



UNION INTERNATIONALE DES CHEMINS DE FER
INTERNATIONALER EISENBAHNVERBAND
INTERNATIONAL UNION OF RAILWAYS

Press release nr. 198 – Brussels/Paris, 6 October 2004

The new INFRAS / IWW study on the environmental impact of transport presented in Brussels

"External costs" connected with accidents and environmental damage rose by over 12 % between 1995 and 2000 and now account for roughly 7.3 % of the GDP in Europe. Over 80 % of these costs are due to road transport, 1,9 to rail

Action must be taken urgently to stem the tide and guide demand towards the most environmentally friendly modes, and the rail mode in particular.

The study on the external costs of transport – a up-date, commissioned by the UIC (International union of railways) and the CER (Community of European railway and infrastructure companies) to two independent institutes, INFRAS (Zurich) and IWW (University of Karlsruhe) was presented in Brussels on Wednesday, 6 October at a debate on European Union transport policy organised by the CER attended by representatives from the European Parliament, the European Commission and the media.

The study is an up-date of the initial study carried out to assess *the external costs of transport* carried out by the same two institutes in 2000 on the basis of reference data for 1995. It was the first large-scale, in-depth study of the effect of transport activities for all modes in terms of accidents, environmental damage and congestion encompassing a group of 17 countries in Europe – the EU countries plus Switzerland and Norway. The study culminated in quantification of these costs, in other words the external costs, borne by the community at large (taxpayers) instead of being integrated in the price users pay for transport. This initial study was recognised as a reliable analysis and contributed substantially to the European debate on transport and mobility policy.

The up-dated study completed by the INFRAS et IWW institutes in 2004 focuses on the same countries and on all transport modes. It has provided an opportunity to refine the methodology for the study, while at the same time taking great care to adopt a similar approach so that the findings will be comparable with the results of the previous study. The study also contains references to new research projects on external costs such as UNITE and ExternE. The databases used have been enhanced since the first study, particularly those containing data on traffic volumes and emissions in the transport sectors.

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A continuous rise in the external costs of transport

Between 1995 and 2000, the *total external costs* of accidents, environmental damage and congestion rose by over 12 %. In 2000, the total external costs for all modes combined, excluding congestion, amounted to some *650 billion euro*, or *7.3 % of the GDP in Europe*, compared with 530 billion for 1995, hence a rapid increase in the burden weighing on Europe's economies and society at large. The direct causes of this increase are firstly the growth in the volume of traffic, especially in road and air transport, as well as the increase in the costs of air pollution, especially for road transport.

Road transport alone accounts for 83.7 % of external costs, followed by *air transport* with 14 %. The *rail* mode is responsible for only 1.9 % of these costs, and *waterways*, 0.4 %. Two-thirds of the overall costs stem from passenger transport and one third from freight transport.

Average costs in the form of values for external costs for a journey comparable to 1,000 passenger-kilometres (passenger traffic) and 1,000 tonne-kilometres (freight traffic) provide a more precise picture of the proportions relating to each mode. These indicators especially highlight rail transport's advantage over rival modes. In passenger transport, the external costs of the rail mode are 3.3 times lower than those of road transport, and in 4 times lower the freight transport sector.

Immediate action is needed to eliminate distortions and restore a proper balance on the transport market

The high degree of external environmental costs of road and air transport creates substantial distortions on the transport market (by definition, these costs are not borne by the people responsible for them under the "polluter pays" principle, but by the community as a whole). In this context, it is urgent to take action and to apply genuine internalisation policies designed to convey strong messages to the market and especially to encourage a larger proportion of transport demand to shift to more environmentally friendly modes, and to the rail mode first and foremost.

To be effective, internalisation policies can now make use of a combination of instruments, namely distance-based road taxes, fuel taxes and hence pollution-based measures, an infrastructure charging system recognising the advantages of the rail mode, stricter enforcement of compliance with technical and social regulations (particularly on the roads), supporting measures for certain environmentally friendly transport modes (combined transport), technical and operating measures to improve safety in all modes (transport management systems, etc.).

One internalisation instrument consists of greater recognition by public authorities and funding institutions of the environmental impact of transport projects. This should take the form of easier access to funding for modernisation of railways or for carrying out major infrastructure projects.

Modal shifts within the context of an intermodal strategy, can be reached with implementation of multimodal financial funds, financed at least partly, by externality charges from the road sector. As in the Swiss example, this funds secure the necessary financial means for the modernisation of the railway infrastructures.

The brochure *The true costs of Transport - Time to act* sets out the main results INFRAS / IWW Study as well as the key instruments for internalisation of external costs. And can be obtained from UIC and CER.

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