

Presentation by Vice-President Kallas

to the committee on Transport, Building and Urban Development of the

German Bundestag

(Berlin 6 April 2011)

SPEAKING POINTS

Sehr geehrte Damen und Herren Abgeordnete, Herr Vorsitzender, ich freue mich sehr heute hier bei Ihnen zu sein und möchte mich herzlich für Ihre Einladung bedanken.

Ich freue mich sehr über die Gelegenheit mit Ihnen ausführlich über die Verkehrspolitik für die Zukunft Europas sprechen zu können. Verkehr ist eine elementare Funktion unserer freien Gesellschaft. Menschliches Zusammenleben, Austausch, Handel brauchen verlässliche und flexible Transport-Möglichkeiten. Verkehr bringt jedoch auch Belastungen mit sich vor denen wir die Augen nicht verschließen können.

Ladies and Gentlemen, with your permission, I will now switch to English.

The European Commission recently adopted a White Paper on a Roadmap to a Single Transport Area. Not a legislative proposal, but an outlook what we have to decide today to make transport possible tomorrow.

The Commission is convinced of the importance of transport and logistics for the European economy and of their double role of growth engines 'for the business' and 'as a business'. But we must also look out to the world, where other strong players emerge. We need to support our European transport industry to stay competitive on the world stage.

Our great challenge is to help transport address future constraints without sacrificing its efficiency. We need to abandon the old habit of only thinking in terms of individual transport modes and start thinking about transport as a network, as a system.

- Today, 96% of transport energy needs are satisfied by oil. We cannot continue being completely dependent on this single source. Oil will become scarcer and more expensive in future decades, sourced increasingly from uncertain supplies.
- Our cities, roads and skies are increasingly congested. Urbanisation will continue and traffic in cities and on their access routes will grow. Bottlenecks are also present in some ports and airports.
- The EU is committed to reduce greenhouse gas emissions by at least 80% by 2050. To reach this target, transport will need to cut its emissions by at least 60% with respect to 1990. This in itself is a formidable challenge: the sector's emissions will need to be 70% less than today.

No country alone can tackle these challenges; We need European solutions. The White Paper outlines a strategy with three broad objectives in mind:

- First, using new vehicle and fuel technologies, notably electric and fuel cells vehicles for the short distances and the urban context, hydrogen and sustainable biofuels for the longer distances. I am encouraged by the German activities in the area. With the Economic Stimulus Package, Germany demonstrates its clear interests in promoting the research and market preparation for battery-electric vehicles as well as for hydrogen and fuel cell technology that I can only support.
- Second, optimising choices for passengers and consolidating freight volumes. Effectively promote the use of public transport, coaches and trains for passengers. We should triple the EU's high-speed rail network by 2030. I actively support the development of European multimodal travel journey planners allowing passengers to plan or book their journeys through Europe in one go. Multimodal solutions need also be further developed for long distance freight and we need to promote consolidation centres for urban logistics.
- Third, better exploiting the infrastructure by improving traffic management through IT solutions that also reduce administrative costs (European Rail Traffic Management System, eFreight and so on). The Single European Sky alone will allow reducing CO2 emissions by 10% and at the same time double our ability to fly in the congested skies of Europe; a key project for us. Furthermore, integrating and complementing the modal networks helps better exploiting all the available capacity: transshipment facilities, port/rail connections, inland waterways links.

How do we get there? Our strategy foresees initiatives in four main policy areas:

- Firstly, the creation of a Single European Transport Area in which national and modal barriers are broken down, passengers have more rights, social rules are more uniformly enforced. Improvements are required on various fronts: better information for users, adequate transshipment platforms, multimodal electronic transport documents.
Passenger transport by rail is a good example and we will propose that the European rail networks are completely open to competition. But putting a date for liberalisation alone is not sufficient: we have to remove all obstacles of administrative or regulatory nature, A Single European Transport area also means fair and non-discriminatory access to the rail network and to rail-related services. I know this is an important issue for Germany. The first rail package recast includes provisions to address these key problems.
- Secondly, the adoption of an integrated research and innovation policy that better links technological development with actual deployment. We will present an innovation and deployment strategy for the transport sector later this year. The European transport sector has an opportunity to maintain existing and gain new technological leadership.
- Thirdly, modern infrastructure and smart pricing:
This means a revised TEN-T policy that creates a 'core network' as a pan-European multimodal transport backbone linking major cities and economic centres and bringing together the Western and Eastern part of the Union. Germany lies at the centre of the EU and we took on board many recommendations we received from Germany in this field.

The necessary infrastructure and related developments will require substantial resources. I will certainly make our case for an appropriate budgetary envelope in the next financial perspectives to match the challenges ahead.

But as public resources are more limited than ever, it is essential to open additional sources of financing.

Private funding of infrastructure investments is available in principle – yet it requires reliable, transparent and stable investment conditions without undue political interferences. The White Paper – in the support document – contains a very concrete discussion of private sector participation options and I am certainly ready to learn from Germany's rather positive, as I hear, experiences with public private partnerships.

I am pleased with the European Commission's recently launched project bonds initiative – not to be confused with the much debated "Euro-Bonds" – which in my view is a concrete and promising means of using limited public funds to leverage private money at favourable conditions.

Scarce public funding means also more user involvement. Pay for the use of infrastructure but, in form of "Smart pricing", receive a better service in exchange – less congestion, more information, more safety.

- Finally a fourth point, opening up third country markets in transport services, products and investments continues to have high priority. We will work towards promoting our internal market rules through work in international organisations, and where relevant attain full EU membership. Extending our transport and infrastructure policy to our immediate neighbours, including in the preparation of mobility continuity plans, will deliver their closer integration into the European market.

Ladies and Gentlemen, I have also proposed ten goals, or rather benchmarks, for guiding policy action and helping assess progress, plus 40 concrete measures on how to get there. By 2050, key goals will include:

- No more conventionally-fuelled cars in cities by 2050. In order to explain this goal, let me explain that this is not about "Brussels banning" cars; hybrids (e.g. Toyota Prius) are not 'conventionally-fuelled cars', hence the goal is more realistic than it appears.
- 40% use of sustainable low carbon fuels in aviation; at least 40% cut in shipping emissions. Reducing greenhouse gas emissions from ships is extremely important. The Commission supports a world-wide solution within the IMO. However, time is running short and progress is extremely slow. If we want to advance, I believe that we need to be pragmatic and converge towards one option which can ensure credible emissions reductions, preserves a level-playing field in the sector, and gathers the greatest support among IMO members.
- A 50% shift of medium distance intercity passenger and freight journeys from road to rail and waterborne transport. We are proposing to shift part of the growth that corresponds to 30% of today's road volumes, but road freight transport would still increase by 30% by 2030 and 50% by 2050. Considering the lack of truck-drivers

and the congestion on the roads, ambitious targets are necessary, also to preserve efficient operations on the roads.

All of this will contribute to the targeted 60% cut in transport emissions by the middle of the century. However, just to reiterate, the ten goals in the White Paper should not be interpreted as binding targets, but rather as a benchmarks that should help assess progress towards a competitive and resource efficient transport system.

Meine sehr verehrten Damen und Herren, ich danke Ihnen für Ihre Aufmerksamkeit und freue mich auf eine offene und anregende Diskussion.