COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 28.6.2006
SEC(2006) 820

Appendix to

The Annex to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions

Freight Transport Logistics in Europe – the key to sustainable mobility

Summary of the Impact Assessment - Points for Reflection

{COM(2006) 336 final}
{SEC(2006) 818}

Summary of the Impact Assessment

This report commits only the Commission services involved in its preparation and does not prejudge the final form of any decision to be taken by the Commission.

1. THE PROBLEM

The organisation and operation of the European transport system are not optimal. The efficiency of the system and its integration are not as advanced as they could be.

Rapid growth of freight transport with consequential congestion, accidents, noise and pollution are amongst the economic, social and environmental problems that need to be addressed. Furthermore, effective planning, management and control of unimodal and multimodal transport chains through logistics solutions are not sufficiently developed for the objectives of co-modality[1] to fully materialise. Freight transport needs to do more to maintain and increase European competitiveness.

Modern logistics solutions are needed to use fewer transport operations to carry more freight. Rail and inland waterways, although they show growth in the last few years, are still lagging behind in performance. Air freight should be closer integrated in the system. Short sea shipping is performing well but is not developing as fast as it could. Deep-sea shipping and its hinterland connections need to be enhanced.

2. AFFECTED PARTIES

Everyone is affected by these issues. Road transport without advanced logistics planning results in unnecessary and empty runs, less than full loads, congestion, accidents, noise and environmental pollution that affect the citizens and industry. Building land-based infrastructure also needs careful land-use planning. The transport logistics cluster is an important source of employment and employs around 7,5 million people in the EU-25. Concerns are also evident at political level.

European competitiveness and prosperity can suffer when the transport system is not used in the best possible way. Complementarity of modes in a co-modal transport system has not yet materialised.

3. FORESEEN EVOLUTION OF THE PROBLEM

Without new measures, transport modes in the European transport system would continue developing in contrasting ways and not achieve a sufficient degree of synergy. Infrastructure resources could become exhausted in a few years' time and the European transport system would become crippled.

[1] 'Co-modality' means the efficient use of transport modes operating on their own or in multimodal integration in the European transport system to reach an optimal and sustainable utilisation of resources.

4. SUBSIDIARITY AND PROPORTIONALITY

The policy to foster freight transport logistics is based on Articles 71(1) and 80(2) of the Treaty.

National policies might not always produce interoperable transport solutions that are needed for Europe to work optimally together in an area without borders. Substantial results can only be achieved by the European Commission working with the Member States and industry towards a coherent framework covering the whole of Europe.

Individual measures that might follow from a European approach to freight transport logistics will have to be examined, one by one, from the point of view of subsidiarity and proportionality. A clear area where Europe could offer added value to national approaches is the diversity of measures, taken at national level, such as road network management using intelligent transport systems, which could lead to barriers to the free movement of goods and services.

5. STAKEHOLDER CONSULTATIONS

In February 2006, the Commission published a consultation document on intermodal logistics[2] and received over 100 contributions from the Member States and stakeholders. In April 2006, the Commission organised a consultation workshop with approximately 70 participants.

The results of the consultations showed significant support for the framework approach that the Commission was advocating in the consultation document.

Considerable support was also expressed for the suggested quality approach that was presented in the consultation document. However, some criticism was expressed about the growing number of certification schemes.

Broad general support was evident for the individual actions proposed (certifying quality, multimodal liability, multimodal promotion, and a dialogue between the stakeholders, Member States and the Commission).

6. GENERAL POLICY OBJECTIVES

The efficiency and use of resources in the European transport system need to be optimised. Europe needs efficient freight transport logistics combining the benefits of all modes to maintain and increase European competitiveness and prosperity in line with the Lisbon agenda and the mid-term review of the White Paper on European Transport Policy.

Overall policy objectives in terms of expected results are to optimise the European transport system and increase its efficiency in order to diminish the unsustainable trends indicated above. Logistics is an essential tool for this. Furthermore, logistics enhances cohesion and links to peripheral areas and islands. Efficiency in logistics might also help avoid certain trends, such as relocation of jobs outside the EU.

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[2] www.ec.europa.eu/comm/transport/logistics/consultations/index_en.htm.

Moreover, national transport authorities are increasingly seeking alternatives to better manage their own transport systems. However, the integrity of the single market must be ensured so that national solutions are not developed and implemented in different ways throughout the EU.

7. ANALYSIS OF IMPACTS

This impact assessment examines different policy options to enhance the development of freight transport logistics in Europe. The short-listed options are:

- 'Do nothing' and not take action towards establishing a framework for freight transport logistics in Europe but continue to work as has been the case so far;
- 'Take action' towards establishing a framework for freight transport logistics in Europe. This framework could lead to a strategy using soft measures or combining soft measures with legislative ones in a coherent way.

The options are assessed against a baseline (stable, neutral option) which is the situation in 2006 until possible new action.

The evaluation criteria used to asses impacts are: positive, slightly positive, neutral, slightly negative, and negative.

The time perspective is considered to be from short to medium-term (up to 5 years).

7.1. Overall impacts of the general approach ('taking action' vis-à-vis 'doing nothing')

Summary table of impacts			
	Economic impact	Social Impact	Environmental impact
Do nothing	Slightly negative	Towards slightly negative	Slightly negative
Take action	Positive	Slightly positive	Slightly positive

7.2. Specific impacts of possible areas of action arising from stakeholder consultations

7.2.1. Information and communications technology (ICT)

Summary table of impacts			
	Economic impact	Social Impact	Environmental impact
Do nothing	Towards slightly positive	Neutral	Towards slightly positive
Include this area in the option 'take action'	Positive	Towards slightly positive	Slightly positive

7.2.2. Logistics training

Summary table of impacts			
	Economic impact	Social Impact	Environmental impact
Do nothing	Slightly positive	Towards slightly positive	Towards slightly positive
Include this area in the option 'take action'	Positive	Slightly positive	Slightly positive

7.2.3. Bottleneck exercise within a dialogue on freight transport logistics

Summary table of impacts			
	Economic impact	Social Impact	Environmental impact
Do nothing	Slightly negative	Towards slightly negative	Slightly negative
Include this area in the option 'take action'	Positive	Towards slightly positive	Slightly positive

7.2.4. Statistics

Summary table of impacts			
	Economic impact	Social Impact	Environmental impact
Do nothing	From neutral to slightly negative	Neutral	Neutral
Include this area in the option 'take action'	Towards slightly positive	Towards slightly positive	Towards slightly positive

7.3. Ranking the options

Fifty per cent of aggregated impacts arise from the overall impacts (Chapter 7.1) and fifty per cent from the impacts of specific areas of action (Chapter 7.2).

RANKING THE OPTIONS	
	Aggregated impacts in total
Do nothing	Towards slightly negative
Take action towards establishing a framework that can lead to a strategy for freight transport logistics	From slightly positive to positive

7.4. The preferred option

The preferred option is to launch consultations by presenting a Communication that constitutes the first step towards establishing a framework that might later lead to a strategy for freight transport logistics.

8. MONITORING AND EVALUATION

8.1. Core indicators of progress

A core indicator of progress will be the presentation of an Action Plan for Freight Transport Logistics in 2007.

When statistical indicators are in place, progress on the development of logistics could be measured in terms of kilometres performed by modes vis-à-vis the corresponding tonne-kilometres.

An indicator, in particular for multimodal solutions, could also be the growth of the modes in relation to each other.

Another plausible measurement could be the importance that Member States give to logistics in their transport policy.

Furthermore, the priority given by industry and relevant European social partner organisations to logistics solutions can be assessed.

A further measurement could be the overall level of acceptance of EU actions in the field of logistics.

Future identification of obstacles to freight transport logistics and finding solutions to them is also measurable.

8.2. Broad outline for possible monitoring and evaluation

The Commission will consult the European institutions, stakeholders and other interested parties on areas of action where the EU could offer added value to freight transport logistics. The Commission will also follow up developments with the Member States and industry. A suitable platform for this work could be the planned group of Focal Points for Freight Transport Logistics.

The planned Action Plan for Freight Transport Logistics in 2007 will also serve as a milestone for reassessing the situation.

Points for Reflection

Freight transport logistics is an integral element of the supply chain. While logistics is business, the EU's role should be to offer a positive environment for logistics efficiency, innovation and growth in Europe. For this purpose, a comprehensive EU framework strategy with appropriate priorities should be devised.

In such a strategy, multimodality should not be an objective in itself, but part of Europe's co-modal transport system. It needs to compete with single modes on equal terms. Multimodality needs to be simplified, enhanced and promoted.

The Commission's Communication presents the first four areas of action arising from the stakeholder consultations held in February – April 2006[3] and a number of other initiatives that have relevance to freight transport logistics.

The Communication raises a number of elements for discussion and poses the question about areas where the EU can offer added value to developing freight transport logistics:

(1) Logistics and transport policy should be linked closer together. This should not apply only at European level but also at national level when making transport policy decisions, for instance, in the field of infrastructure capacity and management. Existing resources should be better exploited while maintaining the integrity of the internal market.

(2) The stakeholders consider that work on information and communications technologies (ICT) should start on standardising communications between administrations and industry. Work is already going on in this area (e.g. single administrative document, single window). Further efforts could be undertaken, *inter alia*, to develop common messaging (e.g. using XML), enhance compatibility of electronic systems for tracking and tracing, and to create a Common European Maritime Space for communications between the ship and shore. The scope of EU activities and the first steps to be taken should be defined in the strategy.

(3) Obstacles to the development of freight transport logistics need to be identified in concrete terms before they can be addressed and solved. Based on the successful example of a "bottleneck exercise" in short sea shipping, stakeholders consider that carrying out a similar exercise in freight transport logistics should constitute clear added value.

(4) Training for logisticians and other personnel working with logistics flows should be a clear priority. Creating mutually recognised certification for training should create added value to individuals, companies and the society.

(5) Quality in logistics services (chains) and companies should be recognised in Europe. Benchmarking tools are needed to assess quality and grant European labels of logistics excellence while maintaining the related administrative burden on a minimum level.

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[3] 1) Information and communications technologies (ICT), 2) training, 3) identification and removal of bottlenecks, and 4) statistics.

(6) In road transport, the "modular concept" that was introduced in 1996[4] would enable 50% more freight to be carried in one vehicle[5]. The use of this concept would allow, in certain national transport operations, vehicles and loads that are longer than generally foreseen in the Directive. It might now be opportune to seriously explore this modular concept for Europe.

(7) The development of multimodal logistics terminals should be promoted as crucial points of interconnection between the main arteries of the trans-European transport network. These terminals should employ modern technological solutions and have quality infrastructure connections. They should be able to attract new private investments and create new jobs.

(8) Globalisation increases transportation and, consequently, congestion in transhipment facilities, such as seaports and airports, and on their hinterland connections. The possibilities to construct new infrastructure are limited. The efficiency of nodal points should be increased, and the burden on infrastructure should be distributed more evenly. Solutions, such as new levels of collaboration and burden-sharing between modes and transhipment facilities, would need to be studied to meet these growing challenges.

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4 Article 4(4) of Directive 96/53/EC of 25 July 1996 laying down for certain road vehicles circulating within the Community the maximum authorized dimensions in national and international traffic and the maximum authorized weights in international traffic (OJ L 235, 17.9.1996, p. 59), as amended by Directive 2002/7/EC (OJ L 67, 9.3.2002, p. 47).

5 The same amount of freight could be carried by 30% fewer vehicles by coupling normal semi-trailers and trailers together to constitute longer vehicles. This would alleviate road congestion, and decrease energy use and CO_2 emissions by 15% per tonne transported. A modular vehicle could be 25,25 m long while a normal road train and articulated vehicle are 18,75 m and 16,50 m respectively.