



# Evaluation of the White Paper on Transport

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# Position of AK and vida

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## 1. The EU's White Paper on Transport: it takes more than a lip service to a single and sustainable transport system

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Economic links within the single market, production methods with an increasingly greater division of labour, leisure patterns, commuter traffic and changing consumer wishes make Europe dependent on an efficient, inexpensive transport system. The transport sector currently accounts for around 5% of the EU's gross domestic product and employs roughly 11 million people. As a result, a diverse range of requirements are placed on the transport system in terms of its efficiency, environmental impact and role as an employer. The volume of traffic is increasing rapidly, with goods traffic climbing by 4.5% and passenger traffic by 3.2% in just one year (2015-2016). This pursues the trend seen over the last few decades and is making the limits to growth ever more manifest:

- the infrastructure is overloaded,
- noise, CO<sub>2</sub> and pollution emissions are rising,
- pressure on workers is becoming intolerable.

The Union has in any case not achieved its objectives to create a fair, resource-friendly transport industry and its future endeavours are also at significant risk of failure. Equally, decoupling economic growth from the increase of traffic has not been reached. It is therefore high time to redefine the areas of focus and to vehemently implement Union's objectives of resource conservation and fairness, both are very much worth pursuing.

The fields of activity should therefore be expanded by the following areas of focus:

**Focus on urban traffic:** Agglomerations are the greatest cause of traffic; towns and cities require more EU funding.

**Focus on investments:** An exception must be made

for public investments in relation to the public debt criteria of Maastricht ("golden rule"). The EU's efforts to specifically encourage investments in the rail sector must be accelerated, as this is the only way of guaranteeing a space-saving, socially responsible, economical and environmentally friendly transport system.

**Focus on workers:** Clear rules against "modern slavery", especially in road freight transport, aviation and in the parcel delivery sector, must be adopted as soon as possible; the same wages must be paid for work carried out in the same place. Simple, clear and verifiable regulations are required for ensuring fair working conditions (training, working hours and rest periods, pay, occupational health and safety, etc.). Deterrent sanctions must be imposed for violations.

**Focus on health:** The right to health for residents and workers (e.g. in terms of noise, harmful substances, working hours, working conditions, pollution) must be enforced.

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## 2. Wage, safety and social dumping must not be used to create competitive advantages!

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The creation of the single market for transport was not accompanied by the social harmonisation of employment and working conditions. In many cases, regulations – such as the Posted Workers Directive – are insufficient because they do not meet the requirements of the transport sector. Due to the fact that workers cross borders numerous times in just a few hours, it is often difficult to resolve matters concerning the wages they should be paid, working conditions, social welfare and occupational health and safety. This also makes monitoring challenging. With the exception of driving times and rest periods in the area of road transportation, social measures for transport workers (training, working conditions, social welfare, pay) are often only monitored to a limited extent or not at all.

Crafty organised corporate structures make it even more difficult to keep track of the situation. Provided that the business operations remain the same, it is often completely legal to use letterbox entities and subsidiaries to “redeploy” vehicles and aeroplanes as well as workers to countries where tax and pay rates and/or the level of occupational health and safety are advantageous for companies.

The impact of the “race for increasingly cheaper transport” on the 11 million people working in the transport industry is catastrophic, as they are the ones who are being left to bear the full force of the pressure being exerted by the market. Pay and working conditions are one of the very last factors to be considered when companies calculate their possible savings, as other costs (tolls, fuel, vehicles, etc.) are identical for all businesses. Wage and social dumping is generally par for the course. Long working hours, low pay, terrible resting conditions, stress, fatigue and long periods of time away from home are typical factors affecting the everyday lives of transport workers, particularly for those who work on the roads and increasingly among aviation workers as well. This has been continuing for years with the support of EU legislation. **Cheap transport for a competitive business location has unbearable costs for workers.**

Instead of focusing solely on lowering prices on the road and railways and in aviation and shipping even further, in future European policy needs to concentrate on creating a safe, environmentally friendly and socially fair transport system. This concerns all areas of transport, from airlines, airports and air traffic control companies to rail and infrastructure companies, bus and coach, parcel delivery and road haulage companies as well as operations on ships and in harbours. The social problems facing the transport industry must be resolved finally.

The COVID-19 crisis has also shown how during unprecedented events action is often taken to the detriment of the weakest in society. Instead of introducing clear guidelines to protect passengers and staff, attempts were made to worsen working conditions even further with the suspension of health check-ups, longer intervals between technical inspections (e.g. vehicle services) and the unavailability of personal protective equipment and other technical measures for protecting against infection. There is a disproportionate high number of precarious jobs in the transport industry. These were among the first to be cut, mostly with disastrous consequences for the workers, who are not sufficiently protected in case of unemployment and lost their income and health insurance.

Digitalisation, structural change and greening will have a huge impact on transport workers. Although jobs will be created in certain areas, many job profiles will change and jobs will be put at risk or even cut (“automatic driving”, digitalisation of railway infrastructure and warehouses, etc.). Some workers will face unemployment and the resulting difficulties with putting food on the table.

“Modern slavery” must be abolished on Europe’s transport routes. It is high time

- to harmonise and put forward working conditions (working hours and rest periods, pay, occupational health and safety, etc.) and the training received by all transport sector employees who perform safety-related tasks,
- to ensure equal pay for equal work in the same place,
- to introduce a common language in the rail sector,
- to organise worker-friendly and transparent driving times and rest periods, thereby increasing traffic safety and ensuring good working conditions,
- to fit forgery-proof recording devices for operating times (driving times and rest periods and other times such as charging, vehicle inspections, on-call time) across all modes of transport,
- to make the working conditions experienced by mobile workers more tolerable by providing modern sanitary facilities (in locomotives, in secure free parking areas, during breaks “on the track”) and suitable overnight accommodation,
- to minimise time spent away from family,
- to simplify monitoring opportunities and to make monitoring mandatory,
- to formulate and implement an EU-wide plan for protecting workers in the event of pandemics,
- to use rescue funds and foundations for training and development to mitigate the negative impact of digitalisation and greening (automatisation and the disappearance of entire sectors) in order to ensure socially responsible and fair structural changes (just transition),
- to conduct serious discussions on reducing working hours,

- to make the payment of state bailouts to companies dependent on stronger workers' rights, and
- to introduce a blanket ban on precarious employment contracts.

The most recent steps taken by the Union (First Mobility Package, Fourth Railway Package) will not in any case be enough to meet these requirements. Some highly welcome regulations have been introduced, such as a ruling with the objective of ensuring that lorry drivers no longer spend their 45-hour rest break in their vehicle, but rather in suitable accommodation. Equally, measures are being taken to make it easier for workers to be allowed to return to their employer's permanent company headquarters after 4 (!) weeks. However, there remain numerous loopholes, which – in the case of very general stipulations which can be interpreted in slightly different ways – can be exploited, always to the detriment of workers. Even supposedly fully automatic, satellite-based tachographs still require data to be inputted manually, which makes them susceptible to errors and/or manipulation. Moreover, the technology used by authorities to read the data externally still needs some fine-tuning.

Important provisions concerning the rail sector have not been adopted by the European Union Agency for Railways for decades, even in the Fourth Railway Package. The process of harmonising railway operations in a way which brings them up to date is being hindered by the fact that basic equipment and facilities (couplings, energy supply in carriages, on-board sanitary facilities, etc.) have still not been standardised in line with the state of the art. Rail companies seem to be having a rethink here and this state of affairs must be made use of. In terms of training, the harmonisation process is still in its infancy and, in some cases, contradictory steps are even being taken (e.g. use of electronic translators instead of insuring sufficient workers' language skills). These steps are unimaginable among other modes of transport, such as air travel.

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### 3. Fairness between and within modes of transport Fair conditions across road, air, water and rail transport at last

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The European Union has always seen itself as the "supreme guardian of fair competition". The organisation of the transport modes should, according to the Union, be focused on competition. Various

market opening packages (railway packages, mobility packages for road transport, the awarding of public contracts, the single aviation market) bear witness to this.

However, necessary accompanying measures have not been taken, meaning that companies, workers and entire modes of transport are finding themselves confronted with unfair practices, which are making it impossible for them to participate in a fair free market. As a result, conditions vary between modes of transport, even though they are in direct competition for passengers and freight. The air and road sectors in particular do not in any way bear the external costs they cause (noise, harmful substances, CO<sub>2</sub>, land use, climate costs, etc.). Instead, these costs are completely shifted to the general public, allowing transport companies to gain an unfair advantage.

The Union's policies in this area are creating further distortions and are even helping to fuel this ongoing discrimination. One example of this is how it is mandatory to collect rail tolls on all lines, while heavy good vehicle (HGV) operators sometimes do not have to pay tolls at all or, in some countries, they are only subject to them on 2% of the road network. While the rail sector pays an energy tax and must charge his tickets with VAT, the aviation industry sells VAT-free tickets and its jet fuel (kerosene) is also tax free. Given climate protection requirements, these huge discrepancies are becoming increasingly significant and greater attention needs to be paid to true costs.

The reform of EU-State-Aid-Rules can also contribute to some of these true costs. Direct and indirect benefits for social and environmental solutions must be permitted so that extensive support can be provided. Public aid law in the area of rail freight must allow more generous funding options, especially in terms of connecting railways, piggyback transport, unaccompanied combined transport and single-wagonload freight.

The monitoring of insufficient rules, such as in the area of guidelines for road police or social rules, is completely insufficient, particularly in terms of road traffic. Here, too, discrepancies between modes of transport are willingly tolerated.

The liberalisation of the rail sector was set in motion to increase its performance. 25 years after the first provisions affecting the rail service, it is clearly evident that there is no correlation between the liberalisation and development of the rail sector. Despite being subject to the same regulatory framework, railway systems within the Union develop very differently. Some very liberal countries rank very low down in

terms of the total traffic volume accounted for by trains, while in other cases they are witnessing a rise in demand. The same applies to customer satisfaction, with some liberal countries having highly satisfied customers and others very dissatisfied customers. The country in which train travel is most popular – the Republic of Austria – implements efficient and effective measures for both goods and passenger transport: successfully infrastructure development, direct awards of public service contracts and the state aid for rail freight transport. In contrast to liberalisation, this leads to motivated staff, satisfied customers and guarantees a high level of railway usage.

It is high time to ensure fairness through the following:

- clear, fair rules for all modes of transport (internalisation of external costs, an end to wage, training and social dumping, better health protection, a cessation of the tax disadvantages faced by the rail sector),
- public aid reforms which support funding for environmentally friendly modes of transport, such as railways,
- improved monitoring options and rules, enforced controls,
- effective measures against tax heavens and letterbox entities,
- the direct awarding of public service contracts and more state-run public transport operators,
- no further liberalisation in an order to boost fairness and sustainability.

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#### **4. Environmentally friendly transformation of the transport sector must focus on more than writing green headlines**

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In its last white paper (2011), the EU quite rightly shone the spotlight on making the transport sector more environmentally friendly. It aimed to do this by expanding railway infrastructure, increasing competition in the rail sector and shifting traffic to other modes of transport. A few years later, it is clear that the efforts made to date have failed. This issue has been exacerbated by the current implications of the COVID-19 pandemic. Rail freight traffic is on the verge of collapse and the number of passengers using public transport has fallen by a third. While road traffic

also experienced a steep, short-term decline, this is recovering much more quickly and is now almost back to its pre-pandemic level. Prompt action should be taken to counter this, as the current economic downturn is an opportunity to shift the modal split in favour of trains and other means of public transport.

The way in which the Union's objectives have been persistently missed for years can be attributed, on the one hand, to policymakers' reluctance to combat the environmental impacts of the most harmful modes of transport: road and air. On the other hand, these failings have been caused by a lack of founding to increase infrastructure for railways and waterways as well as for cyclists and pedestrians. Although the EU's support programmes are speeding up the general implementation of cross-border railway projects, they are not doing enough to transform the transport industry to the required extent. Vast numbers of railway lines are still being decommissioned on the continent, while the road network is growing. With the exception of some areas (as structural or regional funds-areas), booming agglomerations are rarely provided with European support. Since 80 to 90% of traffic starts in and/or runs to agglomerations, it is here that decisions concerning which modes of transport to use affect the entire sector.

The Union's reluctance to support regional infrastructure (for cycling, pedestrians and rail transport) is therefore counterproductive, as ultimately these modes of transport also relieve the burden on European transport corridors. In those (mainly urban) areas the most restrictive bottlenecks are found. The Union must address the sustainable development of transport systems in all cities and regions in more depth and needs to provide more financial support in these areas. Across Europe, there are numerous best-practice examples of how transport systems have been made more environmentally friendly quickly and in a way which works. These include the development of cycling in Copenhagen and Amsterdam, support for regional and connecting trains in Austria, (new) trams in France, and the exemplary public transport in cities like Vienna. The Union needs to focus on public transport, especially given the need for the turnaround in the transport sector.

The following is therefore required:

- the internalisation of all external costs,
- clear, strict guidelines on vehicle emission limits and an increase in the use of alternative powertrain systems, including in goods traffic,
- more investments and more EU funding for rail

investments (railways, underground railways and trams) in all regions in which the majority of traffic is generated and/or ends its journey, i.e. in agglomerations,

- exceptions for public investments in relation to the Maastricht criteria on public debt,
- an end to the pressure for the liberalisation and privatisation in public transport,
- simplified regulations and greater support and subsidies for economically desirable rail traffic, such as piggyback transport and unaccompanied combined transport,
- special support measures for the rail sector due to the COVID-19 pandemic (suspension of rail tolls, increase in financial support),
- strong incentives to encourage the manufacturing and freight transportation industries to use rail services,
- guidelines on connecting production facilities with the rail network and on improving public transport links near shopping centres,
- benefits for companies which introduce environmentally and socially sustainable mobility concepts (procurement, logistics, staff),
- clear concepts for promoting walking and cycling,
- a Europe-wide kerosene tax and tax on air tickets,
- measures and support for shipping, especially in the area of exhaust technology,
- an HGV toll on all roads, measures for avoiding re-routing,
- improved cross-border coordination of infrastructure projects, and
- the expansion of options for monitoring environmental impacts.

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## Contact us!

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### In Vienna:

**Gregor Lahounik**

T +43 (0) 1 501 651 2386  
[gregor.lahounik@akwien.at](mailto:gregor.lahounik@akwien.at)

**Bundesarbeitskammer Österreich**

Prinz-Eugen-Straße 20-22  
1040 Vienna, Austria  
T +43 (0) 1 501 65-0  
[www.arbeiterkammer.at](http://www.arbeiterkammer.at)

**Maria Rathgeb**

T +43 (0) 1 53444 79 322  
[maria.rathgeb@vida.at](mailto:maria.rathgeb@vida.at)

**vida Trade Union**

Johann-Böhm-Platz 1  
1020 Vienna, Austria  
T +43 (0) 1 53444 79  
<http://www.vida.at>

### In Brussels:

**Peter Hilpold**

T +32 (0) 2 230 62 54  
[peter.hilpold@akeuropa.eu](mailto:peter.hilpold@akeuropa.eu)

**AK EUROPA**

Permanent Representation of Austria to the EU  
Avenue de Cortenbergh 30  
1040 Brussels, Belgium  
T +32 (0) 2 230 62 54  
[www.akeuropa.eu](http://www.akeuropa.eu)

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## About us

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The Austrian Federal Chamber of Labour (AK) is by law representing the interests of about 3.8 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore the Austrian Federal Chamber of Labour is a part of the Austrian social partnership. The Austrian Federal Chamber of Labour is registered at the EU Transparency Register under the number 23869471911-54.

The main objectives of the 1991 established AK EUROPA Office in Brussels are the representation of AK vis-à-vis the European Institutions and interest groups, the monitoring of EU policies and to transfer relevant information from Brussels to Austria, as well as to lobby the in Austria developed expertise and positions of the Austrian Federal Chamber of Labour in Brussels.