

UNIFE CONTRIBUTION

**TO THE CONSULTATION ON THE
FUTURE TRANS-EUROPEAN
TRANSPORT NETWORK POLICY**

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Summary

UNIFE, the Association of the European Rail Industry, welcomes the opportunity to contribute to the public consultation “*on the Future Trans-European Transport Network Policy*”.

Although UNIFE considers that intermodality needs to be encouraged, the association is of the opinion that a neutral approach that would consider all transport modes as equals without a real political choice would not deliver the expected results in terms of system efficiency, effect on greenhouse gas emissions, safety and security. Clear support of the development of rail transport infrastructure in the framework of the future TEN-T policy is needed so as to achieve a reduction of negative transport externalities.

The methodology for TEN-T planning needs to rely on two key principles that should drive the designing of the core network: sustainability and competitiveness. As far as sustainability is concerned, TEN-T policy should aim at reducing the external costs of transport and reflect this in its priorities. The Commission should not forget that modal shift to the least polluting modes of transport is part of the solution. As far as competitiveness is concerned, TEN-T policy should provide efficient and quick connections between the nodes of the core network to support the EU’s competitiveness and economic growth and provide an infrastructure that allows for fair competition between the transport modes. Railway lines included in the core network must be of high quality, fully interoperable, bottleneck-free and with high capacity, designed for higher speeds and connected to up-to-date intermodal freight terminals, ports, intermodal passenger stations and airports.

Supplementary infrastructure measures, including the mandatory implementation of ERTMS on the core network, ITS, electrification and an emphasis on quality, can help deliver a more competitive and more sustainable TEN-T network.

In order to improve and accelerate TEN-T implementation, there is a need to increase resources and to coordinate them better. The TEN-T budget must be increased and complemented with new potential resources (Eurovignette, EU ETS), lending from the EIB must be stepped up, coordination with ERDF and Cohesion Fund must be enhanced. A European funding framework should become a strong and binding implementation instrument for the TEN-T network. The implementation of the TEN-T network can also be facilitated by some non-financial instruments, such as a Master Plan for the core network, European coordinators, a corridor approach, mandatory deadlines for project completion, a stronger role of the TEN-T Executive Agency and technical assistance.

UNIFE supports the Commission proposals regarding the legal and institutional framework, in particular: merging the TEN-T guidelines and the TEN financial regulation into a single regulation, precisely defining the powers delegated to the Commission and clarifying the responsibilities of the Member States. In this regard, the TEN-T Regulation should oblige the Member States to effectively cooperate in particular on the completion of the cross-border sections identified in the core network.

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Introduction

UNIFE, the Association of the European Rail Industry, welcomes the opportunity to contribute to the public consultation “*on the Future Trans-European Transport Network Policy*”.¹

UNIFE and its members are committed to contribute with their skills and products to the completion of the TEN-T network and very much support the efforts of the European Commission to make the TEN-T policy more efficient.

UNIFE believes that the TEN-T policy can be an effective instrument to make the European transport system more sustainable and competitive, and thereby contributing to achieving the objectives of the *Europe 2020* Strategy. Besides its effect on the transport system, UNIFE is also convinced that the development of the TEN-T network can contribute to making the European economy as a whole more competitive and sustainable.

However, UNIFE wishes to draw the attention of the Commission to the fact that this will be possible only if TEN-T policy helps promote cleaner, safer and more environmentally-friendly transport modes, and in particular rail transport. **A neutral approach that would consider all transport modes as equals without a real political choice would not deliver the expected results in terms of system efficiency, effect on greenhouse gas emissions, safety and security.** Although intermodality needs to be encouraged, supporting all transport modes in the same way would not reduce the negative externalities of transport (greenhouse gas emissions, air pollution, congestion, accidents) but on the contrary would increase them. **Only clear support of the development of rail transport infrastructure in the framework of the future TEN-T Policy can lead to modal shift and a considerable reduction of negative transport externalities.**

UNIFE calls upon the European Commission to have the political courage to take a strong position in favour of the development of rail infrastructure in its forthcoming proposal for a new TEN-T Regulation.

¹ Please note that UNIFE also contributed to the consultation on the TEN-T Green Paper in April 2009. This position paper is available at:
http://www.unife.org/uploads/UNIFE_position_paper_on_Future_of_the_TEN-T_Policy.pdf and on the European Commission website:
http://ec.europa.eu/transport/infrastructure/consultations/2009_04_30_ten_t_green_paper_en.htm

1. *The methodology for TEN-T planning*

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

UNIFE supports the general approach and the criteria set out in the working document. However, we believe that some criteria should be more decisive than others.

In UNIFE's opinion, two key principles should drive the designing of the core network: **sustainability and competitiveness.**

Sustainability

Although sustainability is present in the Commission working document, it is not really put forward as a driving principle of the core network. In line with the objectives of *Europe 2020*, the TEN-T network should deliver sustainable growth. This makes sense in particular as regards the challenge of tackling climate change. Although all other industry sectors managed to decrease their greenhouse gas emissions, emissions from transport are still growing and threaten to jeopardise the EU's achievements. Besides climate change and greenhouse gas emissions, transport causes other negative externalities, in particular congestion, accidents and air pollution. All of these externalities need to be tackled if the EU is to make the European transport system more sustainable. **The TEN-T Policy should as a key objective aim at reducing the external costs of transport and reflect this preoccupation in its priorities.**

For this purpose, the Commission should not forget that **modal shift to the least polluting modes of transport is a central part of the solution.** When rail transport offers a competitive alternative to road or air transport, it attracts traffic flows. TEN-T policy can influence customers' choice by providing a more competitive rail infrastructure. If the EU implements the recommendations set out in the next section, there should be a strong effect on traffic flows and thus a strong effect on the external costs of transport.

Competitiveness

Surprisingly, the concept of competitiveness is not acknowledged as a principle for designing the TEN-T network. It is nevertheless necessary that any project undertaken in the framework of the TEN-T policy contributes to improving the competitiveness of European Union and support its growth. The concept of competitiveness reinforces the link between TEN-T policy and the *Europe 2020* strategy.

According to UNIFE, the principle of competitiveness of the TEN-T network should entail two dimensions:

- *Competitiveness of the EU as whole*
Providing efficient and quick connections between the nodes of the core network is critical to the competitiveness and the economic growth of the EU. This implies an increase in capacity and speed on the strategic links identified for both passenger and freight transport.
- *Competitiveness of the different modes of transport*
Making the European transport system more competitive also involves increasing inter-modal competition in order to bring down the costs of transport. Infrastructure plays a key role in this competition, as it is one way to level the playing field between the different modes of transport, complementary to the internalisation of external costs. Rail transport can compete with other modes when it is given an infrastructure of similar quality as road transport: high-speed line versus motorway, rather than single track rail line versus six lane motorway. However, this is far from being the case on any of the strategic European links.

As far as rail transport is concerned, UNIFE therefore recommends that the following measures are included in the design of the TEN-T core network so as to reinforce inter-modal competition and the competitiveness of the EU as a whole:

- All railway lines included in the core network must be **fully interoperable, equipped with ITS and have a very high level of safety**. Concretely, they should be in particular equipped with ERTMS as soon as possible;²
- All railway lines included in the core network must be **free of bottlenecks** and be given **sufficient capacity** to carry high traffic flows. This might imply adding one or two further tracks on some sections. Also, ERTMS can contribute to increasing capacity;
- All railway lines included in the core network must be **designed for higher speeds (high speed for passenger services; at least 120 kph for freight services)**. This is a key requirement to increase the competitiveness of rail freight and passenger services and foster modal shift. It can be done through upgrades or the construction of new high speed lines;³

² See the answer to the next question.

³ It must be noted that building high speed lines provides many advantages: among others, they offer more capacity and fast and competitive connections between large cities for passenger services and free capacity for freight on conventional lines. Please refer to our previous position paper on the TEN-T Green Paper for more information about the benefits of high speed rail infrastructure investments:

http://www.unife.org/uploads/UNIFE_position_paper_on_Future_of_the_TEN-T_Policy.pdf

- Railway lines included in the core network must be **connected to up-to-date intermodal freight terminals, ports, intermodal passenger stations and airports.**

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?

Supplementary infrastructure measures must help delivering a competitive and sustainable TEN-T network.

ITS

UNIFE fully backs the Commission as regards the ITS equipment needed: travel and traffic information; traffic management and efficiency-related measures; applications interconnecting the modes and ensuring connection to public transport systems, freight and freight-related transport services. As regards rail transport, the **mandatory implementation of ERTMS on at least the core network** must be included in the new TEN-T guidelines so that the system delivers its full potential as regards traffic management, capacity increase and interoperability. Information systems for passengers and freight customers must also be enhanced urgently to improve the quality of services. In this regard the quick implementation of the Technical Specification for Interoperability on Telematic Applications for Freight will facilitate the exchange of information between all actors involved in rail freight transport. As far as passenger transport is concerned, the Technical Specification for Interoperability on Telematic Applications for Passengers could contribute to make rail transport more user-friendly by improving access to information before, during and after a journey. Much needs to be done in particular to improve tickets' booking for international trips by train. For this purpose, the TEN-T review should take into account these applications and facilitate their implementation.

Electric mobility

UNIFE regrets that the working document puts so much emphasis on electric mobility on roads. Electric mobility exists on rails since the beginning of the twentieth century. Considering its advantages in terms of energy consumption (and in general its low external costs), electric rail transport should be further encouraged by TEN-T policy. In particular, **the lines included in the core network, as they will carry most traffic, should all be electrified.** Electrification should therefore be supported by the TEN-T budget. Charging infrastructure for private electric vehicles does not require financing from the TEN-T budget and can be financed by private actors from the energy sector.

Quality of the infrastructure

UNIFE considers that more emphasis should be put on the quality of the infrastructure. When upgrading infrastructure or building new infrastructure, particular attention should be given to the **quality and design of materials and components and their life-cycle costs (LCC)**. UNIFE does not believe that the principle of “minimisation of investment” is fully compatible with the “minimisation of maintenance and operational costs” as set out in the working document. Indeed, to save on maintenance costs, it is necessary to invest in systems, components and materials with lower LCC. Those products are often slightly more expensive than others. As a consequence, the minimisation of investments should not be a decisive objective of the policy.

Quality of service

UNIFE believes that quality of service is also an essential principle for the development of the European transport system, although the focus should rather be there on the management of the network than on its development. As far as rail transport is concerned, coordination between infrastructure managers needs to be strengthened on the railway lines included in the core network in order to deliver a higher quality of services. For this purpose, **the implementation of the new TEN-T network must go hand in hand with the implementation of the regulation on the creation of a European network for competitive rail freight**. Additionally, fair **intra-modal competition** must be fostered so as to make each mode more competitive. As for rail transport, non-discriminatory access to track and to essential rail related services must be provided to all railway undertakings, in line with EU legislation (railway packages).

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

The development of the TEN-T network must be in line with the three priorities of the *Europe 2020 Strategy*:

- Smart growth - developing an economy based on knowledge and innovation;
- Sustainable growth - promoting a more resource efficient, greener and more competitive economy;
- Inclusive growth - fostering a high-employment economy delivering economic, social and territorial cohesion.

Smart growth

The development of the TEN-T network will help fostering technological innovation in the field of transport by implementing new technologies, such as ERTMS and ITS.

Sustainable growth

As explained in the answer to the first question, sustainability must definitely be a key objective of the TEN-T network. The development of the TEN-T network can help reducing the external costs of transport and achieving greenhouse gas emission reduction if it fosters modal shift. For this purpose, the development of rail infrastructure is crucial and should be a priority when planning the core network.

Inclusive growth

In general, investments in transport infrastructure generate positive socio-economic effects. They create an investment shock and a demand effect, provide savings in externalities (time, energy consumption) and impact the competitiveness of the territories concerned. In this regard, the role of the TEN-T network for cohesion is crucial. By linking the different European regions, it lessens exclusion and increases the competitiveness of the most remote regions. It must also be underlined that transport infrastructure investments create jobs and that rail infrastructure investments in particular create green jobs.

2. TEN-T implementation

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?

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

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

UNIFE believes that in order to improve and accelerate TEN-T implementation, it is important not only to better combine or coordinate different sources of funding, but also to increase the total amount of funding. UNIFE therefore recommends including the following measures as part of the TEN-T policy review.

Increase the TEN-T budget

As the TEN-T budget has proven to be vastly insufficient, it should be significantly increased during the next financial perspectives. If the current level of budget is maintained, transfers from policies with a lesser European added value should be envisaged. This will provide a clear incentive to Member States to launch major infrastructure projects. As a truly “European financial resource”, the TEN-T budget should continue to focus on the greenest and safest transport mode: rail. To this end, the criteria set for the funding of the core network foreseen by the Commission should be strictly targeted at rail transport.

Make the best out of new potential resources

Given the constraints of the EU budget, new resources should be found in order to increase TEN-T funding.

- *Revenues from the EU Emissions Trading Scheme*
As provided in the revised directive establishing a scheme for greenhouse gas emission allowance trading (2003/87/EC), revenues generated from the auctioning of allowances can be used to finance “low-emission transport” in two cases:
 - In the case of aviation, “those revenues should be used to tackle climate change in the EU and third countries, inter alia, (...) to reduce emissions through low-emission transport (...)” (art. 3d(4));

- In the case of stationary installations, “at least 50% of the revenues generated from the auctioning of allowances (...), or the equivalent in financial value of these revenues, should be used [among different possibilities] (...) to encourage a shift to low-emission and public forms of transport” (art. 10(3)).

The Member States determine the use to be made of these revenues. Therefore, the European Commission should seek to influence their decisions as regards their allocation so that a significant share is invested in TEN-T projects.

- *Revenues from the Eurovignette*

The legislative resolution of the European Parliament on the revision of the Eurovignette directive voted on 11 March 2009 foresees that “as from 2011, at least 15% of the revenues generated by external costs and infrastructure charges in each Member State shall be dedicated to financially supporting TEN-T projects in order to increase transport sustainability. This percentage shall gradually increase over time.”⁴

UNIFE fully supports the position of the European Parliament and considers that these requirements should be put in practice at the latest within the timeframe proposed by the Parliament.

Step up the lending activity of the EIB

Trans-European networks are one of the six priority objectives of the European Investment Bank. In 2007 the EIB financed EUR 8.1bn for TEN-T projects and its objective for the period 2004-2013 is EUR 75bn. EIB loans to TEN-T projects have steadily increased in value since 2003, with a rising share of rail (46% of the 2007 loans). However, this share is still relatively low, considering that 22 TEN-T priority projects out of 30 are rail projects. **UNIFE calls upon the European Commission to urge the EIB to continue to step up its lending activity for TEN-T and to increase the share of rail projects among its loans to TEN-T projects.**

The EIB is also active in supporting public-private partnerships (PPP). The Loan Guarantee Instrument for Trans-European Transport Network Projects (LGTT) created in 2007 as well as the European PPP Expertise Advisory Centre can be useful instruments. In the particular context of the economic crisis, **the EIB should reinforce these instruments to ensure continued private investment in TEN-T projects.**

⁴ European Parliament legislative resolution of 11 March 2009 on the proposal for a directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (2008/0147(COD)), amendment 57.

Enhance coordination with ERDF and Cohesion Fund

The financial instruments from the EU Regional Policy used in infrastructure projects (ERDF and Cohesion Fund) are a significant contribution to the funding of TEN-T network. A better coordination with the TEN-T policy priorities could further reinforce this contribution. More generally, UNIFE considers that the EU Regional Policy should be better linked with the four following objectives of the European Transport Policy:

- the completion of TEN-T priority projects;
- the implementation of rail freight corridors;
- the implementation of ERTMS;
- and modal shift to the most environmentally-friendly modes of transport. In this regard, the ERDF and the Cohesion Fund should be better targeted at environmentally-friendly transport modes as a matter of priority.⁵

Make the idea of a European funding framework a success

A European funding framework may be the best tool to achieve this coordination. However, to be effective, the funding framework should become a strong and binding implementation instrument.

- The level of transport infrastructure funding within the ERDF and the Cohesion fund should be at least kept at its current level;
- A substantial proportion (at least 75%) of the resources of the European funding framework should be allocated to the completion of the TEN-T core network;
- Member states should ensure that their infrastructure investments priorities are in line with the priorities of the European funding framework;
- The funding framework should include the new resources described above (revenues from the EU ETS and from Eurovignette);
- It should be well coordinated with the EIB's lending strategy;
- It should allow for easy combination with private financing in the framework of PPPs.

⁵ For the 2007-2013 period, out of EUR 54bn allocated to transport projects, only 15bn will finance rail project whilst 30bn will be allocated to road projects.

Non-financial instruments

The implementation of the TEN-T network can also be facilitated by some non-financial instruments.

- As regards the TEN-T core network, a **Master Plan** setting clear priorities and a timeframe for the different sections should be designed and endorsed by the EU institutions and the Member States so as to guarantee a strong commitment of all parties involved.
- So far, the main element of European coordination has been the appointment of Coordinators on certain Priority Projects, who have proven to be catalysts for cooperation between Member States and more generally for the concerned priority projects. UNIFE recommends that **European coordinators** are appointed for each strategic axis of the core network. In particular, this kind of coordination should aim at completing projects in a harmonised way (technically and in terms of timing), on both sides of the borders.
- A “**corridor approach**”, as it already exists with ERTMS corridors, brings a significant added value by gathering relevant stakeholders in a dedicated structure - sometimes taking the form of a European Economic Interest Grouping (EEIG). Such structures greatly help to coordinate investments, but also identify obstacles and bottlenecks on a given corridors. The Commission should envisage making a better use of a “corridor approach” to accelerate the completion of the core network.
- UNIFE also believes that setting **mandatory deadlines for projects’ completion** would be helpful to force the various Member States authorities to effectively cooperate.⁶
- The **TEN-T Executive Agency** has a pivotal role to play in the implementation of the TEN-T projects. UNIFE suggests that an advisory committee gathering experts from the industry should assist the agency in its empowerment by bringing solutions to issues in project implementation.
- Besides coordination, **technical assistance** is of great help when preparing and implementing rail infrastructure projects. In this regard, UNIFE would like to underline its support to the JASPERS initiative.

⁶ See answer to the next question.

3. The legal and institutional framework of the TEN-T policy review

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

UNIFE supports the approach proposed by the European Commission in its working document, in particular the proposals:

- to merge the TEN-T guidelines and the TEN financial regulation so as to simplify the regulatory framework;
- to precisely define the powers delegated to the Commission so as to allow for flexibility;
- to clarify the responsibilities of the Member States to improve the implementation of the TEN-T network. In this regard, UNIFE believes that setting mandatory deadlines for Member States to complete projects would be helpful to force the various Member States authorities to effectively cooperate. EU funding could be conditional to the completion of a project by an agreed date. This principle should be enshrined in the new TEN-T Regulation. Besides, the Regulation should oblige Member States to cooperate on the completion of cross-border sections identified in the core network, thus preventing a country to jeopardise the completion of an entire line.

About UNIFE

UNIFE represents the European Rail Industry in Brussels since 1992. The Association gathers 73 of Europe's leading large and medium-sized rail supply companies active in the design, manufacture, maintenance and refurbishment of rail transport systems, subsystems and related equipment. A further one thousand suppliers of railway equipment partake in UNIFE activities through 15 national rail industry associations. UNIFE members have an 80% market share in Europe and supply more than 50% of the worldwide production of rail equipment and services.

UNIFE represents its members' interests at the level of both European and international institutions. On the technical side, UNIFE works on the setting of interoperability standards and coordinates EU-funded research projects that aim at the technical harmonisation of railway systems. The association is one of the supporting bodies of the European Railway Agency.

UNIFE. Promote rail market growth for sustainable mobility.

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