



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

Freight Transport Association (FTA) represents the transport needs of UK industry. Its membership is comprised of manufacturers, retailers, logistic companies, hauliers and organisations in the public and private sector. The Association's transport interests are multimodal, and in addition to consigning over 90 per cent of freight carried on rail and over 70 per cent of sea and air freight, its members operate in excess of 200,000 goods vehicles, approximately half the UK fleet.

Overview

- 1 FTA welcomes the European Commission's Communication *A sustainable future for transport: Towards an integrated, technology-led and user friendly system*, designed to stimulate further debate over the policy options to be taken in the upcoming Transport White Paper in 2010 as the 10 year period following the 2001 White Paper comes to a close.
- 2 The Association has consistently led the debate on the development of transport policy within the UK, the European Union and the wider international community and welcomes the opportunity to make comments on this Communication.
- 3 Following publication the Commission's Mid-Term Review of the 2001 White Paper in 2006, FTA took the opportunity to welcome the recognition, by the Commission, that the policy of 'modal shift', that is forcing freight from one mode of transport onto another, had failed and that a new approach was needed. The Association warmly greeted the new policy of co-modality; supporting each mode of transport to function to the best of its abilities, in fair competition with others. In that Communication FTA said that the freight transport user should be placed at the heart of policy formulation, by doing so would ensure that the policies pursued

would contribute positively to the competitiveness of EU industry.

- 4 FTA congratulates the Commission for maintaining these ideals in the Communication and setting out the goal of European Transport Policy (ETP) to be that of "better integration of the different modes of transport as a way to improve overall efficiency of the system... within an approach that always keeps the transport users and workers, with their needs and rights, at the centre of policy-making"¹.

General comments

- 5 The role of freight in society cannot be underestimated. FTA's member companies respond to the demands and requests on them by European consumers every single day, whether by land, air or by sea. In today's globalised economy it is simply not possible for a modern society to function without efficient and effective freight movements. Despite recent Commission activity in the freight transport sector², the industry would have welcomed a dedicated section to freight in this Communication, truly emphasising the valuable role the sector plays and its importance in the policy-making process.

- 6 FTA agrees with the Commission that it is vital to assess the impact of past policy decisions before rushing headfirst into future policy-making. It is therefore slightly confusing that the Commission begins by stating that "it is too early to fully assess the impact of a number of policy measures taken since 2000" but concludes the same paragraph with "the ETP has largely achieved the objectives set out in the... strategic documents"³, based on an analysis of market trends and data.
- 7 The Association recommends that the Commission takes its time to conduct a full review of the impact the many legislative proposals that have been submitted over the past decade, to ensure that the competitiveness of EU industry has not been put at risk. The health of the European economy is of the same importance as the health of the European natural environment if it is to deliver for the ageing, more urbanised society that indicators predict we are all facing. It is with regret that FTA notes that the Lisbon Agenda for Growth and Jobs is only mentioned once in the entire document.
- 8 FTA fully supports the Commission's goal of opening up the transport markets to free and fair competition and agrees that this will lead to

¹ Para. 38, COM(2009) 279/4

² COM(2007) 607 Freight Transport Logistics Action Plan

³ Para. 6, COM(2009) 279/4

more efficiency and lower costs for consumers – European citizens. The Association strongly supports the Commission's comment that more needs to be done to address the imbalances in the single market caused by differences in taxation and subsidies. UK road transport operators face one of the highest levels of fuel taxation in the European Union that places them at a serious disadvantage when competing for business both at home and abroad. FTA urges the Commission to demand that member states seriously look at harmonising commercial fuel duty rates across the European Union.

- 9 The threat of climate change and CO₂ emissions will dominate the policy agenda for the coming years. FTA calls on the Commission to acknowledge work currently being undertaken by the freight transport industry to mitigate its impact on the environment; such as investment in clean vehicle technologies, adoption of new business practices and the greater use of information technology (IT) to better plan routes and vehicle optimisation. FTA recently launched Carbon_{fta} that educates its members on how best to record, report and reduce their CO₂ emissions. The Association urges the Commission to always remember that increasing charges and taxes reduces the operator's ability to invest in new, cleaner vehicle technology.

Specific comments on the policies for sustainable transport

5.1 Infrastructure: maintenance, development and integration of modal networks

- 10 FTA regrets that the recent history of national infrastructure planning, funding and development is not as strong as it could be. There has been too little investment in infrastructure for far too long and all European policies must be viewed through this situation of decades of underinvestment. FTA believes that the focus in the coming years will be making better use of existing infrastructure rather than benefiting from new development and expansion.

- 11 User needs should be incorporated into infrastructure provision, particularly where the provision is made wholly or jointly with the private sector and repayment to the operators is achieved through tolling and road charging. The freight industry in the UK has seen examples of commercial vehicles being priced off tolled roads by the toll operators by excessive charging, which is seen as being intentional to protect the toll operator interests and reduce wear and tear to the road surface.

- 12 FTA supports the concept of EU projects SETPOS and LABEL which provide standards for parking for commercial vehicles. It is the strategic nature of the two projects providing an EU-wide system of identification, classification and publication of facilities which will go towards encouragement in the provision and use of parking facilities giving operators the information that they need and providing goods vehicles drivers with facilities to a standard that they need, providing dignified facilities in this vital area of trade. The EU must ensure that parking standards and opportunities for parking site operators are fair and that there is a high level of trust in the system to encourage use of the facilities that exist so that the freight industry can move away from opportunistic, and in many cases, inappropriate parking by drivers.

5.2 Funding: finding the resources for sustainable transport

- 13 As previously highlighted, there has been a lack of funding for transport, especially infrastructure, over many years despite the levels of government income derived from the transport sector through taxes, charges and tolls and FTA welcomes the Commission's statement that "transport generates a substantial amount of revenues for public budgets".
- 14 The 2008 Communication on the Greening of Transport⁴ sought to extend the debate over how best to limit the impact of transport activities on the environment, ensuring that the price signals from each mode reflect their true cost to society

and the proposals to amend the Eurovignette Directive by allowing the internalisation of external costs⁵ represented the first step for the road transport sector:

- 15 FTA agrees that each mode of transport should pay its costs, with each mode of transport treated fairly and equally. The Association wishes to see a greater proportion of the monies raised from taxes, charges and tolls being reinvested in the transport sector so that improvements can be made and greater levels of efficiency achieved.

5.3 Technology: how to accelerate the transition to a low-carbon society and lead global innovation

- 16 FTA agrees with the Commission's view that technological innovation will be a 'major contributor' to solutions of problems faced by the transport sector. Intelligent Transport Systems (ITS) are already deployed by operators to ensure the most efficient allocation of the company's resources. However, technology should not be seen as a goal of European transport policy, but as a means to achieve policy objectives and provide encouragement to improve economic performance. European policy should take an 'open-platform' stance and not force operators to use one particular system over another.
- 17 Data protection and load security concerns must be taken into account when drafting framework legislation for ITS development. With the value of loads increasing, as more and more products arrive 'complete' into the EU, commercial vehicles are being targeted more and more for vehicle and load theft, sometimes with the driver being taken as well. If any system is to work well operators must have confidence that their confidential data will remain so.
- 18 The Association calls upon the Commission to guarantee the presence of industry representatives on all ITS regulatory adaptation committees to sit alongside the technical experts. The transport and IT sectors are comprised to a great extent of small and medium sized industries (SMEs);

⁴ Communication on the Greening of Transport COM(2008)433

⁵ COM(2008)436

it is essential that they have a voice in policy development to avoid being choked by over regulation.

5.4 The legislative framework: further promoting market opening and fostering competition

19 In October last year the Commission's work brought competition to the liner shipping sector. The repeal of the block exemption from competition law that had applied to that sector will, in the long-term, reduce costs to European business and improve service – helping make Europe a more competitive place to do business. It is a very real demonstration of what the EU can deliver for European business and a notable achievement, upon which the Commission should be congratulated. A similarly robust approach to enhancing competition on all transport services should always be taken.

20 The Commission's past efforts and future proposals on rail freight liberalisation are welcome, however their practical effect still has some way to go. FTA supports efforts to extend on rail competition by opening up rail freight markets to new entrant operators, rather than just incumbents, as evidence suggests it will lead to service and quality and price improvements for shippers. In improving market liberalisation what is required is attention to detail such as transparency of track access charges and non discriminatory access to train paths and ancillary facilities such as fuelling, freight terminals and maintenance. In giving attention to these areas, what is required is not just Regulations, Directives and Communications but also enforcement of those measures already enacted. An open, competitive and innovative rail freight market in Europe is needed to attract shippers to rail as well as retaining those already using rail.

5.6 Governance: effective and coordinated action

21 FTA has consistently argued for harmonised enforcement of the road transport industry across the European Union and has organised two international seminars on the subject;

bringing together key representatives of industry, enforcement agencies, Member States and European institutions to discuss the means to achieve this goal. This is a vital step to ensure the smooth functioning of the single market. FTA welcomes the forthcoming Regulation governing Admission to the Occupation of road transport operator. The Association urges the Commission to maintain the pressure on Member States to implement the requirements of the interoperable national databases⁶. These will be an essential tool for European enforcement agencies to develop targeted enforcement regimes that should result in operators who deliberately break the rules being removed from the industry.

22 The Association asks the European Commission to require Member States to thoroughly apply the rules in place with regards to vehicle standards. Too many foreign-registered vehicles are entering through the entry ports of the United Kingdom with serious defects and drivers over driving time limits⁷. This means that the UK enforcement agency, VOSA, picks up the cost of roadside enforcement for the rest of the European Union as these vehicles are transiting numerous Member States without being stopped and controlled. This is unfair to FTA members, who pay for VOSA activities through fees, and a serious concern for road safety across the entire EU.

23 The road freight transport industry has been the subject of numerous pieces of legislation since 2001; *inter alia* Regulation 561/06, Directive 2002/15/EC, the introduction of the digital tachograph, the EURO standards for emissions from heavy goods vehicles, the 'Eurovignette' Directive. To best plan for the future, industry calls for a period of legislative calm so that this legislation can be implemented and judged on its effectiveness. FTA asks the Commission to monitor and enforce the legislation already in place before commencing on a new round of legislative initiatives.

⁶ Article 16, draft Regulation governing Admission to the Occupation COM(2007)263

⁷ *The Enforcement activities of VOSA*, House of Commons Transport Committee, HC39, 24 August 2009

The urban challenge

24 FTA understands that European Commission activity in the urban setting is limited through subsidiarity but there is plenty of scope for the Commission to promote the exchange of best practice of schemes that work and deliver positive results for both operators and residents alike.

25 FTA has led the development of a project to allow night-time deliveries in the urban setting. The objective of the project is to establish, monitor and report the outcomes of a series of demonstration trials in which delivery restrictions are temporarily relaxed at designated retail stores following locally agreed modifications to the delivery process that reduce noise to acceptable levels. The project will consist of 6–10 trials, the first of which is envisaged to start in early 2010. The impact on local residents will be monitored, to an agreed standard, and the economic, safety and environmental savings arising from the extended delivery times will be quantified. This will provide definitive evidence and research as to how and under what circumstances night-time deliveries can be made easier and conducted effectively while minimising the impact of noise and air quality on local residents. The findings, results and experiences of the trials will be incorporated into a field guide which will be promoted to businesses and local authorities to encourage further relaxation of curfews when appropriate. Results of the pilot project demonstrated that there are significant environmental, social and economic benefits to allowing such a project.

Conclusions

26 Transport users must be at the heart of the debate in all discussions of a sustainable EU transport White Paper and future discussions of the path to take for the next 40–50 years.

27 The different transport modes should be seen as complementary to each other and not forced into competition through failed modal shift policies of the past. Future European Commission activity in the transport

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sector must follow the principles of co-modality.

- 28 A lack of extra investment will demand a better utilisation of the existing transport infrastructure; technological development in each mode should be actively encouraged by Community actions to allow this to happen. Innovations in one mode should not necessarily be prevented due to impacts on other modes.
- 29 Information technology is a means to an end, and should not become

a goal for policy. EU policies should be platform-neutral so to allow for innovation and to give transport operators the freedom to choose the systems that best suit their needs.

- 30 Competition is vital for a healthy European economy but this competition must be free and fair and the Commission should seek to reduce and remove barriers within the single market by engaging with member states on issues such as fuel duty rates. Policies must be designed to promote and encourage

new entrants into the market and not simply to protect the dominant incumbent.

- 31 Harmonised enforcement of the rules is an absolute necessity for the single market to function and achieving and monitoring this should be a key priority of future Commission activity in all modes of transport; notably for the road transport sector to assist its efforts on improving road safety concerns through ridding the industry of those who break the rules.

Prepared by

Chris Yarsley Manager – Road Freight and Enforcement Policy



FREIGHT TRANSPORT ASSOCIATION

14 RUE DE LA SCIENCE, 1040 BRUSSELS, BELGIUM

TELEPHONE: +32 2 231 0321 EMAIL: CYARSLEY@FTA.CO.UK WEBSITE: www.fta.co.uk