

# **Position of the Ministry of Transport of the Czech Republic on the European Commission's Communication: Sustainable future for the transport: creation of an integrated transport system controlled by technologies and friendly to users**

## **1. By way of introduction**

The end of the decade in which the Program for European Transport Policy (2001-2010) was established is nearing and therefore we consider as appropriate to start a discussion on the topic of Long Term European Sustainable Transport Concept. The submitted document entitled "*Sustainable future for transport: creation of an integrated transport system controlled by technologies and friendly to users*" is adequately general and open so that a discussion on particular measures providing for sustainable transport may gradually follow.

The introduction of the document (art. 7) lays down that during the last decade a qualitative progress was achieved in the transport but in certain respects this sector did not start on a journey to sustainability. There is no doubt about it. It is possible to come into line with the above trends, including the associated challenges, which will affect the transport until half of this century. We are in agreement with the difficulties connected with the forecasting of these anticipated events as regards the strengths of their impacts on the creation of future transport. We also refer to the fact that full enumeration of all important trends in question need not be involved.

"The introduction of a sustainable transport system" is a declared global European transport policy objective. "The introduction of a sustainable transport system" is a declared global European transport policy objective. It would be appropriate to define this term in order to make evident that the declared sustainable transport will satisfy the required economic, social and environmental needs of the society and support a society open to social inclusion and fully integrated.

With respect to processes and methodologies through which European Union is to achieve the above objectives and deal with the issue of sustainability, as referred to in chapter 5, it would be useful to stress the priorities of individual policies.

We have the following more detailed comments on the subject of particular chapters:

## **2. European transport policy in the first decade of 21<sup>st</sup> century**

The current transport sector development assessment is realistic but other facts have to be taken account of:

- European transport policy (ETP) created a mobility system comparable with that of economically most developed world regions, however, substantial differences are still showing between individual regions. Despite important support for these regions through cohesion policy instruments it is to be stated that in the most poorest regions the aforesaid peak mobility level, as aforesaid, was not achieved in the most poorest regions so far. This is due not only to the transport infrastructure quality (of TEN-T but also of lower transport network levels which are no less important for the transport system) but also the vehicle fleet quality, provision with up-to-date technologies, sufficient maintenance and repair means, etc.

- Even if the TEN-T policy results are plausible, the reserves in the coordination of planning and implementing the infrastructure projects are still important, which is demonstrated by the fact that out of priority projects exactly the cross-border projects are showing the greatest delay in the implementation. Especially sizeable shortcomings are on EU and neighbouring borders, and great shortcomings regarding the infrastructure quality are also showing on the former “Iron Curtain”. Particularly in the case of transport networks large differences exist between old and new countries, while these differences do not correlate with economic maturity. Former east block countries show generally worse transport infrastructure (not only as regards TEN-T but also lower network categories where this situation is being more visible) – despite the fact that in terms of macroeconomic indicators certain aforesaid countries have already overtaken certain countries from the western part of the continent. Transport infrastructure of lower network categories is also important because it is also inevitable for achieving high quality transport services. While problems connected with such network levels are relatively small in old Member States, they are rather important in new countries, there is no doubt about it.
- The strengthening of passenger rights may, on the one hand, results in the quality increase of transport user services but, on the other hand, it may endanger the competitiveness of transport operators in the case of an unbalanced approach. The fact that the public transport field ((bus and railway transport) is considered as a sector where the users are showing the least satisfaction should not automatically lead to the regulation of this field at EU level.
- In assessing the ETP, attention is to be given to the interoperability of particular transport modes (for example, interoperability of systems based on performance charging as applied in particular countries in the road transport field, technological railway interoperability, and also the level of the integration of individual transport modes in passenger and freight transport).

### **3. Trends and challenges**

The process of population ageing will certainly mean greater demands on public budgets because the growing financial requirements in the social field will reduce funds available for transport infrastructure investments, for example. As far as public transport funds are concerned, even here there will be a pressure on the provision of high quality services, that is to say, exactly for the reason of population ageing because the public transport shows an important social aspect. This is associated with the fact that, among others, older and handicapped citizens are losing the ability of driving motor vehicles and, on the contrary, there will be a demand for maintaining a greatest self-sufficiency as possible, as concerns these citizens. The unavailability of transport infrastructure investment resources will entail the need to complete the most important projects in the shortest time possible.

As concerns the issues in the environmental field it is clear that the transport did not achieve, for the time being, the established objectives. Social and economic well-being cannot be henceforth negatively balanced by growing transport environmental burden.

It is a matter of a rather thought-provoking issue and the European transport policy will have to pay attention to its solution in the next period.

Considering the trend of growing fossil fuel shortage, the following will be of importance:

- lowering of energy demands of all transport modes (more up-to-date driving units),

- making use of all transport modes (co-modality principle),
- looking for alternative energies ( in the case of renewable energy resources only those not representing negative impacts on environmental global changes),
- utilization of electric energy based energy on the presumption of its economical and ecological advantageous production (fore example, solar power stations not using photovoltaic silicon cells; pending the completion of the development of nuclear reactors of 3<sup>rd</sup> and 4<sup>th</sup> generation, etc.); the use of appropriate energy carrier (the use of hydrogen in its production by electrolysis).

It is to be expected that the importance of electric energy in transport<sup>1</sup> will also rise in the future. Because the electric energy use in the transport requires both the application of expensive accumulators and energy carriers (on hydrogen basis), those transport modes will be preferred which will be fed directly from trolley lines. Even this will have an impact on individual transport modes and the importance of transports based on multimodal cooperation

In the case of urbanization, the situation seems more complex because the process of sub-urbanization is going on simultaneously. The population is moving to large cities, it is true, but the population of cities is moving at the same time into satellite, often rather dispersed housing quarters at large cities suburbs. Such residential areas are in want of job opportunities and the citizens concerned are commuting to the city. Due to disperse suburban built-up space also its serving with public mass transport is difficult, which results in higher congestion both on the approach to and in the centre of large cities. It is important therefore to build integrated transport systems also covering individual or cycling transport (P&R, B&R a K&R systems).

As far as the freight transport service is concerned, notably operating in the centres of large cities, the City Logistics (CL) systems are still inadequately developed. The CL systems should be connected with networks of public logistics centres which will provide services to anyone on a non-decimation basis (needed particularly for small and medium firms), facilitating the customer to outsource customized services, support optimum use of road freight transport and concentrate traffic flows as a prerequisite for making use of multimodal transports.

The deepening of EU internal market and its integration with neighbouring regions the traffic will lead to the increase in traffic volumes which may excessively burden, in particular, the infrastructure of transit countries.

#### ***4. Objectives for sustainable transport policy***

Transportation is a network sector and transport networks have to cover all aspects associated with the enforcement of transport policy objectives. To this effect a conceptual pillar is to be defined within the TEN-T policy. It is also important to provide suitable quality of all network levels in all European regions, which is a long-term task.

Considering the integration in passenger transport, European transport policy objective should consist of more aspects than the sole integration of railway and air transport. The integration should be a symbol of passenger transport genetic property, not excluding individual transport. Larger part of the responsibility should fall within regions and Member States but despite this the support from European level should be noticeable (including financial instruments within the framework of cohesion policy). High quality, safe and reliable integrated transport should be considered as passenger public transport priority objective – the

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<sup>1</sup> Also the CNG a LPG propulsion systems produce, however to a less extent, greenhouse gases since these systems are based on fossil fuels.

integrated transport should be subject to particular planning mechanism and it should also use information technology equipment.

Freight transport should operate within the coordination of all-European network not only as concerns multimodal terminals but also within whole public logistics centres having as an objective the support for the position of small and medium entrepreneurs, strengthening the multimodality principle and optimizing the road freight transport (this may be considered within the suggested green corridors).

Regarding transport technologies it is required to progress towards the implementation of railway interoperability (ERTMS), performance charging of roads (hybrid systems) and to support the development of appropriate combined transport transshipment systems in order to make the combined transport competitive already to medium distances.

We fully agree with the assessment of the potential of up-to-date technologies as means for dealing with transport issues. However, modern technologies should be an objective itself but only an instrument for achieving the existing transport systems - for instance, new ways of data collection on transport or traffic processes and their use in various applications: traffic control improvement, traffic safety increase or general security increase.

The sustainability of the development has to be achieved within the framework of all three pillars and it is therefore necessary to lay stress on environmental protection. Negative environmental transport impacts pose an important issue for present and future population since environmental burden caused by transport is still increasing and its total unfavourable impact is still deepening. The demand for improving the relation to the environment and need for ensuring sustainable development is a component of transport policies of the majority of European countries as well as the current European transport policy. The transport policies involved are tackling this issue but no political will for their enforcement has been manifested so far. Internalization must become one of the key issues of European transport as well as ecological policy. Each approach to the solution of this issue nevertheless bears substantial progress compared with current state.

The internalization of external costs is inevitable since it is necessary to ensure that the transport price reflects all the costs. However, this process has to proceed sensitively so that no economic shocks take place as well as negative impact on the competitiveness of European carriers. Furthermore, it is necessary to ensure that the internalization is consistently progressing within all transport modes. Because of the complexity of an impartial and exact monetary valuation of external costs it is necessary to continue in endeavour at making the calculations more exact and to use them as a basis for establishing the amount of charging.

The issue of decoupling is important in terms of the transport but to monitor this indicator is important especially as regards freight transport because substantial part of the freight transport is a component of production-distribution process. In the case of passenger transport, the decoupling issue shows not too much explicit value since the relation to the produced GNP is much loose here.

In the case of freight transport there are resources in logistics technologies as well as inadequate development of public logistics which is also of importance for the development of medium and small business sector. The disproportion between the traffic and the storage costs represents a substantial feature with respect to decoupling. Because the transport client does not cover all the transportation costs (external costs) it appears that the transportation seems less expensive than the storage. This leads subsequently to efforts to minimize the storage and number of distribution centres which in turn results in higher demands for transport and many transports in opposite direction.

Logistics processes organized by individual companies on an autonomous basis are not capable of concentrating the traffic flows adequately, which is a prerequisite for making use of alternative transport modes. In majority of cases the logistics centres are collecting the consignments to a limited extent in order to use large road vehicles in a better way – multimodal approach is rather limited, as a rule. This affects both transport system efficiency and road infrastructure capacity as well as the environment and level of greenhouse emissions.

In the freight transport, the internalization of external costs is important from the point of view of storage and transport costs. Failure to include certain costs into transport prices results in giving preference to logistics solutions based on smaller number of storages which in turn are more demanding as concerns transport requirements (in this way, the decoupling objectives fail to be satisfied).

Ecological and economic topics should not in any case shift the efforts at traffic safety increase to the background of attention of Member States. In particular, this concerns the continuation of efforts at reducing the number of traffic accident fatalities.

## **5. Policies for sustainable transport**

In implementing any new measures in the field of EU transport policy the “better regulation” principle is to be applied consistently with the issue of new legal regulation being applied only when indispensable cases are involved. In the impact assessment of newly adopted legal regulations it is necessary to take account of the competitiveness of entrepreneurs in the transport sector.

Even if there is a partial agreement with the Commission’s statement that the infrastructure is rather expensive and therefore the traffic issues have to be dealt with not only by means of the construction itself but also by the modernization of the infrastructure and its equipment with up-to-date ITS, we have also consider the fact that the sole infrastructure upgrading is not enough, particularly under the conditions of new Member States. The all-European process of transport infrastructure development planning is to take account of the condition of networks and, at the same time, of the quality of the infrastructure and economic potentials of relevant regions and Member States.

Terminals providing for the interconnection of individual transport modes must be part of the infrastructure. They should be located in such regions where there is a large capacity of transport resources and objectives (effects are important not only for the transport but also for the industry). What is also important is to implement transport infrastructure conditions creating favourable environment for entrepreneurs in their intentions to provide high quality services.

Within the European transport policy, we are suggesting to launch a professional discussion focused on the methods of supporting the right transport multimodality in the direction of strong traffic flows so that they can be used also to medium distances.

As one of the possible approach to this issue we can consider the application of the “passenger transport principle” also to combined and multimodal transports. These lines would be ordered by public sector from the operator on a procurement basis, namely as a service for road carriers, forwarders and logistics services providers who would realize an important part of the journey through other than road transport mode. This would represent certain new public budget requirements, no doubt about it, with universal savings prevailing (public order would concern only lines advantageous from the public point of view and where savings of hitherto existing external transport costs would become apparent). Internalization of external costs, gradually introduced, would entail further decline of balancing payments.

We agree the assessment of ITS importance and with the opinion that there is a need to lay down norms that provide for ITS interoperability. Also the financing of these systems is an issue which we also consider as important. In our view, a larger financial support for the introduction and modernization of these systems from EU funds should be considered.

As regards creation of transport infrastructure international administrators, we consider this suggestion as superfluous since the provision of infrastructure access may be implemented also without this action.

One of the transport policy instruments of importance should the pricing policy which monitors all costs, both internal and external, on a monetary, obligatory and real time basis, and these costs are internalized subsequently. As to the issue of using the collected external cost charges for the purpose of transport infrastructure financing, such incomes may be certainly used as funds for transport infrastructure repairs and maintenance. However, this should never be considered as main source of financing the transport infrastructure projects. With respect to subsidiarity principle, we cannot agree at the same time that the fields into

which such incomes should be channelled are established at European level on a binding basis.

In the next period of European transport policy implementation it is also appropriate to deal with urban agglomeration issues. We are in agreement with the fact that the role of EU is limited in this area and that there is a need to progress according to subsidiarity principle. However, certain methodological framework of non-legislative nature and transfer of relevant experiences may take place at European level.

As concerns the accident rate reduction we consider as correct to continue giving attention to all three factors – the driver, infrastructure and the vehicle.

### ***Final summarization***

Opinions referred to in the Commission's Communication will certainly launch further discussion the results of which may be formulation of suggestions for sustainable transport. We consider as important that the next period deals, in detail, with objectives and measures in the following areas:

- cohesion policy and overcoming of differences between regions notably with respect to the transport infrastructure quality at all infrastructure levels,
- environmental issues notably of global character,
- creation of additional conditions for the application of co-modality principle,
- implementation of the process of internalization of external costs of all transport modes,
- interoperability of all transport modes,
- introduction of up-to-date technologies in all transport fields,
- reduction of administrative burden and strengthening of the competitiveness of entrepreneurs.