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ETF RESPONSE TO THE COMMUNICATION

"A SUSTAINABLE FUTURE FOR TRANSPORT: TOWARDS AN INTEGRATED, TECHNOLOGY-LED AND USER FRIENDLY SYSTEM", COM (2009) 279

INTRODUCTION

1. The ETF welcomes the current consultation process which precedes the adoption of a new White Paper on a European Transport Policy to be published in 2010. The present ETF contribution addresses the issues raised in the consultation process accompanying the publication of Communication COM(2009) 279 final and should be seen in conjunction of its contribution to the debate held earlier in 2009 on the same topic¹.
2. This paper focuses on the questions raised in the public consultation rather than commenting on what is stated in the Communication but by no means the ETF could avoid manifesting its absolute disagreement on what is said in paragraph 53 that "competition has positively impacted on the transport labour market" or in paragraph 15 that "the environment remains the main policy area where further improvements are necessary". It is precisely the negative impact of forced competition on the transport labour market that more improvements are necessary with regards to a social policy in transport.
3. Changes in the industrial production and trade patterns have increased transport demand in Europe. On the one hand the new industrial production organization and inherent relocations have actually had a downward impact on the European emissions in other industries. This results at the other hand in a steady growth in freight transport activities. Traffic contributes with 23,8 % to GHG emissions and is estimated to be responsible for one third of the final energy demand in Europe².
4. The liberalisation policy pursued by the European institutions led to a transport system which is not sustainable from an ecological perspective. It also supported a socially non sustainable transport system. From the perspective of transport workers the liberalisation policy and its focus on facilitating the internal market and globalisation, happens on the expenses of workers in the transport industry: huge employment reductions in some sectors, replacement of quality jobs by low quality jobs, increase in insecurity, loss of European know-how, discrimination of workers also according to their nationality, emergence of agency workers, emergence of (fake) self-employment, increase in atypical work and precarious labour, out-flagging of work contracts, lack of enforcement of the posted workers directive for example in cabotage services, increase in flexibility (working time, work intensity, etc.), reduction of investment in training and health and safety at work, social dumping. Underpaid employment and "working poor" are phenomena that more and more appear in the transport and logistics sectors.

¹ ETF project TRUST – Trade Union Vision on Sustainable Transport

² Figures from the European Environmental Agency, <http://www.eea.europa.eu/themes/transport/about-transport> .



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5. ETF is convinced that after decades of deregulation, a re-regulation of the transport sector is necessary. The market is not able to provide a sustainable transport system by itself. This new regulation of the industry must clearly promote sustainable transport in the wider sense of economic, ecological and social sustainability. It must take into consideration the social consequences it may have. It must guarantee a coherent spatial and transport infrastructure policy that promotes the economic and social development of regions and not only of some economic centres in Europe or along the trans-European or pan-European corridors.
6. The ETF considers that commerce and industry as well as governments in Europe are responsible to make all necessary efforts to contribute to the implementation of a new economic model, as they have had an active role in creating the present unsustainable, low-price production and operation patterns. The transport sector must have an active role in this process. The transport sector also needs to take an active role in promoting non-polluting transport. The ETF thus favours the promotion of sustainable transport. The ETF insists, however, that sustainability and sustainable transport in particular is not limited to the environmental aspects only, as it is often wrongly anticipated by public opinion and even policy makers. The concept is threefold: it also includes social and economical sustainability as clearly stated in the Lisbon Strategy from 2001 in combination with the Sustainable Development Strategy also from 2001. In particular, there is no sustainable transport without a sustainable social approach.

INFRASTRUCTURE

7. Infrastructure policy is an essential instrument to promote more sustainable transport modes and inter-modal nodes and terminals as well as combined transport and multi-modal transport solutions. It is clear that every transport mode is necessary.
8. However, European and national infrastructure policies must not concentrate on developing the huge trans-European and pan-European axes / corridors. In order to promote economic and social cohesion in Europe's regions, a better link between trans-European / pan-European infrastructure and access of the regions to this infrastructure by means of sustainable transport modes, is necessary. This is relevant in particular in Central and Eastern Europe or South Eastern Europe, where financial constraints result in concentrating infrastructure investments on the pan- / trans-European corridors and road infrastructure and where railway lines are closed down and regions are cut off from rail links.
9. The ETF calls for an infrastructure policy and infrastructure investments that give priority to more sustainable transport modes and promote combined transport, intermodal nodes and terminals. An integrated and coordinated infrastructure development planning at European, national and regional level is essential in order to develop a sustainable multi-modal transport chain. Such a policy must support economic and social cohesion. This is valid as well for the pan-European level. Cooperation on infrastructure policy and the promotion of projects has to protect existing environmental friendly infrastructure and not to destroy it.
10. The ETF insists that a better integrated infrastructure development planning between the European, the national and the regional levels is needed. A European financial instrument should be established for that purpose.

FUNDING AND PRICING

11. Infrastructure financing must be a priority – particularly in the current situation of financial and economic crises. However, submission to the Maastricht criteria has proved detrimental to necessary political and economic action. The limitation of maximum three percent deficit



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on public spending should therefore be lifted, among other things to allow for investments in building and maintaining sustainable transport infrastructure in EU Member States. This should at the same time signal the start of a full reassessment of the Maastricht criteria in order to include jobs, social and environmental sustainability among future criteria. Revenues from external costs charging have to be partly used for sustainable infrastructure. The ETF demands in the context of the financial and economic crises, the establishment of an investment program that finances among others sustainable transport infrastructure.

12. Tax advantages for some transport modes and the fact that external costs of transport (for example, costs related to noise and air pollution, GHG emissions) are mostly paid by the general public, contributed to the development of a non-sustainable transport system.
13. The ETF supports a pricing policy based on user pays and polluter pays principles. Air pollution, noise related health problems, green house gas emissions, congestion, accidents, etc. are generating costs which are today largely paid by the public in general and not by the users / polluters. Those “external costs” must be internalised in the price of transport.
14. Policy makers have to ensure however, that higher costs for transport companies due to the charging of external costs are not compensated by a reduction of personnel costs (lower wages, longer working hours, etc.). They have to be transferred to the customers and/or covered by the companies’ profits. One way to do this is to establish tighter rules for access to the industry and by that reduce cut-throat competition due to over-capacity. Only in this case the charging of external costs constitutes an incentive for investment in green technologies and the use of more sustainable transport modes. Only in this case ecological as well as social objectives can be pursued at the same time.
15. The implementation of the user/polluter pays principle in transport has to take into consideration the international dimension and the social consequences in those transport sectors, which are directly exposed to international competition. The social consequences for transport workers in the different transport modes have to be consequently assessed. A social dialogue has to be established at European, national, sectoral and company levels in order to tackle the possible short and longer term employment effects of the “internalisation policy” and to find solutions for the workers concerned.
16. The EU and national governments have to develop programs to meet short term social consequences due to this policy. They also have to support transfer programs to other employment alternatives. In order to finance such programs a part of the revenues from charges for external costs of the different transport modes could be used, as one possibility. The ETF calls for the extension of the “Globalisation Adjustment Fund” for supporting social measures to compensate negative effects of policies tackling climate change.
17. The ETF points to the fact that different transport modes are subject to different international, European and national taxation rules. A fair pricing system for all transport modes must take into consideration those different regimes as well.

TECHNOLOGY

18. The promotion of research and development for cleaner transport vehicles, vessels and aircrafts must continue. The promotion of technologies in favour of energy and fuel efficiency and emission reduction is a necessary part of the improvement of the ecological sustainability of transport. The ETF is in favour of an environmental policy that sets emission standards which act as incentives for innovation. The research policy must promote less air and noise pollution and higher energy efficiency. The introduction of alternative fuels,



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however, must avoid negative side effects such as replacing food production by “bio fuel” production, destruction of tropical forest, etc.

19. Technologies promoting “intelligent transport use” can contribute to more efficient transport, avoid empty journeys and thus reduce pollution caused by the transport sector. However, these measures have to be assessed with regards to their social impact. A more efficient planning of transport flows requires a socially acceptable planning of working schedules, working time, breaks and rest time, work load, etc. The research policy must integrate technical research and social research. It must aim to positively use a better transport flow planning for a better work–life–balance of transport and warehouse workers and thus ease the access for women to the industry.

LEGISLATIVE FRAMEWORK

20. In the heart of the ETF demands on policy measures for promoting sustainable transport is a consequent social policy for the transport industry. This policy should:

- § Promote women employment in the transport sector in order to fulfil the Lisbon strategy goals for women employment; with regards to attracting women to professions in the transport industry, it must be mentioned that this would be made easier if incentives to adapt the industry to the specific needs of female workers were put in place.
- § Improve national and EU working time legislation for all transport modes; include work-life balance measures in working time legislation.
- § Effectively enforce social legislation regarding working and rest time in all sectors; introduce and /or improve EU legislation on effective regular checks of working and rest time for mobile personnel in all transport modes and effective sanctions for non compliance; forbid the out-flagging of work contracts, adapt the posted workers directive so that it is effectively applicable for mobile transport workers ensuring host country conditions as a minimum, develop and publicise a black list of companies not respecting social legislation; Member States must strengthen the capacities and quality of their enforcement authorities and better coordinate and communicate among each other.
- § Improve training and certification legislation in order to improve qualifications, introduce strong life long learning elements, introduce certification where needed and requested by the workers. Certification facilitates workers’ geographical mobility which is a EU citizens’ right within the EU.
- § Health and safety at work standards can not be seen as costs and obstacles to efficiency. They should rather be introduced, improved, enforced.
- § Introduce or improve existing EU legislation on minimum manning standards for seagoing ferries, inland waterways vessels and airport activities linked to servicing of aircrafts in order to ensure safety and high qualification levels.
- § impose through EU legislation social, environmental and quality criteria for competitive tendering in public transport, where such competitive tendering is chosen by the local authorities.
- § Impose through EU legislation workers job protection in the case of tendering of public transport services, ground handling services or any other tendered service.
- § Stop social dumping in cabotage and cross-border services; ensure that host country conditions apply in cabotage services; support a European policy aimed at the



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coordination of collective bargaining policies across borders in particular for mobile workers who are competing on a same market (e.g. international road drivers).

- § Abolish discrimination of transport workers based on nationality (or place of residence) or any other form of discrimination based on gender, age or race.
- § Defend and define public services and services of general interest which cannot be subject exclusively to the rules of the market but rather to the interests of the population.
- § Make social impact assessments for each transport mode (not only for single measures).
- § Establish support programs and accompanying social measures in the case of short term negative social consequences in particular transport modes.

21. ETF believes that a prerequisite to guarantee a sustainable transport policy is to take into consideration the social repercussions of modal shifts on all transport workers. In contrast with a policy of competition between the various modes, strengthening thereby the cheapest bidder to the detriment of the social dimension, the aim of a sustainable transport policy is to upgrade both the skills and social conditions of all transport employees. To this end, a forward-looking management of employment, vocational training and qualifications, and the enhancement of all transport professions would be needed throughout Europe. While deregulation is only focused on short-term profit, a sustainable transport policy would enable public authorities to manage a medium and long-term development.
22. If transport workers' and users' safety is not developed, transport sustainability will remain a wild dream. Safety procedures and regulations must be improved, their enforcement must rely on adequate means and sanctions must effectively apply to contractors who do not comply with such rules. To re-regulate also implies that traffic and navigation rules be fine-tuned to limit the impact of congestion and pollution, that cabotage is effectively regulated, that the requirements to be fulfilled by transport operators are stricter, that more severe safety standards are imposed on equipments and vehicles, that access to the profession is only granted to mobile workers upon completion of recognised initial and continuous training courses.
23. The ETF wants a social policy for the transport industry that fights and prevents social dumping and deterioration of working conditions in the transport sector. This transport-social policy must ensure that competition – independently whether it is inter- or intra sector competition – must be based on the quality of the services offered and not on the differences of working and social conditions. The ETF reiterates its support to the goals of the Lisbon strategy of creating “more and better jobs” and the increase of the women employment rate up to 60%. The transport sector is a labour intense sector which is predestined for job creation and for women employment.
24. When transport policy measures which promote a shift towards ecologically sustainable transport systems, result in short term social and employment problems within the industry, accompanying social measures for the workers concerned have to be provided. This requires that consequent social impact assessments are effectively put in place.
25. The European Commission must actively promote the European social dialogue in the various transport sectors and strongly encourage social partners to find own solutions within their area of competence at European level. Social dialogue is equally important at national and company level and Member States and companies are strongly encouraged to engage in meaningful talks with the relevant workers' representative organisations.



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26. The ETF reminds that EU social legislation is based on minimum standards. EU Member States have the right to establish better national rules and the ETF calls on them to use this possibility. EU standards cannot be set based on the lower common denominator which encourages certain States and employers to lower existing higher national standards.
27. The ETF is of the opinion that similar rights, guarantees and standards have to be introduced through national legislation in all other European countries which are not members of the EU.
28. The ETF underlines that trade union rights such as the right to organise and the right to take industrial actions are core labour standards. The ETF is extremely worried that within the European Union the “internal market freedoms” seem to undermine (override) those core labour standards. Social dialogue and collective bargaining, whether at European, national or company level are meaningless and a pure alibi when those labour standards are not guaranteed.
29. The ETF makes a strong plea for the introduction of a social progress clause in Europe. ETF opposes that the social dimension be ranked second behind the market as the interpretation of the European Court of Justice seems to indicate and demands a hierarchy of standards combining the market freedoms promotion, the respect for employees’ fundamental rights and the fight against climate change and global warming. The most favourable social regulations from the host country and the country of origin should apply.
30. The ETF proposes the creation at European level of a social and environmental monitoring centre for the various transport modes. It would act as a watchdog overseeing the sector and proposing actions including legislative measures when sustainability objectives are disregarded.
31. The ETF notes that today only few studies exist about the social situation of transport workers and women transport workers. No serious studies exist on the social consequences of EU transport policy. The ETF experienced in the past an enormous disinterest and disrespect towards the social consequences of reforms in this industry. This is unacceptable, also considering that the transport industry is a labour intensive sector and contributes with 5% to total employment in Europe. Last but not least, bearing in mind the equation between demographic downward trends and the very low attractiveness of the industry jobs, the transport industry will be confronted with major recruitment problems.
32. The ETF wants a combination of transport and social policies that guarantees socially sound working conditions, security against attacks and aggressions by third parties against workers and passengers, operational safety for workers and users, as well as occupational safety for workers in the transport industry. Violence is one of the main factors that prevent women transport workers to be properly integrated in all transport professions and equally making it difficult for them to keep their jobs. Transport comes second amongst all industries in terms of occurrence of workplace violence. A complex social transport policy, aiming at attracting women and young workers to the sector and retaining them, would therefore have to tackle violence.

BEHAVIOUR

33. The individualisation of people’s life styles and the possession of a private car as an expression of individual freedom, made the car manufacturing industry to become the major industrial employer in Europe. Infrastructure, housing (urban sprawl) and taxation policies favoured over decades the move towards individual car use to the detriment of public transport. A continuous disinvestment in public/collective transport solutions took place. The



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result is congestion and huge pollution problems in cities and urban areas, where 80%³ of the European population lives. In Central, Eastern Europe and South Eastern Europe, Russia and Ukraine we can observe the same tendencies after the political changes in the region or in Turkey as a candidate country to the EU, with a decline in the still higher rail transport share and an increase in the road transport share.

34. It would be wrong to point “with a moral finger” the transport industry. A number of elements like the change of industrial production patterns, the change in individual citizen’s preferences combined with national transport policies that supported those tendencies and the lack of a sustainable transport policy at European level over the past decades, produced the transport system we have today.
35. The decline of basic industries like coal and steel has affected the structure of transport. At the same time, the manufacturing and consumer industries changed to just in time delivery and zero stock production; outsourced their own transport and logistics activities while demanding higher flexibility and lower costs. The stock, however still exists. But instead of being stored in the companies it is a “moving stock” now. The development of logistics, i.e. the whole range of activities upstream and downstream the transport itself (storage, packaging, information management...), has been closely linked to the upsurge of just-in-time deliveries and has been financed by a decrease of social costs and an increase of casual jobs. The neo-liberal economic model, the delocalisation of industries and globalization, changed the nature of products which are transported in Europe and considerably increased transport volumes and distances. Production processes have changed, semi-finished products are manufactured and assembled in ever more distant areas of the world. The extremely low transport costs due to a wrong transport and social policy favour “unreasonable transport” like for example the famous yoghurt, a clear local product, the components of which travel 10.000 km across Europe before reaching its consumers.
36. The ETF insists that these changes in the organisation of industrial production and the resulting transport and logistic systems are to some extent based on very low transport costs. This is due to the fact that transport has become a very deregulated and fragmented industry with cut-throat competition which keeps transport rates low. One of the effects is extremely low profit margins in big parts of the transport chain. Many employers try to increase their profit margins through precarious labour conditions. The high mobility of workers in the transport sector, which is a characteristic of the sector, is further exploited by cynical employers through social dumping. It is more developed in the maritime, road and inland waterways transport sectors and in warehousing, but more regulated transport sectors like aviation and railways are following this tendency due to the privatisation and liberalisation policies in these sectors. Increasing costs for ensuring security, in particular in the aviation sector, additionally lowered the profit margins and resulted in further pressure on working conditions and pay.
37. The ETF calls for a stop with the EU liberalisation and national privatisation policies! Stop with the ideological approach that market forces themselves and competition will bring the most efficient transport system! The ETF wants as a first step a moratorium of the liberalisation of transport modes since it only replaces public monopolies by private monopolies or leads to fragmentation and destructive competition to the detriment of workers. ETF wants an active and integrated transport, social, financial and cohesion policy that supports an environmentally, socially and economically sustainable transport system in

³ Keep Europe moving -Sustainable mobility for our continent -Mid-term review of the European Commission’s 2001 Transport White Paper (COM(2006)314), p.14.



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Europe. This is valid for the entire Europe and not only EU Member States. The EU should support those principles in its cooperation with the neighbouring countries.

38. Mobility is a public good, because it guarantees access to economic, social and cultural life. Public transport is the best means to ensure mobility and therefore must guarantee access for all citizens under safe and environmentally sustainable conditions. It is a public service. This right of mobility is guaranteed by equipments, infrastructure, networks and a know-how which have deteriorated over the years. These must be maintained, improved and transferred to future generations. It is an obligation of the State to guarantee this right. It therefore must be in the heart of the transport policy with regards to passenger transport. The ETF wants a European, national, regional and local policy that promotes modal-shift from private car use to public transport. It is the responsibility of the national States, regions and cities to provide high quality public transport and guarantee its financing.
39. The ETF wants a social and ecological mobility policy that
- § recognises mobility as an individual right and
 - § recognises mobility as a public good that has to be made available, affordable and with quality to each citizen.
40. ETF wants an active transport policy that is based on fair pricing, modal shift and that promotes multimodal transport chains. ETF is against competition between transport modes that favours one transport mode against the other. The whole chain of transport will have to be analyzed and assessed to satisfy the environmental, social and safety requirements. It is a precondition to develop a sustainable combination of transport modes – in passenger and in freight transport – within a multi-modal system. However, the question of who is responsible for organising these sustainable transport chains is important. For ETF this cannot be left to the market. It is the responsibility of the national States in Europe and, within the EU, it is as well the responsibility of the European Commission in cooperation with the other EU institutions.
41. It is a fact that the higher share of green house gas emissions in road transport is produced by the use of private cars. It is urgent to promote clean cars as well as a modal shift from individual transport to collective transport. It is the responsibility of the national governments, regions and municipalities to decide on the introduction of the user pay and polluter pay principles for private car use. The ETF however insists that alternatives to private car use for the population in form of public transport must be provided and that public transport must be financed adequately in order to provide access to quality services to all users.
42. The rise of containerization in freight transport or the creation of hub systems in passenger transport, entail a division of the transport chain between the various modes. A container is transported successively by one or several trains, ships or airplanes, barges, lorries from one end to the other end of the supply chain whereas a passenger may use a car or a taxi, a train, a subway, a plane, a bus from one to the other end of his/her journey. Transport corporations are increasingly multimodal in order to control the whole supply chain. These networking tendencies are being challenged by short-term profit ambitions and deregulation which have reinforced the modal transfers onto the road. To re-regulate means to rehabilitate public policies, from the local up to the global level, with a view to promoting, within the supply chains, modal shifts towards economically, environmentally and socially more relevant modes. This is a major challenge in changing the main actors' behaviour in the transport industry. The Commission and public authorities must be the motor for change.



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THE EXTERNAL DIMENSION

43. The EU transport policy has an impact beyond the EU borders. The policy on the development of pan-European transport corridors (for example TRECECA, East-West-Corridor Central Asia – EU – Caspian and Black Seas, which includes among others Ukraine or Turkey, agreement signed in 1998), replaced by the EU Neighbouring Policy and the extension of the trans-European networks, the negotiation of transport treaties (for example EU – Switzerland, EU – South Eastern Europe) and agreements on the establishment of bilateral dialogues (for example EU – Russia) all aim to export the EU liberalisation and deregulation policies and the restructuring of former public enterprises beyond the EU borders in favour of a fast and unrestricted transport of goods in all Europe and beyond. The concentration of financial means on those projects threatens secondary infrastructure or the accessibility of rural areas also in the EU neighbouring countries. The social dimension is completely missing. Even the minimum standards of the EU social acquis do not protect the workers in the countries concerned.⁴
44. Moreover, the external dimension of a European Transport Policy can not be limited to ensuring access to third countries' markets: also at that level a social approach is needed, focusing in exporting the EU sustainability concerns and measures, providing assistance for the development of sustainable transport systems, for education and training of the national work force, fostering the dissemination of the highest technical and social standards, thus reducing the scope for social dumping. An example of is said above is the recent Communication on a EU – Africa partnership on transport, where not a single action is foreseen in terms of assisting the countries in the region to build a sustainable and capable workforce and know-how, thus reducing its dependency from foreign countries.
45. Chapter 5.7 in the Communication refers to the EU speaking with one voice. Whilst it is admissible the need to have a coherent participation of EU Member States in International bodies, the ETF has already expressed its concerns over the danger of a strict control on the capacity for Member States to submit proposals from their own initiative in those bodies.
46. This is particularly worrying to the extent that there is a significant lack of clarity regarding the way how the decision on limiting that capacity of own initiative is made. The ETF proposes therefore that an advisory body involving the social partners is established that can be consulted on the definition of the EU positions in those bodies.

⁴ There might be an exception in the case of the future EU-SEE Transport Treaty: the ETF has lobbied strongly for a social chapter to be included in that planned Treaty.



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