Transport is a key factor in modern economies. However, there is a permanent contradiction between society, which demands ever more mobility, and public opinion, which is becoming increasingly intolerant of chronic delays and the poor quality of some transport services. As demand for transport keeps increasing, the Community's answer cannot be just to build new infrastructure and open up markets. The transport system needs to be optimised to meet the demands of enlargement and sustainable development, as set out in the conclusions of the Gothenburg European Council. A modern transport system must be sustainable from an economic and social as well as an environmental viewpoint.

Plans for the future of the transport sector must take account of its economic importance. Total expenditure runs to some EUR 1 000 billion, which is more than 10 % of gross domestic product. The sector employs more than 10 million people. It involves infrastructure and technologies whose cost to society is such that there must be no errors of judgment. Indeed, it is because of the scale of investment in transport and its determining role in economic growth that the authors of the Treaty of Rome made provision for a common transport policy with its own specific rules.

I. The mixed performance of the common transport policy

For a long time, the European Community was unable, or unwilling, to implement the common transport policy provided for by the Treaty of Rome. For nearly 30 years the Council of Ministers was unable to translate the Commission's proposals into action. It was only in 1985, when the Court of Justice ruled that the Council had failed to act, that the Member States had to accept that the Community could legislate.

Later on, the Treaty of Maastricht reinforced the political, institutional and budgetary foundations for transport policy. On the one hand, unanimity was replaced, in principle, by qualified majority, even though in practice Council decisions still tend to be unanimous. The European Parliament, as a result of its powers under the co-decision procedure, is also an essential link in the decision-making process, as was shown in December 2000 by its historic decision to open up the rail freight market completely in 2008. Moreover, the Maastricht Treaty included the concept of the trans-European network, which made it possible to come up with a plan for transport infrastructure at European level with the help of Community funding.

Thus, the Commission's first White Paper on the future development of the common transport policy was published in December 1992. The guiding principle of the document was the opening-up of the transport market. Over the last 10 years or so, this objective has been generally achieved, except in the rail sector. Nowadays, lorries are no longer forced to return empty from international deliveries. They can even pick up and deliver loads within a Member State other than their country of origin. Road cabotage has become a reality. Air transport has been opened up to competition which no one now questions, particularly as our safety levels are now the best in the world. This opening-up has primarily benefited the industry and that is why, within Europe, growth in air traffic has been faster than growth of the economy.

The first real advance in common transport policy brought a significant drop in consumer
prices, combined with a higher quality of service and a wider range of choices, thus actually changing the lifestyles and consumption habits of European citizens. Personal mobility, which increased from 17 km a day in 1970 to 35 km in 1998, is now more or less seen as an acquired right.

The second advance of this policy, apart from the results of research framework programmes, was to develop the most modern techniques within a European framework of interoperability. Projects launched at the end of the 1980s are now bearing fruit, as symbolised by the trans-European high-speed rail network and the Galileo satellite navigation programme. However, it is a matter for regret that modern techniques and infrastructure have not always been matched by modernisation of company management, particularly rail companies.

Despite the successful opening-up of the transport market over the last 10 years, the fact remains that completion of the internal market makes it difficult to accept distortions of competition resulting from lack of fiscal and social harmonisation. The fact that there has been no harmonious development of the common transport policy is the reason for current headaches such as:

— unequal growth in the different modes of transport. While this reflects the fact that some modes have adapted better to the needs of a modern economy, it is also a sign that not all external costs have been included in the price of transport and certain social and safety regulations have not been respected, notably in road transport. Consequently, road now makes up 44% of the goods transport market compared with 41% for short sea shipping, 8% for rail and 4% for inland waterways. The predominance of road is even more marked in passenger transport, road accounting for 79% of the market, while air with 5% is about to overtake railways, which have reached a ceiling of 6%;

— congestion on the main road and rail routes, in towns, and at airports;

— harmful effects on the environment and public health, and of course the heavy toll of road accidents.

II. Congestion: the effect of imbalance between modes

During the 1990s, Europe began to suffer from congestion in certain areas and on certain routes. The problem is now beginning to threaten economic competitiveness. Paradoxically, congestion in the centre goes hand in hand with excessive isolation of the outlying regions, where there is a real need to improve links with central markets so as to ensure regional cohesion within the EU. To paraphrase a famous saying on centralisation, it could be said that the European Union is threatened with apoplexy at the centre and paralysis at the extremities.

This was the serious warning made in the 1993 White Paper on growth, competitiveness and employment: ‘Traffic jams are not only exasperating, they also cost Europe dear in terms of productivity. Bottlenecks and missing links in the infrastructure fabric; lack of interoperability between modes and systems. Networks are the arteries of the single market. They are the life blood of competitiveness, and their malfunction is reflected in lost opportunities to create new markets and hence in a level of job creation that falls short of our potential.’

If most of the congestion affects urban areas, the trans-European transport network itself suffers increasingly from chronic congestion: some 7,500 km, i.e. 10% of the road network, is affected daily by traffic jams. And 16,000 km of railways, 20% of the network, are classed as bottlenecks. A total of 16 of the Union’s main airports recorded delays of more than a quarter of an hour on more than 30% of their flights. Altogether, these delays result in consumption of an extra 1.9 billion litres of fuel, which is some 6% of annual consumption.

Because of congestion, there is a serious risk that Europe will lose economic competitiveness. The most recent study on the subject showed that the external costs of road traffic congestion alone amount to 0.5% of Community GDP. Traffic forecasts for the next 10 years show that if nothing is done, road congestion will increase significantly by 2010. The costs attributable to congestion will also increase by 142% to reach EUR 80 billion a year, which is approximately 1% of Community GDP.

Part of the reason for this situation is that transport users do not always cover the costs
they generate. Indeed, the price structure generally fails to reflect all the costs of infrastructure, congestion, environmental damage and accidents. This is also the result of the poor organisation of Europe’s transport system and failure to make optimum use of means of transport and new technologies.

Saturation on some major routes is partly the result of delays in completing trans-European network infrastructure. On the other hand, in outlying areas and enclaves where there is too little traffic to make new infrastructure viable, delay in providing infrastructure means that these regions cannot be properly linked in. The 1994 Essen European Council identified a number of major priority projects which were subsequently incorporated into outline plans adopted by the Parliament and the Council, which provide a basis for EU co-financing of the trans-European transport network. The total cost was estimated at around EUR 400 billion at the time. This method of building up the trans-European network, as introduced by the Maastricht Treaty, has yet to yield all its fruits. Only a fifth of the infrastructure projects in the Community guidelines adopted by the Council and Parliament have so far been carried out. Some major projects have now been completed, such as Spata airport, the high-speed train from Brussels to Marseilles and the Øresund bridge-tunnel linking Denmark and Sweden. But in far too many cases, the national sections of networks are merely juxtaposed, meaning that they can only be made trans-European in the medium term. With enlargement, there is also the matter of connection with the priority infrastructure identified in the candidate countries (‘corridors’), the cost of which was estimated at nearly EUR 100 billion in Agenda 2000.

It has not been possible to meet these significant investment requirements by borrowing at Community level, as the Commission proposed in 1993. The lack of public and private capital needs to be overcome by innovative policies on infrastructure charging/funding. Public funding must be more selective and focus on the major projects necessary for improving the territorial cohesion of the Union as well as concentrating on investment which optimises infrastructure capacity and helps remove bottlenecks.

However, in this connection, and disregarding the funds earmarked for the trans-European network which are limited to around EUR 500 million a year and have always given clear priority to the railways, it is clear that more than half the structural expenditure on transport infrastructure, including the Cohesion Fund and loans from the European Investment Bank, have, at the request of Member States, favoured road over rail. It has to be said, nonetheless, that motorway density in countries such as Greece and Ireland was still far below the Community average in 1998. In the new context of sustainable development, Community co-financing should be redirected to give priority to rail, sea and inland waterway transport.

### III. Growth in transport in an enlarged European Union

It is difficult to conceive of vigorous economic growth which can create jobs and wealth without an efficient transport system that allows full advantage to be taken of the internal market and globalised trade. Even though, at the beginning of the 21st century, we are entering the age of the information society and virtual trade, this has done nothing to slow down the need for travel; indeed, the opposite is true. Thanks to the Internet, anyone can now communicate with anyone else and order goods from a long way away, while still enjoying the option of visiting other places and going to see and choose products or meet people. However, information technologies also provide proof that they can sometimes help reduce the demand for physical transport by facilitating teleworking or teleservices.

There are two key factors behind the continued growth in demand for transport. For passenger transport, the determining factor is the spectacular growth in car use. The number of cars has tripled in the last 30 years, at an increase of 3 million cars each year. Although the level of car ownership is likely to stabilise in most countries of the European Union, this will not be the case in the candidate countries, where car ownership is seen as a symbol of freedom. By the year 2010, the enlarged Union will see its car fleet increase substantially.

As far as goods transport is concerned, growth is due to a large extent to changes in the European economy and its system of production. In the last 20 years, we have moved from a 'stock' economy to a 'flow' economy. This phenomenon has been emphasised by the
relocation of some industries — particularly for goods with a high labour input — which are trying to reduce production costs, even though the production site is hundreds or even thousands of kilometres away from the final assembly plant or away from users. The abolition of frontiers within the Community has resulted in the establishment of a ‘just-in-time’ or ‘revolving stock’ production system.

So unless major new measures are taken by 2010 in the European Union so that the Fifteen can use the advantages of each mode of transport more rationally, heavy goods vehicle traffic alone will increase by nearly 50 % over its 1998 level. This means that regions and main through routes which are already heavily congested will have to handle even more traffic. The strong economic growth expected in the candidate countries, and better links with outlying regions, will also increase transport flows, in particular road haulage traffic. In 1998 the candidate countries already exported more than twice their 1990 volumes and imported more than five times their 1990 volumes.

Although, from their planned economy days, the candidate countries have inherited a transport system which encourages rail, the distribution between modes has tipped sharply in favour of road transport since the 1990s. Between 1990 and 1998, road haulage increased by 19.4 % while during the same period, rail haulage decreased by 43.5 %, although — and this could benefit the enlarged European Union — it is still on average at a much higher level than in the present Community.

To take drastic action to shift the balance between modes — even if it were possible — could very well destabilise the whole transport system and have negative repercussions on the economies of candidate countries. Integrating the transport systems of these countries will be a huge challenge to which the measures proposed have to provide an answer.

IV. The need for integration of transport in sustainable development

Together with enlargement, a new imperative — sustainable development — offers an opportunity, not to say lever, for adapting the common transport policy. This objective, as introduced by the Treaty of Amsterdam, has to be achieved by integrating environmental considerations into Community policies (1).

The Gothenburg European Council placed shifting the balance between modes of transport at the heart of the sustainable development strategy. This ambitious objective can obviously only be fully achieved over the next 10 years. The measures presented in the White Paper are nonetheless a first essential step towards a sustainable transport system that will ideally be in place in 30 years’ time.

As stated in the Commission’s November 2000 Green Paper on security of supply, in 1998 energy consumption in the transport sector was to blame for 28 % of emissions of CO₂, the leading greenhouse gas. According to the latest estimates, if nothing is done to reverse the traffic growth trend, CO₂ emissions from transport can be expected to increase by around 50 % to reach 1 113 billion tonnes in 2010, compared with the 739 million tonnes recorded in 1990. Once again, road transport is the main culprit since it alone accounts for 84 % of the CO₂ emissions attributable to transport. However, internal combustion engines are notorious for their low energy efficiency, mainly because only part of the combustion power serves to move the vehicle.

Reducing dependence on oil from the current level of 98 %, by using alternative fuels and improving the energy efficiency of modes of transport, is both an ecological necessity and a technological challenge.

In this context, efforts already made, particularly in the road sector, to preserve air quality and combat noise have to be continued in order to meet the needs of the environment and the concerns of the people without compromising the competitiveness of the transport system and of the economy. Enlargement will have a considerable impact on demand for mobility. This will involve greater efforts in order to break the link gradually between transport growth and economic growth and make for a modal

(1) In June 1998, the Cardiff European Council set the process in motion by asking a number of sectoral Councils to develop concrete integration strategies. The Transport Council defined its strategy in October 1999, highlighting five sectors in which measures should be pursued, namely (i) growth in CO₂ emissions from transport, (ii) pollutant emissions and their effects on health, (iii) anticipated growth in transport, in particular due to enlargement, (iv) modal distribution and its development, and (v) noise in transport.
shift, as called for by the European Council in Gothenburg. Such a shift cannot be ordered from one day to the next, all the less so after more than half a century of constant deterioration in favour of road, which has reached such a pitch that today rail freight services are facing marginalisation (8 %), with international goods trains in Europe struggling along at an average speed of 18 km/h. However, this is by no means inevitable in modern economies, since in the USA 40 % of goods are carried by rail.

A complex equation has to be solved in order to curb the demand for transport:

— economic growth will almost automatically generate greater needs for mobility, with estimated increases in demand of 38 % for goods services and 24 % for passengers;

— enlargement will generate an explosion in transport flows in the new Member States, particularly in the frontier regions;

— saturation of the major arteries combined with accessibility of outlying and very remote areas and infrastructure upgrading in the candidate countries will in turn require massive investment.

This is the context in which we have to consider the option of gradually breaking the link between economic growth and transport growth, on which the White Paper is based.

— A simplistic solution would be to order a reduction in the mobility of persons and goods and impose a redistribution between modes. However, this is unrealistic as the Community has neither the power nor the means to set limits on traffic in cities or on the roads or to impose combined transport for goods. To give just one example of the subsidiarity problems, it must be remembered that several Member States contest the very principle of a general Community-wide ban to keep heavy goods vehicles off the roads at weekends. Moreover, dirigiste measures would urgently require unanimous harmonisation of fuel taxes, but just a few months ago the Member States took diverging paths on taxation in response to the surge in oil prices.

Bearing in mind the powers of the European Union, three possible options emerge from an economic viewpoint.

— The first approach (A) (2) would consist of focusing on road transport through pricing alone. This option would not to be accompanied by complementary measures in the other modes of transport. In the short-term it might curb the growth in road transport through the better loading ratio of goods vehicles and occupancy rates of passenger vehicles expected as a result of the increase in the price of transport. However, the lack of measures to revitalise the other modes of transport, especially the low gains in productivity in the rail sector and the insufficiency of infrastructure capacity, would make it impossible for more sustainable modes of transport to take over the baton.

— The second approach (B) also concentrates on road transport pricing but is accompanied by measures to increase the efficiency of the other modes (better quality of services, logistics, technology). However, this approach does not include investment in new infrastructure and does not cover specific measures to make for a shift of balance between modes. Nor does it guarantee better regional cohesion. It could help to achieve greater uncoupling than the first approach, but road transport would keep the lion’s share of the market and continue to concentrate on saturated arteries and certain sensitive areas despite being the most polluting of the modes. It is therefore not enough to guarantee the necessary shift of balance and does not make a real contribution to the sustainable development called for by the Gothenburg European Council.

— The third approach (C), on which the White Paper is based, comprises a series of measures ranging from pricing to revitalising alternative modes of transport to road and targeted investment in the trans-European network. This integrated approach would allow the market shares of the other modes to return to their 1998 levels and thus make for a shift of balance from 2010 onwards. This approach is far more ambitious than it looks, bearing in mind the historical imbalance in favour of road for the last 50 years. It is also the same as the approach adopted in the Commission’s contribution to the

(2) See explanatory table in Annex II.
Gothenburg European Council which called for a shift of balance between the modes by way of an investment policy in infrastructure geared to the railways, inland waterways, short sea shipping and intermodal operations (COM(2001) 264 final). By implementing the 60-odd measures set out in the White Paper there will be a marked break in the link between transport growth and economic growth, although without there being any need to restrict the mobility of people and goods. There would also be much slower growth in road haulage thanks to better use of the other means of transport (increase of 38 % rather than 50 % between 1998 and 2010). This trend would be even more marked in passenger transport by car (increase in traffic of 21 % against a rise in GDP of 43 %).

V. The need for a comprehensive strategy going beyond European transport policy

The objective — never yet achieved — of shifting the balance of transport involves not only implementing the ambitious programme of transport policy measures proposed in the White Paper by 2010, but also taking consistent measures at national or local level in the context of other policies:

— economic policy to be formulated to take account of certain factors which contribute to increasing demand for transport services, particularly factors connected with the just-in-time production model and stock rotation;

— urban and land-use planning policy to avoid unnecessary increases in the need for mobility caused by unbalanced planning of the distances between home and work;

— social and education policy, with better organisation of working patterns and school hours to avoid overcrowding roads, particularly by traffic departing and returning at weekends, when the greatest number of road accidents occur;

— urban transport policy in major conurbations, to strike a balance between modernisation of public services and more rational use of the car, since compliance with international commitments to curb CO₂ emissions will be decided in the cities and on the roads;

— budget and fiscal policy to achieve full internalisation of external — in particular environmental — costs and completion of a trans-European network worthy of the name;

— competition policy to ensure that opening-up of the market, especially in the rail sector, is not held back by dominant companies already operating on the market and does not translate into poorer quality public services;

— transport research policy to make the various efforts made at Community, national and private level more consistent, along the lines of the European research area.

Clearly, a number of measures identified in this White Paper, such as the place of the car, improving the quality of public services or the obligation to carry goods by rail instead of road, are matters more for national or regional decisions than for the Community.

VI. Principal measures proposed in the White Paper

The White Paper proposes some 60 specific measures to be taken at Community level under the transport policy. It includes an action programme extending until 2010, with milestones along the way, notably the monitoring exercises and the mid-term review in 2005 to check whether the precise targets (for example, on modal split or road safety) are being attained or whether adjustments need making.

Detailed proposals, which will have to be approved by the Commission, will be based on the following guidelines:

REVITALISING THE RAILWAYS

Rail transport is literally the strategic sector, on which the success of the efforts to shift the balance will depend, particularly in the case of goods. Revitalising this sector means competition between the railway companies themselves. The arrival of new railway undertakings could help to bolster competition in this sector and should be accompanied by measures to encourage company restructuring that take account of social aspects and work conditions. The priority is to open up the
markets, not only for international services, as decided in December 2000, but also for cabotage on the national markets (to avoid trains running empty) and for international passenger services. This opening-up of the markets must be accompanied by further harmonisation in the fields of interoperability and safety.

Starting next year, the Commission will propose a package of measures which should restore the credibility, in terms of regularity and punctuality, of this mode in the eyes of operators, particularly for freight. Step by step, a network of railway lines must be dedicated exclusively to goods services so that, commercially, railway companies attach as much importance to goods as to passengers.

**IMPROVING QUALITY IN THE ROAD TRANSPORT SECTOR**

The greatest strength of road transport is its capacity to carry goods all over Europe with unequalled flexibility and at a low price. This sector is irreplaceable but its economic position is shakier than it might seem. Margins are narrow in the road transport sector because of its considerable fragmentation and of the pressure exerted on prices by consignors and industry. This tempts some road haulage companies to resort to price dumping and to side-step the social and safety legislation to make up for this handicap.

The Commission will propose legislation allowing harmonisation of certain clauses in contracts in order to protect carriers from consignors and enable them to revise their tariffs in the event of a sharp rise in fuel prices.

The changes will also require modernisation of the way in which road transport services are operated, while complying with the social legislation and the rules on workers’ rights. Parallel measures will be needed to harmonise and tighten up inspection procedures in order to put an end to the practices preventing fair competition.

**PROMOTING TRANSPORT BY SEA AND INLAND WATERWAY**

Short-sea shipping and inland waterway transport are the two modes which could provide a means of coping with the congestion of certain road infrastructure and the lack of railway infrastructure. Both these modes remain underused.

The way to revive short-sea shipping is to build veritable sea motorways within the framework of the master plan for the trans-European network. This will require better connections between ports and the rail and inland waterway networks together with improvements in the quality of port services. Certain shipping links (particularly those providing a way round bottlenecks — the Alps, Pyrenees and Benelux countries today and the frontier between Germany and Poland tomorrow) will become part of the trans-European network, just like roads or railways.

The European Union must have tougher rules on maritime safety going beyond those proposed in the aftermath of the Erika disaster. To combat ports and flags of convenience more effectively, the Commission, in collaboration with the International Maritime Organisation and the International Labour Organisation, will propose incorporating the minimum social rules to be observed in ship inspections and developing a genuine European maritime traffic management system. At the same time, to promote the reflagging of as many ships as possible to Community registers, the Commission will propose a directive on the tonnage-based taxation system, modelled on the legislation being developed by certain Member States.

To reinforce the position of inland waterway transport, which, by nature, is intermodal, ‘waterway branches’ must be established and transhipment facilities must be installed to allow a continuous service all year round. Greater, fuller harmonisation of the technical requirements for inland waterway vessels, of boatmasters’ certificates and of the social conditions for crews will also inject fresh dynamism into this sector.

**STRIKING A BALANCE BETWEEN GROWTH IN AIR TRANSPORT AND THE ENVIRONMENT**

Today, in the age of the single market and of the single currency, there is still no ‘single sky’ in Europe. The European Union suffers from over-fragmentation of its air traffic management systems, which adds to flight delays, wastes fuel and puts European airlines at a competitive disadvantage. It is therefore imperative to implement, by 2004, a series of specific proposals establishing Community legislation on air traffic and introducing effective cooperation both with the military authorities and with Eurocontrol.
This reorganisation of Europe's sky must be accompanied by a policy to ensure that the inevitable expansion of airport capacity linked, in particular, with enlargement, remains strictly subject to new regulations to reduce noise and pollution caused by aircraft.

**Turning Intermodality into Reality**

Intermodality is of fundamental importance for developing competitive alternatives to road transport. There have been few tangible achievements, apart from a few major ports with good rail or canal links. Action must therefore be taken to ensure fuller integration of the modes offering considerable potential transport capacity as links in an efficiently managed transport chain joining up all the individual services. The priorities must be technical harmonisation and interoperability between systems, particularly for containers. In addition, the new Community support programme ‘Marco Polo’ targeted on innovative initiatives, particularly to promote sea motorways, will aim at making intermodality more than just a simple slogan and at turning it into a competitive, economically viable reality.

**Building the Trans-European Transport Network**

Given the saturation of certain major arteries and the consequent pollution, it is essential for the European Union to complete the trans-European projects already decided. For this reason, the Commission intends to propose revision of the guidelines adopted by the Council and the European Parliament, which will remain limited until funding is secured for the current projects. In line with the conclusions adopted by the Gothenburg European Council, the Commission proposes to concentrate the revision of the Community guidelines on removing the bottlenecks in the railway network, completing the routes identified as the priorities for absorbing the traffic flows generated by enlargement, particularly in frontier regions, and improving access to outlying areas. To improve access to the trans-European network, development of the secondary network will remain a Structural Fund priority.

In this context, the list of 14 major priority projects adopted by the Essen European Council and included in the 1996 European Parliament and Council decision on the guidelines for the trans-European transport network must be amended. A number of large-scale projects have already been completed and six or so new projects will be added (e.g. Galileo or the high-capacity railway route through the Pyrenees).

To guarantee successful development of the trans-European network, a parallel proposal will be made to amend the funding rules to allow the Community to make a maximum contribution — up to 20% of the total cost — to cross-border railway projects crossing natural barriers but offering a meagre return yet demonstrable trans-European added value, such as the Lyon–Turin line already approved as a priority project by the Essen European Council. Projects to clear the bottlenecks still remaining on the borders with the candidate countries could qualify for the full 20%.

In 2004 the Commission will present a more extensive review of the trans-European network aimed in particular at introducing the concept of ‘sea motorways’, developing airport capacity, linking the outlying regions on the European continent more effectively and connecting the networks of the candidate countries to the networks of EU countries (1).

**Improving Road Safety**

Although transport is considered an essential for the well-being of society and of each individual,
increasingly it is coming to be perceived as a potential danger. The end of the 20th century was marred by a series of dramatic rail accidents, the Concorde disaster and the wreck of the Erika, all of which are etched into the memory. However, the degree of acceptance of this lack of safety is not always logical. How else can the relative tolerance towards road accidents be explained when every year there are 41 000 deaths on the roads, equivalent to wiping a medium-sized town off the map. Every day the total number of people killed on Europe's roads is practically the same as in a medium-haul plane crash. Road accident victims, the dead or injured, cost society tens of billions of euro but the human costs are incalculable. For this reason, the European Union should set itself a target of reducing the number of victims by half by 2010. Guaranteeing road safety in towns is a precondition for, for example, developing cycling as a means of transport.

It must be said that the Member States are very reluctant about action at Community level, whether on seat belts for children or in coaches or on harmonisation of the maximum permitted blood alcohol levels, which they have been discussing for 12 years. Up until 2005 the Commission intends to give priority to exchanges of good practice but it reserves the right to propose legislation if there is no drop in the number of accidents, all the more so since the figures are still high in the candidate countries.

In the immediate future, the Commission will propose two measures for the trans-European network only. The first will be to harmonise signs at particularly dangerous black spots. The second will be to harmonise the rules governing checks and penalties for international commercial transport with regard to speeding and drink-driving.

ADOPTING A POLICY ON EFFECTIVE CHARGING FOR TRANSPORT

It is generally acknowledged that not always and not everywhere do the individual modes of transport pay for the costs they generate. The situation differs enormously from one Member State and mode to another. This leads to dysfunctioning of the internal market and distorts competition within the transport system. As a result, there is no real incentive to use the cleanest modes or the least congested networks.

The White Paper develops the following guidelines:

— harmonisation of fuel taxation for commercial users, particularly in road transport;

— alignment of the principles for charging for infrastructure use. The integration of external costs must also encourage the use of modes of lesser environmental impact and, using the revenue raised in the process, allow investment in new infrastructure, as proposed by the European Parliament in the Costa report (4). The current Community rules, for instance Directive 62/99 on the ‘Eurovignette’, therefore need to be replaced by a modern framework for infrastructure-use charging systems so as to encourage advances such as these while ensuring fair competition between modes of transport and more effective charging, and ensuring that service quality is maintained.

This kind of reform requires equal treatment for operators and between modes of transport. Whether for airports, ports, roads, railways or waterways, the price for using infrastructure should vary in the same manner according to category of infrastructure used, time of day, distance, size and weight of vehicle, and any other factor that affects congestion and damages the infrastructure or the environment.

In a good many cases, taking external costs into account will produce more revenue than is needed to cover the costs of the infrastructure used. To produce maximum benefit for the transport sector, it is essential that available revenue be channelled into specific national or regional funds in order to finance measures to lessen or offset external costs (double dividend). Priority would be given to building infrastructure that encourages intermodality, especially railway lines, and offers a more environmentally-friendly alternative.

In certain sensitive areas there might be insufficient surplus revenue where, for example, infrastructure has to be built across natural barriers. It should therefore be made possible for new infrastructure to receive an ‘income’ even before it generates its first operating revenue. In other words, tolls or fees would be levied on an entire area in order to finance future infrastructure.

One final point for consideration is that different levels of taxation apply to the energy used by different modes, such as rail and air, and that this can distort competition on certain routes served by both modes.

**Recognising the Rights and Obligations of Users**

European citizens’ right to have access to high-quality services providing integrated services at affordable prices will have to be reinforced. Falling fares — as witnessed over the last few years — must not signify giving up the most basic rights. With the air passenger rights charter the Commission therefore set an example which will be followed for other modes. In particular, air passengers’ rights to information, compensation for denied boarding due to overbooking and compensation in the event of an accident could be extended to other modes. As in the case of the air passenger rights charter, the Community legislation must lay the foundation for helping transport users to understand and exercise their rights. In return, certain safety-related obligations will have to be clearly defined.

**Developing High-Quality Urban Transport**

In response to the general deterioration in the quality of life of European citizens suffering from growing congestion in towns and cities, in line with the subsidiarity principle the Commission proposes to place the emphasis on exchanges of good practice aiming at making better use of public transport and existing infrastructure. A better approach is needed from local public authorities to reconcile modernisation of the public service and rational use of the car. These measures, which are essential to achieving sustainable development, will certainly be among the most difficult to put into practice. This is the price that will have to be paid to meet the international commitments made at Kyoto to reduce CO₂ emissions.

**Putting Research and Technology at the Service of Clean, Efficient Transport**

The Community has already invested heavily (over EUR 1 billion between 1997 and 2000) in research and technological development over the last few years in areas as varied as intermodality, clean vehicles and telematics applications in transport. Now it is time for less concrete and more intelligence in the transport system. These efforts must be continued in the future, targeted on the objectives set in this White Paper. The European Research Area and one of its main instruments, the new research framework programme for 2002–06, will provide an opportunity to put these principles into action and to facilitate coordination and increase efficiency in the system of transport research.

Specific action will have to be taken on cleaner, safer road and maritime transport and on integrating intelligent systems in all modes to make for efficient infrastructure management. In this respect the eEurope action plan proposes a number of measures to be undertaken by the Member States and the Commission, such as the deployment of innovative information and monitoring services on the trans-European network and in towns and cities and the introduction of active safety systems in vehicles.

Based on recent results, the Commission will propose a directive on harmonisation of the means of payment for certain infrastructure, particularly for motorway tolls, plus another directive on safety standards in tunnels.

In the case of air transport, the priority will be to improve the environmental impact of engine noise and emissions — a sine qua non for adoption of stricter standards — and to improve air safety and aircraft fuel consumption.

**Managing the Effects of Globalisation**

Regulation of transport has long been essentially international in character. This is one of the reasons for the difficulties encountered in finding the proper place for the common transport policy between the production of international rules within established organisations on the one hand and often protectionist national rules on the other.

As the main objective of these international rules is to facilitate trade and commerce, they do not take sufficient account of environmental protection or security of supply concerns. Consequently, for some years now, certain countries such as the USA have been implementing regional transport accords, particularly in the maritime or aviation sector, to protect specific interests. The European Union has followed closely in their footsteps in order to guard against catastrophic accidents at sea or to abolish inappropriate rules on aircraft noise or on compensation for passengers in the event of accidents.

With enlargement on the horizon, and the transport policy and trans-European networks
soon to extend across the continent, Europe needs to rethink its international role if it is to succeed in developing a sustainable transport system and tackling the problems of congestion and pollution. As part of negotiations within the World Trade Organisation, the European Union will continue to act as a catalyst to open up the markets of the main modes of transport while at the same time maintaining the quality of transport services and the safety of users. The Commission plans to propose reinforcing the position of the Community in international organisations, in particular the International Maritime Organisation, the International Civil Aviation Organisation and the Danube Commission, in order to safeguard Europe's interests at world level. The enlarged Union must be able to manage the effects of globalisation and contribute to international solutions to combat, for example, abuse of flags of convenience or social dumping in the road transport sector.

It is paradoxical that the European Union, which is the world's leading commercial power and conducts a large part of its trade outside its own borders, carries so little weight in the adoption of the international rules which govern much of transport. This is because the Union as such is excluded from most intergovernmental organisations, where it has no more than observer status. This situation needs to be remedied without delay, by having the Community accede to the intergovernmental organisations which govern transport so that the 30-odd members of the enlarged Union not only speak with a single voice but, above all, can influence those organisations' activities by promoting a system of international transport which takes account of the fundamental requirements of sustainable development. A European Union bringing all its weight to bear could, in particular, see that raw materials are processed locally to a greater extent, rather than encouraging processing in other locations.

**DEVELOPING MEDIUM AND LONG-TERM ENVIRONMENTAL OBJECTIVES FOR A SUSTAINABLE TRANSPORT SYSTEM**

Numerous measures and policy instruments are needed to set the process in motion that will lead to a sustainable transport system. It will take time to achieve this ultimate objective, and the measures set out in this document amount only to a first stage, mapping out a more long-term strategy.

This sustainable transport system needs to be defined in operational terms in order to give the policy-makers useful information to go on. Where possible, the objectives put forward need to be quantified. The Commission plans to submit a communication in 2002 to spell out these objectives. A monitoring tool has already been put in place by way of the TERM mechanism (transport and environment reporting mechanism).

To support the package of proposals to be implemented by 2010, which are essential but not sufficient to redirect the common transport policy towards meeting the need for sustainable development, the analysis in the White Paper stresses:

- the risk of congestion on the major arteries and regional imbalance,
- the conditions for shifting the balance between modes,
- the priority to be given to clearing bottlenecks,
- the new place given to users, at the heart of transport policy,
- the need to manage the effects of transport globalisation.

So we need to decide between maintaining the status quo and accepting the need for change. The first choice — the easy option — will result in significant increases in congestion and pollution, and will ultimately threaten the competitiveness of Europe's economy. The second choice — which will require the adoption of proactive measures, some of them difficult to accept — will involve the implementation of new forms of regulation to channel future demand for mobility and to ensure that the whole of Europe's economy develops in sustainable fashion.

’Large sacrifices are easy: it is the small continual sacrifices which are difficult.’

’Elective affinities,’ Johann Wolfgang Goethe
(Minister for the Rebuilding of Roads in the State of Weimar... and writer)