



30 September 2009

## **ECG Position**

### **on the Commission Communication "A sustainable future for transport: Towards an integrated, technology-led and user friendly system"**

ECG, the Association of European Vehicle Logistics, welcomes the European Commission's initiative to take steps to prepare the ground for the future policy guidelines to modernise European Transport Policy, and prepare for the upcoming challenges. Transport is of vital importance to a competitive Europe, and we must develop a transport system that will meet our needs in 2020 and beyond.

ECG, that represents the finished vehicles transporters in Europe, supports many of the reflections and information provided in the Communication "A sustainable future for transport: Towards an integrated, technology-led and user friendly system". However, there are some elements we would like to highlight when discussing about shaping the transport policy in the years to come and in views to the upcoming White Paper, especially against the current challenging economic situation and the uncertainty on how it will develop and the impact it would have on the finished vehicles logistics industry.

- **Keep on moving towards co-modality**

In ECG's view, road and rail are complements to each other more than competitors. The promotion of inter-modal transport needs a closer integration with road haulage in order to be successful. ECG supports the creation of a strong European rail network, part of TEN-T and to promote a better quality of service in freight transport in terms of journey times, reliability and capacity. European rail network needs to be strengthened in the land-locked areas, avoiding any unfair and illogical competition with Short Sea Shipping, even more sustainable than rail. For vehicle logistics providers, quality is a determining factor in the choice of the mode of transport.

The 2001 White Paper proposed a modal shift, which we believed to be unrealistic from an economical point of view and unsustainable; however, the 2006 mid-term review introduced the term co-modality as opposed to the modal-shift. The current communication appears to be promoting modal shift again, and we call on the Commission to keep on moving towards co-modality, which ECG believes to be the way forward. ECG is committed to sustainable development and supports the idea of improving and optimising the performance of each mode of transport, and having a transport system that takes into account all modes in a non-discriminatory manner.

- **Fair financing of transport infrastructure**

Member States already tax and charge transport heavily. ECG is very committed to the issue of external costs reduction, however, ECG believes that the internalisation of external costs will only make sense when external costs of each transport are accurately defined, assessed and internalised taking into consideration the costs already internalised through existing taxes and charges.

According to ECG, transport taxes should be regarded as scope taxes and they should not be used for the general public budget purposes, should be spent within the transport sector, and we do not believe that the transfer of resources from one transport mode directly to the operational balance of another mode is an effective way to earmark revenues. The most effective way to provide solutions is to use the particular charge revenue to address the externalities that create the charge.

The most effective way to promote combined transport (road-rail, road-sea, etc.) is to earmark at least a part of the tax revenues to investment in infrastructure for all modes of transport and to strengthen communication and elimination of bottlenecks between modes. Transport demand must be met - it is an essential component of sustained economic growth.

- **Driver training**

ECG believes that the future development of a proper functioning logistics sector depends very much on qualified and sufficient number of personnel. Driver's shortage has a negative impact on European industry and growth, and logistics training is key.

ECG already strives to improve the level of training and mobility prospects of the managerial staff of companies involved in car distribution and tackle the scarcity of skilled management resources affecting the industry across Europe. ECG would be very happy to serve European Commission with its knowledge and experience in this field.

- **Technology**

We strongly support the Commission in trying to develop an integrated, technology-led and user friendly transport system. ECG supports all IT-based solutions that can render logistics more efficient, however they need to be cost-effective.

Pressure for operational efficiency has always been of major importance in logistics, however due to the most recent trends such as increased competitiveness in the automotive industry, vehicle logistics providers find themselves under an even greater pressure to improve productivity and quality, reduce lead-times and reduce cost. ECG recognizes advanced (information) technology such as RFID as one of the potential ways to make logistics more efficient, competitive and sustainable.

## **Conclusion**

ECG looks forward to the Commission's event in November in which stakeholder's will have again the platform to discuss in order to achieve a sustainable transport system. ECG hopes that constructive ideas will improve the future policy measures and guidelines to be proposed by the European Commission.

As a major association we are engaged to help build the efficient and environmentally sound transport system needed by a modern and fast growing Europe.

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Established in 1997 in Brussels, ECG represents more than **2/3rds of the European Finished Vehicles Logistics industry**. ECG Members operate in the field of outbound logistics for the Automotive sector, including quality control at the end of the assembly line, storage in special compounds, transport in all modalities – rail, road and sea – de-waxing Pre-Delivery Inspections (PDI), customising, workshop activities and the refurbishing of former fleet vehicles. **ECG** has **90 members** from **24 countries**, which last year recorded an aggregated turnover in excess of **15 billion Euros**. **Members** handle about **40 million cars** per year with over 64,000 direct employees. In terms of equipment, the ECG members operate **20,000 trucks**, **20,000 rail wagons**, about **337 ships**; **41 river barges**; **462 compounds**; **146 port terminals**; more than **58 million** square metres of Car parks; about **one million** square metres of workshops.

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