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## POSITION PAPER

### Enabling a Transition towards Sustainable, Smart & Resilient Mobility

CLECAT is the European Association for Forwarding, Transport, Logistics and Customs Services. CLECAT members, operating at EU and global level, utilise all modes of transport, including road, rail, air, maritime and inland waterways, as well as intermodal solutions.

CLECAT welcomes an opportunity to offer some industry insights on the European Commission's evaluation of its 'Roadmap to a Single European Transport Area – Towards a Competitive and Resource Efficient Transport System' (the 2011 Transport White Paper) and also on the ambition of the European Green Deal to put forward a comprehensive EU Strategy for Sustainable and Smart Mobility.

Setting out the needs and objectives of European freight forwarders and logistics service providers, this paper seeks to provide some further vision on how to enable a shift to sustainable mobility, harness digital technologies and build a resilient transport system in the EU, fit for future challenges.

#### CLECAT position on the European Green Deal

In its [position paper](#) issued in January 2020, CLECAT supported the bold climate target of the Commission for Europe to become the first climate-neutral continent in the world. CLECAT recognises that in order to meet this objective the transport and logistics sector will need to step up its decarbonisation and digitalisation efforts. In this regard, we re-emphasise that in order to support the efforts of the industry the Commission should embrace the following conditions for success:

- Secure **sufficient public funding and private investment support** at EU/national level for smart and sustainable transport projects and the finalisation of the TEN-T Network.
- Promote the deployment of **sustainable alternative fuels and refuelling infrastructure**, in a fuel- and technology-neutral way, to boost the industry uptake of climate-efficient technologies.
- Support the **private sector's initiatives** aiming to reduce GHG emissions from logistics operations, including industry reputation programmes, targets and standards.
- Incentivise **digital technologies** for the better use of assets and the modernisation of the transport system through **automation, connectivity and digitalisation**.
- Advance **cross-border connectivity**, with a focus on intermodal connections, to ensure the seamless flow of goods, while further integrating, optimising and digitalising the TEN-T Network.
- Promote collaboration and **increased efficiencies in logistics**, for example via the cross-border use of high capacity vehicles, as this would reduce pressure on the existing road network.

## **Evaluation of the 2011 Transport White Paper**

CLECAT welcomed the Transport White Paper, published in 2011, as it defined the long-term vision for the transport and logistics sector that continued to serve the needs of economy. It also responded to major constraints, such as oil dependency, growing congestion and air pollution, as well as the increasing need to cut greenhouse gas (GHG) emissions.

In response to the 2011 Transport White Paper, CLECAT noted that, whereas the policy plan was perhaps too ambitious, the main foundations of the paper were sound, in particular in its consideration not to curb mobility. Today, the following objectives remain key for our sector:

- Eliminating barriers to a single EU transport market.
- Reducing emissions.
- Promoting innovation.
- Improving infrastructure.

As there are many different aspects addressed in 40 actions points and 132 individual initiatives, the remaining part of this section refers to a selected number of comments, which are most relevant for the freight forwarders and logistics service providers.

### *Eliminating barriers to a single EU transport market*

- Fostering a well-functioning internal market remains key for freight forwarders that operate in international transport markets. Unfortunately, the political will has been lacking in the EU to secure a Single Market in the road freight transport sector, in particular in view of the results of the Mobility Package I.
- The lesson learnt from earlier policies is that a forced modal shift will not be effective and transport operators (for example in rail freight and shipping) need to better align their service quality with client needs by improving punctuality, reliability, client communication, as well as increasing dynamic innovation. Service quality sits alongside price-competitiveness as an important element in the choice of transport mode.
- There has been an overreliance on transport charging policies, which CLECAT has always said would not be able to steer the modal choices alone; more has to be done to increase the attractiveness of the more sustainable modes of transport.
- The failed revision of a Combined Transport Directive – which was a part of the ‘better regulation’ initiative within the 2<sup>nd</sup> Mobility Package – is a missed opportunity to increase the uptake of combined transport across national borders in the EU. The Commission should ensure that the 2021 revision fully addresses the market reality.

### *Reducing emissions*

- Transport pricing can be differentiated to some extent to reduce congestion or provide incentives to use cleaner vehicles/vessels. CLECAT however stresses that the charging levels should be determined in a reasonable and non-discriminatory way to avoid market distortions. There should also be a fair balance between the taxation paid by private and

commercial users. Eventually, the funds generated should be ringfenced and reinvested in the mode from which they are drawn, for example to foster innovation.

- CLECAT proposes to earmark at least part of the revenues from user charges to certain projects that aim to make transport and logistics operations cleaner and more efficient. This includes investment in the maintenance, renewal and expansion of existing infrastructure (including the provision of a sufficient number of safe and secure parking areas), the development of alternative fuels infrastructure, as well as clean, intelligent transport systems and vehicle/vessel/aircraft technologies.

#### Promoting innovation

- There has not been sufficient attention to the difficulties the transport and logistics sector has been facing to attract the right skills and renewing its workforce. This is partly due to a lack of visibility and appeal, which increases skills shortages across the board, from warehousing to customs clearance. Other factors also come into play, from gaps between the educational system and business needs to strong competition for certain expert functions.
- Securing transport of cargo, like every horizontal policy topic, should be subject to a holistic approach with clear roles for policy makers (in particular those in charge of transport security, customs and intelligence services) and a constant dialogue with industry. Moreover, any security-policy should be risk-based and appropriate in its content and scope. In this respect, the White Paper is no longer fit for purpose as cybersecurity, especially regarding data and ICT infrastructure, has become a crucial issue, considering the advantages of technology (internet, cloud computing, smart gadgets, RFID tags, automatisisation of processes, etc).
- New technologies and operational procedures should be developed to achieve seamless trade, goods transport and supply chains, while reducing the illegal movements of goods.

#### Improving infrastructure

- Accessibility to infrastructure remains of high importance, given the lacking access to intermodal and transshipment infrastructure across the EU.
- CLECAT expresses concern over the substantial lack of truck parking spaces and especially to the lack of safe and secure parking spaces in the EU. This has negative consequences on the well-being of drivers, as well as on the safety and security of cargo.

In many ways, the 2011 White Paper initiatives are coherent and even complementary, but not all of them have been successful, and some have been stalled. Continuing the work towards an integrated single market for transport services will lead to more efficient cross-border transport services, better quality thereof, at a better price, and will also ensure fewer CO<sub>2</sub> emissions due to increased efficiency (e.g. the completion of the Single European Sky could save up to 10% of CO<sub>2</sub> emissions in the aviation sector). Therefore, an integrated approach linking different policy areas will remain essential.

On the other hand, we also see that in some areas coherence is lacking: measures to achieve one policy objective can have adverse effects on the other policy objectives. A notable example is the social and market access pillar of the Mobility Package I, which initially aimed to improve social conditions

and enforcement. However, the new legislation will be detrimental to the efficiency of many cross-border road transport services, with a negative effect on the environment. The lack of coherence can also be seen when looking at the EU-level goals and the corresponding financial means being made available (both at the EU and national level) or diverging national priorities to achieve these goals. Notably, this can be seen with regards to the inability to complete the TEN-T Network on time.

Eventually, it should be noted that liner shipping carriers, some of which receive state aid in the form of shipping funds, exemptions from taxes and social contributions, are increasingly moving towards integrated models and offer services that brings them in direct competition with the freight forwarders and logistics service providers. CLECAT therefore stresses that an effective oversight and monitoring of consortia and strategic alliances in the container shipping sector is needed. This should ensure the enforcement of competition rules in the changed landscape of liner shipping to enhance the accountability of the shipping lines. Ultimately, the impact on the customer could be a reduction in competition and, consequently, less choice and potentially lower quality of services. This should be part of an integrated approach related to digitalisation and competition, which is now overlooked.

### **Future EU Strategy for a Sustainable & Smart Mobility**

While many of the 2011 Transport White Paper's objectives remain relevant in the light of emerging sectorial needs and also consistent with other EU policies, there is a need to re-focus and adapt the Commission's priorities in view of the recent developments.

The future EU Strategy for a Sustainable and Smart Mobility will therefore provide an opportunity to address the remaining challenges of the 2011 White Paper and make the transport and logistics sector future-proof. CLECAT strongly supports the Commission's ambition of delivering a mobility system that is sustainable and fit for the digital age. CLECAT also notes that the new strategy for the future of transport in the EU should seek to incorporate the lessons learnt from the COVID-19 crisis and take into account its implications for the sector. We therefore welcome the Commission's intent to add the resilience angle to the strategy.

In this section of the paper, CLECAT offers some industry insights and recommendations on how to make the transport and logistics sector greener, smarter and resilient to any future crises.

#### *Enabling a shift towards sustainable transport and logistics*

- Clearly defined **EU-level objectives for reducing emissions from the transport and logistics sector in the long term** are needed to ensure regulatory certainty for the industry to make private investments in green and innovative solutions, which are important to ensure full-scale contribution of this sector to the overall EU decarbonisation goals. CLECAT therefore supports the Commission's ambition, set out in the European Green Deal, to reduce transport emissions across all modes by 90% until 2050. However, this target can only be met if the transport system as a whole becomes more sustainable and all transport modes continue to implement sustainable projects and invest in smart solutions, thus enabling a progression towards greener and more efficient transport systems and logistics operations.
- CLECAT strongly believes that the **accurate measurement and reporting of GHG emissions** from freight movement and logistics operations could accelerate the reduction of negative environmental impacts of transport and should therefore be made a priority. Measuring emissions

from transport and logistics operations supports companies in making better-informed freight transportation decisions, thereby improving the carbon performance and cost-efficiency of their supply chains. Moreover, using GHG emissions as a performance indicator makes it possible for the freight forwarders to choose more sustainable transport modes and sub-contractors.

- The **industry uptake of sustainable alternative fuels and clean vehicles/vessels** must be incentivised to achieve full decarbonisation of the transport and logistics sector. This requires ramping up the production and deployment of alternative low-emission energy options in the different modes of transport, as well as accelerating the development of alternative refuelling/recharging infrastructure. Once sustainable alternative fuels are made available in sufficient quantities, and the necessary infrastructure is put in place across the EU, smart market-based incentives could be applied to encourage the industry uptake and use of clean vehicles/vessels. CLECAT however recognises that all the sustainable alternative fuel options must be pursued in a technology-neutral way, including through increased research and innovation efforts, focusing on the specific needs of each transport mode.
- CLECAT supports a holistic approach to the **internalisation of external costs** in all modes of transport, without sticking to the ‘polluter pays’ principle only. The price signals should be combined with other actions like technological innovation or incentives for the fleet renewal. Moreover, the additional costs that the more polluting carriers would incur as a result of the financial levies should not be simply passed on to the users. Imposing these costs on the forwarders, albeit indirectly, puts the incentive in the wrong place, because the forwarders have very little influence over the measures that carriers can take to reduce their emissions.
- The lack of **well-developed and connected infrastructure** remains a barrier to achieving fully sustainable cross-border freight movements. Whereas CLECAT supports the shift towards more sustainable modes of transport, they should be made more attractive by improving the infrastructure availability and accessibility, focusing in particular on the lacking intermodal connections. Interfaces between different transport modes, such as intermodal terminals, are crucial for promoting intermodal transport services and ensuring efficient intermodal supply chains across the EU. The lack of such infrastructure often leads to a decision against combined transport (CT) operations, e.g. road-rail CT operations, which have a potential to reduce emissions.
- CLECAT also encourages policies that would allow the **high capacity transport (HCT) system** in the international road freight transport, as this is both a practical and a cost-effective measure to reduce emissions. An EU legal framework should be established in view of aligning the existing national rules and conditions for the use of vehicle combinations with a higher capacity to facilitate the mutual recognition of vehicle standards and their cross-border use.

#### Harnessing digital technologies

- Digitalisation in transport and logistics is an important driver for more operational efficiency, lower costs and a better use of resources and existing infrastructure. Digitalisation also creates new opportunities for the freight forwarders and logistics service providers as it has the potential to change the way cargo and traffic flows can be organised and managed in the future. CLECAT however emphasises that digitalisation should not be a goal in itself but instead a means to achieve a desired goal.

- In the transport and logistics sector, many processes are already digitalised or even automated, with companies perfectly able to make use of modern technologies, especially in a business-to-business environment. To enable these businesses to innovate further, CLECAT has advocated the creation of a **fully digital environment** at EU level, where they themselves can create new ways to operate. CLECAT has therefore welcomed the new Regulation on the Electronic Freight Transport Information (eFTI), as it truly sets the basis for a digital transport and logistics environment. As we are now in the implementation phase, we encourage the Commission to keep up the good work with respect to defining the functional and technical aspects of the eFTI legislation. CLECAT stands ready to further support this work via its active participation in the Digital Transport and Logistics Forum (DTLF).
- From the decarbonisation perspective, CLECAT notes that EU-level action should be pursued to foster the development and deployment of such new technologies as artificial intelligence, next generation internet, advancing computing, big data and robotics, as they could enable **increased efficiency and productivity** of transport and logistics operations that could in turn have a leverage in reducing the environmental impact. For instance, digital technologies can further support the consolidation of cargo via the load factor optimisation, as well as collaboration between parties in the supply chain through better sharing of information, thus reducing operational delays and empty trips. Innovative digital solutions can also enhance the integration of transport modes and stimulate their efficient use. Moreover, the efficiency of the whole transport system can be improved via smart solutions such as the intelligent traffic management systems.
- The Commission should also focus on addressing changes in the labour market resulting from increasing digitalisation and automation. The freight forwarding business is increasingly facing difficulties in attracting **qualified workforce with well-developed digital skills**, which in turn creates burdens for companies to further innovate. CLECAT therefore emphasises the need for EU-level support and funding for re-skilling the current transport and logistics workers and equipping them with a digital skillset through various e-learning and vocational training programmes.

#### Ensuring a resilient and future-proof transport system and logistics operations

- The effects of the recent COVID-19 crisis have been extremely challenging on the freight forwarders and their consequences are still being felt across the transport and logistics sector. CLECAT therefore notes that the Commission will need to ensure that the pre-crisis assumptions, in combination with the recovery steps taken, are still realistic and can be used for the impact assessments that will support its upcoming legislative proposals.
- During the peak of the crisis, we have noted that the national priorities of Member States have come to overshadow common European interests. As part of the 'lessons learnt', the Commission should therefore pursue **continued coordination efforts** between itself and the Member States via the newly established network of National Contact Points (NCPs). Efforts should also be undertaken for more coordination among the Member States themselves, especially neighbouring countries, in order to undertake emergency measures and related relaxations of national rules in a harmonised manner.
- Building upon the experience of the 'green lanes', CLECAT holds that a **more systematic approach to managing border closures and openings** will be needed in future, which is particularly

important for maintaining seamless supply chains of various industries. Overall, the **concept of resilience and contingency planning** should become enshrined into all future EU transport and logistics policies, with a view to avoiding any similar disruptions to the transport system and logistics operations in the future.

#### Securing public funding & supporting private investments

- Substantial investments required to enable a switch to sustainable, smart and resilient transport solutions, including from private funds, must be acknowledged. The Commission should therefore provide legal certainty and reassurances for companies that industry investments will be beneficial in the long-term. The Commission should also guide private investors willing to invest in cleaner technologies.
- Sufficient public funding is equally needed to support private investments. CLECAT therefore argues that the Connecting Europe Facility (CEF), the dedicated funding instrument of the EU designed to facilitate the realisation of European transport infrastructure policy, offers the best guarantee to deliver high EU added-value under the next Multi-Annual Financial Framework (MFF).

#### **Conclusions**

The freight forwarding and logistics industry is fully committed to ambitious EU decarbonisation goals contained in the European Green Deal and is willing to actively contribute to the substantial reduction of GHG emissions from its transport and logistics operations through smart and innovative solutions.

The new policies of the European Commission and the Member States should support the transition towards the carbon-neutral transport system in the EU by introducing specific instruments and incentives that reinforce sustainable logistics-focused strategies and initiatives undertaken by the industry. These measures must be designed in a smart and proportionate way, with the least possible impact on trade and the free movement of goods in the EU.

Ultimately, CLECAT maintains that appropriate funding, both public and private, is key to realise the proposed measures and support investments in new technologies, sustainable alternative fuels and infrastructure solutions, without which the ambitions of the EU Green Deal will not be reached.

CLECAT remains at the disposal of interested parties for any further information.

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