

April 30<sup>th</sup> 2009

## **AmCham EU response to the EC Green Paper on the policy review of the TEN-T**

*AmCham EU's responses have been organised to match the questions put forward by the European Commission in the Green Paper.*

Through free movement of people, goods and services, mobility is essential for Europe's prosperity. AmCham EU welcomes the Green Paper "TEN-T: a policy review – Towards a better integrated Trans-European transport network at the service of the common transport policy". A fundamental review of TEN-T policy to invest in the interconnection of national networks, develop infrastructure and improve transport efficiency is of the utmost importance to leverage growth and jobs in an economic recession. All transport modes (air, sea, road, rail, inland waterway transport...) and the supporting infrastructure are essential for the smooth functioning of the European internal market. Transport helps create jobs and grow productivity and is essential for worker mobility and market connectivity between European member states and the rest of the world

*Q1 Should the Commission's assessment of TEN-T development to date cover any other factors?*

Investing in infrastructure is beneficial to the economy in the short term. It also creates the conditions to make Europe more competitive in the long term. Increasing transport infrastructure capacity encourages progress, creates more jobs, increases trade and promotes economic growth globally. An incomplete infrastructure network hampers the development of the internal market and prevents the development of smart logistics.

**AmCham EU recommends to fully account for the value added of the completion of TEN-T projects on the competitiveness of the European economy and supports a more integrated approach to the network planning process.**

*The future of the comprehensive network*

*Q2 What further arguments are there for or against maintaining the comprehensive network, and how could the respective disadvantages of each approach be overcome?*

Europe, overall, largely benefits from globalization<sup>1</sup>. But a global manufacturing and supply base supporting customers around the globe can only deliver if supported by a highly efficient and reliable supply chain. Poor infrastructure interconnections and bottleneck hamper transport and trade, limiting access to basic services and commerce. There is an urgent need to invest in infrastructure development in all modes. **AmCham EU recommends that intermodal infrastructure be expanded, developed and combined to facilitate future growth at regional and national level in a pan European context.**

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<sup>1</sup> "Globalization & Europe: prospering in the new whirled order" *Daniel Hamilton and Joseph P. Quinlan*, 2008 – Page 1 Executive Summary

Possible incorporation of a “priority network”

*Q3 Would this kind of priority network approach be better than the current priority projects approach? If not, why not and what are the particular strengths of the latter? If so, what (further) benefits could it bring, and how should it be developed?*

**AmCham EU welcomes the introduction of a network perspective into the TEN-T priority approach.** We would however emphasize that favourable conditions are needed to deliver the full potential of freight transport and passenger logistics, including interoperability, capacity standards and bottleneck resolution. While each transport mode should be able to compete fairly on the basis of its own advantages and challenges, new and improved infrastructure will be needed in all modes to build a reliable multimodal logistic toolbox and therefore enable co-modality.

A “conceptual pillar”

*Q4 Would this kind of flexible approach to identifying projects of common interest be appropriate for a policy that, traditionally, largely rests on Member States' individual infrastructure investment decisions? What further advantages and disadvantages could it have, and how could it best be reflected in planning at Community level?*

**AmCham EU believes that the optimisation of existing infrastructure capacities will not be sufficient to support Europe's competitiveness and growth.** New and improved infrastructure is needed in all modes of transport. Efficient flows of passengers, goods and materials are a prerequisite for sustainable success, which also protects the environment by minimising waste and emissions. Logistics efficiency within the internal market should prevail over Individual Member States' investment decisions.

Freight logistics

*Q5 How can the different aspects outlined above be best taken into account within the overall concept of future TEN-T development? What further aspects should be taken into consideration?*

As most infrastructures are jointly used for the transportation of goods and passengers, AmCham EU promotes a fair share of the burdens according to the respective usage, or dedicated solutions. In logistical terms, quality translates into reliability of the supply chain. **AmCham EU believes that initiatives to reduce disruptive events and to optimise capacity utilisation should be encouraged.** These initiatives should be carefully assessed by an independent study to examine how the intermodal potential can be expanded. Such a study should look at standardisation of equipment, processes and technology. Logistic choices should however be primarily driven by logistic considerations, as customer expectations and consumption points drive logistics, not the reverse. The full supply chain – including customer expectations – must be considered and unnecessary procedures and regulations should be avoided. Each transport mode should be able to compete fairly on the basis of its own advantages and challenges and be given the room to improve its efficiency. The development of inland waterways and fast freight movement from ports to areas of consumption can help complement the logistical toolbox as long as a level playing field is ensured between all transport modes.

*Intelligent transport systems & Innovation*

*Q6 How can ITS, as a part of the TEN-T, enhance the functioning of the transport system? How can investment in Galileo and EGNOS be translated into efficiency gains and optimum balancing of transport demand? How can ITS contribute to the development of a multi-modal TEN-T? How can existing opportunities within the framework of TEN-T funding be strengthened in order to best support the implementation of the ERTMS European deployment plan during the next period of the financial perspectives?*

*Q7 Do shifting borderlines between infrastructure and vehicles or between infrastructure provision and the way it is used call for the concept of an (infrastructure) project of common interest to be widened? If so, how should this concept be defined?*

AmCham EU supports innovation developments such as the ITS.

We also wish to reiterate our support for the role TEN-T has played in preparing the Single European Sky Air Traffic Management Research, specifically SESAR, which will bring not only ATM efficiencies but also significant environmental gains through reduced fuel consumption. We fully support activities to implement SES and SESAR as quickly as possible.

We also would like to stress that there must be a carefully crafted balance between technology push and demand pull. Demand pull components are more efficient when putting technology into the marketplace. Technology push should not create a centrally planned process in which certain technologies are "picked as winners" as opposed to creating market forces that allow technologies to compete against performance-based standards. Technology development support can accelerate and enhance the technology development process, but market deployment innovation should then be driven by performance-based standards. **AmCham EU believes that technology neutrality should always be maintained thereby allowing any results-orientated technology to flourish and letting the market decide who are the winners and losers.** It is important that the EU does not lock Europe into any one technology type.

*Financing*

*Q9 How can the financial needs of TEN-T as a whole – in the short, medium and long term – be established? What form of financing – public or private, Community or national – best suits what aspects of TEN-T development?*

*Q10 What assistance can be given to Member States to help them fund and deliver projects under their responsibility? Should private sector involvement in infrastructure delivery be further encouraged? If so, how?*

*Q11 What are the strengths and weaknesses of existing Community financial instruments, and are new ones needed (including "innovative" instruments)? How could the combined use of funds from various Community resources be streamlined to support TEN-T implementation?*

*Q12 How could existing non-financial instruments be improved and what new ones might be introduced?*

The common TEN-T strategy should optimise the flow of passengers, goods and freight from their origin to destination. Unspent funds should be reallocated to other priority infrastructure projects and new funding solutions (i.e. public-private partnerships and other financial instruments) should be developed. **AmCham EU recommends that revenues generated from tolls and user charges on transport infrastructure should be reinvested into the development of infrastructure. Distortion of competition between different modes of transport should be prevented.**

*Possible future options*

*Q8 Would this kind of core network be "feasible" at Community level, and what would be its advantages and disadvantages? What methods should be applied for its conception?*

*Q13 Which of these options is the most suitable, and for what reason?*

**AmCham EU supports an improvement on the existing situation.** A dual layer structure approach (with the comprehensive network and a core network, comprising a – geographically defined – priority network and a conceptual pillar to help integrate the various transport policy and transport infrastructure aspects) may be the best option, provided funding is secured and favourable conditions are set to deliver the full potential of passenger and freight transport logistics.

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*AmCham EU is the voice of companies of American parentage committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and play a role in creating better understanding of EU & US positions on business matters. Total US investment in Europe amounts to \$702 billion, and currently supports over 4.1 million jobs.*

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