

# Let's stop forgetting the transport of goods under the pretext that parcels don't vote!

Tomorrow's transportation problems will be those of goods rather than passengers.

At a time when all the rhythms of society are accelerating, when we are in the era of "just-in-time", "everything and now", the goods sector remains an unthinkable, at best a box apart from the thoughts on transportation in our country, which is very unregulated and very liberal. Thus, the subject has hardly been addressed during the debates on the two major transportation laws of this five-year period: the new rail pact in 2018 and the mobility orientation law (LOM) in 2019.

The transportation sector accounts for one-third of our greenhouse gas (GHG) emissions, excluding international air travel. It is therefore essential to tackle the problem of decarbonation and better flow regulation head on, as their non-organization is a vector of congestion.

We have reached a serious situation for a country that nevertheless has a railway culture since the modal share of rail freight is only 9% (4% river, 85% trucks), far behind our European neighbors: 18% in Germany, 32% in Austria, 35% in Switzerland and 17% on average in the EU. Yet this mode of transport is the only one whose GHG emissions are decreasing year after year. The fact is there.

Although the European Union has decreed 2021 as the "year of the railways", France is still a country where heavy goods vehicles reign supreme. It has imposed itself everywhere thanks to its intrinsic flexibility and responsiveness, but also thanks to the absence of European regulations (until this year), which has encouraged the development of social dumping to the detriment of both local operators and the growing importance of rail. Finally, it benefits from an immense distortion of competition vis-à-vis river and rail because the client does not pay for the infrastructure (the road) unlike the other two modes, which contributes to their higher prices.

# Building a European low carbon freight strategy

It is on a continental scale that tomorrow's freight transport must be built.

We must massively begin the transition of our port terminals. They must be true intermodal freight transport nodes throughout the continent. Because shipping is a major source of air and water pollution, let's reduce its intracontinental footprint as much as possible by developing rail highways linking our major ports to each other and to all our industrial and agricultural basins. "At present, *more than 80% of pre- and post-port forwarding* [in France] *still relies on road transport (excluding pipelines), while 50% of containerized freight in the Port of Hamburg is transported by rail or river*".<sup>1</sup> This logic must also apply to air freight.

We say it loud and clear: every sea and air terminal must have a rail station, as rail freight is now a shared ambition for both Brussels and Paris. But we need to go beyond posting signs to implement concrete measures: creating rail lines and highways, intermodal hubs, maintaining and upgrading lines, bridges and tunnels, improving services, developing combined transportation, etc. Developing rail freight requires substantial public funding and must become a priority in the implementation of our recovery plans.

Let us adapt the Community regulatory framework to ensure intermodality, inter-connectivity and interoperability throughout the EU and promote the harmonization of technical rules and standards applicable to the sector, deepen the European rail controller system and eliminate the border bottlenecks that today disrupt international freight transport.

<sup>&</sup>lt;sup>1</sup>Rearming our ports in international competition, Senate Information Report, July 2020.

Europe must also review its doctrine: the time of unbridled liberalism has passed. The climate emergency requires the return of public power and the creation of a European public rail service. The four successive rail reforms in Europe have done a great deal of damage in terms of the attractiveness and competitiveness of rail freight, whose share is constantly declining.

In Covid's time, Europe also suspended some of the key provisions of these reforms, such as the obligation for operators to pay a fee for the use of the infrastructure to a separate network manager (rail toll). In France, during containment, with the elimination of passenger trains, the circulation of freight trains has been particularly effective in meeting the needs of the various demand sectors, including agriculture, and demonstrating its resilience. This is why this sector must be supported directly and over the long term, particularly through the use of "pincer" or "single wagon" aids (a company rents one or more wagons that are added to a complete train) to encourage companies to use them. These aids are compatible with State aid as defined by the Commission and used in many European countries.

## Financing the transition and modal shift: eco-contribution

The ecological transition of freight transport will first be achieved through modal shift, which requires rebalancing between modes. What pollutes less must be cheaper for the customer. This is why we want to make heavy goods transport more expensive than rail and river transport.

While the revision of the "Eurovignette" directive, which aims to increase the externalities of road freight, is dragging on in Brussels, we propose to introduce an "eco-tax for heavy goods vehicles" at the national level, which would establish the polluter-pays principle. It would be paid by the client at the origin of the transport after declaration by the carrier, via a system that has existed since the Grenelle de l'Environnement, which gives a cost per ton of CO2. It would also affect European traffic originating or terminating in France. This proposal has been put forward for several years by socialist senators.

We also support the introduction of a European HGV kilometer tax that would replace the existing time-based schemes in order to better assess the real costs incurred for infrastructures.

A significant part of this revenue will have to be used to finance the modal shift and to supplement the investments in quality rail and river infrastructure - a guarantee of their efficiency and effectiveness - in addition to what was described above.

# Putting an end to social dumping for truck drivers

If it is necessary to raise its price, it would be inept to suppress the road transport of goods. Therefore, it must be part of a more ecologically, economically, geographically, and socially balanced strategy.

We cannot accept the continuation of the massive deterioration in the working conditions of HGV drivers and the weakening of French transporters due to unfair and unbridled competition between European countries, which has only resulted in the social jungle we know today and which has unfortunately worked.

Since the EU enlargement in 2004, the European market share of Latvian, Slovenian, Bulgarian, Romanian and Polish transporters has risen sharply, to the detriment of French transporters to such an extent that the cost per km for a French driver is  $\notin 0.5$  where it is only  $\notin 0.15$  for a Polish driver. The exploitation of drivers from the new Member States sometimes seems to be limitless. Some of them sometimes spend more than three months without returning home, forced to sleep in their cabs, including during their rest period. This explains why, at the same time, the share of cabotage - i.e. trips within France made by foreign operators - has increased dramatically.

But the situation will improve thanks to measures adopted in 2020. Indeed, the new posting of workers regime, which will soon apply to large parts of the road sector, will require all workers operating in France to pay a French wage, regardless of their country of origin. A framework for cabotage and decent working conditions for drivers will also be introduced. These measures are the result of a compromise with Eastern European countries. These are real advances, but the work must not stop there. European socialists are pushing for a new reform to strengthen workers' rights and the establishment of a healthy and fair competitive regime in the sector.

### Stop the anarchy of last mile delivery

The health crisis has demonstrated the effectiveness and adaptability of local e-commerce and the now solid anchoring of delivery among the practices of urban dwellers. The mobility of goods is therefore changing rapidly and is in turn shaping the city, for better or for worse: galloping innovation, particularly in *food technology*, dynamic delivery, almost immediate accessibility and availability of all forms of goods, increased nuisance (pollution, noise), increased job insecurity, conflict over the use of roads, and so on. The end of the crisis will create a more or less long period of uncertainty in which institutional and semi-institutional players must seize every opportunity to act.

#### Free delivery does not exist

Today, online sales platforms generate unfair competition by practicing considerable dumping on the costs of delivery of the goods they market, most often at a loss. This is part of the reason why a giant like Amazon generates such low net income as a proportion of its revenues (around 1%). While the law prohibits free delivery, platforms get around the problem by offering it for a few cents. Beyond the constraints of unfair competition for physical businesses, these practices generate non-optimized delivery flows, particularly impacting in terms of GHG emissions and road congestion due to the many vehicle rotations.

We therefore need to define a legal framework that prohibits the delivery rate of a good marketed by an e-commerce company to be lower than its economic cost and to put an end to subscriptions such as *Amazon Prime*. Thus, if a person wishes to be delivered in less than 24 hours, he will have to bear the real cost, much higher than a more optimized route: sea and rail freight instead of air freight, 39-ton trucks instead of small light commercial vehicles (LCVs) that regularly drive half-empty to respond to emergencies, clutter our streets and are often not equipped with tachographs, thus preventing any regulation of the driver's work.

#### We need to review and better plan our urban regulation instruments

We need to create real logistics spaces in our cities to better regulate the flow of orders and deliveries. For these sites to be levers for transformation, proactive political action must be taken by the cities, or by structures in which they are direct shareholders, to combat air pollution, preserve local commerce (which must also be supported in its transformation), combat social insecurity and serve the continuous improvement of the quality of life of the inhabitants.

With the help of urban congestion, it has become profitable for many players to add a step in the delivery chain, causing the demand for suitable logistics space to explode. So much so that a new market for urban logistics real estate has emerged because of the low-risk nature of this type of real estate (rental or transformation for another real estate purpose). And prices are soaring, driven by foreign investors. Thus, China has become the second largest owner of logistics real estate in France with 2,500,000 m<sup>2</sup>, including most of the Garonor platform (developed with public funds 50 years ago and today the logistics gateway to the north of Ile-de-France). But we can also mention Segro (United Kingdom), Prologis and Blackstone (United States) and P3 Logistic Park (GIC, Singaporean sovereign fund).

Moreover, the development of private warehouses such as those of Amazon (often outside the dense zone) aggravates the situation by further anarchizing individual flows and making "courier" workers more and more precarious. Situation perfectly illustrated by Ken Loach in his film *Sorry We Missed You*. In many ways, this problem is similar to that of bicycle delivery workers, which strongly questions our social contract.<sup>2</sup>

#### Conclusion

At a time when China is developing the "New Silk Roads" and investing more than 1,000 billion euros each year3 in the rail links, especially the rail links that connect it to the rest of the world, including Europe - some fifteen lines from the Xi'an site alone and two trains linking Lille to China4 - we need to equip ourselves with the tools we need to ensure our continental logistics independence. Let's build a global strategy for less carbon-intensive freight transport that combines all modes and puts them back in their area of relevance: from the major international air and sea terminals to the doorstep of the customer-citizen in our towns and villages. Let us accompany the ecological transition by making the more virtuous modes less costly for customers, let us be wary of free delivery which will only serve to aggravate congestion in our urban areas and deregulate the working conditions of all workers.

Socialists, let us spearhead this social-ecological transition of freight transport!

<sup>&</sup>lt;sup>2</sup> A thematic contribution initiated by Olivier Jacquin and Vincent Duchaussoy has been submitted on this subject within the framework of this congress.

<sup>&</sup>lt;sup>3</sup> For France, the new evening roads: a simple economic label or a new world order? Senate report, May 2018.

<sup>&</sup>lt;sup>4</sup> "A second freight train will link Lille to China via Russia", Les Echos, December 12, 2019.

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