

CONTRIBUTION TO THE CONSULTATION ON THE FUTURE EUROPEAN TRANSPORT POLICY

October 2009

1. The EEA welcomes the debate to establish the European Transport Policy for the next decade

The EEA represents express delivery companies and associations, both large and small, in Europe. In the EU-25 alone, the express industry currently employs 250,000 people and delivers more than 450 million packages each year, constituting almost half of the intra-European air cargo market. It has been forecast that, by 2013, the express industry will employ 550,000 people in the EU-25.

The express industry not only provides vital services for the European economy but also plays a large role in making the global marketplace a reality.

The express industry is a truly intermodal sector. Air, road and rail operations form an integral part of the industry's hub and spoke system. EEA members use the most efficient transport mode to ensure the timely delivery of their customers' goods. This includes the use of road vehicles, shipping and rail. The express industry operates more than 20 000 collection/delivery vehicles and 4 000 heavy freight vehicles.

The competitiveness of European industry is dependent on efficient transport and logistics services. Therefore, the EEA welcomes the Commission's initiative to engage into a large public consultation before setting the European Transport Policy for the next decade.

As provided in the Commission's Communication on a sustainable future for transport (COM(2009)279), the future European Transport Policy should be based on the following pillars:

- complete the Internal Market and foster competition for all transport modes,
- maintain, deploy and integrate modal networks,
- promote new technology to accelerate transition to a low-carbon society,
- secure open standards and interoperability,
- ensure effective and coordinated actions within the EU to avoid new internal trade barriers,
- educate, inform and involve the society about the challenges of mobility.

As recognized by the Action Plan for freight logistics of 2007, **reducing administrative, regulatory and operational complexity should also be a priority in order to secure a more efficient transport.** Furthermore, a **complete prior impact assessment** based on sound market and industry understanding and reliable data should guarantee the efficiency of the measures to be undertaken.

To suitably address the challenges of transport, there is a need to have a better integrated European Transport Policy, not only between the transport modes but also on the entire value chain of transport and logistics services with all relevant actors of the industry and of the European Commission.

2. Specific recommendations for an integrated and sustainable European Transport Policy

a) “Balanced approach” to tackle external costs of transport

Promoting sustainable transport operations is crucial for the development of express logistics. EEA members are committed to reducing the environmental impact of their operations by using for instance more energy efficient vehicles and aircraft. In return, policy makers should respect the following principles in drafting legislation to reduce the environment impact of transport:

1. Satisfy the “**balanced approach**” principle
2. Adopt policies and measures that encourage and reward companies that take actions rather than penalizing them on the ground of high absolute carbon emission levels.
3. Adopt policies and measures that increase visibility and predictability. Regulatory uncertainty and a rigid attitude towards carbon emissions mean that companies can be discouraged from making the necessary improvements and investing in new technologies. Policy makers, market players and researchers should act together to research and identify the most promising alternatives. This could entail financing through instruments such as an Innovation Fund at EU level.

The EEA urges policy makers to promote worldwide solutions, since these would have the most effective environmental impact, while at the same time avoiding distortions of competition. ICAO is the ideal platform to draft global solutions for aviation emissions and noise. **All regulatory measures require prior careful impact assessment with full consideration of the specificities of freight transport in comparison of passenger transport.**

The EEA welcomes any debate that aims to increase the efficiency and sustainability of (road) transport in accordance with the principle of “*co-modality*”. Although the stated objective of the Commission is to promote sustainable road transport by reducing its external costs, the EEA doubts whether the current draft Directive on **Eurovignette** (COM2008(147)) is the appropriate way forward in realizing these objectives. Especially a congestion charge exclusively for heavy duty trucks without clear earmarking provision for measures to reduce road external costs could be reasonably considered as an extra source of money rather than an efficient measure to actually tackle congestion.

b) Completion of the Internal Market for all transport modes

Global supply chain operations rely on worldwide aviation operations. 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 ultimate goal should be the **true liberalization of air transport throughout the world.**

Complex and time-sensitive logistics operations also require harmonized and flexible road transport market conditions. The EEA’s vision of road cabotage in a fair and competitive environment is a European e-based independent entrepreneur connected with on-line systems, which picks up freight across the EU wherever he has finished his last job. **Cabotage liberalization** will contribute to European competitiveness by **enhancing the efficiency of the supply chain at reduced costs.** Allowing trucks to load and unload anywhere in the EU is the best way to decrease the number of empty trucks on the roads and, thus, the total number of trucks. Therefore, cabotage liberalization will also help to reduce the impact of road transport on the environment.

The use of the **European Modular System** or Ecocombis is of particular interest to EEA members. Connecting logistics centers in different Member States – e.g. linking several ground hubs with a European air hub – should be made possible via ecocombis. Allowing ‘Ecocombis’ for long distance operations on suitable road infrastructure and on trans-border routes would also be fully compatible with the principle of co-modality. In accordance with this principle, EU policy will indeed have to optimize each mode’s own potential to meet the objectives of clean and efficient transport. Not allowing the further deployment of ecocombis would hamper innovation and economic and environment improvements to the European logistics sector. The Express industry, therefore, calls on the European Commission to include in the future European Transport Policy measures to **encourage EU Member States to launch cross-border trials and/or organise autonomous experiments**. We are convinced that such real-live tests will provide further elements to prove the positive effects of the introduction of EMS. In case the revision of Directive 96/53/EC on weight and dimension of heavy commercial vehicles would happen, this should lead to allowing the international use of EMS within the EU.

The 1st railway package should be implemented without delay. Fostering competition on rail freight market should lead to an increase of rail freight service reliability, which is usually far too low today. Rail freight service providers should be customer’s oriented.

c) Integration of all transport modes

The EEA also supports the European Commission’s efforts to promote **co-modality**. In this respect, as mentioned above, the EEA is an important intermodal operator with air-road and air-rail links forming an integral part of the industry’s hub and spoke system. The EEA thus welcomes any policy, which will allow its members to develop this system and ensure that the interconnections between different modes of transport run as efficiently and smoothly as possible.

The EEA relies on a guaranteed, door to door, fast and punctual level of service in order to achieve a just-in-time next day delivery service. At present, considering the lack of an integrated rail/inland waterway/maritime transport system, this service is usually provided by a combination of air and road transport. The express industry should not be penalised for choosing the only modes of transport that enable us to meet the needs of our customers.

Therefore, in order for our members to rely more on rail and sea transport, the Commission has a key role to play in making these modes of transport more flexible and easy to use.

As regards **rail transport**, the Commission should encourage Member States to invest in the upgrade of their rail infrastructure in order to reduce the congestion on a growing number of lanes and nodes. One prerequisite for increased rail freight operations is a **sufficient number of terminals offering multimodal solutions in vicinity of the main European business areas**, in general within 150 kms.

The transshipment services at intermodal platform should be provided with a satisfactory quality and reliability avoiding delays in the supply chain operations.

d) Interoperable technology standards

Developing **ICT** applications is also crucial for facilitating logistics business. RFID technology combined with satellite navigation systems increases, for instance, the visibility and the quality of the supply chain by enabling the tracking of each item throughout the supply chain. However, this will only be possible if **interoperable technology standards are available**.

e) Simplification of administrative burdens

Intermodal operations are also impeded by complex and poorly-harmonized customs clearance procedures throughout the 27 Member States. In order to promote intermodal logistics, the EEA supports the Commission's proposal for **one-stop administrative shopping or "single windows" where all customs and related formalities will be carried out** in a coordinated way. This approach should be combined with a paperless process including a proper Electronic Data Interchange (EDI) link between the operators and the customs authorities. This will simplify customs clearance, will be performed in real time and will save time for supply chain operations.

f) Risk based approach for transport security

A balance must be drawn between security procedures and the free flow of trade. The EEA believes that it is necessary to examine the impact of the security measures already imposed on aviation, airports and ports before adding new provisions, especially regarding the supply chain. In this respect, the self-regulatory security schemes of individual companies should also be taken into account. As regards terrorist threats, freight transport should be distinguished from passenger transport. A balance between anti-terrorist policy requirements and flexible time-sensitive logistics operations must be found. If not, unnecessary new security measures at the European and at national levels will make logistics operations more difficult, create delays and will, at the end, harm European competitiveness.

g) Promote urban logistics best practices

Together with the urban mobility of individuals, the importance of urban freight transport activity is of major importance for all actors in the economy. In a business model where stocks tend to be minimized, especially those of SME businesses located in urban areas, frequent or even daily deliveries are essential. Also, with the growth of e-commerce, express carriers increasingly deliver to individual consumers products they ordered on the web. Express operators typically pick up and deliver goods with the highest possible efficiency, by consolidating volume of different shippers and by optimizing the routes used. In doing so, they reduce the number of commercial goods movements and the number of commercial vehicles operating in urban areas. Therefore, express operators should be given the same priority access as those operators organizing collective transportation of passengers. Like them, express carriers contribute to **enhancing mobility in urban areas while reducing the impact on the environment in general and on urban congestion in particular**. The EEA welcomes the European Commission's Action Plan on Urban Mobility. Such an action plan should lead to **full recognition by local authorities of the importance of urban logistics and lead to city mobility plan after stakeholder consultation and respecting necessity and proportionality principles**.

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The European Express Association welcomed the opportunity to comment on the European Commission's Communication on the Future European Transport Policy which outlines measures seeking to address current and future challenges of the transport sector. When applied and implemented in an appropriate manner, these proposed policy measures should lead to an efficient, sustainable and cost competitive transport industry which, in turn, would contribute to the EU's competitiveness.