



European Commission's Public Consultation

“How to better connect the major Trans-European transport axes to the neighbouring countries and regions”

INTRODUCTION

CLECAT represents freight forwarders, logistics operators and Customs agents at European level¹.

CLECAT members are impartial users of all modes of transport, but deal exclusively with cargo. In view of the sector it represents, CLECAT's response concentrates exclusively on the movement of goods. Also the response below will confine itself to answering those specific questions of importance to the CLECAT's membership.

We would like to thank the European Commission for this opportunity to comment on a topic of vital importance for the sustainable development of the enlarged EU. CLECAT strongly believes that our future prosperity is highly dependent on the efficient performance of our transportation and logistic networks. The EU leads in world logistics², both in terms of volumes and in terms of invested capital. The preservation and enhancement of this leading position is a key element for maintaining EU competitiveness over the next twenty years.

Freight forwarders and logistics service providers manage a sizeable percentage of the world's freight. Numbers are unfortunately not homogeneous and vary significantly in different countries; hence a precise figure is not available at EU level.

In designing logistics and transport solutions for their clients, freight forwarders use and rely on the transport infrastructure available, which may hamper or smooth the progress

¹ Description of the structure and the official [description of the services](http://www.clecat.org/docs/aboutus.htm) supplied by Clecat Members can be found at the following address: <http://www.clecat.org/docs/aboutus.htm>

² <http://www.transport-forum.com/section/statistics>

of their work accordingly. As most of them operate worldwide, the transport network connection between the European Union and its neighbouring countries is very significant, especially when the increase of cross-border traffic resulting from the relocation of production is taken into account.

In replying to this questionnaire, CLECAT provides its input to the wider debate with reference to the experience of freight forwarders involved in the organisation and management of the international transportation of goods. Whilst our views are not segregated in specific transport modes, the nature of this consultation calls for closer attention towards road, rail and short sea shipping (SSS). The main ideas, which emerge from the detailed responses below, can be summarised as follows:

- the existing trans-European transport axes are all but completed, but efficiency and harmonisation still has a place on our wish-list;
- the centre of gravity of EU mobility has been shifted Eastwards, and it will be further shifted towards SE Europe;
- transport operators must feel confident that their investments are well placed and that the charges they pay are used for the enhancement of the infrastructure they are using;
- a winning mobility policy, based on the efficient performance of the logistics sector, is a key element for the competitiveness of EU trade over the next twenty years.

QUESTIONNAIRE

Which are the major axes?

1. What are the main transport axes, including motorways of the sea, connecting the European Union to the neighbouring countries or broader regions today?

Today's transport axes are the direct result of the need to connect the "EU banana"³ region with its periphery, coinciding with the former EU-15. After the last EU enlargement extended the EU borders eastward, the main transport axis shows a trend to realign horizontally on the map, creating renewed strain on E-W axes, for instance on Corridors II, IV and V.

2. What will these axes be with a time horizon of 2020?

Although the European Union is hoping to decouple transport growth from economic growth, it is unlikely that by 2020 the demand for mobility within the EU will decrease. Actually almost all studies agree that it will increase rather sharply, as much as 80% by 2030 according to some sources⁴. It is likely that the main transport axes will depend on the level of commercial exchanges between the EU and its neighbouring countries, where a fair percentage of production and logistics relocation has taken place and will continue. Without going into an in-depth evaluation of complex criteria (evolution of the level of

³ <http://www.espon.lu/online/documentation/projects/thematic/1886/fr-1.1.1-annex-a.pdf>

⁴ <http://www.emcc.eurowfound.eu.int/publications/2005/ef04123en2.pdf>

GDP, population, and imports/exports, etc) it is generally acknowledged that most of the leading logistics companies have invested in, or are heavily investing in the new entrant MS's and beyond. This trend indicates what the future may look like, in terms of where cargo will be processed, if not produced or consumed.

Another key element of analysis is the evolution of the relationship in the Mediterranean. Libya is now an active trade partner for many an EU nation. Its "homecoming" has created on the south coast of the Mediterranean a seamless trading situation that will be a likely contender to become one of the main trading partners of the EU in the next few years, with over 500 million "clients".

In the light of this, it is essential that the northern part of Europe promotes the enhancement of all the axes leading to the Mediterranean and the Black Sea, to keep its grasp on developing markets intact. All the *Motorways* of the Mediterranean Sea appear therefore to be essential links, connecting the Atlantic and the North Sea with Northern Africa and Middle-East⁵. This picture could become a success story, provided the Alps have an adequate number of rail and road tunnels, to minimize environmental damage. It must be noted that all the alpine tunnels in the EU were finished before 1980, i.e. nothing has been done in the last 25 years. The only new transport infrastructure in this region was created by Switzerland, which is not a MS.

In south-east Europe another important axis will have to link the "EU banana" to Turkey, an EU candidate country, which by 2020 will have about 90 million inhabitants and may have become a MS.

3. What is the balance between the different transport modes?

The available data on this subject is very limited. Among the best sources the Commission produces a valuable publication⁶, but both the Commission and the stakeholders are aware that more recent and structured sources of information are necessary. CLECAT has recently been involved in a work group (Intermodal Statistics) that may help to fill this gap in the future.

All this being said, it is acknowledged that the road transport mode share in the EU freight market is predominant, it varies from country to country, but in general it is never lower than 60% of the total and in some countries (e.g. UK, I) it is over 80%.

CLECAT is very active in promoting "smarter" use of transport modes and is extremely interested in all possible alternative services, mainly because an excessive growth of road transport may seriously hamper its own efficiency. The problem of road congestion within the EU is well known to all and well documented; therefore do not wish to dwell on this subject.

⁵ See Clecat reply to EC Consultation on Financing of Motorways of the Sea through Article 12A TEN-T : <http://www.clecat.org/downloads/MotOfTheSea.PDF>

⁶ http://europa.eu.int/comm/dgs/energy_transport/figures/pocketbook/2004_en.htm

That said, what is often forgotten or overlooked, is that there is no logistics without road transport and that a significant proportion of road traffic is unavoidable and cannot be diverted to other transport modes. This segment consists of short haul traffic (less than 50 km), urban or last mile deliveries and a portion of own-account movements. Some own account can be discouraged and ploughed back into professional service, but some of it shows no room for changes (e.g. market stands, household service providers, etc.)

4. What are the current traffic volumes, both passenger and freight, on the proposed axes?

CLECAT has no available data on this item.

5. What is the amount and share of international traffic to/from the Union or between the neighbouring regions?

CLECAT has no available data on this item at the moment.

6. How will these traffic volumes develop by 2020?

In a recent meeting of the CLECAT Road Committee some delegates from new MS freight forwarders' federations expressed their concern that the trend shown in the trade between their countries and the EU-15 (allegedly increased by 300% after the enlargement) might seriously strain the road haulage market, whilst they observed much fiercer competition.

Even though a wider picture was already drawn in our answer to question nr 2, experience tells us that exchange – and thus traffic – volumes between new and former Member States tend to increase in the years following an EU Enlargement. Last year's was by far the largest to date, thus its effect might have the largest impact to date on our future traffic picture.

Even though Ukraine, and especially Russia, may not grow at the same pace as the Far East, it is foreseeable that east-west corridors (especially II and V) will see traffic increase. Russia has a negative growth in population and an overall fairly uncertain picture ahead, but its entrance in the WTO is likely to generate increased trade. Changes in the traits of the components of the EU-Russia exchange may also be expected.

The present balance of high-tech and consumers goods exported from the EU and semi-finished products and raw materials significantly entering the EU may evolve into a more balanced trade, as a result of logistic relocation, entailing a larger share of the logistic cost (i.e. freight movements) gained by packaging and lighter components against a smaller portion of commodity-related freight.

7. Are there particularly environmentally sensitive areas that must be taken into account when identifying major axes?

Protected areas⁷, such as mountainous regions, e.g. the Alps and the Pyrenees, wild forests⁸, wetland, lakes and coasts are very fragile environments. They deserve a specific attention, but some of them cannot be segregated from the growing demand for mobility.

The balance that we have to strike between growth and damaging the environment may have to pass under the yoke of more demanding infrastructure planning, such as tunnels and underpasses.

Which investments and how?

1. Which are the most pressing congestion, traffic safety or geographical bottlenecks on the major axes that could justify investments?

A number of publications and studies are dealing with this moot point. A recent FIATA/UIC study suggested that 1 delivery in 9 goes wrong because of congestion.

Without wishing to duplicate effort we would like to draw the Commission's attention to the following types of bottlenecks or obstacles that impede smooth logistics activity, not necessarily stemming from unpredictable conditions:

- Urban areas: the problem of congestion in big urban centres (such as London, Paris, Milan, etc.) is totally unresolved. Whilst some urban areas (e.g. Paris) offer an encouraging variety of public transport opportunities, others are definitely lagging behind, if not reducing their offer. Urban areas in general and large ones in particular are one of the major concerns for logistics entrepreneurs;
- Locally generated stoppage of trans-national projects, sometime unduly protracted, ought to be tackled through EU specific targeted action implemented with the necessary powers to inspect;
- Geographical/topological bottlenecks: mountainous regions, such as the Alps and the Pyrenees should be an EU policy priority;
- Access to highly sensitive infrastructure, such as ports, airports, international bridges and tunnels should be adequately monitored and national governments should have a statutory responsibility to ensure the free movement of traffic, at reasonable flow-rates, at all times.

As CLECAT has more than once observed, private users of infrastructure may have to start considering that their right to use transport infrastructure indiscriminately ends where the right of all EU citizens to secure a prosperous and sustainable plan for future growth begins.

⁷ <http://sea.unep-wcmc.org/wdbpa/>

⁸ http://www.poland.pl/nature/regions/pojezierza_wsch/romincka/description.htm
<http://www.unep-wcmc.org/index.html?http://www.unep-wcmc.org/sites/wh/bialowie.html~main>

2. What kind of improvements (rehabilitation, new construction) to the infrastructure would be needed to remove the bottlenecks?

Quality in transport infrastructures can only be reached through regular monitoring, maintenance and improvement of the infrastructure network as a whole. Transport networks only work as efficiently as their weakest link. Where the network suffers, hampered by inadequate infrastructure, the problem will drag down to the end of the chain, with very small chances of being restored in the meantime. This simple thought shows that the entire existing pan-European network needs assessment and enhancement, starting with the most obvious bottlenecks:

- Alpine and Pyrenees crossings;
- Polish, Czech and Hungarian corridors,
- Corridor V,
- Italian Riviera and Cote d'Azur motorways,
- Almost all connections of the M25 around London, the same observation being possible for Paris, Ruhrgebiet and Milan urban motorway systems.

The above is a list that might grow quite fast, but again the worst situations are quite well documented already and it is not necessary for Clecat to dwell on it much longer.

Bottlenecks usually are the result of an infrastructure that is not adapted to the level of traffic it carries given the physical and environmental constraints. Adapting the infrastructure should enable the latter's performance to be optimised. This can rarely be achieved through a one-off 'fix', but rather, by combining the improvement of the infrastructure with the development of alternatives (e.g. Mercantour Tunnel⁹ and motorway is probably the only way to relieve the Italian Riviera motorways).

3. What is the time horizon for the realisation of such a project?

CLECAT, in its capacity of logistics operators' representative, is not in a position to evaluate long-term projects. Obviously, the sooner bottlenecks are removed, the better.

4. What would the economic, environmental and safety benefits of such projects be?

As mentioned in almost all other answers, the highest level of performance of an infrastructure can be reached by striking a satisfactory balance between traffic integration and physical/environmental constraints. Bottlenecks create congestion, which leads to environmental damage and safety problems. Therefore, the removal of bottlenecks would surely have direct and proportionate effects on the environmental and safety performance of the infrastructure.

⁹ http://europa.eu.int/comm/ten/transport/revision/doc/com_2003_0132_en.pdf

5. Are there alternative technical or modal options to remove or alleviate the bottleneck?

In principle, freight forwarders' expertise does not lie in the asset-related direct provision of technical or modal transport solutions but rather in the knowledge of the availability of these solutions at a quality, cost and efficiency level that matches their clients' needs. In this vein for example, logistics operators have developed for their clients a strategy called "buffer warehousing", to cope with the demands, at the extremes, of 'just in time (JIT)' supply-chain management.

Similarly, any strategy that counteracts the tendency of streams to concentrate over and above the optimum frequency may significantly contribute to reduced congestion, an example being a targeted use of pricing structures that encourage users to use less congested areas and off-peak times.

For these reasons, CLECAT supports the European Commission in the promotion of modal/intermodal options in areas that face important traffic difficulties. Intermodal platforms or the availability of several transport modes to go through congested areas are already a partial solution. Success may however only be achieved when all the proposed alternatives offer equal or similar levels of reliability and performance in terms of quality, cost and efficiency.

6. How can the project best be financed? What could be the role for private sector involvement and user charges?

Private sector users may accept infrastructure charging if they are persuaded that it is reasonable, equitable and of benefit to them. For this reason, CLECAT's pre-condition for all infrastructure charging is the certainty that revenues are ploughed back into the infrastructure on which charges are levied (or, in specific cases, into the financing of alternative/complementary transport infrastructure in the same area). All the more, when we remember that professional users charged by the community only represent a portion of all users, are merely responding to the demand for goods derived from the community, and rarely contribute to any congestion¹⁰.

How to ensure seamless and efficient use of the axes?

1. What are the main technical and administrative bottlenecks on the axes?

On Trans-European Rail Transport axes, the main technical bottlenecks are linked to the lack of interoperability and harmonisation. Most evident examples are the total lack of harmonisation in infrastructure charging and the persistent difficulty in crossing borders by rail. For rail to become a reliable alternative in long-haul transport services, it has to be fully interoperable. Interoperability may foster healthy competition on rail not only

¹⁰ For more information, see Clecat position on the proposal for a Directive on Road Infrastructure Charging: <http://www.clecat.org/downloads/RdChgEN.PDF>

between incumbents and new entrants (which is only worth about 20% of the market), but also between the incumbents themselves.

Motorways of the Sea has been the subject of CLECAT observation and we concluded that it is a promising alternative to road-only or maritime-only services, especially as and if a geographic advantage could be had (best examples are of course the Baltic Sea and the Mediterranean connections). On short sea shipping axes, administrative and Customs procedures in ports remain obstacles. Although SSS has substantially grown in the last few years, the emergence of the Motorways of the Sea concept calls for a rapid simplification of administrative and Customs procedures as a pre-condition for success. The modernisation of the Community Customs Code, which is underway, should allow for seamless, swifter connections, provided the professional level of the service providers remains high.

Despite the fact that all EU citizens would probably be very happy to see a much more extensive use of the rail in future, it is implausible to suggest that road transport volumes will decrease, given the current low level of investment within the EU on rail-freight infrastructure, and projected economic growth forecasts. In this connection, one of the techniques that may help in containing the exponential increase in the number of vehicles on the roads would be a combined and extensive use of consolidation and of the *modular concept* (essentially, on TEN-T's longer vehicles with enhanced capacity may find a way to be utilised).

2. Are there problems of interoperability when crossing borders or changing modes?

As mentioned in the reply to question 1, interoperability problems make it sometimes impossible for rail freight transport to perform at the European level. Besides the obvious example of the gauge difference between the Spanish and French rail systems, other less glaring obstacles are preventing rail freight traffic from developing in Europe. Suffice to say that there remain far too few locomotives able to operate on more than one network or alimentation; that the signalling is not uniform and parts of the I and II railway packages are still not fully implemented, although it is recognised that large parts of the III railway package, which is all but law, addresses key elements of interoperability. Surprisingly even social requirements may play a role in hampering interoperability.

Seamless mode-swapping requires fully interoperable loading units, which have been in use since the '60's. In this respect, CLECAT particularly appreciated the flexibility shown by the Commission in the discussions of the EILU, which stands a good chance of becoming a standard if compatible with the 45'PW ISO container. This improvement can be achieved through harmonisation or standardisation of certain specifications. Whereas freight forwarders support such harmonisation, our feeling is that an international approach should be encouraged as much as possible. Indeed, nowadays trade is globalised and therefore regional standards entail the risk of market fragmentation with harmful effects on the competitiveness of the European transport sector and of European trade in general¹¹.

¹¹ For more details, see Clecat position on the proposal for a Directive on Intermodal Loading Units :

3. Is safety or security a major concern along an axis?

Safety and security have both become important elements of the supply and transport chain. Because of its experience and involvement, CLECAT prefers to limit itself to security aspects on which CLECAT's position has been submitted and is very clear¹².

4. What could be done to solve the bottlenecks today and with a time horizon of 2020?

Within their daily activities, freight forwarders try to solve the bottlenecks problem through the smart use of the best available infrastructure and services, as well as an extensive use of ICT. There again it is observed that bottlenecks are exacerbated by the lack of harmonisation of the systems. This is however a global and not an EU problem.

5. How can intermodal transport be facilitated?

As an introductory remark, any transport that is not 100% road is in principle intermodal. As organisers of the supply and transport chain, the core activity of freight forwarders is to provide their clients with intermodal transport solutions¹³ that embrace the entire supply chain. The experience thus gained through the years has taught us three important principles on intermodal transport:

- The legal framework should give service providers the confidence they need to offer services responding to their clients demands;
- The infrastructure should be sufficiently developed to allow for services to run smoothly;
- The above conditions should fall on a sufficiently diverse group of service providers that secure frequencies adequate to attract professional users.

Among the initiatives which can facilitate intermodal transport, we believe the following are worth mentioning:

- Greater use of consolidation and other resource-sharing and equipment-sharing systems;
- Liberalisation of transport services;
- Improvement of the interoperability for:
 - o loading units and
 - o infrastructure
- Improvement/development of the TEN-T junctions and connections with sensitive infrastructures;
- Setting-up of a fair, common and harmonised infrastructure charging policy, taking into account two additional principles:
 - o All users should pay;

<http://www.clecat.org/downloads/IntermodalLoadingUnits.PDF>

¹² See Clecat reply to consultation on freight transport security :

<http://www.clecat.org/downloads/FreightTransportSecurity.PDF>

¹³ See Clecat reply to consultation on “freight Integrator Action Plan”:

<http://www.clecat.org/downloads/FreightIntegrator.PDF>

- Smart use of charging to encourage the use of infrastructure in less congested areas and periods.

6. What common market rules should be implemented to facilitate and speed up transport along an axis?

We believe a number of suggestions emerge already from previous parts of this document. This notwithstanding, on rail axes, CLECAT is of the opinion that an adequate level of competition in rail transport services may significantly contribute to decrease its commercial transit times.

Competition has tended to increase the level of service quality in the freight transport sector, as has been observed in those markets that have already been liberalised.

Unfortunately the actual level of competition on the rails is still not satisfactory, or at least not running at full strength. Therefore, CLECAT pleads for the complete implementation of the First and Second Railway Packages, together with a monitoring of the rail freight market (and the access to it) in order to remove the obstacles that hinder rail freight transport's development¹⁴, to which a timely adoption of the III railway package, at least as regards the freight and interoperability related parts, would contribute.

7. Which policies or administrative procedures should be better integrated?

As remarked above, this is not CLECAT's domain, but we should like to observe that a better co-ordination of EU interests with local or national requirements is necessary, so that supranational needs and regional problems may find proper solutions, perhaps establishing a more time sensitive conciliation procedure.

8. What could be the role of the private sector?

Within its current role and activities, CLECAT alerts the European-level institutions to the difficulties faced by the freight intermediary sector, whilst trying to contribute to the resolution of these problems by proposing what it believes to be the answer.

Other than that the role played by other industries and services should be discussed bilaterally with each of them in turn.

Brussels, March 23rd 2005

¹⁴ For more details, see Clecat position on the proposal for a Regulation on Service Quality in Rail Freight : <http://www.clecat.org/downloads/RailServiceQuality.PDF>