

POSITION PAPER
of the WATERMODE project's partnership
on the open consultation on
the future Trans-European Transport policy network

Venice (IT), 15/09/2010

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A. INTRODUCTION

With its Green Paper on the future development of the trans-European transport network (in the following referred to as TEN-T), published in February 2009, the Commission launched a review of the TEN-T policy.

The main innovation proposed was the concept of a dual layer planning approach with a “core network” as the top layer. In order to allow for a deeper analysis of a number of issues of particular relevance for the future TEN-T development, the Commission set up six expert groups which have been working between November 2009 and April 2010 and additionally, opened a second public consultation aimed at refining the available policy options that have been emerging from the contributions made in 2009.

The TEN-T policy review needs to be seen in the broader context of the “Europe 2020” Strategy under which the Commission “[...] presents proposals to modernise and decarbonise the transport sector thereby contributing to increased competitiveness”, by better harnessing its resources for the implementation of strategic projects with high European added value to address critical bottlenecks in the smooth operation of the internal market, in particular cross border sections and inter-modal nodes (cities, ports, logistic platforms).

The TEN-T should support the emergence of an integrated European transport system that better addresses environmental and climate change challenges, providing inter-modal solutions, which would better serve the mobility needs of citizens and businesses and support the EU's industrial competitiveness.

Transport and logistics are no longer, if any, the scope of public bodies only but they concern so many actors and stakeholders that indeed there is a strong need to change the way we are used to look at these sectors. In this perspective, we can infer an “European model” in transport and logistics policies, that is, a model which is not based on the “battle” of public authorities against private companies. It is rather characterised by a co-operative approach and framework in which both public institutions and private entities can work together so as to accomplish a highly strategic asset for local communities, i.e. public interest.

The Treaty provides that services of general interest (SGIs) must be ensured so as to allow for the accomplishment of the community's specific needs. In this respect, transports by all means come within the scope of the definition of SGIs. Nowadays, the movement of goods and freedom of establishment imply consumers' (both individuals and enterprises) right to have accessible, efficient and effective transport services. Accordingly, efforts should be made so as to outline solutions capable of balancing economic growth, environment protection, training, safety and security.

Against this background, WATERMODE project's partnership would like to offer its contribution to the public consultation process, offering actions that:

- a) concern the SEE Area as a macro-region, as complementary to the national or EU level;
- b) have a positive impact on the citizens, enterprises, and the environment in an integrated manner;
- c) are feasible in the short to mid-term.

B. WATERMODE project

WATERMODE (acronym for “Transnational Network for the Promotion of the Water-Ground Multimodal Transport”) is an EU territorial cooperation project co-financed under the South East Europe Programme (SEE), led by the Venice Port Authority, with a total budget of about 3

million euro and intends to promote a better coordination between policy actors and stakeholders so as to increase the competitiveness of the alternatives to road transport in the South East Europe regions, especially by underlining the potentials of multimodal transport solutions.

In particular, the project's partnership is composed by 15 multilevel public stakeholders: port authorities (Venice, Ancona, Bari, Bar, Constantza, Durres, Alexandroupolis), Port managing companies (Koper), national and regional bodies, development agencies, business innovation and research institutions from 10 countries (7 EU Member States and Albania, Montenegro and Serbia).

WATERMODE Project Partnership includes a significant number of the main seaport infrastructures of the SEE area, as well as a relevant representation of the inland waterways stakeholders. The composition of the partnership has followed a multilevel criteria, involving ports, regional and national authorities, research institutions and development agencies or other stakeholders. The participation of the port authorities will ease the transfer of the project results in further European projects in the framework of other specific programmes - as Marco Polo II or Motorways of the Seas – strengthening relevance and sustainability of the **partnership** even after the end of the activities.

1. Venice Port Authority (Leader – IT)
2. Veneto Region (IT)
3. Ancona Port Authority (IT)
4. Levante Port Authority (IT)
5. Austrian Mobility Research (AT)
6. Pannon Business Network (HU)
7. Port of Koper (SLO)
8. Business Innovation Centre Attika (GR)
9. Port of Aleksandroupolis (GR)
10. Executive Agency Maritime Administration (BG)
11. Port of Constantza (RO)
12. Port of Bar (MON)
13. Durres Port Authority (ALB)
14. ALMA MONS Regional Agency for SMEs (Novi Sad –SRB)
15. University of Novi Sad, Faculty of Technical Sc. (SRB)

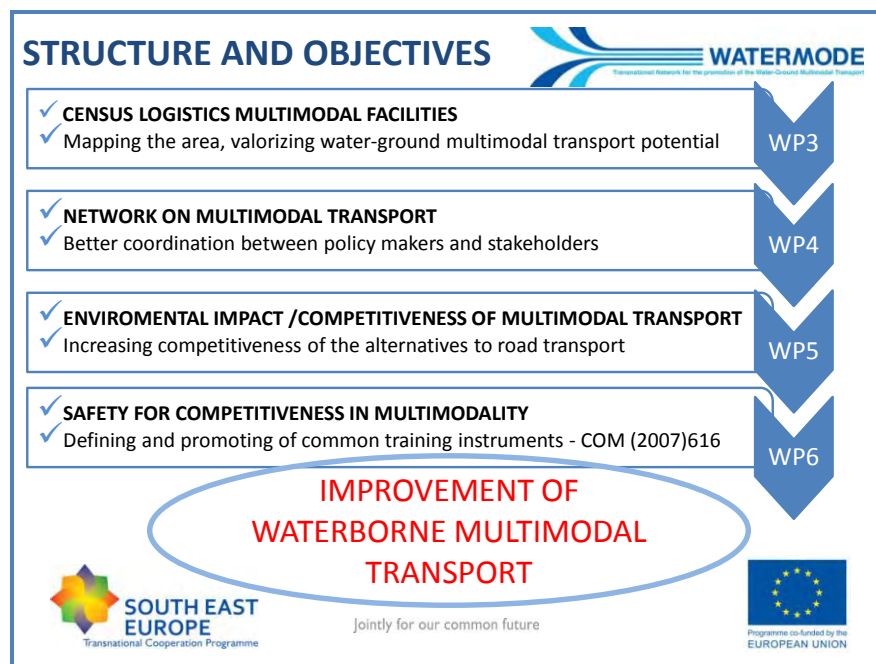
The project's idea was developed on the basis of the fact that the “new Europe”, the South Eastern Europe including Turkey, becomes more and more the origin and destination of growing intra-European flows (the growth rates of the new Europe have shown an increasing rate of + 5,30% between 2000-2007).

These freight flows are mainly supported by road infrastructures that were not planned to handle these high traffic volumes and waterborne transport modes are the alternatives to road traffic with the most relevant growth potential. The growth wide margin depends primarily on the connections effectiveness of inland and maritime waterways' nodes to TEN-T networks crossing the SEE area (namely Priority Projects n. 6, 7, 18 and 22), in order to improve the most economical efficient and environment friendly modes of transport.

The Eastward shift of the European economy barycentre, the growing importance of the economies of the Eastern neighbouring regions (Russia, Ukraine and Caucasian countries) and the increasing traffic to and from the Far East implies the need to improve accessibility to and from the “new Europe” and to optimize the port gateways for the traffic to and from the Asiatic markets. It means reinforcing the South-East Mediterranean and Black Sea port gateways, naturally closer to Far East via Suez pursuing the target of maximizing the shipping routes and minimizing the impacts of energy costs and CO2 emissions.

WATERMODE will support the improvement of the connections between sea ports, inland ports and hinterland logistics centres in the SEE area, by defining joint shared indicators and mapping the multimodal logistics facilities, as well as supporting the implementation of national and local infrastructural plans. Furthermore, the project will also:

- investigate the competitiveness of multimodal transport compared to road transport, by evaluating internal and external costs along 3 pre-defined routes;
- promote common training tools to be presented as common criteria in the framework of the action of the EU Commission for Safety training in logistics.



WATERMODE¹ can interact with the works related to the TEN-T development, as its partnership gathers a significant number of stakeholders in the domain of waterborne transport and intermodal nodes of the SEE area. In fact it represents an appropriate instrument for enhancing the economic and social development of involved territories and fostering the integration of the EU transport system with the ones of the EU neighbouring countries (Albania, Montenegro, Serbia).

C– Planning Comprehensive Network

The comprehensive network is expected to be the baseline network for the EU aimed at ensuring accessibility to the core network, contributing to the implementation of the internal market, and addressing at the same time several different objective (environment, cohesion, EU 2020 objectives, considering also social factors as for example territorial distribution in creating job opportunities).

In particular, under the flagship initiative “Resource efficient Europe the EU multimodal comprehensive network” the acceleration on the implementation of strategic projects with high European added value to critical bottlenecks and intermodal nodes (especially ports and logistics platforms). To deliver a fully multimodal interconnected network within the SEE region, some

¹ For further details, please refer to the official website: www.watermode.eu

principle should be considered in defining the criteria for the comprehensive network. An example of this principle is listed below.

- Improving the connection of inland and maritime waterways' nodes to the TEN-T networks crossing the South East area in order to promote the most competitive, efficient and environmental friendly transport modes.
- Establishing networks of high connectivity, including efficient rail systems and especially of those linked to the "Sea-River" ports (Constanta, the inland ports of the Danube, North Adriatic ports system).
- Promoting planning and use of logistics platforms and waterways' nodes networks of the SEE area

D-Core Network

The Core Network is aimed at linking the most highest strategically and economically important nodes. This network should have several features: multimodality, geographically balance covering at least the capital of each member state, and smart to boost the development and the application of Intelligent Transport System. Additionally, it should be conceived to deliver other European and National policy objectives, not limited to the transport sector, thus guaranteeing a proper *trade off* between flexibility and concentration of passenger and cargo volumes.

Waterborne transport has a great potential to offer since it may actually contribute to develop co-modality as the most effective "bridge" among the different transport modes. Inland waterways and maritime transport, especially when coupled through efficient and consistent canals, may indeed serve as modern answers to the ever growing demand for alternative transport modes and a better knowledge of local areas. The European Commission is convinced that, thanks to intermodality and co-modality, maritime transport and inland waterways amount to key elements for the development of a modern transnational transport network.

Within a socio-economic context in which much attention is devoted, especially at the European level, to the most effective and efficient transport modes, which may favour a sustainable development based upon the following factors:

1. Environment protection;
2. Intermodality;
3. local areas promotion;
4. public-private parternships (PPPs)

Inland waterways seem to represent an essential component for a renewed growth strategy, and this is even clearer when one considers the potentials that the different modes of which inland waterways consist (goods transport, tourist promotion and public transport service) are capable of ensuring. In this respect, given the fact that inland waterways are often cross-border, there are many possibilities to strengthen and to outline new modes whereby to link the different regional areas concerned by waterways.

Connections with third countries

A three layer approach for the connection with third countries has been outlined as follows:

- 1) Integrating candidate countries into the core network
- 2) Fully connecting neighbors countries
- 3) An appropriate coordination development going beyond mere connection and common state border.

The Southern Eastern Europe is a key strategical region for the EU and has a huge degree of complexity being composed by Member, candidate and potential candidate countries. Moreover, Western Balkan states have a relatively small size and the quality of infrastructure – except for road - is generally lower than other EU countries. This is the reason why a “regional approach” should be taken into account by co-ordinating first layer initiative “link between candidate EU member states” and the second layer “fully connect with neighbors countries”.

Since the negotiation and the accession process is to be different for each Western Balkan states, it will be necessary to introduce a regional – wide approach for the whole region so as to ensure full implementation of a multimodal network. This regional approach will be tailor made to Western Balkans because of the special situation of the region.

WATERMODE project proposes that *well - established* regional initiatives such as “*Southern Eastern European Transport Observatory*” should be supported and endorsed by the EU in its methodological guidelines. In this context, the SEETO “*multimodal core network*” should be amended, according to the criteria of a new “core network”, ensuring full connection both with the EU core network² as in the Annex 3 P 28-29 of the Expert Group 4 recommendation. Indeed only through a closer co-operation among the EU and Western Balkans member states it is possible to develop intermodal links.

Selecting Core Network Nodes

Criteria for the definition of core nodes are the key issue in the shaping of the core network. As far as the scope of WATERMODE project is concerned, this issue is addressed by main core ports and main core multimodal platforms. Core ports have a function of gateway for most part of the EU trade, are a necessary element of the logistic and the supply chain, being capable of linking EU industries with raw material sources.

Ports might be categorized as follows:

- 1) “Multiport’s Gateway Systems, as defined by ESPO(2009)³: seaports which have shared local hinterland and connections, shared long term objectives and are already cooperating. This definition ~~applies~~ only to the container market.
- 2) Main standing alone ports: ports isolated from other ports or system with an international traffic. (this definition is limited only to the container market)
- 3) Main ports for dry and liquid bulks and RO RO which have a different relation with their hinterland

In this respect, ports and dry ports represent the strategic players in the competitiveness game of the global markets, in which in order to tackle the competition coming from the North European ports it is necessary to maximise the use of the maritime component of the logistics chain by arranging railway services for good transports across Europe. Multi-port gateways, then, become the “common” expression of different ports that taken one by one would not be capable of tackling the competition pressure.

As to ports, some best practices at the regional level witness that there is a wide room to re-engineer and define the role and functions of Ports (public and private bodies) and Port Authorities. They may indeed take up the functions of “developing agencies” of a given local and regional area. Add to this, they could act in close connection with tourism promotion policies and serve as pivotal centres for other logistics platforms, such as “dry” ports, warehouses, and so forth.

²EXPERT GROUP 4 (2010). *TEN-T and connections outside the EU – Final report, Annex 3 P 28-29.*

³ ESPO (2009), *Economic analysis of European Seaport Industry*

The main criteria could be used to identify but, generally speaking they include future socio economic, trade and geographical trends, the internalization of external costs and change in energy scenarios and future trend in transport and logistics to drive policy principle and operational criteria for planning.

WATERMODE'S opinion is that one of key policy principles and operational criteria should be focused on the potential for de-carbonization of the whole logistic chain (and not merely only volume cargo concentration) to be achieved through different actions which includes the improvement of multimodal hinterland connections.

Logistics and intermodal platforms are core nodes necessary for supporting an efficient multimodal network for freight. Core intermodal platform should be well integrated not only into main EU links but also within national and regional network. Logistics and platform should be preferably fully multimodal, integrating all land transport modes when it is possible.

It is well known that there is the necessity of integrating rail, road and inland waterways means of transport. This important strategic goal is to be achieved also from a legal and institutional perspective, as follows:

- a) by setting out and drafting partnership agreements among operators;
- b) by enlarging the scope and actions of Port Authorities and Ports (public and private bodies), so as to allow them to become "service centres" of a larger geographical and economic area including dry ports and other logistics infrastructures;
- c) by making PPPs in the transport and logistics sectors more effective. Indeed, PPPs cannot be based on financial needs only but they would rather express their potential in the way local authorities and private entrepreneurs agree upon the growth and development of a given area.

Among its project's activities, WATERMODE is currently carrying out the *census* of existing intermodal and logistic platforms, which also includes data on capacity, technical information and traffic flow. The results of this analysis will be included on a on line data base which could support EC and other stakeholders in the selection of core nodes and classification of existing nodes.

E - Implementation - *Non financial instruments*

Non financial instruments are one of the key tools to the most effective and efficient implementation of Trans European Network. Coordinators should increase their competence to ensure to cover also packages of other infrastructures and operational measures on corridor bases. In this perspective, other instruments such as Territorial Co-operation Programmes in the planning, construction and operational phases should be exploited in each Priority Area.

Indeed, Territorial Co-operation Programmes do offer a good framework for multi-sector, multi-governance work. They facilitate the dialogue among relevant stakeholders and even if their financial endowment offers limited possibilities for hard infrastructure investments, they are equally important because they contribute to the promotion of soft infrastructures (e.g studies, plans, services, common activities, knowledge sharing), tackling common problems and common challenge (for example, finding common procedures and signing transnational agreements aimed at reducing customs waiting time at borders).

TEN-T Policy, during its implementation process, should take into consideration all territorial cooperation programmes because they might speed up planning, implementation and coordination, especially on cross border sections both for the Core and, above all for the Comprehensive network.

F- Integrating Transport Policy Objective in the TEN-T policy

TEN-T policy has been conceived to contribute to other transport and other EU policy objectives. In this perspective, a multimodal efficient transport network is not to be fully exploited if the following actions, based on the needs expressed in the COM 2007 (607), were not accounted for:

- a) Defining common strategies/policies for implementing waterborne multimodal solutions, through the coordination of the relevant policymakers and operators;
- b) Increasing the attractiveness of the waterways transport, by supporting the implementation of relevant investments for the improvement of the connections between sea-/river-port infrastructures and hinterland areas;
- c) Improving the comodality of the training procedures on safety for human resources in ports and multimodal platforms, in order to ease the business cooperation between ports and multimodal facilities in the area.

For SEE, TEN-T policy would become a powerful tool to boost the development of the region. To this extent it is important to ensure that the TEN-T implementation and the Danube strategy are to be harmonized to avoid inconsistencies.

In this respect, projects and programmes at the regional and local level are supposed to be consistent with the ones drafted at the European level, through the exchanges of best practices, the contamination of expertise as well as the scheduling of meetings and workshops in which both levels may share outcomes, proposals and perspectives.

A responsible approach towards transports at the European level is supposed to be based upon analysis and evaluation processes, including the drafting of new legal and organisational frameworks, which may empower the search for tools and modes to be adapted to the needs that a specific territory may require. In this respect, therefore, although allowing for a certain degree of application at the European level, those options aimed at making solutions uniform for all actors should be rejected. On the contrary, any effort should be produced so as to allow for the outlining of agreed upon solutions that may help the development of co-modality and intermodality to be consistent with both private and public needs.

G- Funding

Current economic and financial crisis worsened off national and budgetary position entailing a higher involvement of the private sector through Public Private Partnerships (PPP). On the other hand, the market conditions got worse for the private sector although there is a demand for suitable investment projects from long term institutional investors such as Pension Funds. Furthermore, several investment plans have been launched in the world and TEN-T will be competing on with projects coming from third countries or from other sectors such as energy or ITS infrastructures. The creation of an attractive financial framework is vital but it represents only one of the key issues of the funding strategy.

At the same time, it is necessary to improve the use of European and National funds but also to increase the to implement both Core network through a better coordination of financial instruments. Effective funding may derive from EU-funded projects, which should be envisaged as follows in order to reach out for their goals:

- a) projects are to be capable of getting both local, regional and/or national authorities and private actors (both for profit and not-for-profit) involved;
- b) projects are supposed to be clearly accountable for, i.e. the capacity to transfer their contents and actions onto the relevant area of interest and stakeholders;

- c) the scheduling of the projects' steps and actions should be arranged in such a way to allow evaluation and supervisory authorities to grasp at any stage the actual implementation of the programme;
- d) projects, as it happens in many cases at the regional level, should present a reliable, qualified and expert management, not only capable of co-ordinating the different actors involved in the project but also apt to foresee the potentials for the future. To this purpose, the competencies of EU coordinators could might be extended and strengthened, adopting a corridor perspective and raising their budget.

The TEN-T implementation would benefit from an increased coordination between the different funding schemes; in fact not only TEN-T funds, but Member States, Regions, the European Investment Bank (EIB) and particularly the Structural Funds play a key role in this direction. In particular, the EIB is fundamental for the ongoing success of projects once public funds can no longer be used.

Accordingly, fostering the development of Public Private Partnerships (PPPs) to support this kind of projects is a venue that is worth pursuing, especially as to large dimension projects that can be implemented in a short time.

WATERMODE project's partnership views that co-operating in planning will not be enough to ensure proper connection with current and future traffic flows, Co-operation indeed has to be supported and strengthened by institutional regional initiatives, which are capable of getting different stakeholders (especially the public sector) involved on a steady, though flexible arrangements. These should be aimed at creating the adequate legal and organizational frameworks so as to serve both investments in the long run and to enhance economic development at the regional level.

WATERMODE partnership claims that overall budget for TEN-T should be increased and most of the TEN-T funds will be concentrated on the Core Network and the annual budget could be invested to implement projects within the comprehensive network as well, as stated by some Member States in the EC Green Paper. Funds available on the TEN-T Multi-annual Programme should finance only infrastructure investment on the EU core network, and in the case of waterborne transport, this will imply funding only (maritime and river) ports and inland ports within the main network and their connections to the Core nodes.

TEN-T Annual Programme should be aimed at financing both "hard and soft investment" on the core network and comprehensive network. For instance the under the TEN-T Annual Plan should be eligible improvement of railway links from a Core Port to regional and local inland center or an ITS application to improve the access at the a Core ports

Cohesion and regional funds should be devoted to improve capacity and connections of links and nodes both on the core network and on the local network. For instance, studies and small-scale infrastructure project to improve the "comprehensive network."

Even if some small projects are not included in the Core Network, they would have a greater impact on the efficiency of a multimodal transport network at local level. In particular, waterborne transport would benefit from this, thus increasing its competitiveness, especially in South East Europe.

As to EU funding, air and road transports have been proved to be financially sustainable even with only private funds. Therefore, EU funds should not be invested in these transport modes, but diverted and focused on Waterborne transports, inland navigation, multimodal terminals and railways.

H - TEN-T PROJECTS

- *Motorways of the Sea - PP21*

Recently some critics have been raised against the implementation of the PP21 priority project Motorways of the Sea (MoS), claiming some modification to the current the concept and to be included on the core network . Concerns are mainly referred to the impact on the internal market in terms of distortion of existing competition.

WATERMODE considers that Motorways of the Sea is still a valid concept; the project implementation should be modified to deliver better results and self - financing solutions. A multimodal approach should be adopted, which entails that MoS are not a pure port-to-port connection but only the sea leg of a longer intermodal transport system (door-to-door links), encompassing different modes. In this perspective, WATERMODE has already started 3 pilot actions (WP5) to assess the competitiveness of multimodal transport links (including also river and sea legs) and might be used as an example of broader concept of MoS.

To the concept should be revised including also soft measure such as the application of advance technologies and ITS, for instance through the “co-modal center” to strength effectiveness and competitiveness of the MoS.

WATERMODE consortium highlights of the extension of the MoS concept to the third countries included into the neighborhood policy not only to better connect EU with its neighbors and the new project should make a synthesis of existing programmes such as current PP21 and the Euro-Mediterranean Motorways of the sea.

A special attention should be paid to the Euro-Mediterranean MoS, coherently with the Euro-Mediterranean Strategy, implemented through the Union of the Mediterranean and MoS are included among the priority projects lists. First results of EU projects already implemented on the area, such as the MEDAMOS as well as should be considered the basis for criteria and planning of the extension of Mos third countries.

The above mentioned changes in MoS concept could also be enhanced and implemented by means of a co-ordination action of National priorities and funds in improving hinterland connections.

- *WATERMODE core activities*

Among the activities of WATERMODE, analysis on three different routes has been started, including an evaluation of negative externalities (such as environmental and social costs) across the main traffic flows in the region. In particular, the analysis comprise the following activities and routes' segmentation:

- a) Identification of possible routes/segments connecting the Origin-Destination pairs of the 3 routes;
- b) Identification of statistical data concerning the traffic flows
- c) Comparisons of the real prices and costs associated to the intermodal options identified to move unitized cargo connect the O-D pairs of the 3 main Routes.
- d) Assessment time performance and ports operations
- e) Identification, evaluation and monetarisation of air emissions

Identified Routes' segmentation

ROUTE 1: From Wien to Constanza, along the Danube River (partially overlapping with PP18)

Origin: Constantza; Interconnecting Ports: Ruse (BG), Giurgiu (RO), Belgrade (RS), Novi-Sad (RS), Budapest (HU); Destination: Wien

ROUTE 2: From South East Mediterranean Coast to Central and South Eastern Europe (Venice, Genoa, Koper, Wien, Costantza)

Segment 1: Origin: Port Said; Interconnecting Port: Venice; Destination: Wien

Segment 2: Origin: Port Said; Interconnecting Port: Genoa; Destination: Wien

Segment 3: Origin: Port Said; Interconnecting Port: Pireaus; Destination: Koper

Segment 4: Origin: Port Said; Interconnecting Port: Pireaus, Aleksandroupolis, Burgas. Destination: Costanza

ROUTE 3: The "*Multimodal Balkan Corridor*" Bari – Bar- Durres- Beograd- Sofia – Constanza (partially overlapping with the Corridor VIII and PP 18 and 22)

Origin: Bari; Interconnecting Port: Bar/Durres, Sofia; Destination: Burgas.

These routes have been selected after analyzing actual and potential multimodal traffic flows. The routes include sections within candidate and potential candidate countries and might be considered to come within the scope of the core network due to its important impact for the region. Since the core network is inside the EU, non-EU sections might be included into the EU core network thus already amending the guidelines, after bilateral and region-wide agreements.

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