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### **CLECAT CONFERENCE 17 NOVEMBER 2011**

### **PANEL “THE CHALLENGE OF COMPLYING WITH SEVERE EMISSION CUTS AS WELL AS RIGOROUS SECURITY MEASURES”**

INTRODUCTORY REMARKS BY AUGUST MESKER

FRAMEWORK: THE WHITE PAPER ON THE FUTURE OF TRANSPORT

#### **Our views on emissions**

- Transport is an essential component of the European internal market. Not only does the sector directly employ around 10 million people and account for about 5% of GDP, it is also an indispensable pillar of the economy as a whole. The liberalisation of transport markets within the EU has significantly contributed to the development of a prosperous single market but liberalisation is not yet complete. We strongly support the Commission's objective to create a genuine Single European Transport area by eliminating remaining barriers. This will contribute to growth and jobs;
- BUSINESSEUROPE supports the overall objective of the White Paper to achieve sustainable transport. Reducing mobility is not an option, nor is modal shift as a mandatory obligation for logistic companies. Care is needed in choosing the type of initiatives to reduce transport emissions; the lack of cost-benefit analysis with regard to the various targets that have been set out to achieve transport emissions reduction is of concern;
- We recognise the contribution of the transport sector to air-pollution and carbon emissions cannot be ignored and should be addressed;
- Air pollution from road vehicles has been reduced drastically already; the standards for new road vehicles are such that in due time this problem is under control; focus is now on inland shipping and sea-going vessels, the directive on sulfur in fuels for the North and Baltic sea is on the table;
- The sector is responsible for 28% of EU emissions of CO<sub>2</sub>; this percentage is growing because other sectors succeed in reducing consumption of fossil fuels whereas transport is not. The Commission has formulated 60% reduction of carbon emissions as target in the White Paper and in its Carbon Road map to 2050 even more; BUSINESSEUROPE agrees that a lot is possible with technical improvements and optimisation of logistics, but uncertainties are large and choosing the wrong type of initiatives and instruments to reduce transport emissions can be very damaging for Europe's competitiveness;



- The development of sustainable transport requires a mix of initiatives to work in combination with each other (liberalisation, connecting infrastructure networks, energy-efficient and clean transport vehicles and equipment, ICT solutions, administrative procedures...). The different transport modes should be seen as complementary to each other and efforts are needed to make all modes more energy-efficient and interconnected so that forwarders can choose optimal combinations, multimodal.
- Investment in infrastructure should be increased and be more prominent in policy-making (in this context, we welcome the transport related part of the multiannual financial framework 2014-2020, 'the Connecting Europe facility' which altogether allocates 32 billion EUR for transport projects – 4 times more than what we have now);
- The development of technological solutions and the application of Information and Communication Technologies, including Intelligent Transport Systems, to transport will be essential to tackle transport challenges for sustainable transport;
- Questions and concerns regarding the policy options for emissions cuts in the white paper are related to:
  - Cost and benefits; what is a realistic and an economically feasible time path?
  - Measurement and reporting requirements; administrative burdens
  - What targets for which sector?
  - What activities should be included?
  - Who is responsible?

### **Our views on security policy**

We need a modern style of risk management, based on ICT-controlled logistic chains and with inspections based on risk assessments, focused on being in place of safety-procedures by companies, and:

- *Harmonisation*
  - EU did not succeed in formulating one response to the challenge called security. DG Move and DG TAXUD formulated their own programmes;
  - EU did not succeed yet in achieving mutual recognition with the US on their trusted trader programs (AEO in EU / C-TPAT in US), despite years of negotiations;
  - Business processes differ from mode to mode and from chain to chain;
  - Rules with regard to data collection and information obligations; lack of transparency, sometimes due to commercial sensitivities, does hamper availability of data; using original information can simplify the flow of data.



- *Business case for companies*

- It is not clear whether investment in security programs results in return on investment;
- Investments in security are rather costly;
- There is a far-reaching consensus among business and policy officials that security will be best served by a targeted risk-based approach to cargo security. Rules on physical checks such as 100% scanning in the US do not achieve this goal:
  - there are strong doubts over its technological feasibility;
  - this rule ignores the risk-based approach;
  - it involves high costs (up to \$ 500 per container) and takes about 10 minutes to scan each container.

With around 11 million containers exported to the US every year, the 100% scanning rule would strongly slow down trade between the EU and the US.

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