

## Speech on Year of Multimodality, 24 January 2018

Thanks a lot for the invitation to kick off this important event. My apologies from Commissioner Violetta Bulc, who has asked me to represent her here tonight. Thanks also to Ertico, Maas Alliance and the IRU for all their consistent support for what we are trying to achieve in transport and mobility policy, and all the ideas which are absolutely crucial. I am delighted to have the chance to set out our thinking on multimodality, and I shall try to at least touch on every aspect to make Claire Depre's task impossible in the panel which follows.

So why did Commissioner Bulc decide to designate 2018 as Year of Multimodality ? In essence to draw attention to the opportunity that multimodality presents, and to the problems we face in bringing that about.

It's the right moment to be thinking about this issue. Let's begin by stepping back to look at the bigger picture. Our public resources both at the European level and in the Member States have never been tighter. We are all being asked daily to do much much more with much much less.

At the same time, while the public is increasingly bitter about the failures of existing physical infrastructure, there is resistance to the costs and hassle of re-building it. That same, sometimes crumbling, infrastructure is also expected to provide both greater safety, and the resilience and flexibility to deal with new threats such as security and the pressures of a changing climate.

The public indeed wants action on climate change and air quality, including in transport, responsible for a quarter of climate emissions (and growing). They expect much more user centric mobility services. They care about quality of their life, their health, in particular in

cities. Indeed big majority of Europeans – 72% – live in urban areas already and this percentage is expected to rise considerably by 2050. The impact of urbanisation affects profoundly the way people move; the way goods and products reach their final consumers.

But many of them also want to stay in their cars, even knowing the consequences for congestion as well as climate and air quality.

How does multimodality start to address these challenges ?

- firstly to drive sustainable mobility (because multimodality is the economically rational approach way of finding real alternatives to the sole use of the car, plane or truck and ensuring the right place for rail, inland waterways, short sea shipping and indeed the bicycle);

- secondly to ensure economic strength and efficiency - combining the different modes to ensure the best, fastest, cheapest option, expanding logistics chains and using our stretched infrastructure to best possible effect). The different modes, after all, bring different characteristics and strengths, e.g., for different lengths of journey, relating to cost, speed, capacity, comfort, flexibility, safety, reliability, end to end control and of course sustainability. Multimodality means thinking about transport and mobility as an integrated system.

Ensuring a strong and resilient transport system, with plenty of redundancy built in, is going to be crucial to face up to the societal challenges we face. And the military community too, is waking up to the importance of ensuring multimodal options for our future European defence strategy; and

- thirdly let's not forget social inclusivity – last mile passenger solutions mean that the young, the old, the disabled, those

living in remote countryside must not be excluded from the surge in mobility - Europe's new hobby - or from the whole concept of mobility as a service.

For multimodality to be fully effective, and to benefit from it, we we must rely on one key, new element: the digitalisation of our societies, and of the transport system. Data has become the new fuel of transport in so many ways:

- data enables us to monitor and connect up our physical infrastructure better; indeed to manage it more intelligently.
- Mobility patterns that flow from data should offer us better mobility solutions, complementing a high-quality public transport system with car sharing, ridesharing and on-demand passenger transport services. Yes, we need always to recall the impact, including the social impact, on traditional services but the focus is shifting from a transport perspective to a service perspective based on rapid technological innovation and disruptive business models.
- Better use of data will help the transport system become more user and passenger centric, more seamless, more open to innovation, more secure, more shared, safer. It will drive better occupancy / yield rates, reducing energy consumption, pollution, congestions and cost.

I could go on, but I won't. I hope it is clear to all of us that we should multimobility to surf the data revolution, to integrate our transport system better and quite simply to offer new ways of getting people and goods to where they want, where they need, to go.

So if multimodality is so pregnant with possibility, what's the problem, why does it need promoting ? Indeed, perhaps this is the real raison d'etre of the Year of Multimodality: to ask why

multimodality has not yet truly arrived and how we can facilitate it. So let me take a look at just some of the obstacles in more detail, and how the Commission is proposing to address some of them.

First, this brave new world assumes that each non-road mode is as operational and efficient as it could be. Unfortunately that is not yet the case.

Yes, there should be a level playing field. Was there ever anyone AGAINST a level playing field? By which here I mean both the true internalisation of external costs and a more harmonised framework for emission accounting.

And yes we should be ready to look hard at the missing links where there are market failures in particular, what we can do to enable connection between modes, to help drive multi modal platforms and transshipment nodes and so on.

We are doing all we can to push rail in particular into a better situation, but Commissioner Bulc has been very very clear in her warnings that rail freight must start to pull its own weight. Modal shift won't happen just because policy makers say it should, or even if we put all our efforts into making it happen. Our track network is a huge asset, built painstakingly mostly by previous generations and often painfully under-utilised. Modal shift will only truly happen when the low carbon modes take the necessary actions to become more competitive and – once again, on rail - all players pull together in the same direction to address the real barriers to making progress.

On the internalisation of external costs: we will be soon publishing an interesting analysis of the burden of taxation and charges on transport, and over the course of this year, different elements of a much bigger study on sustainable transport infrastructure charging and internalising of costs. Taken together I think these reports – let

me be cautious because this is a huge subject – will start to shed some important light on the situation, and help us get past the sometimes polemical debate about vested interests. I know facts are rather unfashionable but at least in the Commission, we are still keen on them!

Some of the solutions indeed lie more directly within the grasp of public policy makers.

So let me turn to my second obstacle to multimodality: the lack of connectivity and of interoperability – between countries, between modes, or simply between different actors. This continues to plague us, and in my view provides the best and simplest explanation of the continuing love affair with cars and the road. Why take a chance with a wonky supply chain if you can keep control all the way from A to B? Action to deliver interoperability of course means an alphabet soup, but whether it is in ERTMS, TAP/TAF, RIS, C-ITS, or the ETSW, we shall continue to preach the gospel of interoperability in the making of technical standards and throughout the transport chain.

Others obstacles to multimodal transport include the number of stakeholders, the administrative burden, the paper work, and additional costs.

To address these obstacles, we **first** need to embrace digitalisation as the solution and to build a supporting digital transport layer.

Poorly coordinated information flows on multimodal transport options remain a big problem. Without better departure and arrival precision, better tracking, logistics planners will continue to put goods into trucks, and passengers will continue to jump into their cars. To tackle the red tape problem, the Commission is planning the "e-docs" initiative later this year, and in particular to require public authorities to accept electronic documents both in legal terms and in

practical terms. We are also looking at steps to modernise the whole process through a European maritime single window concept;

On the passenger side, we want to implement the new specifications – agreed just year – for multimodal travel planning and information (which I am sure Claire will want to say more about). But we will also look more widely at the remaining challenges for EU-wide ticketing and payment systems which will be useful for the concrete deployment of the concept of Mobility as a Service at the European level. We will develop multimodal passenger rights to provide more legal protection for passengers travelling with a single contract of carriage in case of disruption

Secondly, whilst the data infrastructure is all the rage, Commissioner Bulc is pushing every day, notably in the CEF2, to give priority to developing the necessary **physical** transport infrastructure bridging missing links between sustainable modes. We need ports with rail and inland waterway connections as well as roads. Indeed the market is driving that: the port of Rotterdam sometimes imposes multimodal quotas to deal with road congestion in and out of the port. In the TEN-T, we need airports, bus, coach and railway stations with both bike and car parking facilities. We need airports with rail connections. Motorways of the Sea. Rail Freight Corridors. We need light rail, an unbeatable option in terms of cost / capacity, and which we can and must integrate into urban mobility. And we are ready to put focused funding and financing solutions into place to help accelerate multimodality. If the TEN-T did not already exist, yes, I would be proposing that, too.

Thirdly, we need to reset economic incentives without causing market distortions. Many of you will be aware of what we have proposed just in the last few months to clarify the definition of

Combined Transport and the eligibility conditions for support measures, to simplify compliance and enforcement, and to invest in transshipment terminals. Businesses can and are making money out of the use of different transport modes to be more efficient and more sustainable at the same time, and we are determined to encourage that.

And finally, we are committed to innovation, both now and in the future. The case for continuing our Joint Undertakings on aviation and rail is being resoundingly made by industry and interestingly by the way for a new public private partnership to channel research money into autonomous transport. We are committed to support transport research, including into multimodality, through Horizon 2020 and FP9, in the next Multiannual Financial Framework or as everyone knows it and loves it, the new MFF. For example, the 2018-19 H2020 work programme foresees at least 90 million euros for R & D projects in multimodal transport, often with a clear urban / smart mobility focus.

So: yes, there is a great opportunity inherent in the concept of multimodality; yes, there are problems with getting to multimodal nirvana, but we are keen to propose and encourage solutions where we can.

What's the missing ingredient ?

Communication, of course. Commissioner Bulc intends to use this year, as she has for previous aviation, rail and maritime years, to bring some necessary publicity to the problem and the necessary actions.

For example, the combined transport operators UIRR are organising an exhibition at the Parliament on 30 January, to be followed by a debate organised by the European Logistics Platform.

We are also delighted that the Bulgarian Presidency is embracing, with both hands, the concept of multimodality with a high level ministerial conference in Sofia on 20 March. The focus here will be on freight multimodality with sessions on both the wider European perspective as well as on the Western Balkans, and the need for stronger rail / port linkages. Indeed, it is worth noting that the CEF blending call in 2017 picked up a multimodal project in Sofia and hopefully there will be more where that came from.

The TRA conference in April in Vienna is riding the digital wave, but with multimodality as a very strong sub theme. The TEN-T days in Ljubljana later that month will have dedicated sessions on both multimodality and digitalisation, and there is the conference on sustainable urban mobility planning planned in Nicosia in May. And all of that just in the first half of this year.

Let me just finish by pointing out that this is all truly exciting to transport nerd bureaucrats like me. Why ? Because multimodality might not be the end point, but just a stepping stone on the way to the future, to some sort of hypermodality. As they say, we are on a journey.

Containerisation transformed international freight transport, changed the way ports operated, created new possibilities for regional transport. The digital layer, with the simultaneous application of Big Data, artificial intelligence, the march to autonomy and what I would like to call "modal imagination" has disrupted, sometimes destroyed, traditional business models. Schumpeter would be quivering with excitement at what Uber has done to the price of a New York taxi medallion, tho I am glad I am not amongst those who bought at over a million dollars with the price now below \$200,000.



So in the future, it may not just be a question of competing to survive, but *connecting* to survive. New partners are thrown together. Maersk and IBM. DFS and Deutsche Telecom. Daimler are working with drone providers for the last mile delivery. And yes, rail companies will have to partner with trucking companies to offer attractive packages to shipping companies.

Multimodality is clearly part of the future for transport, but things are moving so quickly. We should not wait. We should work together to put multimodality where it should be – at the integrated and beating heart of our transport system.

Let me stop there. I hope I have convinced you that the Year of Multimodality is worth investing in ! Thanks very much.

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