A renewed policy for EIB lending in the transport sector

Introduction

The European Investment Bank is one of the key players financing the European transport sector. A number of EU policies provide the basis for the Bank’s lending in the transport sector: environment and climate protection principles for example are taken into account with all of the Bank’s lending. In this context the development of the trans-European transport networks (TEN-T), cohesion policy, sustainable transport development as well as promoting research, development and innovation (RDI) in the transport sector all play a particularly important role in supporting the EIB’s lending. To assess whether potential projects meet the new demands and requirements, the EIB is keen to hear the comments and views of interested parties from the public on the current lending policy of the Bank in the transport sector. Since European transport policy represents a cornerstone for the lending policy of the EIB, the Austrian Chamber of Labour (Bundesarbeitskammer - BAK) has included recent statements from the European Commission in this opinion with regard to the development of a sustainable transport policy. With its opinions the Austrian Chamber of Labour makes a contribution to the goal of creating a transport system that is ecologically, socially and economically sustainable, highlighting that transport policy is a crucial factor in services of public interest.

1. How could the Bank make a better contribution to "intelligent growth" based on knowledge and innovation?

The BAK believes that the lending activities of the EIB should obviously make a contribution to the EU's flagship initiative for a "resource-efficient Europe" to decouple economic growth from resource use by deploying low-carbon technologies, increasing use of renewable energies, modernising our transport system and promoting energy efficiency.

Yet for the BAK, knowledge is not just a collection of technical analyses and facts; it also involves embedding these in a complete system together with organisational aspects, and applying in practice what we learn about people's individual transport habits. In terms of the economic and technical aspects of mobility planning, practice has shown that people act in a way designed to achieve maximum benefit, making rational decisions after weighing up various pieces of information. Yet with decisions on mobility and purchasing in particular there are plenty of deviations (e.g. the use of judgemental heuristics) – individual transport behaviour is also often a matter of routine and not called into question. Insufficient information about alternative courses of action is also an obstacle to making economically sound behavioural decisions. All of these factors suggest that technical changes alone will not bring about the desired enhancements in the transport system, while experience of the last few decades shows that technological developments have so far failed to produce the much hoped-for improvements in the environment, and instead have always been compensated for by altered product offerings and contrary transport or purchasing behaviour. It is common knowledge that road building always leads to more traffic (traffic jams are not any rarer today than they were 10 years ago) and therefore this does not lend much credibility to the argument that they help to relieve bottlenecks. The same applies to the increased efficiency of internal combustion engines (aimed at lowering exhaust emissions), which is always countered by the greater use of vehicles and the heavier weight of cars (cf. SUVs). By the same token we have the situation with freight transport by road, where the advantage of lower emissions from the vehicles has long since been wiped out by the higher volume of freight caused by greater demand, which in turn is driven by the lower prices due to the fact external costs are not internalised. And last but not least we have the same trend in air transportation, where the growing number of passengers is undermining the confidence of achieving lower emissions based purely on more efficient propulsion technologies, since the rising volumes of air transport easily surpass the technical savings.
On Question 1a: In your opinion, where and how do R&D and innovation (new technologies) contribute to a more modern and lower-carbon transport sector?

The BAK shares the view that low-emission propulsion technologies should be preferred to the current approach of burning fossil fuels. Nonetheless, we should bear in mind that research which is limited to means of transport focuses on the last, and more importantly, a single link in the transport system chain. What we need is a systematic view that scrutinises the effectiveness of available structures and brings improvements to the organisational process, for instance logistics concepts and spatial planning solutions to shorten routes. In light of the budget and employment situations in many Member States though, there is an urgent need – prior to the lending of any funds by the EIB for infrastructure projects – to check very carefully whether the potential projects are legitimate, viable, economically efficient and expedient. There is still a lack of binding implementation measures at European level (cf. for example the more than 15-year delay in charging usage-based costs; first presented back in 1995 by EU Commissioner Neil Kinnock in his Green Paper “Fair and efficient prices in transport”) with the goal of reducing traffic to the minimum level that is economically necessary.

We believe that intelligent transport systems, innovation and new technologies are important aspects of the European transport network, also in view of the objectives of the "Europe 2020" strategy. Intelligent transport systems should promote the efficient use of infrastructure. Yet in this context the BAK also points out that such an approach by itself is not enough to answer questions regarding the effectiveness of the transport system. We strongly emphasise that assessments of efficiency must be preceded by (effective) strategic planning. The Green Paper2 of the European Commission for example not only discusses the need for technological innovation but also organisational innovation, though the latter is not explained or specified in more detail, nor is it addressed in any later Commission documents. The BAK maintains that traffic avoidance is essentially the most effective method for achieving the EU's sustainability objectives. The statements of the EIB lack the observation that traffic avoidance, especially reducing road transport in every possible way (e.g. goods transport, private transport), can solve a whole host of problems in the current transport policy, not only quickly but also and in many cases without requiring years of investment. Traffic avoidance has the direct result of lower energy requirements and CO2 emissions, lower dependency on fossil fuels, fewer accidents and less noise. Innovative regional initiatives should be promoted under a best-practice approach and rolled out on a broad scale, to make sure that these achievements extend beyond mere projects and become part of a sustainable transport policy and regional development framework.

On Question 1b: How can new technologies be applied to promote the switch to more environmentally-friendly modes of transport where this can be linked to social advantages too, and in what ways should the Bank support these trends?

New technologies should help to facilitate the flexible utilisation of modes of transport and demonstrate the pros and cons of a given means of transport, if possible directly. This can make a contribution to raising awareness and therefore influence transport behaviour. Yet the BAK does point out that new technologies are but one component in this interplay and that corresponding projects to raise awareness at regional level are very non-bureaucratic and sometimes require little in the way of technical work. The BAK believes that the EIB should participate in such regional transport projects and by passing relevant information on make its own contribution to a stronger dissemination of innovative solutions – especially in rural areas. Generally speaking, projects aimed at avoiding or shifting traffic not only fulfill the requirements of promoting greener mobility, they also have social consequences alongside stimulating the economy and territorial cohesion. With regard to the wording of this question the BAK also points out that switching to sustainable modes of transport always brings social advantages in the long run.

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On Question 1c: How could the Bank make a better contribution to introducing new technology in the transport sector? For example, how can we encourage the adoption of greener cars despite their higher cost, and which instruments should the Bank provide to support such developments?

The Bank is able to support the roll-out of new technologies at several levels; however, this requires a broad consensus and a clear awareness on the part of the EU regarding which technologies are to be backed in the long run. On the one hand, based on a political decision and when granting loans the EIB can insist that technical equipment necessary going forward must be taken into account when re-planning infrastructure. Private transport for example – that is fuelled by electricity generated locally by renewable energies such as the sun, the wind or geothermal energy – represents a broad field for innovation and research and provides specific starting points for the introduction of new technologies. It can also be used as a supplement for the development of areas. New technologies can be rolled out in public transport too in the shape of electric buses, combined with electricity self-produced in municipalities in rural parts of the country.

On the other hand, the BAK believes that the EIB can be a partner for financing car fleet conversions at large companies and local authorities - smaller municipalities do not have the financial clout to pre-finance either the vehicles themselves or the facilities required to produce the energy. This process would enable a more rapid increase in the number of new vehicles, whilst also building up experience of their suitability for daily use and any practical problems, which would support the introduction of the new technologies.

On Question 1d: Are they any special initiatives which the Bank should take a proactive role in, e.g. the initiative for green cars?

BAK reckons the EIB should definitely focus its lending policy more closely towards achieving the climate goals of the European Union. One exception to this rule is promoting biofuels. Attention has been drawn increasingly to the adverse ecological and also social consequences of adding "biodiesel". The higher prices of food both at home and abroad coupled with the squeezing out of traditional agricultural products, especially abroad, are trends that discriminate social groups. And the hopes of a "second generation" of biofuels will not resolve these fundamental problems either.

In our view the EIB should carry out targeted public relations work at events, successfully completed projects for example, in order to raise awareness of outstanding solutions among a broader audience and help them to be translated into practice.

At this point we should note that the completion of many projects in European transport policy becomes delayed, not least on account of the massive increase in costs compared to the financing framework that was originally budgeted. According to the European Commission in its Green Paper the reasons behind the enormous increase in costs for implementing the TEN-T include difficult geological conditions, challenging technical solutions and problems with implementation due to a lack of public acceptance. The BAK believes that these factors highlight the need for sound planning and the involvement of regional stakeholders in the earliest possible stages of the planning and implementation. In this context we recommend improvements in competition procedures (possibly new regulations from the European Commission) to narrow the gap between originally budgeted costs and the subsequent actual expense.

2. How could the Bank make a better contribution to "sustainable growth" and to a greener and more competitive economy that is more resource-efficient?

The call to decouple economic growth from resource utilisation was described in the EIB Paper\(^3\) as untenable. The BAK notes that growth, which has to meet the demand for sustainability, must not be allowed to result in the constantly rising use, albeit moderately, of resources.

In terms of the lending policy of the European Investment Bank in the transport sector, the BAK notes that important and suitable objectives have been set to achieve a reduction of 20% in greenhouse gas

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\(^3\) EIB, October 2007: A renewed policy for EIB lending in the transport sector, Page 3
emissions by 2020 compared to 1990. Yet for many years these have just been "objectives" as opposed to concrete measures.

Transport planning invariably faces many uncertainties with regard to factors that influence demand: economic and population trends, energy prices, pricing and external costs not being charged in the transport sector, development of urban and rural structures, changes in behaviour and technological advancements.

From the BAK's perspective therefore we should not only test existing or new infrastructure requiring financing to see how "climate proof" it is (as recommended in the European Commission's Green Paper) but also to see what problems will emerge during economic crises. An important question from this perspective is whether and how the operation of existing structures can be guaranteed in times of crisis. Yet scenarios not only comprise economic factors but also the availability of commodities and above all fuels that have to be imported by the EU and thus lead to dependency. The BAK points out that rail transport already protects the European transport market from fluctuations in fuel prices, especially when the railways, just like in Austria, are predominantly operated using electricity generated from renewable sources. This also means technologies and solutions are already available (particularly in marine and rail transport) that largely meet sustainability criteria.

If we look further into the future it is conceivable that future European transport planning will not primarily mean the construction of new infrastructure; this is why the EIB should already start to incorporate quality standards of transport networks increasingly into its lending policy. In addition to standards for servicing and maintenance these also include, in particular, the training of labour as well as employee and consumer protection.

On Question 2a: How can the Bank support the improvement of mobility on a sustained basis while at the same time making a contribution to reducing traffic congestion and environmental pollution?

The BAK believes that traffic congestion, especially in road transport, cannot be overcome solely by building infrastructure. Measures that certainly have very positive ecological effects include traffic avoidance and moving towards greener modes of transport. Although the EIB mentions that alternatives to roads are also being financed, the statements from the EIB appear to be rather "road-biased" to the BAK. Public transport (especially rail transport) is only considered as a possible alternative of secondary importance. In the opinion of the EIB, "only for certain journeys and in exceptional circumstances does the railway represent a close substitute for the road". The BAK believes that a statement such as this calls European railway planning as a whole into question. What the BAK also desires from the EIB is that the EIB is a clear rejection of new and unnecessary road construction because with regard to the selection criteria for the financing of road infrastructure the EIB states quite succinctly that "road projects with weak economic value – notably oversized new constructions – will be avoided." The BAK believes that such projects should be avoided by all accounts, especially against the backdrop of financial bottlenecks for infrastructure investments.

Consequently, in its activities the EIB should focus particularly on whether and to what extent projects will lead to unnecessarily high traffic frequency, and what alternatives there are to satisfy traffic demand and if possible reduce it. Furthermore, the Bank could start with promoting the development of new rail vehicles in order to increase capacity, since during peak-time travel there is already a bottleneck with vehicles and infrastructure. Switching to more sustainable modes of transport can also be facilitated by technological advancements, such as the introduction of contactless, electronic tickets. In this respect a large market is already emerging for mobile phone operators or smartcard producers. And this development would also take account of the oft-mentioned demographic change.

On Question 2b: How can the improvement in energy efficiency of the various modes of transport be promoted in the best way?

EIB, 30 March 2010: EIB prepares the review of its lending policy in support of a sustainable transport sector - Call for public views;
In terms of the mobility of its citizens, European transport policy has great hopes regarding the success of electric mobility with cars, and therefore focuses solely on private transport.

Yet with regard to the development of alternative propulsion technologies for cars the BAK warns against placing too much hope on achieving a sustainable transport system. Even with alternative propulsion technologies (provided these are actually available across the board in the foreseeable future) motorised private transport (MPT) is and will continue to be confronted with a lack of space (parking problems, competition with other users in the public domain, such as businesses, those seeking recreational activities, children, etc.), noise (in addition to the engine noises there are also other noise emissions such as traffic and airstream noise), accidents, and, during peak-times, traffic jam problems. This is why the BAK favours environmentally-friendly modes of transport, i.e. public transport, cycling and walking, as a cost-effective approach for sustainable transport, especially in urban conurbations.

The BAK also points out that electric mobility in public transport has to some extent been reality for more than a century, and has since been constantly developed (the electrification of railway transport began in Vienna for example in 1900, and along the western line in the 1920s). This is why we stress again that continuously raising the efficiency of an ineffective approach (e.g. diesel-propulsion) cannot produce the same results as an overall system which is more effective from the very beginning.

For this reason it is important that we do not focus primarily on improving the energy efficiency of individual modes of transport in the system, but instead on improving the uses of the best solutions available. The BAK believes that the "co-modality" introduced into the more recent EU papers is certainly not capable of ensuring sustainable transport development to the same extent as the original demand for switching to modes of transport generating lower emissions. This is because transport planning that focuses solely on the principle of co-modality will inevitably fail to achieve the EU's flagship initiative of a "resource-efficient Europe" due to the absence of any internalisation of external costs with modes of transport. A more consistent approach must be adopted to favour rail and water when financing transport projects, especially given that the share of road and motorway financing in 2009 accounted for 40% of the total financing in the entire transport sector, with additional funds being channelled into the automobile sector (p.9/9).

On Question 2c:
How can the Bank encourage "best practices" with regard to managing and applying innovations in producing energy as well as in distributing, storing and using energy?

From the BAK's perspective the EIB should foster more contact with the media and with stakeholders for this purpose, thus raising awareness of best practice examples on a broader scale and actively introducing them into discussions about solutions for transport issues. For example, an annual event or publication presenting a manageable number of projects is an opportunity to increase public awareness of desirable solutions.

On Question 2d:
How can the Bank play a role in the increased use of renewable energies in the transport sector?

In this context the EIB can exert a strong influence in that during the planning and building of infrastructure it is scrutinised who will use it and what sources of energy they will need to get around. The BAK reckon the EIB is guilty of being slightly over optimistic in this respect if it thinks that "a road built today will still be available for the zero-emission car of 2030".

On the one hand, railway infrastructure is being built today that is already available for low-emission rail transport (in Austria, 90% of electrical energy is generated from hydropower) while on the other hand we cannot predict when and how quickly zero-emission cars will be on our streets. What is more, and as emphasised above, in addition to pollutants there is a range of other effects connected to motorised private transport.

3. How could the Bank make a better contribution to "integrative growth" which leads on to increased employment and closer social and territorial cohesion?
In terms of evaluating projects the EIB has referred to the criterion of economic value many times. The BAK believes that this criterion is not informative and not specific enough, which is why we shall briefly turn to related thoughts in this regard of the European Commission:

In terms of network planning methods the Commission refers in its consultation paper to the recommendations of Expert Group 1. This concerns the problem of taking non-monetisable effects such as cohesion, improved access and spatial integration, but also quantifiable impacts on the economy, the environment and society into consideration in European transport planning, whereby the weights of the individual factors still have to be determined in order to balance conflicting objectives. Thus on the one hand the Commission suggests taking non-monetary factors into account when planning TEN-T networks, while on the other it also calls for public-private partnerships (PPP) to be used increasingly for financing projects. Taking such a broad spectrum of factors into consideration to assess measures should also become part of the EIB's lending policy in our view.

At this point the BAK would like to note that these diverse valuation approaches give rise to fundamental questions with regard to involving PPP in such plans of the European transport network, because there is no doubt that private investors predominantly choose projects on the basis of cost-benefit aspects, while the advantages of infrastructure development that cannot be monetised are left to the public sector. This is why the BAK warns against splitting the European transport network into two parts: a privatised part of the network generating profit, and an "ideal", beneficial, but financially unproductive part of the network in public hands.

In short, the BAK estimates that the financing costs of private investors are generally higher than those of the state; what is more, PPP projects tend to generate exorbitant transaction and monitoring costs so that any potential advantages can only be conceived after weighing up all of the risks over the entire duration of the contract or the life-cycle. All in all, the problems outlined above highlight the fact that the EIB must rely on a broader spectrum of criteria when evaluating projects, instead of just a single and less meaningful criterion.

The EIB has quite rightly acknowledged that RDI activities constitute an important area in terms of the further development of European transport systems. In this context though the BAK criticises the very blinkered vision that focuses on the automobile sector. Designing transport involves spatial planning, social and economic conditions and not least the behaviour of humans in a transport policy context, which is ultimately crucial for the modal split, both in passenger as well as in goods transportation.

This is why the BAK also calls for research initiatives and action which extend beyond purely technological enhancements of individual aspects (e.g. propulsion) and focus not only on embedding individual plans into the overall system but also on providing specific starting points to implement them (e.g. intensified mobility management programmes at companies and local authorities).

On Question 3a: Which strategic projects generating high European added value that help to overcome bottlenecks and affect cross-border sections as well as intermodal hubs (cities, ports, logistics platforms) should be accelerated with the Bank's involvement?

The BAK argues that the connection between “old and new Member States” as provided for in EU papers cannot just be achieved via better links between the east and the west, as is currently foreseen. We refer here to the geographical and political features of the continent (cf. among other things the positions of the hubs of Prague and Ljubljana). Equally important are the links between “old” and “new” Member States on a north-south axis, as well as relations between Central and Eastern European countries.

Additional priority links between the north and the south would take far better account of the altered flows of freight traffic than restricting them to east-west relations. Here we emphasise the dramatic rise in traffic volumes between Austria and the new Member States in the north, east and south of the country. These links also correspond to the requirements of the new European growth pole (so-called blue banana belt) and constitute the mainland transport connections to key ports (such as Tallinn,

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Liepaja, Riga, Gdansk, Koper and Trieste) and therefore to the "motorways of the sea". Many Member States have already recognised these infrastructure shortcomings and commissioned plans on their own initiative, or have already launched construction projects, sometimes without European financial assistance. Please note in this context the Austrian southern railway (Südbahn) and the link between Budapest and Ljubljana.

The so-called Baltic-Adriatic corridor is of crucial importance for Europe here, which is already partially covered by Priority Project 23 (Gdansk-Vienna). Priority Project 27 (Warsaw-Tallinn) stretches the link into the Baltic states. However, the sections between Vienna and the Adriatic (Koper, Trieste) require more consideration, although the construction work on some routes, such as the Koral tunnel for example, has already begun. A continuous link from the north to the south between the Baltic Sea and the Adriatic to optimise European traffic flows is not possible at present due to a bottleneck in the Austrian southern railway. The BAK therefore recommends upgrading the Baltic-Adriatic corridor, predominantly by expanding the Semmering bottleneck (Semmering tunnel) and including the southern railway on the list of planned priority projects. This is the only way to guarantee the important north-south link and overcome the bottleneck between Vienna, the Adriatic and Ljubljana. Additionally, this heightens the appeal of the Adriatic and Baltic sea ports and should create a decent link for the candidate countries in the Balkans (Croatia, Montenegro, Albania, Serbia, Bosnia and Herzegovina).

For the sake of completeness we would again like to emphasise that it is crucially important in our view for Corridor 17, the Paris-Strasbourg-Stuttgart-Munich-Vienna-Bratislava railway axis, to pass through Salzburg.

What we have also noticed is that in contrast to earlier TEN programmes, the Prague-Linz railway link is not listed as a high-performance track in rail projects. This section is still extremely important for goods transport and if suitably prioritised it holds enormous potential for the future. After all, this link is a key section of the Prague-Budweis-Linz-Graz-Maribor railway axis with direct connections to the ports of Trieste and Koper, and a not insignificant link to the Rhine-Main-Danube waterway, a mode of transport that uses little energy and has a low ecological impact. Given that the Pyhrnbahn railway is in the programme as part of this trans-European railway link, we believe that the Summerauerbahn railway to Budweis and on to Prague should be included to avoid a bottleneck arising.

The BAK believes the EU is lacking a clear concept for high-speed transport, which, at least according to the EU in its communication on the future of Transport 2020, would play a more significant role going forward. For example, in contrast to the criteria set forth in the working document for the core network (Page 5: eliminating dead ends and isolated links), the Slovenian routes of Ljubljana - Jesenice and Pragersko - Hodos are stated as isolated sections, without any upgraded lines connected for high-speed rail travel.

**On Question 3b:**
**What role could the lending of the Bank play in promoting employment in the transport sector?**

The BAK notes that both the European Commission and the EIB have ignored the fact that new professions and the adaptation of existing professions are required when implementing new technologies and information systems, and this leads to new qualification requirements with a corresponding need for action as regards training and further education. A sustainable lending policy should therefore also take responsibility for ensuring that sufficient personnel are available in the (near) future for maintaining and improving the transport network. Thus in addition to the plans mentioned by the EIB, attention should be paid in good time to the demand for skilled labour and to structuring work in these areas.

The BAK believes that is in the interests of social and economic cohesion for aspects of employee protection as well as training and further education to be taken into account in transport policy. For a successful European transport policy it must be ensured that transport planning takes more than just technical harmonisation into account. If European transport networks are to offer a high level of quality and security, this means that the quality of jobs as well as training and further education must also be set at a high level.
Moreover, the BAK believes that the current situation – “artificially creating” more and more traffic through more and more transport infrastructure (road/rail) – must be changed. First and foremost, the scientifically undisputed fact that infrastructure projects worth billions have a weak impact on employment – and also come nowhere close to meeting the principles of legitimacy, viability, economic efficiency and expediency – must be accorded a key role in the future.

Viewing artificially generated growth in traffic as the one and only requirement for economic growth, and only striving towards reducing emissions per unit of transport, is not enough in the opinion of the BAK. This completely ignores the pan-European objective that financial resources funded from taxpayers’ money (EIB credits must be refunded by taxes from the Member States) should be used to ensure high employment with a correspondingly high return in taxes and duties and a reduction in social spending. Only specific measures based upon the polluter pays principle or the basic right to health-care can reduce traffic to the necessary level, alleviate the related consequences on health (for example noise and pollutants) and contribute to avoiding economic burdens too (devaluation of private and commercial property beside busy roads, requirements distorting competition in respect of establishing or expanding new businesses, etc). Therefore the BAK calls for greater adherence to the afore-mentioned principles and above all that EIB credits have a greater impact on employment than has been the case so far, resulting in much more positive results from the use of public funds.

To determine the far-reaching effects of European transport projects the BAK calls for scientific analyses of the ecological, economic and social consequences of completing projects, in order to determine the social benefit on the one hand and identify improvements for future financial policy decisions on the other.

In this context the BAK believes that this requires the development of criteria that are fairer, more transparent and more efficient to determine projects worthy of support based on their European added value. One criticism is that the definition of European added value has yet to be conveyed. In environmental terms one formula for calculating European added value could be: “How much CO2 can be avoided per euro spent?” One other key criterion for “European added value”, however, should definitely be the creation of sustainable employment.

On Question 3e:
How can the activity of the Bank in the transport sector make a better contribution to territorial cohesion, especially in convergence areas, peripheral areas and remote islands?

The concept presented under point 1c of regional transport-related measures could lead not only to the creation of production jobs in structurally weak areas but also and at the same time to reducing the dependence of transport on conventional sources of energy.

The BAK believes that alongside infrastructure development it is fundamentally important to ensure this infrastructure is used. If capital cities are defined as important hubs for example then there should also be passenger transport here, and the same applies for peripheral areas and remote islands. Current efforts seem to be overly focused on creating infrastructure because fact is that the number of direct rail connections between cities and overnight trains has fallen in recent times. For example, there are no longer any direct trains from Vienna to Brussels, Paris or Amsterdam. Infrastructure development alone is therefore not the main criterion for sustainable transport development and switching to greener means of transport, nor for territorial cohesion. The BAK believes that the high demand for road infrastructure at present is one of the consequences of failing to internalise external costs of transport modes, and is by no means a given fact that we just have to accept.

On Question 3d: How can investments in the transport sector (in means of transport and/or infrastructure) make a contribution to urban and regional development?

For the BAK, the only genuine strategy to improve living conditions and to bring about a sustainable change is to move towards greener forms of transport. Shifting transport towards these environmentally-friendly forms of mobility that are compatible with urban living should be set as an explicit lending-policy objective. The starting point in this respect is accurate costing in transport by means of internalising external costs.
We should note at this point that the EIB should support the financing of all the measures put forward by European cities which make a contribution to achieving the goals set forth above.

In the form of coordination, comparisons and aid this support can result in the creation of a uniform and up-to-date database, standards for exchanging data and control mechanisms for compliance with certain measures. Since there are wide regional differences in Europe as regards the quality of transport (modal split, transport safety, public transport options, etc.) we believe it would be sensible to have know-how available that all local authorities can access. This could ensue on the basis of voluntary guidelines with minimum European standards. In addition it would also be advisable to make best-practice examples available to the public, thus ensuring an exchange of information. This would create "positive competition between cities" and could be an incentive for many local authorities to press forward with improvements as regards transport. In this context the EIB could make a significant contribution.

In our view, shifting transport towards greener forms of mobility (public transport, cycling, walking) can make a much larger contribution to a new form of urban development than just using greener forms of transport, or establishing new infrastructure that can only resolve part of the transport problems in the given urban area. This is why the BAK favours environmentally-friendly modes of transport as a cost-effective approach for sustainable transport in urban conurbations in particular. At this point we would like to emphasise the everlasting appeal of rural areas for living in the vicinity of conurbations. This is where sustainable spatial planning concepts are in demand that counter urban sprawls. Only by coordinating new construction activity with public transport development can we bring about a reduction in the reliance on private transport. Rail-based transportation is an option, but also trolleybuses using their own lanes and ensuring effortless travel in urban areas.

Possible legislative measures in connection with technological infrastructure in local traffic would be the limited use or even prohibition of vehicles that do not comply with modern technical standards, such as emission standards. Furthermore, the provision of comprehensive passenger information is an important and instrumental criterion for the use of public transport; after all, this is what determines its quality and appeal.

Yours sincerely,
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