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**Swedish Presidency
of the European Union**

State Secretary

**Key note speech by State secretary Leif Zetterberg at
CLECAT Freight Forwarder's Conference 3rd December 2009**

Ladies and Gentlemen,

It is a great honour for me to share my views on the European transport system and to point out what should be seen as some of the most important issues.

The Future of Transport remains an interesting and challenging topic. In June 2009 the European Commission launched a broad reflection and consultation process towards an updated European transport policy with its Communication "A sustainable future for transport".

During the present Swedish EU Presidency, activities in the Council context have taken place to stimulate the debate and to give input to the Commission's work on the drawing up a White Paper on the European transport agenda for the next decade. At its meeting in October, the Council held a very interesting debate on the communication from the Commission.

Ministers mostly agreed to the broad principles contained in the communication. During the discussions, the ministers emphasised different aspects of the challenges ahead, such as the impact of the current economic and financial crisis, global climate change, a clearer description of priorities, greater consideration of regional differences and road safety.

They also expressed their views as to the most important fields of action, including better integration of all modes of transport, intelligent transport systems, financing of infrastructure and internalisation of external costs for infrastructure use.

Based on the results of the debate, the working bodies of the Council are now preparing conclusions for adoption at the next Transport Council meeting, within two weeks time. The Council's further reflection through the conclusions will serve as a political signal on what the Member States would like to see reflected in the forthcoming White paper. It is of course a challenge in itself to capture the interest and opinions of 27 Member States on a few pages, but so far the discussions have taken place on a creative and positive note.

It is important that we join forces in order to tackle the challenges we are facing and that we recognise the urgency of turning the current multiple crisis into an opportunity by shifting to an eco-efficient economy; a safe and sustainable low carbon, resource-efficient economy, based on sustainable production in the transport sector and underpinned by more sustainable lifestyles. Difficult times have always been powerful engines of innovation in all sectors. New business opportunities will be created.

The development of the European Transport Policy beyond 2010 will be an important part of tackling these challenges but also contribute to Europe's competitiveness through the development of one coherent and efficient transport system. A well functioning European system supporting the idea of the internal market is an important tool for creating wealth to European economy.

I will highlight a few areas that - from my perspective – i.e. of particular importance as parts of a future transport policy and which I hope you will find relevant also for today's conference programme.

“Triple 20” deal and Green corridors

There is a need for the transport sector to contribute to the so-called "triple 20" deal of reducing greenhouse gas emissions, cutting energy consumption, and ensuring that more of the EU's energy mix comes from renewables.

However, the “triple 20 deal” should be considered as a first step. In a longer term, all sectors of the economy, including the transport sector, will need to contribute to more ambitious emission reduction targets, consistent with limiting the global average temperature increase to not more than 2°C above pre-industrial levels.

Decarbonisation of transport has to become reality, not only words. The transport sector's dependence of fossil fuels has to be broken, and its negative impact on the climate drastically reduced. One has however to bear in mind that it is not the vehicles themselves one need to combat, it is their emissions. A high priority need to be given to address this issue in all modes. As an example the Swedish Government's vision and ambition is that by 2030, Sweden should have a vehicle fleet that is independent of fossil fuel.

The public sector can stimulate progress in this respect in various ways, for instance through public procurement of transport services, and environmentally friendly vehicles as well as through the development of clean energy infrastructure, and encourage change in how the users of the transport system behave through for instance the promotion of eco-driving.

The concept of green transport corridors is in this context a very important initiative as an essential component of a greener transport policy. Within the framework of TEN-T special green corridors should be designated. Within

these corridors, the different modes of transport should be represented in order to offer the choice of environmentally friendly and climate smart transports.

Such green corridors could be very useful for benchmarking of logistics systems and could also serve as test beds for new technology and a range of combinations of road networks, railway systems and motorways of the sea. Europe needs to join forces to further elaborate on this concept. The Green Corridors conference next week here in Brussels the 9th of December will be an important step in that direction.

ITS and ICT

Intelligent transport system (ITS) and information and communication technology (ICT) can play an important role to enable the transport system to be more efficient and to make Europe mobile and connected. Logistics can benefit from ICT through better route planning, which reduces the number of vehicle-km driven and through a paper-free, seem-less electronic flow of information across transport modes.

The newly presented European Digital Agenda is important in this context and we have to ensure that also the transport sector become involved.

Simplifying administrative procedures, through developing the e-Freight system, including a digital waybill, will definitively contribute towards making freight transport more efficient. Eco-driving is a good example, where driving habits and new technology can help reduce fuel consumption and cost with at least 10 per cent and some times even 20 per cent. And at the same time reduce emission. And that can be used in all transport modes.

Holistic approach and co-modality

Efficient and sustainable logistic and transport systems for freight are essential. All transport modes are important and has their significans, each by itself as well as integrated in co-modal systems. Therefore it is a must to have a holistic approach for the logistic system and realize that all modes are needed.

We must see an end of the unfair fight between road and rail, between trucks and trains. I think we all agree on the ambition to get more of the freight from road over to the railways. On the other side - even after an extremely success for the railway companies - goods transports by trucks on road will remain the predominating part.

It is a huge challenge for the rail sector to increase the market share by its own strengths. But this is the only way to go – by liberalisation, new operators, new business models. Not by hindering the hauliers from developing their business with help of new vehicles, and new fuels. The European transport policy must promote all transport modes and assure that

no decisions are taken that hinders development of one mode on behalf of the others.

The Commission has, as we all know, been forced to initiate a great number of infringement procedures regarding member states faulty or lacking implementation of the first railway package. Let me introduce to you a newly published report from the Swedish Institute for Transport and Communication Analysis which concludes that the harmonising effect of the regulatory framework set up in this package in reality is the founding of seven different models of organisation of the rail system in Europe. Given these somewhat depressing results of 18 years legislative efforts, I think it is time to remind ourselves of what the chosen reform strategy calls for in the White Paper A Strategy for Revitalising the Community's Railways.

Our aim must still be to revitalise the railways and our strategy still be liberalisation through separation of functions in the railway system with an open access to the infrastructure and other essential system functions. This strategy secures that the carrier is unchained from its home network and is able to follow the customers across the frontiers inside Europe and its many different rail networks. It also ensures the transport customer the possibility to choose the carrier he wants.

It is evident that we haven't yet succeeded in creating the necessary legal framework. This can be seen in the statistics. The train traffic in total has increased slightly since 2004. But international train traffic isn't really improving much, especially not when it comes to freight which is still losing market shares. New competitive international freight services are still too scarce and many freight trains run empty in lack of sufficient cargo. At the same time we act as if the newly opened markets are well functioning and the international traffic is or soon will be increasing. At the European level we decide on harmonising measures regarding rail safety and the technical features of the rail system. But these measures do not create new international train paths or services. They are in fact of small value at a high cost if the international rail traffic do not develop as expected.

Governance and dialogue

It is not always new legislation that is the most important in our work. As I mentioned before there is an urging need to ensure that the legislation that have already been adopted also is being implemented and applied effectively. Even though there are many good initiatives that are important for further progress, the implementation process is in many instances too slow, detrimental to a well functioning internal market. To achieve a change we need strong political leadership at all levels.

In some contexts, other measures can be equally, or even more, important than resorting to legislation. Road safety is such an area, where influencing attitudes and opinions are examples of the other measures.

Also the effects of different legislation need to be looked into. For example the regulations on cabotage. Today more than 50 percent of the lorries on European roads are carrying air! A more efficient use of lorries on the roads will decrease the emissions by 30 per cent. We as politicians must from time to time be able to reconsider decisions made and make necessary changes. To change the regulation on cabotage is an evident example where we can make a difference!

The development of a common European transport agenda has to be done in close cooperations with all users of the transport system, including the business sector.

In this context I have noticed the proposal from the Alliance for European Logistics to create a high-level EU stakeholders´ group for logistics with a broad-based industry representation. The aim would be to enable a closer coordination between the industry and the European Commission on key strategic decisions. Based on the importance of logistics for the European economy and the good experiences we have from our own Swedish Logistics Forum I am prepared to fully support this proposal.

Let me also underline that the development of the transport policy for the next decade and a more efficient transport system supporting the internal market, has to be seen as a common responsibility for political leaders and business leaders. With my own background from the business sector I must say that from time to time I have been astonished when business people cries for political solutions to all problems.

Best practice and good practice

An important measure or tool in order to stimulate and obtain good solutions is what we call "Best practise". From a decision and policy making perspective the transport sector has to be seen as a multi-level and multi-actors arena. That means that a lot of decisions in fact can´t be taken in one place or in one single moment. This insight open up for a mechanism to exchange information about innovative solutions.

I have recognised that CLECAT recently has taken an initiative in this field and published a Logistics Best Practice Guide which I welcome. And perhaps you should not always have ho hunt for the very best practice. Good practice can be good enough!

To conclude

An efficient European transport system needs to be developed in close dialogue with its users. We as policy makers should create opportunities for a market driven development of the transport sector through inter alia the establishment of fora for dialogues with relevant stakeholders. Conferences like this one today serve as a good example of such a dialogue.

The political level has a role to play to speed up processes and to facilitate work done by the industry. Policy makers and industry should work hand-in-hand to find solutions and standards that not only will give a competitive edge to the European industry but also solve many of the problems that need to be tackled, not least climate change.

A few days before COP 15 it can be stated that transports are not only a part of the problem with the climate change but also a prerequisite for an eco efficient economy. And the future of transport is directly interlinked with the competitiveness of Europe!