



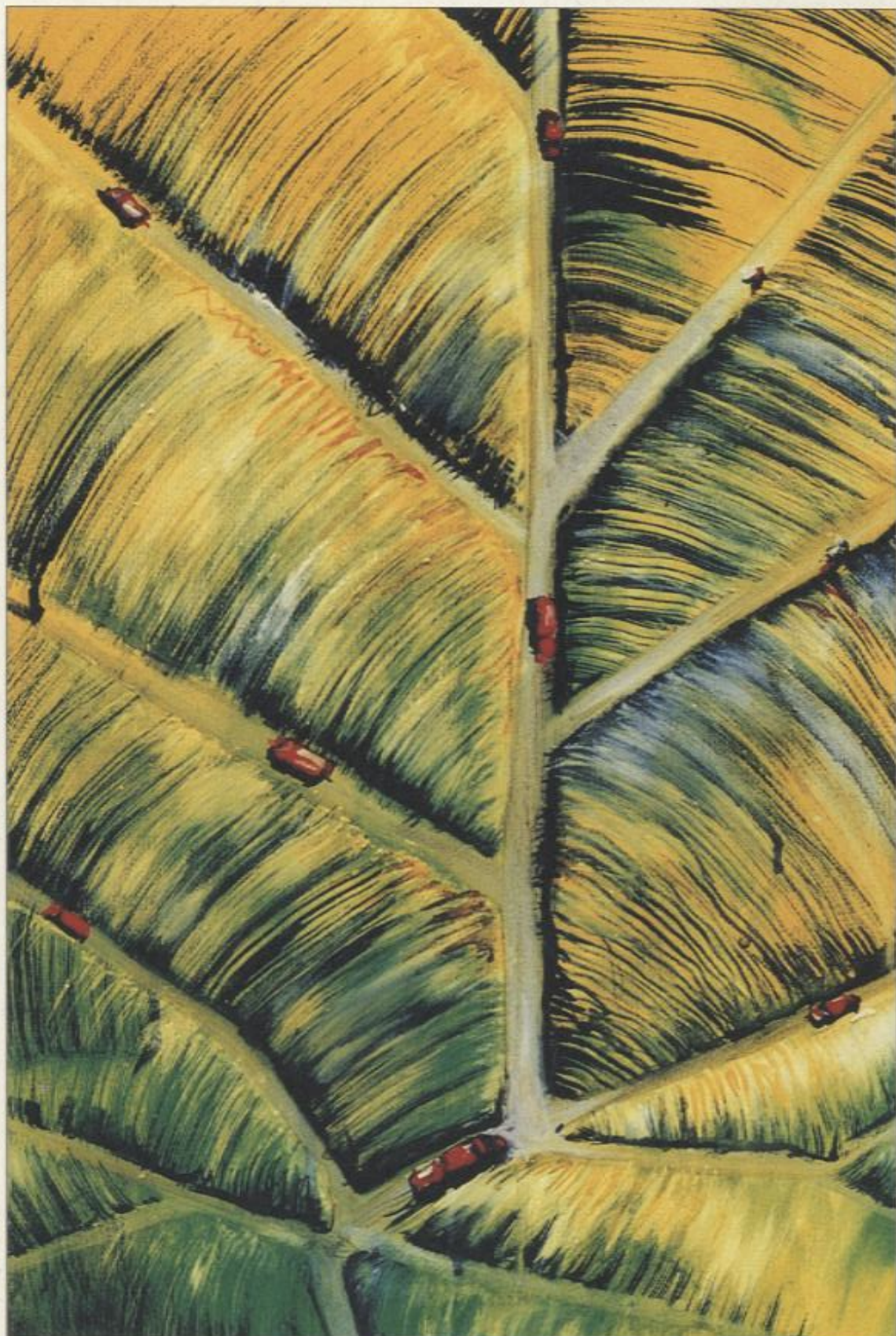
Driving Towards Sustainable Development

Transport en Logistiek Nederland

De ondernemersorganisatie voor het goederenvervoer

*A road transport industry initiative for achieving
a better economic, social and environmental future*

EXECUTIVE SUMMARY





The IRU

More goods and people are transported by road than by any other means. Competitive and efficient national and international road transport stimulates trade and tourism and is a major contributor to economic growth and employment.

The International Road Transport Union, with members in 64 countries on the 5 continents, speaks for this vital industry.

The IRU Charter for Sustainable Development

At the 1992 "Rio Earth Summit", member governments of the United Nations adopted Agenda 21, the comprehensive blueprint for achieving Sustainable Development world wide - that is, meeting the economic, social and environmental needs of the present without compromising the ability of future generations to meet their own economic, social and environmental needs.

As called for in Chapter 27 of Agenda 21 on strengthening the role of non governmental partners and Chapter 30 on strengthening the role of business and industry, the road

transport industry developed the IRU Charter for Sustainable Development which was unanimously adopted by the IRU membership at its World Congress in 1996. The IRU Charter is a commitment to drive towards the target of achieving sustainable development in road transport.

In the words of Maurice Strong, Secretary General of the UN Earth Summit, Chairman of the Earth Council and Special Advisor to the UN Secretary General, at the IRU World Congress in 1996,

"For me, it [the signing of the IRU Charter for Sustainable Development] was one of the most important and encouraging events of the post-Rio period...commitment of the [road transport] industry to sustainable development through the IRU Charter will set an influential example to others...bring it back home to your members and make it operational."

The proactive IRU initiative "Driving towards sustainable development" paves the way for concrete actions to be taken by all parties concerned in achieving this common goal.

Front cover:

Road Transport and Sustainable Development by Béla Borbély, Szeged, winner of the painting competition at the XXVth IRU World Congress in Budapest, 22-25 May 1996.

Driving Towards Sustainable Development:

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Road transport is an essential part of modern society

Transport occupies an irreplaceable socio-economic position linking supply to demand. It is a necessary link between the various industrial sectors. As the mode that brings the majority of passengers and goods to their final destinations, road transport is indispensable to tourism, trade and the well being of any economy.

The road transport industry recognises its responsibilities...

The road transport industry is well aware of its essential economic role and its social responsibilities regarding road safety, labour conditions, the environment, energy savings and, consequently, sustainable development.

...and is prepared to take the lead

Road transport will provide an essential contribution to our economic, social and environmental future. The IRU has taken the proactive step of developing the framework of an industry-wide policy for realising the three objectives of sustainable development. These three objectives found in the IRU Charter, as prescribed in Agenda 21, are economic development, social equity and environmental protection.

Fairness and cost-effectiveness are essential to achieve sustainable development

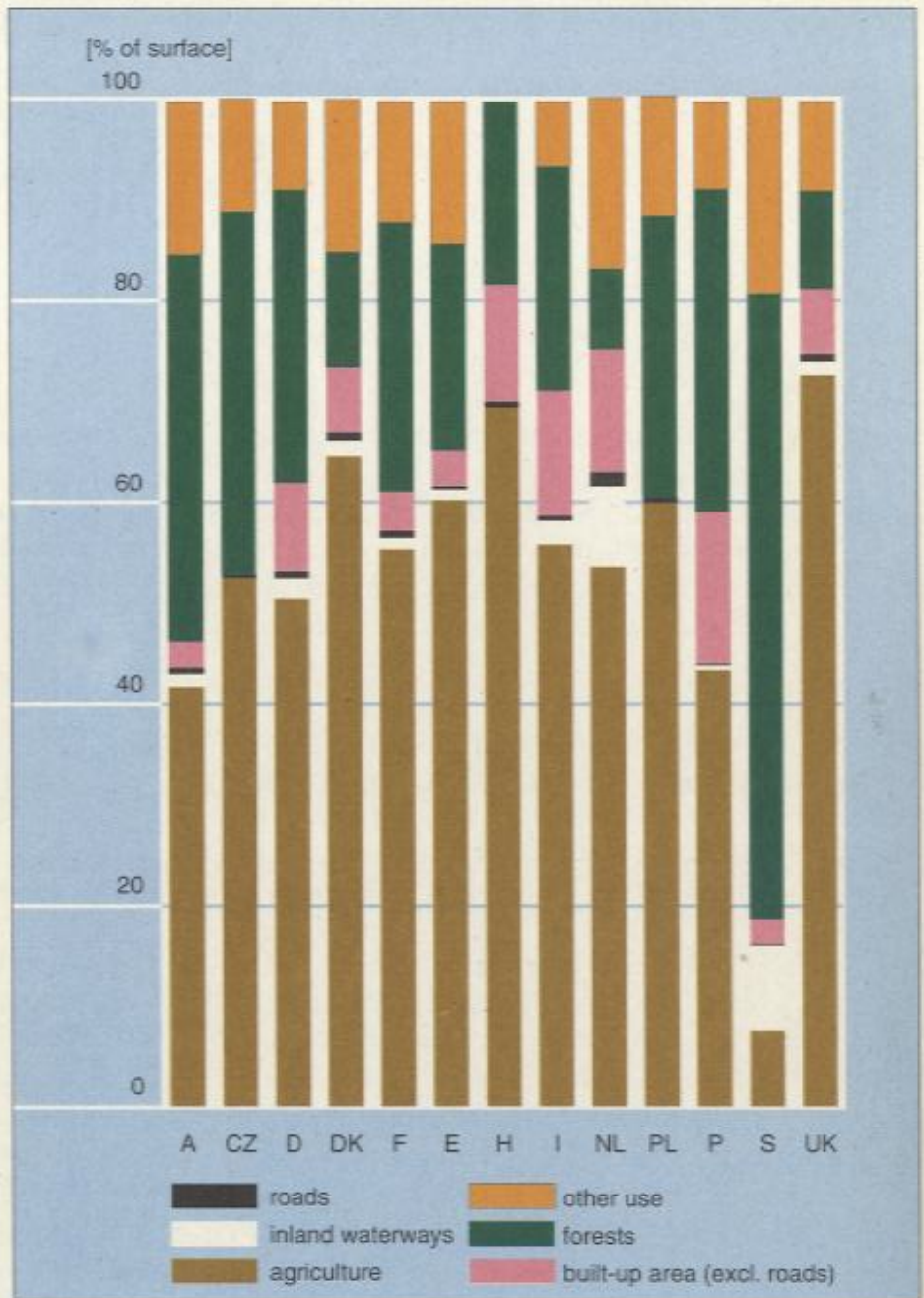
Only a 'level playing field', which respects the principle of fairness, and treats each mode in the same way on, for example, infrastructure expenditures and recovery rates, pricing mechanisms and emission target reductions, will allow the achievement of the goals of sustainable development.

Environmental questions must be addressed at their sources in a cost-effective manner and at the lowest overall costs. This applies to the transport industry and all other sectors of the economy.

Land use [% of surface]

(Sources: CE based on Eurostat and IRF)

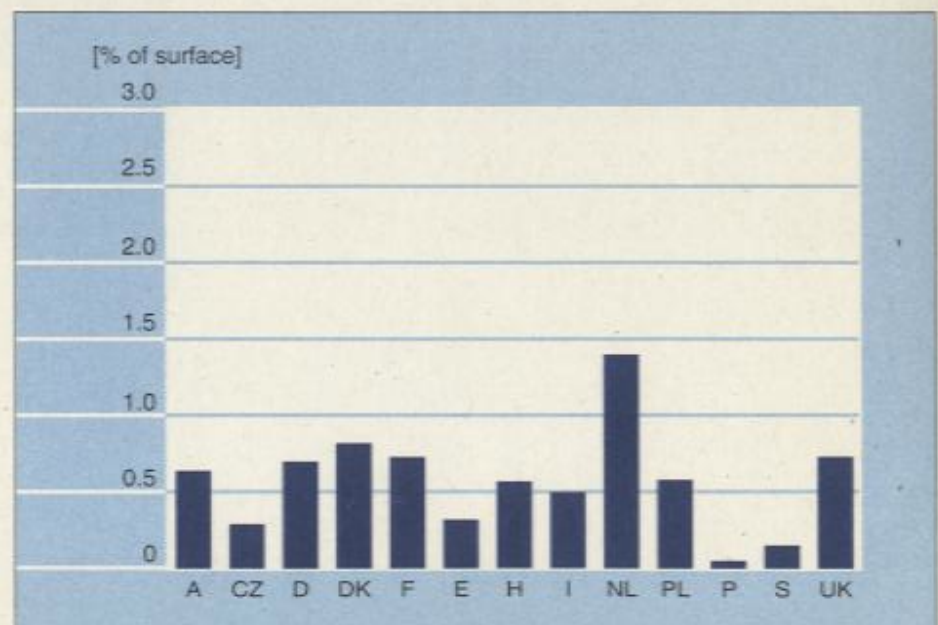
Compared to other land use, roads cover a very small area.



Land use for roads [% of surface]

(Sources: CE based on Eurostat and IRF)

Contrary to popular belief, the percentage surface area covered by roads, even in small densely populated countries like the Netherlands, does not match public perception.



There are five prerequisites to realise our common goals

Fairness and cost-effectiveness must be accompanied by five prerequisites, if sustainable development is genuinely sought.

1: Ensure the efficient movement of commercial traffic

Traffic jams are economically, socially and environmentally damaging.

The best use has not been made of existing infrastructure. Infrastructure investments have failed to keep pace with economic and social demand.

- congested distribution networks limit economic development and decrease competitiveness through the reduction of efficiency and an increase in costs;
- congestion inhibits the mobility of passengers; and
- congestion will render useless any road transport industry environmental initiatives.

Many argue that land is scarce and roads cover already too much area. As all drivers constantly see roads through only their windshields, it is understandable that this argument is seldom if never challenged. However, when seen from a bird's eye view, the picture looks quite different. The graphs on the opposite page easily demonstrate this.

Making better use of the existing road infrastructure, including giving priority to commercial traffic for economic reasons, and investing in necessary road infrastructure development, are sine-qua-non conditions for achieving the common goals and principles of Agenda 21.

2: Send the right bill to the right place

A. "the user pays"

The environment can benefit from making "the user pay" by rewarding, for example, the use of cleaner vehicles through economic incentives. The result will be a cleaner environment.

For reasons of cost-effectiveness and fairness, each transport mode should fully pay its infrastructure expenditures. The road transport industry is prepared to respect this prerequisite under the following conditions:

- if they are internalised by every mode;
- if all users pay without discrimination;
- if the revenues thus generated are dedicated to the expansion and maintenance of the contributing mode's infrastructure.

B. "pay as you go"

Sending the right bill to the right place necessitates varying costs based on vehicle type and the principle of territoriality.

To achieve sustainable development, fixed costs (road taxes, the "Eurovignette", etc.) must be replaced in the long term by variable, non-discriminatory costs and, most importantly, with no increase – for macro-economic reasons – in the total-tax burden.

C. "the polluter pays"

Agenda 21 calls for the "the polluter [to] pay". The principle should apply to all economic activities, thus to all transport modes.

3: Use economic rationality as a policy guideline

Although the choice of environmental targets is not necessarily a rational one, the choice of the instruments and the measures to reach them should be based as much as possible on economic reasoning.

4: Allow fair competition and shippers to choose modes and transport operators

Market efficiency dictates that there should be fair competition and, by extension, freedom of shippers to choose the mode of transport and the transport operator which meet their expectations and requirements. Market forces stimulate innovation. If incentives are also aimed at protecting the environment, those same forces will stimulate environmentally friendly innovation.

5: Bill the shipper and consumer

According to economic theory, which in this case does not correspond to reality, it is important that the environment-related costs incurred by the transport industry be billed directly to those benefiting from the transport service, and ultimately consumers, who should bear the costs of their decisions.

Once the possibility of proper cost attribution exists, policy measures will inevitably become more effective, as they will help bring about a cost attribution shift within the economy.

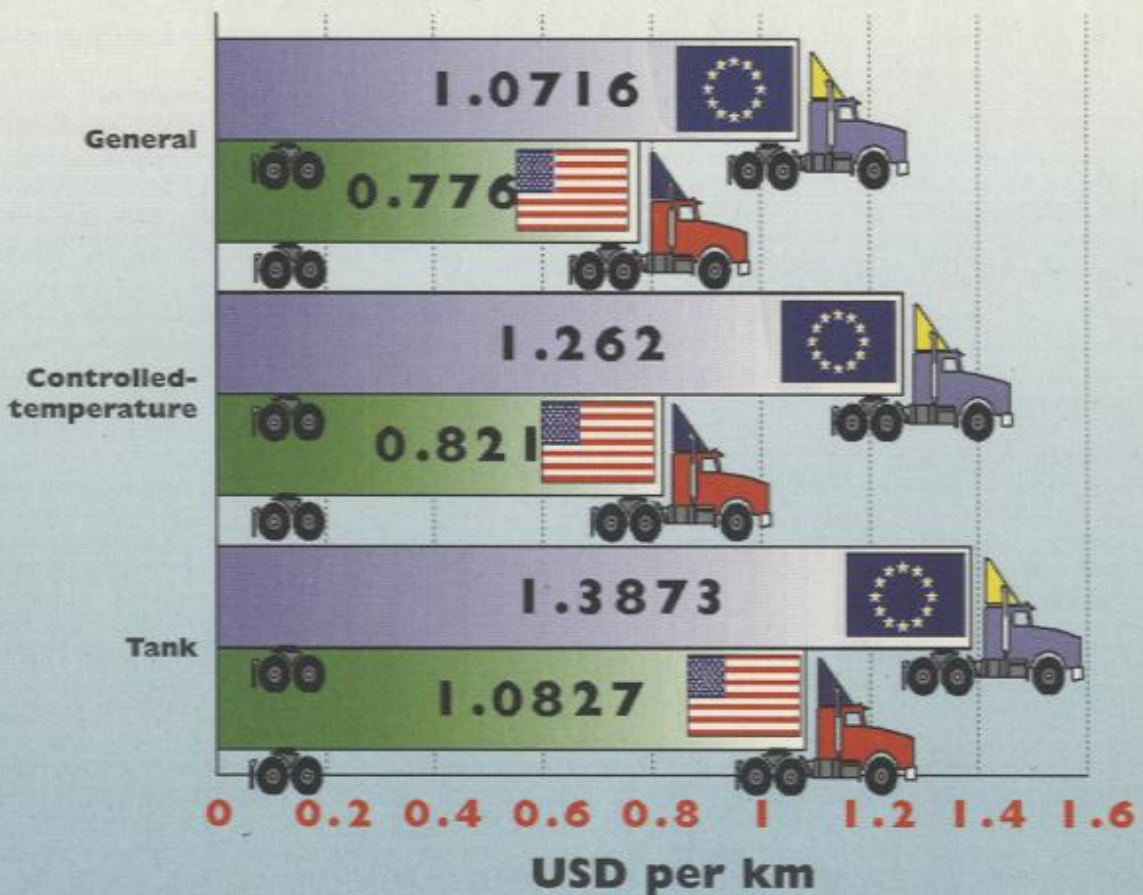
**Policies must be based on economic,
social and
environmental realities**

To shape a sound policy aimed at achieving sustainable development in road transport, it is essential to recognise that:

- pricing measures are not environmentally effective and can even be counter-productive;
- road transport is caught between the demands of its customers (driving an economy) and meeting social-environmental desires;
- current market forces will continue to increase road transport's market share;
- the transport market is a buyer's market leading to fierce competition and lower profits through the absorption of cost increases;
- for distances up to 500km, according to the UN/ECE, there are no economically-viable alternatives to road transport;
- some 85% of all road transport movements are under 150km.

COST COMPARISON - US/EU

BY TYPE OF TRANSPORT - COST IN US DOLLARS TO TRAVEL 1 KM



Road transport price in US/EU
(Source: IRU, October 1996)

Road transport is cheap? Not in Europe!

Cost-effective "at the source" measures exist which can significantly reduce road transport's polluting emissions

A. Improve traffic flow

Free flow, as opposed to stop and go traffic, dramatically reduces emissions and fuel consumption and also improves safety. To achieve this, two complementary actions must be pursued.

i Improve the use of existing infrastructures and provide better flow for essential traffic. A number of effective measures can be implemented:

- dedicate a traffic lane for commercial transport;
- permit shared use of bus and taxi lanes by trucks;
- curb the increase in the number of private cars and stimulate collective transport;
- encourage distribution centres in the outskirts of towns and cities;
- provide better and harmonised road signs and markings;
- allow the commercial operation of vehicles up to 7.5 tonnes with a "B" passenger-car driving license;
- permit transport and distribution at night and on weekends;
- develop and introduce mechanical and electronic traffic control systems.

ii Invest in new infrastructure:

- accelerate the construction of "missing links" and eliminate bottlenecks;
- explore the feasibility of constructing extra driving lanes;
- ensure that urban and regional planning keeps an eye on future requirements.

B. Develop cleaner, quieter and more fuel-efficient vehicles through further technical improvements

- reduce polluting emissions through improved combustion efficiency and exhaust treatment;
- use on-board computers to monitor and manage optimal engine performance;
- fit commercial vehicles with streamlining devices to further reduce fuel consumption;
- adopt tyres and road surface which reduce noise and fuel consumption;
- reduce the unladen weight of heavy commercial vehicles to increase payload and decrease fuel consumption and emissions.

C. Better fuel quality

- provide cleaner fuel now to significantly reduce the emissions of all vehicles.

D. Improve driving behaviour

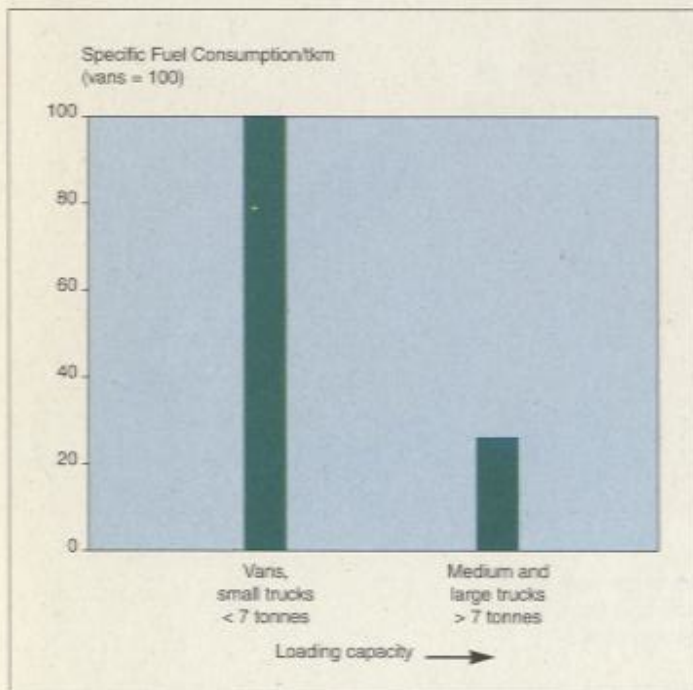
- optimise speed, acceleration, manoeuvres etc. to increase safety and decrease fuel consumption, polluting emissions, tyre wear and driver fatigue.

E. Improve logistics

- improve co-ordination between transport operators, shippers and clients;
- improve trip and route planning systems;
- introduce new logistics concepts for urban distribution;
- optimise loading space by further standardising packaging.

F. Make greater use of heavy commercial vehicles

- promote the use of the heaviest commercial vehicles to reduce the number of trucks on the road, increase transport efficiency and improve environmental performance.



Fuel consumption by vehicle size
(Source: CE)

The fuel consumption of heavy commercial vehicles is drastically lower than that of smaller trucks and vans.

**Significant results can be expected –
if the way is paved**

Proper policy, planning and implementation of infrastructure projects worldwide will result in the reduction of polluting emissions without penalising either the road transport industry or general economic development.

Failure to do so will hamper economic development, reduce the mobility of persons and goods and place unnecessary burdens on the environment – counter to the principles of sustainable development.

**The road transport industry will continue
to be proactive**

The IRU will bring the relevant actors to the table to share its views on what is needed to achieve sustainable development. It will seek to build a common view with all of its commercial and governmental partners, as is called for in Agenda 21, to build effective “action alliances” to meet the challenges of sustainable development.

The IRU will also continue to press ahead to establish the principles of sustainable development where they will have the greatest impact – in the hands of transport operators. The IRU Guide for Sustainable Development will contribute greatly to this by highlighting best industry practice. It will act as a model for its national member associations in 64 countries. The IRU Guide for Sustainable Development will emphasise operational practices, which can significantly improve environmental performance, safety, fuel consumption and profitability – i.e. sustainable development.

The IRU and its members have demonstrated their commitment and resolve. The onus is now on governments to pave the way, to ensure that this commitment and resolve bear fruit and drive towards sustainable development.