

A genuine European single market: the key to unlocking a sustainable future for transport, express and logistics

Contribution of the European Express Association (EEA) to the
The European Commission White Paper on a Sustainable Future for Transport Policy

The upcoming White Paper on a Sustainable Future for Transport Policy offers a unique opportunity for Europe's policy-makers to forge an ambitious policy framework for the next ten years. Such a framework should unlock the potential of transport and logistics to increase both the competitiveness and sustainability of Europe's entire industrial base.

Following the European Parliament resolution of 6 July 2010 on a sustainable future for transport and in light of Europe's broader sustainability targets for 2020, the European Express Association (EEA) urges the European Commission to take bold and tangible forward steps, setting achievable objectives that aim to fully integrate European transport and logistics policy.

Members of the EEA, representing express delivery companies and associations, therefore, call for a future strategy for transport that:

- A. Completes Europe's single transport market, removes national fragmentation and promotes global integration**
- B. Simplifies customs and commonly adopted security procedures for the cross-border transport of goods**
- C. Achieves co-modality as a means to fully integrate transport modes**
- D. Incentivises new technological standards that stimulate sustainable transport practices**
- E. Adopts a global and balanced approach to internalising the external costs all transport modes**
- F. Keeps Europe moving in times of crisis**

A. *Completing Europe's single transport market, removing national fragmentation and promoting global integration*

The upcoming White Paper sets itself the objective of creating a *sustainable* future for transport. This can be genuinely achieved through the removal of fragmented national-level rules in four key areas:

- ▶ **Harmonising European airspace:** The realisation of a Single European Sky (SES) would have significant benefits on the efficiency and sustainability of express operations, leading to an overall CO₂ reduction of up to 12% for European aviation. The SES should therefore be achieved at the earliest opportunity. The development of SESAR should be funded by public money.
- ▶ **Ensuring smooth air operations:** Sufficient action should be undertaken to ensure that the existing Directive 2002/30/EC is applied in practice in order to avoid operating restrictions at individual airports not in compliance with the 'Balanced Approach' adopted by ICAO at its 33rd Assembly. EEA maintains that this needs to be done before a formal revision of the Directive concerned is proposed.

- ▶ **Liberalising Europe's road transport market:** Full cabotage liberalisation would allow trucks to load and unload anywhere in the EU and enhance the efficiency of European supply chains at reduced costs.
- ▶ **Creating a truly competitive rail freight market:** The liberalisation of the rail freight market must be enforced without delay. Fostering competition would also lead to an increase of rail freight service reliability, the lack of which significantly reduces the efficacy of rail for transport and logistics services.
- ▶ **Promoting global air transport liberalisation:** Global supply chain operations rely on worldwide aviation operations which allow rapid and business-critical deliveries to and from anywhere in the world. The express industry itself moves more than 6 million packages daily and operates and owns more than 1,200 aircraft. However, restrictions imposed on air service operations in the framework of bilateral air service agreements between countries create obstacles for global and flexible logistics business. The Commission should therefore continue to strongly promote liberalisation globally and in particular with third countries.
- ▶ **Liberalising the ground handling market:** In view of the future revision of the ground handling Directive, the EEA believes that the ground handling market should be completely liberalised. Studies and experience from other regions of the world show that competition brings quality, lower price and employment, without being detrimental to safety or security. In particular the EEA believes there should be a full liberalisation of the cargo area and/or the night operations where there are no demonstrated reasons for limiting the freedom to compete.

B. Simplifies customs and commonly adopted security procedures for the cross-border transport of goods

The growth in international trade, combined with the resulting growth in the number of shipments globally, raises extreme operational challenges for transport operators. This goes hand in with the ever-increasing pressure placed on express services as a result of the rapid growth in e-commerce and the ensuing demands placed on operators.

Therefore, in order to increase both business and environmental efficiency to meet this increasing demand from both European businesses and European consumers, the Commission must look to enforce common European security and customs rules in the EU and promote harmonisation and mutual recognition of security and customs programmes globally:

- ▶ **Accelerating application of modernised customs clearance across the EU:** Transport operations are impeded by complex, old-fashioned and poorly-harmonised customs clearance procedures throughout the 27 EU Member States. When the Modernised Customs Code should have given the right momentum to bring customs processes into the 21st century, the benefit of its full implementation might well be delayed due to the difficulties in the enforcement of the harmonised rules across the EU. "Single windows" and e-customs should be clear priorities enabling paperless customs formalities to be carried out in a coordinated way and including a proper Electronic Data Interchange link between operators and customs authorities. Such measures will simplify customs clearance, boost efficiency and save time for supply chain operations.

- ▶ ***Finding the right security balance:*** A balance must be found between security procedures and flexible time-sensitive logistics operations. With varying levels of adoption of the new Common Basic Standard for Aviation Security (EU 300/2008 and EU 185/2010) within the EU and the use, by some Member States, of more stringent methods there is the potential for the duplication of security measures within the EU making logistics operations more difficult, creating delays that will, in the end, harm European competitiveness. The EEA believes that there should be enforcement of the new legislation resulting in a harmonised approach across the EU. The EEA further view that the use of more stringent methods should only be possible when there is a justified heightened threat at a country level and they should be directly financed by the State concerned.
- ▶ ***Providing tangible benefits to “Authorised Economic Operator”:*** Trade facilitation benefits are deemed essential to make AEO a status that supply chain partners recognise not as an accreditation allowing them to continue their usual business with added costs, but one that will bring them substantial improvements and facilitation gains above and beyond the normal procedures enjoyed by non-AEO operators.
- ▶ ***Harmonisation and mutual recognition of customs and security programs between the EU and third countries:*** Harmonised standards across the EU, like the “Authorised Economic Operator” Programme for instance, will also lead to the acceptance of EU security and customs controls by third countries, leading to ‘one stop security’ thus avoiding time in transit delays and significant additional cost through the duplication of inspection controls.

C. Promoting co-modality so as to integrate the different transport modes

EEA members use the most efficient transport modes that ensure the timely delivery of their customers’ goods. Whilst express services are usually provided by a combination of air and road, other modes, such as rail transport, can be considered assuming the service requirements of express customers are met.

- ▶ ***Continuing the focus on the co-modality principle:*** The EEA fully supports the Commission’s efforts to promote co-modality in transport operations and to ensure that the interconnections between different modes of transport run as efficiently and smoothly as possible. The Commission has a key role to play in making all modes of transport more flexible and easy to use and more suited to a genuinely co-modal European transport system.
- ▶ ***Reducing transport infrastructure bottlenecks:*** The Commission should encourage Member States to invest in the upgrade of their transport infrastructure to reduce bottlenecks. Investments for transport infrastructure should be concentrated on major transport corridors and decided on the basis of a cost/benefits analysis to ensure the best use of national and EU money. Air transport should be included in transport infrastructure projects, including the Green Corridors, to enhance efficient connection between airports and other modes when justified (e.g. rail connection at airport).
- ▶ ***Enabling efficient city logistics solutions:*** Congestion and road safety issues equally hinder the efficiency and effectiveness of the express industry’s operations in city centers. The express industry therefore encourages measures that can reduce congestion and improve road safety, provided they are put in place after a prior impact assessment and after consultation with all stakeholders including the express industry. Given the importance of the express industry for the economic

viability of inner-cities, such measures should improve the accessibility of, and mobility within city centers for delivery vans (for example, by allowing our vans to use bus, taxi and carpool lanes).

D. Incentivising new technological standards that stimulate sustainable transport practices

Technological solutions and standardisation in Europe must form a central pillar in Europe's new vision for transport. New technologies and standards have the potential to significantly improve the efficiency and sustainability of transport and logistics:

- ▶ ***Promoting the use of European Modular Systems:*** The express business has the particularity to have significant frequencies and volume on a determined network, for instance between air hub and road hub. The use of the European Modular System (EMS) or Ecocombis for such hub to hub operations for instance on suitable road infrastructure and on trans-border routes would have the effect of significantly reducing congestion, fossil fuel use, and exhaust gas emissions. Cross-border as well as national trials should therefore be encouraged as a means to clearly demonstrate the positive effects of EMS.
- ▶ ***Developing interoperable technology:*** Developing ICT applications is also crucial for facilitating express operations. Especially for city logistics, traffic management communication technology should be promoted to enable improved interactive communication with municipal traffic directing centres. As an example of this, delivery vans and small trucks could be allowed to register for using specific loading zones. Systems could be developed that allow vehicles to react to sudden congestion situations. This could be made possible through the concerted linkage of new vehicular technologies with innovative approaches in logistics and traffic management. Interoperability of ICT applications and ITS should be ensured in order to avoid new national and even local trade barriers due to the multiplication of technology standards unable to communicate with each other.
- ▶ ***Providing incentives and funding to adopt new technology:*** Incentives at both EU and national level should be encouraged for applications, technologies and solutions that enable a reduction in energy consumption but cost more than conventional alternatives. For road transport, this should be designed to stimulate investment in EURO VI vehicles, aerodynamics features for vehicles, ITS devices and electric and hybrid trucks and vans. Incentives can be both financial (for example, credits with low interest rate or subsidies) and in-kind (for example, allowing the use of bus lanes for energy efficient express vehicles). The European Investment Bank should also open funding streams for investment in new aircraft.

E. Adopting a global and balanced approach to internalising the external costs all transport modes

Addressing the external costs of transport is a key future priority of the European Commission. This priority should however remain secondary to the creation of a true internal transport market for all transport modes. The later would have the greatest positive impact on both the sustainability and competitiveness of transport.

Any future measures regarding the internalisation of external costs should concentrate primarily on a "balanced approach". In essence this means:

- ▶ ***Providing a holistic policy approach:*** All future policy measures must be accompanied by careful impact assessment with full consideration of the specificities of freight transport in comparison of

passenger transport. In this respect all measures already in place for reducing the external costs concerned (e.g. fuel taxes, tolls, VAT, road taxes, etc.) should be clearly identified in order to avoid transport operators paying twice for the same external cost.

- ▶ **Focusing on incentives rather than penalties:** Promoting sustainable transport operations is crucial for the development of express logistics. Express operators are committed to reducing the environmental impact of their operations by using, for instance, more energy efficient vehicles and aircraft. In this regard, future policies should encourage and reward companies that take action rather than simply focusing on penalties and taxes. For example, funds of the Marco Polo programme could be made available to operators who succeed in reducing their external costs.
- ▶ **Dealing with the causes not the symptoms of inefficiency:** The future EU policy agenda should not penalise operators for the external costs caused by factors outside their control. This might include existing bottlenecks in infrastructures, the lack of efficient traffic management systems or regulatory restrictions applied to transport services. The focus of policy should primarily be on the underlying issues that create barriers to the introduction of more sustainable transport practices.
- ▶ **Promoting global solutions to global issues:** Worldwide solutions to issues such as carbon emissions and transport noise would have the most beneficial environmental impact, while at the same time avoiding distortions of competition. As a global standard setter, the EU should look to promote global regimes, in terms of, for example, aviation emissions and noise through internationally-recognised organisations such as ICAO.

F. Keeping Europe moving in times of crisis

- ▶ **Supporting an EU mobility plan in case of a crisis:** The EEA strongly supports current initiatives undertaken by the Commission to propose an emergency plan in the event of a crisis similar to the volcanic ash crisis in April. This plan should not only address passengers' issues but also obstacles met by cargo operators.
- ▶ **Allowing for a temporary lift of operational restrictions:** The EEA would like an emergency plan to allow for a temporary lift of regulatory obstacles (e.g. airport night restrictions, customs procedures or night and week-end bans for trucks) to facilitate the use of alternative modes of transport and the full utilisation of remaining aviation capacity.

Conclusion

In conclusion, the European Express Association calls on the European Commission to seize the opportunity presented by the upcoming White Paper on a Sustainable Future for Transport to create a single European transport marketplace for all the modes. It is through this that a truly intermodal and sustainable future for European transport can be reached.

The European Express Association (EEA) is the representative organisation for the express industry in Europe. The industry specialises in time-definite, reliable transportation services for documents, parcels, and freight. It allows European business to rely on predictable, expeditious delivery of supplies, thereby enabling them to attain and maintain global competitiveness.



The express industry employs over 250,000 people across the EU and supports a further 175,000 indirect jobs in Europe through the supply-chain. The express industry's employees are widely spread across the EU, including over 12,000 in the 10 new EU Member States.

The express industry is a truly intermodal sector. Air-road and air-rail operations form an integral part of the industry's hub and spoke system. Our members use the most efficient transport mode to ensure the timely delivery of our customers' goods. This includes the use of aircraft, but also road vehicles and rail where possible. Express industry staff operate more than 20 000 collection/delivery vehicles and 4 000 heavy freight vehicles.