

INFORMATION

TRANSPORT

COMMUNITY TRANSPORT POLICY - AND WHY ?

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New modes of transport and the expansion in world trade are opening up prospects for transport which, by the year 2000 A.D. may seem to us akin to fiction.

The transport industry is already the most visible of human activities. It plays an essential part in speeding communication between individuals, and making goods from one region available in another. It is growing faster than the rest of the economic system which it is carrying with it in its expansion. In industrial countries it represents some 10 % of national incomes. At the rate of expansion which can now be foreseen, it is likely to become more important than any other industry in the world.

The cost of transport, which the user has to pay, has been continuously growing smaller through the years. In sea transport, for example, the bigger tonnage of ships, quicker handling in port and the use of containers have so combined to produce a shrinkage in maritime distance (measured in terms of cost) that merchandise from the most distant countries can now come within our reach. Even goods which were long considered too low in value for their weight, to enter into long-distance trade (cement is an example) now figure among the international exchanges.

With so many encouraging factors it might be thought that all we need do in the future is allow this movement to develop for, after all, it is to further progress that it is leading us. The reality is quite different; for this might lead to difficult problems for the world as a whole; for while the cost of transport recorded on the invoice, the so-called "private cost" is indeed declining, the invoice makes no mention of the "social cost" in terms of general inconveniences and nuisances which may well increase and become unbearable. The social cost of transport has to be borne by society. It takes the form of bottlenecks in city streets, pollution by exhaust gases, death on the roads every weekend, uninhabitable zones around airports, damage by supersonic bangs, hours wasted by long commuting journeys, trains either over-filled or running empty, and in many other such ways.

Everything now suggests that transport, because of the very speed of its own expansion, is now escaping from the mastery of man, is feeding on itself and becoming a menace to human existence.

The impact of transport on the progress of society as we know it, is such that no government leaves it to private initiative to establish its structure and organise its operation.

Nobody disputes the right of public authorities to direct the transport system in such a way as to defend the collective interests of the people, which lie outside the conception and the responsibility of private enterprise.

National governments are therefore brought into the picture to decide the lay-out of communication systems by rail, canal, road and airline. It is in large measure upon them that the cost of its construction and maintenance must fall; and they therefore have the right to regulate its use and the terms on which it may operate.

The State, indeed, intervenes by limitations placed on access to the profession of carrier. It lays down rules for road safety. It determines the obligations of transport undertakings in providing a public service. They scrutinise fares and freight rates to adjust the conditions of competition between various forms of transport. All these interventions by public authority reflect underlying conditions in each individual country, and thus constitute the national transport policies. The usefulness of these is not contested. The surprising thing would be, if the same did not apply to the Community, or that there were no recognition of a European interest in safeguarding a definite Community transport organisation.

Though a common transport policy has its place among the objectives of economic union defined in the European Treaties, the principles have been only slightly carried into practice.

National networks without inter-connection

National policies have been worked out to deal with national characteristics and the discrepancies between them are many. Their first and most striking manifestation is in the way the networks are laid out.

Roads, railways and canals at the Community's disposal are such that the individual countries have made them; and they did so in the fear, alike, of the competition of foreign goods and the invasion of foreign armies. Their orientation is internal, converging on capital cities, less amply spread to serve the frontier regions.

Yet it is this network, made up of adjacent national fragments, which must serve for the cross-frontier trade in the European Community. This trade has grown six-fold in 10 years and it is continuously increasing.

It must be the task of the Community to create the links which now lack between the national networks; and also to avoid any repetition of the mistakes of national fragmentation when it comes to setting up the new modes of transport in the future. The latter, at least, must be decided upon and constructed as a joint affair, taking account of the interests of the Community as such.

Regulation of transport capacity

Whereas manufacturing industries can put their products in stock until they are sold, the service offered by transport is perishable if it is not sold at once. All unused transport capacity, such as that of a train which runs half-empty, has definitely and finally gone to waste. There is therefore a special interest in keeping a consistent balance between transport capacity and the requirements of users. Governments have found a solution to this difficulty by limiting access to the profession of carrier, so as to keep under control the total transport capacity existing on the national territory. In order to set up in this business, the applicant is required to apply for a carrier's licence, valid for a specific tonnage on the national territory. For cross-frontier transport, the governments grant facilities on a licence-for-licence basis; but this system of licensing, which

may be all very well in bi-lateral trade, is ill adapted to the problems of six nations in the Common Market.

A German carrier, for example, who holds a permit for a French-German journey, might have to refuse a return load if the route would lie through Belgium, unless he also possesses Franco-Belgian and Belgo-German permits. In present conditions, this is virtually a prohibition of the practice of plying for road freights.

The Community has succeeded in creating Community licences, permitting the carriage of goods among all Six countries. The number of these, however, is limited to 1200 which are assigned in specific proportions to each country and allocated by the national authorities. They cover only about 15 % of the intra-Community trade, the remainder of which is still subject to the system of bi-lateral quotas. It is not easy to see why the Community licences should still be the exception rather than the rule; or why their actual issue to carriers should not be handled by a Community body.

Size and weight limits for vehicles

With the rapid expansion in road haulage, governments have had to put their own limits on the weight and size of lorries. Each has laid down whatever limits appeared best suited to its own road network and to the interest of the builders of particular types of lorry. The Community therefore found itself with a German regulation which limited the weight-per-axle to 10 tons and a French one which permitted 13 tons. The result was, that French road trucks could not find a buyer in Germany; and when they went on the German roads they could not run fully loaded. Another result was that the German road convoys, designed to conform to the national limit on the axle-weight, were kept off the French roads because they did not come within the length and dimension limits. This is a clear example of the way the regulations, however satisfactory from the national standpoint, were obstacles to trade across the Community frontiers.

The Commission's proposal to overcome this difficulty was the compromise limiting the axle-weight for road vehicles to 11.5 tons.

Transport as a public service

The State, as owner of the road, rail and canal infrastructure only allows the carriers to use it in exchange for their acceptance of various responsibilities to the public in the form of reduced or "support" fares and freights.

Some of the classes which benefit from this are the carriage of printed matter (for cultural reasons), the carriage of suburban dwellers (to alleviate urban concentration) and transport in specified regions, or for specified industries (to offset declining activity or to promote expansion). The State also intervenes to adjust competitive conditions between the railway and the road; or between railway companies which own their own infrastructure and provide their own finance for its maintenance and development, against the truck transport which uses a road network which does not belong to it. In each of the countries a balance is being more or less established between the subsidised railways and the taxed road carriers.

The result of all this manipulation, however justified it may be, is that the price paid for transport is only distantly connected with the cost of operation; and the user knows practically nothing about the various elements which enter into

the price formation. It is thus virtually impossible to draw a comparison between two prices for transport inside the Community.

In this field the projects of the Commission consist in restoring the "transparency of prices" which will enable users to make whatever comparisons are relevant.

In short, the Commission proposal is that the price of transport should be settled in accordance with the cost of using the infrastructure.

For the roads, the cost of writing-off the construction and maintenance expenditure should be borne by road users, in proportion to the damage caused by their passage in terms of frequency, weight and speed.

For the railways, which are both owners and users of the infrastructure, fares and freights should be established on the basis of operating costs, with the State aid necessary for redeeming the past, the repayment of old borrowing, and subsidies for additional charges imposed for social reasons.

Obligations resulting from the status of public service should be precisely compensated by equivalent subsidies clearly shown in the operating accounts.

In order to bring about this revolution, the companies should provide their own independent management and make profits to reward their capital and re-pay borrowings contracted for the maintenance and development of the network. State intervention would only be for the purpose of defining programmes and verifying their execution.

The aim is not a unification of transport prices. It may even be expected that diversification will increase, since the cost of using the infrastructure (for example) will be subject to local influences as a result of climate, topography and hydrography. If cost were the only basis, a higher transport price would be payable in mountain country than for urban transport. In both cases intervention will be necessary. In mountain country transport will require aid for regional development purposes; and for urban transport, the cost to be offset would be the "congestion cost" covering the loss of time, use of material and fuel consumption in road bottlenecks.

The aim of the reform is to fix a common basis, starting from the cost of using the infrastructure and from which it would be possible to work out tariff differentials to take account of other cost elements, but always with a "transparent" structure which would make the matter clear to users.

If this result is finally obtained, the prices which are now subject to regulation, could be liberated. They will in this case hold their own levels within the limits imposed by competition, without it being necessary to fix arbitrary upper and lower limits, the observance of which is difficult to verify.

The transport of the future

We are now beginning to foreshadow the transport systems of the future. It is clear enough that they will greatly accelerate communications between people and the movement of goods; but at the same time they will be a threat to human life through the nuisances which seem so inevitably attached to them.

The aircraft, which will soon be carrying us 2,000 kilometres in an hour, will create big uninhabitable zones around the airports. The vestiges of our past will disappear stone by stone, under the impact of the supersonic bangs of tomorrow. The

road will soon be killing more people than cancer.

Can it be possible that the nuisances of transport will reach the point of blocking our progress and even carrying us backwards? Even now our movement across town is slower than it was in the days of horse cabs.

It may be that technical progress will bring the solutions which we cannot yet foresee. In this new field, however, research and experiment must be made in common. It is no longer a question of safeguarding national interests, but simply of defending the interest of humanity.

It is a matter of deciding whether we shall escape from a form of slavery imposed upon us by the anarchical development of transport, which is already forcing us to accept uncivilised conditions in our lives. The experience of past years has shown that common policies come to the surface of their own accord, when the common problem becomes more important than the national problem. It seems, indeed, that this condition does not yet prevail, so far as transport is concerned. Perhaps there will always be differences between the methods of transport operation dividing the countries which are members of the Community; but we all are now facing the same fears about the structural developments of the future. The moment has indisputably come when the transport structures of the future are becoming a problem which must be tackled jointly.