

To the Presidency of The European Council

IRISH PRESIDENCY: The Context

2004 will be a defining year for Europe. And also for European transport. The Irish Presidency has a great responsibility to move transport towards sustainability in the first half of 2004.

Ireland will take over the Presidency of the EU at the start of one of the most important years in the EU's history. Under the Irish watch, the EU will enlarge by ten countries, European Parliament elections will take place and it is likely that the new EU constitution will be finalised. In the second half of the year the new European Commission will take office and the Parliament will start work.

Developments in 2001 raised transport policy high on the European political agenda, developing much desire for change. The adoption of the sustainable development strategy and the 2001 Gothenburg summit showed a powerful new political will developing across Europe to move transport towards sustainability. The Belgian presidency took the issue further by organising a ground-breaking seminar on transport and economy in July 2001, in preparation for its informal transport and environment council; the first such meeting for nearly five years.

Under the past four presidencies, however, European transport policy has lost momentum. The 2001 Common Transport Policy White Paper was shown to be inadequate within a week. In the absence of a revision, the EU is without a viable transport plan. Most transport and environment indicators show transport still performing badly, with few visible improvements.

And yet a poor transport framework is one of Europe's biggest problems. It affects quality of life, health, the natural environment and the economy. Noise and congestion are just two of the everyday transport-related complaints raised by citizens across the Union.

Ireland therefore inherits a situation where EU transport's development is in the balance. On the one hand are fine commitments and reasonable demands for better transport, and on the other hand is stalled progress at EU level. Ireland must break this impasse.

The Irish government has said its key presidency priorities are enlargement of the EU and advancing the EU's Lisbon competitiveness strategy.

Furthering the Lisbon strategy must mean promoting environmental integration: together they effectively form the EU's Sustainable Development Strategy, and dealing with one without the other would risk undermining the very prosperity all in the Union want to see.

The Irish Presidency can bring an enlarged Europe closer to the guiding principles of sustainable transport.

This means working to reduce transport rather than automatically providing core infrastructure, promoting a shift towards more environmentally sound modes and promoting intelligent transport technologies.

Particularly in relation to the revisions of the Eurovignette Directive and of the Trans-European Transport Networks, the Irish Presidency has a chance to make its mark on future transport policies. These two areas will be among the most important for transport in Europe over the next decade. Ireland must do the following for its presidency to be a success.

THE KEY ACTIONS

- The Irish Presidency should stop the passage through Council of the **Trans-European Transport Networks (TENs)** guidelines revision. The Commission proposal is a hugely expensive infrastructure wish-list, whose economic, social and environmental impacts have never been properly analysed.

- The Presidency should ensure that transport ministers and the Commission give up their reluctance to implement the **Strategic Environmental Assessment** on the existing TEN-T and TINA networks. SEA should apply to all TENs and TINA corridors, at EU level, and should be coordinated on a European level, rather than by Member States.

- Ireland should ensure that the **Eurovignette Directive** revision allows Member States to levy comprehensive road pricing for heavy goods vehicles, covering all external costs. The Commission proposal is effectively an infrastructure funding tool, which goes against the well-established and socially just polluter and user pays principles. The proposal requires small but fundamental changes for it to be acceptable.

- The Irish Presidency needs to pressure the Commission to take a more active role in **integrating** its work on transport and environment.

- Ireland should ensure **decoupling** transport and economic growth remains a key community principle.

- Ireland should co-operate with the Commission to ensure that actions on **urban transport** identified in the Common Transport Policy White Paper are developed into legislative standards. It should therefore support developments in the 6th Environment Action Plan towards a thematic strategy on the urban environment, which are to include specific and quantitative environmental targets for transport.

- The Irish Presidency should promote **investment in sustainability**. It is thus welcome that the Taoiseach will attend a civil society conference in Dublin early in the Presidency on exactly this topic, at which transport will be a key area discussed.

Most important dossiers in the first half of 2004

Here T&E lists the most important dossiers foreseen for the transport field in the first half of 2004. In some cases a brief introduction is necessary, in others the recommendations stand alone. T&E provides more detailed information on all of these dossiers in its published works, available at <http://www.t-e.nu>.

Infrastructure Charging

The European Commission announced a framework directive on transport infrastructure charging in the CTP White Paper. Such a directive was to provide the legal basis for a charging system of European transport infrastructure that applies the user and polluter pays principle. The European Commission presented the Green Paper, *Towards Fair and Efficient Pricing* as early as 1995 and in 1998 it produced the White Paper, *Fair Payment for Infrastructure Use*. In 1999, a high level group on infrastructure charging developed charging principles and cost categories to be considered as part of a fair and efficient pricing system.

Unfortunately, despite strong commitments, the framework directive has still not been proposed. In fact, the Commission has reneged on its commitments and has now stopped work on the directive altogether.

The only work on infrastructure pricing the Commission carried out in 2003 was a revision of the Eurovignette Directive. While far from the promised framework, it nevertheless offers a chance to move at least road haulage in the right direction, making the cost of using roads more closely reflect the real costs to society.

There is much resting on the Eurovignette Directive. A directive striving for true costs on the basis of sound economics could set in motion a series of incentives that could gradually make Europe's goods transport much less damaging, much more efficient and much more sustainable. Unfortunately, the Commission's draft revision will do very little to help and could well exacerbate the problems that led to pressure for the current Eurovignette Directive to be revised.

For almost 10 years, T&E has been promoting a pricing system which reflects the real costs, abolishes intermodal distortions and is, hence, fair for the user. These principles have been accepted by the Commission and by Europe's political leaders; but ignored in the Eurovignette proposal, which is more of an infrastructure funding proposal than one to ensure fair payment for infrastructure use.

How the Irish Presidency can succeed in this area:

- Maintain pressure on the Commission for a **communication for stakeholder consultation**, as planned for 2003, followed by the promised framework directive on transport infrastructure charging.
- The Commission's **Eurovignette** directive revision needs a number of small but significant changes. The

Irish Presidency should ensure that the revision fully respects the polluter pays principle and includes the following changes:

- **No earmarking of revenues:** member-states should be able to make their own decisions about how to use money from the Eurovignette.

- **No restrictions with regards to network:** member-states should be allowed to charge for use of the entire network, not just the TENs.

- **All external costs can be charged:** member-states should be allowed to charge for environmental and external costs if they see fit.

More information on T&E's position on the Eurovignette at www.t-e.nu

Enlargement

How the Irish Presidency can succeed in this area:

- We urge the Irish Presidency to apply serious consideration to articles 2, 6 and 95(4) of the **Treaty** and to ensure that these are fully respected in the accession countries.

- The Presidency should put pressure on the **European Investment Bank** to apply the EU's Sustainable Development Strategy in its lending requirements. In practice, this means the EIB must insist on a solid SEA in all cases, including funding the TENs. It also needs to ensure that funds are primarily used for maintaining and upgrading existing infrastructure rather than for new large-scale infrastructure projects. This is crucial, as environmental legislation, especially related to environmental assessment of transport projects, is often poorly implemented in the Accession Countries.

- Transport in the Accession Countries is becoming increasingly similar to the EU, with high, growing levels of passenger and freight transport. The Irish Presidency should take active steps to **prevent further increases in traffic**, by focusing on policies that calm rather than facilitate more transport.

Urban transport

Urban transport problems are burning environmental and social issues for the three quarters of Europeans living in cities, as Eurobarometer surveys consistently show.

The 6th Environment Action Programme requires development of a thematic strategy on the urban environment which includes transport. The Commission is presently preparing this strategy, with a view to holding comprehensive stakeholder discussions in the course of the Irish Presidency. We encourage the presidency to follow developments with interest and are happy that the Irish government has listed result-oriented implementation of policies in urban areas as one of its top priorities for transport.

Also, Euro V standards for cars are likely to be agreed under the Irish presidency, and Euro VI standards for lorries may also be agreed. Ireland should ensure the highest standards for protecting human health, especially from emissions of ultra-fine particulate matter.

How the Irish Presidency can succeed in this area:

- Ensure that the **thematic strategy on the urban environment** under the 6th EAP contains strong commitments on urban transport; bearing in mind the need for environmental targets for the transport sector.
- Ensure **stringent Euro V standards**, particularly limiting the amount of particulate matter from cars, both petrol and diesel.

Revision of TEN-T Guidelines

All transport infrastructure must comply with the provisions of the Treaty of Nice especially Articles 2 and 6 (commitments to sustainable development and integration of the environment into other policy areas).

The Commission's TEN-T Guidelines revision, proposed on 1 October 2003, lists 29 priority schemes which are due to cost €220 billion, but which have not undergone decent analysis and seem to be driven by misguided thinking, namely that transport infrastructure growth will automatically ensure economic growth. There is expert consensus that this is a fallacy, yet it persists at policy level. We hope the Irish Presidency will not also be drawn into believing this tired myth.

The European Parliament's 2002 first reading of a previous revision stressed the importance of strategic environmental assessment (SEA). We urge the Irish presidency to ensure Parliament's comments are fully taken into account.

It is welcome that the Irish Presidency intends to focus on promoting a modal shift to rail and sea in the TENs revision. Nevertheless, we urge the Presidency to ensure that any infrastructure project which Europe is to support has undergone a thorough analysis before it is proposed and that it provides real added value to local communities, rather than to the European interests of large building companies.

In particular, the Presidency should pay more attention to article 7 of the present TEN Regulation, which the proposed revision does not seek to change. This requires projects financed by the community to comply with general community law and policy, *inter alia* environmental protection. Thus, projects should in theory have to stop if they breach environmental legislation such as the habitats directive.

In addition to the TEN-T revision, the Irish Presidency will be faced with the aftermath of the Commission's Quick-start report. Early in its Presidency, the Italian government released its 'European Growth Initiative'. The Commission, under the direct supervision of President Prodi, then developed the 'Quick-start Report', which is the Commission's advice to the EU on the basis of the Italian and other inputs. Quick-start includes a list of infrastructure projects drawn from the TENs guidelines revision which need a 'quick start'. This envisions using €38 billion of the total €60 billion available under this programme, for infrastructure projects alone. Yet the projects in 'Quick-start' suffer from the same problems that the TENs face. The Commission's Report cannot be supported and the Irish Presidency should make this clear.

How the Irish Presidency can succeed in this area:

- **Stop the TENs guidelines review** until it has examined all projects carefully. Europe needs well-thought out infrastructure - if it needs any at all - not a wish-list.
- Take a **precautionary approach** to the TENs by making sure funding for TEN-T does not become a priority in itself, disregarding other policy options.

Maritime transport

Ships do have environmental advantages over other transport modes, but cannot claim to be environmentally friendly as long as there are no incentives to reduce emissions to air, or sanctions to prevent pollution offences.

Emissions from land-based sources have gone down, and are expected to continue to do so, while those from shipping are showing a steady rise. By 2010, under national emissions ceilings directive commitments, emissions of sulphur and nitrogen oxides from shipping will approach the same levels as the EU total from land-based sources.

Shipping will thus contribute increasingly to damage to health and the environment from air pollution unless action is taken. In order to achieve agreed EU aims for environmental quality, measures leading to a marked decrease in the emissions from shipping will be a clear necessity.

Global action under the International Maritime Organisation has so far yielded few results on emission to air. Moves will be needed at both national and European level to reduce emissions within a reasonable time, as well as to put pressure on the global negotiating machinery. The first step must be to ensure legally binding EU rules to set minimum fuel and/or emission standards. Further, economic instruments, such as differentiated charges, will also be needed to bring about sufficiently large reductions more quickly.

In addition, more instruments to reduce all forms of marine pollution are necessary. One example would be sanctions for pollution offences by operational and accidental discharges.

How the Irish Presidency can succeed in this area:

- Work towards a Council position on the strategy on **air pollution from sea-going ships** which results in EU action and international leadership for the development of cleaner and more environmentally sustainable shipping.
- Ensure that the legislative passage of the Commission's proposal to **revise directive 1999/32/EC** establishes the strictest possible limits for the sulphur content of marine bunker fuels, in line with the developing will of the European Parliament.
- Provide political leadership on **environmentally differentiated market-based instruments** for shipping in EU waters.
- Ensure that an **effective systems of sanctions** for marine pollution offences is introduced to protect EU waters from operational and accidental discharges.

Aviation

Aviation is one of the fastest growing sources of environmental damage. Aeroplanes' environmental impact per kilometre have been reduced significantly over the past few decades, but strong aviation growth has meant that aviation emissions continue to grow, despite the technical improvements.

The International Civil Aviation Organisation (ICAO) is important for developing new standards and fostering technical progress. However, impetus for growth has slowed in recent years and divergent interest in ICAO are an obstacle to further progress. EU member states and accession countries must therefore play a leading role inside ICAO and introduce complementary policy instruments in Europe. For example, introduce a European aviation emission charge.

How the Irish Presidency can succeed in this area:

- The negotiations for the **Open Skies agreement** offer the Presidency a unique chance to ensure integration of environmental aspects into aviation.

Other important issues

- The Commission's proposed legislation on **tunnel safety** will complete its legislative passage during the Irish Presidency. Ireland should ensure that it contains strong requirements for equipping tunnels and trucks (built-in safety features) and a limit on the number of trucks passing through a tunnel at any given moment.

- Ireland should take the opportunity offered by the changes in 2004 and encourage the Commission to begin developing a set of **social indicators** for the transport sector, along the model of the EEA's environmental indicators, and taking the results of the Commission's own *Matisse* project into account. Given the Union's commitment to sustainability this is a logical development.

- The Presidency may oversee the final discussions on the new **EU Constitution**. If this happens, Ireland must ensure that democracy and good governance are key elements. Also, the Presidency should encourage the Commission to follow up implementation of EU law.

- It is encouraging that the Irish Presidency will look at **alternative fuels** as part of developing sustainable and energy efficient transport. We urge the Irish

government to retain an open but sceptical mind on new technologies, particularly Hydrogen. Although they appear to have great potential, caution is needed: their development should not lead to new problems. In order for Hydrogen to be part of a sustainable transport future, all dimensions of sustainability have to be addressed – society, environment and economy. In other words, whether Hydrogen will help to bring about sustainability depends upon a (transport) political framework that fully integrates social, environmental and economic concerns. The precondition for establishing such a sustainable political framework is an assessment of the total impact of hydrogen on road transport. The Irish presidency needs to encourage the Commission to investigate these issues.

- The **integration process** is crucial in moving transport towards sustainability. The Irish presidency should ensure that the environmental integration process remains relevant and vibrant when it is evaluated in Spring.

- The Commission put forward an amended proposal on **public service requirements in awarding public transport contracts** (COM(2002)107) in February 2002. The regulation has been on the cards for three years now, having originally been proposed in mid-2000. It is an opportunity to raise social and environmental standards in public transport across Europe; while allowing individual competent authorities to set more stringent standards than the minimum. It is time this regulation is adopted. The European Court's decision in the so-called Altmark case has made it even more important that Ireland now take the initiative and ensure that the legislative process (re)starts during its presidency.

Learning from past mistakes: A brief evaluation of the Italian Presidency

The Italian Presidency did little on transport and failed overall to promote sustainable transport in Europe.

Its greatest weakness was the 'European Growth Initiative', which strongly influenced what became the Commission's Quick-start report, an environmentally, socially and economically dubious piece of work.

About this paper: "Sustainable development" needs to be the keyword for European transport policy. This means that it should aim to be socially just, economically efficient and environmentally sound. With this memorandum, T&E has attempted to tackle some of the most important current issues in transport and environment, and to point to where the Irish Presidency can make a difference. This includes a series of concrete recommendations which together provide a coherent vision for a sustainable European transport policy.

About T&E: The European Federation for Transport and Environment is Europe's principal non-governmental organisation campaigning on a Europe-wide level for an environmentally responsible approach to transport. The Federation was founded in 1989 as a European umbrella for organisations working in this field. At present, T&E has some 40 member organisations covering 20 countries. The members are mostly national organisations, including public transport user groups, environmental organisations, and environmental transport associations. T&E closely monitors developments in European transport policy and submits responses on all major papers and proposals from the European Commission. T&E frequently publishes reports on important issues in the field of transport and the environment, and also carries out research projects. More information about T&E can be found on the web-site: <http://www.t-e.nu>. Address: Boulevard de Waterloo, 34, 1000 Brussels, Belgium. Tel: +32.(0).2.502.9909, or e-mail info@t-e.nu.