



Commission's Communication COM(2009) 279/4, June 2009

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

ACEA comments on the seven policy fields identified for possible intervention

ACEA, the European Automotive Manufacturers Association, welcomes the publication of the Commission's Communication that will serve as a basis for discussion in view of the preparation of the new White Paper on Transport Policy. Following a careful reading of the Communication's text, ACEA identifies some important missing elements and urges the Commission to incorporate them in the current debates and in the future transport policy:

- the **current economic context**, the uncertainty on how recession will develop over the years and its **impact on transport**;
- contrary to the Mid-term Review in 2006 of the White Paper on Transport Policy, the text avoids using the term "co-modality" but refers to "modal shift". The fact is that some modes are in competition for transport of certain commodities but, **in general, modes are complementary. The wrong belief that some modes are by default better from an environmental point of view** than others is at the origin of such a "modal shift" approach, but modal shift is suitable from an environmental point of view in some very specific cases, but it is neither possible nor suitable in the majority of the traffic flows;
- the promotion of **fleet renewal** and the need of an **integrated approach for reducing CO2 emissions**, including a fiscal policy that does not lead to market fragmentation.

ACEA looks forward to the next stakeholders' consultation meeting in November 2009 and hereby contributes to the debate by submitting its views on the seven policy fields for possible intervention that have been identified by the Commission's Communication.

The comments that ACEA sent to the Commission in March 2009¹ before the publication of the Communication remain still valid.

¹ http://www.acea.be/images/uploads/files/20090331_ACEA_comments_on_future_of_transport.pdf

(1) Infrastructure.

- **What can the EU do to promote the integration of modal networks as well as their maintenance and upgrade?**

Spending on infrastructure has fallen to dangerously low levels and this is one trend that must be reversed. Europe should be funding key transport projects that will not only modernize Europe's infrastructure, but will also help reducing negative environmental impacts and will create millions of jobs by developing existing, new and smarter infrastructure, especially road. Europe should not be lagging behind other leading economies: it needs more Community and national funding for key transport projects. This is particularly so in view of the huge contribution that transport, and road in particular, has made and will still be making to the tax revenue of the Member States.

The EU should be further involving the private sector more in infrastructure provision in the form of public/private partnership (PPP).

- **What should be the priorities for investment?**

A present, only 3 of the 30 priority TEN-T transport projects are devoted to road. The Commission has to avoid addressing Transport Policy in general and infrastructure investment in particular, on the basis of "modes of transport" only, but more generally on the basis of "efficient transport". It should not base its policy on the assumption that some modes of transport would be, by definition, more environmental friendly than others and should therefore be given preeminence over the others. This thinking belongs to the past: the environmental efficiency should be measured on the basis of the type of commodities (what) and their flows (where).

A recent study from the University of California suggests that an environmental assessment of transport should include infrastructure and supply chains.²

Establishing lists of priority projects with a disproportionately large share of non-road projects because they are generally perceived as more environmentally friendly than other is therefore the wrong approach and does not help the European Union to provide a sustainable transport system based on social, economic and environmental needs.

Europe should concentrate on projects that promote the most appropriate transport link. The Commission should develop a rigorous methodology to identify and select the priority projects covering all major transport axes that cross several Members States. And projects should be subject to a strict socio-economic evaluation and for their high relevance to transnational traffic flows. All future priority projects therefore need to be subject to rigorous cost/benefit analysis.

² Mikhail V Chester and Arpad Horvath, Environmental assessment of passenger transportation should include infrastructure and supply chains, June 2009, http://www.iop.org/EJ/article/1748-9326/4/2/024008/er19_2_024008.pdf?request-id=bbd79c00-76de-4f70-bf4a-26eb5d05e909

- **Which measures would allow a better exploitation of the networks and a balanced use of the different modes?**

The question assumes that the current use of the different modes is unbalanced. The Commission has to avoid addressing transport policy only on the basis of “modes of transport”, but more generally on the basis of “efficient transport”. Contrary to a wide spread belief that goes back to the 2001 White Paper, modal shift is suitable from an environmental point of view in some very specific cases, but it is neither possible nor suitable in the majority of the traffic flows.

A better exploitation of the existing networks implies that the Commission must encourage the transport sector being more innovative with the tools that it already has today and has to ensure that existing European legislation is actually implemented by Member States. It has to promote that transport providers, and rail transport providers in particular, further incorporate in their business culture the principle of “customer service provider” instead of the one of “modal operator”.

(2) Funding and pricing.

- **What can the EU do to ensure that prices in transport correctly reflect costs to society?**
- **What actions should be considered for implementing the ‘polluter-pays’ and ‘user-pays’ principles in transport?**
- **What should be done with the revenues thus obtained?**

Affordable mobility costs are essential for the economic prosperity and the social development of the whole society. Charging for the use of infrastructure and internalisation of external costs have been for many years a controversial issue and debate seems set to continue for some time yet. The Commission should bear in mind that any step forward will have to include all modes of transport. Moreover, any system of charging needs to be transparent, clear and coherent. Too many goals, sometimes contradictory, are tried to be met: i.e., congestion (mainly at daytime) mixed with noise (mainly at night-time). Great care is needed if serious damage to Europe is to be avoided: transport costs need to remain stable over time. The low elasticity of transport may result in an increase of costs without actually having an impact on users’ behaviour. Any initiative in this field should take into account the already existing taxation on vehicle ownership and use. In this framework ACEA is glad that the Commission recognises in the Communication (paragraphs 71 -73) that the public revenues generated by road transport roughly correspond to its external costs.

Any infrastructure charges from road users should be dedicated to the improvements in the road network that users have the right to expect in return for the over € 350 billion they already contribute to government revenue. It should not be used to cross-subsidize poorly performing transport modes which provide only limited alternatives.

(3) Technology.

- **Many technologies are being developed or are already available to improve the environmental performance of transport, increase safety and reduce congestion and dependence on oil. What can the EU do to accelerate the development and deployment of these new technologies?**

Technologies are the basis for applications and services. Technologies can change over years or different technologies can be used for the same or similar services. To develop new technologies for the future the EU and Member States should continue to support pre-competitive R&D programs, create lead markets for the most promising technologies, promote the transfer of the results into real commercial products, applications and services and their deployment.

Additional efforts for an easier access to EU R&D funds should be made in terms of simplification, flexibility, speed and in general avoiding superfluous bureaucracy.

There are several ways to drive ITS based products forward, e.g.: by national or European awareness (marketing/PR) campaigns to convince potential customers of the value and benefits or by offering financial incentives or other sales promotion activities at least for the ramp-up phase.

Mandatory introduction will only increase the overall costs, make vehicles more expensive per se and delay new vehicle purchase. Many of the new technology applications are still in its infancy and need technological flexibility and further innovations to create the best possible and sustainable solutions.

To accelerate and strengthen the path to zero emission mobility, the European Union has a role to play in promoting and investing in low emission and zero emission vehicles development as well as in investing in the development of grid and charging infrastructure.

(4) Legislative framework.

- **What can the EU do to further improve working conditions, health, safety and security standards in transport and the rights of passengers?**

Over 9 million people are employed in transport related sectors (services, equipment, and infrastructure) in the EU, mostly in the road sector. Transport, and especially road transport, is therefore a major contributor to the economy and as a result a major employer. In some EU Member States, recruitment and retention of drivers and other workers is difficult. Further efforts are needed to improve training and to motivate young people to take up transport professions. Vehicle manufacturers are already actively

involved in such training schemes³ and are willing to share their experience with other stakeholders to further promote this activity.

Regarding health and safety, the EU should ensure that the existing European legislation is actually and correctly implemented and applied in all Member States in a non-discriminatory way. Moreover, the European financing of road infrastructure projects should be conditioned to the full implementation of the Directive on road infrastructure safety management⁴ by the Member States concerned.

Regarding rights of passengers, vehicle manufacturers agree with the Commission that quality of service is an important competitive asset in all modes of transport. The strengthening of passenger rights for air, rail, sea and coach travellers is noted. This principle could usefully be applied to all transport users on all modes. But the user rights of the biggest transport sector for both passenger and freight, namely road transport, have not been included so far. Three quarters of inland freight and nearly eighty per cent of passenger travel are by road. This activity highly contributes to government revenues. Surely this contribution to the economy bestows certain user rights. European vehicle manufacturers would therefore support a Commission's action to examine how increased quality of service and user rights can be promoted in all modes of transport.

Further harmonisation of cabotage rules at EU level would improve the transport efficiency of operators.

- In which sectors should market opening be pushed forward and how?

See reply to: (1) Infrastructure, 3rd question, last paragraph, (page 3)

- What measures of a regulatory nature should be considered to reduce the transport sector's environmental impact?

Pollutant emissions from road transport have been drastically reduced in the recent years and further progress will be obtained thanks to the new vehicles' compliance with the upcoming Euro emission standards. With the beneficial effect of fleet renewal, the issue of air quality will lose importance over the years. Actions promoting the renewal of the existing fleet should be part of any future policy aiming at providing a sustainable transport system.

The full impact of future legislation in the transport sector must be properly assessed during policy formulation within the Commission and before implementation as part of the better regulation agenda. Legislation that has not been properly impact assessed can have a detrimental and often unforeseen impact that can work against the competitiveness of Europe and the thrust of EU legislation.

³ Examples: Training schemes, Truck Driver competitions etc

⁴ OJ L319 of 29.11.2008, page 59

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:319:0059:0067:EN:PDF>

In road transport, a wider use of the “modular concept” that was introduced in 1996 is likely one of the most cost-effective ways to address different concerns, including CO2 emissions, congestion and co-modality. It might now be opportune to seriously explore this modular concept for Europe, leaving aside some national interests that may risk harming the general interest of the whole EU.

Improved road infrastructure also offers significant potential for reducing CO2 by enhancing journey efficiency. The EU could promote an action plan on CO2 savings from infrastructure, including CO2 audits of road network, CO2 saving targets through infrastructure measures as part of the Integrated Approach (i.e. sound environmental road design including use of recycled and environment-friendly road construction material). The Commission should consider to study and implement Japanese measures for saving CO2 through infrastructure adjustments. Changes in fuel distribution infrastructure need to be supported where there is the potential to reduce CO2 emissions.

(5) Behaviour.

- **Sustainability of transport also depends on sound planning and on a change in transport habits. Are there measures that can be taken at EU level to improve accessibility and modify transport needs and behaviour?**

As far as road transport is concerned, consumer behavior is as important as technology and infrastructure. The choice of the vehicle, which has a strong link to affordability, eco-driving and fleet renewal are very important issues. Fiscal policy has an important role to play in indicating behaviour to consumers too. Unfortunately, the current fragmented approach across Europe is indeed ineffective.

Activities for eco-driving training and proper maintenance of vehicles could be promoted at EU level. These activities might show a higher cost-effectiveness than vehicle technology based activities. They will raise the general awareness and also directly apply to the whole existing fleet leading to quick and substantial results. Some interesting experiences exist already. Incentive-based systems for truck and public transport drivers have been implemented with success (e.g. incentives to drivers linked to fuel savings).

(6) Coordinated action.

- **Effective action requires coordination between different levels of government: what can the EU do to facilitate this process and avoid inconsistent approaches? Many of the challenges for transport will be in the urban environment: are there specific measures the EU could take to help local authorities?**

The use of clean and energy efficient technologies in urban transport could be further increased by providing a harmonized framework of technology-neutral incentives.

Technology prescription or specific emissions standards would lead to unnecessary, harmful, market fragmentation.

Access restrictions have been widely implemented in various countries. Such restrictions differ among municipalities and are often not sufficiently explained to drivers. These factors cause grave difficulties for operators having to organize national-wide supply chains whilst also responding to increasingly stringent customer demand for frequent, just in time and reliable deliveries. They also cause grave difficulties for motorists in their daily mobility. Regulations need to be relatively aligned, clear and viable. Such harmonization can also facilitate the consolidation of freight between shippers and transporters as well as passengers' mobility.

(7) The external dimension.

- **The transport sector is increasingly becoming more international. Which actions in the transport sector can help to foster relations with our neighbouring countries and encourage sustainable growth there?**

The European Union now has twenty-seven Member States and some more neighbours may join in the future. Links with the newest Members are not yet satisfactory and investment is needed to raise the quality of the transport infrastructure to create a cohesive Europe in the years to come. This is just as true for the additional states that may become Member States in the coming years. It is absolutely clear that investment in roads will be essential if the appropriate cohesion is to be achieved. Though other modes should not be overlooked, it is road links that will carry the burden of that improved cohesion.

- **What measures can help the EU industry and transport operators to thrive in the international context?**

The European automobile industry is dynamic, competitive and operates on a global scale. High-quality products, significant investment and a highly skilled workforce deliver exports with a €42.8 billion net trade contribution to the economy. The global framework in which vehicle manufacturers do business is increasingly important. Export growth in emerging markets like China and Russia, investment in resources abroad and the economic downturn at home reinforce the goal of trade without barriers.

Global trade agreements that deliver free markets are most beneficial. The automotive sector fully supports the gradual dismantling of EU import duties, but this concession must be accompanied by equivalent opportunities abroad for European manufacturers.

- **How can the Union better contribute to sustainable global governance?**

Globalization must indeed go hand in hand with measures designed to prevent or mitigate its negative effects. It is essential that efforts be made to draw up joint rules

which are implemented and monitored effectively. It is also necessary to improve global governance, i.e. to promote more efficient management of interdependence.

The activities that the EU could undertake are:

- *to launch an initiative on cooperation in the field of transport;*
- *to promote the actual and no-discriminatory application of international transport agreements;*
- *to draw up an action plan to combat crime in international transport;*
- *to promote research and invest in sustainable transport;*
- *to invest more in education and training in the fields of transport;*
- *to strengthen public institutions and civil society in developing countries;*
- *to actively participate in international transport fora;*
- *to contribute improving global indicators on transport notably on infrastructure t funding.*

About ACEA

The ACEA members are BMW Group, DAF Trucks, Daimler, FIAT Group, Ford of Europe, General Motors Europe, Jaguar Land Rover, MAN Nutzfahrzeuge, Porsche, PSA Peugeot Citroën, Renault, Scania, Toyota Motor Europe, Volkswagen and Volvo.

September 2009