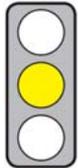


MAIN ISSUES

Objective of the White Paper: The Commission describes its vision of a competitive and sustainable transport system to be established by 2050 and presents a strategy for its implementation.

Parties affected: All transport users.



Pros: (1) A Single European Transport Area and the liberalisation of the rail passenger transport services strengthen the internal market.

(2) The equal internalisation of external costs across all transport modes avoids the distortion of competition between different transport modes.

Cons: (1) "Benchmarks" describe concrete competition results which are not subject to the EU's competence.

(2) Not integrating all transport modes into European emissions trading hinders CO₂ reduction at the lowest possible cost.

CONTENT

Title

White Paper COM(2011) 144 of 28 March 2011: **Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system**

Brief Summary

► Object of the White Paper

- In its White Paper, the Commission describes
 - the challenges of European transport policy,
 - its vision of a competitive and resource efficient transport system by 2050 and
 - a strategy for its implementation.
- The White Paper is accompanied by an Annex, in which the Commission lists concrete initiatives (s. [CEP Overview Table](#); in German), and a roadmap, in which the Commission explains these initiatives [SEC(2011) 391].

► Challenges to European Transport Policy

- The completion of the internal market for transport: Although vital transport markets have been liberalised (e.g. air traffic), others have not (e.g. national passenger rail transportation).
- Reduction of oil dependence: 96% of all energy needs in transport still depend on fossil fuels.
- Reduction of greenhouse gas emissions: According to the Commission, in 2050 CO₂ emissions from transport will be one third higher than their 1990 level if no measures are taken; however, the EU must reduce CO₂ emissions drastically in order to comply with its contribution to the global goal of limiting climate change below 2°C.
- The development of competitive technologies: To date, many European enterprises are world leaders in the field of logistics, infrastructure, traffic management systems and the manufacturing of transport equipment. A "timid" introduction of new sustainable technologies could, however, lead to an "irreversible decline" in these sectors (p. 4).
- Development of new infrastructure and more "intelligence" in using existing ones: the network infrastructure is already today often overloaded; the transport volume will continue to increase.

► Vision of a competitive and resource oriented transport system by 2050

- The Commission emphasises that "curbing mobility is not an option" for reducing the negative impact of transport on the environment. Instead, the Commission's aim is to "break the transport system's dependence on oil without sacrificing its efficiency and compromising mobility." (P. 6)
- **Transport over short distances, in particular urban transport**
 - Passenger transport: Collective transport services are improved. Walking and cycling becomes an integral part of urban mobility planning.
 - Freight transport: The interface between long distance and last-mile freight transport in cities is optimized. Individual deliveries take place with low-emission urban trucks and increasingly at night-time.
 - Infrastructure: Users of "non-conventionally-fuelled" cars are enabled to find enough opportunities to refuel and charge their cars.
 - "Benchmarks" (selection): The share of conventionally-fuelled cars in urban areas is reduced to 50% by 2030 and phased to 0% by 2050.
- **Transport on medium distances, in particular transport between cities**
 - Passenger transport: Travellers increasingly use buses, railways and airplanes. They use the internet for electronic reservations and for the purchase of tickets for all transport modes.

- Freight transport: For distances of up to 300 km, trucks continue to be the main mode of transport. For longer distances, solutions are applied that involve multiple forms of transport (“multimodal solutions”). In particular, rail freight becomes a more attractive option.
- Infrastructure: The networks of single transport modes are more intertwined; airports, ports railway, metro and bus stations develop “multimodal connection platforms” for passengers (p. 6). Clean vehicles and fuels are increasingly used. Considerable investments in the rail network capacity are made and seaports are better connected to the rail network.
- “Benchmarks” (selection): For distances of more than 300 km, 30% of road freight should shift to other transport modes such as railway or shipping by 2030 and 50% by 2050.
- **Long-distance transport**
 - Passenger transport: Travellers use mainly airplanes for long-distance transport. Air transport activities in the EU are doubled. Air traffic contributes to the reduction of CO₂ emissions, it is not, however, exposed to “excessive burdens” which could compromise the EU role as a “global aviation hub”. (P. 7)
 - Freight transport: Long-distance freight and, in particular, intercontinental freight is transported mainly by ships. The EU promotes a global level-playing field (e.g. working conditions). Sea transport contributes to the reduction of CO₂ emissions.
 - Infrastructure: Airport capacities are optimised and “where necessary” (p. 7) increased.
 - “Benchmarks” (selection):
 - 40% of aircraft fuel is low-carbon in 2050.
 - In 2050, maritime traffic emits 40% less CO₂ than in 2005 and 50% less “if feasible”.
- ▶ **Strategy to implement the vision of a competitive and sustainable transport system**
 - **Reduction of CO₂ emissions**

The transport sector is to reduce at least 60% of greenhouse gas emissions by 2050 compared to emission levels in 1990.
 - **Establishing a “Single European Transport Area”**
 - By 2020, the Commission wishes to establish a Single European Transport Area “by eliminating all residual barriers between modes and national systems.” Thus the “emergence of multinational and multimodal operators” is to be facilitated. (P. 10)
 - The Commission announces, inter alia, the following initiatives:
 - Railway transport: The commission wishes to establish a Single European Railway Area [see also COM(2010) 474]. In particular, it wishes to
 - liberalise national markets for rail passengers and
 - accomplish a “structural” separation between infrastructure management (including rail-related services) and service provision to facilitate a non-discriminatory competition – provided the “efficiency in the cost of service provision” is preserved (p. 18).
 - Air traffic: The Commission wishes to achieve a “Single European Sky” (see [CEP Analyses](#) on the status and prospects of the “Single European Sky” project).
 - Maritime traffic: The Commission wishes to extend the European Maritime Transport Space without Barriers [Communication COM(2009) 10, see [CEP Policy Brief](#)] to a “Blue Belt” of free maritime movement around Europe, e.g. by the omission of reporting formalities.
 - Inland navigation: The Commission wishes to establish “appropriate framework conditions” (which is not defined in detail) (p. 19).
 - Road traffic: The Commission wishes to eliminate the remaining restrictions on transport services by foreign providers (so-called “cabotage”).
 - **Technological innovations and resource oriented transport behaviour**
 - Technological innovations are to facilitate a faster and cheaper transition to a more efficient and sustainable transport system. Research and innovation technology should therefore promote “key technologies” (p. 12) in transport. The Commission will develop a strategy in line with the Strategic Energy Technology Plan [SET-Plan COM(2009) 519; see [CEP Policy Brief](#)].
 - Sustainable transport behaviour “cannot be imposed”, but it can be “actively encouraged” (p. 13). Transport users should have information on all transport modes and their combination possibilities as well as their environmental impact before making their decisions.
 - **Trans-European Transport Networks (TEN-T)**

The Commission stresses the relevance of the “core network” within the “Trans-European Transport Network” (TEN-T) [Consultation COM(2010) 212, see [CEP Policy Brief](#)]. Regardless of the form of transport, it is to link all “main” cities, ports, airports and economic centres. The selection of projects must reflect the gained European added value.
 - **Internalisation of costs for users and polluters**
 - In future, transport users are to bear all costs for transport:
 - the costs of infrastructure pursuant to the “user-pays-principle” and
 - the costs incurred to the public through noise and pollution (“external costs”) pursuant to the (“polluter-pays-principle”).
 - When internalising external costs, the Commission wishes to ensure fair conditions for competition between the different transport modes by applying “common principles” (p. 29).

- For the internalisation of external costs, it wishes to apply user-based toll systems:
- HGV: The Commission considers an EU-wide mandatory toll system for the entire inter-urban network. Its recent proposal to revise the “Eurovignette Directive” [COM(2008) 436; see [CEP Policy Brief](#) and [CEP Monitor](#)] still leaves it up to the Member States’ own discretion whether or not they introduce toll systems for the internalisation of local external costs (e.g. noise and congestion).
- Passenger cars: The Commission announces guidelines for the application of internalisation charges to reflect “at least” (p. 15) local external costs or global external costs (greenhouse gas emissions) “if not [already] included in fuel tax” (p. 29).
- For the most exact internalisation possible of global external costs (greenhouse gas emissions), the Commission wishes to better coordinate the two existing instruments: energy taxation [Directive 2003/96/EC] and European emissions trading [EU-ETS; Directive 2009/29/EC, see [CEP Policy Brief](#)] [see Proposal COM(2011) 169 amending Directive 2003/96/EC].

Statement on Subsidiarity by the Commission

The Commission announces that for each legislative proposal that follows the White Paper their consistency with the principle of subsidiarity must be explicitly assessed under subsidiarity aspects (p. 17).

Policy Context

Currently, the EU intends to set the course for the European transport policy in coming decades. With its Communication on the future of transport [COM(2009) 279; see [CEP Policy Brief](#)], a Green Paper COM(2009) 44; see [CEP Policy Brief](#) and a Consultation [COM(2010) 212; see [CEP Policy Brief](#)], the Commission has created a basis for discussing the future form of TEN-T. Now we have the White Paper containing concrete announcements for action.

Options for Influencing the Political Process

Leading Directorate General: DG Mobility and Transport

ASSESSMENT

Economic Impact Assessment

Ordoliberal Assessment

With the White Paper, the Commission continues the transparent discussion, which was instigated by the Commission itself, on the future of transport, and thus enables the parties affected to further actively participate in the process.

However, **the “benchmarks” set as part of its vision also describe concrete desired results of competition developments which should not be prescribed by the EU** but should result from decisions made by transport users: only the transport users themselves possess the necessary information as to which transport mode serves their individual demands best. The specific target for the shift of road freight transport to alternative transport modes is therefore not appropriate. Even if it is only a “benchmark”, the chosen wording does not exclude statutory requirements in the case of non-compliance with the set target. This still requires some clarification.

Instead, the EU should focus on improving the framework conditions. **A Single European Transport Area strengthens the internal market.**

For the Single Railway Area the following applies: **Opening the national markets of passenger rail transport puts an end to the somewhat questionable option available to companies to gain competitive advantages on liberalized markets through cross-subsidisation with profits from non-liberalised markets.**

The proposed “structural” separation between infrastructure and service provision helps facilitate non-discriminatory competition [see [CEP Policy Brief](#) on the “Recast” of the 1. Railway Package COM(2010) 475]. However, a separation would raise coordination costs significantly. Therefore, the Commission is right to make it a condition for such separation that service provision remains cost-efficient. This must be reviewed on a case-by-case basis.

The intended financing of infrastructure through users (“user-pays-principle”) is just as appropriate as the internalisation of external costs through their causers (“polluter-pays-principle”). However, it is not possible to calculate exactly the actual costs, as this requires certain knowledge that can never be known in a complex market economy (e.g. the exact number of aggrieved parties). Consequently, the internalisation of costs can be based only on approximated values [see [CEP Policy Brief](#) on the Communication COM(2008) 435 Internalisation of external costs in the transport sector]. **The proposed inter-modal internalisation of external costs would at least exclude any distortion of competition between the transport modes.**

Impact on Efficiency and Individual Freedom of Choice

The proposed setting of a 60% CO₂ reduction target for the transport sector increases the costs of climate protection unnecessarily, as CO₂ reduction in other sectors can be considerably cheaper. The EU should therefore prescribe only an overall economic CO₂ reduction target and leave it to market forces to find out in which sectors the reduction could be achieved at the lowest possible cost.

With the European trading system (EU ETS), the EU already makes use of an efficient instrument with which the politically prescribed reduction of CO₂ emissions can be achieved at the lowest possible cost. To date, of all transport modes only the electrified rail traffic and – as of 2012 – air traffic has been included in EU ETS. **Unfortunately, within its White Paper the Commission fails to propose the inclusion of all transport modes into EU ETS.** This would not only reduce CO₂ emissions at the lowest possible cost, but it would also ensure that CO₂ savings in sectors subject to EU ETS are not undermined by increased CO₂ emissions in other sectors which are not subject to EU ETS [see [CEP Policy Brief](#) on the Communication COM(2009) 279 Future of Transport].

Setting “benchmarks” – e.g. through the use of conventionally fuelled vehicles in urban transport or low-carbon fuels in air traffic, which could entail critical market interventions in the case of non-compliance – becomes obsolete in the case of inclusion.

In the event of an inclusion, the maximum admissible amount of CO₂ emissions (so-called cap) would have to be raised, as the CO₂ emissions of all transport sectors together were not taken into account when calculating the current cap [see [CEP Policy Brief](#) on the Draft Report of the European Parliament on the Future of Transport]. Moreover, the energy taxation – provided it serves the purpose of reducing CO₂ emissions - would have to be abolished in order to avoid any double burdening.

In view of the future coexistence of EU ETS and energy taxation, at least the proposed improved coordination is mandatorily required.

Impact on growth and Employment

CO₂ reduction creates high costs. Where the transport sector contributes to these high costs, it entails negative impacts on growth and employment.

Using the transport infrastructure more efficiently, on the other hand, in particular the “core network” that the Commission now emphasises, and eliminating the remaining restrictions in cabotage, enhances the division of labour in Europe, which has a positive impact on growth and employment.

Impact on Europe as a Business Location

A transport network in which all transport modes are interconnected facilitates an efficient transport of goods and passengers and thus increases the attractiveness of Europe as a business location.

Legal Assessment

Legislative Competence

The EU may, apart from special measures – e.g. for regulating transit traffic and improving transport safety – generally lay down “appropriate provisions” to implement “a common transport policy” (Art. 91 TFEU). The competence to plan and build traffic infrastructures is subject to the Member States. The EU may, however, “contribute” to the establishment and development of TEN-T (Art. 170–172 TFEU). For measures focusing on environmental policy, Art. 192 TFEU applies as the relevant legal basis.

Subsidiarity

The White Paper introduces a new range of transport policy measures. As long as no exclusive EU competence exists for any of the proposed measures, the EU may become active only if the measures taken by the Member States do not suffice. EU measures relating to urban transport, which have no cross-border relevance, infringe the principle of subsidiarity [see [CEP Policy Brief](#) on the Action Plan for Urban Mobility COM(2009) 490].

EU measures to internalise local external costs beyond TEN-T infringe the principle of subsidiarity, as cross-border relevance is in principle missing. EU measures to internalise global external costs, however, are unproblematic if a global solution proves unenforceable.

Proportionality

The depth of intervention cannot be assessed on the basis of the White Paper only.

Compatibility with EU Law

Unproblematic.

Compatibility with German Law

EU measures to regulate urban transport infringe the planning competence of the communities deriving from the right to local self-government (Art. 28 German Basic Law).

Conclusion

A Single European Transport Area would strengthen the internal market. Opening the national markets of passenger rail transport puts an end to the somewhat questionable option available to companies to gain unfair competitive advantages on liberalized markets through cross-subsidisations with profits from non-liberalised markets. The proposed inter-modal internalisation of external costs would at least exclude any distortion of competition between the transport modes. Setting sector-specific CO₂ reduction targets increases the costs of climate protection unnecessarily. Unfortunately, the Commission fails to propose the inclusion of all transport modes into EU ETS, for this would ensure a reduction at the lowest possible cost. The planned “benchmarks” describe concrete desired results of developments in the competition which should not be prescribed by the EU.