Opinion of the European Economic and Social Committee on the Communication from the Commission — Freight Transport Logistics Action Plan

COM(2007) 607 final

(2008/C 224/10)

On 18 October 2007, the European Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the

Communication from the Commission — Freight Transport Logistics Action Plan.

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 8 May 2007. The rapporteur was Mr Retureau.

At its 445th plenary session, held on 28 and 29 May 2008 (meeting of 29 May), the European Economic and Social Committee adopted the following opinion by 99 votes with 1 abstention.

1. **Conclusions and recommendations**

1.1 The Committee welcomes the Action Plan proposed by the Commission and would like to be consulted on the interim report planned for 2010 to evaluate progress made and any outstanding problems.

1.2 The EESC agrees that it is worth making separate efforts to set benchmarks for intermodal terminals, including ports and airports, in close cooperation with the sector. With a set of generic European benchmarks that leave scope for further specification at local level, it should be possible to differentiate the benchmarks sufficiently to allow for the very different characteristics of land terminals, seaports, airports and inland waterway ports.

1.3 Price-setting according to transport mode generally does not reflect the real impact of modes on infrastructure, the environment and energy efficiency, or their social, territorial and societal costs.

1.4 The comparative and evaluative tools envisaged for benchmarking should thus compare usable transport chains on the basis of their sustainability, in order to facilitate the introduction of a price-setting mechanism and develop a regulatory system which ensures that the most efficient and sustainable mode is chosen, depending on the type of goods transported and modes available.

1.5 More efficient transport logistics geared to the needs of users and society as a whole inevitably call for significantly more rapid application of existing new technologies and new research, as well as an ongoing effort to train and qualify staff and improve working conditions. At the same time it is necessary to optimise the use of existing infrastructure and develop the human, material and financial resources invested in transport and logistics. It is also necessary to upgrade these professions and make them more attractive. New investment is also essential to accelerate the integration of new Member States and strengthen the Euro-Mediterranean and neighbourhood policies. Long-term demand trends must still be evaluated in order to initiate investment spending that can be recouped over a very long timeframe.

1.6 It is necessary to strengthen road security and safety, especially near borders with third countries.

1.7 The EU's coastline has grown: it now includes the Baltic Sea and the Black Sea, connected by the major axis of the Danube, which must be revitalised. 90 % of trade with third countries and 40 % of intra-EU trade transits through Europe's port hubs, where logistics activities are growing substantially. However, many improvements are needed. It is particularly important to modernise port-hinterland connections to encourage a wider range of modes and more intermodality. Transhipment methods and organisation must also be improved. Similarly, a better balance must be achieved between different ports and more complementarity between these and land-based hubs.

1.8 The Committee supports the use of new technologies, applied research on all improvable aspects of the different modes (infrastructure, transport and handling equipment, work organisation and conditions, etc.), voluntary participation in drawing up technical standards and communicating and messaging standards to improve co-modality and traffic flows, and better articulation between production and trade growth on the one hand and the inevitable growth in transport on the other. It is essential here that logistics chains become more efficient.

1.9 Research must continue on engines and their energy efficiency, and on non-fossil fuels, both for private and public passenger vehicles, as well as goods vehicles.

1.10 Urgent measures and more sustained efforts are called for in urban transport logistics so as to prevent progressive weakening of the economy in large cities and substantial efficiency losses resulting from time lost in traffic jams,

which is unproductive and causes pollution for residents and businesses. A comprehensive approach that takes into account the needs of private and public passenger and goods transport is required for urban environments, in order to achieve a more balanced use of the road network and reverse the trend towards residents and many activities moving to the outskirts of cities and remote locations.

1.11 Sustainability and energy efficiency, and intermodality, are at the heart of this plan. The proposed timetable underlines the urgency of the policy to be pursued. The Commission's proposals prioritise cooperation and dialogue rather than compulsory measures. It is necessary to demonstrate that this approach will work. Its success will depend on operators in the transport sector and their ability to adapt to the urgent demands of civil society.

2. **Commission proposals**

2.1 *Introduction*

2.1.1 On 28 June 2006, the Commission published a communication entitled 'Freight Transport Logistics in Europe — the key to sustainable mobility' ([1]). That communication set out the role of logistics in enhancing sustainable transport, reducing transport emissions and making transport truly environment-friendly. It was supposed to be followed by consultations leading to a European Freight Transport Logistics Plan ([2]), which was published on 18 October 2007.

2.1.2 The Commission wanted to bring the logistics dimension into EU transport policy in order to decrease the persistent bottlenecks, reduce energy consumption, make better use of co-modality and multimodality of infrastructure and transport modes, protect the environment and limit damage to it, and promote continuing staff training.

2.1.3 The Committee has been asked to give its opinion on this Action Plan, which sets out the objectives to be achieved and an implementation timetable, and promotes use of new information technologies intended to improve the efficiency of transport logistics with respect to objects (individual objects, parcels, containers). A system of voluntary training certificates for logistics staff is also envisaged, and the essential qualifications and training for practising their profession and to facilitate their mobility.

2.1.4 Since 2006 the Commission has been emphasising that it is difficult to get an impression of the European freight logistics market in the absence of adequate statistics. Logistics are generally thought to account for 10-15 % of the cost of products transported.

2.1.5 The idea was to propose the development of a European framework for freight transport logistics, taking action in various areas. The Action Plan gives details and fixes very short implementation deadlines, falling between 2008 and 2012:

— identification and elimination of bottlenecks;

— use of advanced information and communication technologies — TIC (tracking and tracing) systems with Galileo, LRIT (Long-range Identification and Tracking), RIS, AIS (Automatic Identification System), the SafeSeaNet system, and telematic applications for rail freight (TAF) with its integrated logistics (ERTMS); introduction of 'intelligent' technologies, e.g. developing and standardising RFID tags ([3]);

— universal messaging and communications standards;

— research (7th Framework Programme);

— interoperability and interconnectivity;

— training of qualified logistics staff;

— benchmarking of Europe against other continents, with indicators and methodology still to be developed;

— infrastructure policy: maintenance and optimum use of existing infrastructure, and potential new investment, especially in state-of-the-art technologies and co-modal links;

— quality of performance through adequate social dialogue, cooperation and regulation;

— promotion and simplification of multimodal chains, and related loading standards.

2.1.6 The Action Plan published in 2007 sets out the measures previously envisaged in a more detailed programme of objectives, together with a timetable for implementing each of the measures.

2.1.7 In its communication ([4]) *Keep Europe moving — Sustainable mobility for our continent*, a mid-term review and revision of the 2001 Transport White Paper ([5]), the Commission emphasised the concept of 'intelligent mobility', consisting of transport logistics and intelligent transport systems (ITS), and in its Action Plan it also prioritises this dimension.

2.2 *e-Freight and Intelligent Transport Systems*

2.2.1 Broad use of current and future ITC could significantly improve freight transport, but there are still problems to be resolved, such as standardisation, user skills, regulatory or other obstacles to dematerialisation of documents, data security and protection of privacy.

([1]) COM(2006) 336 final.
([2]) COM(2007) 607 final.
([3]) See exploratory opinion on *Radio frequency identification (RFID)* (rapporteur: Mr Morgan), OJ C 256 of 27.10.2007, pp. 66-72, as well as work done at the Lisbon conference of 15-16 November 2007 (see Portuguese presidency website).
([4]) COM(2006) 314 final, 22.6.2006.
([5]) See Committee opinions on the White Paper (COM(2001) 370 of 12.9.2001: *European transport policy for 2010: time to decide*) and the mid-term review (COM(2006) 314 of 22.6.2006: *Keep Europe moving — Sustainable mobility for our continent — Mid-term review of the European Commission's 2001 Transport Paper*).

2.2.2 In the long-term, the concept of 'e-freight' will lead to an 'internet of things' (cargo: single objects, parcels and packages, containers, with the possibility of personalising, naming and identifying each component using active or passive 'smart labelling', activated by radio frequency identification, or RFID). This new 'internet of things' will allow the transfer of cargo data (geographical location, information about the nature and volume of cargo, and customs or other messages) to be automated and simplified. Existing systems must be deployed with the aim of realising this new dimension of the internet based on identifying things.

2.2.3 The Commission is preparing a major research project for 2008 based on a roadmap for deployment of ITS and transport logistics technologies.

2.3 *Looking ahead*

2.3.1 By enhancing efficiency, the Plan is intended to help resolve problems such as congestion, pollution and noise, CO_2 emissions and dependence on fossil fuels. These actions need to be accompanied by work on a long-term perspective, undertaken jointly with the Member States, in order to establish a common basis for investment in tomorrow's freight transport systems.

2.3.2 The European Commission will report in 2010 on progress made in the implementation of the Action Plan.

3. **General comments**

3.1 EU enlargement, increasing globalisation of trade, the emergence of new economic powers (not only China) and relocation are important factors affecting trade trends. Trade is increasing faster than production. In its 2001 White Paper, the Commission envisaged a 'decoupling' of transport growth from GDP growth. It is urgently necessary to revisit this issue, if only to re-introduce a 'parallelism', a 'coupling'. By combining different modes and different operators (transport flow organisers, carriers, consumers, and EU, national and international authorities) and by using new information, packaging and handling technologies, within the framework of the mid-term review of the White Paper of 2006 ([6]) logistics can be a key factor in streamlining trade and freight transport and making them more efficient.

3.2 Worldwide logistics chains require links — both physical and electronic — between global systems, which in the long run must be fully integrated so that the most effective mode or combination of modes is used and logistics are improved by setting three concurrent efficiency objectives: economic, social and environmental (including reduction of energy spending).

3.3 In most cases transport planning involves long deadlines and collaboration with a large number of stakeholders. Investment in transport infrastructure and logistics platforms is committed for very long periods and is very high, especially in the case of sea and inland ports or airports, but also of 'dry ports' or combined transport facilities. It is these platforms that are most problematic and for which reliable and permanent solutions must be found without delay. The Committee therefore believes that the first priority should be to optimise the use of existing infrastructure, where sharing experience and information can be very valuable. But it is not enough to develop existing infrastructure and use new, state-of-the-art technologies. Medium- and long-term planning is essential for new investment.

3.4 New, long-lasting infrastructure should be developed only on the basis of needs calculated for the very long term and if there is no co-modal alternative solution, e.g. using other, existing infrastructure. Road-rail transport, for example, could be an alternative to extending an existing road network or building new roads. The planning required must involve all operators in the logistics chains: Community authorities, national and regional authorities, manufacturers and distributors and other shippers, logistics experts and carriers, and the social partners. The industries and people affected must be able to take part in the various prior debates and consultations on these issues, and their views must be seriously taken into account.

3.5 The aim of this planning must be to establish long-term partnerships that can ensure permanent viability of infrastructure (economic, ecological and social). It must be consistent with the European Spatial Development Perspective and help to put investment in transport on a permanent footing and improve its structure and coordination with industrial and commercial activities and land-use and urban space planning (so as to avoid a proliferation of logistics platforms and hasty and costly relocation), bottlenecks affecting certain axes and areas, and the decline and cutting-off of other areas owing to absent or poor services.

3.6 As regards the new standards planned for loading units, these must obviously make any transhipments easier in terms of maximum manoeuvrable weight and dimensions. However, given the problems created by the fact that freight transport is almost exclusively limited to roads, these standards should not result in extra costs that might degrade infrastructure and even impair road transport safety. The standards must promote co-modality.

([6]) Keep Europe moving — Sustainable mobility for our continent — Mid-term review of the European Commission's 2001 Transport White Paper, COM(2006) 314 final, 22.6.2006.

3.7 With regard to the proposal from 2003 on a new voluntary intermodal loading unit, the Committee would reiterate its view that the combination of loading units of different dimensions is a logistical nightmare. The two obstacles mentioned in the opinion (dimensions of fixed cell guides and uncertainty as to who will pay for the new system) are in themselves grounds for concern that the system will not be used.

4. **Specific comments**

4.1 The Committee strongly wishes to be consulted on the report that the Commission will be drawing up in 2010 on progress made with the Action Plan and any problems encountered in implementing it.

4.2 The internet of things will certainly provide a means of making transport logistics, and services provided to clients, more effective. However, on the basis of experience with the internet of names, the Committee believes there are issues to discuss concerning the verification procedures and instruments to be established for 'naming'. For historical reasons, ultimate control of the internet of names lies with US DoC, the Department of Commerce of the United States. The Committee supports the option of European governance with respect to naming and managing databases, as well as formulating technical standards.

4.2.1 The Committee is pleased that the Commission relates the development of logistics to the renewed Lisbon agenda on growth and jobs. However, in the light of experience it asks the Commission to make up the delays in implementing new technologies, especially with respect to Galileo, as soon as possible.

4.3 The Committee believes that, in view of its economic importance and the fact that most exchanges are intra-regional, the internet of objects should be based on a multi-polar system (regional or sub-regional naming bodies, for example) rather than placed under the ultimate control of a single additional authority outside the EU.

4.4 It is also necessary to elucidate privacy and business confidentiality issues relating to diversification of information instruments introduced for identifying the content of cargo, e.g. to avoid leaking information to criminals, especially in third countries, (taking customs and insurance questions into account), and monitoring cargo and its consignors, intermediaries and recipients, in the context of promoting information technologies and services (ITS) and related information technologies.

4.5 This is particularly relevant to detailed logistics relating to e-commerce.

4.6 The Committee welcomes the Commission's intention to modernise logistics professionals through a system of definitions and certification for operators, and would like these to produce high added value.

4.7 The Committee also welcomes the Commission's proposal to work with the social partners on drawing up qualification and training requirements. In this connection, the Committee hopes that the qualifications and training required will be lifelong, with advances in knowledge and technology being taken into account as appropriate. It also welcomes the fact that the Commission will provide for mutual recognition of these voluntary certificates.

4.8 It is essential to improve logistics performance through greater use of new technologies, reducing red tape, pooling experience, developing qualifications and training, and co-modality. However, the Committee would point out that the positive impact of progress in these areas cannot be fully realised unless the transport logistics sector is subject to re-balancing of intramodal and intermodal transport and 'regulated competition', as advocated by the Commission in its 2001 White Paper, which means re-assessing the relative prices of transport, and properly harmonising intramodal and intermodal competition conditions within the EU.

Brussels, 29 May 2008.

The President
of the European Economic and Social Committee
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