissions of maritime vessels to be reduced by at least 40 %.

UECC comments on the White Paper as follows:

General remarks

The UECC welcomes the frequent references to the plans to increase harmonization and coherence. More emphasis should however be laid on the examples mentioned by the White Paper regarding the harmonization of road pricing systems in Europe, the rules concerning the deployment of tachographs, social standards and the protection of the environment, since the current differences between the individual Member States are clearly inconsistent with the objective of establishing a homogeneous European economic area.

1. For the UECC – an association of about 60 Chambers of Commerce and Industry Luxemburg, the Netherlands, France, Germany, Switzerland and Austria representing the interests of some 2.5 million European companies – freight transport is not just an end in itself. Its purpose is to supply the European consumer markets and to ensure that the continent’s business community remains competitive. Transport policy’s most important objective should therefore be to set up a reliable and efficient transport system that is tailored to meet the needs of consumers and the business community. In this context, the UECC expressly welcomes the Commission’s statement that **curbing mobility is not an option** (see paragraph 18) and that “the challenge is to break the transport system’s

dependence on oil without sacrificing its efficiency and compromising mobility.” (paragraph 17).

2. The Commission pursues ambitious aims for the reduction of carbon emissions based on superordinate climate targets. Transport-related emissions must be reduced by 60 % by 2050. Such an objective will certainly raise costs and have a negative impact on economic growth and employment. On the other hand, a more efficient use of transport infrastructure as proposed by the Commission and the creation of a uniform European transport area with increased competition and a fully integrated transport network is likely to promote economic growth and employment. It remains to be seen whether the systematic implementation of the proposed targets will in the end curb growth and reduce employment or not. Whatever the outcome, mobility will become more expensive in future. The Commission should therefore have the courage to opt for **open and transparent communication** with the Member States and their populations and admit that the targets proposed by the White Paper have a price. This would eliminate the massive credibility problem which has so far dogged the Commission's proposals. For instance, the questions regarding the costs and the financing of the investments for the new infrastructures remain unanswered. If the Commission does not wish to restrict mobility while at the same time proposing a whole range of investments and cost intensive market interventions, it must make a clear announcement that mobility will be more costly in future.

3. For the UECC, **improving transport infrastructure** on Europe's main axes in line with demand is of the utmost importance. Reliable transport infrastructure that is tailored to meet the needs of the users is essential to maintain the competitive ability of the European economy and to guarantee adequate supplies for its consumer markets. Upgrades should be made where capacity bottlenecks have been discovered or where they are likely to occur in the future; that is, in areas where the majority of transport services take place. The UECC has repeatedly listed the infrastructures in the road, rail and waterway networks which, in its view, ought to be upgraded as a matter of priority and has demanded that these projects should be tackled as soon as possible. In this light, the UECC expressly welcomes the Commission's commitment to a “core network of corridors, carrying large and consolidated volumes of freight and passengers traffic with high efficiency and low emissions” (paragraph 50), as well as the new planning method for Transeuropean networks and for the core network in particular, which takes more account of the additional benefits such measures will generate for Europe and which focuses more on transport axes with large traffic volumes.

4. The Commission rightly points out that a reliable transport network requires substantial resources: a development of European infrastructure to meet the demand for transport would cost more than EUR 1.500 billion by 2030; the completion of the TEN-T network by 2020 would require about EUR 550 billion, of which EUR 215 billion would be used to remove major bottlenecks (paragraph 55). If certain conditions are met, the UECC supports the (still very vague) strategy proposed by the Commission, which states that more of the costs should be borne by the users and polluters in future: expenses will thus be shared in accordance with the user-pays-principle, and the costs which occur to the general public in the form of noise and pollutants (external costs) will be charged following the polluter-pays-principle. In general, the UECC supports **a system change to the user pays principle**, bearing in mind that attempts to finance such upgrades by levying more taxes have failed in many Member Countries, in Germany in particular. Such a system change would not necessarily make mobility more expensive, providing the Member Countries reduce the taxes imposed on transport accordingly. The new system would have the advantage that all its earnings could be ploughed back into transport infrastructures. However, it is important to ensure that such a change does not

give Member countries a pretext to shed their responsibility for providing efficient transport infrastructures or to withhold resources from their general budget. It is worth noting that similar financing methods currently in use in the Member Countries usually apply only to priority projects and not to the entire road network.

5. The UECC believes that the Commission's intention **to internalize external costs** such as noise and pollution and to charge them to the polluters (polluter-pays-principle) can be implemented only under the strictest conditions (paragraph 61). It would be better to concentrate on effective technical requirements that help reduce carbon emissions, since these measures tackle the problem at the source. Furthermore, an exact calculation of the actual external costs is very difficult. Unlike infrastructure costs, the calculation of external costs requires specific know-how which no one in a complex market economy possesses. Such calculations can therefore only be approximations, and the calculating methods are also very controversial and open to criticism – a pretext for arbitrary increases in the price of mobility; hence the great importance of comprehensible, transparent and standardized methods of calculation for every individual external cost factor. In addition, where the charging of external costs is concerned, the UECC demands to take the following three principles into account: *Firstly*, the Commission should retain a sense of proportion and internalize only those external costs that are not disputed. The UECC is thus against the inclusion of congestion costs as "external" costs. The economy and the transport users affected by traffic jams already pay for these costs, they should not be charged a second time. Moreover, many such traffic jams are caused by public authorities as they are responsible for building sites or for the failure to improve infrastructures. Furthermore, such internalization would provide a new reliable source of income and thus little incentive to eliminate the causes of traffic congestion. *Secondly*, as announced in the White Paper, the Commission should draw up rules for the charging of external costs that are the same for all modes of transport, as this is the only way to ensure efficiency and avoid distortions of competition between the various modes of transport. *Thirdly*, all the income generated by the internalization of external costs must be reinvested into the elimination or the prevention of external costs. For example, the UECC suggests reinvesting the income from the internalization of noise-related costs directly into noise abatement measures for existing and new transport infrastructure projects. Such an approach would have another advantage as well: transport policy makers would not have to target individual modes of transport or routes. The choice of the mode of transport for the distances concerned would be determined by the forces of a free transport market.
6. The **climate protection target of a reduction of CO₂ emissions by 60 % for the transport sector** is one-sided and unclear. It overlooks the fact that attempts to reduce carbon emissions may be considerably less expensive in other sectors. It would therefore be more efficient to set a target for the economy as a whole and then leave it to the market forces to identify those sectors in which a reduction of carbon emissions can be achieved at the lowest possible cost.
7. **Urban traffic:** The proposal for a gradual reduction of the number of conventionally fueled cars in the cities should be critically reviewed. In general, (inner) cities must remain open for all vehicles that comply with current environmental standards. Alternative fuelling systems – for busses or small delivery vehicles, for instance – may be a suitable option in the future, but they should not be made compulsory. Otherwise, the cities will lose even more ground as attractive locations for businesses, and their structural difficulties will increase (i.e. large number of empty commercial real estate, social problems). The European Union should respect the principle of subsidiarity and restrict itself to making suggestions for the improvement of urban mobility, as it published in its Urban Mobility Action Plan in 2009. Although many European cities have similar

problems, the overall situation differs greatly from one city to the other. Since it is impossible to impose uniform road tolls for all European cities, the UECC opposes the introduction of an urban road pricing system. Such tolls severely restrict access to the inner cities, which can only discourage new businesses from settling there. Moreover, technological advances continue to reduce the impact of cars on the environment, so that there soon will be no reason to ban vehicles from the city centres. Finally, there is a risk that road tolls will be used as an instrument to increase earnings and help fill gaps in communal budgets. The UECC supports directives for “best practices” to reduce traffic-related emissions but is against a strategy aimed at achieving emission-free urban logistics services. The UECC believes that the suggestions concerning urban planning, access to rail and waterway networks, business practices and information, tolls and vehicle norms are unlikely to be of much help in dealing with the problems of urban traffic.

8. **Aviation:** The UECC welcomes all measures that facilitate the implementation of a „Single European Sky“. The European Commission rightly assumes that air traffic volumes are likely to double by the year 2050. However, the Commission bases this assumption only on passenger traffic, while airfreight is not mentioned at all. The statement that the EU’s role as a “global aviation hub” shall not be subject to excessive burdens (paragraph 28) is welcome, however it is important to include airfreight and its specific needs as well. The global economic trend will drive demand for airfreight services more strongly than the need for passenger services, and globally organized supply chains depend on shipping their cargoes overnight. Airports that satisfy and respect these requirements must be supported in their functions as airfreight hubs. The UECC therefore demands the inclusion of specific provisions with regard to air freight services in the list of initiatives and proposals for appropriate regulations for overnight flights.

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