

Transport: introduction

Transport is one of the Community's earliest common policies. Since the Treaty of Rome entered into force in 1958, transport policy has focused on removing obstacles at the borders between Member States so as to facilitate the free movement of persons and goods. To that end its prime objectives are the completion of the internal market for transport, ensuring sustainable development, the deployment of major networks in Europe, spatial management, improving safety and the development of international cooperation.

The transport industry also occupies an important position in the European Union (EU), accounting for 7% of its gross national product (GNP), 7% of all jobs, 40% of Member States' investment and 30% of Community energy consumption. Demand, particularly in intra-Community traffic, has grown more or less constantly for the last 20 years, by 2.3% a year for goods and 3.1% for passengers.

The advent of the single market marked a turning point in the common transport policy, since the abolition of frontiers and other liberalisation measures - including liberalisation of cabotage - inherent in it make it possible to keep pace with the growth in demand and tackle problems of congestion and saturation.

But the liberalisation of transport has taken various constraints into account:

- a social constraint, so that the freedom to provide services does not result in the strictest national legislation being bypassed. Liberalisation of services has therefore been accompanied by harmonisation of social conditions, of the rules governing the provision of services and of qualifications;
- an economic constraint, so that investment in infrastructure is not exploited by transport undertakings which play no part in their financing: this is of particular concern to the road transport sector. Measures should also be taken to make sure that the way rail transport is organised does not perpetuate the current fragmented state of this form of transport;
- a route-guarantee constraint, so that the introduction of new factors of competition does not put in doubt the continuity of transport links between peripheral (island) and central (mainland) areas.

The last White Paper on transport policy constitutes a genuine action plan aimed at improving the quality and efficiency of European transport. The ultimate objective is to shift the balance between the various modes of transport by 2010 through an active policy to revitalise the railways, promote transport by sea and inland waterway and develop intermodality.

ROAD TRANSPORT

Carriage of goods by road

As from 1 January 1993, a haulier established in a Member State of the Community may freely transport goods to another Member State. Whereas, until this date, such an operation would require special authorisation in application of bilateral agreements or Community quotas, from that date on, the right to conduct this business is based on quality conditions, which transport operators must observe and which entitle them to receive a Community transport licence.

However, such transnational activity must not result in serious disruption to the transport market and, for that reason, the Council has introduced a surveillance system offering a safeguard mechanism against market disruption.

However, in a single market a haulage operator should also be able to carry out transport in another Member State (cabotage). This natural progression has given rise to fears of distortion of competition and, for that reason, the system of cabotage has been introduced gradually since 1 July 1990 in the form of progressive Community quotas and was due to come into force on 1 July 1998.

Carriage of passengers by road

Though passenger services from one Member State to another were relatively free of constraints, the Community legislation made no provision for operators from one Member State to provide transport services in another Member State.

To apply the principle of the freedom to provide transport services, and following the Court of Justice's annulment of Regulation (EEC) 2454/92, the Council has adopted a new Regulation on cabotage . This Regulation defines the various types of passenger transport for which cabotage is possible and announces the liberalisation of special and occasional regular services and other regular services in June 1999.

To harmonise the conditions of competition for the carriage of goods and passengers by road, since the 1970s the Community has also taken a series of measures to harmonise the conditions for admission to the occupation of national and international road haulage operator and to allow effective freedom of establishment for such operators.

Road safety

Ever greater mobility comes at a high price: each year accidents cause 40 000 deaths and 1 700 000 injuries on the roads. The direct and indirect cost has been estimated at EUR 160 billion, i.e. 2% of the EU's GNP.

In order to improve road safety the Community has adopted a new action programme for road safety (2003-2010). At the same time the European Road Safety Charter aims to promote more effective measures for reducing road accidents in Europe. The target is, by 2010, to reduce the number of fatalities by 50%.

RAIL TRANSPORT

For almost thirty years there has been a worrying decline in rail transport in Europe, particularly as regards freight. In 1970 almost 21% of goods in the EU were transported by rail. By 2000 the figure was 8.1%. The main reason for this state of affairs is that the railways are not as competitive as road haulage.

The EU wishes to make it easier for the Community's railways to adapt to the demands of the single market and to make them more efficient. To help achieve this, it has proposed introducing an operating licence to provide uniform access to infrastructure and has established a system for ensuring that infrastructure capacity is allocated on a non-discriminatory basis and that users pay the full real cost of the facilities they use.

In its White Paper of July 1996 the Commission set out a strategy to revitalise the Community's railways, notably by rationalising their financial situation, ensuring freedom of access to all traffic

and public services and promoting the integration of national systems and social aspects.

In 2001, the "infrastructure package" was presented with the aim of opening up rail freight markets, by establishing a framework for the conditions of access to national networks for rail companies. In 2002, the Commission proposed a new package of measures aimed at revitalising the railways through the rapid construction of an integrated railway area in Europe.

Finally, in 2004, the Commission adopted its third railway package aimed at continuing the reform in the rail sector by opening up international passenger transport services within the EU to competition, strengthening international passengers' rights, establishing a certification system for locomotive drivers and improving the quality of rail freight services.

MARITIME TRANSPORT

More than 90% of the EU's external trade and some 43% of its internal trade is transported by sea; in total, over 1 billion tonnes of freight are loaded and unloaded at European ports each year.

International maritime transport is, by definition, a liberalised activity. If it were not, nobody would benefit from the role this mode of transport plays in international trade. However, it is only since 1 January 1993 that cabotage by sea has started to be phased in, as agreed in 1992.

The introduction of cabotage and the need for the Community to help improve the conditions for international maritime transport have resulted in the adoption of measures relating to competition policy, to the prevention of unfair pricing practices, to standards for ships engaged in the transport of dangerous goods and to working conditions. The conditions governing admission to the occupation have also been defined.

In its communication of 13 March 1996, approved by the Council on 13 December of the same year, the Commission reiterated the three priorities in the development of maritime policies: safety, maintenance of open markets and enhanced competitiveness.

Safety at sea

On the question of maritime safety, the sinking of the ERIKA in December 1999, followed by the PRESTIGE in November 2002, prompted new measures in the process of establishing European policy on maritime safety, aimed in particular at the environmental risks caused by oil tankers. Two series of legislative proposals have been put forward by the Commission, Erika I (March 2000) and Erika II (December 2000), whose objectives are to improve safety on ships and protect the environment.

The measures proposed cover the following: more rigorous inspections in ports, ban on single hull tankers, establishment of a Community monitoring, inspection and information system for maritime traffic, establishment of a compensation fund for oil pollution damage, and the setting up of a European Maritime Safety Agency.

INLAND WATERWAYS

Inland waterways play an important part in the transport of goods in Europe. Over 35 000 km of waterways link hundred of towns and areas of industrial concentration. Since 1 January 1993, inland waterway transport has also benefited from the liberalisation of cabotage, the main effect of which has been the end of the rota system which prevented companies employing these services from having a free choice of carrier.

AIR TRANSPORT

Of all modes of transport, air transport is by far the one that has grown the most in the EU over the last twenty years. However, the boom in air transport is exacerbating the problems of airport saturation and air traffic control system overload.

The Community policy on liberalising air transport covers four main areas: market access, capacity control, fares and the issue of operating licences for companies. It was launched in 1980 and has been implemented in three stages, with Stage 3, the third air transport package, coming into force on 1 January 1993. A transitional period was laid down for air cabotage, which became reality only on 1 April 1997.

The cornerstones of this process are:

- the introduction of a single air transport licence issued to air transport undertakings established in the Community;
- conditions for access to routes within the Community for air carriers;
- passenger fares including ways for the Commission to intervene directly in case of unfair pricing (predatory practices);
- freight services.

As liberalisation leads to the creation of a genuine single market for air transport, the Community has harmonised many rules and Regulations to create a level playing field for all airlines. In particular it has laid down technical standards and administrative procedures for fixing common standards for the airworthiness of aircraft, and has legislated on the mutual recognition of licences for people working in the civil aviation industry, allowing pilots to be recruited directly from any Member State.

The Community has also laid down the procedures for applying competition rules to air carriers and to various types of agreement and concerted practice. Lastly, it has adopted a Directive on access to the airport ground services market.

The single European sky

The Commission has adopted a set of proposals on air traffic management aimed at creating a 'single European sky'. The single European sky is an ambitious initiative to reform the way European air traffic control is structured with a view to meeting future capacity and safety requirements. This package sets out the objectives and the operating principles based on six lines of action: joint management of airspace, establishment of a strong Community regulator, gradual integration of civil and military management, institutional synergy between the EU and Eurocontrol, introduction of appropriate modern technology and better coordination of human resources policy in the air traffic control sector.

As regards passengers' rights, the new legislation which entered into force in 2005 increases the amount of compensation that airlines must pay passengers if they are refused boarding. It also gives new compensation and assistance rights to passengers whose flights are cancelled or severely delayed.

Trans-European networks

In December 1992 the Commission presented a White Paper on the "Future development of the common transport policy", in which it undertook to promote trans-European transport networks (TENs), by encouraging links between the Member States' networks (interconnection) and

▲ national network interoperability, while at the same time taking account of environmental constraints.

The European Commission has drawn up a new list of thirty priority projects which should start before 2010 and whose total estimated cost is EUR 225 billion. The list establishes more sustainable mobility plans by concentrating investment in rail and waterway transport.

SATELLITE NAVIGATION

Galileo is a satellite radio navigation system launched by the EU and the European Space Agency (ESA). The programme is based on a constellation of thirty satellites and a network of earth stations enabling positioning information to be supplied to users in various sectors, such as transport (vehicle location, route finding, speed control, etc.), social services (assistance for disabled and elderly persons), justice and customs (border controls) and public works.

INTERMODAL TRANSPORT

The Marco Polo Programme is a financial instrument aimed at reducing congestion on the road network, improving the environmental performance of the transport system and boosting intermodal transport, thereby contributing to a more efficient and sustainable transport system.

The Programme supports commercial measures which result in a shift in the freight services market from road haulage to more environmentally friendly forms of transport.

INFRASTRUCTURE CHARGING

The main aim of the Commission policy on infrastructure charging is that, for every mode of transport, taxes and fees must be variable so as to reflect the cost of different pollution levels, travelling times, damage and infrastructure costs. It is important to apply the "polluter pays" principle and to provide clear fiscal incentives to contribute to achieving the targets for reducing traffic jams, fighting pollution, redressing the balance between the different modes of transport and removing the link between transport growth and economic growth.

The latest Commission initiative concerning transport infrastructure charging is a proposal for a Directive amending the "Eurovignette" Directive on the charging of heavy goods vehicles for the use of certain infrastructures.

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