

COTER/011

Brussels, 28 May 2002

OPINION

of the

Committee of the Regions

of 15 May 2002

on the

Proposal for a Regulation of the European Parliament and of the Council

on the granting of Community financial assistance

to improve the environmental performance of the freight transport system

(COM(2002) 54 final - 2002/0038 (COD))

The Committee of the Regions,

HAVING REGARD TO the Commission White Paper addressed to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on European transport policy for 2010 – time to decide (COM(2001) 370 final);

HAVING REGARD TO the Proposal for a Regulation of the European Parliament and of the Council on the granting of Community financial assistance to improve the environmental performance of the freight transport system (COM(2002) 54 final);

HAVING REGARD TO its Bureau's decision of 6 February 2002 to entrust the Commission for Territorial Cohesion Policy with the task of drawing up the opinion in question;

HAVING REGARD TO the Council decision of 21 February 2002, under the first paragraph of Article 265 of the Treaty establishing the European Community, to request the opinion of the Committee of the Regions on this subject,

HAVING REGARD TO its earlier opinion on Intermodality and intermodal freight transport in the European Union: a systems approach to freight transport (COM(1997) 243 final) (CdR 398/98

fin);¹

HAVING REGARD TO its earlier opinion on the Trans-European transport network – 1998 report on the implementation of the guidelines and priorities for the future (COM(1998) 614 final) (CdR 60/99 fin);²

HAVING REGARD TO its earlier opinion on Cohesion and transport (COM(1998) 806 final) (CdR 390/99 fin);³

HAVING REGARD TO its earlier opinion on the Interoperability of the trans-European conventional rail system (COM(1999) 617 final) (CdR 94/2000 fin);⁴

HAVING REGARD TO its earlier opinion on European transport policy for 2010 – time to decide (COM(2001) 370 final) (CdR 54/2001 fin);

HAVING REGARD TO the plenary session's decision of 13 March 2002 to appoint **Mrs Claude du Granrut** as rapporteur-general to draw up an opinion on the subject, in accordance with Rule 40 (2) of the Rules of Procedure of the Committee of the Regions;

HAVING REGARD TO the draft opinion (CdR 103/2002) drawn up by the rapporteur-general, **Mrs Claude du Granrut**, Regional Councillor of Picardy, Assistant Mayor (FR-EPP);

WHEREAS the role of transport, in terms of infrastructure as well as of services provision, is of crucial importance to spatial planning and development throughout Europe;

WHEREAS all levels of government – European, national, regional and local – must cooperate in drawing up transport policies, but must do so in accordance with the principle of subsidiarity; and whereas local and regional authorities are the level of government closest to the citizen;

WHEREAS freight transport is a factor of vital importance both for achieving European integration and for furthering the economic and social development of the regions;

WHEREAS the Community has no spatial planning powers, but the Commission can propose "non-judicial" policies which can exercise considerable positive influence on the environment and sustainable development;

WHEREAS the European Union is obliged under the Treaty of Amsterdam to take environmental protection requirements into account when defining and implementing Community policies, with a view to encouraging sustainable development;

WHEREAS lessons have been drawn from the PACT programme (1997-2001) aimed at increasing the use of combined transport by providing financial support for innovative commercial initiatives in the combined transport services sector;

WHEREAS the PACT measures have had positive effects on the environment, and particularly in reducing carbon dioxide emissions;

WHEREAS transport interoperability projects must involve technological options, an innovative route plan, arrangements for the supply of services and a combination of all these aspects in order to have an effect on the freight market;

WHEREAS there is a need for more effective and widespread dissemination of measures of the

carried out under the PACT programmes;

WHEREAS rail, short sea and inland waterway transport are likely to relieve congestion on the roads;

WHEREAS in the light of its positive experience with the PACT programme, the Community should be equipped with an instrument for combating congestion in the road freight sector and for transferring part of road freight to short sea transport, the railways and the inland waterways;

adopted the following opinion unanimously at its 44th plenary session (meeting of 15 May 2002).

The Committee of the Regions

1. Introduction

- endorses a new common freight transport policy which will be based on intermodality and on rail, short sea and inland waterway transport, which will seriously address the problem of road congestion and which will place safety and quality of services at the heart of its concerns;
- welcomes the new programme for promoting intermodality, known as "Marco Polo", the general aim of which is to transfer freight from the roads to other transport modes which cause less damage to the environment, such as rail, short sea and inland waterway transport;
- notes with interest the three main targets of action of the Marco Polo programme:
 - the first is linked to the initiatives taken by players in the logistics market. The emphasis will be on aid for the start-up of new services which will be commercially viable in the longer term and which lead to significant modal shifts from road to other transport systems, without necessarily being technologically innovative. The financial aid will be limited to the start up time for these services and will compensate for the commercial risk involved;
 - the second relates to actions in the market which act as a catalyst for structural change. These actions must seek to overcome structural obstacles of Community importance on the freight market which hinder the effective operation of the markets, the competitiveness of short sea, rail or inland waterway transport and/or the efficiency of the transport chains which make use of these modes. These actions could include the implementation of "motorways of the sea" or high-speed freight trains, inland waterway services and equipment pools for tri-modally compatible intermodal loading units;
 - the third consists of common learning actions on the freight logistics market in order to strengthen the spirit of cooperation in this fragmented and complex sector of intermodal transport, and to optimise working methods and procedures with a view to improving the commercial and environmental performance of the firms concerned. These actions may also take the form of accompanying measures for the monitoring and evaluation of projects and collection and analysis of statistical data.

Each action must relate to the territory of at least two Member States or of one Member State plus an applicant country or third country.

The three types of action are linked and should have beneficial effects on the operation of the intermodal transport system to be implemented, and enable it to overcome the market obstacles that it is likely to encounter.

The planned budget for the years 2003-2007 is €115 million – an average of €23 million per year.

The Marco Polo programme represents a new concept to improve the environmental performance of the freight transport system.

If no action is taken, road freight transport in the European Union is likely to grow by about 50% between now and 2010. This would lead to further congestion, pollution and accidents. The socio-economic cost of the additional 12 billion tkm on roads has been estimated at more than €3 billion per year.

To maintain the traffic share between the various transport modes at its 1998 level, it is necessary for rail, short sea and inland waterway transport to absorb the additional 12 billion tkm per year and to begin to reverse the trend. That is the challenge for freight traffic in the European Union.

The aim of Marco Polo is therefore to help transfer to other transport modes the volume of goods corresponding to the forecast growth in international road freight traffic. The programme will support the major strategic options envisaged up to 2010 in the freight sector, and should therefore continue until that year. Mechanisms are envisaged to ensure flexibility, which should make it possible to react to market developments which are not foreseen at present.

The implementation of the Marco Polo programme should lead to savings in social costs. When compared with road transport, the intermodal transport of goods as advocated under Marco Polo will reduce social costs by 60-80% in terms of accidents and by 40-65% in terms of carbon dioxide emissions. Overall, savings in terms of social costs of 33-72% will be possible with intermodal transport when compared with all road transport.

2. General comments on the Marco Polo programme

1. The Committee of the Regions endorses the aims of the Marco Polo programme, which seeks to "improve the environmental performance of the freight transport system" in the European Union, and wishes it success both for the sake of the environment and for the sake of the buoyancy of the European economy, and thus of its regional economies.
2. Examination of the arrangements for implementing the Marco Polo programme reveals certain shortcomings in relation to the needs of the transport modes that are to be prioritised – rail, inland waterway and short sea shipping – the logistical organisation of their interoperability, the services to be set up and the creation of new types of job. The Committee of the Regions wishes to point out the role of transport in the development of a regional or inter-regional territory, and particularly of intermodal platforms, and consequently the importance of taking account of projects drawn up by regional authorities and/or bodies associated with them.

3. The Committee of the Regions hopes that the "transparent, objective and clearly limited" aid will be in proportion to the savings made by society through using transport modes which are the least damaging to the environment; this is in line with the approach proposed by the Commission in its draft regulation on aid granted for transport coordination.
4. The proposed calculation, which takes account of accidents, noise, pollutants, climatic costs (CO₂), infrastructure and congestion, but excludes soil and water pollution and the use of land, amounts to a subsidy of one euro for each shift of 500 km from road transport (to be adjusted in accordance with the actual external cost savings resulting from the use of rail, short sea, or inland waterway transport); this seems fairly arbitrary, and much less than the theoretical external cost gain calculated for each mode.

The Committee of the Regions takes the view that the Commission's approach to external costs is a first encouraging step in an area where there is strong resistance to change, and that it is important to support the Commission's approach and encourage it to release additional funds in favour of modal shift policies, either directly by increasing the Marco Polo budget or indirectly by adapting the rules applying to state aid in the Member States.

5. The Committee of the Regions is aware that the real market and operational obstacles which still hinder transport modes other than road transport must be overcome to enable these freight markets to develop their full potential, and that in order to provide high-quality intermodal freight transport chains it is necessary to remedy the shortcomings and constraints affecting each mode.
6. In order to optimise intermodality between rail and sea and/or between inland waterway and sea transport, the Committee of the Regions stresses the need for an effort to provide streamlined transshipment facilities which dispense with the need for reloading.
7. The Committee of the Regions takes the view that the scope of the action envisaged must not be confined to this essential shift, but must also provide the transport and logistics sector with a means and a framework for tackling the structural problems which hinder the operation of the transport market, and for improving the environmental performance of transport.
8. In this connection the Committee of the Regions recalls the concern expressed in its opinion on the interoperability of the trans-European conventional railway system (CdR 94/2000 fin), namely that if a balance is to be achieved between the different modes of transport in the field of freight transport and the priority use of transport modes which are more compatible with the environment, use less energy and involve lower external costs is to be promoted, it is necessary to harmonise the telecommunications and information technologies used by the various transport modes and any new techniques which may contribute to the cross-frontier interoperability of national transport networks.

In order to ensure the viability of competitive intermodal transport, the Committee of the Regions thinks it essential to define a common architecture for intermodal real-time electronic information systems, so that customers can have continuous information on each stage of their cargo's journey.

Moreover, an analysis of the situation with regard to rail, short-sea and inland waterway transport, the Community market in intermodal terminals, and information technologies shows that the regulatory framework governing access to freight markets must be thoroughly revised and improved.

9. The Committee of the Regions suggests that the Commission should envisage creating a new type of job – freight integrator – to organise the integrated shipment of freight whatever the transport modes concerned; similarly, containers and swap bodies should be standardised so that transshipments from one transport mode to another are problem-free.
10. The Committee of the Regions notes that no data or studies are available at present on the ideal modal breakdown from the macro-economic and social point of view.
11. In this context and in view of the virtually impregnable position of road transport with its doorstep delivery network for businesses and individuals alike, as well as its role of linking up with alternative transport modes at terminals, the Committee of the Regions would query whether road transport should be completely excluded from the Marco Polo programme, particularly as regards the catalyst actions. Road transport could be integrated into the Marco Polo programme in the following cases:
 - when it provides the terminal links for alternative modes;
 - when it is associated with a journey made by a seagoing Ro/Ro-type ferry or by a "rolling road" system.
12. The Committee of the Regions would point out that one of the aims of transport policy is to reduce the development gap between different regions and the extent to which disadvantaged regions lag behind. The CoR regrets that this objective is not mentioned in the Marco Polo programme. At no point does the Commission proposal mention the use of secondary rail networks and their contribution to the local economy. While it does cover inland waterways, it makes no mention of their potential benefit for the transport of goods produced for the regions and cities through which they pass.
13. The Committee of the Regions points out that transport plays an important part among all the factors capable of furthering the economic prosperity of an area, whether it be regional or inter-regional, and that it is essential to seek to link up a region's development projects with the most suitable intermodal transport system.

In this connection, the CoR is concerned at the tendency to encourage the use of the new intermodal forms of transport on routes passing through regions which are already economically strong, at the expense of isolated or peripheral regions, and it takes the view that the Marco Polo programme should be vigilant in this respect.

14. For example, with regard to inland waterways, the Committee of the Regions stresses the importance of intermodal platforms, interconnections or added-value modal points for furthering their integration with other transport modes and hence their economic viability. Consideration should also be given to making these "switchover points" true centres of economic activity where regional enterprises could be set up and jobs could be created.

15. In conclusion, the Committee of the Regions wonders, in view of these complementary aims which underpin the technical research but are necessary to its success, and the experiments to be carried out, whether the estimated budget of the Marco Polo programme will be sufficient.

3. Conclusions and main proposals

1. *Article 1*

Even if, in this context, it may appear iconoclastic, the Committee of the Regions would point out that the capillary nature of the road network is an undeniable fact which it is perhaps unwise to ignore when implementing the Marco Polo programme.

2. *Article 4*

The Committee of the Regions takes the view that local or regional authorities which have formed a consortium of private or public bodies should be able to submit directly to the Commission requests for financial aid for projects forming part of public transport service plans.

3. *Article 5*

1. With regard to rail transport, the Committee of the Regions hopes that not only will a new pricing policy be decided, but also that cross-frontier traffic will be facilitated and rail safety guaranteed.

The Committee of the Regions notes that rail freight transport will not be able to develop fully if its main competitor, road transport, does not pay all its social costs.

Moreover, the Committee of the Regions fears that development of rail freight and of innovative solutions for the modal shift, as proposed in Marco Polo, may favour new operators at the expense of traditional rail operators. The latter can play a major role in promoting an intermodal transport system, and Marco Polo should encourage them to do so in the most appropriate way.

The Committee calls for the creation of a European rail agency and collaboration with the traditional rail operators.

2. Inland waterway transport, the Committee of the Regions notes, will develop fully once the transport of goods to and from waterways is facilitated by high-performance transshipment systems within seaports' logistical platforms. The Committee also recommends that the conditions for treatment of waterway vessels in seaports should not be discriminatory, particularly in comparison with road transport.

The Committee recommends support for innovative experiments involving regular multimodal services which include a logistical waterway link. However, the Committee fears that the relative lack of hold space as a result of scrapping plans may make it impossible to meet the

emerging demand for waterway transport from shippers. It therefore recommends support for initiatives to renew modern hold space suitable for new traffic, and an effort to promote the profession among young people.

Inland waterway transport is now suitable for all kinds of traffic once the conditions for expansion are established. In order to meet this demand for bulk and container traffic, and the transport of chemical products, dangerous materials and heavy packages, it is important for Europe to have a wide-gauge network providing a more fluid market between the various regions of the Union. The Committee therefore recommends further efforts to provide the infrastructure for such a network.

The Committee of the Regions suggests that certain institutional adaptations (regulation, access to equipment) should accompany the infrastructure improvements (headroom and draught, gauges, internal platforms) to help raise the overall average productivity level for this mode of transport.

3. With regard to short sea transport, the Committee of the Regions approves the reference to "motorways of the sea" and to cabotage, i.e. to the economic dynamism of European ports, whether they are of international importance or not, in order to encourage rational logistics and the fluidity of Community trade with goods not having to be reloaded.

4. *Article 6*

The Committee of the Regions points out that the Marco Polo programme must take care to ensure that the new intermodal forms of transport to be encouraged are not found solely in the highly developed regions. On the contrary, the programme should give priority to new routes likely to open up isolated or peripheral regions.

The Committee of the Regions stresses the importance of intermodal platforms, interconnections or added-value modal points to encourage true centres of economic activity where regional enterprises could be set up and jobs created.

5. *Article 7*

The Committee of the Regions proposes that the Marco Polo programme should support harmonisation of the telecommunications and information technologies used by the different transport modes and any measures which could contribute to cross-frontier interoperability.

The Committee of the Regions proposes that a common architecture be defined for intermodal real-time electronic information systems so as to provide customers with continuous information on the transport of their products; that a new job of freight integrator be created; and that containers and swap bodies be standardised.

6. *Article 8*

The Committee of the Regions would like the Marco Polo programme to include actions which can benefit the economic development of an area, even if they are small scale. By way of

example, it would mention the "missing links" of cross-frontier projects and "overheating links" which make it possible to differentiate between transit traffic and local traffic.

7. *Article 12*

The CoR wonders whether the budget for the programme is sufficient to achieve its aims.

The Committee of the Regions considers that, since the Marco Polo programme would lead to direct and indirect savings for society, the funds allocated must be commensurate with the expected savings.

Brussels, 15 May 2002

The President

The Secretary-General

of the

of the

Committee of the Regions

Committee of the Regions

Albert Bore

Vincenzo Falcone

¹ OJ C 198 of 14.7.1999, p. 21

² OJ C 293 of 13.10.1999, p.9

³ OJ C 226 of 8.8.2000, p. 22

⁴ OJ C 317 of 6.11.2000, p. 22

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