



EEA COMMENTS ON THE COMMUNICATION ON FREIGHT LOGISTICS IN EUROPE – KEY TO SUSTAINABLE MOBILITY

1. Introduction

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.

Members of the EEA include a number of European all cargo airlines. Furthermore, all of the integrators either own or use the services of Community cargo airlines. In Europe, EEA members operate over 200 aircraft to ensure that express deliveries reach their destinations overnight to meet customers' demands. In addition, the express industry is a major customer of cargo space on combined passenger/cargo aircraft operated by major European airlines on both intra-European and inter-continental routes. The industry participants also buy European-manufactured aircraft, as well as procuring essential aviation technology, technical and maintenance services from the European aerospace industry. All the industry players have significant facilities at major and peripheral airports throughout Europe.

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 road vehicles, shipping and rail. Express industry staff operate more than 20 000 collection/delivery vehicles and 4 000 heavy freight vehicles.

As a major player in the European economy, using a number of different transport modes, the EEA supports the objectives of the Commission's Communication on Freight Logistics in Europe.

2. General comments

The logistics business is booming for several reasons. Primarily, the globalization of the economy maximizes cost saving opportunities from global sourcing production and increases sales opportunities from new and developing markets. In light of the increased and continued momentum of manufacturing migration principally to Asia, efficient and

cost competitive logistics represent a crucial supply chain competitive tool for European manufacturers.

In addition, increasing competition compels companies to reduce the management time devoted to logistics issues in order to focus on their core business. Logistics is thus increasingly outsourced to those who are the experts in the field. As a consequence, efficient logistics service providers are required.

In light of these developments, **the EEA welcomes the Commission's initiative to place logistics on the political agenda** and to create the appropriate framework conditions for helping the industry to develop freight transport logistics.

The Commission's Communication on freight transport logistics states: "*logistics measures are indispensable for maintaining and increasing European competitiveness and prosperity in line with the renewed Lisbon agenda on growth and jobs*". The EEA's members cannot agree more and will help to ensure that logistics play a critical role in the growth and the competitiveness of the EU.

The aim of the debate on logistics must be to facilitate logistics operations in Europe and beyond for the benefit of all companies and of European competitiveness as a whole.

In order to achieve that, a logistics perspective must be integrated into the European transport policy. As stated in the Communication, "*logistics considerations should be an underlying factor in decision-making*".

Regarding the **security measures imposed on the transport sector after 9/11**, 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.

Promoting **sustainable transport operations** is crucial for the development of logistics. The EEA's members are committed to reducing the environmental impact of their operations by using for instance more energy efficient vehicles and aircraft. In return, the regulatory measures to reduce the environmental impact of transport must satisfy the "**balanced approach**" principle.

Regarding aircraft emissions and noise especially, a global **solution** through the International Civil Aviation Organization is clearly preferable in order to minimize the risk of distortion of competition. All regulatory measures require prior **careful impact assessment**.

In addition, **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.** As acknowledged in the Communication, the current revision of the road transport legislation creates an opportunity to promote a legal framework ensuring within the EU: **harmonized conditions for road transport operations**, a **simplification of road transport operations** through less paperwork and EU-wide standardization of the documents of transport, and a **fully liberalized market for cabotage** allowing complete flexibility for cabotage operations.

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 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. In this respect, the launch of Marco Polo II Programme is welcomed.

As regards **rail transport**, in parallel to the progressive implementation of a dedicated rail freight network, 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.

Considering **sea transport**, port infrastructures and processes must guarantee the handling of an increasing number of ever larger containers. Transshipment between water and land side access must be facilitated.

Intermodal operations are also impeded by complex and poorly-harmonized customs clearance procedures throughout the 25 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.

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**.

The EEA is committed to support the Commission's work on the Action Plan for Freight Transport Logistics.
