

September 29, 2009

**Comments on the European Commission's
Communication on a Sustainable Future for Transport**

We write in reference to the consultation on the Commission's communication on a sustainable future for transport. These are joint comments by the Danish Transport and Logistics Association (DTL), and the Swedish Association of Road Haulage Companies (SÅ).

DTL is the professional organisation for the Danish transport industry for transport of goods by road and rail. SÅ is the trade association of the haulage industry in Sweden.

Our main comments to the Communication and to the future transport policy of the EU are the following.

- Focus must be on the impact on traffic and transport from economic growth, congestion, energy efficiency, the environment, pollution and technological development. Transport has a reason and contributes to economic growth by ensuring the rest of the economy can function.
- Therefore, it is important that the consequences for transport of decisions made in other policy areas be assessed so that it is possible to gain a full overview of what determines demand for transport.
- Focus must be on the development and the harmonization of the common Single Market for transport and not allow the development of a patchwork of 27 national markets with different requirements, differences in implementation of legislation, differences in monitoring and control and, not least, differences in how infringements are punished. We would emphasise that a free single transport market with equal competition terms is the precondition for an efficient, integrated logistics system.
- A future transport policy will only be more operational and realistic if it is based on all parties acknowledging road transport as an integrated, necessary part of the logistics system.
- Focus should be on capacity utilisation in general and on all elements which contribute to improve the use of the existing capacity: The European modular system has proven an effective and cost effective way of achieving better use of capacity in the road network. Other issues related to vehicle weights and dimensions in general would also contribute. for both road and rail.
- We must build on past success. The dramatic decreases in many emissions from lorries must be recognised as an important contribution. For this the proper statistics are also necessary and the scientific methods to properly measure what causes for instance air pollution in cities.

- Investments in strategic nodes and intersections between the transport modes must be given priority. Benefits from the systems are underutilised due to these bottlenecks or underdeveloped capacities.
- ITS can be an important contributor to solutions to the problems facing transport and logistics. For this reason it is important to get it right. We are not convinced that the present digital tachograph is the solution for the future. Road transport operators face other needs, such as fleet and time management as well as requirements related to special transports such as live animals, where it is important technical equipment is developed that can fulfil all these requirements at the same time. The lack of adequate and secure parking and rest facilities along the European road network creates new challenges for the road transport industry, particularly concerning security of drivers and vehicles and the compliance with resting requirements for the drivers.
- The coming demographic changes will have an impact on the labour force available also for the road transport industry. The future road transport policy and the social and employment policy of the EU must take these elements into account as soon as possible.
- The majority of transport operations start or end in urban areas. Actions concerning urban mobility must take this into account and recognise the dual role of urban areas as both populated areas and crucial points on major transport and logistics networks (ports, rail terminals etc). It is necessary to have prioritised research in cooperation with the transport and logistics sector not only to improve and extend the data and statistics base for transport in the EU but also to develop transport economy models that can enhance our understanding of the effect of different variables on the logistics system and society as a whole. The EU should, therefore, establish a body responsible for analysis and research in the transport sector.

In the following we will elaborate on these main comments.

The parties behind the comments take a positive attitude to the Commission's communication on a sustainable future for transport. The communication prepares the ground for a broad debate on the challenges faced by transport in future. These include the traffic-related and transport-related consequences of high growth rates, congestion, energy efficiency, the environment, pollution and technological development. These issues should and must be discussed in the White Paper that the Commission will publish in 2010.

We find it constructive that the Commission bases its approach on the factors that determine the demand for transport, now and in future. This ensures a better understanding of the factors that influence the volume of transport in society and how this demand can be better influenced.

However, it must be stressed, that the core element of the transport policy of the EU must also remain to ensure fair and equal conditions for competition between the operators from different EU member states on the basis of harmonised conditions within the EU. Only on this basis will the operators have the conditions for developing businesses that can operate in a single European transport market.

On the other hand, the Commission also moves outside the traditional domain of transport policy. This means that transport considerations have to be included in other policies. Therefore, it is important that the consequences for transport of decisions made in other policy areas be assessed so that it is possible to gain a full overview of what determines demand for transport.

It is also positive that the Commission considers the advances that have already been made within, for example, the areas of road safety, pollution and gains in efficiency. We particularly welcome the fact that, in the communication, the Commission makes clear the decisive importance transport has to the economy of the EU and to continued growth and employment in Europe. We particularly welcome the fact that, in paragraph 16, the Commission points out that transport needs are determined by much more than capacity and supply in the transport sector. The Commission writes that growth in transport is linked to decisions made by other economic players, i.e. production sites and players in supply chains, and in consideration of deadlines, recycling, etc. The Commission recognises that this has resulted in a fall in costs and possibly a fall in emissions from other sectors but with the consequence that emissions in the transport sector have obviously risen. Therefore, it is important that there be a clear understanding that there is an unmistakable connection between growth in society and growth in transport. In this context, it is important to assess the significance of more efficient transport and supply chains.

The parties behind the comments wish to emphasise the following areas as decisive to the ability of the Commission's future White Paper to put transport into a realistic perspective.

A well-functioning **logistics system with associated infrastructure** must be the main objective of the EU's future transport policy. There is no doubt that there is a need for new investment in the transport corridors, regardless of which mode of transport is involved, and at strategic nodes where corridors cross or where the mode of transport is changed. However, more long-term solutions are involved, in particular concerning the European rail network, which has been neglected in the EU in recent decades. In the shorter term, there is a need for fast solutions that can ensure maximum utilisation of the infrastructure capacity in Europe. This means there is a need to focus on congestion problems and existing and potential bottlenecks.

Another important means of achieving improved capacity utilisation is adjustment of the rules for the **weight and dimensions of trucks**. The introduction of modular articulated vehicles in more countries and in international transport, plus other adjustments to the rules for weight and dimensions, are measures that can have a rapid positive effect on mobility, the environment and energy efficiency and thus also on the European economy.

The spread of modular articulated vehicles in several countries, including Denmark, should be acknowledged by the Commission and the Member States as a real attempt to find a practical solution to a practical problem in the given circumstances. Modular articulated vehicles will boost the development of terminal-based transport and logistics systems as the modular articulated vehicle concept is a practical solution when goods are transported to and from intermodal terminals in Europe. In our opinion, the Commission should do more to emphasise

that existing weights and dimensions restrict the Member States in Europe from optimising the use of the existing infrastructure. It has been demonstrated that modular articulated vehicles will improve capacity on the roads and improve the environment. Therefore, the Commission should take these possibilities into consideration in the future common transport policy. There should also be an expressed objective to promote the optimisation of all modes of transport, which, all things being equal, produce a positive environmental and economic return for the European community.

We would also like to refer to a joint project by SÅ together with the Forest industry, the Vehicle Industry and the Swedish Road administration where even longer and heavier combinations have been tried for timber transports, with great success in all areas including emissions, road safety and road wear.

The development and use of **Intelligent Traffic Systems** in Europe can contribute to this advance. At the same time, the use of ITS can contribute to improving road safety and reducing congestion. The Commission should work to secure more investment in the use of existing ITS solutions in Europe instead of waiting for further research and development in the ITS field. The use of TEN funds for this purpose, in addition to funds for the establishment of Galileo, should also be considered, in line with the TEN funds used for ERTMS for rail transport.

In the planning of infrastructure investment in particular, it is very important to have a conscious policy concerning the priority given to goods transport relative to passenger transport. To date there have been problems assuring goods transport the necessary priority to make it possible to guarantee efficient intermodal transport, among other things. It is all the more positive that, in paragraph 67, the Commission attaches clear importance to the establishment of dedicated infrastructure for both passenger and goods transport.

Generally speaking, long-term infrastructure planning is important. In this context, the parties behind the comments would like to acknowledge the positive development we have seen in Denmark recently with the work of the Danish Infrastructure Commission and the follow-up in the form of the Government's infrastructure fund and a transport agreement with broader perspectives than previously seen.

ITS must however be relevant for the users. As an example, we are not convinced that the present digital tachograph is the solution for the future. Road transport operators face other needs, such as fleet and time management as well as requirements related to special transports such as live animals, where it is important technical equipment is developed that can fulfil all these requirements at the same time.

In relation to the infrastructure, there is an even greater need for the safety of drivers and goods to be enhanced, for example via more **truck stops**, including safe truck stops. Truck stops also play a decisive role in the compliance with the regulations for the transport industry, including the working time rules and driving and resting time rules.

The parties behind the comments welcome the fact that, in paragraph 46, the Commission mentions the development of ports and other intermodal terminals as the key to making an intelligent, integrated logistics system in the EU a reality. These logistical nodes must be taken into active consideration and prioritised when infrastructure improvements are made in future. Their function is indispensable in the logistics system in line with the railway stations and bus stops for passenger transport.

The Commission proposed a **Green Transport** package in 2008. Among other things, the package contained measures for road charges and for noise from trains. The parties consulted are not convinced that the measures will actually promote green transport and contribute to an economically well-functioning transport sector.

If the EU wants to internalise the **external costs** of road transport, it is essential that the costs be priced realistically and can be attributed, using universal principles, directly to each polluter, and that there is also an alternative to road transport. It would also be essential, that all modes are treated equally if costs are to be internalised.

At the present time, there are often no real alternatives to road transport as the capacity on the railways in the EU is fully utilised, not least by passenger traffic. There is thus a real risk that further charges on road transport will only make road transport more expensive, which may ultimately have a negative effect on employment and regional development and will also weaken the EU's global competitiveness. At the same time, there is no guarantee that environmental improvements will be achieved. Enterprises will be forced to spend resources on paying the new charges instead of investing in cleaner technology.

Behaviour-regulating measures such as road charges should be targeted at passenger vehicles. Introducing charges on commercial transport will probably only have limited effect as commercial transport has to take place because there is a lack of alternatives.

However, road charges on private vehicles will have greater effect. Firstly, it is almost exclusively passenger vehicles that create congestion. Secondly, there are real alternatives to using private vehicles in the form of public transport or cycling, or such alternatives can be created.

High priority should be given to **promoting technology** that can boost the economic, traffic-related and environmental efficiency of the transport system, including as concerns the infrastructure and means of transport and, not least, the necessary energy supply. This means, for example, that the EU should continue its very successful regulation of emissions standards (Euronorms). It is definitely very important for the EU to contribute, preferably in a global coordinated effort, to ensuring efficient development, production and use of the new technologies.

In connection with the introduction of new technologies or other initiatives that affect investment in the transport industry, it is very important that a high level of predictability be created, along with the ability to continuously adjust the investments in, for example, means of transport.

In paragraph 22, the Commission mentions a scarcity of **labour** and skills and the resulting risk of higher transport costs for society. We agree entirely that it is a special challenge for the transport industry to guarantee the continued availability of labour and labour with the necessary skills and qualifications. Therefore, it will be essential to make the transport industry an attractive employer. In relation to the regulation of the transport industry, it is extremely important for the rules actually to meet the political objectives for, for example, increased road safety and for them not to become an unnecessary burden and strain that may, in reality, mean that labour departs the transport industry.

In Denmark, we can refer to the Analysis Report on the road transport industry and the subsequent Goods by Road Strategy, in which the industry's labour challenges are well illustrated and proposals for solutions are presented. One of the proposals, better integration of new Danes, is being put into practice in a major project in cooperation between DTL and Nydanskerforeningen (the Association of New Danes).

Mobility in towns and cities has become an important topic in the EU in recent years. Public authorities in towns, cities and regions acknowledge the growing challenges they face without knowing how to solve them. In this situation it is essential for, among other things, the continued cohesion of the Single Market and to enhance the efficiency of the work to create more sustainable, more efficient transport and logistics in the EU for the EU to play an active role in finding the right instruments to tackle these challenges. The challenges faced by towns and cities in terms of mobility can only be addressed in an integrated manner by taking into consideration all types of transport and all types of transport demand. The transport of goods in towns and cities involves everything from the transport of building materials to cranes to transport of food to shops to transport of waste away from the town or city. All of these operations are necessary activities that ensure that European towns and cities can keep going. It is important for goods transport to be paid the same attention as passenger transport in terms of mobility in towns and cities. We maintain that the Commission should launch an action plan for mobility in towns and cities as soon as possible and welcome the fact that presentation of the action plan is planned for September 2009. We do not believe that there is reason to claim that the EU is thus exceeding its powers by not following the principle of proximity. The EU's contribution should be to develop common solutions and alternative solutions that will safeguard all interests in the EU.

The communication on a sustainable future for transport states that a sustainable transport system must be created to meet the social and environmental needs of society. It also states that there must be better **integration between the different modes of transport and better exploitation of the relative strengths of each mode of transport** (paragraph 45). In our opinion, this is very important as intermodality is a practical solution to a practical problem, in particular concerning the growth of transport to and from the EU. However, intermodality requires optimum efficiency in all modes of transport and an integrated transport system. The task, therefore, is to optimise all modes of transport and not have a modal change to rail or sea transport as a definite goal.

It is our opinion that a future transport policy will only be more operational and realistic if it is based on all parties acknowledging **road transport as an integrated, necessary part of the logistics system** (including in intermodal transport chains in which planes, trains or ships account for the main part of the transport) with its own requirements for further development and efficiency enhancement. The Commission's communication is a step in the right direction towards regarding the transport system as complex, integrated whole.

Chapter 5 on the policies required is excellent in that it takes a broad view of the factors that affect transport from the development of standards to the use of state subsidy rules. We fundamentally agree with these considerations but would add that it is important to maintain the focus on developing the common Single Market for transport and not allow the development of a patchwork of 27 national markets with different requirements, differences in implementation of legislation, differences in monitoring and control and, not least, differences in how infringements are punished. We would emphasise that a free single transport market with equal competition terms is the precondition for an efficient, integrated logistics system.

A further precondition for an efficient transport policy is that clear, extensive data are available as a basis for making political decisions. There is a need for more knowledge on how the efficiency of transport can be further enhanced and transport chains optimised and integrated to create a well-functioning unit. Historically, transport has been regarded as the relocation of goods or passengers from A to B. Today this has changed markedly to include a greater understanding of the individual modes of transport and transport chains. To be equipped for the future, it is important to have coherent analyses so that we have a greater understanding of and achieve better utilisation of the value of intermodal transport. Therefore, it is necessary to have prioritised research in cooperation with the transport and logistics sector not only to improve and extend the data and statistics base for transport in the EU but also to develop transport economy models that can enhance our understanding of the effect of different variables on the logistics system and society as a whole. The EU should, therefore, establish a body responsible for analysis and research in the transport sector.

An effective policy for the future of transport must also take these factors into consideration if results are to be achieved to the benefit of the entire EU transport and logistics industry.

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