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**CONSULTATION PAPER EUROPEAN COMMISSION
DGTREN, DIRECTORATE INLAND TRANSPORT
THE MARCO POLO PROGRAMME
A NEW PROMOTION CONCEPT FOR ALTERNATIVES TO ROAD TRANSPORT**

UNICE POSITION

GENERAL COMMENTS

With a view to optimising the use of all transport infrastructure in Europe, UNICE shares the objective of the Marco Polo programme to promote alternative transport modes to road haulage, subject to the following conditions:

- It should be market oriented
- It should not distort competition between or within transport modes
- It should be cost effective
- It should be restricted in time
- It should also include initiatives related to more efficient use of infrastructure, covering all transport modes, including road transport
- It should mainly focus on “catalyst” projects aiming at reducing barriers for intermodal chains, including road transport

The Commission has outlined various objectives of the revision of the common transport policy. Amongst them is the goal to have maintained the modal split of 1998 by the year 2010, implying that modes like rail transport should grow with around 38%. The Marco Polo consultation paper is going even further, stating that the programme’s goals should be to “shift the whole aggregate growth of international road freight transport to more environmentally friendly modes: 60 billion t/km per year” (par. 39).

UNICE considers these policy objectives are unrealistic. They are based on the wrong premise that government intervention is able to divert market forces fundamentally from road to so-called more environmental friendly transport modes. The facts and experiences at national and EU level are clear enough: so far, national and EU policies have not been able to reach this objective. In fact the Dutch Government has already abandoned this policy for lack of success. EU and national transport policies should instead concentrate on creating adequate conditions for freight transport in terms of infrastructure, free markets and fair and efficient pricing (including external costs), and leave the choice of transport modes to the individual user.

The Marco Polo programme therefore should also take a less mode-oriented and more integrated and chain-oriented approach, focusing on improving the overall transport system in Europe. Businessmen and logisticians manage modern logistic concepts and transport chains, in which road transport almost always plays a fundamental role. For that reason the latter should not be neglected when trying to promote, for example, inland waterway shipping: sometimes constructing a road to improve the access of a port area may boost

inland waterway shipping; likewise, investments in (more efficient use of) road infrastructure may also lead to strong environmental gains and reduction of congestion. Therefore the Marco Polo promotion initiatives should also cover initiatives related to more efficient use of any infrastructure, including road and air transport.

Furthermore, the argument that road transport does not cover the full costs it causes to society, omits the fact that inland waterway and rail transport cover an even smaller percentage of their external costs, and in case of the railways, not even their internal costs.

It is also important to note that both in road and air transport, technological developments have realised improved environmental performance (they are not in all circumstances, as is suggested many times, the least environmentally friendly modes). The only way to really assess what (combination of) transport mode(s) is most environmentally friendly, is to assess the individual transport chain (taking into account loading factors, engines, energy sources, etc.); hence the importance of developing adequate measuring tools (as demonstrated by the Danish TransECO2 project).

II DETAILED COMMENTS

PACT

From internal and external evaluations it can be learned that “commercial viability of the intermodal projects is difficult to achieve, even with the start-up support by PACT”(par. 10 and 11). Considering the risks involved in setting up new intermodal services, the Commission therefore concludes that this type of Community funding is still appropriate and should be continued. One could also argue the other way around, that Community funding should not be spent on operations that have such a low success rate. In any case, UNICE suggests to sharpen the funding conditions in order to improve the rate of success. Furthermore, UNICE shares the suggestion of the external evaluation to generate large-scale projects to help lowering market barriers for intermodal transport.

MARKET DEVELOPMENTS

- The consultation paper pictures air transport as the maximum polluter (plagued moreover by congestion), which should not be considered for the programme (par. 15). However, even if air transport in general is polluting more than other modes, this need not be the case for an individual logistic chain.
- Concerning rail transport, the development of newcomers in the market is missing (par. 25).
- Information technology: no attention is being paid to developments at the demand side of transport markets in relation to information technology and logistics, whilst they are setting new standards for the requirements of shippers to transport markets (par. 32/33)
- The simple statement that “road transport does not pay the full cost it causes to society” is too general and in a number of cases not correct. Moreover, it is only relevant when compared to other modes which, like we emphasised before, pay even less of their external costs (par. 34)
- Conclusion (par. 36): UNICE supports all conclusions of this paragraph. The fourth conclusion, indicating the advantages of road transport related to the need for “flexibility, versatility and speed”, underlines in UNICE’s view that the role of road transport should not be denied and put behind in transport policy.

OBJECTIVE ,SCOPE AND TYPE OF INTERVENTIONS OF MARCO POLO

- Policy context: “The goals of the Marco Polo Programme should be to shift the whole aggregate growth of international road freight to more environmentally friendly modes”(par. 39). As expressed in part I, UNICE does not consider this realistic.
 - UNICE agrees to the broader scope of MARCO POLO (compared to PACT), including all segments of the freight market and linking non-EU countries (par. 42). It should furthermore cover measures for more efficient use of any transport infrastructure, especially road transport.
 - Given the results of the evaluation of PACT, UNICE expresses doubts on the continuation of start-up support under the new programme. The conditions for funding should at least be sharpened. Furthermore, if the objective of the programme is to reduce the environmental impact of transport, it should provide for an adequate measuring system. Measuring environmental performance in terms of the modal shift away from road is too simple and not reliable. As indicated in part one, the only way to really assess what (combination of) transport mode(s) is most environmentally friendly, is to assess the individual transport chain. Technological developments and resulting improvements of environmental performance of the respective modes, should also be taken into account during the course of the programme.
 - UNICE supports the new type of intervention to fund so-called “catalysts actions directed to reduce barriers and “structural deficiencies in the market”(par. 55), strongly favouring this above the start-up aids. However, UNICE is critical of the condition to this type of support that “the project must not lead to unacceptable distortions of competition with **non-road** modes” (par. 60). This criterion should also apply to the road and air transport market.
 - UNICE can support the type of intervention called: “replication and forging goals”(par. 61) and welcomes the introduction of “user-led projects” (par. 68).
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