

FINNISH MAIN LINE & BOTHNIAN CORRIDOR WORK GROUP
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European Commission
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STATEMENT FOR THE EUROPEAN COMMISSION

RE: The Consultation Document Concerning the Trans-European Transport Network Policy (COM 2010/212)

The Finnish Main Line/Bothnian Corridor work group welcomes the opportunity to give comments to the Commission on the policy definitions it has drawn concerning the trans-European transport networks and the methodology of network building.

The main future policy directions of the European Union have been recorded in the Europe 2020 Strategy document. The choice and definitions of the TEN-T policies currently under preparation have an organic connection to the strategy's priorities: smart growth, sustainable growth and inclusive growth. Naturally, there is a particular connection to the objectives striving for a more competitive, eco-friendly and more energy effective economy. The selection of TEN-T priority projects has also a specific influence on the economic cost-efficiency and reforming ability and competitiveness, as well as on the Union's cohesion goals and the strengthening of the EU's strategic position especially in the economic sector.

Summary

- The added value of the EU's northern regions to the Union's competitiveness focuses primarily on the sphere of economically strategic areas, such as raw materials and industrial products.
- The Bothnian Corridor is a north-south transport corridor connecting the Northern Axis, the Northern Triangle and Rail Baltica. This ensures an efficient transportation of raw materials and products to the European Common Market and global markets, thus promoting the Union's strategy of establishing a competitive community.
- The Bothnian Corridor is located in the heart of the transport corridor Northern Axis, defined by the European Union. It enables connections to Russia and to the Barents area, which has a substantial economic potential.
- The decisions made on the selection of the TEN-T Core Network and its nodes and links must not be based on the volumes of passenger and freight traffic alone. The selection has to be balanced between the different parts of the Union, and careful consideration has to be paid to such aspects as the geographical location of the Northern Member States and the Baltic Sea Region.
- When carrying out the projects it is of high priority that the Member States commit themselves to the implementation of the projects as a whole.

European Added Value

The importance of the EU's northern areas to the competitiveness of the Union cannot be ignored. Northern Europe is the Union's most important mining area, which produces raw materials for the continent's industry and global markets. The region is a crucial producer of iron ore. The area produces several kinds of ores and minerals, which have been stated strategically important in the European Commission's own reports (The Raw Material Initiative: Com 2008/699), such as nickel, lithium, ilmenite, gold and some industrial minerals like apatite, which is a diminishing raw material used in the fertilizer industry. The existing and planned mining projects will expand the production capacity in the area considerably and enhance the strategic and geopolitical importance of this area for the Union's competitiveness.

The Nordic Countries are a crucial production and refining area for Europe's wood processing, construction and energy industries. Finland and Sweden are global market leaders in forest industry, as far as production and technological development is concerned. 70-80% of the forestry industry's production in these countries (year 2008), which amounts to over 23B, is exported to the member states of the European Union. (These economic input and added value factors have been dealt with in detail, for instance, in the following report: Supply of Raw Materials, Transport Needs and Economic Potential in Northern Europe, ÅF Infrastruktura AB/Infraplan, May 2010)

The aforementioned factors, together with the growing transport volumes in the region's high-grade metal and other industries, justify the need to create efficient transport and traffic connections for Europe's internal market and links to global networks.

Special attention has to be paid to the geographical location of the Union's northern area and to its relation to the Barents area and Northwest Russia. In several reports these areas have been stated as the most important sources of raw materials and energy in the future. Solutions have to be found for the efficient connection of these areas to the European markets in order to secure long-term competitiveness. It is essential to safeguard, for example, the prerequisites for the transit transport from Russia to ports in the Gulf of Bothnia. The role of this area has been well stated in the definition of strategic transport corridors. The Bothian Corridor intersects and embraces the Northern Axis and the production area of the region's raw material supplies.

Starting points of network planning

The starting point for the TEN-T network planning is approach based on two layers, in which the Comprehensive Network consists of national (dense) networks that are complemented by the overlaying Core Network, which is well justified for the EU's special interests. This basic structure of the TEN-T network planning has been well received.

This plan has been recognised to have taken into consideration different transport modes (multimodality and intermodality), their optimisation (co-modality), as well as factors related to energy efficiency and environmental aspects, which are supported by the solutions of smart traffic technology. This approach executes the prevailing EU

strategy of a Europe that is efficient, considers environmental implications and maintains competitiveness.

In the optimisation of different transport modes, attention must also be paid to the efficient EU wide use of existing infrastructure. Here follows an example of the role of input ports in the transportation chain: through efficient planning it is possible to optimise the use of the existing infrastructure and speed up transports, while simultaneously alleviating the congestion of big ports with intercontinental traffic. Feasible solutions include the removal of the bottlenecks in the current passages and logistic chains by increasing the capacity of the existing infrastructure and developing e.g. the functions of the interstate border-crossing points taking into consideration the track gauge and electrical power system, as well as the development and comprehensive use of telematics. New mines in the Northern regions also create the need for making the ice-breaking of ship passages more efficient with improved ice-breaking equipment. The role of smart traffic controlling systems is of crucial importance in optimisation. Incentives should be introduced as a stimulus for adopting these systems.

The definition of the Core Network as an interstate cross border network that provides links to the third countries gives the network a pan-European importance. The majority of the outlined strategic transport corridors that go beyond the EU's external borders are west-east bound heading for Russia, Belorussia, Ukraine, etc. The European competitiveness and cohesion also require the development of north-east bound corridors that complement the above mentioned connections. This makes it possible to ensure strategic connections for efficient transportation of raw materials, processed and other products to the common European and global markets.

The definition, completion and expansion of the Comprehensive and Core Networks

The Comprehensive Network is made up of national networks forming the basic TEN-T layer. It covers all elements of the future Core Network. The current Comprehensive Network provides the basis, which will be adjusted in accordance with national planning policy. This approach guarantees the presence of national interests and a solid commitment to the implementation of the network building project in accordance with the principle of subsidiarity.

The Core Network is made up of elements of the Comprehensive Network. The definition of the Core network has to be implemented in a manner that guarantees the competitiveness of the European Union and maintains the strategic connections to raw material sources and the cost-efficient access of products to global markets from a geographical periphery, such as the Nordic Member States and the Baltic Region. According to the Consultation Document, these factors are intended to be taken into consideration. We emphasise this perspective as an impetus and focus on the feasibility of the network, the implementation of the Union's competitive goals, and adherence to the principles of cohesion. In other words: the volumes of passenger and freight traffic must not alone steer the definition of the Core Network; accessibility plays a central role in the development of European peripheral regions and transport corridors.

The definition of the main nodes of the Core Network has to include, in addition to densely populated areas such as capital cities and metropolitan areas, logistic nodes and transport links of strategic importance. Such transport links include the northern area of the Bothnian Corridor, which consists of the Tornio-Oulu area in Finland, the Haparanda-Luleå area in Sweden, as well as their southern nodes. This transport link area is a full service multimodal node offering connections to the Northern Axis, northern raw material sources, the Barents Region, as well as connecting air traffic and the Motorway of the Seas. Via Finland it provides a good railway connection to Russia and further on to Asian transportation networks, to Rail Baltica and Continental Europe.

The Bothnian Corridor includes nodes of the next highest level, which specify the determination of routes and indicate connections to the Comprehensive Network, connections to different traffic modes and to international and long-distance transportation, as well as to regional and local transport. These nodes include several towns that are connected to the Finnish mainline railway, ports and airline traffic. These places will be identified in detail in the future.

It is essential that the Core Network can be completed in a flexible manner according to changing conditions. The Bothnian Corridor with its nodes constitute a good framework for reacting to these kinds of changes, such as when preparing for the opening of the North-East Passage.

The report states that the Core Network consists of current primary projects, which can be modified if required. The emphasis should be on the continuity of the implementation of the current projects and the creation of incentives in accordance with the defined principles of complementing and expanding the network. It is of crucial importance that the member states commit themselves to the implementation. This is why the Core Network has to provide a sufficiently wide service to the member states and promote interests safeguarding competitiveness.

It is also necessary to emphasise the fact that the completion and expansion processes are made in accordance with the member states' goals and in co-ordination with various partners/consortiums that plan and carry out infrastructure projects. An example of this kind of undertaking is the Northern Dimension Partnership on Transport and Logistics (NDPTL).

The development of the network's external connections refers to the Mediterranean Region Network. The above mentioned Northern Dimension Partnership (NDPTL), which consists of eleven countries, is likewise linked to the category of external connections, which has to be taken into account in the definition in the same way as the Mediterranean Region.

The missing links and connections

The planned principle of networking is theoretically well-founded and a worthwhile undertaking. Particularly the implementation of "bottleneck" and "missing link" - projects, which increases efficiency, could be firmly connected to the regional situation and the funding available in that sector. This fact can be taken into account in the definition of the criteria. It is furthermore desirable and purposeful that the

authorities and agents that are responsible for the development of regions are involved with the planning and implementation of the network.

The Bothnian Corridor – the missing connection in the Core Network

The European Union is an entity consisting of different parts which have to be linked to each other with good connections through applicable means. This is a prerequisite for a deepening of integration and an increase in cohesion. In order to secure its competitiveness, the European Union needs the resources of its Northern member states and efficient transport connections for these areas. Likewise the northern parts of the Union need solid connections to the core areas and markets of the European Union. This is why it is important to build the Bothnian Corridor connection for the sake of the Union's entity.

- The Bothnian Corridor is a missing link in the transport connections of the Union's Northern parts. It connects the so called priority corridors of the Northern Axis to the Northern Triangle both in Finland and Sweden. The Bothnian Corridor has a connection to Rail Baltica and Russia through Finland, thus providing further connections to the Asian transportation networks. Through sea ports it is efficiently linked to the Motorway of the Baltic Sea, which forms a part of the pan-European Motorways of the Sea network.

The Bothnian Corridor as a priority connection also serves passenger transport, which is clearly growing as a consequence of increasing commuting and other forms of travelling such as tourism, and promotes the emissions reducing traffic policy. Also contained in this report the Bothnian Corridor adheres to the Union's transport policy.

Connecting the existing priority corridors and creating links to third countries, the Bothnian Corridor constitutes an entity of the pan-European transport network, which has been one of the central goals in TEN-T planning.

The Core Network has to serve the whole EU!

The northern parts of the Union have unique features, which have to be taken into account in the network planning:

- Due to the distance between the Northern parts and the main marketing area, highly efficient transport connections are required.
- The Northern economies form part of the common market, whose integration has to be deepened on. Simultaneously attention has to be paid to the varying circumstances in different regions.
- The complementary link of the Core Network, the Bothnian Corridor, is targeted on the priority area of several strategic programmes (Raw Material Initiative, Baltic Sea Region (BSR), Northern Dimension Partnership on Transport and Logistics (NDPTL))
- The Bothnian Corridor ensures an efficient supply of strategic raw materials to the internal markets and competitive transportation circumstances for industrial products in e.g. mineral, machine, metal and forestry industries, as well as in transit traffic.

- The Bothnian Corridor has a contributory influence on utilising smaller ports and optimising expenses, as well as on yielding the profits of the existing infrastructure. It also facilitates temporal delays caused by the congestion of large ports and alleviates the congestion of other transport forms and their environmental effects.
- The Bothnian Corridor adheres to transport policy which favours low emissions, efficient use of energy and green ideology

All the fore mentioned factors provide additional value for the EU as a result of connecting the Bothnian Corridor into the Core Network. It simultaneously adds value to the Baltic Sea Macro Region, which has been recognised by the European Union, whose high priority is accessibility. The Bothnian Corridor genuinely implements BSR strategy in this priority sector. It is also a significant cohesion factor linking the BSR region and the neighbouring markets with the common market in a more efficient way and providing increasingly efficient connections to e.g. Russia and the Asian countries.

On the basis of the above-mentioned statements and since the Northern member states are strongly committed to the issue through their own priority choices, the Bothnian Corridor has to be introduced as part of the TEN-T Core Network.

Funding

The funding solutions concerning the implementation of the TEN network projects have to be made with a long term perspective. The network planning and implementation must be examined with respect to the other sectors of the social development policy, since this makes use of the “external impacts” of the investments in the most efficient way. This applies particularly to the different sectors of the regional development and funding forwarded to this sector, especially infrastructure outputs.

It seems necessary to make use of versatile funding solutions, such as loans and Public Private Partnership (PPP) funding as a complementary means to direct budget funding. Funding should also be made functional in a manner that the funding concerning a particular entity (link, node, theme) is accumulated as a theme package in one go, which would enable efficient investments and policy that adheres to the goals defined by the EU.

In conclusion

The Bothnian Corridor is a strategic link for the European Union and its Northern member states, and has considerable direct impact on economic competitiveness. Attention also needs to be paid to comprehensive, long-term multiplier effects, which spread to several social sectors, enhanced cohesion and deeper integration.

The Bothnian Corridor is prioritised by the Ministers of Transport of Finland, Sweden and the Baltic Countries.