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SUBCOMMITTEE II ON THE FREE MOVEMENT OF CAPITAL AND SERVICES

EEA EFTA Comment on the WHITE PAPER (COM (2011) 144) – Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system

EXECUTIVE SUMMARY

The EEA EFTA States (Iceland, Liechtenstein and Norway) welcome the overall goal and strategy set out in the Commission's White Paper, "Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system", COM (2011) 144.

The EEA EFTA States fully support the EU's efforts to achieve a single European transport market by removing barriers, taking a multimodal approach and emphasising safety and security in the transport sector. Furthermore, the EEA EFTA States endorse the initiatives proposed in several key areas such as climate change, the TEN-T policy, research and development, traffic management and access to transport.

The EEA EFTA States would like to draw particular attention to the need for a differentiated transport policy in peripheral and sparsely populated areas. Within the framework of a common European strategy and legislation, it is vital to ensure that national or local adaptations can be made to future proposals in line with the principle of subsidiarity.

1. INTRODUCTION

1. The EEA EFTA States welcome the Commission's White Paper and acknowledge the overall strategy, challenges and goals described therein, as well as the wide variety of measures necessary to achieve these. Establishing a more sustainable transport system that meets society's economic, social and environmental needs is a major challenge. The formulated objectives are ambitious, especially acknowledging the Commission's position on not curbing mobility.
2. Within the EU and the EEA it is necessary to recognise the difference between peripheral and sparsely populated areas and centrally located and heavily urbanised areas. For the EEA EFTA States it is important that legislation and other policy instruments to a larger extent reflect regional differences and allow for political objectives to reduce the costs of distances. The policy instruments should be sufficiently flexible and avoid unacceptable distortions on competition in the Internal

Market. The EEA EFTA States are interested to see how these proposals will be further developed in the coming years, and look forward to reviewing their outcome in detail before offering a final position. In this respect it must be kept in mind that the “polluter pays” and “user pays” principles cannot be applied in full in all instances regardless of the situation in different areas of the Internal Market. Future legislation in the area of transport must contain a certain flexibility to take into account the diversity of the EEA.

3. This joint comment provides input on the following sections of the White Paper, which are of particular interest and relevance to the EEA EFTA States:
 - Climate change
 - The development and financing of infrastructure, TEN-T
 - An efficient and integrated transport system – Removal of barriers for achieving a Single European Transport Area
 - Transport and accessibility for all
 - Innovation, research and implementation of new technology, including traffic management systems
 - Safety
 - Security

2. CLIMATE CHANGE

4. The EEA EFTA States are in favour of a more active use of economic instruments and price mechanisms to deal with environmental challenges, such as the reduction of emissions of carbon dioxide (CO₂) and other climate gases. Taxation, emission quotas and reduced tax distortion for all sectors are important and effective incentives to reduce emissions and develop a more resource efficient economy. Environmental taxation provides flexibility for businesses and consumers to make the necessary adaptations. This is also in line with the “polluter pays” principle. It should be considered whether the White Paper puts too much emphasis on reductions after 2030, and whether these reductions are perhaps too low and come too late. The main focus should be on the reduction of energy consumption, especially that of fossil fuel.
5. Innovation and the development of technologies that are less carbon intensive, the use of more effective and environmentally friendly transport modes, and a reduction in the use of fossil fuels are key measures for achieving the EU’s environmental and climate goals. It is important to promote the development and accelerate the market uptake of eco-innovations, which will result in more resource efficient products and services. A prerequisite for achieving this is the continuous prioritisation of research cooperation and standardisation in order to facilitate the introduction of new technologies. Legal instruments, fiscal instruments and agreements are possible options for ensuring a high level of environmental protection and creating a demand for environmental technologies and solutions. Continued support of research and development is crucial. The Roadmap for Low-Carbon Economy 2050, published in March this year, outlines ambitious targets for the reduction of greenhouse gas emissions and sends important signals to Member States and industry. In addition, motorised transport demand (and

subsequently greenhouse gas emissions) can also be reduced by the coordinated planning of land use and transport.

6. With regard to maritime transport, the EEA EFTA States fully agree with the EU's preferred option of reaching an international agreement within the International Maritime Organization (IMO) on a global market based instrument, to avoid introducing distortions in international competition. Our main task is to provide policies that are binding, global and effective for the reduction of CO₂ emissions. Any legally binding instrument regarding the reduction of greenhouse gases from shipping should be developed by the IMO.
7. One possible means of reducing emissions from maritime transport is the use of alternative fuels. The EEA EFTA States find it positive that the White Paper signals possible measures to support the development of infrastructure for liquefied natural gas (LNG) supplies, and will also welcome efforts to facilitate a "critical mass" of LNG fuelled ships and the necessary infrastructure for distribution in Europe.
8. Furthermore, the EEA EFTA States strongly approve of the adaptation of mandatory requirements for an Energy Efficiency Design Index for new vessels, and the Ship Energy Efficiency Management Plan developed by the IMO for all ships already in operation.

3. THE DEVELOPMENT AND FINANCING OF INFRASTRUCTURE, TEN-T

9. The EEA EFTA States recognise that, in general, the TEN-T policy is vital for stimulating cooperation and facilitating trade and growth in a wider European context. We support the modernisation of this policy, addressing environmental and climate challenges, eliminating bottlenecks, increasing intermodality and improving resource efficiency. Improved accessibility and seamless connections are basic preconditions for enhanced competitiveness for countries both in the centre and on the periphery of Europe. Consequently, the EEA EFTA States welcome the dual layer planning approach, maintaining a dense comprehensive network in the Union and overlaying this with a core network. We further support a strengthened approach in shifting to the more environmentally friendly transport modes of sea and rail transport.
10. The TEN-T policy is of direct relevance to the EEA EFTA States since its guidelines have been incorporated into the EEA Agreement. As the EEA EFTA States do not participate in the financial mechanism of the TEN-T Programme, decisions regarding the prioritisation, financing and implementation of projects are made at national level. For cross-border infrastructure development, however, there is a tradition of exchange of information and cooperation with our neighbours, and the new TEN-T policy should continue to stimulate this coordination process.
11. The White Paper suggests that transport charges and taxes should reflect the total cost of transportation in terms of infrastructure and external costs. However, infrastructure charging based on total cost recovery may give unreasonably high tariffs, especially for regional and rural infrastructure with relatively low utilisation. Financing through a combination of state budget and user charges could be a more efficient alternative.

12. Differences in financial and organisational situations between European countries set the stage for different approaches to Private-Public Partnerships (PPPs). European rules and regulations in this field should thus be flexible and should not favour or oblige the use of PPPs.

4. AN EFFICIENT AND INTEGRATED TRANSPORT SYSTEM - REMOVAL OF BARRIERS FOR ACHIEVING A SINGLE EUROPEAN TRANSPORT AREA

13. The EEA EFTA States fully support the multimodal approach to achieve an efficient transport system in the EU and neighbouring states.
14. If we are to achieve a more resource efficient system through full modal integration, the need for seamlessness must apply both to passenger and freight transport, in order to provide attractive alternatives to the more carbon intense methods of transport. At the same time, a multimodal approach will remain important to make the most of the advantages of each mode of transport. One should therefore be cautious of expressing very precise goals for a modal split and setting precise freight shipment distance references that might not be applicable in a country like Iceland. An important approach to an efficient modal split will be internalising external marginal costs and creating a level playing field for all modes of transport. This is different from the “user pays” approach where the focus is on financing rather than efficiency.
15. The EEA EFTA States acknowledge the approach that the Commission has taken in addressing three levels of passenger and freight transport: urban transport and commuting; intercity travel and transport; and long-distance travel and intercontinental freight. Addressing the objectives and actions related to these broad market structures is likely to provide for a more specific target definition and selection of measures. The necessity for allowing for subsidiarity in the decision-making process must be underlined, however, so that the affected parties are consulted and political decisions made at the relevant/appropriate level and according to the understanding of those affected by the proposed actions.
16. Norway and Liechtenstein agree that improving the performance of rail transport is essential for its attractiveness and future development, both for passengers and freight. Organisational separation of infrastructure management and railway operations will be an important tool for fulfilling an internal market in the railway sector, and will secure non-discriminatory and transparent access to the railway network. At the same time it must be kept in mind that there are no railways or inland waterways in Iceland, which limits the possibilities of multimodal land transport in Iceland.
17. A further opening of the road transport market, particularly regarding cabotage, should not be isolated from the question of harmonisation of all conditions in this market. The EEA EFTA States support the Commission’s proposal to review the road freight transport market, including the degree of convergence on the framework conditions in this sector.
18. The EEA EFTA States subscribe to the need for a global level playing field in the maritime sector with international rules and the universal application of high

standards, enforced on a flag-neutral basis. In this respect the IMO, International Labour Organization and World Trade Organization will play a particularly important role as global regulators for shipping.

19. Norway participates actively in the EU's work on promoting short sea shipping and Iceland follows developments in the area closely. They therefore welcome the Blue Belt initiative, where the objective is to create a better functioning internal market in the maritime sector. In this regard it is important to put in place simplified port formalities, including customs procedures for European short sea shipping. It is essential for Norway and Iceland that transport between EU and the EEA EFTA States is included in these simplified procedures in order to avoid barriers, and to ensure the functioning of the Internal Market which the EEA EFTA States are a part of. Solutions found in land and air transport can be used as reference models, as well as the 24-hour rule on information requirements for exports and imports.
20. The EEA EFTA States underline the importance of promoting quality shipping and firmly believe that incentives to promote quality shipping should be general, covering all European ship owners' ships, not just those choosing to register in a potential future EU register. A possible favourable treatment of ships listed in a future EU register could have detrimental consequences for existing quality European ship registers.
21. An important part of this quality approach is securing good working conditions in international shipping. Norway has already ratified the ILO's Maritime Labour Convention (MLC). The EEA EFTA States hope that the MLC will soon receive sufficient ratifications in order to enter into force, and support suggestions and efforts to develop enhanced enforcement of the MLC with regard to Flag States, Port States and labour-supplying States.
22. The EEA EFTA States look forward to engaging with the EU on the proposals to be presented by the Commission as part of its "Social Agenda for Maritime Transport". It is of vital importance for the future of European shipping that all parties accept their responsibility to strengthen the competency, education and training of seafarers.

5. TRANSPORT AND ACCESSIBILITY FOR ALL

23. The EEA EFTA States are committed to protecting passengers' rights and to improving the quality of transport for elderly people, passengers with reduced mobility and disabled passengers. The White Paper stresses the importance of accessibility, although the term "accessibility" is defined more narrowly than in the national policies in certain EEA EFTA States. Further, due to demographic changes and an ageing population the need for accessible transport is increasing.
24. Accessibility should be provided through the universal design of regular transport facilities, rather than through detached facilities for people with disabilities. This will ensure accessibility, increase mobility and improve the comfort for all passengers as well as enhancing cost-efficiency.

25. Further proposals to increase passengers' rights must be accompanied by assessments of the financial consequences of the proposals on public finances, as well as for citizens and business.

6. INNOVATION, RESEARCH AND IMPLEMENTATION OF NEW TECHNOLOGY, INCLUDING TRAFFIC MANAGEMENT SYSTEMS

26. The EEA EFTA States support the strategy for the coherent development and deployment of key technologies to create a more modern, efficient and user friendly transport system. Research in this area will continue to be of value and solutions to transport related challenges will remain a priority beyond the Seventh Framework Programme.
27. The availability of user friendly and efficient transport is of little use if the appropriate information is not easily available to potential users. The key to success seems to rely on standardisation and interoperability within and between transport modes, both for freight and passenger transport. Smart inter-modal ticketing, electronic route planning, inter-modal freight documentation and real time information are some examples. The connection of Intelligent Transport Systems (ITS) solutions to future charging schemes for the use of infrastructure will also be important.
28. The EEA EFTA States consider the development of the European Rail Traffic Management System (ERTMS) as a key technology for improving the interoperability and performance of rail networks across Europe. ERTMS is also likely to contribute to more competitive rail transport.
29. The EEA EFTA States endorse the deployment of the Single European Sky ATM Research (SESAR) Programme in the agreed timeframe. It is of great importance, however, that the development of the ATM technology also provides for users in low-traffic countries on the periphery of Europe. It is furthermore important to secure that both EU and non-EU Member States have equal access to funding during the deployment phase.

7. SAFETY

30. The EEA EFTA States are committed to continuing to work towards increased safety levels. However, EU initiatives should acknowledge that the individual EEA States have thus far achieved different levels of safety by being allowed to apply differentiated and flexible methods to achieve their objectives. Furthermore, EU instruments must recognise that variations in geography and population density mean that the optimal strategies applied in one Member State may differ from those necessary in another.
31. The EEA EFTA States back the EU's ambitious objectives for road safety and the inclusion of a Vision Zero strategy in the White Paper. The road safety strategy should be based on an integrated approach of subsidiarity, proportionality and shared responsibility between public and private parties at all levels of society. Initiatives in a

wide range of areas such as technology, enforcement, education and particular attention to vulnerable road users are important factors in obtaining these objectives.

32. ITS systems that enable ubiquitous communication between infrastructure and vehicles will minimise the probability of a collision. For the time being it is also important to acknowledge that technology cannot replace more traditional measures.
33. The EEA EFTA States support the initiative to develop common definitions for injuries, in particular serious injuries. Such definitions are vital for facilitating the production of better and comparable statistics, as well as for measuring progress made.
34. In the field of aviation, flexibility is necessary to maintain a network of scheduled air services in remote regions, whilst sustaining high levels of safety.
35. The EEA EFTA States advocate an improvement in the collection, quality, exchange and analysis of data in a global framework. Credible statistics require a sufficient level of data material, which is improved through a global approach. At the same time, it must be noted that global cooperation requires precise international legislation on confidentiality.
36. The continuous effort to enhance safety at sea is a key objective for the EEA EFTA States. Efforts should focus on ensuring harmonised safety rules at international level through the IMO, thereby guaranteeing a global level playing field. The EEA EFTA States fully endorse the Commission's aim to simplify and clarify maritime transport acquis.

8. SECURITY

37. The EEA EFTA States agree with the proposed initiative of establishing, as a first step, a permanent expert group on land transport security with a special focus on urban security issues. It is positive that nations exchange ideas and best practices in this area, and vital that we have sufficient knowledge about actual risks and vulnerabilities in order to develop the most appropriate and efficient counter-measures possible.
38. The EEA EFTA States are of the opinion that there should be flexibility with regard to the choice of security measures, based on the complexity of the transport system and the fact that risks and threats will vary between countries and regions. In order for this to succeed, a distinction must be made between different levels of risks, and new EU initiatives should be taken in security areas expected to benefit most from European cooperation.
39. From an EEA EFTA point of view, it might be a major challenge to establish sufficient tools for end-to-end security throughout the entire supply chain. On the other hand, a system with “known consignors” and security certificates can both enhance security in the supply chain and be a competitive asset for the operators. The operators may benefit from security facilitations related to operations at any stage of the supply chain. Trade facilitation and enhanced security measures should go hand-in-hand, which will ultimately benefit international commercial transport. Care should

be taken though to avoid measures so restrictive that they hinder the free flow of capital, goods, persons and services.

40. The White Paper emphasises the need for mobility continuity plans, a system based on risk management for restoring the functionality of the supply chain after a major terrorist attack or other distortion linked to security. The EEA EFTA States accept this, but would also underline the need for an all-hazards approach where distortions as a result of natural disasters are also taken into consideration.
 41. The EEA EFTA States support a high level of security in air transportation, with minimum inconvenience for the passengers. With regard to one-stop security, it is important that standards and procedures are consistent throughout Europe, but Norway and Iceland would also like to point out that the measures necessary to reach equal security levels, especially in the smaller airports on the periphery of Europe, must remain flexible.
 42. In order to protect seafarers, transport and vital trade links, the EEA EFTA States support the continued international cooperation and commitment to the work on anti-piracy and anti-terror measures.
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