



## **AMRIE COMMENTS ON THE TEN-T REVISION**

### **Executive Summary and Recommendations**

#### **Summary**

The Van Miert report represents a positive endorsement of both the need for an active policy for developing trans-European transport networks (related to the need for enhanced and balanced trade and regional development within the enlarged European Union) and, in particular, the need for priority to be given to the development of ‘sea motorways’.

AMRIE strongly supports the general thrust of the Van Miert report, including its emphasis on the sustainability of trans-European transport networks and their proven meeting of economic, social, and environmental objectives and conditions.

#### **Recommendations**

The following main recommendations are made by AMRIE, covering the general aspects of the Van Miert report and the specific maritime-related issues:

#### General Aspects

- AMRIE supports strongly:
  - The need for the EU Member States and the European Institutions to provide substantially advanced financing to ensure the creation of a sustainable trans-European transport network (TEN-T) aimed at achieving a competitive European economy with enhanced and balanced trade and regional economic growth. Though there will inevitably be budgetary constraints, finance ministries should understand the strength of the economic, social, and environmental arguments in favour of the development of the TEN-Ts
  - An increase in Community funding of cross-border projects from 10% to 20%; the establishment of a European Transport Fund (suggested by the European Parliament); the creation of the EIBs TENs Investment Facility (TIF), the use, but with care, of public-private partnerships, and the establishment of the ‘Coordination Entity’ to enable the Commission and the Member States to manage the delivery of the TEN-T projects in a timely and efficient manner.
  - The need for the TEN-T, including the priority projects, to be established along main trans-European axes/corridors with prioritisation also to achieve a shift in modal balance.

## Maritime Transport Issues

- AMRIE strongly supports:
  - The priority given, by the Van Miert Group, to the creation of four ‘motorways of the sea’ and urges that Member States submit proposals to establish all four of these motorways of the sea before 2007
  - The importance placed on improving the efficiency of the complete corridor logistics chain if the motorways of the sea are to become a reality
  - The necessity of providing operating aid for the establishment of the motorways of the sea and their land-side links for a pre-determined period, following the Marco Polo Programme model
  - The use by Member States and the European Commission of full socio-economic cost benefit studies at EU level to enable the Member States and the Commission to determine which ports should be linked to the motorways of the sea

### **1. Introduction**

1.1 This AMRIE comment on the revision of the TEN-Ts is made from two perspectives:

1. as a policy issue of general maritime regional and sectoral interest on which AMRIE wishes to comment, and
2. as Coordinator of the 3-year REALISE Short Sea Shipping Network, funded under FP5, which commenced on October 1, 2002

### **2. Background**

2.1 The original TEN-T Guidelines (the revision of which is now taking place – albeit somewhat delayed) – were established in 1996. Some 14 TEN-T projects had been established at the Essen European Council, based on the report of the Christopherson high level group. In fact the guidelines were partially amended to add seaports and inland ports as fundable TEN-T infrastructure provision. So far no inter-institutional agreement has been reached on the full revision of the guidelines. The original Decision (Decision No. 1692/96/EC) was to be reviewed every 5 years. This has been delayed, partly because of the advent of the accession of the ten new countries in May 2004. A second high level group, chaired by former Commissioner Karel Van Miert, and comprising experts designated by the transport ministers from the current and new member states and the EIB, was established in December 2002 and has reported on June 2003 on the priorities and procedures to be adopted for the TEN-Ts, as part of the wider review/revision.

2.2 Originally stakeholders were not asked to participate and the Van Miert Group sat in private. However, what matters more than the process is whether the conclusions the Van Miert Group arrived at are sound and if so what chance they have of being implemented by the Commission and the Council and the Parliament. The remainder of this paper is split into AMRIE’s general comments on the Van Miert Group report and comments relating more specifically to the impact of the Group’s recommendations on the maritime sector and, importantly on the development of multi-modal/intermodal transport solutions, particularly in relation to freight carriage.

### 3. General Comments

3.1 **AMRIE agrees strongly** with the Group that it is imperative to attempt to create a ‘real trans-European (transport)network’. This is necessitated because of what the Group describes as a ‘worrying increase in congestion’; the persistence of bottlenecks; of missing links; of a lack of interoperability, the need to promote a modal rebalancing, and because the inclusion of 10 new countries ‘accentuates the need for a new approach to preserve the competitiveness of the European economy and to guarantee a balanced and sustainable development of transport’.

3.2 **AMRIE agrees** with the Group’s deliberately restricted number of new project priorities, selecting **only 22 - to be completed by 2020** – out of the 100 they had to examine from the current and new Member States.

3.3 **AMRIE also welcomes** the emphasis placed by the Group on using the prioritisation of the TEN-Ts to achieve ‘a **shift in modal balance** ----- in favour of transport modes which are alternatives to road, namely rail, inland waterways, and short sea shipping’. AMRIE endorses the Group’s decision to promote short sea shipping by defining four “**motorways of the sea**”, for which the member states concerned will have to devise ‘projects of common interest’. The Group also notes, and **AMRIE strongly concurs**, that ‘the success of the motorways of the sea depends notably on improving logistics chains (*this is a strong emphasis of the REALISE network approach*), simplifying and automating administrative and customs procedures, and introducing common traffic management systems.

3.4 The Group argues, and **AMRIE strongly agrees**, that the investment of only less than 1% of the Member States Gross Domestic Product in building transport infrastructure (from which one third for the TEN-Ts) represents a chronic **under-investment**, preventing key transport infrastructure improvements from being completed or, in some cases, even started. (*It is, of course, the case that, particularly for some road projects, new infrastructure may simply result in new transport demand. This is not a general argument, however, for objecting to new infrastructure development. It is an argument for conducting rigorous economic, social, and environmental cost-benefit analyses before projects are sanctioned*). It appears that the current level of under-investment in trans-European transport networks will hamper the economic, social, and environmental progress of the enlarged European Union.

3.5 The Group attempts to deal with the most difficult issue of how to finance the TEN-T projects, particularly bearing in mind the budgetary restraints experienced by a number of EU countries, currently and in the future. It suggests **three specific financing routes** which might be combined, and also ‘draws the attention of economic policy decision-makers to the incongruity in the long term between what is at stake in carrying out these projects and the constraints curbing public funding’. **AMRIE strongly supports this last point.**

3.6 In connection with the three funding routes – increased Community financial participation; stronger EIB funding involvement, and public-private partnerships - **AMRIE supports:**

- **Increased and flexible Community intervention, and notably**
  - **The Council to agree with the EC’s proposal to raise its aid from 10% to 20% for certain cross border projects**

- **the European Parliament’s proposal (noted by the Group) for the establishment of a European Transport Fund.**
- **More imaginative and substantial EIB loan funding; hence AMRIE welcomes the new EIB TENS Investment Facility (TIF) but is concerned that the reference to ‘various financial engineering techniques’ should not imply any use of derivatives by the EIB.**
- **The use of public-private partnerships.** However, AMRIE cautions that recent experience in the UK has shown that such partnerships are not always a panacea, especially given the unresolved problem of the differing treatment of risks by the public and private sectors; nor should the longer-term macro-economic impact of such funding be ignored if large numbers of projects are financed in this way.

**3.7 AMRIE supports the two stage approach and the criteria adopted by the Group to select the projects.** However, the Group refers constantly to the ‘**main trans-European axes**’ along which TEN-T projects should be prioritised but indicates that it did not have the time or resource to develop specific axes, instead it urges the Commission to fund research to establish the axes. While AMRIE does not disagree with this approach it is a little difficult to comment without a clear idea of what the axes are. Nonetheless, in so far as it appears to be in line with the type of ‘corridor’ approach being pioneered in REALISE, **AMRIE strongly supports the Group’s approach and would link this over-arching philosophy with support for the Group’s proposal for the establishment of a European Transport Observatory.**

3.8 Finally, and linked to the axis/corridor approach, the Group proposes that along each major European axis, a ‘**coordination entity**’ (having a legal personality) could be created, in which the Community would take part, and in agreement with the Member States concerned, to ‘take charge of the coordinating, stimulating cooperation, and ensuring the necessary follow-up, as well as take measures for its functioning’ (presumably including its funding). The Group argues that the Commission already has the competence for such actions under Article 155 of the EC Treaty. **Again AMRIE believes this measure is essential if trans-European networks are to be established in a timely and efficient manner, and, hence, strongly supports this proposal.**

### **Maritime Transport Comments**

4.1 **AMRIE is delighted that the Group has so strongly endorsed the ‘motorways of the sea’ concept in its report.** The Group has identified **four maritime areas** – Baltic Sea, Western Europe (from the Iberian Peninsula to North and Irish sea), South-East Europe (from Adriatic sea to Eastern Mediterranean), Western Mediterranean (from Spain to Italy) and has provided an indication (though not fully developed) of how such motorways fit into the overall TEN-T approach and how the sea motorways can realistically be manifested.

4.2 There is, however, a puzzling comment in the report where it states *that ‘Maritime routes which better link countries isolated by natural barriers such as the Alps, the Pyrenees, and the Baltic Sea, including island countries, should be as important as motorways or railways in the trans-European network.’* In discussing motorways of the sea it is difficult to see how the Baltic Sea represents an isolating natural barrier, as such, excepting the problem of the icing up of a number of ports during the winter months.

4.3 In respect of the **Pyrenees** (without wishing to suggest that a trans-Pyrenees rail link should not be one of the List 2 priorities in the Group’s report), if – for freight – the sea

motorway envisaged in this geographical area proves sufficient then the *emphasis* placed by the Group on the rail link seems unnecessary. What seems to AMRIE of more importance is to stress the urgency of ensuring that the North- South Polish road and rail projects are pushed ahead as soon as possible. It is also the case the potential exists for inland navigation connections might also be developed. Moreover, combining inland navigation with maritime transport brings many advantages for the maritime sector in the maritime regions. These links will form part of an axis which will run from the Baltic sea to the Adriatic sea. **AMRIE believes this to be an urgent priority for the balanced economic development of Poland and the other current Accession countries and future Accession countries.**

4.4 AMRIE assumes that **Great Britain** as well as **Ireland** is regarded as an island, albeit a large one. There is little public or political discussion in the UK of the need and the potential to transfer freight from road to sea (as opposed to the relatively impracticable in the short to medium term transfer from road to rail). Hopefully the recent establishment of the Short Sea and Waterways Forum will lead to a greater emphasis on maritime transport and the opportunity provided by the Van Miert Group's motorways of the sea endorsement. One of the East-West trans-European axes will presumably include the potential for replacing the current very high percentage of freight travelling by road from **Poland** to the UK, transiting a number of other EU countries, by sea freight transport.

4.5 The Group recognises the need, if motorways of the sea are to become a reality, for the **complete logistics chain** involved in maritime transport **to become more efficient**, plus certain other conditions to be met, for instance, the use of ice-breakers in the Baltic to provide all year round navigability and access. This is a viewpoint that **AMRIE and others in the maritime sector, strongly supports.**

4.6 The Group urges the need 'to launch projects in practice' and suggests that 'current and future Member States submit to the Commission before 2007 proposals to establish motorways of the sea *in at least one of the four designated maritime areas*'. **AMRIE strongly supports this call to implement motorways of the sea, but cannot see why proposals in all four areas cannot be submitted within the next 4 years.**

4.7 The Group shares the view of the Commission that such motorways of the sea will not arise 'spontaneously' and supports the provision of **operating aids**, though for a pre-determined period.

4.8 Finally, the Group recognises that the most problematic decision for the member States will be to **select the ports suited** for being part of a sea motorway. The Group suggests that '*If the choice at national level proves to be too difficult, one alternative method could consist of proposing a global tender to both ports and maritime companies, leaving the choice of ports to the candidate consortia.*' **AMRIE does not support this suggestion by the Group.** The decision should be taken, as it is in the case of airport siting/development, by national governments, on the basis of a published full economic, social, and environmental cost-benefit analyses conducted at EU level. Governments should not be encouraged to abnegate their responsibilities for such decision-taking. The problem identified by the Van Miert report is partly created by the symbolic nature of the term 'motorways of the sea'. The sea routes all exist and do not have to be constructed. The issue is the flow of goods carried in the vessels between the designated corridors. The analogy of sea motorways is probably closer to that of a train route where different amounts and types of goods transported will be taken off at different transshipment points. This may also be the case with sea motorways where exits and

entry of goods via ports along the sea motorway will take place. The entries and exits would also be likely to be differentiated according to the goods (bulk, tanker, container, roro, general cargo, etc).

## Conclusions

5.1 Though the Van Miert High Level Group is outside the formal policy development structure of the EU institutions it has provided, in its report, a valuable ‘road map’ as guidance to the Commission, Parliament, and Council to ensure that transport infrastructure development in the enlarged Europe is placed at the centre of the overall economic and trade development. In combination with the European Commission’s 2001 Transport White Paper the Group’s report should enable a Common European Transport policy to become a reality. Moreover, the strong emphasis on economic, social, and environmental impact analysis of any proposed transport development (and the alternatives) in the Group’s report is welcome, as is its consideration of and support for the need for modal sifts to transport modes having lower environmental and congestion impacts.

5.1 There are inevitably some contradictions and weaknesses in the Group’s report, but these are outweighed by its overall conclusions and many of its sensible recommendations, which are supported by AMRIE. However, perhaps the major stumbling block is likely to be the issue of the necessary national funding of the selected projects. In so far as Member States’ finance ministries will argue that **national budgetary constraints** and the impossibility of increasing **Community budgets** will not permit the funding – even on the long timescales involved – they should be encouraged to take an ‘**economics**’ **approach** rather than an ‘accounting’ approach, as suggested, *sotto voce*, by the Group. If even after such a radical – for finance ministries – approach is adopted it is still argued that the bills are too large then it will be better to **fund say 17 main axes’ projects only** out of the 22 proposed, rather than partially funding all 22 for political reasons.

5.3 Finally, AMRIE is pleased that maritime transport is accorded a substantial and important place in the Group’s suggested priorities for developing a genuine trans-European transport network which can deliver against the combination of economic, social, and environmental objectives, and hence assist in providing a realistic sustainable transport strategy for the European Union.

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