

DECISION-MAKERS' SESSION SUMMARY

The Global Transport System of the Future

Thursday, 27 May, 2010

Background:

Major constraints on global transport demand in the foreseeable future will include energy costs and scarcity, climate change, congestion, urbanization, scarcity of available funding, the aging population in developed countries and the need to reduce road traffic deaths and injuries. Innovation -- including through the application of new technologies, techniques and policies -- must play a role in ensuring that transport contributes to a sustainable future. This panel focused on what innovations were likely to support these changes and how they might come about.

Panellists

- Camiel Eurlings, Minister of Transport, Works and Water Management, The Netherlands
- Moritz Leuenberger, Conseiller Fédéral, Chef du Département fédéral de l'Environnement, des Transports, de l'Energie et de la Communication
- Peter Ramsauer, Minister of Transport, Works and Urban Development, Germany
- Robin Chase, CEO, Meadow Networks and founder of Zipcar and GoLoco
- Cyrille du Peloux, CEO, Véolia Transport
- Andreas Renschler, Member of the Board of Directors, Daimler Trucks
- Hermann Ude, CEO, DHL Global Forwarding
- Mr. Katsuaki Watanabe, Vice Chairman and Representative Director of Toyota Motor Corporation

What will the transport system of the future look like?

Discussions amongst the panel revealed diverse views of the future though some common trends were highlighted. The transport system of 2030, and perhaps that of 2050, will at least superficially resemble that of 2010 -- it will still be based on cars, trucks, trains, planes and ships but these will be much more efficient than at present. Business-as-usual projections of robust growth in car ownership -- especially in developing countries -- may, however, be tempered by congestion and a physical lack of parking space in large megacities. Crucially, several fundamental changes are likely to have occurred in the organisation of transport -- vehicles will interact much more intensely with each other, with related infrastructure and with their users and innovative new transport services will allow more seamless inter-mode mobility in urban areas. Car-sharing will occupy a growing market share in some urban areas and this will slow the growth of vehicular travel and possibly reduce urban vehicle stocks. The

"The challenge will be to get the right kind of vehicle to the right person at the right time" Katsuaki Watanabe

car fleet will still be dominated by internal combustion engine technology but vehicles may be twice as efficient and will display much higher levels of hybridisation. Electric vehicles may fulfil a need in certain urban niches but inter-city and freight road transport will still rely on optimised diesel technology. Freight logistics will be better optimised due to much more nimble ICT applications but infrastructure investment may fall behind in some regions unless current trends are reversed.

What innovations are necessary to reach this vision?

Though technical innovations in ICT applications, engine and battery technology and electricity grids will be necessary to achieve some of the vehicle-related efficiency improvements, these pose less of a problem than developing innovative new administrative arrangements, partnerships, business processes and funding streams.

“We can imagine a perfectly seamless passenger transport system where travellers pay for use but this requires coordination amongst public authorities and service providers to remove administrative barriers and to ensure compatibility among business models”.
Cyrille du Pelloux

Administrative arrangements: Delivering seamless passenger travel in urban areas will require that local and regional authorities re-assess the limits and boundaries of current regulatory structures. These will have to be more flexible and less mode- and jurisdiction-bound to allow for imaginative new mobility services.

*“We are too often under the impression that only government or big business will solve our transportation problems – we need to put tools in the hands of individuals and unleash the potential for mobility entrepreneurship”.*Robin Chase

Partnerships: There is little room in today’s mobility landscape for small start-up entrepreneurial services and yet these are precisely where some of the most innovative ideas have been developed in other fields. Unleashing innovation will require allowing these actors to play on an even playing field while at the same time ensuring key transport policy objectives such as safety.

Business processes: These must be much more open to mode-neutral mobility. Common standards allowing interoperability are one important factor not to overlook. Another key area to address is revenue allocation arrangements amongst service providers which, along with transparent contractual arrangements, will allow more seamless passenger and freight flows and more flexibility.

“Pallets move from origin to destination using different transport modes in optimised logistics chains and yet we still accept that passengers are confined to essentially single mode journeys”. Hermann Ude

Funding: Infrastructure investment across all modes must not be overlooked and innovative funding arrangements will have to be further developed. Sharing risk and liability with public-private partnerships will play an important role as will greater uptake of road pricing. The latter, however, faces formidable challenges since the public perception is that such pricing schemes are just an additional tax. Clear and transparent pricing rules that are demonstrably revenue neutral and that align themselves completely with other government policy objectives are fundamental pre-conditions for such schemes to work.

How can Governments help achieve this vision?

The first thing is to do no harm – in this respect, many government policies actively work against the realisation of the vision of cleaner, more seamless transport in 2030. For instance road and maritime cabotage rules are such that unnecessary empty-running of trucks, buses and ships contributes to significant system inefficiencies. Poorly aligned fiscal and regulatory instruments lead to uncertainty on the part of the private sector as to where and how to invest in greener and seamless transport. Rules biased against informal transport and small volume transport solutions are a barrier to innovation as well. Under-investment in critical infrastructure and maintenance can erode the competitive position of ITF members. Setting a clear, predictable and coherent transport policy framework can go far to foster private-sector innovation. Less prescriptive and more performance-oriented objective-setting can pave the way for imaginative new services that add value for users and generate revenue for operators and authorities.

“This principle should still rule in 2030: Governments need to set the right framework conditions for mobility but in a free society and in a free market, individuals should decide on how to get from A to B”. Peter Ramsauer