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**COMMUNICATION FROM THE COMMISSION**

**The EU's freight transport agenda:  
Boosting the efficiency, integration and sustainability of freight transport in Europe**

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### **The EU's freight transport agenda: Boosting the efficiency, integration and sustainability of freight transport in Europe**

#### **1. CONTEXT AND NEED FOR ACTION**

The transport of freight, ranging from raw materials to finished goods, is essential to economic activity and to the quality of life in the EU. It makes possible the division of labour, allows economies of scale, and mobilises comparative advantages. Freight transport is therefore fundamental for European competitiveness.

Well-organised freight transport also contributes to sustainable and energy-efficient operations, and will strengthen cohesion by enabling businesses across the EU, including the peripheral regions, to have better access and draw more benefits from the Internal Market.

The mid-term review of the White Paper of 2001 of the European Commission forecasts a 50 % growth of freight transport activity for EU-25 (in terms of tkm) between 2000 and 2020. This means however that freight transport also raises a number of policy issues that have to be addressed if its efficiency and sustainability are to be secured:

- Congestion in some parts of the European transport system is negatively affecting costs and time of transport and increasing fuel consumption.
- Freight transport needs to do its part in addressing the EU's climate change targets<sup>1</sup>, and reducing pollutant emissions and noise.
- Freight transport is highly dependent on fossil fuels, a large proportion of them being imported.
- Transport safety and security need to be further enhanced.
- There are signs that transport and logistics-related industry sectors are having difficulty attracting qualified staff.

Unless mitigating measures are taken, these issues will be exacerbated by the predicted increases in freight transport.

However, alongside these challenges, there are also opportunities that cannot be missed:

- The heterogeneity of the EU has increased with successive enlargements, and the new continental market requires that updated logistics techniques and best practices are swiftly implemented across the Union.

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<sup>1</sup> Presidency Conclusions of the Brussels European Council of 8/9 March 2007

- Freight transport logistics has become an increasingly integrated and concentrated global market in which several European companies have established themselves as world leaders.
- The prospects of enhancing trade relations with countries outside the EU are relevant. This is why the proposed policy initiatives also take into account the need to render the transport operations especially with the neighbouring countries more efficient.
- Accelerated progress in Information and Communication Technologies (ICT) is revolutionising the way in which freight transport logistics can be organised.

## 2. THE POLICY RESPONSE

To address these challenges the European Commission is simultaneously launching a series of policy initiatives, in line with last year's mid-term review<sup>2</sup> of the 2001 transport White Paper. These measures are the result of intensive consultations with all interested parties during which 13 seminars and conferences were organised, more than 30 external events attended and nearly 160 written submissions received. Additionally, over 500 reports on bottlenecks in logistics were sent to the Commission.

The White Paper review takes note of the change of context since 2001 characterised by the acceleration of the globalisation of production, insecurity of energy supplies, the increase in global warming and the continental dimension of the EU after enlargement to Central and Eastern Europe. In view of these changes, it suggests broadening the focus and the instruments of transport policy to meet the new challenges. In particular it stresses the need to improve the efficiency of the different modes of transport, whether used on their own or in combination (co-modality). The purpose of the current package of measures is to contribute to this objective.

The policy initiatives now presented include:

- The Freight Logistics Action Plan<sup>3</sup> suggests a series of actions to promote freight and traffic management, sustainable quality and efficiency, simplification of administrative processes, to review loading standards and examine, with a view to possibly reviewing Directive 96/53/EC on vehicle dimensions and weights (while bearing in mind the consequences on the other transport modes).
- The Communication on a freight-oriented rail network<sup>4</sup> will make rail freight more competitive, in particular by ensuring lower transit times and increasing rail's reliability and responsiveness to customer requirements.
- The Communication on a European Ports Policy<sup>5</sup> will provide a vision and a toolbox for enhancing the performance of ports as essential hubs in Europe's

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<sup>2</sup> "Keep Europe Moving: Sustainable mobility for our continent" COM(2006) 314 final .

<sup>3</sup> COM(2007) 607 final

<sup>4</sup> COM(2007) 608 final.

<sup>5</sup> COM(2007) 616 final

transport system, helping them attracting new investment, creating a stable dialogue between all stakeholders and improving their image This Communication implements the recently adopted Communication on an Integrated Maritime Policy for the European Union<sup>6</sup> which sets out a holistic, cross-sectoral approach to maritime affairs,

as well as

- The Commission staff working paper "Towards a European maritime transport space without barriers"<sup>7</sup> will start a consultation process on allowing short sea shipping to fully benefit from the Internal Market through facilitation and simplification of administrative and documentary procedures, putting maritime freight transport on an equal footing with other transport modes.
- The staff working paper on Motorways of the Sea<sup>8</sup> describes progress made in developing Motorways of the Sea and suggests further quality elements.

### 3. SYNERGIES

The policy initiatives outlined above reinforce each other and constitute a policy agenda to improve the efficiency of freight transport in Europe. Taken together, they will help render freight transport in the EU more efficient and more sustainable. While they each address issues that are specific to their domains, they do so by adopting a common approach which is characterised by

- a focus on corridors, also connecting the transport chains to and from the neighbouring countries and over seas,
- the promotion of innovative technologies and practices in infrastructure, means of transport (such as vehicles, wagons and vessels) and freight management,
- the simplification and facilitation of freight transport chains and related administrative procedures, and
- the reinforcement of quality.

#### 3.1. Corridor-based approach

By exploiting economies of scale, corridors offer unique technical and economic opportunities that make it attractive to optimally use the various transport modes. It is essential that the various transport modes as well as the corridors themselves may be combined in a seamless door-to-door service, making use – where appropriate – of well designed terminals. This is a precondition for freight to pass easily, reliably and cost-efficiently from one mode to another. The Communications on a Ports Policy and on the Freight-oriented Rail Network therefore address the availability and the accessibility of transshipment platforms while the Freight Logistics Action

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<sup>6</sup> COM(2007) 575 final.

<sup>7</sup> SEC(2007) 1351.

<sup>8</sup> SEC(2007) 1367.

Plan focuses on quality and efficiency for the movement of goods, as well as on ensuring that freight-related information travels easily between modes.

To render freight transport more sustainable, efforts must be undertaken to minimise energy consumption and the emission of noise, pollutants and greenhouse gases caused by the carriage of goods.

With this in mind, the Logistics Action Plan introduces the notion of "green corridors", i.e. freight transport corridors that are characterised by low impacts on the human and natural environment. Rail and waterborne transport modes will be essential components of these green corridors.

### **3.2. Infrastructure, means of transport and freight management**

Today's transport infrastructure needs to accommodate the substantial freight transport growth forecast for the coming years. One element of a strategy towards this objective is the trans-European transport network (TEN-T) where ongoing work includes the development of a number of strategically significant trans-national corridors. Another element will be the efficient use of available infrastructure, including the use of IT-based systems to improve the management of traffic and of freight carried. The European Rail Traffic Management System (ERTMS) and Telematics Application for Freight (TAF) in the rail sector and River Information Services (RIS) for inland waterway transport, as well as SafeSeaNet, Vessel Traffic Management and Information Systems (VTMIS), Automatic Identification System (AIS) and Long-Range Identification and Tracking (LRIT) for maritime transport bear witness to ongoing efforts in this direction. The Logistics Action Plan suggests that further efforts need to be undertaken for development of Intelligent Transport Systems (ITS) in road transport in order also to achieve interoperability. It furthermore calls for work to achieve integrated tracking and tracing and, in the longer term, also routing of freight across modes. In this respect a major initiative on ITS for 2008, establishing a detailed roadmap for ITS development and deployment in Europe and addressing the main technology applications relevant for freight logistics, is currently being prepared by the Commission. The deployment of European satellite navigation systems such as EGNOS and Galileo are a cornerstone of such a policy.

Freight has also an urban dimension. Distribution of goods in urban areas requires efficient interfaces between trunk-deliveries over long distances and short distance distribution to the final destination. This issue is part of the European Commission's Green Paper on urban mobility which will lead to future actions in this area.

A second prerequisite for more efficient use of transport infrastructure is the removal of operational and commercial barriers obstructing access to the infrastructure. This issue is taken up by the Communication on a Freight-oriented Rail Network because absence of coordination in path allocation makes cross-border traffic arrangements unnecessarily complex and adds to physical obstacles to rail operations and unnecessary delays.

### **3.3. Simplification**

Over time, services and regulations have evolved by mode and often by country, leading to different sets of rules on documentation, liability or other administrative requirements and procedures.

Measures to simplify the administrative environment of freight transport are focussed in the first instance on multi-modal transport chains. The Freight Logistics Action Plan underlines the importance of advancing towards a single point of interface for administrative requirements in freight and also addresses the question of documentation and liability in multi-modal transport. In parallel, the Communication on a Freight-oriented Rail Network addresses the issue of harmonisation of rules along rail corridors.

The administrative and documentary complexity of short sea shipping is a particular case. This is partly owing to inherent characteristics of shipping but also because a ship sailing between two EU ports is considered leaving the EU customs territory at the port of departure to re-enter that territory in the port of destination. This entails a number of procedures that need to be carried out. This point is being examined in the Commission staff working paper on a European maritime space without barriers.

### **3.4. Freight transport quality**

Quality of service in freight transport needs to be improved, especially if modal alternatives to road are to be rendered more attractive. Rail in particular should strive to improve its performance while the integration of waterborne modes in the transport logistics chain should be enhanced. The Freight Logistics Action Plan suggests ways to improve performance in logistics chains and specifically looks at the service levels in multimodal transshipment hubs.

## **4. ROLE OF THE EC**

To improve the efficiency and sustainability of freight transport, the authorities have to create the appropriate framework conditions and support the trend towards co-modality and sustainability. This includes adopting appropriate legislative measures, mandating technical standardisation, providing political and financial support and encouraging the promotion of best practices. Through the Freight Logistics Action Plan, the Communication on a Freight-oriented Rail Network, the Communication on a European Ports Policy and the Commission staff working papers "Towards a European maritime space without barriers" and on Motorways of the Sea, which together constitute the 2007 Freight Transport Agenda, the European Commission is addressing the actions that need to be undertaken at the level of the EU.

European efforts in support of transport corridors, improved traffic and freight management, simplification and quality are particularly necessary in view of the trans-national nature of the corridors, the increasing share of cross-border freight transport as the Internal Market develops, and the opportunities for growth and trade beyond the EU's external borders. Furthermore, in an industry that relies heavily on innovation the absence of a European approach would lead to the fragmentation of markets and hinder the introduction of new technologies or innovative solutions,

particularly for SMEs. Finally, the environmental concerns raised by freight transport require a common effort.

## **5. DRIVING THINGS FURTHER**

The simultaneous adoption of initiatives that address the transport of freight bears witness to the importance of this topic for the sustainability and the competitiveness of Europe's economies. The proposals that they contain are the result of a long process of consultations. It has had as a result the launching of a European Social dialogue on Ports and is likely to encourage intensive social dialogue also at local and regional level.

The set of policy initiatives introduced in this document point the way to a European freight transport policy that is constructed on the principles of co-modality, Intelligent Transport Systems (ITS), green corridors and user orientation:

- co-modality requires improving the efficiency, interoperability and inter-connectivity of rail, maritime, inland waterway transport, air, road transport and related hubs to achieve their full integration in a seamless door-to-door service;
- Intelligent Transport Systems offer a way to improving transport and cargo management, and increasing the utilisation of available infrastructure;
- the concept of green corridors gives further substance to the objective to integrate environmental, as well as safety and security concerns in the design and operation of infrastructure on the trans-European transport network;
- finally, user requirements need to become the focus of the future.

These principles will guide the implementation of the actions and initiatives now proposed by the European Commission.