

European Express Association's Views on Future of Transport

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The European Express Association (EEA) is the representative organisation for the express industry in Europe.

The express industry is a fast-growing business sector which provides vital services for the European economy, bringing the global marketplace to life. The industry specialises in time-definite, reliable transportation services for documents, parcels, and freight. It allows European businesses 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 European Union (EU) and supports a further 175,000 indirect jobs in Europe through the supply-chain.

Being a multi-modal operator, the express industry is impacted by issues which cut across a broad range of policy sectors. Of these issues, the transportation of goods is one of those with the greatest impact on express activities and therefore the EEA would like to convey the following messages on the Future of Transport:

A. Completion of Europe's single transport market, through the promotion of global integration

- a. **Completing the Internal Market for aviation:** The creation of the Internal Market for intra-European flights has created enormous economic benefits for businesses, consumers, shippers and the economy at large. However, as soon as a Community carrier wishes to continue an intra-European flight to a destination outside the EU, the antiquated restrictive bilateral aviation agreements between Member States still apply. This leads to a situation where flight by a Community carrier that is approved by a third country can still be blocked by the other Member State. This is a remaining protectionist measure restricting competition. Therefore, the Internal Market for aviation should be fully liberalized to the benefit of the competitiveness of air carriers, freight forwarders and customers.
- b. **Ensuring smooth air operations:** The European Commission (EC) should ensure the correct implementation of Regulation 598/2014 on Aircraft Noise so that night flights restrictions are only a last resort option, in line with the 'Balanced Approach' adopted by ICAO. Night flights constitute the very life blood for both the express industry itself and its customers, many of whose businesses are reliant upon the availability of guaranteed overnight door-to-door delivery services. Express companies provide a truly European network, delivering for the entire internal market (even most remote regions) and connecting EU businesses, both large and small, with the rest of the world. In addition – contrary to what it does in the 2011 White Paper for Transport – the EC should recognise the value of intra-EU cargo operations in order to ensure Europe's connectivity and competitiveness with other regions around the world. A next day delivery service requires that above a certain distance, intra-European express shipments will still need to be transported by air even if a competitive high speed rail alternative would exist at some point in the future.
- c. **Completing the Single European Sky:** The EC should urge the EU Member States to follow up on their commitments to fully implement a Single European Sky (SES) which would have significant benefits on the efficiency and sustainability of express operations.
- d. **Liberalising Europe's road transport market:** The EC shall present a proposal to achieve full cabotage liberalisation. The Commission's report (COM(2014) 222) confirms that relaxing the restrictions to cabotage could contribute to a more economical and resource-efficient road transport sector, as this could lead to a

reduction of empty runs, and would play a part in increasing the sector's economic and fuel efficiency. Lifting the carbotage rules would allow trucks to load and unload anywhere in the EU and enhance the efficiency of European supply chains via reduced costs and greenhouse gas emissions.

- e. **Creating a truly competitive rail freight market:** Both technical and political aspects of the Fourth Railway Package should be agreed without delay. The new regulatory framework can bring benefits in terms of service quality and choice of suppliers to the end customers. The rail freight market should be liberalised with a higher level of efficiency, reliability, cost transparency and service quality – especially from a rail freight user's perspective.
- f. **Ensuring non-discriminatory road charging legislation:** The internalisation of external costs of transport, for all modes and equally for freight and passenger transportation, is a principle that needs to be implemented in a balanced and non-discriminatory manner. Road charging schemes should not differentiate between national and foreign users. Road charging resources should be devoted to upgrading of transport infrastructure in order to reduce bottlenecks; for this purpose, earmarking should be included in EU legislation.

B. Achieving co-modality as a means of fully integrating transport modes

- a. **Continuing the focus on the co-modality principle:** The EC should stimulate the development of smooth and efficient interconnections between different modes of transport. The analysis of the public consultation on the mid-term review of the Transport White Paper as well as the report of the European Parliament confirm that future policy proposals should be based on equal treatment of modes: co-modality instead of modal shift, technological innovation rather than penalisation for externalities. This approach would enable the full supply chain to be considered, including customer expectations. Investments in transport infrastructure should be concentrated on major transport corridors and decided on the basis of a cost/benefit analysis to ensure the best use of national and EU funds.
- b. **Co-modality, rather than modal shift, should be fundamental:** The 2011 White Paper targets for 2050 of shifting 30% of road freight over 300 km to rail and waterborne transport by 2030 and 50% by 2050 seem rather unrealistic and difficult to predict. The analysis of the public consultation on the mid-term review of the Transport White Paper states that the modal shift goal was rebuked for going against principle of market-oriented policy. Imposing a modal shift, without the availability of a competitive and efficient rail alternative, has never delivered results in the past. With their unique business model of next day delivery, which responds to a specific economic demand, express companies remain committed to a truly intermodal approach.

C. Promotion of trade facilitation and simplified risk-based security procedures for the cross-border transportation of goods

- a. **Enforcing harmonised air transport cargo security standards** to stimulate trade and investment and reduce complexity for business. In addition, a balance must be found between security procedures and flexible time-sensitive logistics operations.
- b. **Providing tangible benefits to “Authorised Economic Operator” (AEO):** Trade facilitation benefits are essential to make AEO a status that supply chain partners recognise as an accreditation that will bring them substantial improvements and facilitation gains above and beyond the normal procedures enjoyed by non-AEO operators.

- c. **Promote trade facilitation:** Review existing and proposed customs legislation with a view to reduce red tape and cost to businesses and authorities. As a negative, the proposed Delegated Act for the Union Customs Code (UCC) reduces existing simplifications, instead of increasing them.

D. Incentives for new technological standards that stimulate sustainable transport practices

- a. **Promoting the use of European Modular Systems (EMS):** One of the unique features of the express business is its ability to predict frequencies and volume on a determined network, for instance between air and road hubs. The use of EMS or Ecocombis for such hub to hub operations would therefore significantly reduce congestion, fossil fuel use, and exhaust gas emissions. Cross-border trials should be encouraged, for example by making them eligible for EU funding.
- b. **Enabling efficient city logistics solutions:** The EC should enhance the principles and processes on access rules in cities, included in the Urban Mobility Package published in April 2014. As an example, new delivery solutions allowing energy-efficient vans to use bus and taxi lanes should be promoted.
- c. **Developing interoperable technology:** Developing ICT applications is also crucial for facilitating express operations. Incentives at both EU and national level should be encouraged for applications, technologies, vehicles and solutions that enable a reduction in energy consumption but cost more than conventional alternatives.

E. External dimension – promote liberalization

- a) **Aviation liberalisation:** Air services bilateral agreements are antiquated and not suited to the modern aviation and business needs. For the aviation market, removal of ownership restrictions and other market access barriers are overdue. Such restrictions are no longer justified for a global commercial industry. Liberalization should ideally take place through WTO/trade agreements and/or ICAO. In the short / medium term, this objective must be pursued through the conclusion of bilateral or multilateral agreements aimed at liberalizing aviation, both in terms of market access and investment. The specific interests of all-cargo services need to be recognized in negotiations and such services could be subject to further liberalization, beyond the liberalization of passenger and combination services. Protectionism and restrictions on market access do not support a competitive European all-cargo sector.