

**GREEN PAPER ON THE FUTURE OF THE TEN-T:  
RESPONSE OF THE PASSENGER TRANSPORT EXECUTIVE GROUP (PTEG), UK**



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**INTRODUCTION: PTEG**

**pteg** represents the six Passenger Transport Executives in England which between them serve eleven million people in the conurbations of Tyne and Wear ('Nexus'), West Yorkshire ('Metro'), South Yorkshire, Greater Manchester, Merseyside ('Merseytravel') and the West Midlands ('Centro'). Leicester City Council, Nottingham City Council, Strathclyde Partnership for Transport and Transport for London are associate members.

**DETAILED RESPONSE**

1. Are the principles and criteria for designing the core network, as set out in the consultation, adequate and practicable? What are their strengths and weaknesses, and what else could be taken into account?

TEN-T policy must be fully integrated with strategies for combating climate change and promoting growth and jobs, taking into account of the role of cities, given that over 70% of EU citizens live in urban areas where 85% of the EU's GDP is generated. Urban areas face particular challenges of CO<sub>2</sub> and other pollutant emissions arising from road transport. With most trips on TEN-Ts beginning and ending in these areas, the "final mile" and interconnections between different transport modes must be considered within the TEN-T policy framework and integrated from the outset. TEN-T policy must take a holistic approach to infrastructure planning.

Support should generally be focused on the most sustainable modes, intermodality and increasing sustainability within modes.

The proposed focus on bottlenecks is welcome. Many of the TEN-T bottlenecks occur in and around urban areas. This presents particular challenges for the wider economy. Many European cities face the combined challenge of increasing both freight and passenger numbers within limited infrastructure capacity.

Although the current priority projects are all trans-national in nature and do cross national borders at some points, they do all have an end point, usually at a natural or national border. Linking up the priority projects into a core network would create a more genuine trans-European network with more cross border crossings and, potentially, better incorporation of ports, airports, etc. as entry points to the network.

Since some of the priority projects are exclusive to particular modes, linking them up would also encourage a certain limited inter-modality on top of what exists at present.

However, one problem identified in the 2009 TEN-T Green Paper is the poor implementation of the existing cross border sections of the TEN-T. A core network could have more cross border sections and so create an even greater imperative for a solution to the problem of non-implementation.

Regarding the four-step process:

- That urban areas are the starting point, in that these will constitute the main hubs, is positive for reasons already explained, such as cities' economic importance, their scale of population and intensity of transport-generated external costs, their intermodal infrastructure and potential and the need to eliminate bottlenecks. However, it is not only capital cities and cities already of obvious economic or administrative importance that should constitute the key nodes. Cities that are large population centres in major need of regeneration and restructuring should also qualify. A balance between all major cities of a territory needs to be achieved, independent of political bias. This is the best way of furthering the economic and social cohesion goals of the TEN-T.
- Airports should not necessarily qualify as major hubs if more sustainable alternatives for the major traffic flows from those airports exist. The development of airports and seaports needs to be better integrated with the development of land transport networks serving them.
- Rail hubs and freight terminals outside cities should also potentially qualify as major hubs; for historic or other reasons these may be where much existing infrastructure meets, and therefore present hubs for efficient investment within the core network.
- One element that is not included is interaction with the comprehensive network. It is useful to set the core network squarely into the context of the wider feeder network. The core network cannot be planned in isolation from this. The comprehensive network is an essential prerequisite for a coherent set of priority projects and addresses the key issue of access to the core network. The interaction between the two layers is key. The comprehensive network can also alleviate congestion on the core network.
- It also fails to include an assessment of the financial, organisational and legal capacity to deliver an identified node or link. The 2009 TEN-T Green Paper admitted that a lot of current priority projects have not been realised because the challenges (geographical, budgetary, etc.) to their realisation are too great. This would suggest that these challenges need to be made more important factors in identifying the future priority projects/network - if it is not highly feasible it should not be on there.
- More elaboration is needed on step three: "deciding the capacity needed for the identified nodes and links". Identifying capacity needs should give particular focus to important urban issues, such as bottlenecks, the interaction between long-distance and local travel and achieving the right balance between passenger and freight transport. All are key to economic development and environmental goals but capacity issues are keenly felt in urban areas.
- The notion of links always being between neighbouring main nodes could also mean that long-distance journeys would end up going through an inordinate number of intervening nodes. Well established and important long distance

travel between two points should be allowed to deviate from capturing all intervening main nodes.

- There may be some contradiction between, on the one hand, aiming to have the current priority projects integrated as much as possible into the core network and, on the other, using the rather abstract methodology of main nodes, intermediate nodes, etc. Having these two overlaid approaches could be confusing and further dilute already stretched funds, though may be a necessary compromise.

We would generally agree with the various horizontal criteria put forward for identifying the core network, but with the following provisos:

- There is mention of co- and inter-modality, but not modal shift. Yet, since another listed criterion is decarbonisation and wider sustainability, we believe the focus in TEN-T should always be on the most sustainable modes. This should apply across the core and comprehensive networks, as well as within individual links and nodes.
- Biodiversity proofing using Natura as the basis could be unequal across Europe as some member states have identified a far greater number of sites than others, in a way that does not necessarily represent the true biodiversity picture.
- Having minimisation of investment, maintenance and operational costs as a deciding criterion could favour unduly the existing modal balance or modes that do not adequately internalise their external costs. Considerations of the economic efficiency of particular infrastructure investments should take into account the full external costs of those investments.

Regarding the suggested mode-specific changes to the criteria, we would make the following observations:

- For ports, a major disincentive for shipping lines is the high cost of multimodal transport from the ship to the final inland destination due to the need to pay a handling charge every time a container is lifted and transfers between transport modes. This understandably increases costs. But if there instead was a single streamlined "ship to shore" handling charge which can be shared out between transport modes used then this might help encourage multimodal onward transfer of the container from the ship to its ultimate inland destination at reasonable cost.
- For airports, there is an issue with the use of passenger and freight volume thresholds where they are applied to new airports starting from a zero baseline but with significant growth ambitions. Should the criteria therefore consider five-year (or some other timescale) master plan projections of volumes rather than snapshots of current volumes?

## 2. To what extent do the supplementary infrastructure measures contribute to the objectives of a future-oriented transport system, and are there ways to strengthen their contribution?

One of the goals set out for supplementary infrastructure is innovation for sustainability. This should give particular focus to urban areas as the places where the most immediate negative impact of road pollution in terms of human health and environmental degradation are felt.

Any enhanced focus on ITS in the TEN-T should be on applications that are clearly tailored to the needs of the transport user – be it companies or individuals – and have user accessibility built-in.

ITS is key to achieving many EU objectives. There is a real need to better integrate passenger and freight transport needs, and vehicle and infrastructure developments (especially the consequences of changing fuel and environmental strategies) with demand management. Access to information through ITS is likely to be key to this. We feel this should be as much about innovative and accessible applications of existing technology as about developing more high level technology (Galileo satellites). A focus on user needs from ITS – at the level of the individual company or passenger – is key.

Accessibility needs to be built in from the outset so that ITS solutions are as comprehensible and accessible to as wide a range of users as possible; this is especially important in the context of demographic change and the ageing population, and therefore to further the aims of Europe 2020. Accessibility here is two-fold: the technology itself needs to be accessible but it also needs to provide comprehensive information on accessible transport solutions. Accessibility also needs to take into consideration not only people with reduced mobility but also social exclusion factors (affordability and availability of technology, access of deprived areas to infrastructure, etc.)

As standards are identified and progress is made toward interoperability in ITS systems, a sensible policy on the treatment of pre-existing ITS implementations will be essential to avoid wasteful expenditure. Equally cities should be fully involved in the development of new standards to ensure the 'final mile' is fully integrated.

### 3. What specific role could TEN-T planning in general play in boosting the transport sector's contribution to the "Europe 2020" strategic objectives?

The consultation paper uses as its starting point putting the TENs more at the service of Europe 2020. However, this does not necessarily best translate into long-distance journeys across Europe and with Europe's neighbours. Effective local urban transport, allowing people in deprived urban areas to get to a wide enough range of employment centres for them to reach their full potential in the job market, may better serve Europe 2020's goals of reducing worklessness and poverty and ensuring the EU sustains its position in the context of globalisation. It is also important for people to be able to travel easily to work in adjacent urban areas.

We also believe substantial reductions in transport-related CO<sub>2</sub> emissions can be achieved through the mass market introduction of existing low-carbon technologies, particularly for road and rail. Further investment in sustainable modes and collective transport – in and between cities – will make the biggest difference to decarbonisation and broader sustainability goals but there remains a need in times of fiscal restraint to seek other partners to ensure investment proceeds.

TEN-T policy should fully recognise the significance of international maritime routes to member states and their integration with overland links with other countries bordering the EU. These maritime links carry goods that are critical to the functioning of the EU economy. In a similar way other projects which deliver enhanced capacity such as rail freight will also help to relieve capacity constraints on intensively used rail routes in urban areas, as well as ensuring the efficient transit of international freight.

### 4. In which way can the different sources of EU expenditure be better coordinated and/or combined in order to accelerate the delivery of TEN-T projects and policy objectives?

One of the main problems identified in the green paper is the dilution of funding available for the TEN-T. The core network, despite its name, is actually the most expansive of the three options previously put forward in the green paper, since it involves: on the one hand, keeping the comprehensive network and co-existing with it; and on the other joining up the current priority projects into network and adding new nodes and links and supplementary infrastructure. This would actually increase the length of routes covered by the TEN-T and lead to a further dilution of the funding, unless more funding is identified for the network.

One of the main reasons for non-completion of the TEN-T is the low intervention rates and amounts available from EU sources relative to the overall cost of the network; this means the EU funds have very little leverage effect. Given the identified need for greater intensity of funding, it is important to ensure that routes within the EU are completed before turning our attention to routes outside the EU.

Two funding suggestions from the green paper that have not been included in the current consultation are perhaps worth revisiting. The first, to split up the funding needs assessment into short-, medium- and long-term priorities, makes sense as long as a certain flexibility is built in. The second, for the EU to make financial commitments to the TEN-T beyond each EU budgetary period, will help to create a greater degree of certainty.

The Commission asserts that the priority projects have been much more at the centre of EU efforts in terms of funding. This is questionable. Budget breakdowns show comparable amounts have gone to the comprehensive network and priority projects, especially when Structural Funds are included. Regions and member states have clearly found it helpful to be able to direct EU Structural Funds to the comprehensive network and it would be useful for this possibility to continue.

EU funding for the current geographically-defined TEN-T is disproportionate compared to the monies available for urban public transport projects under, say, CIVITAS. The previous TEN-T green paper also highlighted the lack of visibility of TEN-T funding - more urban transport investments would have a greater visibility as 70% of EU citizens live in urban areas and the majority of their journeys are in those areas.

Regarding the dedicated TEN-T fund specifically, the very low intervention rates (10-20% for most routes) mean that project proposers have to identify substantial match funding before they can apply. The timing of this match is not always compatible with the annual TEN-T calls for proposals. It might therefore be easier for project proposers if the TEN-T fund had a "rolling" call for proposals, with submissions being welcome at any time.

There is also a need for simplification of the calls for proposals under the TEN-T. If we take the 2009 call as an example, not only were there separate calls for the annual and multi-annual programmes, but there was a further separate call for the money brought forward for TEN-T development under the EU Economic Recovery Plan. Certain types of projects could also be eligible under both the annual and multi-annual strands, leading to further confusion. One option would be to remove the different strands and have only one programme.

5. How can an EU funding strategy coordinate and/or combine the different sources of EU and national funding and public and private financing?

Three out of the seven consultation questions concern funding. The shortfall between available funding and the aspirations for the TEN-T is one of the crucial problems for the network that needs to be resolved in any revision. However, the funding section of the consultation is scant on detail and how exactly the shortfall may be resolved. The Commission should produce more detailed proposals and consult on these with all stakeholders before proposing changes.

We support a European funding stream to assist the implementation of TEN-Ts. Although we recognise there is significant pressure on EU resources, better progress to Europe 2020 goals could be achieved through: a reallocation of existing sources including an urban element to TEN-T; a greater focus on demonstration projects in Framework Programmes; acknowledgement in other funding streams of the contribution of innovative urban mobility policies to economic development and climate change/energy/environment objectives; the establishment of a dedicated urban mobility funding line; and greater scope for the EIB to lend to the fullest range of projects.

It is important to get the balance right between improving urban transport networks and developing the TEN-T. According to the European Parliament's recent report on the Urban Mobility Action Plan, only 9% of the Structural Funding for transport is earmarked to urban transport. Only relatively small amounts of dedicated EU urban transport funding (such as CIVITAS Plus demonstration funding) currently exist. Urban transport scores very highly on social, environmental, economic and value-for-money grounds and is the best form of transport investment for furthering the Lisbon and Gothenburg agendas. The balance of EU transport funding should better reflect this. Furthermore, within the TEN-T the Commission should consider proposing a TEN-T urban priority to look at the urban aspects of TEN-T development and to encourage wider exchange and joint projects between the EU's cities.

We would agree with the Commission's analysis that more innovative EU financing instruments need to be explored and the different existing instruments need to be better linked up. While we can see the rationale behind the funding strategy, the likelihood is that the source funds will still remain separate and subject to separate rules; the EU needs to be careful to avoid creating layers of bureaucracy that will discourage good projects from applying. Funding needs to be targeted but balanced with simplicity. Any increase in funding conditions should be accompanied by at least an equal increase in the amount and rate of funding available.

On PPPs, the most appropriate role for the EU would be facilitating best-practice exchange and replication by member states but not imposing PPP uptake. The same principle should apply to user charging

#### 6. Would the setting up of a European funding framework adequately address the implementation gap in the completion of TEN-T projects and policy objectives?

The current intervention rates and amounts of funding for the dedicated TEN-T fund are too low to have any significant leverage effect and do not adequately encourage delivery of the network by member states. A small contribution from the EU is insufficient to lift TEN-T schemes up the list of national priorities. The consultation does not, however, suggest that the funding strategy would address this crucial problem. For the current EU budgetary period (2007-13) the Commission wanted EUR 20bn to go to the TEN-T fund but only got EUR 8 bn; the higher budget would also

have allowed, in the Commission's own estimation, a raising of the co-financing rate to 50%.

Although national governments are responsible for submitting applications under the TEN-T fund, the Commission should undertake more consultation and promotion with regional stakeholders as often the applications are developed by or in partnership with them. Indeed, the requirement to submit through national governments should be re-examined. There is a tendency toward centralisation in the TEN-T. In particular, urban metropolitan transport authority involvement should be boosted, as these are the organisations having to address urban bottlenecks and competing freight/passenger priorities.

In terms of the Cohesion Fund, the decisions on such funding is taken at member state level, whereas by its very nature TENs funding investment requires cross-member-state decisions. Conversely, in Competitiveness Regions (most of the UK) Structural Funds investment in transport is limited by the ERDF Regulation and sometimes frowned upon in practice. This is an issue that needs to be addressed in the upcoming review of regional policy.

As policy on the TEN-T is refined, the next Framework Programme for Research provides an opportunity to re-orient research policy to one where projects have a much higher visibility amongst citizens. There needs to be greater emphasis on large scale demonstration projects in order to give innovative projects, particularly those decarbonising transport, priority.

#### 7. In which way can the TEN-T policy benefit from the new legal instruments and provisions as set out above?

The proposed changes to the legal framework appear to come down to two main elements;

- Combining the TEN-T Guidelines and TEN Financial Regulation, so that network planning and implementation are better dovetailed. The new regulation would define precisely the power of the European Commission to update the rules to take into account changes over time. It would also clarify the member states' responsibilities at the different phases of TEN-T projects: planning, financing, implementation and review.
- A possible addition to the Treaty, the purpose of which is not clarified.

As a general principle, the combining of the guidelines and financial regulation makes sense as it could allow the EU better to address the core problem of TEN-T at present: the gap between the aspirations for the network on the one hand and the funding and implementation on the other.

Regarding clarifying member states' responsibilities, If member states want particular parts of their territory to feature on the list, they should perhaps have to demonstrate their own early commitment to completing the projects/network by including them more in their national budgetary and planning provisions. Given that there seem to be disappointing levels of progress on some priority projects, the Commission should ask member states to renew their commitment and demonstrate they are putting in the necessary funds and planning. At the same time, the planning requirements need to be proportionate to the ultimate financial reward, or else they will be too off-putting.

The challenges facing transport development and the tools for meeting them are constantly changing and there needs to be a mechanism whereby this can inform the development of the wider TEN-T in a dynamic way, so the proposal for regular adaptation of the rules could make sense if properly handled.

The consultation does not spell out adequately what the Commission intends to achieve by a potential change to the Treaty.

In any change to the regulations or treaty, one aspect of the current comprehensive network that needs to be treated with caution is its use by the EU as a route into legislating on new areas of transport policy. EU legislation has been introduced on, for instance, road tolling (Eurovignette and technical interoperability) and tunnel safety on the comprehensive TEN-T network where otherwise the EU would have had more difficulty legislating.