

Dutch contribution to Mid-term Review of White Paper on Transport

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1. INTRODUCTION

In 2011 the European Commission adopted the White Paper 'Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system 'in the framework of the Union's 2020 growth strategy'. The Commission invited European citizens and stakeholders with an interest in the European transport policy agenda, to assess the progress in implementation of the 2011 White Paper and identify key challenges for transport policy, as well as to provide suggestions for refocusing the strategy in the next year. The Commission indicated to welcome input from EU Member States.

In response to this request, the Netherlands has drafted this position paper. This paper is designed to support the Commission's thinking on the state of play and the future orientations of the EU's transport policy. Furthermore, it is well in line with the focus of the Dutch presidency during the first semester of 2016, with key themes such as better regulation and innovation, connected to sustainable and smart mobility, including intelligent transport systems, driverless cars and the use of sustainable fuels. Thereby, The Netherlands attaches great value to the development of a competitive and resource efficient European transport system.

The Netherlands reserves the right to reconsider its position during the phases following the public consultation. Specific Commission proposals will be individually assessed, including with regard to the basic principles of subsidiarity and proportionality, administrative burdens and the impact on existing laws and regulations.

2. GENERAL PRINCIPLES

2.1 Objectives

The transport sector is a driver for the economy, growth and jobs. Regional and global links create connections between European regions and between Europe and the world. The 2011 Transport White Paper has continued relevance as a guidance document for the development of EU Transport policy aiming at completion of the single transport market, infrastructure modernization and ambitious source control policies in the field of climate and air quality, which, in combination, should lead to a highly competitive and sustainable transport system. New policies on transport should clearly be geared towards strengthening competitiveness and sustainability both in a European and global context.

2.2 Priorities

The review of the White Paper provides the opportunity to set new priorities and shift emphasis. According to the Netherlands, the aspects given below should receive more attention in European transport policy.

- **Innovation:** Innovation should become the key issue in the review of the White Paper. Innovation in the transport sector gives new impetus to improving safety, efficiency, user experience and sustainability. In order to achieve the necessary CO₂ reductions in the transport sector, in particular innovation is essential. With the focus on innovation, the European Union (EU) should take up the cudgels of creating the right conditions for new developments and knowledge sharing.
- **Smart mobility:** The Netherlands is pleased that the Commission has ascribed an important role to ICT and smart solutions over the last few years. The Netherlands firmly believes in the potential of cooperative ITS systems - facilitating communication between vehicles and between the roadside and vehicles/in-car systems - and the deployment of (highly) automated vehicles. The Netherlands believe in a coordinated and cohesive approach at a European level and closer cooperation between member states and stakeholders would be required to allow

these innovative systems to become available on the market. A smooth introduction of new smart mobility services and vehicle technologies, based on the same standards in different countries is of interest both to industry and to users. The Commission and Member States should adopt a harmonised approach to promote an interoperable and coherent framework for implementation, research and development activities, operational testing, targeted investments and cross-border initiatives. The EU should foster national ITS programs and should also strive to develop a platform or system with independent services.

- **Smart data:** There is a high potential for better use of data. The transport sector is still confronted with many non-digital steps in the vehicle chain. This results in inefficiency of these processes, and frustrates the implementation of smart mobility. Further stimulating exchange of digital data not only improves administrative processes, but also contributes to the effectiveness of transport processes. Better information serves policy and practice.
- **Funding and financing:** Investments in the Trans-European Transport Network (TEN-T) are essential in developing a first-rate infrastructure in the EU. EU funds (within the existing MFF) should be geared towards projects with EU added value, for all modes, in particular along core network corridors. This stands both for grants and for innovative financial instruments. Grants probably are most useful for traditional publicly funded infrastructure (inland navigation, rail), whereas financial instruments, either from CEF or EFSI, may find their best application in private or PPP projects (clean fuels, terminals, ports, roads). Given the transport related challenges in urban areas all over Europe, the Netherlands also calls for a more flexible use and combination of existing EU funds for urban mobility. It is important to ensure that financial instruments can be used within a clear state aid framework. Furthermore, effective EU structures should be in place to assist private investors in shaping projects such that financial instruments can be employed successfully.
- **Social aspects:** In the framework of the promotion of the level playing field, the Netherlands welcomes the attention of the European Commission to social aspects in transport. An effective social dialogue with stakeholders and civil society is essential within this process. With regard to the transport sector, the Netherlands calls for better implementation and consistent application of European legislation to ensure the development of a strong and sustainable European road haulage sector that contributes to the social and economy wellbeing of the European Union. Further release of cabotage should only be done if the social conditions in road transport are equal throughout Europe.
- **Co-modality:** Co-modality is a key word. Modal shift policy is outdated and proven ineffective. Co-modality improves the efficiency of all modalities and the cooperation and synergy between modalities. All modes of transport, including cycling and bulk transport by pipelines, are needed to encourage sustainable, efficient and competitive modes of transport.

2.3 Better regulation

The Netherlands welcomes the initiatives presented by vice-president Timmermans on May 19th, underlining that the EU should focus on the essentials, having and showing added value for Europe's citizens and companies. The Netherlands will give full support to the Better Regulation agenda, with a particular focus on the following elements for the transport sector:

- Strict application of the principles of subsidiarity and proportionality. An example is the Directive on Tunnel Safety with minimum safety requirements for tunnels in the Trans-European Road Network.
- Simplification and reduction of administrative burdens for all modalities. Examples are the revision of the EASA Regulation, convergence in the enforcement of European legislation on road freight transport and the Fitness Check of the safety rules for passenger ships that aims to assess the potential for simplifying and streamlining the existing framework balancing between IMO, EU and national rules.
- Better use of Impact Assessments, addressing effectiveness, implementation aspects and enforcement in the Member States. In certain cases there is a need for more guidance on or even unification of the interpretation of European legislation, and –where possible- risk-based enforcement instead of quantitative inspection targets. Particularly in road transport enforcement problems occur due to the complexity of the rules and lack of coordination,

particularly as regards different interpretations of EU-obligations concerning working/resting periods and different penalty systems.

2.4 Multi-governance approach

A substantial part of transport movements occur within cities or regions and local and regional authorities carry responsibility in urban and regional transport policies. Many transport-related challenges that have a strong link with EU-policies, such as air quality, noise abatement, distribution, sustainable public transport, fostering new technologies such as electric cars, come together at the local and regional level. Local and regional authorities are therefore an important factor in the transition towards a more sustainable transport system in Europe. Therefore it is important to ensure the involvement of those authorities in the European policy making process and, with reference to subsidiarity, to ensure the policy freedom that is needed for integral local solutions.

3. EUROPEAN TRANSPORT SECTOR

The Netherlands would like to seize the opportunity to stress, next to the general priorities, the important strategies per transport mode.

3.1 Aviation

Europe needs a strong, dynamic and competitive aviation sector to generate jobs, economic growth and cohesion, connecting regions and connecting Europe with the world. In order to deliver on the Juncker strategies, Europe needs a comprehensive approach, mapping out a strategy for the future, an action plan for new proposals and concrete proposals addressing today's urgent challenges. This strategy needs to improve the global competitiveness of our aviation sector and enhance connectivity. Therefore Europe needs to foster well-functioning competitive markets, stimulate innovation and provide smart regulation.

- The Netherlands calls for fair competition and a framework for European aviation to thrive both in the internal and global markets, under fair conditions.
- Proposals for mandates for the Gulf States are desirable on the short term, to be followed by proposals for mandates for Turkey and ASEAN.
- Attention should be given to the social dimension in aviation. Here the application of existing EU labor and social legislation in the aviation sector should be clarified. The first phase of mapping facts, figures and concerns has started after which necessary steps can be taken.
- The development of the Single European Sky (SES) is essential to support the competitiveness. The Netherlands is a great proponent of SES and supports initiatives that can accelerate its implementation.
- To strengthen our international position, Europe has to strongly stimulate innovation in aviation through the right legal framework and by ensuring funding.
- Europe needs to increase the effectiveness of legislation and reduce its administrative burden through smart regulation.
- Remotely piloted aircraft systems (RPAS) provide new business opportunities and possibilities for growth to European industry. EU legislation should facilitate this growth while creating framework conditions relating to privacy and safety amongst others.
- An agreement on a global Market Based Measure to reduce aviation CO₂ emissions should be the aim of the ICAO Assembly 2016. We call for a global approach to effectively reduce CO₂ emissions and also to avoid a patchwork of regional schemes and distortions of competition for the European industry.

3.2 Shipping

The Netherlands has a strong maritime position due to its strategic delta location at the estuaries of the European rivers Meuse, Rhine and Scheldt. The Port of Rotterdam is the largest port in the EU and serves as true gateway to the European hinterland with hundreds of millions of consumers. The Port of Amsterdam is in throughput volumes the fourth port in the EU and an important port for European energy supply. The Dutch inland shipping fleet is the largest in Europe. Vital maritime

interests are found in the ability to provide unhindered worldwide maritime transport services of goods and raw materials with secured access to maritime infrastructures. The EU internal market and Trans-European Core Network Transport Corridors (TEN-T Corridors) are essential parts of vital maritime interests at European level.

With the Dutch recently approved maritime strategy 2015-2025 the Netherlands will focus on the following priorities regarding maritime transport: human capital, innovation, trade, logistics, infrastructure, accessibility, safety & environment and safety threats & stability. For the Netherlands these priorities are all interlinked and closely related to the six strategic areas as defined for the EU maritime transport policy. The Netherlands considers better regulation, level playing field, combined transport, integration of short sea in the logistic chain, safe and clean shipping as highly important themes for the EU maritime transport policy.

The Netherlands considers a strong Dutch and European maritime cluster of utmost importance, with high quality maritime shipping which is a front runner in global developments in the area of safety and sustainability. Financing needs and access to finance for the maritime cluster are important starting points. EU support for sustainable financing structures and CEF funding can improve the competitiveness and sustainability of the EU shipping sector. A European maritime sector that is strong, competitive and sustainable is essential for the Netherlands as coast, flag and port State with the major Dutch seaports and voluminous inland shipping. The EU should give due notice to the need of a global level playing field for safety and environmental standards of maritime shipping. International agreements in IMO are key to that purpose.

Furthermore, EU guidelines for state aid to seaports are indispensable to guarantee fair competition between neighboring ports in EU Member States. Finally, the state aid framework for maritime shipping (tonnage tax regime) must remain in place in order to secure competitiveness of the European shipping industry at international level.

3.3 Railways

The Netherlands supports the objectives of the European Commission to further improve the quality and efficiency of the railway system in Europe, but rejects the solution towards market opening proposed by the Commission. According to the Netherlands, the Commission's objectives can be achieved without mandatory tendering of public service contracts, namely through tighter control and management via strict performance requirements. For the European framework on rail interoperability and safety strong emphasis should be put on implementation and dealing with the various transition problems of stakeholders. Further development of rail freight corridors must be followed up addressing international capacity allocation and traffic management, realizing TEN-T requirements including ERTMS, alleviating infrastructure bottlenecks and improving intermodal connections. For sustainability of the rail sector a long term strategy on noise is necessary and banning of noisy freight wagons should be considered. Innovation of the rail sector should be increased to achieve services with better price-quality ratio for customers.

3.4 Road Transport

The Netherlands is situated on three European TEN-T corridors. We see ourselves as 'The Gateway to Europe'. The Benelux-NRW combined is one of the most vital, developed (and crowded) parts of Europe (even of the world). Yet national policies could be better connected with European policies. In the Netherlands, road infrastructure investments are part of a long-term investment plan, the National Policy Strategy for Infrastructure and Spatial Planning (SVIR, 2012) in combination with the Multi-annual Program for Infrastructure, Spatial planning and Transport (MIRT). This created a strong network of infrastructure, but investing in new infrastructure is not enough.

In addition to this, The Netherlands have introduced the Optimizing Use Program to reduce congestion and improve road, waterway and railway accessibility in the 12 busiest regions. The key in this program is a profound analysis of the problem in a specific area or bottleneck, and to develop smart and custom made solutions, which are more effective and lower in costs. In

cooperation with the national government, regions and private parties devise ideas and initiatives, all of which require co-funding. This regional commitment in combination with the cooperation of businesses, have led to good results. This focus on the potential of smart solutions should be adopted. The Netherlands also supports stronger involvement of private parties in the EU investments.

The Netherlands is a strong proponent of the deployment of longer and heavier vehicles, or 'eco-combis'. Before allowing eco-combis on the Dutch roads, extensive research was conducted showing 20% cost reduction, fewer trucks on the road, 27% CO₂ reduction and no increased risk to road safety. Moreover, the Netherlands found no evidence of modal backshift. In other words, allowing eco-combis is about the promotion and improvement of the efficiency in road transport and not about the promotion of more road transport.

The Netherlands has several questions regarding the Commission's initiatives on pricing of infrastructure. The Netherlands will not only assess future proposals critically on its subsidiarity and proportionality, but also against the background that this government does not support the introduction of road pricing.

4. SUSTAINABLE MOBILITY

4.1 Objectives and transition pathways

The Netherlands attaches great importance to the reduction of greenhouse gases (GHG), air pollution and noise, an important challenge also for the transport sector. In general, the Netherlands supports and advocates ambitious emission standards (greenhouse gases, air pollution, noise) for all transport modes, assisted by multi-stakeholders initiatives accelerating introduction of new technologies in the field of transport. The Dutch SER (the Social and Economic Council of the Netherlands) Energy Agreement is an example of such a multi-stakeholder initiative. Included in the Energy Agreement is an agreement on sustainable mobility. In order to meet the challenging national target of 60% CO₂-emission reduction in road transport by 2050, additional targets for 2020 and 2030 are set. The way to meet these national targets is set out in an integrated vision for a sustainable fuelmix for all transport modes that was agreed by all relevant stakeholders (public and private) in the Netherlands in 2014.

The CO₂-reduction targets in the White Paper on transport are considered to be an important focal point for national and EU policies to reduce CO₂-emissions in transport. The Netherlands believes binding sectoral targets do not offer the necessary flexibility to achieve improvements in the optimal way. It is important to keep in mind that there is no 'one size fits all' solution for all the different transport modalities which each have their own specific transition characteristics. For example, the use of biofuels should be promoted in the aviation sector. However, for the transport of freight via road or water the use of LNG deserves to be promoted, while for passenger transport the transition to electrically-powered vehicles (directly powered by electricity or with hydrogen as fuel) has already started. It should be noted that the White Paper on Transport foresaw a certain role for hydrogen in the future, mainly at the medium and long term, but there are signs that the introduction of the use hydrogen will come earlier. Policymaking at the European level should anticipate to this development to the extent possible.

Another observation is that the implementation of infrastructure for alternative/clean fuels in Europe is rather inadequate in relation to the transport fleet. The Clean Power for Transport will stimulate more investments for a basic network. But in order to make it possible for the transport sector as a whole to become more sustainable, more refuelling and bunker facilities are needed as well as more vehicles/ships/planes and trains that are able to operate with these new fuels.

The markets for vehicles and fuels are international and in the EU Member States are bound to internal market rules. Therefore, greening the supply of transport fuels is definitely a task for the

EU as a whole. With this in mind the Netherlands has a strong preference for continuation of policies leading to gradually decrease of CO₂ -emissions related to the use of fossil fuels (from well to wheel). The simplest way forward is to extend the Fuel Quality Directive with targets for the period after 2020. Ambitious post 2020-targets will also lead to an increased share of alternative fuels, like LNG and hydrogen. Continuation of the Fuel Quality Directive also ensures a demand for sustainable biofuels resulting in a stable market necessary for the further development of advanced biofuels.

4.2 Emission standards for vehicles

At EU level, there is a need for challenging emission reduction targets for CO₂ of cars, vans and heavy duty vehicles in combination with measures to stimulate industry to make the shift towards the production of feasible zero-emission vehicles. In particular with regard to passenger cars more ambition is needed, knowing their share of CO₂ emissions is high (70-80%). The Mid-Term Review offers an excellent opportunity to address this issue again with a time horizon of for instance 2035. A forward looking outline with milestones could also be of help in the discussion on binding targets for passenger cars for 2025.

Cleaner vehicles also contribute to cleaner air and less health problems in particular in cities. Most effective, of course, are electrically powered passenger cars and vans. More stringent emission standards will certainly accelerate the transition to a society with almost exclusively zero-emission vehicles. Of utmost importance is that vehicles will meet their emission standards not only during type approval but also in-use under real-world conditions, not only for greenhouse gases but also for air pollution and noise. The recent agreement on the RDE-testprocedure can be seen as a first step in the right direction. A quick application of the RDE test procedure is essential. For noise emission reduction both the revision of the Tyre Directive and the directive for noise emission from rail freight are important regulatory dossiers at the EU level to improve the situation.

4.3 Incentives policy

In addition, awareness rising in society, behavioral change by citizens and industry, plus commitment by stakeholders can also contribute to smart, safe and sustainable transport. The experience in the Netherlands is that new policy instruments based on nudging seem to be more successful. This is for instance the case for the 'Green Deal approach' that has proven to be a very useful instrument to promote frontrunners and to encourage multi-stakeholder alliances that are aimed at economic growth and at improving the environment. A Green Deal is a mutual agreement under private law (covenant) between a coalition of businesses, civil society organizations and public administrations. The Netherlands invites the Commission and colleague Member States to consider support for the Green Deal approach at EU-level in order to stimulate innovation, sustainable growth and better regulation.