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Questions clefs pour le transport en Europe
Key issues for transport in Europe

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Eight years after its creation, OTPSE wanted to mark a stage in its development by summarising its discussions on several fundamental issues about the transport system in Europe.

Instead of sharing out the work in their usual way, in which the experts examine their own individual country for which they are responsible in the *Bulletin Transport/Europe*, the division in this book has been made along subject lines, the authors each treating a domain of special interest to them, and over Europe as a whole. This way of redistributing the roles has re-invigorated the network's output, giving the questions tackled a more issue-based and more dynamic perspective.

Although 'European transport' is a project still in the making, it is already impossible to understand the system for transporting travellers or for goods within a purely national framework. Traffic flows and companies are becoming international, as are public policies with the increasing influence of European Union legislation. For all that, every national government still has a transport minister: transport has a pivotal role vital to the economy and other policies.

The subjects dealt with in *Questions clefs pour le transport en Europe* cover road transport, rail transport, airports, logistics and intermodal transport. They also treat more political questions, such as the respective roles of the State and the market, public services, the enlargement of the European Union, and newer but crucial concerns such as safety and the environment.

A transversal synthesis, a note on the methodology of comparing national systems (benchmarking) and a presentation of the evolution of the common transport policy of the European Union complete this major reference work, designed for those with administrative or professional responsibilities, students and a wider audience of citizens.

Michel Savy
Director of the Observatory

Questions clefs pour le transport en Europe is published by La Documentation française and can be ordered directly from its website: www.ladocumentationfrancaise.fr

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Key current events

- The debate in **Germany** about the privatisation of the historic State railway operator, DB, is continuing. An Act of July 2007 provided for a partial privatisation, leaving the State with the majority of shares in a holding structure that brings together its activities in passenger travel, freight and logistics. However, the trade unions still remain to be convinced, especially concerning the permanence of jobs. The ministry of transport has announced its agreement to an investment plan of 2.5 billion Euro a year over 15 years for improving the network, with the Länder concentrating their own efforts on the organisation of regional transport but not infrastructure.

A forecasting exercise, Freight 2030, predicted a continuing increase in rail traffic, with domestic tonnage remaining stable but an increase in distance travelled and an increase in international and transit traffic. The modal share would however remain fairly constant. Looking to the more distant future, 2050, an increase in rail's share of freight is envisaged.

The postal market has been entirely open to competition since January 2008, including for letters weighing less than 50 gm. There are already 1,000 companies distributing mail up to a weight of 1 kg per item; most are obviously local. They took on about 40,000 staff during 2007! But this new market is currently dominated by three major actors: TNT, PIN and Hermès Logistik. A collective agreement covering the whole sector has been established, with the support of Deutsche Post, to preserve the level of remuneration of all employees, despite the liberalisation. Certain operators, offering salaries less than those of the post office, have cut back their activities.

As for air transport, Lufthansa wants to regroup the whole of its 'no frills' subsidiaries in order to compete with competition coming from Air Berlin, which has combined several transport firms into a new structure specialising in charter flights and 'no frills' services.

Lastly, cycling has been made the subject of a national plan for 2012, with a ring-fenced budget for the development of cycle tracks.

- In **Belgium**, despite the political differences that often divide the diverse communities, several agreements have been negotiated, but they are sometimes agreements to regionalise problems, that is, to treat them in a separatist manner. One agreement, for the three regions, concerns a system of paying for road infrastructure (more precisely, the motorway network), according to their usage, relying on GPS technology and taking account of the time of travel, the more or less pollutant character of the vehicle, etc. It is expected to be operational in 2011 for heavy lorries.

The road and waterway systems have already been regionalised as far as the construction and maintenance of their infrastructure is concerned, but not their use. Now road regulations are also going to be regionalised, including those which relate to fines, though not for motorways, which remain within the competence of the federal authority…

The opening up of the rail market is starting to take effect because the SNCB now has several competitors: the historic operators from other countries (including the SNCF and EWS), or new entrants (DLC, Rail4Chem, ERS, CFL, Veolia, etc.). The question of regionalising the railways, one of the few federal institutions still in existence, is being discussed, especially with respect to the funding of new projects. The Flemish region is in great need of investment, notably around Antwerp, where the expansion of the port and new dockyards demands efficient transport services on the land side, to avoid congestion. One of the financial constraints now under discussion is the earlier agreement that enabled Flanders to receive 60% of national investment funding while Wallonia received 40%.

The road haulage technique called "Eco-combi" (a combination of a lorry followed by two trailers, with a total length of 25.25m), is the subject of an experiment in the Netherlands and Germany. Certain business groups are campaigning for this experiment to be carried out in Belgium too, but other groups oppose them because of their concerns with safety, the suitability of the network, and negative effects on the less polluting railway and waterway modes, whose market would be threatened even more strongly than now. This controversy has not so far produced any decision.

The infrastructure investments envisaged on the Seine – Nord Europe river route would enable the gauge of the Lys to be increased to 4,400 tonnes (against 1,350 today), and would link the ports of Zeebrugge, Ghent and Antwerp. In the Walloon region, the gauge would be increased to 2,200 tonnes between Namur and the French border by enlarging the present canal. In this project, the wharves (sites for transhipment and possibly additional logistics operations) would receive particular attention.

In this context, rail traffic has experienced a non-negligible increase in 2007, of the order of 3% in terms of freight, while waterway traffic has stagnated since 2005. Maritime cabotage (short-sea shipping) makes up 44% of traffic in the port of Antwerp, 65% in Zeebrugge, 99% in Ostend and 49% in Ghent. Considering the land side of container transport, waterways move 33% of traffic from the port of Antwerp, rail 10% (while waiting for the investment that is planned), and road 57%.

- The construction of the high-speed train network is moving forward in **Spain**. The line between Madrid and Barcelona was completed in February 2008 after various incidents on this building project which has raised great passions in Catalunya because of the repercussions on conventional railway lines.

The construction of the second terminal at Barcelona airport is also being held up, by delays to a building which will be more than a kilometre long. But the question currently under discussion is rather that of the airport management. This role belongs, as in the whole of Spain, to a central body, but the situation is expected to change with the application of reforms to the statutes of the Autonomous Communities. The issue is that of the role of Barcelona airport in the European context, taking account of the general movement to a polarisation of traffic around a few hubs (This theme was the subject of an earlier session of the Observatory.). The allocation of the management of the new terminal to Iberia and Spanair (which was rumoured to be a takeover target of Iberia), would contribute to a polarisation around Madrid, the principal hub of Iberia. Madrid, which is promoting itself as the pivot of routes between Europe and Latin America, provides 22% of national traffic but received about 56% of public investment between 1992 and 2005.

This geopolitical question is also being asked about the TGV which, as a first stage at least, is being developed in a star shape focused on Madrid, the network not acquiring a denser configuration until about 2020.

Transport infrastructures have been put at the centre of the political debate, especially on issues relating to the economic relations between Catalunya and the Spanish state.

- The news in **France** is dominated by a change in the organisation of the SNCF which perhaps presages a new policy on goods transport, and in addition responds to an explicit request from the President of the Republic. The reform would consist of creating an entity dedicated to freight and more autonomous within the enterprise; the trade unions have rejected it, seeing it as a method of introducing a subsidiary as a prelude to privatisation. The rail enterprise has besides announced that it was going to be more active on the competitive market in Europe, and not just through alliances as it had planned under its previous strategy. The merger with the transport firm Géodis would thereby facilitate a diversification and an internationalisation comparable, apart from size, to the effect of the fusion of DB and Schenker.

On passenger transport (regional express trains: TER and Francilien), the regions are becoming more exacting and calling for performance measures, line by line. On freight, local rail operators (OFP), responsible for local services on the model of Swedish and German experiments and American 'short lines', have entered the market, for the transport of cereals in the Centre region, for example.

A debate is taking place on the allocation of rail paths by the network owner, RFF, because of the difficulty of responding to new demands, which are more likely to fluctuate. A differentiated pattern of track use could bring additional flexibility, including the ability for freight trains to overtake during the day.

As to rail-road intermodal transport, it could be about to expand again after several years of regression, and various manoeuvres aim to ensure the control of one operator or another. Thus the SNCF and Norbert Dentressangle could control Novatrans, which has, ever since it was created, belonged to majority road interests.

In the air domain, the change of government in Italy has interrupted (definitively?) the takeover of Alitalia by Air France – KLM which seemed to be on the point of conclusion.

Maritime ports are the subject of a new reform aiming to put handling equipment under the responsibility of a single, private, operator, while the port authority would refocus on its primary, sovereign functions.

On road matters, the increase in motorway toll fees for heavy lorries has been the subject of critical observations from the Cour des Comptes (the French national audit office), which could lead to them being revised. In addition, the EU Eurovignette directive has restricted the commercial negotiating margins on toll fees, and has in particular reduced the rebate awarded to the largest customers. It is a windfall for the companies managing the infrastructure.

Lastly, the report by Jacques Attali, suggesting a series of measure to 'release growth', touched on several transport issues, forecasting the expansion of 'no frills' airline companies, and the abandoning of quantity licensing of taxis. After two days of protest by taxi drivers, the government seems to have abandoned this reform.

- The new government in **Greece** has only a very slim majority in parliament, which does not facilitate the decisions that, where transport is concerned, relate to infrastructure investment and structural reform.

The ports of Piraeus and Salonika have changed their status, with a de facto privatisation of handling that set off long worker disputes. They are now private law limited companies, whose single shareholder is the State, which enables the port areas to be contracted to the private sector.

Railway reorganisation is a constant theme of debate. The former public monopoly has evolved towards a holding structure grouping seven bodies, infrastructure being divided between subsidiaries (passengers, freight, terminals, property management, logistics platforms). The ministry believes this structure is complex and costly, and would like a new reorganisation.

According to the European Commission's definition, the 'motorways of the sea' have the role of diverting towards maritime transport a share of road traffic using various ferry systems (Ro-Ro for horizontal loading). Two provisions are supposed to help that aim: Marco Polo, which subsidises users and ship owners according to the number of tonne- kilometres removed from the roads; and Trans-European Networks (TENs) for investment in ports that adapt them to this new traffic. But these provisions are not very easily applied to Greece, in the sense that, where it concerns traffic with Malta or Cyprus, it is hardly possible to consider that they are substituting for road transport! An extension could be envisaged to Turkey, but the road traffic that would be taken into account would only be that removed from European territory. The provisions do, on the other hand, apply to the traffic in the Adriatic, which, it must be said, is economically more prosperous and scarcely needs subsidy. Conceived for areas such as the Baltic or the western Mediterranean, this policy does not apply very well to the eastern Mediterranean.

On infrastructure investment, the extension of the Metro network in Athens is proceeding.

Lastly, the search for a solution for Olympic Airways has long been under way.

- The market for transport and investments in **Poland** is the subject of a plan up to 2013.

Despite a real lack of statistics, it can be estimated that road goods traffic experienced rapid growth in 2007, of the order of 9% in terms of tonnes, and of 12% in tonne-kilometres. For its part, the railway is hampered by the transformation of economic structures towards services and light industry, with a stagnation of traffic of heavy materials (cement, coal). The only increase is in the transport of maritime containers.

As for personal travel, the access of households to cars seems to be reaching a ceiling, but the use of the automobile has already practically marginalised the use of public transport, in terms of the national average. However a revival can be seen in regional rail passenger transport, which is benefiting from the renovation of the infrastructure and rolling stock, and from the entry of new operators, competing with PKP. Air transport is experiencing very rapid growth (+34% in 2007!), and the 'no frills' companies have now overtaken the traditional airlines, within a context characterised by the re-composition of businesses.

On infrastructure, the public authorities remain the principal financiers, even though public-private partnerships (PPPs) are now encouraged. The construction of a new motorway which crosses an ecologically sensitive zone (the Raspuda marshes), criticised by the European institutions, has been abandoned. Roads are seen to be improving in quality everywhere, whereas the rail network would seem to be in need of thorough renovation. In view of the modest budget from the EU for financing infrastructure works (including TENs), the government has shortened its list of priorities, restricting them principally to roads and airports and, where urban public transport is concerned, concentrating all the aid requested on to projects for Warsaw.

A new Act on railways will facilitate the privatisation of the principal passenger transport company, PKP Intercity, which is likely to precede that of the airline company LOT.

- The maintenance of the rail network in the **United Kingdom** by the infrastructure manager, Network Rail, has been criticised by the train operating companies, three major projects suffering delays during the New Year holiday period. Should the practice of sub-contracting be reduced, notably where the renovation of catenaries and signalling is concerned? Nevertheless, there is no suggestion of another radical reform, which the operators do not want, but of the definition and monitoring of new objectives.

The group operating the franchised services between London and Wales has been accused of not respecting the undertakings laid down in its contract. In a more general way, the practice of benchmarking (the comparison of performance indicators) is now firmly established and obliges operators to maintain their levels of service, under the threat of losing their concession.

The principal British freight train operator, EWS, has been bought by the German group DB, which also bought its subsidiaries abroad, notably in France. The DB is extending by this means the international network of one of its subsidiaries, Railion, and strengthening its leadership position in the European Union.

The expansion of intermodal transport would require a widening of the rail clearance gauge, on certain routes at least. But the British government did not carry out in time the procedures for obtaining Union subsidies for this type of operation. Was it for lack of a political will ins support of this dossier?.

The traffic through the Channel Tunnel (at least until the fire in autumn 2008), was increasing both for the Shuttle trains carrying lorries and cars, and for the fast passenger trains (Eurostar), while the traffic of traditional freight trains remained stable. Tunnel receipts are increasing but subsidies are in decline.

The London Underground is being extended with works on the East London Line which will produce an orbital railway. One question being debated between the Greater London government and the ministry is the future of the debt of 3 billion Euro left by the former contracting consortium undertaking the modernisation works. Moreover, will the Greater London transport authority (TfL) be allowed to take on the direct renovation of the network, after the bankruptcy of the contractor, or will the minister award a new concession?

The London congestion charge system is expanding. A new charge (300 Euros) now applies to any heavy lorry and (from July 2008) to any tourist coach travelling on roads inside the orbital motorway (M25) which does not meet the Euro 3 standard for pollutant emissions from diesel engines, with fines for non-compliance being particularly high. The former mayor had envisaged an extension to 4x4s, but the new mayor does not favour that policy. In addition, congestion in the centre of London has increased, not because of an increase in traffic but because of street works by building or utility firms. Bus passenger usage has increased by 25% since 2003 and there is 50% more cyclist traffic.

The debate has opened on a national road charge. A petition was launched which was hostile to this idea, which is only envisaged for the long term. The ministry considers that congestion mainly occurs in the big conurbations, where urban congestion charges will be encouraged. On the motorway network, the use of the emergency lane for traffic, but only at reduced speeds, is being researched.

The expansion of the capacity of Heathrow airport is proceeding, with the opening of the new fifth terminal, but the decision to construct a third runway and a sixth terminal has yet to be taken, the population being hostile to any additional traffic. However, the current capacity is almost at saturation (which translates into a higher frequency than normal of delays).

- **Sweden** is pursuing its policy of road safety. While the objective was to reduce the number of deaths to 207, they amounted to 485 in 2007, because of excessive speeds and alcohol use, with a high proportion of victims among users of two-wheeled vehicles (and especially light motorcycles that have been modified to go faster). There is consideration of making the alcohol-breathalyser lock compulsory for drivers that have already been penalised, and for vehicles transporting fuel, while some companies are voluntarily fitting them to their own vehicles. The speed limit on certain roads have been reduced from 90 to 70 kph, while experiments are under way on a speed limit that varies according to traffic conditions. The extension of the 2 +1 lane road system and the redesign of roundabouts is also improving safety.

The urban toll system in Stockholm is working well. Some question whether too high a number of vehicles have been exempted.

The sales of ‘green’ cars have increased, because they benefit from a bonus, but the very concept of such a car would be worth improving: the current models do not respond to concerns about road safety in an optimum manner, while the relevance of methanol, as a fuel, has been called into question.

The operator of the rail infrastructure has just announced the forthcoming construction of a bridge between Denmark and Germany, which would help traffic flow more freely. The problem of the pinch point of Stockholm also has to be resolved, and a tunnel costing 2 billion Euro that would come into service in 2017 is being envisaged. The traffic circulation over the whole of the national network would be changed by this project.

As for roads, the last Social Democrat government had planned an infrastructure programme up to 2016. In the new coalition government now in power, the Greens want to reduce road investment, calling into question the project for bypassing Stockholm, and increase public transport. Backlogs have been observed in the maintenance of the existing road network, and it would need expenditure of a billion Euro to catch up.

Finally, considering the successive presidencies of the Union, contacts have been made between the four countries designated to follow each other in this post (France, the Czech Republic, Sweden, and Spain) in order to pursue ambitious policies in the transport domain.

- In **Switzerland** there is rivalry between cantons to gain access to federal funds. Thirty projects, among which 5 or 6 will be selected for total funding of the order of 4 billion Euro, are competing.

Transalpine freight traffic is growing and has reached 32 million tonnes, with an increase in rail, which is nevertheless insufficient to meet the desired trajectory, that is, limiting road traffic to 650,000 heavy lorries a year in 2019; it stands today at 1.8 million. Parliament envisages new measures to strengthen the pressures on road transport and accelerate modal transfer, made possible by the addition of capacity with new tunnels. Simultaneously, a fund with a value of a billion Euro has been allocated to rail transit (the rolling road and especially unaccompanied intermodal transport).

The freight division of the railways, CFF Cargo, is still in deficit and reorganisation is again envisaged. The tunnel of Lötschberg is now in service. The cost of the work has been put at 2.9 billion Euro, not much more than the initial budget of 2.5 billion, whereas the Gothard tunnel has experienced numerous geological and thus technological and financial problems, and its budget has already doubled. The Lötschberg has enabled the passage of 42 passenger trains a day at a speed of 250 kph, and 110 freight trains of which 72 through the tunnel at the base.

The lorry road tax proportional to usage (RPLP) is operating reasonably well (in spite of the fraudulent use of vehicles belonging to bankrupt firms), and it is going to be firmed up in 2009 on an emission standard that is more constraining (Euro3), despite the opposition of road haulage interests. As far as cars are concerned, the imposition of a filter on diesel engines had been considered, but then abandoned because of the concerns of Korean and Japanese vehicle builders. Finally, Switzerland will align itself with European Union norms in 2009.

The formula of car-sharing (a system of flexible hiring for short periods) is expanding, with 850 vehicles at present in circulation with 1000 parking places available. The company that is developing this service, Mobility, does not envisage any expansion abroad but on the other hand would like to export its software.

Carbon gas emissions from automobiles have been made the subject of a new tax voted by parliament, although the average emission of Swiss vehicles, 196 gm per km, is higher than, for example, that of cars in France, where the average is 149 gm per km.

Levels of road safety, which had improved in 2005, deteriorated in 2006. This change owes a lot to alcohol, with numerous repeat offenders, even though 75,000 driving licences have already been removed in a year!

Among Swiss airports, Bâle is experiencing the most rapid growth, and reached a level of 2 million passengers a year. The activity at Geneva is also increasing rapidly and has reached 10 million passengers, while Zürich, which accounts for 19 million passages, is growing only slowly. The recent trial of the former administrators of Swissair, whose sad fate we know, has discharged all those accused and awarded them compensation. This judgement gave rise to much comment. The new company, Swiss, is of a much smaller size but it is profitable and developing.

Lastly, international freight forwarding and logistics activities are expanding, and the Swiss companies Panalpina and Kühne & Nagel are numbered among the world leaders in this field.

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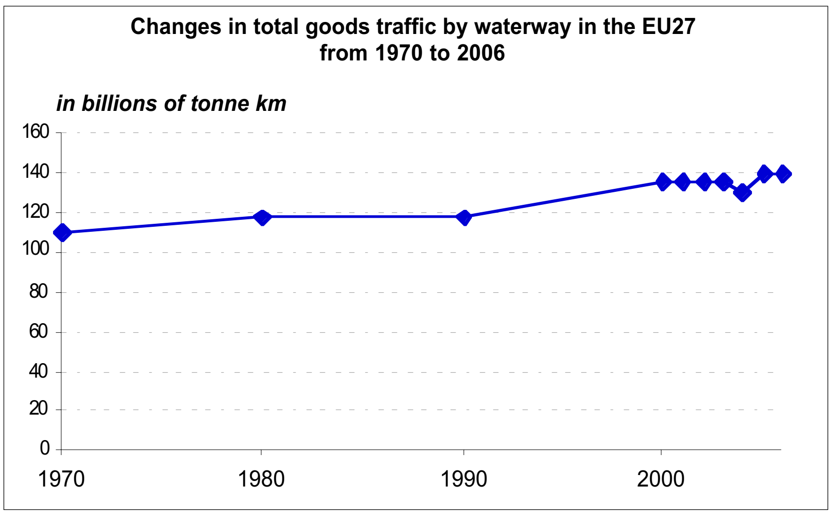
Synthesis drawn up by Michel Savy and Christine Aubriot from contributions by: Catherina Horn (Germany), Michel Beuthe (Belgium), Rafael Giménez Capdevila (Spain), Antoine Beyer (France), Séraphin Kapros (Italy), Jan Burnewicz (Poland), June Burnham (United Kingdom), Bertil Carstam (Sweden), Tristan Chevroulet (Switzerland).

Statistical analyses

The transport of goods by inland waterways in Europe

Inland waterway's share in 2006 across the whole of the EU of 27 represented 6% of total surface-based goods transport (measured in tonne-kilometres).
This proportion varies greatly according to country and enables a distinction to be made between regions that are well-watered (by a waterway of modern gauge) and other regions. It is about 48% in the Netherlands, 29% in Luxembourg, 14% in Belgium and 12% in Germany. In France the proportion is about 3% and in many countries it does not exist. Geography is the main explanation for these differences.
The waterway has a favourable position in European Union transport policies, either by itself or because it is included in multimodal solutions. Its is particularly economical on energy.

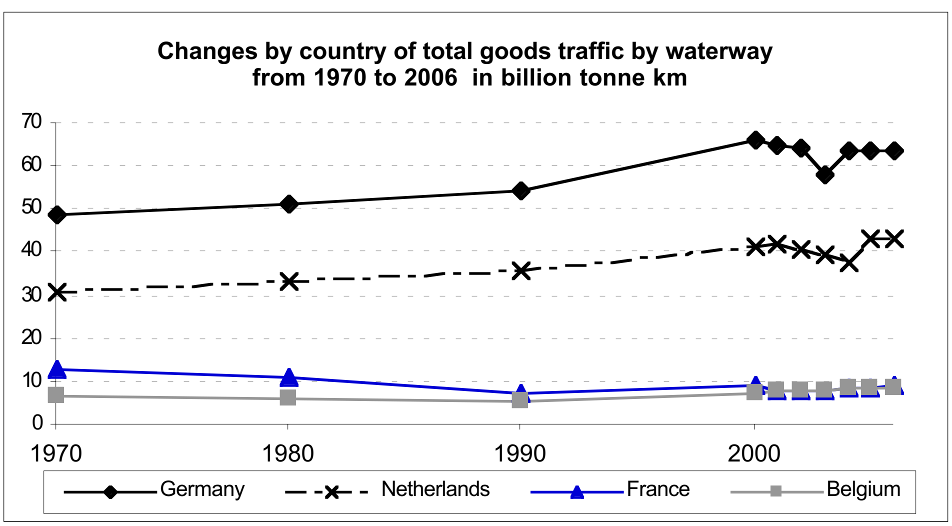
• Changes in the EU of 27



Source: Forum International des Transports/OECD – "Evolution des transports" 2008

In **tonne-km** total goods carried by waterways within EU countries grew by about 25% from 1970 to 2006. Traffic developed fastest between 1990 and 2000 (+16%). Austria, Belgium, Bulgaria, the Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania and Slovakia are the main EU countries with waterways.
By **weight**, based on national and international loading, 500 million tonnes of goods travelled by waterways in the EU27 in 2006.
The **average distance** travelled by waterborne freight is therefore of the order of 280 km, intermediate between average distances on road and rail.

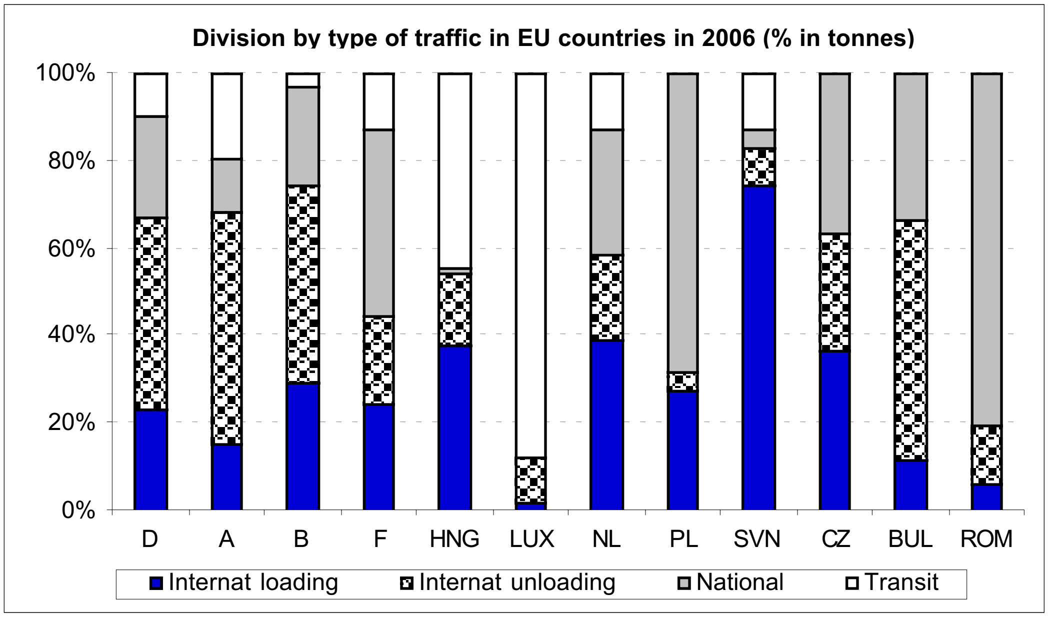
• Changes by country



Source: FIT/OECD – "Evolution des transports" 2008

In **tonnes,** the Netherlands uses waterways most, with a traffic of 318 million tonnes in 2006. France is well behind the three leading countries (Netherlands, Germany and Belgium) with only 71 tonnes transported.
Because of different journey lengths, the order is not the same for **tonne-km**. Germany is ahead of other EU countries in its use of river transport (64 billion tonne-km in 2006), the Netherlands achieving only 42 billion. The total traffic in France is 9 million tonne-km, similar to Belgium.

- ## National or international transport



Source: Eurostat – Statistiques en bref – Transports 2007

The role of waterways varies very much from one country to another. In most countries it carries international goods in particular (imports, exports, transit). In Poland and Romania it plays essentially a domestic role.

- ## Division by type of goods

Chapter NST/R	0	1	2	3	4	5	6	7	8	9
Share of the total	5%	5%	9%	17%	7%	5%	33%	2%	6%	10%

Source: Eurostat – Statistiques en bref – Transports 2007

Dividing national traffic and transit by waterway in the EU according to the NST/R classification (revised uniform nomenclature for statistics on goods transport), shows that three groups of goods predominate: raw or manufactured minerals and construction materials (Chapter **6**), petroleum products (Chapter **3**), machinery, vehicles, manufactured products and special transactions (Chapter **9**). Chapter 9, notably, accounts for containers, whose traffic is in constant growth.
Chapter **0** represents agricultural products and live animals, **1** food and fodder, **2** solid fuels, **4** minerals and waste for metallurgy, **5** metallurgy products, and **7** and **8** fertilisers and chemical products respectively.
Far from being an archaic mode that is destined to disappear, waterways could be a vector in the evolution of freight transport in forthcoming years.

Christine Aubriot
Chargée de mission at the CNT

For more information: consult Statistiques en bref no.132/2007 'Transport de marchandises par voies navigables intérieures en Europe' – Eurostat et 'Evolution des transports 1970–2006' – Forum International des Transports/OECD 2008.

The Bulletin *Transport/Europe* is available in French and English on the CNT website. The *Dossiers de l'Observatoire* can also be downloaded. See the topic "Observatoire des politiques et des stratégies de transport en Europe"

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