

## **RESPONSE TO THE COMMISSION'S INITIATIVE 'FUTURE OF TRANSPORT'**

Arriva is one of the largest transport services organisations in Europe, employing more than 43,000 people and delivering more than one billion passenger journeys across 12 European countries every year. We provide an extensive range of services including buses, trains, commuter coaches, taxis, water buses and fully accessible demand responsive vehicles.

### **I. INTRODUCTION**

Arriva has read with interest the report of the Focus Group "THE FUTURE OF TRANSPORT". This reply expresses the views of a private-sector public transport undertaking and specifically addresses the situation of urban, suburban and regional passenger transport.

Arriva welcomes the publication of the "The Future of Transport" and the results of conference 9 and 10 March, to which Arriva contributed as a member of one of the discussion panels. The Commission seeks to address in a comprehensive way all relevant issues connected to transport. Arriva welcomes the approach of the Commission to launch a debate on the main long-term challenges and opportunities for the transport sector.

A 20 to 40 year time horizon presents major problems in identifying the main issues that will affect Europe's transport networks; in addition, the challenges of the next five to ten years must also be recognised. Nevertheless the initiative is a good opportunity to initiate useful discussions on the design of the European framework for sustainable transport.

Serving some 75 counties and regions in Europe, 350 towns and cities and 50 million European citizens, Arriva believes that public transport is essentially a local product designed to meet local needs. However, while respecting the principle of subsidiarity we believe that the European institutions have the responsibility to take a lead in promoting greater liberalisation as a way of supporting sustainable urban mobility.

### **II. PUBLIC TRANSPORT IS PART OF THE SOLUTION**

We agree that the list of the issues identified by the Focus Group Report presents a good summary of the key factors generating transport activity; we focus our comments here on urbanisation, ageing, modal shift, climate change and technology.

#### **Urbanisation is continuing and contributes to the objectives of the Lisbon Agenda**

Urban areas represent the backbone of economic wealth creation. They are the where business is done and investments are made. The attractiveness of European cities is a key element in enhancing their potential for growth and job creation. At the same time, cities are confronted with the most significant transport-related environmental and health problems, with high levels of traffic and congestion, poor air

quality, high noise levels, high numbers of accidents, etc... Studies suggest that the cost of road traffic congestion in the EU will reach €106 billion by 2010.

### **Ageing – Special needs and special opportunities**

Keeping the ageing population mobile and independent will be an important objective. Older people will for some time have more disposable income and more free time – and yet we are also seeing the increasing trend for retirement age to increase and for older people to be economically active much later than has been the expectation – in western Europe at least – for most of the last 50 years. Older people will expect transport providers and the public authorities that are responsible for transport policy to take their needs into account – both in terms of physical access to buses, trams and trains (where there is already a great deal of progress and where work continues) and by ensuring that transport remains affordable for them.

### **Where there is mobility, there is social inclusion**

The ability to access – in the spatial sense – jobs, education, health services, and other facilities is a key factor of social inclusion. Barriers to spatial mobility include problems of awareness, availability, physical accessibility, and affordability. Within this context, public transport facilities and services are an essential component in re-connecting socially excluded citizens to the social and economic structures of society.

### **Modal shift to public transport, walking and cycling to be a main objective for the EU**

As it takes around 20 years to renew a national vehicle fleet, transition technologies and modal shift must bridge the gap. Urban sprawl makes all transport less efficient but shifting more trips to public transport (bus, and rail), walking and cycling from individual car use can help reduce national CO<sub>2</sub> levels and stop the worsening trend.

### **Tackling climate change (and increasing energy efficiency) must be stressed more strongly**

With the clearly perceptible climate change as well as the significant energy import dependency, in particular for fossil fuels, the EU is facing unparalleled challenges. Currently, urban transport, in particular motorised private transport, which relies almost entirely on fossil fuels, accounts for 40% of the GHG emissions of the whole road transport sector and up to 70% of other pollutants created by transport.

### **Technology alone cannot deliver the required change without other measures and changes in the behaviour of citizens.**

New engine technology, better fuels and other improvements have not had the necessary impact on reducing Green House Gases (GHG) as gains are offset by the growth in traffic, particularly in urban areas. Higher comfort levels in many vehicle specifications (such as air conditioning and electronic equipment) also increase energy consumption and, therefore, increase emissions as well.

There is a role for ITS to help increase the effective capacity of our road and rail networks – on roads in particular, priority should be given to modes that make the most efficient use of the scarce resource – almost invariably, that means reallocating

road space in favour of bus and tram users: the European Commission should encourage this across the Union.

### **Promoting public transport makes roads even safer**

Figures clearly show that travelling by bus and train is much safer than any other land-based transport mode – the highly-professional management of safety in the transport industry is well-known and well-respected. When it comes to questions of security – by which we might include matters such as terrorism – there is a need for society as a whole, not just transport providers, to ensure that public transport modes continue to be safe and secure.

## **III. NECESSARY ACTION**

### **1. The European Union can and should act coherently**

We believe that this initiative by the Commission provides an opportunity to build synergies with other recent initiatives that create progress towards the broader goals of the Lisbon and the Sustainable Development strategies.

Public transport has a vital role in all these strategies. It accounts for 900 billion passenger kilometres a year, equivalent to 45 million private cars trips. A 1% shift in passenger kilometres from private car to public transport would reduce the number of cars on the road at any one time by two million.

What is needed is an integrated package of mutually-reinforcing policies and measures that can combine to encourage sustainable transport systems. Future European action should always take into account efficient public transport development in urban areas in a coherent way. All future EU action (in any area of activity) must take into account its effect on urban and regional development and urban mobility.

Since public transport offers many solutions to the problem of sustainable mobility, it should be encouraged and developed:

Local authorities have the decisive role in developing the urban and regional environment. The Commission's ability to act in this area is very limited – and yet, the Commission can take a decisive role in promoting best practice, exchange of experience, and providing financial support for action to improve mobility solutions. We encourage the Commission to consider carefully targeted legislative measures in areas such as transport planning, charging and other fields. Any action proposed or taken by the EU should take into account the specific needs and the specific benefits the different public transport modes offer as the solution to mobility problems.

## **2. Efficient Mobility Solutions contribute to the Lisbon Agenda**

The key supporting arguments are that efficient, attractive public transport provides a competitive boost to local economies and is a key contributory factor to the success of the Lisbon strategy for jobs and growth. This can be achieved by the continued opening up the public transport markets.

Greater access to and use of public transport will also:

- promote urban sustainability by reducing congestion and pollution and lowering energy consumption;
- improve road safety: one in three road fatalities occurs in cities. Public transport is by far the safest means of land passenger transport and can make an essential contribution to reducing fatalities;
- improve the quality of urban life by tackling congestion, pollution and noise;
- promote social inclusion: if transport is increasingly focused on the private car, those without a car are disadvantaged. Inadequate transport exacerbates social exclusion by forming a barrier to work along with access to services and the amenities that people need and want;
- support an ageing population: Between 2005 and 2050, the EU population aged over 65 is expected to increase by 58 million. Longer life expectancy will boost the demand for transport services – particularly for public transport, given the safety implications of increasing numbers of aged drivers. The provision of affordable local transport will be vital in maintaining the social inclusion of this group.

## **3. Developing the environment in which liberalisation will succeed**

A fundamental element is the creation of a liberalised European internal market, encouraging investment, passenger focus and better quality combining to drive modal shift while delivering better value for money for users and public authorities.

The Commission has demonstrated its commitment to liberalising public transport in the internal market through directives and regulations on services by rail and by road and the successive packages opening up the Community rail market. Nevertheless, it is still necessary to encourage further market liberalisation as a way of offering efficient and sustainable long-term service provision.

Competition helps provide public transport that meets demand effectively and uses resources efficiently. The aim is to achieve a high standard of public service, while ensuring better value for money for passengers and public authorities alike.

The potential action plan of the EU – helping to facilitate a long-term vision for sustainable and competitive transport - should address the following areas

**a) The legal and organisational framework**

The implementation of the vision should be supported by a package of measures promoting -

- Clearer separation of rail infrastructure from rail operations with better and clearer allocation of regulatory powers;
- Improved and stricter rules on any state aid (particularly that granted to incumbent, state-run operators);
- The exchange of best practice for public transport contracts
- guidance for private financing and mixed public-private financing of infrastructure
- guidance on competitive tendering for public transport services
- case studies on the benefits of liberalisation

**b) Public transport planning and targets**

- Setting targets for modal share in favour of public transport, as proposed in the European Parliament's Report on the Urban Environment Thematic Strategy;
- Recommending fiscal incentives for public transport;
- Recommending measures to manage demand for the use of private cars in urban areas;
- Recommending measures for the internalisation of external costs for private car traffic;
- Ensuring public transport and modal shift are key elements in EU and national road safety strategies;
- Recommending the implementation of sustainable urban transport plans for all towns and cities with more than 100,000 inhabitants;
- Preparing supplementary guidance on sustainable urban transport plans (in addition to that currently under preparation by the Commission), to help those urban areas that wish to promote modal shift develop a strategy to deliver it.

**c) Funding**

- Allocating regional, structural and cohesion funds for investment in sustainable urban public transport and the further development of transparency rules.
- Priority should be given to the very efficient public-private finance models
- Clearer rules on non-discriminatory availability of funding

**d) Best practice**

- Creating awareness and information campaigns on the benefits of modal shift to public transport.
- Further development of best practice exchange on contracting
- Best practice on private and public-private finance initiatives
- Sharing best practice on modal shift and increasing public transport usage