An Introduction to EU-Transport Policy

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Overview

Why is Transport so important for the EU?
The goal of EU Transport Policy and its tools
Resulting initiatives of the EU
Conclusions
Raison d’etre of EU Transport Policy or – Why is Transport so important for the EU?

- Transport is fundamental to our economy and society
  - Direct employment of around 10 million people
  - Transport accounts for about 5% of GDP

- Transport is vital for our internal market and the quality of life of our citizens

- Transport enables economic growth and job creation

- Transport is one of the key variables determining Europe’s role in a changing world (see Excursus A)

Excursus A: Global Perspective of Transport

- Container transport worldwide in 2011 based on TEU (twenty-foot equivalent unit)
The goal of EU Transport Policy

- Creation of a (common) competitive and resource efficient transport system in Europe

- Example: Railways
  - Fragmentation of the European Railway space
  - More than 10,000 different technical standards

- Example: Road Transport
  - Transport of cars on trucks (see Excursus B)

Excursus B: Simplified view of allowed (loaded) lengths for vehicle transporters

Car production by manufacturer in million units

- VW Group: 8.2
- Toyota: 6.8
- GM: 6.5
- Hyundai-Kia: 6.1
- Nissan: 3.6
- PSA Group: 3.7
- Ford: 3.1
- Honda: 2.9
- Renault: 2.4
- Suzuki: 3.3
- Others: 16.7
**Excursus B: Simplified view of allowed (loaded) lengths for vehicle transporters**

<table>
<thead>
<tr>
<th>Length Range</th>
<th>Countries</th>
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<tbody>
<tr>
<td>7</td>
<td></td>
</tr>
<tr>
<td>18.75 - 19.75</td>
<td></td>
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<tr>
<td>20.75</td>
<td></td>
</tr>
<tr>
<td>21.00 - 22.75</td>
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<td>22.00 - 24.00</td>
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**Tools for reaching the goal**

- How can we create a competitive and resource efficient transport system in Europe?

- The EU is delivering answers:
  1. Increase of infrastructure capacity, including by making greater use of more energy-efficient modes
  1. Optimisation of infrastructure utilization
  1. Development and deployment of sustainable fuels
1. Increase of infrastructure capacity, including by making greater use of more energy-efficient modes

- Creating of a seamless European transport network for all modes – „from a patchwork to a network“
  - By 2030, creation of a fully functional and EU-wide multimodal TEN-T „core network“
  - By 2050, complete a European high-speed rail network
  - By 2050, connect all core network airports to the rail network, ensure that all core seaports are sufficiently connected to rail freight

- Modal Shift from road to rail or waterborne transport
  - 30% of road freight over 300 km should shift to rail or waterborne transport by 2030, and more than 50% in 2050
  - For Passenger transport: by 2050 the majority of medium-distance passenger transport should go by rail

1.1 Trans European Network (TEN-T)

- What are the main issues at stake?
  - Cross border sections are missing foremost
  - Road network is very advanced, not rail and inland waterways
  - The links between the different modes of transport are weak: ports, airports, logistic platforms need to be well connected to the various modes
  - Excursus C: Rail connection Berlin – Stettin and „Usedom Crossing“
Excursus C: Berlin – Stettin (Video)

Excursus C: „Usedom Crossing“
1.1 Trans European Network (TEN-T)

What are the solutions?

- From a patchwork to a network: realise the missing links (cross-border, bottlenecks)
- Make the network interoperable and efficient: ERTMS etc.
- Set basic infrastructure requirements – e.g. for rail: 750 m train length 22,5 t axle-load, speed 100 km/h
- Two layer approach: core network and comprehensive network
- Comprehensive network will cover the entire EU territory
1.1 Trans European Network (TEN-T)
1.2 EU-Funds for TEN-T I

- Connecting Europe Facility
  - 27 Billion € (2014 – 2020)
  - But estimated costs: 500 Billion € until 2020
  - Therefore: strict priority setting on
    - Major cross-border project on the Corridors
    - Other cross-border, bottlenecks and multimodal projects on the core network and the Corridors
    - ERTMS

- European Regional Development Fund (ERDF)
  - Operational Programmes of Regions
  - “Cross-Border” Programmes

- Horizon 2020
1.2 EU-Funds for TEN-T II

- Combination of Funds possible (CEF, ERDF, Horizon 2020)
- Example: Connecting Europe Facility (CEF)
- 14.945 Billion € available to all Member States
- 11.305 Billion € available only to Cohesion Countries
- Annual and multi-annual calls
- Innovation and Networks Executive Agency
- Multi-Financial-Framework 2014–2020
- Next steps for CEF 2014 Work Programmes
  - Adoption of the WPs 2014: Before 31 March 2014
  - Publication of Calls: 1 September 2014
  - Calls deadline: 31 January 2015
  - Adoption of Decisions: October 2015 – December 2015

1.2 EU-Funds for TEN-T III

<table>
<thead>
<tr>
<th>Types of Projects</th>
<th>All Member States</th>
<th>Member States eligible for Cohesion Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studies (all)</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Works on</td>
<td></td>
<td></td>
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<tr>
<td>Rail</td>
<td></td>
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<tr>
<td>Cross border</td>
<td>40%</td>
<td>80-85%</td>
</tr>
<tr>
<td>Border/region projects</td>
<td>30%</td>
<td>60-65%</td>
</tr>
<tr>
<td>Other projects of common interest</td>
<td>20%</td>
<td>80-85%</td>
</tr>
</tbody>
</table>

Andere Politikbereiche
(Landwirtschaft, Forschung, Außenpolitik usw.)
62 % (ca. 600 Milliarden €)

Gesamt: 960 Mrd €
MFF (2014 – 2020)

Connecting Europe Facility
4 % (ca. 40 Milliarden €)

Kohäsionspolitik
34 % (ca. 325 Milliarden €)
1.2 EU-Funds for TEN-T IV

Pro-Kopf-BIP*<br>\(\text{< 75 % } \Rightarrow \text{75-90 % } \Rightarrow \text{> 90 %} \) des EU-Durchschnitts

*Index EU27 = 100

- Weniger entwickelte Regionen
- Übergangsregionen
- Stärker entwickelte Regionen

Kohäsionsfonds\(^1\) 66.4
Weniger entwickelte Regionen 164.3
Übergangsregionen 31.7
Stärker entwickelte Regionen 49.5
Europäische territoriale Zusammenarbeit 8.9
Regionen in äußerster Randlage und dünn besiedelte Gebiete 1.4
Gesamt 322.2

2. Optimization of infrastructure utilization

- In general: Focus on investing into European transport research, innovation and strategy
- Deployment of the modernized air traffic management infrastructure (SESAR) in Europe by 2020 and completion of the European Common Aviation Area
- Deployment of equivalent land and waterborne transport management systems, for example:
  - Long-range identification and tracking of ships (LRIT)
  - European Rail Traffic Management System (ERTMS)
- Deployment of the European Global Navigation Satellite System (Galileo)
- Investments into Railway Research and Innovation through Shift2Rail (Horizon 2020)
2.1 Shift2Rail I

- Public-private partnership to invest 1 Billion € in research and innovation to get more passenger and freight onto EU railways

- 7-year work programme, funded by the Commission with 450 Million € and by the railway industry with 470 Million €
  - Boosting innovation in the rail industry

- Shift2Rail aims to deliver:
  - 50 % life-cycle cost of railway transport
  - 100 % overall increase in capacity
  - 50 % overall increase in reliability in the different rail market

2.1 Shift2Rail II

- „Real“ reasons for Shift2Rail
  - Only a European approach can compete with Asia
  - Creating and securing jobs
2.1 Shift2Rail III (Video)

- Research priorities have been established in a four-year investigation period by the European rail industry
- The result is a long-term strategic programme built around key research clusters segmented in five Innovation Programmes
  - Cost-efficient and reliable high capacity trains
  - Advanced traffic management & Control systems
  - Cost-efficient and reliable high capacity infrastructure
  - IT Solutions for attractive railway services
  - Technologies for sustainable & attractive European freight

- Partner of Shift2Rail:
  - Managing Board (EU-Commission, Manufacturers etc.)
  - Associated Members (Manufacturers, Railways etc.)
  - Other Participants (SME, Research Institutes, Universities)

3. Development and deployment of sustainable fuels

- Halve the use of, conventionally-fuelled cars in urban transport by 2030; phase them out in cities by 2050; achieve essentially CO2-free city logistics in major urban centers by 2030

- Low-carbon sustainable fuels in aviation to reach 40% by 2050; also by 2050 reduce EU CO2 emissions from maritime bunker fuels by 40%

- Deployment through standards set by TEN-T
  - Availability of alternative fuels such as LNG
Resulting initiatives of the EU

- Transport Policy initiatives in order to support the tools for creating a single European Transport space based on competition and sustainability:
  - A true internal market for rail services
  - A new funding framework for transport infrastructure
  - Completion of the Single European Sky
  - Capacity and quality of airports
  - A maritime „Blue Belt“ and market access to ports
  - Towards a „zero-vision“ on road safety
  - Passenger rights
  - Etc.


**EU-Policy Initiative:**

**A true internal market for rail services I**

- Liberalisation of the railway market

**Strukturwandel der Güterverkehrs-Nachfrage**
  - Güterstrukturaeffekt
  - Logistikeffekt
  - Internationalisierungseffekt
  - (Siedlungsstrukturaeffekt)

**Ungenügende Anpassung des Verkehrsträgers Schiene**
  - Ineffizienz durch Angebotsmonopol
  - Heterogenität der europäischen Eisenbahnsysteme

Intramodal Wettbewerb zur Stärkung der Schiene im intermodalen Wettbewerb

Bahnreform von 1994

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**EU-Policy Initiative:**

**A true internal market for rail services II**

- Creation of European Railway Space
- So far, the EU has opened so far the following markets
  - International rail freight services, since 1994
  - National rail freight market, 2007 (incl. Cabotage)
  - International rail passenger services, 2010
  - National rail passenger services, ???
- First legislative proposal in 1991
- Followed by four so called Railway Packages
- 4th Railway Package marked the last attempt to improve the efficiency and quality of the railway sector and includes the market opening for domestic rail passenger services and the question of how the European Railways shall be organized (integration vs. separation)
EU-Policy Initiative: A true internal market for rail services III

- Video on the 4th Railway Package
- The 4th Railway Package comprises six different legislative proposals of which two are highly political and three are rather technically
- Political proposals:
  - Directive on the governance of the railway infrastructure
  - Regulation on opening the market for domestic passenger transport services by rail
- Technical proposals:
  - Directive on safety on the Communities railways
  - Interoperability of the rail system within the Community
  - Regulation on establishing a European Railway Agency

EU-Policy Initiative: A true internal market for rail services IV

- Directive on the governance of the railway infrastructure
  - Separation Infrastructure Manager and Railway Operator
  - EU Commission sees it as only way to boost intramodal competition
  - Swiss model vs. British model
  - Potential Discrimination through dominant integrated incumbent
  - BUT: Customers do not care if integrated or seperated
  - 3 pillars of successful railways
    - Accessibility
    - Price
    - Quality
**EU-Policy Initiative: A true internal market for rail services V**

- Regulation on opening the market for domestic passenger transport services by rail
  - Market opening in Germany since 1996
  - Some markets remain closed (France, Italy, Austria)
  - Regulation 1370/2007
  - EU-Parliament against mandatory direct award (vote in Plenary early 2014):
    - Direct Award vs. Competitive Tendering
    - Social Dimension
    - Transport Plans
    - Access to rolling stock
    - Internal and external reciprocity

**EU-Policy Initiative: A true internal market for rail services VI**

- Directive on safety on the Communities railways
- Interoperability of the rail system within the Community
- Regulation on Establishing a European Railway Agency
  - Strengthening of the European Railway Agency (ERA)
  - So far, the role of ERA is reduced to giving recommendations
    - Common technical standards and safety indicators, targets
    - Issuing vehicle authorisations for placing on the market
    - Safety certification for railway companies
    - Monitoring national safety authorities
    - Supervising national rules
  - The ERA shall act as a one-stop-shop and reduce by 20% the cost and length of the rolling-stock authorisation procedure
**EU-Policy Initiative: A true internal market for rail services VII**

- Results of the market opening in Germany (rail freight)

**EU-Policy Initiative: A true internal market for rail services VIII**

- Results of the market opening in Germany (rail freight)
  - Largest rail freight companies in Germany based on transport performance in Billion t-km (2010)
EU-Policy Initiative: A true internal market for rail services IX

EU-Policy Initiative: Completion of the European Sky and Capacity and Quality of Airports

- Video for completion of the European Sky

- Revise the slot regulation in favor of more efficient use of airport capacity

- Clarity and improving conditions to enter and provide quality services, including Groundhandling: ensure that all actors in an airport system meet minimum quality standards

- Airport capacity – develop an approach to deal with future capacity problems including better integration with the railway network
accelerating Single European Sky

Europe is facing a capacity crunch, with a 50% traffic increase forecast for the next 20 years.

The Commission is proposing new rules - known as SES2+ - to accelerate the reform of Europe’s fragmented airspace - improving safety, cutting delays, and reducing costs and emissions.

aviation agreements signed to better connect Europe to the outside world

This means that EU airlines get better access to new markets so they can offer more choice of routes and services to passengers and businesses - as well as more competitive fares.
EU-Policy Initiative: A maritime „Blue Belt“ and access to ports

- **Video as introduction**
- The European Maritime Transport Space without barriers should be further developed into a „Blue Belt“ of free maritime movement in an around Europe, and waterborne transport should be used to its full potential
- Integrate the use of monitoring tools by all relevant authorities, ensure the full interoperability between ICT systems in the waterborne sectors, guarantee the monitoring of vessels and freight (Blue Belt) and set up appropriate port facilities
- Review restrictions on provision for port services
- Enhance the transparency on port-financing, clarifying the destination of public funding to the different port activities, with a view to avoid any distortion of competition
EU-Policy Initiative:
Towards a „zero-vision“ on road safety

- Harmonize and deploy road safety technology – such as driver assistance systems, (smart) speed limiters, seat-belt reminders and eCall – as well as improved road worthiness tests
- Develop a comprehensive strategy of action on road injuries and emergency services, including common definitions and standard classification of injuries and fatalities, in view of adopting an injuries reduction target
- Focus on training and education of all users; promote the use of safety equipment (seat-belts, protective clothes, etc.)
- Pay particular attention to vulnerable users such as pedestrians, cyclists and motorcyclists, including through safer infrastructure and vehicle technologies
Conclusions

The EU Transport Policy is based on:
- Harmonization
- Decarbonization
- Liberalization
- Incentives for Innovation

Literature recommendation:
- White Paper of the European Commission from 2011: Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system

Thank you for your attention!

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