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RESOLUTION AND REPORT

on

AN AMBITIOUS TRANSPORT POLICY FOR EUROPE

Rapporteurs:

Ms Vladimíra DRBALOVÁ (European Economic and Social Committee, Czech
Republic/Group I – Employers)

Ms Wenche PAULSRUD (EFTA Consultative Committee, Norway-Trade Unions)

RESOLUTION ON**AN AMBITIOUS TRANSPORT POLICY FOR EUROPE**

The Consultative Committee of the European Economic Area (EEA CC):

- A. Having regard to the Lisbon agenda for growth and jobs and especially noting the conclusions of the Spring European Council of 13-14 March 2008 with regard to sustainable transport,
- B. Having regard to the European Commission White Paper on “European transport policy for 2010: time to decide”, COM(2001) 370 final, and its mid-term review “Keep Europe moving – sustainable mobility for our continent”, COM(2006) 314 final,
- C. Having regard to the European Commission Communication on “The EU’s freight transport agenda: Boosting the efficiency, integration and sustainability of freight transport in Europe”, COM(2007) 606 final,
- D. Having regard to the European Commission Green Paper “Towards a new culture for urban mobility”, COM(2007) 551 final,
- E. Having regard to the European Commission “Communication on a European Ports Policy”, COM(2007) 616 final,
- F. Having regard to the so-called “Blue Book” on an integrated Maritime Policy for the European Union, COM(2007) 575 final,
- G. Noting the European Environment Agency Report on “Climate for transport change”, No. 1/2008,
 1. considers an efficient, sustainable, health- and environment-friendly European transport sector a precondition for a well-functioning European internal market ensuring growth and employment in the whole European Economic Area (EEA);
 2. agrees fully with the EU Spring Summit conclusion that efficient, sustainable, accessible and safe transport systems are of key importance for achieving the Lisbon goals;
 3. underlines the importance of a balance between economic, social and environmental policies and a stronger synergy between transport policy and other policy initiatives to fully realise the potential of the transport sector and the internal market;
 4. welcomes initiatives taken in recent years to improve transport safety, passengers’ rights, and, as a direct consequence of increased terrorist threats, transport security;

5. highlights specifically the role of the relevant European agencies, of which the EEA EFTA States are full members, in the field of safety, security and interoperability, which can significantly contribute to intelligent and sustainable transport in Europe;
6. stresses the need to improve mobility in Europe to make the transport sector more competitive, to ensure a more efficient and sustainable internal market, and to increase trade with third countries;
7. underlines the importance of logistics for European mobility and the fact that Europe's transport system needs to be optimised by means of advanced logistics solutions in order to increase the efficiency of individual modes of transport and of inter-modality;
8. supports the European Commission's integrated approach to freight transport and the aim of shifting freight to more environmentally friendly modes of transport where appropriate taking into account the interests of citizens and industries in peripheral and remote areas where there are no valid alternatives. This is particularly important in a period of considerable growth and increased congestion in parts of the transport system. This approach should result in fewer units carrying more freight, improved efficiency and access to inter-modal hubs, and more efficient cross-sectoral infrastructure and hinterland connections;
9. welcomes the latest European Commission initiative on urban transport, including the CIVITAS Programme on cleaner cities, and underlines the importance of taking both the needs of citizens and the interests of businesses into account when developing solutions for urban areas. The Committee also underlines the importance of further developing Information Technology Services (ITS) throughout the EEA;
10. strongly supports an integrated and coordinated approach to European Maritime Policy which will enhance capacity of the whole of the EEA to face challenges such as globalisation, effectiveness, climate change, degradation of the marine environment, maritime safety and security, and energy security and sustainability;
11. urges the EU and the EEA EFTA States to maximise the sustainable use of the oceans and seas, supporting international efforts to diminish air pollution caused by ship, encouraging the formation of multi-clusters and regional centres of maritime excellence, improving staffing and working conditions (including integration of the ILO Convention on maritime labour standards into Community law), eliminating destructive fishing practices, and promoting the development of an environmentally safe aquaculture industry in Europe;
12. underlines the urgent need for a framework which will allow European ports to attract investments for their modernisation while respecting the environment. Ports are key points of modal transfer and are vital in the

development of freight logistics, short sea shipping, and motorways of the sea;

13. supports initiatives to shift freight transport from the road to the sea, rail and inland waterways (Marco Polo Programme) and to develop efficient motorways of the sea and short sea shipping routes, with the aim of making the transport sector more efficient and sustainable;
14. suggests broadening the Commission approach to Trans-European Networks to examine the question of the extent to which the accession of 12 new Member States has affected the possibility of adopting an integrated approach in these countries and the scope of its application;
15. expresses its concern about the transport sector being by far the fastest growing source of greenhouse gas emissions in Europe, and urges the relevant EEA authorities to work together with the transport sector to develop rigorous and cost-effective measures to help Europe meet its ambitious emission reduction targets, including increased incentives and investments in greener modes of transport. At the same time it is crucial that climate policy instruments go beyond the transport sector and be introduced into other sectors of the economy as well, such as households, industry and services;
16. recommends that the relevant authorities develop ambitious transport technology policies, including investments in innovation, research and development, among others through EU-wide programmes, with the aim to make existing forms of transportation cleaner and more sustainable;
17. asks the relevant authorities to consider the social dimension of climate change and to work closely with social partners and civil society organisations to develop new, comprehensive transport policies taking the social dimension of them into account;
18. strongly promotes the GALILEO satellite programme and calls on the EU to rally around this ambitious scientific, technical and business project. The Committee also strongly supports the NAIADES programme to further strengthen the position of inland shipping in the long-distance haulage of bulk transport;
19. is strongly concerned about the lack of skilled workers in the transport sector. If action is not taken, driver shortage could lead to an increasing inability to deliver products in time and would have a negative impact on supply chain performance. It is therefore essential that the appropriate education, training and re-training of new and existing workers in the transport sector be developed;
20. calls on the EEA Council:
 - to include the various aspects of transport policy on its agenda and to also include transport policy when discussing energy and climate change more broadly;

- to take the Committee's recommendations into account when discussing transport policy.
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REPORT ON

AN AMBITIOUS TRANSPORT POLICY FOR EUROPE

I Introduction

1.1 In 2000, EU leaders agreed on an ambitious strategy to make Europe the most competitive knowledge-based economy in the world by 2010. The Strategy was revised in 2005 with a much more defined focus on growth and jobs, a much clearer idea of shared responsibilities between the EU and the Member States, and more emphasis on implementation of common objectives through national reform programmes. With the European economy showing positive results after the re-launch of the Strategy, the EU Heads of Government in March 2008 agreed to maintain its key objectives and instruments in the next cycle as well (2008-2010) and to deepen and strengthen reforms in given priority areas.¹

1.2 Transport policy is at the heart of the Strategy for Growth and Jobs, with its long-term objectives for the 21st century of balancing economic growth, social welfare and environmental protection. In this report the co-rapporteurs wish to look more closely at how the sector can manage to maintain and create new jobs; continue to contribute to economic growth throughout the European Economic Area (EEA); and remain a key sector in the European economy while respecting the EU's and EFTA countries' ambitious climate policies.

1.3 Transport facilitates the mobility of goods and people throughout the EEA, and thus contributes to realising the potential of the internal market in which the EEA EFTA States are fully integrated through the EEA Agreement. Completing and further fostering the internal market remains a top priority, and a proper application of the four freedoms (free movement of goods, services, persons and capital) is a pre-requisite for making Europe more competitive in the global market place. A well-functioning internal market is also an advantage when seeking to export provisions, standards and values to third country partners.

1.4 However, as pointed out in the latest Single Market Review,² economic policies can only be successful if developed in synergy and in balance with social and environmental policies. This is the case for transport policy, and at their summit in March 2008 the EU leaders pointed out the importance of “promoting a sustainable transport system which allows Member States, within the framework of EU policies, to take the necessary measures to combat climate change effectively”.³

1.5 The political context of transport in the EEA has changed considerably since the EEA Agreement entered into force in 1994: three consecutive enlargements have made the transport sector in the EEA much more diverse; international developments such as the threat of terrorism and economic globalisation have had an impact on legislation and

¹ More research and innovation; a more dynamic business environment; more investments in people; and a greener economy

² A European Commission policy package on the single market package for the 21st century, published on 20 November 2007 - http://ec.europa.eu/citizens_agenda/index_en.htm

³ Point 27 of the Presidency Conclusions, Brussels, 13/14 March 2008, Council document 7652/08

demand; and international environmental commitments are increasingly being integrated into new policies. In addition, the industry itself has changed with increased consolidation at European level, the development of larger logistics operations in response to globalisation, and a shift to high-technology which has made the sector more dependent on research and innovation.

1.6 To achieve a balance in the transport sector between economic growth, social welfare and environmental protection, the EU is promoting a more holistic and long-term approach to sustainable transport on the basis of broader, more flexible policy instruments. The aim is to optimise the potential of each mode of transport while at the same time promoting increased co-modality. It is also important to promote more environmentally friendly, energy efficient and safer transport based on new innovative technology.

1.7 An efficient, flexible and sustainable transport system is essential for the European economy and for the quality of life of European citizens. The industry needs to remain at the heart of European policy-makers and become more strongly connected with the vision for a more competitive, social and greener Europe. After a description of how transport policy has changed over time, the co-rapporteurs have chosen to focus on specific substance areas related to the transport sector such as mobility, the environment and energy, innovation, employment and working conditions, and specific challenges in the High North.

II The development of transport policy

2.1 The objective of a sustainable transport policy for Europe is a transport system that meets society's economic, social and environmental needs. The European transport industry accounts for about 7% of European GDP and for around 5% of employment in the EU; thus it is imperative that the sector be able to continue to grow and produce jobs in a sustainable manner.

2.2 A key policy development for the transport sector was the White Paper "European transport policy for 2010: time to decide" which was published in September 2001.⁴ As main challenges the White Paper highlighted the imbalance in the development of the different transport modes, the congestion of routes and cities as well as in airspace, and the impact on the environment. The main objectives were to:

- Open up and create a truly European Market while safeguarding the quality and security of services;
- Develop major networks in Europe;
- Reform air traffic management and reduce congestion in the skies;
- Ensure the sustainable development of transport by improving public transport services; and
- Enhance safety.

2.3 Major progress has been achieved on the basis of the measures included in the 2001 White Paper, in particular the opening up of rail freight transport to competition, the upgraded social conditions for road transport, the creation of the European Sky and the reinforcement of the legal framework for maritime safety.

⁴ COM(2001) 370 final, 12.9.2001

2.4 As traffic continues to grow in Europe, improving safety is a priority for all forms of transport. The EU has developed extensive safety legislation for all transport modes, ensuring a harmonised high level of safety throughout the EU and EEA.

2.5 A major development in the EU over the last five years has also been the establishment of transport agencies in order to assist the Commission and the Member States in developing better safety legislation. The European Maritime Safety Agency was established at the end of 2002 with its main tasks being to facilitate enhanced safety and reduce accidents, marine pollution, and loss of life at sea. The European Safety Agency was created in 2002 to help ensure a high level of safety and environmental protection in civil aviation. Furthermore, the European Railway Agency was established in 2004 to create a European railway area without frontiers and guarantee a high level of safety. The EEA EFTA Member States are full members of these agencies.

2.6 The role of the relevant European agencies in the process of modernising the European transport system - to make it more efficient, sustainable and intelligent - must be strengthened. Their crucial contribution in the field of safety, security, pollution, interoperability and proper implementation of the EU legislative is indispensable.

2.7 In recent years, the EU has also increased its focus on strengthening passenger rights. Passengers, especially travelling by air, are often victims of overbooking, lengthy delays and sudden cancellations. A compensation scheme for air passengers has been in place since February 2005. Furthermore, in June 2006 the EU adopted a landmark regulation to strengthen the rights of disabled persons and persons with reduced mobility when travelling by air. The EU also intends to introduce similar schemes for the other transport modes.

2.8 Security has increasingly become a common concern, demanding a range of actions and solutions at the global, European and national level. The prevention of terrorist attacks against passenger and freight modes of transport at the EU and EEA level has resulted in strict security legislation for airplanes and airports as well as ships and ports. In order to ensure the development of necessary technical implementation tools, experts representing Member States in the EU and EEA participate in sectoral European Commission Security Committees.

2.9 The transport industry has changed. It has fast become a high-technology industry. The technological innovation in the transport sector contributes directly to European competitiveness and environmental and social agendas. But there is still room for improvements. The European transport policy could focus much more on strengthening the international competitiveness of its multimodal transport industries and on offering integrated solutions across modes, focusing on tackling bottlenecks and weak links in the logistic chain.

2.10 The future transport policy must contribute to achieving the objectives of European energy policy, meet international environmental commitments, and adapt itself to the rapidly changing international context.

2.11 Transport is also a major employer, with more than 10 million jobs in transport-related sectors of the economy. After a long period of restructuring, employment levels are now stabilising. In some sectors, such as rail and road transport, shortages of

qualified persons have appeared. The different transport modes are affected by large variations in labor costs arising from different levels of wages, labor charges and work conditions. An overall transport policy should involve social partners and include measures against unfair competition.

2.12 While the objectives presented in the 2001 White Paper still remained valid, the European Commission made necessary adjustments and refinements to respond to new challenges in the mid-term review of the White Paper, published in 2006.⁵ The review takes into account the reality of the transport sector, the overall context in which transport functions, and new developments — the most important being the EU and EEA enlargements which have accentuated differences between peripheral and sparsely populated areas and centrally located, heavily urbanised areas. Taking on board these changes and challenges, the European Commission in the review identified four pillars for the future transport policy:

- A high level of **mobility**;
- **Environmental protection**, the security of **energy supply**, promoting **minimum labour standards** and protecting passengers and citizens;
- **Innovation** in support of **efficiency** and **sustainability**;
- **The international dimension**.

III Mobility as a precondition for a well-functioning Single Market

3.1 Transport plays an important role in people's everyday lives and is a key element in ensuring the free movement of goods and persons in the internal market as well as trade with third countries. Mobility is a prerequisite for employment, growth and innovation, but at the same time it constitutes a challenge for Europe in terms of efficiency and sustainability.

Freight transport

3.2 Logistics play a key role in guaranteeing sustainable mobility, as well as helping to ensure a cleaner environment and greater energy efficiency, and making freight transport more efficient and effective. In its mid-term review of the 2001 White Paper, the European Commission recognised the importance of the freight transport sector as a driving force for trade and economic prosperity in the EU. Recent statistics from Eurostat⁶ have underlined the considerable impact of the freight transport sector on the economy: the total freight transport by inland modes (rail, road, inland waterways and oil pipelines) in the EU-27 increased by 5% in 2006 compared with 2005, reaching 2595 billion tkm.⁷

3.3 In October 2007 the European Commission published a communication on the EU's freight transport agenda,⁸ including accompanying rail and maritime transport communications and consultations documents. Freight transport is presented as essential to maintaining economic growth and competitiveness and as crucial for a well-functioning internal market. The long transport distances to main European markets put

⁵ "Keep Europe moving – Sustainable mobility for our content", COM(2006) 314 final, 22.6.2006

⁶ Eurostat, *Statistics in Focus*, Transport, 35/2008, "Modal split in the inland transport of the EU"

⁷ Tonne-kilometre: Unit of measure representing the movement of one tonne of freight over one kilometre

⁸ COM(2007) 606 final, 18.10.2007

efficient freight logistics at the forefront of issues for both the EU and EEA EFTA States.

3.4 The continuous growth in freight transport, forecasted to grow by a further 50% through 2020, contributes positively to economic development and employment. At the same time it puts a strain on transport infrastructures, with visible signs including increased congestion on parts of the transport system and increased carbon emissions. These are challenges that need to be met and dealt with.

3.5 The European Commission's integrated approach to freight transport based on co-modality, innovation, simplification, quality and greening of main transport corridors should be reflected in specific policymaking for all transport modes. The aim of shifting freight to more environmentally friendly modes of transport, where appropriate, must be supported. The efficiency of intermodal hubs, such as intermodal terminals, ports and rail-freight terminals, is also essential for efficient logistics and multi-modality, and for open and non-discriminatory access to terminals. Cross-sectoral infrastructure improvements and hinterland connections should be on the agenda on all policy levels, including in the EU as well as nationally and regionally.

3.6 In order to improve efficiency and sustainability there is an urgent need to cut back on the red tape that businesses are subject to in all parts of the logistic chain. The efforts to establish a standard freight document to be used by all transport modes is highly welcome.

3.7 The enlargement of the European Union has accentuated differences between peripheral and sparsely populated areas and centrally and heavily urbanised areas. EU internal market legislation and other policy instruments should to a larger extent reflect such regional differences. Having regard to the fact that in parts of Europe, including in the EEA area of Iceland and the northern parts of Norway, the choice of transport modes are limited, it is of fundamental importance that actions and legislation at EU level do not contribute to a reduced competitiveness of industries in peripheral and remote areas where there are no valid alternatives.

Urban transport

3.8 The urban logistic networks are an important part of a wider freight network. All over Europe cities are experiencing increasing congestion and pollution problems. The CIVITAS Programme (for cleaner cities), partly funded by the 7th Framework Programme, is a key initiative to improve urban transport. It consists of 140 member cities of which 46 have so far co-financed transport projects. The European Commission wishes to play a facilitating role with the objective of creating a toolbox for Member States to find solutions to their common problems.

3.9 A Green Paper on urban mobility was adopted by the European Commission on 25 September 2007⁹ and addresses the following main challenges for towns and cities:

- Congestion/energy consumption (petrol as main fuel);
- Climate change;
- Health issues; and

⁹ COM(2007) 551 final, 25.9.2007

- Safety and security.

3.10 The intention of the Green Paper is to address options, not solutions or proposals. It is a good step in the right direction and the EEA Consultative Committee looks forward to the foreseen follow-up action plan in October 2008. Cities must remain liveable, but infrastructure must at the same time remain friendly to business, in particular regarding the supply chain and securing the quick and efficient delivery of goods to and within cities. The EEA Consultative Committee would like to see ITS (Information Technology Services) used to a much greater extent across Europe since the technology is available and it believes that there is a role for the European Union to encourage further developments and the use of ITS.

3.11 Public transport is a vital part of the European transport system and as it reduces emission and congestion problems, its role should be strengthened as a part of an ambitious transport policy for Europe.

3.12 There are clear benefits to working together with the aim of ensuring a better and more sustainable urban mobility. A common solution is needed to combat local problems which have a global impact, and therefore an exchange of best practices is encouraged. It should however be underlined that legal actions should only be pursued if needed. With regard to financing, the need for better use of existing funds, including existing EU and EU programme funds such as CIVITAS should be promoted.

Ports and maritime transport

3.13 On 18 October 2007 the European Commission presented its Communication on a European Ports Policy.¹⁰ The aim is to help develop an efficient ports system in Europe to meet both current and future requirements. The Communication does not contain any new legislative initiatives; instead it gives advance notice of individual legislative proposals as part of an action plan. This includes key proposals such as initiatives to enhance both maritime transport electronic systems and administrative and tariff procedures for short sea shipping, as well as new guidelines for state aid and measures to extend the provisions on transparency.

3.14 There is an urgent need for a framework which will allow European ports to attract investments for their modernisation while respecting the environment. Ports are key points of modal transfer and are vital in the development of freight logistics, short sea shipping, and motorways of the sea. The quality and efficiency of port services, infrastructure and hinterland connections are essential for the smooth and effective operations of logistic transport chains using maritime transport. It is therefore important to bring awareness to the ports' vital role in the total European transport and logistics network.

3.15 The European Commission's initiative to increase efficiency and productivity in ports, attract investment, simplify administrative procedures, and guarantee fair competition between ports while taking environmental concerns into consideration, is strongly supported. In view of rapidly increasing administrative tasks in a broader

¹⁰ COM(2007) 616 final, 18.10.2007

sense, e.g. security and pollution prevention, special efforts should be made to ensure the competitiveness of smaller ports.

3.16 It should be emphasised that there are a variety of challenges facing European ports. Large ports experience problems related to congestion, while smaller ports on the fringe of Europe concentrate on getting a sufficient amount of cargo to make maritime transport a more competitive alternative to trucking. Since the ports of Europe are of different sizes and face different challenges we support the idea of developing guidelines, not directives, and to focus on the principle of subsidiarity.

3.17 Further development of the motorways of the sea¹¹ is needed as part of a concerted effort to absorb a significant part of the expected increase in road freight traffic, improve the accessibility of peripheral regions and reduce road congestion. Motorways of the sea are attractive environmental alternatives to road transport, but will only succeed if the quality and competitiveness of the services is comparable with alternatives offered by other modes. Thus it is of great importance to focus both on port facilities and hinterland connections. Without good connections to other transport modes, it will be difficult to shift transport from the road to the sea. To succeed, it will be important to promote various projects and at the same time make it easier to apply for funding.

3.18 The success of motorways of the sea and short sea shipping is intrinsically related to procedural harmonisation and simplification. Thus it is necessary to simplify procedures to significantly reduce the administrative burden on short sea shipping.

3.19 Maritime shipping in itself is only to a small degree a door-to-door concept, and is therefore dependent on efficient transfer facilities to other modes of transport such as road and rail. Developing actions at EU level must take due account of the efficient integration of the EEA EFTA States in new initiatives. Measures at the EU level where the EEA EFTA States participate actively include for example the promotion of Short Sea Shipping centres, the Marco Polo Programme,¹² and the Motorways of the Sea Programme.

3.20 The common rules that apply to safety, security and environmental protection in Europe are not only regional rules; they are based on international rules. Shipping is global in nature and should have international rules. Therefore, we recognise the importance of the European Commission's initiative to gather necessary data from relevant stakeholders with the aim of simplifying existing administrative procedures in shipping in order to reinforce efficiency and competitiveness. The European Commission is expected to put forward a proposal for a European Maritime Space without barriers in October 2008.

3.21 Additional proposals can be expected as part of the follow-up to the so-called "Blue Book" on an integrated Maritime Policy for the European Union, which was published by the European Commission on 10 October 2007 following a year-long consultation.¹³ The "Blue Book" lays the foundation for a future dynamic and pro-active

¹¹ SEC(2007) 1367, 18.10.2007

¹² Marco Polo is the EU's funding programme for projects which shift freight transport from the road to the sea, rail and inland waterways

¹³ COM(2007) 575 final, 10.10.2007

European Maritime Policy, embracing an integrated approach addressing economic, social, environmental, and governance questions in relation to the sea. All matters relating to the ocean and seas are interrelated. Consequently, the European Commission argues that they must be developed in a coherent way in order to enhance Europe's capacity to face the challenges of globalisation and effectiveness, climate change, maritime safety and security, and energy security and sustainability. It should be underlined that the role of the regions and industry is crucial in achieving an integrated maritime policy on both the national and European level. In October 2008 the European Commission will publish a communication on the EU Maritime Transport Policy for 2008-2018 and it is essential that in this context the EU ensure the long-term competitiveness of the EU shipping sector and enhance its capacity to generate sustainable value and employment in the EU and EEA.

Inland waterways

3.22 The EU has committed itself to pursuing the goal of shifting transport to less energy-intensive, cleaner and safer transport modes. Inland waterway transport is an obvious choice to play a more prominent role in reaching this target. Concrete actions are needed to fully exploit the market potential of inland navigation and to make its use more attractive. Given that inland navigation is often a cross-border transport mode, action at both the national and Community level is required.

3.23 In 2006, in order to attain its objectives with regard to inland waterway transport, the European Commission launched NAIADES, an integrated action programme, and invited Member States to play an active role in its implementation. Traditionally, inland shipping has a strong position in the long-distance haulage of bulk transport. In the last two decades inland shipping has also successfully entered new markets such as the hinterland transport of maritime containers, experiencing a two-digit annual growth rate. Its expansion into the transport of continental general cargo and short distance traffic also unlocks the potential for new distribution solutions, responding better to modern logistic requirements.

Concluding remarks on the single market for transport

3.24 The completion of the single market for transport remains a key driver of European industrial competitiveness. However, current policies do not contribute as much as they could to improving Europe's performance. This is only achievable through a holistic approach focusing on optimising the contribution of all modes of transport to society in general and by enabling them to respond to demand in the market. Achieving a competitive and effective single transport market requires both market liberalisation and new, sensible legislation with regard to sustainable transport. In our view, focus should be on encouraging logistical development, transport growth, and the promotion of transport efficiency rather than on promoting any one particular mode of transport over another.

3.25 One remaining barrier is the unsustainable imbalance between the EU's transport needs and the budget provided to meet demand. Increasing financial means is crucial for the success of a European transport policy. Another barrier is traffic congestion, which is increasing across Europe. This is partially a result of the lack of capacity of infrastructure, the development of which does not match the increasing

numbers of vehicles and the growth of both transport and trade. Most traffic is local in and around urban regions, not international, and capacity shortages are most apparent and detrimental to the economy around large urban areas.

3.26 An important initiative to overcome some of the above-mentioned barriers is the Trans-European Networks (TEN-T) programme. Following the most recent EU enlargement in 2007, TEN-T now comprises 30 priority projects, which should be completed by 2020. Furthermore, the European Commission has recently underlined the necessity to extend the trans-European transport network to the EU's neighbouring countries. Of the 30 priority projects, 18 are railway projects, and 2 are inland waterways and shipping projects. High priority has therefore been given to the most environmentally friendly transport modes. The latest European Commission Communication on TEN-T¹⁴ assesses the financial resources used to implement the networks during the 2000-2006 financial period and presents the financial mechanisms under the 2007-2013 multi-annual financial framework. The sum of EUR 8.013 billion has been allocated directly from the EU budget for the development of the trans-European transport network in this financial period.

IV Transport and the environment

4.1 The transport sector is by far the fastest growing source of greenhouse gas emissions in the European economy. To enable the EU to meet its ambitious greenhouse gas emission reduction targets by 2020, the transport sector must improve its environmental performance. The previous and current EU policies to a large extent focused on improving vehicle technology and fuel quality to reduce pressures on the environment. Trends and projections show that these policies have not been enough to reduce emissions sufficiently. To achieve the necessary reductions, measures and policy instruments will need to be put in place to address demand for transport in a more serious way.

4.2 The 2007 report of "Climate for a transport change", which is published annually by the European Environment Agency's (EEA) Transport and Environment Reporting Mechanism (TERM) to monitor the progress and effectiveness of attempts to integrate transport and environment strategies,¹⁵ warned that the EU is failing to curb emissions from transport and underlined that dramatic improvements and clear targets are needed to improve the situation. Achieving ambitious targets in line with the Bali Roadmap would require that transport volume growth be limited to +4 to -2% over the period 2010-2020, compared to a growth of 15% in a business-as-usual scenario. With approximately 12% of the overall EU emissions of CO₂ coming from fuel burnt by passenger cars alone, and the study showing that voluntary commitments by car manufacturers to improve efficiency in vehicles have not resulted in sufficient gains so far, the EEA TERM urges the transport sector in the EU to apply much more rigorous measures to help Europe meet its greenhouse gas emission targets. The EEA Consultative Committee believes that setting realistic but still challenging sectoral targets would encourage stakeholders and policy makers to develop and implement necessary measures and policy instruments.

¹⁴ "Trans-European networks: Towards an integrated approach", COM(2007) 135 final, 21.3.2007

¹⁵ European Environment Agency Report No. 1/2008 - http://reports.eea.europa.eu/eea_report_2008_1/en

4.3 In order to avoid pollution from the ever increasing bottlenecks on European roads, much effort has already been put into promoting more environmentally friendly transport modes, such as rail, inland waterways and freight by sea. Although this approach is applauded, efforts must continue to ensure that all transport modes are as clean and energy efficient as possible. Thus, the EEA Consultative Committee is looking forward to the European Commission communication on greening the transport sector and green propulsion, which is foreseen for June 2008. This should reflect the urgent need for action as described above, including environmental and economical incentives to encourage more environmentally friendly behaviour and improved performance.

4.4 More than 90% of the world's trade is carried on board ships, and even if they provide by far the most energy efficient way to carry cargo, one must consider the large amount of energy required for that purpose. While land-based air pollution has been discussed for many decades, ship related air pollution only hit the international agenda in the late 80's. Even though important international legislative steps have been taken to reduce air pollution from ships, NO_x (nitrate) and sulphur emissions still represent a serious pollution problem. If no further measures are taken, these emissions from ships may surpass the total emissions from all land based sources in the EU. At the beginning of April 2008 the International Maritime Organisation (IMO) reached an outline agreement on limits to NO_x and SO_x emissions. The EU is urged to support this agreement, as well as consider possible stricter requirements, for example through the mandatory use of cleaner fuel.

4.5 With regard to the air pollution affecting many port towns and regions, better incentives for the provision of land-based electricity for ships in port is called for. The possibility of exempting land-based electricity from tax should be considered.

4.6 Although the air transport industry has made improvements to aircraft technology and efficiency, reductions in greenhouse gas emissions have not been sufficient to compensate for the rapid growth of global air traffic. Since 1990 CO₂ emissions from aviation have increased by 87%, accounting today for 3.5% of the human contribution to climate change.

4.7 The Kyoto Protocol excludes international aviation and merely requests that countries work towards reducing emissions through the International Civil Aviation Organisation. Since prospects for a comprehensive global agreement still appear distant, the European Commission has decided to take unilateral action and has suggested to bring aviation into the Emission Trading Scheme (ETS) as the most cost-effective way of reducing emissions. The Council and Parliament have subsequently endorsed the approach but there are still major outstanding issues, e.g. timeline, the cap, and allowances. The proposal is now in the European Parliament for a second reading and the EU aims to reach an agreement by the end of 2008.

4.8 The European Parliament has also called for the incorporation of shipping into the ETS. Discussions are now taking place at the global as well as regional level, and an assembly resolution has been adopted in IMO including a strategy for reducing emissions of greenhouse gasses from shipping. The IMO will continue its discussion in its meeting in October 2008. In 2009 the European Commission is expected to propose

measures to reduce greenhouse gas emissions from freight transport, including emissions from ships.

4.10 Energy and transport are central to European integration. However the institutional recognition based on the Treaty of Rome is not in itself sufficient to ensure their development. In facing the objectives of the European Single Market, both sectors share a number of fundamental characteristics:

- They are essential for economic competitiveness;
- They contribute to social and territorial cohesion;
- Both are subject to important public services;
- They require substantial infrastructure with high-quality, inter-connected networks;
- In parts of Europe both are organised on a monopolistic basis;
- Both have a major influence on the quality of our environment; and
- Both have a major international dimension.

4.11 Over the past thirty years, transportation of goods and people in Europe has more than doubled; +185% for the transport of goods and +145% for the transport of people. Road transport is dominant over the other transport modes with a market share of 45% for the transportation of goods and of 87% for passenger transport. This has naturally had implications for overall oil consumption, with transport accounting for some 71% of the total consumption in the EU. In line with the objectives of the EU's energy policy, it is necessary to deliver a transport policy, which aims at lowering energy consumption and emissions with a view to reducing the impact of transport on climate change. This requires Europe to collectively press ahead with more innovation efforts to further improve environmental performance and ensure a consistent European transport energy approach, including improved engine efficiency, increased use of sustainable bio fuels, and higher market share for innovative engine and fuel technologies.

V Innovation

5.1 Transport is fast becoming a high technology industry and Europe is an important exporter of transport technologies and systems. However, Europe needs to draw on the most recent research results, and to encourage their transfer into practice. Fortunately, there is a wealth of research into transport, both within the European Commission's Framework Programmes and in the national research programmes across the European Research Area.

5.2 The 7th Framework Programme for research and technological development has numerous research activities for all transport modes, including marine and maritime research, smart and cleaner cars, SESAR, intelligent transport systems, and a programme on cooperation activities on transport, intended to develop integrated, safer, greener and smarter pan-European transport systems.

5.3 GALILEO (global navigation satellite system) is the flagship programme of the European space policy – the first programme giving Europe its independence in the field of satellite positioning. The project's scope and strategic nature have led the European Space Agency (ESA) to work jointly with the European Union. Thus a culture of intergovernmental and Community cooperation should ensure the success of this

venture. In the same spirit of cooperation, the project should be implemented as a public-private partnership. The first test satellite, a precursor of future satellites that will ultimately form a constellation of 30, was launched into orbit towards the end of 2005. The development of this project is therefore on course, but has not been without its difficulties and delays. Ultimately, GALILEO will be a global navigation satellite system. A well-functioning satellite system should hopefully contribute to a more efficient and sustainable transport system in Europe.

5.4 Innovation is essential for growth and employment in the transport industry and for tackling global challenges such as climate change and biodiversity loss. Support and funding on both EU and national level is a prerequisite to ensuring future sustainable solutions for the transport sector such as cleaner, safer and more energy efficient transport modes.

VI Transport, employment and working conditions

6.1 In the field of labour and social policy there is extensive legislation covering all transport modes. In the field of road transport the existing legislation, which was last revised in 2006, establishes common rules for the profession, and sets minimal standards for working time, driving and rest periods. The EU is currently discussing a new set of proposals (road package) introducing revised common rules for access to the market for road transport operators, coach and bus services and the international haul market.

6.2 The EEA Consultative Committee is concerned with European road transportation increasingly becoming affected by a growing shortage of skilled and qualified drivers. The increasing demand for transportation services (estimated at a 2.5 percent annual increase in road transport demand in the next 10 years) is in stark contrast to the insufficient inflow of skilled and qualified new drivers into the profession at a time when the current driver population is aging rapidly. In addition, the introduction of new working hours is estimated to require 10 to 15 percent more drivers if the annual increase in demand is to be met, all of which must be done in a competitive market where the transport industry competes for skilled drivers with other sectors and professions. If action is not taken, driver shortage could lead to an increasing inability to deliver products in time and will therefore have a negative impact on supply chain performance.

6.3 In the railways sector working conditions are governed by Council Directive 2005/47 on the Agreement between the Community of European Railways (CER) and the European Transport Workers' Federation (ETF) on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services in the railway sector.

6.4 In the aviation sector the standards established by the national administrations through the Joint Aviation Authorities (JAA) set minimal standards for duty time and rest periods for air crew. The standards have been incorporated into EU law and were last revised in 2006.

6.5 Shipping is mainly covered by international rules as laid down by the ILO. An agreement between the European Community Shipowners' Association (ECSA) and the

Federation of Transport Workers' Unions in the European Union (FST) was reached in 1998 on the organisation of working time for seafarers. The agreement was incorporated into the EU legislation through Directives 1999/95 and 1999/63. In 2006 the ILO adopted a new Maritime Labour Convention. In order to ensure improvement of the living and working conditions for seafarers all EU and EEA Member States should be encouraged to ratify the Convention as soon as possible. An agreement between the social partners concerning the new convention is currently in its final phases and a proposal for a directive on the implementation of the 2006 Convention is foreseen to be published by the European Commission in the second half of 2008.

6.6 Seafarers are excluded from a number of areas in the European social and labour protection rules, e.g. on legislation on working conditions and health and safety at work. In the "Blue Book" on an integrated Maritime Policy for the European Union the European Commission underlines the need to look into these exclusions and by the end of the year 2008 will publish a proposal with the purpose of including seafarers in the scope of specific social and labour protection rules.

6.7 The maritime sector has seen a decline in European seafarers since the late 80's, especially as regards officers. The European Commission addresses this issue in its Communication on the training and recruitment of seafarers¹⁶ and in the "Blue Book". The maritime industries need maritime expertise and experience, and further action is needed to ensure a future continuous thriving maritime sector in Europe.

VII Developments in the High North

7.1 Bearing in mind the location of the 16th EEA Consultative Committee meeting in Svalbard, Norway, it is important in this report to also focus on developments in the High North and to specifically explore the role the transport sector can play in increasing cooperation and securing sustainable development in the Barents and Arctic region.

7.2 The environment in this region is especially fragile and susceptible to climate change, and it is important that current and future economic growth be based on the highest level of environmental standards and the respect for the indigenous people. Extra care needs to be taken with regard not only to the management of marine resources and the sustainable exploitation of gas and oil resources, but also to safer maritime transport.

7.3 These efforts are not only important for the region itself, but crucial for Europe as a whole. The acknowledgement of the wider implications of the developments in the Barents and Arctic region is reflected in the joint Northern Dimension policy between the EU, Iceland, Norway and Russia which was established in 1999, and re-launched in November 2006 as a much more ambitious policy for the region.

7.4 In its recommendations to the EEA Council in June 2006,¹⁷ the EEA Consultative Committee underlined the need to develop new partnerships in the field of infrastructure/transport/logistics on the basis of best practice from already developing

¹⁶ (COM(2001) 188 final

¹⁷ EEA Consultative Committee resolution on "The Future of the Northern Dimension Policy", Ref. 1063392, 25 June 2006

partnerships in the field of environment and public health. Economic development in the region depends on useful infrastructure and networks that are able to more easily move goods and persons across borders. National borders have so far resulted in separate, national transport systems operating in parallel, and much of the infrastructure has been built to create north-south links between northern regions and capitals further south. The failure to coordinate transport programmes with neighbouring countries has often led to unnecessary bottlenecks arising at the borders. Therefore in the present report the EEA Consultative Committee reiterates the importance of projects being developed to better link up road and railway systems, create integrated cross-border systems facilitating the efficient movement of goods and persons, and upgrade roads and border-crossing points.

7.5 It is also important that the role of Northern Europe in the overall transport system in Europe be enhanced, including the maritime transport and the creation of more efficient maritime transport corridors. This would require increased cooperation between port authorities and relevant business communities at national, regional and local levels. As a result of intensifying exploitation of resources in the Barents and Arctic region, particularly oil and gas, marine traffic in the region could continue to increase and put more pressure on the environment and more specifically the security of energy transport.

7.6 In their contributions to the European Commission consultation on the future of the European Maritime Policy,¹⁸ the Icelandic and Norwegian governments presented concrete ideas on how to improve the monitoring, efficiency, security, and sustainability of maritime transport in the region. As part of its Integrated Management Plan for the Barents Sea, the Norwegian government proposed a forum for cooperation on risks to the environment, using risk assessment as an efficient tool to enhance safety at sea. On the basis of risk assessments of transport of petroleum products in northern waters, a routing scheme was proposed to reduce the risk of accidents. Risk assessment is also used in the Interreg Project on safety at sea, covering the whole North Sea region. Furthermore, Norway and Russia in 2006 signed an agreement regarding cooperation over safety at sea in the Barents Sea, including a system to make it easier to see which vessels are in the region and what their cargoes are.

7.7 Both Iceland and Norway have underlined the importance of developing a vessel traffic monitoring system that can be expanded to include waters adjacent to the EU-EEA area. The aim is to prevent duplication of national efforts and to include fishing and safety monitoring, the tackling of hazardous cargo and customs, and border inspection. Tracking systems already set up by regional fisheries management organisations in the North Atlantic have been successful and could be used more extensively in the development of more remote and international monitoring tracking systems in collaboration with nations outside the EEA as well.

7.8 As a result of the increased maritime traffic in the High North, and especially the potential for a considerable increase in energy transport, the EEA Joint Parliamentary Committee (EEA JPC) in its resolution on the Future Maritime Policy in June 2007¹⁹ underlined the need for increased international co-operation with regard to mandatory

¹⁸ Green Paper "Towards a future Maritime Policy for the Union: A European vision for the oceans and seas", COM(2006) 275 final, 7.6.2006

¹⁹ EEA JPC report and resolution Ref. 1075878, adopted on 27 June 2007

rules for Arctic shipping. The Committee also urged relevant authorities to monitor closely the environmental developments connected to the possible opening of a new Trans-Atlantic sea route, and it called for increased European cooperation and a common strategy with regard to the possibly drastic changes to the main maritime routes connecting European and Asia.