



UNICE

Union of Industrial and Employers' Confederations of Europe
Union des Confédérations de l'Industrie et des Employeurs d'Europe

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**UNICE POSITIONS ON THE HIGH LEVEL GROUP REPORT ON
TRANSPORT INFRASTRUCTURE CHARGING**

**1. UNICE welcomes the Report from the High Level Group on transport
Infrastructure charging**

UNICE, the voice of all business in Europe, composed of 33 central industrial and employers' federations from 25 European countries, with the mission of promoting continued improvement of the competitiveness of European business, welcomes the High Level Group Report on Transport Infrastructure Charging.

UNICE recognises the need for Europe to develop a more efficient transport system including better transport infrastructure and a more sustainable transport system.

UNICE appreciates the stated primary aims of the work pursued by the High Level Group, to find instruments supporting European competitiveness. UNICE especially values the expressed view that changed transport infrastructure patterns should rebalance or reduce rather than increase total transport costs to users.

The method for applying transport infrastructure charging principles seems to UNICE to be theoretically appropriate but any concrete measures, must be adapted not only to the theoretical framework but also to cut-throat global competition and industrial structural change.

UNICE shares most of the basic views expressed in the report. However, several studies show, in contradiction to what is claimed in the High Level Group Report, that the transport sector currently covers and sometimes even more than covers the cost using transport infrastructure, in some countries including external costs. Furthermore UNICE believes that accidents, presently covered in the insurance system, should be excluded from internalisation. Lastly, it is the opinion of UNICE that any future congestion charges need further in depth analysis.

2. The role of transport in the Single Market

The aim of the Single Market is to promote competition in Europe and in so doing to provide European consumers with increased prosperity.

For industry, intensified competition generally means decreased profit per unit. The ways for companies to counteract this and to play their intended role in the European economy is to be more cost-efficient and/or to grow.

Being more cost-efficient includes finding more competitive suppliers who are potentially located further away from the present local ones, creating more transport need. Growth also generates more transport.

Furthermore transport plays a very important role in modern industrial logistics, enabling industry to focus on productivity and to compete on the world market as well as within the Single market.

Efficient transport infrastructure and transport activities, allowing industry to take part in necessary structural change, therefore play a vital role in the European economy. Transport charging must be based on the above basic facts.

3. Potential traps when advice given in the Report is implemented.

UNICE wishes to point out potential traps when the broad guidelines given in the report are implemented.

1. Developing a general accounting framework to assess various infrastructures cost structures in different modes and in different Member States is not an easy matter.

Transport cannot be regarded as creating external costs only. Transport certainly also generates external revenues that may be very important to society (wealth, personal freedom, regional development, etc.). Furthermore Europe does not only have congestion problems to solve. Special attention must be paid to lower the transport infrastructure user coverage in sparsely populated areas.

Internalisation of external costs must therefore be pursued in a balanced, prudent manner, in line with the report's objective, namely to enhance European competitiveness and to contribute to the greater sustainability of the transport system in Europe.

2. According to a World Bank study, the logistical cost of European companies, in general, is estimated to be 20% higher than in the USA. The European Union must strive to close that gap in order to enhance the European economy.

Bearing in mind the weak financial situation of many Member States, there is an obvious risk that the logistical cost for European companies will increase when any new charging system is introduced with focus more on full coverage of all external costs than on global European competitiveness.

UNICE also sees a risk that Single Market competition may be further distorted if Member States individually set charging levels. It should be a prerequisite that transport infrastructure

charging principles, as suggested by the High Level Group, are harmonised to a large extent in Europe between Member States and modes.

The European Union also has to ensure that competition with neighbouring third countries not is further distorted.

3. In line with economic theory and in order to optimise the general use of transport infrastructure, UNICE believes that a potential new charging system must focus on all transport rather than only commercial transport.
4. UNICE underlines the urgent need to develop a new more efficient European transport infrastructure.

By implementing the user-pays principle, there is a risk that governments will feel less responsibility for necessary transport infrastructure development. Governments must continue to be ultimately responsible for transport infrastructure development in Member States and users will furthermore need to see an evident link between the payments they make and infrastructure development.

5. The High Level Group rightly underlines that some means of transport today may be under-utilised due to “lack of customer-oriented approach” with the result that “value-added services and quality standards required by users are not being provided”.

European business and industry are dependent on transport efficiency. UNICE demands a well-balanced development including all modes. Preferential treatment of modes not adapted to modern logistical demands is counterproductive to supporting European competitiveness. Any transfer from road transport to other means of transport must be pursued in a way that does not increase costs to industry.

The most efficient way to improve rail freight may not only be to impose marginal cost calculation methods but to focus also on important quality issues and fully to implement the Single Market in the rail sector. UNICE also highlights the present congestion issues that need to be dealt with in the rail freight sector.

6. The success of intermodal transport is dependent on it being competitive on its own merits. All modes of transport can and must play a role in an efficient intermodal European transport system. In order to develop a more sustainable intermodal transport system, it is essential that Member States governments, rail companies, other operators and industry all feel the necessity and have the right incentives to make continuous improvements.
7. The Commission needs to identify areas and to give guidelines with the aim of decreasing some of the present transport charges. The work must be conducted in order to create room for changed charging principles within the framework of rebalanced or decreased total transport costs to users.

4. Conclusion

Europe needs a more efficient, less distorted and more sustainable transport system. More competitive transports will enhance European employment and contribute to European prosperity.

European business and industry are willing to pay for real European transport infrastructure costs.

Striking a balance between endorsing European competitiveness and justified demands for finding a more sustainable transport system in Europe must be carried out in co-operation between business and industry, relevant EU institutions and Member States Governments. UNICE and its national federations, being in the centre of the issues, are concerned to participate in the debate defining that crucial balance.