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AK Position Paper

# AK-position to the White Paper on Transport

## About us

**The Federal Chamber of Labour is by law representing the interests of about 3.2 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore the Austrian Federal Chamber of Labour is a part of the Austrian social partnership.**

**The AK EUROPA office in Brussels was established in 1991 to bring forward the interests of all its members directly vis-à-vis the European Institutions.**

### **Organisation and Tasks of the Austrian Federal Chamber of Labour**

The Austrian Federal Chamber of Labour is the umbrella organisation of the nine regional Chambers of Labour in Austria, which have together the statutory mandate to represent the interests of their members.

The Chambers of Labour provide their members a broad range of services, including for instance advice on matters of labour law, consumer rights, social insurance and educational matters.

Herbert Tumpel  
President

More than three quarters of the 2 million member-consultations carried out each year concern labour-, social insurance- and insolvency law. Furthermore the Austrian Federal Chamber of Labour makes use of its vested right to state its opinion in the legislation process of the European Union and in Austria in order to shape the interests of the employees and consumers towards the legislator.

All Austrian employees are subject to compulsory membership. The member fee is determined by law and is amounting to 0.5% of the members' gross wages or salaries (up to the social security payroll tax cap maximum). 560.000 - amongst others unemployed, persons on maternity (paternity) leave, community- and military service - of the 3.2 million members are exempt from subscription payment, but are entitled to all services provided by the Austrian Federal Chambers of Labour.

Werner Muhm  
Director

## The AK position in detail

Binding standards for training safety-relevant personnel contribute to prevent social, safety and wage dumping

With its Transport White Paper, the European Commission is presenting a comprehensive status report. In fact, it would be justified to expect a detailed evaluation on the achievement of objectives from the last Transport White Paper (2001 to 2010); however, this is completely absent. Concerning its methodical structure, its objectives, its proposed measures and its degree of detail, the present White Paper represents a significant step back compared to its predecessor paper from 2001.

At the background of the EU climate and energy efficiency targets, the EC defines the transport-dependent CO<sub>2</sub> reduction by about 60 percent by 2050 compared to its level in 1990 as the major objective.

The White Paper 2001 already proclaimed emission reduction targets, regarded the technical and the social harmonisation as essential and announced the internalisation of external costs. These plans should certainly be welcomed; after all, if they were implemented, they could lead to more sustainable transport and thus to a more sustainable economy. For example, binding standards for training safety-relevant personnel contribute to prevent social, safety and wage dumping. It is also necessary to correct the extremely low level of cost coverage of road freight transport by about a third

to ensure that economically more efficient modes of transport get a chance in the first place. Cost transparency with the modes of transport leads to a significant shift from road to rail. According to the Austrian Infrastructure Cost Calculation<sup>1</sup>, which was published by the Federal Ministry of Transport Innovation and Technology, stricter controls of working hours, speed and overloading, road freight transport would fall by 15 percent and up to 30 percent more freight would be transported by rail.

If the EC has its way, the measures named for 2001 would require additional environmental Initiatives, such as stricter rules for HGV concerning noise and exhaust emissions or the promotion of alternative engines for cars. To what extent these, in view of the growth in road transport, will be sufficient to meet the targets of climate and health protection is frequently questioned. Particularly regrettable in this context is also the fact that the EC is programmatically distancing itself from the target to shift transport to more environmentally friendly modes of transport. According to the EC, additional shifts should only take place in marginal transport sectors.

Apart from that, numerous Initiatives suggested by the EC contradict each other. The contradiction resonates in the title of the White Papers according

<sup>1</sup> Federal Ministry of Transport, Innovation and Technology, 'Energy and transport in figures', 2007

It should be pointed out that the White Paper only represents a very general framework, which has to be followed by concrete steps, for example in form of Directives and Regulations

to which the transport policy should be “competitive and resource efficient”. In view of the concrete experiences with the practice of European Transport policy during the past decade, which was characterised by massive liberalisation and privatisation pressures, we see a number of shortcomings in the present White Paper.

“Climate change is the greatest market failure the world has seen.” This is the conclusion the European Environment Agency reaches in its 2010 report on the state of Europe’s Environment<sup>2</sup>. With its concept of treating all modes of transport equal (co-modality), the EC bypasses the target to favour more sustainable modes of transport under the pretext the market would regulate this if fair framework conditions existed. However, currently the condition of fair competitive conditions does not exist and it is not possible to predict whether resp. when it will be created. The Federal Chamber of Labour (BAK) urges that transport should not find its way from road to more sustainable modes of transport through competition, but by clear and comprehensive regulatory measures and their efficient implementation.

Having to list almost the same main targets (ecologisation and social harmonisation) a decade after the last White Paper, because they have not been achieved or were ignored is a not a good starting point for the future Union’s policy in the area of transport and makes a mockery of those employees, who suffer this day in day out.

<sup>2</sup> EEA, 2010. The European environment - state and outlook 2010: Synthesis report. European Environment Agency, Copenhagen

<sup>3</sup> COM(2011) 144

Finally, it should be pointed out that the White Paper only represents a very general framework, which has to be followed by concrete steps, for example in form of Directives and Regulations. If the EC is serious about creating a sustainable transport system as part of its transport policy, it would be high time to implement these targets by effective measures.

#### LIST OF INITIATIVES

In the following, we detail our position concerning the Initiatives suggested by the EC and also refer to statements in the Full version of the White Paper - SEC (2011) 391. Because during the course of publication of the White Paper<sup>3</sup>, the EC has also introduced a 127 page staff working document with details on a strategy to 2050 and the 40 Initiatives associated with it. During the course of the statement, we will refer to individual paragraphs of this working document. Figures in square bracket e.g. [362] refer to the relevant paragraph in the in-depth working paper.

The AK ascertains that these goals are not ambitious enough to achieve the targets of ecologizing the transport sector formulated by the European Commission

## 1. EFFICIENT UND INTEGRATED MOBILITY SYSTEM

If as recent as last year, the Commission, when calling for a statement on the future policy for the Trans-European Transport Network<sup>4</sup> for example, demanded the principle of co-modality, this aspect is now only mentioned once in the White Paper (Paragraph 25). In particular, the full version mentions the necessity of shifting transport; nevertheless, the proposed measures do not include any relevant approaches. However, integrating the shift principle is fundamental for the transport policy of the coming decades, for example if the Berlin-Palermo rail corridor including the Brenner Base Tunnel has been completed.

With regard to the parallel existing infrastructure, a change of various transport-policy framework conditions is urgently required to ensure that the rail will indeed be used as a mode of transport. Looking closer at the goals addressed on page 34 of the working paper to shift at least 50 percent of road freight over 300 km to waterborne and rail transport by 2050, can only be regarded as ridiculous. In footnote 57, the EC states itself that in road transport 75 percent of all goods are moved over distances below 150 km. That is to say that the Commission has formulated the goal to shift about 8 percent by 2030 and maximal 12.5 percent (50 percent of 25 percent = 12.5) of road to rail by 2050. In 2008, the modal split of the EU-27 for the transport of goods by HGV was 76 percent (tonne-kilome-

tre)<sup>5</sup>. A shift by 12.5 percent means a reduction to about 67 percent - a goal that already eight Member States, i.e. more than a quarter, of the EU-27 had achieved in 2008<sup>4</sup>. The Federal Chamber of Labour (BAK) ascertains that these goals are not ambitious enough to achieve the targets of ecologizing the transport sector formulated by the EC.

### 1.1. Single European Transport Area

#### Initiative 1: A true internal market for rail services

In Initiative 1, the EC demands to open the domestic rail passengers market to competition, including mandatory award of public service contracts under competitive tendering.

The PSO Regulation 1370/2007 provides for contracts to be awarded directly for rail services; however, this does not represent an obligation, but leaves the decision to the Member States (MS) resp. the competent authorities, whether they want to put a contract out to tender or not. Mandatory tendering for national rail services is firmly rejected, the choice between tender and direct award - as it is established in the PSO - must be retained.

The AK rejects any liberalisation of the passenger rail transport if the necessary technical and social framework

<sup>4</sup> COM(2010) 212

<sup>5</sup> Directorate-General for Energy and Transport: EU energy and transport in figures: Statistical Pocket-book 2009

conditions are not created in advance. On the one hand, the proposed Initiative increases the pressure on the PSO Regulation having to put all services out to tender and could therefore call the Public Services Agreement (GWL) between the Austrian Federal Railways (ÖBB) and the Federal Ministry of Transport Innovation and Technology (BMVIT) into question. On the other hand, the Member States might lose the overall sovereignty over the organisation of rail services to the detriment of their citizens.

In addition, Point 1 includes a proposal on a further structural separation between infrastructure management and provision of services. This represents a disproportionate intervention in entrepreneurial freedom. Any further splitting of the ÖBB holding as provided for in this proposal, poses the risk that important synergy effects (for example with regard to optimising the network in case of interruptions, central procurement or customer information) might be lost.

The Commission believes that opening the market would quasi automatically lead to improved services and thereby to a higher share in the modal split [133]. Fact is that at about 6 percent, the modal split in passenger transport has remained almost the same EU-wide, whereas freight transport has fallen from 12.6 percent in 1995 to below 11 percent in 2007<sup>6</sup>. Instead of concentrating on internal competition, the competitive conditions between rail and road should become fairer. The Commission is urged to analyse the

extreme differences in the modal split within the individual Member States. Fact is that these are not the result of different degrees of liberalisation. Hence, some strongly liberalised countries have a high and some a low rail transport share. The same applies to markets, which are less open. From the point of view of the BAK, the main factors for an adequate share in rail transport are the national transport-policy framework conditions such as the willingness to provide public funding for Public Transport or regional planning, the infrastructural conditions both with regard to the main network and the regional area and the degree of fairness of competition (cost transparency, compliance with regulations) with other modes of transport.

With regard to the lack of competitiveness of rail freight transports, which is lamented by the EC, we would like to point out that the Eurovignette Directive would provide in particular the EC with the tool for fair competition. The current EU Eurovignette Directive is inadequate and considerably prefers road freight transport to rail transport. In one of its analyses, the EC itself points out that the external costs of heavy goods transport "are currently borne by the general public; either via taxes and duties to cover the costs of police, road network and healthcare, or in form of the impact of noise, pollution emissions and accidents on the health and quality of life of the individual."<sup>7</sup> Unfortunately, this correct analysis was not followed by adequate implementation measures.

<sup>6</sup> Directorate-General for Energy and Transport: EU energy and transport in figures: Statistical Pocket-book 2009

<sup>7</sup> Directive of the European Parliament and of the Council on the Amendment of Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures COM(2008) 436, Chapter 1.2

In its working document, the EC names as a further reason for the limited success of rail freight the lack of separation between passenger and freight transport [133] and draws the comparison with the USA, where the cost per tonne-kilometre lies at about one cent, whereas in the EU it is about 8 cent.

We would like to point out that with regard to rail a separation between freight and passenger transport is - due to financial and geographical restrictions - highly unlikely. It would be a far better option to adapt the existing networks and to strengthen and sensibly develop regional lines for traffic diversions.

With regard to the comparison with the USA one has to bear in mind that the geographical and industrial structure of North America cannot be compared to European circumstances. Furthermore, the low prices for the train paths were obviously bought on the back of a dramatic reduction of the rail infrastructure. In April 2011, the US Office of Policy and Communication of the Federal Railroad Administration published a report on rail freight transport, which states with respect to railways that their rail network has been reduced by 43 percent since 1980<sup>8</sup>.

### **Initiative 3: Capacity and quality of airports**

See explanations for Initiative 10

### **Initiative 5: A suitable framework for inland navigation**

See Point 1.2. Promoting quality jobs and better working conditions

### **Initiative 6: Road freight**

With regard to road freight transport, the EC proposes to eliminate any still remaining restrictions on cabotage. As already mentioned, there are particular harmonisation efforts with regard to social provisions, which, however, wait to be implemented in practice. That is why in particular for a further opening of the cabotage full harmonisation of the social conditions (and other competitive conditions such as taxes) is an essential condition.

Another proposal, which is made in Initiative 6, is to "Adapt the legislation on weight and dimension to new circumstances, technologies and needs (e.g. weight of batteries, better aerodynamic performance)..." The BAK believes that hiding behind this proposal is the implementation of Giga liners; hence the working paper states that some argue that significantly heavier and longer trucks would bring efficiency gains [183]. Here, the Commission should make it absolutely clear that changing dimensions and weights for road vehicles is out of the question, because this would run counter to the target of

<sup>8</sup> Federal Railroad Administration: Freight Railroads Background 2009 <http://www.fra.dot.gov> >> Freight Railroad Overview >> Issue Briefs >> Freight Railroad Overview

shifting from road to rail or waterborne transport. Furthermore, the target of reducing emissions by 60 percent could not be achieved because Giga liners - in contrast to questionable studies commissioned by the EC and the haulier lobby - do not bring any noteworthy ecological benefits.

## 1.2. Promoting quality jobs and better working conditions

The AK considers the introduction of EU-wide social and quality standards as very useful as these might prevent social dumping

The AK considers the introduction of EU-wide social and quality standards as very useful as these might prevent social dumping; however, a condition for success would be that these standards show a high level of criteria and that they are implemented effectively. Any downwards levelling is rejected. However, it has to be pointed out that for years social harmonisation has appeared in various EU Action Programmes, without ever being tackled. **The EC is therefore urged to stop announcing and to start implementing.** Considerable need for action exists in particular in the areas of inland navigation and railways. Although there is a vast number of regulations in respect of road freight transport; however, here too a lack of any efficient and Europe-wide uniform control prevails so that also in this case competition is taking place at the expense of the drivers.

Referring to a showcase for establishing minimum standards, the EC names the current efforts being made in the inland navigation sector [209]. From the point of view of the AK one has to note that the interim results presented are oriented towards an unbearable low standard. For many employees they represent a step back; after all practices causing a health hazard, are not corrected but legalised. This is hardly the right course to counteract the lack of appeal of the occupation.

What has to be strongly criticised is the fact that the paragraph **completely omits the rail sector** when specifying concrete measures concerning individual transport sectors (8. Mobile road transport workers, 9. Maritime transport, 10. Aviation sector). Against the background of the efforts the EC is making to liberalise rail transport, it is incomprehensible why the list of proposed measures for "Promoting quality jobs and better working conditions" does not mention Initiatives for the creation of relevant minimum standards in the rail sector. Although the Commission realises that convergence in social conditions enables to base competition on service quality and resource efficiency rather than on minimizing labour costs [119], the Initiatives to be derived from this are missing; after all, the entire safety-relevant personnel has to be certified. As it is a well-known factor



The AK demands that the EK gives at least as much high priority to occupational health and safety and education and training as to its efforts to liberalise the individual transport sectors

in the road sector, in particular these measures are an important condition for fair competition and an area, which with unclear regulation and control measures is extremely difficult to get under control.

The working document ascertains that shortage of education and training and a tight employment situation presented a serious problem even before the financial crisis and that labour and skill shortages could become a serious concern for the transport sector [191]. **The AK demands that the EK gives at least as much high priority to occupational health and safety and education and training as to its efforts to liberalise the individual transport sectors.** Fair competition beyond national borders and between the modes of transport can only take place if it is not at the expense of employees. That is why minimum standards for working conditions, training and safety and their consequent compliance should be ensured before any opening of the market. Because as the EK mentions itself, firms that do not comply with these rules can gain a sizeable undue competitive advantage [173].

#### **Initiative 8: Social code for mobile road transport workers**

In order to avoid misunderstandings it is essential to ascertain that the term “social code for mobile road transport workers” also includes important regulations in the interest of traffic safety and avoiding unfair competition. This

requires that “a social code” must equally apply to all drivers, whether employed or self-employed; hence, the requirements and criteria for these social regulations must apply to all drivers and it must be ensured that these (Requirements and Criteria) could not be bypassed by employment contract constructions, such as pushing employees into self-employment.

Concerning the harmonisation of penalties in case of infringements against labour and social provisions, the AK demands that these too must have a strong general preventive effect. It is absolutely essential that the extent of penalty is suitable to skim off the economic advantage companies have because they breach the law. Under no circumstances may sanctions be oriented on the lowest standard.

Both in the entire White Paper and in the List of Initiatives, the AK misses a consideration of the HGV parking problem in the TEN road network. It is pointed out that only a sufficient number of HGV lay-bys and parking spaces along motorways can ensure that mobile road transport workers are able to comply with the driving time and rest periods as prescribed by EU law; if they do not comply with these periods, mobile road transport workers are faced with high fines. That is why binding obligations (e.g. number of parking spaces in relation to HGV traffic volume, qualitative minimum criteria) have to be imposed on all motorway operators. Although programme supported

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by the EU (e.g. Easy way) can ease the problem through telematics, they can change little concern the basic problem of a shortage of parking spaces for HGVs.

**Initiative 10: A socially responsible aviation sector**

During the course of further market opening for third party handlers at airports, a harmonisation of social standards at high level and the avoidance of any competition distorting framework conditions resp. requirements have to be guaranteed beforehand.

**Initiative 11: An evaluation of the EU approach to jobs and working conditions across transport modes**

In this Initiative, the proposal is made to conduct an appraisal of the sectoral social dialogue processes taking place in the various segments of the transport sector to the end of improving social dialogue and facilitating its effectiveness. The additional support of the social dialogue named in Paragraph 212 ("support and facilitate") is certainly welcome. However, a more intensive intervention ("indicate the limits") is exaggerated.

One must also criticize that Initiative 11 is only limited to the general evaluation of the cross-transport EU concept for employment and working conditions. The EC specifically mentions the evaluation of the quality of work in all transport modes, for example in respect of training and working conditions. **The**

**AK would like to point out that in an action paper with an implementation horizon leading to 2050, the ascertainment and evaluation of the quality of work alone does not represent a sufficient formulation of action.** It would be far better to name the creation of minimum standards as a goal, whose initial step - towards implementation - represents the recording of the actual situation.

**1.4. Acting on transport safety: saving thousands of lives**

**Initiative 16: Towards a 'zero-vision' on road safety**

The AK would like to point out that the environmentally friendly transport options (rail, cycling, walking) are also the safest. Hence, shifting transport can here too assist in achieving this goal.

**Initiative 17: A European strategy for civil aviation safety**

With regard to improving the collection, quality, exchange and analysis of air passenger data, as suggested by the EC in this Initiative, it is important to comply with national data protection regulations. Under no circumstances must it happen that all kinds of personal air passenger data is collected and passed on under the header of fighting terrorism, given the fact that even now the passing on of data, for example within the USA, is no longer controllable.

There is still a lot of room for improvement with regard to the rights of bus passengers as they only apply to distances over 250 km

### Initiative 19: Rail safety

Here, the EC suggest enhancing the role of ERA in the field of rail safety, in particular its supervision on national safety measures taken by National Safety Authorities and their progressive harmonisation. The EC states in the working document that it is important to avoid that National Safety Authorities, in the aftermath of serious accidents, adopt measures that create new barriers and hamper the development of the internal market for rail [274].

From our point of view it is highly concerning to use individual events to blame the Member States for the basic lack of social and technical harmonisation, when the ball is definitely in the corner of the EC.

It should be remembered that the opening of the market, which as it has turned out already, is not in a position to provide better transport, has been pushed through in particular because of the efforts made by the EC - even before single European standards existed in the social and technical sector. Apart from that, regulations between rail operators (such as trust trains etc.), which had been proven for years, fell victim to the economic red pencil or to greed for profit. The regulation vacuum resulting from this now provides dubious profiteers with a wide field of activity. It is therefore urgently required to quickly adopt Technical Specification for Interoperability (TSI) at high level. Regulations for the entire safety-relevant personnel (technical carriage inspection, traffic control etc.) must also be introduced at last.

## 1.5. Service quality and reliability

### Initiative 21: Passengers' rights

In this Initiative, the Commission proposes among others the introduction of common principles applicable to passengers' rights in all transport modes. This EU-wide code for passenger's rights can only then make sense and be consumer-friendly when the emphasis is on consumer interests and not on companies.

According to plans of the EC, the established legislative framework on passenger rights should be revised, whereby it is not a hundred percent certain that this does not result in deteriorating conditions for passengers and a restriction of their rights.

There is still a lot of room for improvement with regard to the rights of bus passengers as they only apply to distances over 250 km. These must be extended urgently to provide also passengers travelling shorter distances with such rights.

### Initiative 23: Mobility Continuity Plans

In respect of this Initiative, the EC is concerned with fixing mobility plans, which ensure service continuity in case of disruptive events. These events include natural disasters or terrorist activities.

The AK refers in this context also to the necessity of securing and maintaining

financial and personnel resources to sustain and service the existing infrastructure. This is to some degree formulated by the EC in connection with the concepts for the Funding framework of the European transport networks. Here the Commission states that Member States need to ensure that sufficient funding is available to adequately maintain their transport infrastructure and they need to reflect it accordingly in their budgetary planning [454].

## 2. INNOVATING FOR THE FUTURE: TECHNOLOGY AND BEHAVIOUR

In this paragraph, the Commission makes proposals on research projects on the one hand and also on measures for the speedy implementation of their results on the other.

When depicting the current trends, the EC establishes that traffic emissions can be seen as the product of three broad components: transport activity levels, the energy intensity of transport activity and the greenhouse gas intensity of the energy used in transport. It even states: **“Deep cuts in emissions will require acting on all three factors as it is unlikely that technological improvement alone will allow for the 60% reduction by 2050.”** [38]<sup>9</sup>

However, the EC regards traffic as exclusively positive. Traffic would be the “elixir of life of the internal market”, on which the well-being of the population would depend and which would en-

hance the quality of life, as described in the introduction of the working document. However, this evaluation has long ceased to be in keeping with the times. On the contrary, traffic is an expression of spatial imbalances and differences (such as jobs, which are not available where people live) or of a lack of public facilities in rural areas. But above all, traffic is a result of the economic structure, which is based on the division of labour, as a result of which goods - partly because of subsidies, however to a significant degree also because of the still lacking harmonisation of working conditions, taxes, duties and environmental standards etc. - are transported across thousands of kilometres.

The consequence of this one-side positive point of view is that the proposals of the EC constantly circle around the energy efficiency of cars and HGVs and the use of innovative energy sources. The Initiatives do not address the issue of reducing traffic demand/traffic volumes. In particular from the point of view of regions, which are particularly polluted by an increase in traffic volume (such as Tyrol), the one-side positive depiction of traffic is rather strange, given the fact that the negative consequences of traffic pollution in form of noise, air pollution, health effects and the shortage and devaluation of land can be seen day in day out.

Although the Commission recognizes that demand management [39] and land-use planning [58] can reduce traffic volumes, there is obviously no will to sensibly apply these findings within

<sup>9</sup> Original quote: Deep cuts in emissions will require acting on all three factors as it is unlikely that technological improvement alone will allow for the 60% reduction by 2050.

the next 40 years. Some pages further down the EK states: "Curbing mobility is not an option" [46]; however, it forgets to mention that traffic avoidance resp. reducing the traffic volumes does not automatically lead to a restriction of mobility. On the contrary, the Commission obviously aims at satisfying the expected increases in transport activity by up to 80 % by 2050 [17] by suitable funding [450]. And this, although the Commission states that traffic volume has been the strongest driver of transport emissions [39] and that it is important to develop the related social, business and organisational innovations to change the transport system [297].

At least the Commission provides a **definition of comodality**: this is described as the improvement of energy efficiency by using the most efficient (combination of) modes und and by improving the efficiency within each mode [40].

This "idea" behind the concept of comodality is the reason why the goal to use modes of transport which were efficient right from the start is (will) not be implemented. Whereby the co-modal practice of continuing to decide in favour of HGVs is justified - in spite of the demand to use the more efficient solution in all distances [87]. Because an increase in efficiency can be achieved particularly impressive by improvements to a very inefficient mode of transport.

The consequent shift should be an important concern for the Commission; after all it has stated itself that the existing

infrastructure forms mobility and that it cannot be expected that new vehicles are the only solution for the reduction of transport emissions and congestion [389].

According to the EC (Figure page 18), interurban travel is responsible for 33 percent of greenhouse gas emissions and urban travel for 17 percent (combined for 50 percent). In contrast, freight transport combined is responsible for 40 percent (23 percent inter-urban). Against this background, it is completely incomprehensible why the List of Measures does not contain any relevant approaches for passenger transport. In our opinion, the shift to the environmentally friendly transport modes in the cities and the shift to rail for distances from 100 km (typical range of e-cars) should be included in the List of Initiatives. This would mean in respect of freight transport that even in case of distances of less than 150 km more use should be made of rail services.

With regard to research and implementation of the research results, the Commission does not seem to be sure on the basis of which requirements it can proceed. It states on the one hand that the technologies are available but need to make their way promptly to wider deployment [305]. However, some paragraphs before, the Commission almost suggest the opposite, namely that until now, transport research and innovation policy did not adequately support the development (and deployment) of the key technologies that are needed to develop EU

transport system into a modern, efficient and user-friendly system [299].

The term ICT is also mentioned in this context, without mentioning however that in particular this branch of technology is a possibility to substitute physical mobility. Also not addressed is the issue of the effectiveness of the prevailing transport system. Using e-cars might be more energy efficient than using a conventional car; however, the question how effective it is to bring a person weighing 80 kilo in a vehicle of several hundred kilo to another location for the purpose of communication, if perhaps using ITC could achieve the same result, remains unanswered.

The use of hydrogen from our point of view is currently still a long-term option to substitute oil as a source of energy

## 2.1. A European Transport Research and Innovation Policy

### Initiative 24: A technology roadmap

Within the scope of this Initiative, the EC proposes among others a strategy for environmentally friendly, alternative fuels including the relevant infrastructure.

The Commission reports that the transport sector is to 96 percent dependent on oil and regards electricity, hydrogen and liquid biofuels as substitution options.

The AK would like to emphasise that electricity is a particularly efficient alternative to fossil energy sources, which is already widely used in rail transport, apart from having a high medium-term

potential for passenger cars. Biofuels are recommended as a gradual replacement for fossil fuels - however, we firmly reject the production of biofuels from food products. There are undeniable indications that the indirect effects of using land for the production of biofuels put the greenhouse gas benefits into question. The use of hydrogen from our point of view is currently still a long-term option to substitute oil as a source of energy.

With regard to optimism of the EC, which in our opinion is exaggerated, concerning its goal to convert private transport to e-vehicles we refer to the statement of the Commission that 60 percent of cars on the road have only one occupant and that this percentage grows to approximately 85% for commuting and business trips [59]. This problem will not be solved by converting the propulsion technology. It will make motorised private transport more efficient, but by no means more effective.

### Initiative 25: An innovation and deployment strategy

Here, the Commission mentions "Measures to promote increased replacement rate of inefficient and polluting vehicles". If the EC does not refer to developing public transport and the increased shift to cycling or walking, but to a new kind of scrapping premium, the AK would ask to consider the fact that measures, which result in promoting new purchases are neither economically sensible nor socially fair.

## 2.2. Promoting more sustainable behaviour

It is regrettable that, although the Commission states in Paragraph 373 that mobility management is a good concept, to manage the demand for car use by changing attitudes and travel patterns, this approach is not mentioned in the proposed Initiatives. In particular as the EC establishes itself that these measures do not require big financial investments apart from having a very beneficial cost-benefit ratio.

## 2.3. A deteriorating climate and local environment

In the past, measures at EU level (capacity expansion, research, information and data collection, the exchange of exemplary practices, development and cooperation) had - not only in urban traffic - mixed success. However, the White Paper does not always show how in future a special "EU added value" should be achieved on the basis of the subsidiarity principle. Projects such as a "European Mobility indicator" or a list of exemplary logistic concept may be able to make a meaningful contribution. Initiatives on urban road pricing and access restriction schemes (compare Initiative 24) are intervening too much into the subsidiarity and are exaggerated.

## 31. Urban mobility plans

The EC names the target to ban conventionally operated passenger cars from cities by 2050. It also refers to the fact that transition from a primarily car based personal mobility in cities to a mobility based on walking and cycling, high quality public transport and less-used and cleaner passenger vehicles is the central strategic challenge for cities in the decades to come [362]. It also acknowledges the fact that the problem of congestion will not disappear through the introduction of cleaner engines and fuels alone [118]. We find it therefore completely incomprehensible why the measures cryptically talk about establishing procedures and financial support mechanisms at European level "for preparing Urban Mobility Audits, as well as Urban Mobility Plans, and set up a European Urban Mobility Scoreboard based on common targets". More target-oriented from our point of view is the simple and uncomplicated formulation of an Initiative for establishing procedures and financial support mechanisms at European level "for the promotion of alternatives to conventional cars, such as walking, cycling, public transport, taking spatial planning and new technological solutions into account". Any softening of this approach, for example by the paraphrase "establishing incentives to achieve common targets" must be rejected.

The goal for sustainable urban mobility must be forms of settlement which enable high-quality public resp. environmentally friendly transport.

Barrier-free access and the recovery of the public area are key elements for a positive development. Currently, the public area, in particular in urban areas, is mainly in the hands of selected elites who can afford to drive a car. This is to the detriment of all those - in Vienna over two thirds of the population - who are confronted with space problems, noise, threats to safety and health-damaging emissions on a daily basis. We are therefore sceptical of the statements of the Commission that with pricing of infrastructure and of externalities, driving a car would cost more, but, drivers would get a better service in terms of non-congested roads, easier parking and saver travel [117]. This is socially and ecologically as little sustainable as the measure to promote increased replacement rate of inefficient and polluting vehicles (see Initiative 25).

Here, both environmental and health protection have to take priority over the interests of free passenger and freight transport. Unfortunately, not least because of a lack of European support, communities rarely take appropriate measures. The EC, apart from its (among others long-term) measures provided for in the White Paper, has to promote additional directly effective actions or recommendations (restrictions, dirigiste measures). With regard to measures for urban mobility separate tracks for urban trams or the prioritiza-

tion of public transport in respect of traffic lights should also be mentioned.

It is also incomprehensible why the statements that town planning and appropriate governance, at the level of functional urban areas are crucial [67], are only marginally addressed in the full version and are not integrated within the scope of this Initiative.

We are aware of the fact that such options fall under the subsidiarity principle and are therefore not a key task of the EU. However, the Commission has the option at the same time to take up best-practice solutions and to promote their wider prominence. After all, the Commission itself writes that urban mobility plans should provide a coherent framework for different actions [368].

### **Initiative 32: An EU framework for urban road user charging**

We do not share the assessment that apart from CO<sub>2</sub>/climate change and oil dependency the reduction of congestion has to be rated as a fundamental challenge to EU transport policy. The stated "transnational impact" through congestion in road transport on other Member States is contrived and is not objectively comprehensible. Without wanting to play down the problem, the subsidiarity principle must be emphasised from a legal point of view and at action level.



### 3. MODERN INFRASTRUCTURE AND SMART FUNDING

The EC refers in several paragraphs to the fact that the new Member States have motorways but no high speed rail lines and that in these Member States the conventional railway lines are often in poor condition [23, 387].

The AK is of the opinion that this is a logical consequence of the lack of prioritizing the rail in the TEN-T policy.

The internalisation of external costs according to the principles “user-pays” or “polluter-pays” is named by the EC as a suitable measure to reduce the use of resources through traffic on the one hand to guarantee fair framework conditions for the competition of different modes of transport on the other.

The EC says at one point “...in the future, transport users are likely to pay for a higher proportion of infrastructure construction costs than it is presently the case” [503]. At the same time, the EC makes it clear that increasing the cost of travel would negatively affect labour mobility and social cohesion [353]. This contradiction leaves us to expect the continuing slow pace of implementing the internalisation of external costs.

#### 3.1. Transport infrastructure: territorial cohesion and economic growth

##### **Initiative 34: A core network of strategic European infrastructure – A European Mobility Network**

In respect of the definition of new TEN-T guidelines one has to bear in mind that for a strategic orientation of the European Mobility Network not only the East-West connection but also the North-South relations are relevant.

In this context, the AK also criticises the fact that the political objectives, which have been stated in the “Joint declaration of intent on the implementation of the priority axis No. 1 Berlin-Verona/Milan-Bologna-Naples-Messina-Palermo” of 18. May 2009 as well as in the related “Brenner Action Plan 2009” and which were always used as “Legitimation” for the Brenner Base Tunnel, are no longer included. In doing so, the present draft misses the opportunity to recommend really modern and contemporary measures in an alpine model region, which could subsequently be an example for a resource-efficient European transport policy.

The AK regards the restrictions of the priorities to a core network with criticism. To focus the investments of the promised co-funding of the European Union solely on main lines, would mean that in future no funds would be available for maintaining and extending the regional lines. Apart from that,

This contradiction leaves us to expect the continuing slow pace of implementing the internalisation of external costs

based on the prioritization of the core network, feeder lines are generally not taken into account. The AK would like to point out that main lines, provided the intention is not to reduce transport to point-to-point services between conurbations, depend on their feeders.

The AK points out that parallel to extending the infrastructure its use must also be ensured. If for example capitals are defined as important interconnection points of the core network then the passenger transport between these interconnection points should also be promoted and considered. Fact is that the number of direct city connections and night trains has fallen in the past.

**Initiative 35: Multimodal freight corridors for sustainable transport networks**

In planning the Trans-European Transport Networks, the European Commission moved from the firm shift to sustainable modes of transport (navigation and rail transport) to the concept of co-modality. Against this background it is absolutely essential that the internalisation of external costs, in particular in road transport, is speedily promoted. Any delays will lead to massive disadvantages for the so-called more sustainable modes of transport. Therefore one should support the efforts of the Commission with regard to channeling transport costs and taxes towards wider use of the polluter pays principle.

**Initiative 36: Ex-ante project evaluation criteria**

The Commission states under Paragraph 436 that the methods of selecting projects eligible for EU funding will have to evolve towards one, which puts greater emphasis on European added value and on the contribution to the effectiveness of the overall EU transport system, but also on the compatibility with other EU policy goals, such as reducing greenhouse gas emissions and loss of biodiversity. (Remark: the criteria were listed in this order! One should just mention that the subject of usefulness/effectiveness of the transport system is only mentioned at this point.)

**From the point of view of the AK, the fact that the evaluation criteria mentioned in the working document are not sufficiently considered in Initiative 36 must be strongly criticised.** Only the EU added value is included; however, instead of taking questions concerning the effectiveness and compatibility of the projects with EU targets into account, measure 36 states the aspect of generating sufficient revenue as one of the three evaluation criteria. **The AK demands the use of scientifically established methods to evaluate the social, economic and ecological impact for the ex-ante project evaluation.**

It is questionable whether the **definition of the EU added value**, which has been provided by the EC, can be regarded as sufficient, as this defined as the value of the spill-over effects of non-investing countries and regions. The EC should permit a relevant discus-

sion; after all, there is no exact explanation which kind of spill-over effects (political, economic, ecological) the Commission refers to. In any case, the creation of sustainable employment must be included in the definition of the EU added value.

### **3.2. A coherent funding framework**

#### **Initiative 37: A new funding framework for transport infrastructure**

It has to be regarded as positive, that it has been announced to develop an infrastructure funding framework which also encompasses the Cohesion and Structural Funds.

#### **Initiative 38: Private sector engagement**

Concerning the inclusion of private funding models (PPP - Public-Private-Partnership), the Commission acknowledges that not all infrastructure projects are suitable for these mechanisms. We assume that those models are only suitable for a small number of projects. Experiences in Austria confirm that PPP models do not bring any special advantages compared to conventional funding; however, the passed on risks could have a detrimental effect on the public sector.<sup>10</sup>

The Commission acknowledges in Paragraph 142 that infrastructure management remains a natural monopoly. Hence, competition should take place between Rail operators and not between infrastructure operators. In our opinion, this cannot be reconciled with the efforts of the EC according to which infrastructure should be increasingly financed by private investors. Because this also means the loss of the sovereignty of this monopoly, which not least against the background of Services of general interest, has to remain in the public sector.

The Commission also demands that with regard to infrastructure projects, attention should also be paid to construction materials, which can enhance durability, reduce maintenance requirements, and improve safety and CO2 performance [422]. These aspects named by the EC are more in line with requirements of the general public than with particular interests of private investors, which subsequently implies that such investments also have to be borne by the public sector.

The EC names as requirement for integrating private funding that correct and consistent monetary incentives have to be given to investors so that their decision on the type of infrastructure to invest in, are also the most desirable from the point of view of society. The current handling of the concept of modality, which after all bypasses the decision of the preferred infrastructure resp. mode of transport, is not suitable to establish the mentioned requirement for private investors.

<sup>10</sup> Court of Auditors' report Reihe Bund 2010/2: Implementation of the PPP concession model Eastern region, package 1

Of particular concern is the statement of the Commission that in many cases the private sector might lack the incentives and/or the financial capability to provide transport infrastructure at an optimal level from the point of view of society. The EC quotes the “basic” infrastructure that has a life span and amortisation time that exceed the time horizon acceptable for private investors as an example. The Commission also names those, for which the costs cannot be recovered by adequately charging users, as infrastructure, which is not suitable for private investors. Even if the Commission uses the example of breakwaters in ports [516], the argumentation above leads to the **admission of the EC that PPP efforts in the end result in the privatisation of profits and the assignment of any loss-making infrastructure to the public sector.**

### 3.3. Getting prices right and avoiding distortions

#### Initiative 39: Smart pricing and taxation

The AK shares the approach that price signals could give impulse for a sustainable economy, provided they do take all costs into account. Due to its size and its transnational character, the Community should primarily concentrate on road freight transport. However, given the current state of affairs one can see that the future Eurovignette Directive will only allow modest progress in integrating external costs in respect of air and noise pollution.

There is no clear line with regard to the tax proposals of the EC. The tax advantages for international air traffic and navigation are stated; however, effective measures for their removal have not been named. It is difficult to understand why international air traffic is exempt from kerosene/aviation fuel taxation. An effort should be made to put air traffic on the same level as other modes of transport. The draft proposal of the revised version of the Energy Tax Directive presented on 13 April 2011 would have been a suitable opportunity to propose changes and to determine energy taxation which is in line with other modes of transport <sup>11</sup>.

The White Paper also mentions problems in the area of cross-border passenger and freight transport with regard to VAT. Suitable approaches to solve the problem are welcome. However, it remains to be seen what these proposals will look like in detail and with what financial effects they will be associated.

The Commission states with regard to the inadequate taxation of company cars that direct tax revenue losses may approach 0.5% of EU GDP (54 billion) [506]. Measure 39 - Phase I up to 2016 - says only very non-committal: “reassess transport taxation where necessary”. The working document too does not provide a more precise timeframe or implementation efforts; the Commission only reports that it will assess a **possible revision** of company car taxation [507].

<sup>11</sup> Tax exemptions for international air traffic are regulated in international agreements. However, flights within the European Union could be taxed and moreover the EU had internationally the necessary weight to negotiate solution for flight into and out of the EU.

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Comprehensive HGV tolling, which provides cost transparency is basically to be welcomed

Comprehensive HGV tolling, which provides cost transparency is basically to be welcomed. However, the White Paper time and again mentions the option of private investments in infrastructure in connection with user charges. However, we believe that investment in the infrastructure should remain the responsibility of the state.

Calculations of the Austrian Institute for Regional Studies and Spatial Planning<sup>12</sup> have shown that the introduction of the HGV toll on motorways in Austria have resulted in an increase of the consumer price of only 0.21 percent. The additional introduction on all roads, i.e. away from the motorway (as in Switzerland) would only mean an increase by 0.14 percent. The argument of the industry, in particular the transport industry, that consumer prices would rise because of this, turns out to be a "self-serving declaration" against an extremely sensible measure, which, as already successfully practiced in Switzerland for years, results in extremely positive shift and avoidance effects in road freight transport.

The White Paper also considers a comprehensive toll for passenger cars. However, from our point of view such a toll is currently not a suitable measure to achieve the goals aimed at in the White Paper. The Energy Tax Directive already provides sufficient options to balance the costs caused by private transport resp. to achieve the aimed at targets.

We basically support the direction for future legal acts considered in the White Paper (e.g. phasing in a mandatory infrastructure charge for heavy-duty vehicles) as well as the principle that internalisation steps will be taken for other modes of transport, which, however, take the particularities of the individual modes of transport into account.

However, the proposed approach to use only two market-supported instruments for fighting the greenhouse effect, for taxing mineral oil fuels and the trade with emission rights is not sufficient for road freight transport. The taxation of fuels is basically the most suitable instrument, because it perfectly records performance-related consumer behaviour. However, HGVs with their fuel tanks are able to drive through the territory of Member States without stopping once at a petrol station and paying mineral oil tax. Similar problematic in road freight transport is the trade with emission rights due to the high implementation costs. That is why from the point of view of the BAK, the performance-related HGV tolling of Member States should be used as long as there is no full harmonisation of the mineral oil taxation within the EU.

In view of the so far insufficient objective and implementation of external costs in road traffic it is very strange that under Point 490 the internalisation of noise and local pollution costs on the whole rail network is emphasised whereas the similar introduction in the road sector will only take place later. Hence, rail transport - in relation to greenhouse emissions by far the

<sup>12</sup> HGV road pricing - Trends and expansion possibilities: Austrian Institute for Regional Studies and Spatial Planning on behalf of the Federal Chamber of Labour Vienna, 2007

The AK notes that the Initiatives proposed by the EC, are afflicted with a number of inadequacies and We are therefore in favour of a comprehensive revision of the Transport White Paper

most suitable mode of transport - has another disadvantage in comparison to the road. This weakening of the rail must be clearly rejected.

From the point of view of the AK one can say that taxes basically develop a certain steering effect and that relevant regulations can promote desired behaviour and restrict unwelcome behaviour to a certain degree. Nevertheless, the main focus of the tax policy should continue to provide the states with the necessary revenue to enable them to fulfil the required tasks. Apart from that, tax systems must be structured growth and employment friendly and ensure distribution fairness.

The AK finally notes that the Initiatives proposed by the EC, are afflicted with a number of inadequacies, which make it hard to believe that the aimed objectives of a sustainable transport system can be achieved. We are therefore in favour of a comprehensive revision of the Transport White Paper.

Should you have any further questions  
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