

Cefic POSITION

on

the European Commission's Transport White Paper of 28.03.2011

**“Roadmap to a Single European Transport Area -Towards a
competitive and resource efficient transport system”**

Cefic, the European Chemical Industry Council, is the Brussels-based organisation of the chemical industry in Europe, representing 29,000 large, medium-sized and small companies that employ 1.3 million people and account for one third of the world's chemicals production.

Introduction

In its 2011 White Paper, the European Commission has presented an ambitious future transport strategy that should increase mobility and at the same time reduce transport GHG emissions by at least 60% by 2050 with respect to 1990.

Cefic supports the European Commission's aspirations towards a more competitive and resource efficient European transport system. The Chemical Industry has already done a lot contributing to this objective and will continue to do so.

The success of the drastic carbon reduction target depends however to a large extent upon the speed of future technological developments, which is difficult to predict 40 years in advance. Furthermore, the success of the plan will be strongly dependent upon the success of concrete political measures that still need to be developed in much more detail, taking the list of initiatives proposed in Annex I of the European Commission's White Paper forward.

Initiatives listed in the White Paper that Cefic particularly supports

- Development of a core network of strategic European infrastructure including intermodal freight terminals, multimodal freight corridors and connections with sea ports, with a coherent funding framework and giving priority to projects with the highest impact.
- Further development of a true internal market for rail freight, including non-discriminatory access to rail infrastructure and services. Implementation of the package of Railway Directives and the proposed Rail Recast. Support for a sustainable system for single wagon-loads.
- Integration of IT systems and simplification of administrative procedures for short sea shipping in and around Europe through the introduction of the so-called "Blue Belt" initiative.
- Measures allowing road transport to further improve its efficiency by eliminating remaining restrictions on cabotage.
- Adapting the legislation on vehicle weights and dimensions: allowing the general use of 44T road vehicles will enable a reduction of energy consumption and carbon emission per unit of material moved.
- Measures that contribute to zero road transport accidents and higher rail and maritime safety.
- Uniform European standards supporting innovation and sustainable transport e.g. uniform calculation methods for estimating the carbon footprint of transport.

Areas that are giving rise to concern, notably the Commission's modal shift targets and the plans for internalization of external costs

Modal shift away from road is clearly a significant objective of the European Commission's policy. If the modal shift aspiration of the Commission is supported by actions to make the alternative modes economically and operationally more viable, then Cefic supports this aspiration. However, any attempt of the European Commission to force modal shifts which are not economically viable, cannot be accepted. Incentive-driven measures will need to be considered to encourage modal shift and co-modality. In addition the 300 km threshold, above

which the White Paper suggests road freight should shift to alternative modes such as rail and inland waterways, is arbitrary.

The Chemical Industry makes already extensive use of these alternative transport modes*. Road transport represents only 44% of the total chemical inland transport volume (expressed in ton-km) compared to 73% for the European average. Barge (13%), rail (15 %) and intermodal road/rail (21%) transport already play an important role in chemical inland logistics, scoring significantly higher than the European industry average. These efforts made by the chemical industry should be taken into account in future modal shift policies, so that industry sectors that are already ahead of other sectors are not penalized.

* Source: Cefic survey of chemical transport volumes

In **rail freight** one must create the right conditions for services to thrive, whether block-train or single wagon-load services. Single wagon-load services are particularly vulnerable at the moment. Many such services have been withdrawn by rail freight operators and many more services remain under threat which could jeopardize the future of many stand-alone chemical plants or result in a reverse modal shift of dangerous goods to road transport. Cefic believes the demand for single wagon-load services remains strong. It is our opinion that the right business models and closer engagement by the rail freight industry with its customers can provide the basis for sustainable single wagon-load services. In order to improve reliability, the Commission must enforce policies governing access to the rail infrastructure and ensure the good governance of a competitive rail freight industry and network. The current Rail Recast proposals would substantially improve the situation in this regard.

Similarly, the Commission's current policies towards revitalizing the appeal to shippers of **inland waterways and short-sea shipping** will similarly contribute to creating more efficient and reliable alternatives to road freight solutions.

Internalization of external costs remains on the Commission's target-list of policies. In respect of road tolls in particular, the Commission places far too much hope in this policy for delivering a sustainable modal shift. Increasing the costs of transport will not by itself produce the modal shift. Recent increases in fuel prices have demonstrated that increasing costs of road freight do not result in significant modal shifts when no viable alternatives are available. One should also keep in mind that any policy measures to reduce transport carbon emissions will only be effective if implemented on a global scale as a component of international agreements, in particular for maritime transport.

Nevertheless, whilst having a number of reservations in regard to the charging policy, Cefic does welcome the notation that any internalization of external costs should be implemented in a balanced and non-discriminatory manner for all transport modes and be applied to freight and passenger transport.

Transport charging systems for transport emissions should be based on accurate and standardized measurements. Cefic believes that the European Commission should do more to help in the development of standard measurement methods and tools.

Congestion of transport infrastructure remains a significant issue. Investment in new and upgraded infrastructure is urgently required to enable more intermodal transport and to improve connections of ports with hinterlands. In any transport charging system, the revenues should be ear-marked and be used exclusively for schemes and new transport infrastructure which reduce the environmental impact of freight transport.

Summary and conclusion

Cefic fully supports the European Commission's aspirations contained in the White Paper towards a more competitive and resource efficient European transport system. However, the very ambitious targets stipulated in the White Paper appear to be not realistic, at least for as long as they are not backed up with a more detailed and solid project plan with a coherent framework for funding, linked to realistic and workable short and medium term targets along the way towards the long term (2050) goals. In order to close the gap between intentions and more concrete policy measures, Cefic recommends a systematic stakeholder dialogue to ensure that policy measures will be truly sustainable, from an environmental, economic and social perspective.