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FUTURE OF TRANSPORT POLICY

Executive Summary

In this paper BUSINESSEUROPE sets out its views on a forthcoming Commission Communication, which will aim to define a vision for the future of transport and mobility, preparing the ground for future policy developments and the issue of a new Transport White Paper in 2010.

Whilst recognising the progress made by the Commission since the 2001 White Paper, BUSINESSEUROPE would like to highlight some areas for the Commission's consideration in the development of future transport policy. In particular BUSINESSEUROPE believes that:

- Transport is at the core of the Internal Market, and European business competitiveness should be supported and play a more central role in the Commission's future thinking on transport policy
- An integrated and balanced approach is needed considering economic, environmental and social pillars
- Co-modality is the right way forward and should be further promoted by the Commission
- Focus should be on making all transport more efficient
- Investment in infrastructure should be increased and be more prominent in policy-making



Background

In 2001, the Commission issued a White Paper setting an agenda for transport policy throughout 2010. This was followed, in 2006, by a mid-term review. The Commission intends with its forthcoming Communication on the Future of Transport, expected to be adopted in June 2009, to look further ahead and define a vision for the future of transport and mobility. This will serve to prepare the ground for future policy developments, which are expected to be outlined in a new Transport White Paper in 2010.

The content of the Communication is expected to be based on a series of elements including: (1) the TRANSvisions 2050 study (not yet published); (2) an evaluation study analysing the performance of the Transport Policy in reaching the objectives of the 2001 White Paper and its 2006 mid-term review (not yet published); (3) the Focus Groups' Report (published in February 2009) and (4) stakeholder comments.

Whilst it is not possible to comment on all these elements, BUSINESSEUROPE wishes to make a contribution to the preparation of the Communication based in part on the Focus Groups' Report and the discussions that took place during the 9-10 March 2009 Stakeholder Conference, in which BUSINESSEUROPE was pleased to participate.

Points to be considered in the Communication on the Future of Transport Policy

1) Transport is at the core of the Internal Market and competitiveness should be supported

Transport is an essential component of the European Internal Market. Moving people and goods quickly and efficiently is a key element of the EU's goal for a dynamic economy and cohesive society. The transport sector generates 10% of EU wealth in terms of gross domestic product (GDP) and provides more than ten million jobs.¹

BUSINESSEUROPE believes that the work that the Commission is undertaking to define a vision for the future of transport and mobility should serve to support European business competitiveness. In this regard, further efforts are needed to complete implementation of the internal market for transport as the liberalisation of transport markets within the EU has significantly contributed to the development of a prosperous internal market and helped to improve the competitive position of Europe within the global context.

¹ Figures taken from http://europa.eu/pol/trans/overview_en.htm



2) *An integrated and balanced approach is needed*

As reiterated previously, BUSINESSEUROPE supports a more sustainable transport system but believes that improvements in all aspects of transport should be handled within the framework of a balanced approach taking into account economic, social and environmental dimensions.

BUSINESSEUROPE does however not support the idea that sustainable development objectives could possibly jeopardise competitiveness objectives, as outlined in the Focus Groups' Report. This is neither correct nor realistic, especially considering the fact that a strong economy in itself is needed as a prerequisite to finance RTD programmes, infrastructure, equipment and the renewal of vehicle fleets towards cleaner vehicles.

In addition, all societal actors (consumers, equipment and vehicle manufacturers, hauliers, governments, etc.) contribute to enhancing sustainability.

An integrated approach also recognises that the future transport system will be of a global nature, since transport supply chains will connect the EU with neighbouring countries as well as with other continents. Policies will therefore also include the issue of geographical transport integration, focusing on future EU trading partners and access to high-growth markets.

3) *Co-modality is the right way forward*

The Commission's mid-term review of the European Commission's 2001 Transport White Paper states that co-modality, i.e. the efficient use of different modes on their own and in combination, will result in an optimal and sustainable utilisation of resources.

BUSINESSEUROPE has consistently supported the principle of co-modality and believes that it is important to recognise that the various modes play different roles and should be seen as being complementary to each other. It is necessary to ensure all modes increase efficiency.

BUSINESSEUROPE regrets the amount of confusion surrounding this term, as expressed by a number of stakeholders during the March 2009 Conference, and urges the Commission to promote the principle of co-modality consistently in its initiatives.

4) *Focus should be on making all transport more efficient*

BUSINESSEUROPE believes that great care is needed in choosing the type of initiatives to pave the way for a more sustainable transport policy. Cost-efficient measures should be applied that support European business competitiveness.

As highlighted in BUSINESSEUROPE's presentation at the March 2009 Stakeholder Conference, transport is and will continue to be closely linked to economic growth. It is



demand-driven, stemming from consumer needs and necessary for the integration and efficiency of markets. Therefore, to obtain overall economic prosperity future policies should not be based on transport avoidance but should accommodate transport integration and efficiency of markets.

In this context, BUSINESSEUROPE urges the Commission to focus on decoupling the negative effects of transport from economic growth rather than trying to decouple transport growth from economic growth.

Various policy initiatives may promote efficiency in the transport sector and therefore yield reductions in carbon emissions. These measures include: (1) improving infrastructure and traffic management of road, rail, air and sea; (2) optimum use of vehicle weights and length; (3) cabotage; (4) eco-driving and (5) improved energy efficiency and management of public transport.

In general it is important to apply a broad variety of policies instead of limiting application to a single one-size-fits-all policy measure. As Matthias Ruete, Director-General of DG TREN, rightly pointed out in the Stakeholder Conference, measures dealing with technological development, organisation innovation, behavioural change and infrastructure provision should be applied in an optimal mix.

5) Infrastructure and investment

BUSINESSEUROPE is concerned about the lack of public commitment to date at both EU and national level to financing transport network infrastructure and believes that the importance of infrastructure in European policy-making needs to be made more prominent. For instance, one of the main obstacles severely hampering the effectiveness of TEN-T policy is the lack of investments and uncertain engagement at EU and national level.

This trend needs to be reversed and BUSINESSEUROPE believes that in the future the amount of resources attributed to transport infrastructure development and transport policy in general from member state budgets should be increased. Consideration should be given to the recognition of a range of financial instruments that could be deployed by member states in realising EU supported infrastructural projects.

In addition, we support a stronger role for the private sector's involvement in the financing of infrastructure (e.g. through Public-Private Partnerships). This already can and will so in the future help to ease the strain on public funds in the future. In this context, it is important that a clear framework is in place to create market certainty for those interested in investing in the transport sector.

Better quality and a better integrated infrastructure would not only help to reduce negative transport environmental effects, such as those resulting from congestion but it would also make the transport network safer and more efficient.



Final Remarks

As illustrated in this paper, BUSINESSEUROPE supports more efficient transport and understands the need for a more sustainable transport policy. However, it is BUSINESSEUROPE's firm belief that current and future measures to achieve this goal should be based on the three economic, environmental and social pillars. As Pavel Škvára, Czech Deputy Minister for Transport representing the EU Presidency, rightly stated during the Stakeholder Conference 'We must avoid creating new barriers to the free movement of goods'.

Many of the issues referred to in the Focus Groups' Report and which emerged from the Stakeholder Conference in March 2009 are not new and have been identified in previous Commission initiatives (including the 2001 White Paper and its 2006 mid-term review).

BUSINESSEUROPE understands that the current Commission's work intends to be visionary and futuristic in nature. However, the current economic and financial crisis cannot be ignored in such an analysis and BUSINESSEUROPE regrets that no link is made to this in the Report. The volatility of the economy should not distort the transport market's liberalisation process.

Furthermore, BUSINESSEUROPE believes that the Future of European Transport should be based on facts and a thorough economic analysis of traffic flows. Also, competitiveness of the EU economy deserves a more central place in the Commission's future thinking on transport

Finally, the already acquired experience of the European business sector should be included in the formulation of future transport policies. Various private sector initiatives, e.g. on city logistics and the use of long modular vehicles, have until now been initiated and valuable insights can therefore be used at no extra cost.

BUSINESSEUROPE hopes that the comments set out in this paper are useful and looks forward to a more thorough consultation procedure before the publication of a new White Paper on Transport Policy in 2010.
