

Public consultation on the extension of the major trans-European transport axes to the neighbouring countries and regions

ACEA Comments

ACEA, the European Automobile Manufacturers Association, represents the 13 major European car, truck and bus manufacturers, and is a key interlocutor to the EU Institutions.

Transport is a vital factor in improved economic growth and regional cooperation. Within this context the trans-European transport network concept continues to be important. It helps to provide the framework of the modern transport system that Europe needs to pursue its competitiveness. Though the TENs are not without their problems, examining the connections between the EU and its neighbours is an essential part of understanding cross-border traffic which is set to grow markedly in the coming decades. A study to investigate how the trans-European transport network needs to relate to neighbouring and potential applicant countries is therefore timely and welcomed by ACEA.

The following brief input is a limited contribution by European automobile manufacturers to the Commission's public consultation on the HLG report. European vehicle manufacturers are major users of the transport system as well as providers of equipment for its use. Vehicle makers use all modes of transport both to receive the component parts essential for manufacture and for distributing the final product. These comments are the result of those experiences with the different modes of transport.

1. Do the five main transport axes highlighted in the High Level Group report, in your view, represent the main axes for international traffic and what would you add/delete, if given the opportunity and why?

The five main transport axes highlighted in the report do generally reflect the main axes for traffic.

a) Motorways of the sea

The motorways of the sea remain a somewhat vague concept but as a major user of shipping, European automobile manufacturers have a significant interest in seeing that the performance of Europe's ports is improved. It is disappointing therefore that attempts to introduce legislation aimed at achieving the improvements in port performance have so far met with such limited success. Although capacity is important the success of the motorways of the sea depends, in large part, on the removal of outdated practices, liberalisation and improved access.

b) The Northern Axis

On the Northern axis, surprise has been expressed on the role of some of the ports identified. Bearing in mind the current routing of traffic to Norway and the use of

Swedish ports and onward connections, together with its current limited capacity, it was something of a surprise to see Oslo identified as a motorways of the sea port.

c) The South Eastern Axis

The south eastern axis contains a number of important applicant states, and regions which may become applicant states. While “access links to the Balkan countries as well as connections towards Russia, Iran, Iraq and the Persian Gulf are foreseen”, some regions which may sooner rather than later become applicants for EU membership do not seem to have been considered.

2. The HLG report outlines a number of measures, on so-called horizontal issues, are these the most important ones and do the recommendations made by the group help solve the problems?

The HLGs consideration of horizontal measures is helpful in identifying other activities that need to be undertaken in parallel with the “hardware” of the extension of the TENs.

Maritime safety is of course very important and is dealt with in the report and a number of recommendations made. However, it is not the only horizontal measure that will need to be dealt with if the motorways of the sea are to become a reality. The report mentions quality of port infrastructure and services as in need of improvement. This is true not just in the neighbouring countries; it is also true in the European Union. In this regards the EU could be leading by example and putting its own house in order by ensuring that EU ports remove outdated restrictive and other practices which are inhibiting the improvement of ports and making better use of existing capacity, even in some of the longest standing EU Member States.

3. Financing transport investments is a headache. How can implementation of these axes and horizontal measures be best financed? What could be the role of the private sector and user charges?

Financing transport investment is indeed a headache. Public sector budgets are under pressure and the EU budget is a continuing struggle. The private sector definitely has a role to play but for many project this will not happen under the current assumptions. Road projects often can be financed by the private sector, if user charges are put in place to provide a sufficient revenue stream. This has been successfully used in France, Italy, the UK and a number of other Member States. If the business case is realistic then private investment can work. The same could work for other modes but again it requires a convincing business case. To establish the existence of a robust business case credible cost-benefit and rate of return analysis is essential. Too often in the past have we seen unrealistic demand forecasts leading to over optimistic revenue predictions. This is especially the case for rail projects, which according to research undertaken by NERA, the economic consultancy, has substantial and consistently lower returns than road projects. Unless Europe decides to treat project analysis seriously, we will continue to promote projects for which there is little

demand and from which sufficient revenue will not result. Under these circumstances private finance will never be able to fulfil its potential.

This also suggests that the TENs priority projects and even the extension of the TENs into neighbouring countries contain too many rail projects that will struggle to produce a business case or attract private finance.

Cross subsidising revenues from cost effective transport infrastructure projects to those which have little or no business case is of no help to Europe's competitiveness and will not help achieve the Lisbon agenda. Instead it will raise costs generally for no benefit. User charges must come from the project itself, demonstrating clearly that there is real demand for the infrastructure.

4. For the implementation and coordination of the recommended actions, the report calls for either a memorandum of understanding or an international agreement – do these help to achieve the objectives? If not, how would you ensure the implementation and coordination of the actions?

No comment

5. The Group has envisaged integrating the existing agreements and memoranda of understandings into a coherent framework. Should an international treaty be envisaged for this?

No comment