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Mr Siim Kallas
Commissioner for Transport
European Commission
200, rue de la Loi
1049 Brussels

13 September 2010

Dear Commissioner,

We are writing to you in response to the public consultation on the future trans-European transport network (TEN-T) policy.

BUSINESSEUROPE believes that the TEN-T remains the physical backbone of the Single Market. We are actively following this issue and submitted a detailed position paper in April 2009 in response to the Green Paper on the future development of the TEN-T. At annex you will find a copy of this position paper, which outlines key principles on the future development of the TEN-T that remain valid in our opinion.

In addition, we would like to add some comments to the latest consultation paper. BUSINESSEUROPE believes that a good quality transport infrastructure that is equipped to meet demand for all modes and for intermodal connections is an essential element of the EU's overall competitiveness and will have a key role in the achievement of the EU 2020 strategy.

We are pleased that the results to last year's Green Paper show support for the development of an integrated transport network containing a core network that would provide for all transport modes and constitute the necessary infrastructure basis for the implementation of European transport policy objectives.

With regard to the planning of the core network BUSINESSEUROPE supports a core network that is made up of nodes and links of the highest strategic and economic importance throughout the EU and a network that will link East and West, old and new Member States. In particular, proper interconnections between the main European ports and airports to the other networks should be ensured.

In this context, BUSINESSEUROPE supports the stated principles for designing the TEN-T, stressing that the most important among these should be the improvement of the efficiency of international transport in the European Union. The deployment of European interoperable intelligent transport systems to enhance safe and efficient use of infrastructures is to be part of it.

With regard to TEN-T implementation, we believe that firm solutions to problems should remain very high on the future TEN-T agenda and that the completion of previously decided projects should be pushed. BUSINESSEUROPE regrets that only 5 of the 30 priority projects have been completed at the end of 2009.



More specifically, BUSINESSEUROPE has the following comments with regard to financing solutions:

- An adequate EU budget is a necessary precondition for the implementation of the TEN-T and should therefore be secured in the next financial perspectives 2014-2020;
- We agree with the development of fair, transparent and efficient criteria to identify the projects to be supported, depending on the European added value of the project and support an integrated European funding framework to coordinate available EU funding for transport, including TEN-T budget and Structural Funds;
- EU financial support should remain concentrated on cross-border projects;
- Public-private partnerships (PPP) can help to mobilise more financial resources, introduce more efficiency and enable a faster and more flexible delivery of the implementation works. In this context, it would be important to define what kind of projects would particularly benefit most from their use;
- We support a prominent role for the EIB in funding the TEN-T, making use of their expertise for project-assessment, provided that it is ensured that their lending is also directed to financially and economically viable projects, reflecting the right priorities for Europe's competitiveness;
- BUSINESSEUROPE would like to see an improvement of the current regulatory and financial framework for the concession of grants, based on better harmonisation and simplification of internal procedures for the selection, monitoring and financial support of projects, both at EU and national level.

We look forward to contributing to the Commission's proposal for new TEN-T guidelines in the first half of 2011 and remain at your disposal should you wish to discuss these comments further.

Yours sincerely,

Best regards,

Philippe de Buck

Encl.: BUSINESSEUROPE response to the European Commission Green Paper 'TEN-T: A Policy Review'



27 April 2009

BUSINESSEUROPE RESPONSE TO THE EUROPEAN COMMISSION GREEN PAPER 'TEN-T: A POLICY REVIEW'

EXECUTIVE SUMMARY

This paper constitutes BUSINESSEUROPE's response to the consultation that the Commission is currently undertaking on the policy review of the trans-European transport network (TEN-T), which aims to shape the future multimodal network and to ensure timely completion.

BUSINESSEUROPE welcomes the trans-European transport network (TEN-T) policy review and believes that an efficient, complete and interoperable transport system is of utmost importance to reap the benefits of the internal market.

In this context, BUSINESSEUROPE believes that:

- TEN-T policy should adopt a more integrated approach to improve the functioning of the internal market and improve transport efficiency;
- The Commission should develop a rigorous methodology to identify and select the priority projects based on a strict socio-economic evaluation;
- TEN-T policy should promote co-modality;
- Stronger commitment at both EU and national level is needed on TEN-T funding;
- EU financial support should remain concentrated on cross-border projects;
- Future TEN-T guidelines should include an obligation for the EU to produce a European scoreboard to record the funds committed and disbursed by each Member State.



INTRODUCTION

On 4 February 2009, the European Commission published a Green Paper 'TEN-T: a policy review – Towards a better integrated trans-European transport network at the service of the common transport policy'.

TEN-T policy has, to date, produced some important results across Europe. An example of this includes the Oresund Bridge between Copenhagen and Sweden, which has considerably increased business opportunities for companies, increased employment and contributed to more cooperation between universities, making the region more interesting for R&D and knowledge-intensive companies. The Paris-Brussels-Köln-Amsterdam-London high speed rail connection is another example of a successful project.

Without the financial, political and organisational support from the TEN-T programme, it is unlikely that projects such as these would have materialised.

However, there are a number of obstacles that have been hampering the effectiveness of the TEN-T. These include the lack of investments and uncertain engagement at EU and national level, weak planning and technical inconsistency.

In this context, the business community believes that it is time to undertake a fundamental review of TEN-T policy. A better integrated and fully implemented TEN-T will not only provide the infrastructure necessary for the internal market to function effectively by interconnecting national networks and overcoming technological barriers across borders but it will also improve transport efficiency and therefore yield reductions in CO₂ emissions.

Furthermore, an acceleration of TEN-T investments in the current economic climate would help to shore up the economy as an economic stimulus, as well as creating a lever to enhance medium and long-term economic growth through better transport links.



NETWORK PLANNING

TEN-T policy should adopt a more integrated approach

BUSINESSEUROPE believes that there is vast room for improvement in the network planning process. As the Commission has stated in the green paper, planning the network so far has consisted of adding together significant parts of national networks for the different modes and connecting them at national borders. Whilst maybe appropriate in the early days of TEN-T policy, the EU's successive enlargements have weakened this approach.

In this context, BUSINESSEUROPE believes that a truly integrated transport network should be developed, which would link current and future priority projects. The network should be better linked up with ports, given that 90% of intra-EU international trade and 40% of internal trade pass through these. This is currently not the case: out of the 30 EU priority projects, only the Rotterdam-Antwerp-Genoa corridor has adopted a truly integrated approach to ports.

In the same manner, TEN-T should be better connected to airports and to intermodal terminals.

Whilst it would not be financially viable to try to connect all European ports and airports to the inland TEN-T network, there is a serious need to connect priority ports and airports to the network. This would entail a significant change to the current network of ports and airports which is too wide and impossible to sustain.

In this regard, the main European ports and airports in terms of traffic (approximately 30 of each), complemented by other infrastructures in special circumstances and for isolated countries, might be considered as first choice in the priority/core network.

BUSINESSEUROPE urges the Commission to develop a rigorous methodology to identify and select the priority projects covering major rail, road and inland waterway axes that cross several Member States. As the green paper rightly states questions still arise as to the methodological soundness of the selection of the current priority projects. Future projects should be subject to a strict socio-economic evaluation and for their high relevance to transnational traffic flows. In addition, the projects should have the potential for interconnection and extension (both geographically and modally).

Last but not least TEN-T policy should provide for good connections to Europe's immediate neighbours and the wider world to reflect the Community's growing international role in both political and economic terms.

An effective TEN-T network will improve transport efficiency

BUSINESSEUROPE strongly supports a more sustainable transport policy and believes that completion of the TEN-T network will contribute to making transport more efficient and reducing emissions. Better quality and a better integrated infrastructure network would not only help to reduce negative transport environmental effects, such as those resulting from congestion but it would also make the transport network safer and more efficient.



In this context, TEN-T should support climate change goals with infrastructure decisions focusing on the needs of transport. There is an urgent need to invest in infrastructure development for all modes due to EU projected transport growth, which will continue to be closely linked to economic growth. European competitiveness and economic growth are therefore highly dependent on further investments in infrastructure.

BUSINESSEUROPE finds that intelligent transport systems (ITS) should in future play a more prominent role in the TEN-T policy as these can help to accomplish transport policy objectives in many fields, including safety and security. Regarding transport efficiency, ITS will become an increasingly important tool to reduce congestion (e.g. through effective demand management) and fighting climate change (energy efficiency, eco-driving, green corridors and a more efficient and effective European co-modal transport system through e-freight, e-maritime). In this context, TEN-T funding must concentrate on the major EU traffic management systems and infrastructure such as Galileo, EGNOS, ERTMS and SESAR.

TEN-T policy should promote co-modality

BUSINESSEUROPE has consistently supported the principle of co-modality and believes that it is important to recognise that the various modes play different roles and should be seen as being complementary to each other. It is necessary to ensure that all modes increase efficiency.

In the TEN-T planning process and selection of future priority projects, BUSINESSEUROPE believes that there should be a level playing field between the different modes.

In addition, a co-modal approach is needed for both freight and passenger transport.

NETWORK IMPLEMENTATION

Public commitment and funding of the TEN-T

The lack of public commitment to date at both EU and national level to financing transport network infrastructure reflects a disregard for the provision and maintenance of infrastructure necessary for network industries to function at a European level. In this context, the importance of infrastructure in European policy-making needs to be made more prominent.

Budgetary problems have been a major challenge for the implementation of TEN-T policy. Due to the cross-border nature of the TEN-T a prolonged delay in one part of the network leads to negative effects being felt in other parts of the network, which can undermine investments that have been made in other countries. In the case of the Eurotunnel for instance, the new high-speed connection between the tunnel and London was completed in 2008, more than 10 years after the tunnel's launch.



Only 4 of the 30 priority projects have been completed. Furthermore, the 2008 TEN-T progress report¹ estimates that the remaining investment needed for completion of the TEN-T priority projects is 120 billion EUR.

BUSINESSEUROPE believes that in future TEN-T funding should be allocated to a more restricted set of priorities in line with the planning conditions outlined in the previous section. This will better illustrate the 'European added value' of TEN-T funding and of the TEN-T policy in general.

In addition, EU financial support should remain concentrated on the cross-border projects and should be conditional on implementation of EU safety and interoperability norms, for instance only freight and high-speed rail projects foreseeing use of the ERTMS (European Rail Traffic Management System) installation should be supported.

Public-Private Partnerships

Besides national and EU public money, other financial solutions should be encouraged and used more frequently.

Public-private partnerships (PPP) will help to mobilise more financial resources, introduce more efficiency and enable a faster and more flexible delivery of the implementation works. A well-designed PPP contract effectively means that a provider is paid to innovate. Businesses know that they will only win – and keep – public service contracts if they can improve performance, improve efficiency and keep citizens satisfied. PPPs are just one form of 'other financial solutions' and there is almost certainly room in the market for other models.

Revenue from infrastructure charging

The green paper states that implementation of Community legislation in relation to infrastructure charging and internalisation of external costs should also give Member States additional possibilities both for better managing available capacities and optimising the transport system, and for financing new infrastructure and technologies.

Whilst BUSINESSEUROPE has strong concerns about the ongoing work on the internalisation of external costs, in particular, the revision of the Eurovignette directive², earmarking revenues from road charging may represent an important source of finance for the TEN-T. These revenues should be set aside for investment in reducing the externalities of transport and for extending existing infrastructures or new-build. However, the use of these revenues for cross-subsidisation to make non-road modes more competitive cannot be justified. Instead the quality of service of non-road modes must be improved through opening up national markets to greater competition.

¹ TEN-T 'Implementation of the Priority Projects Progress Report', May 2008
http://www.magistrale.org/download/2008_ten_t_implementation_en.pdf

² BUSINESSEUROPE letter on Eurovignette to MEP El Khadraoui (21 October 2008), available at www.buinessseurope.eu.



Other financial instruments

BUSINESSEUROPE agrees with the Commission that other instruments outlined in the Green Paper such as Eurobonds should be used to increase the leverage effect of Community support. A better streamlining of EIB instruments is also needed.

The financial programming review due to take place in 2010 should be a window of opportunity to make sure spending on infrastructure is secured.

MONITORING THE IMPLEMENTATION OF PROJECTS

BUSINESSEUROPE thinks that future TEN-T guidelines should include an obligation for the EU to produce a European scoreboard to record the funds committed and disbursed on each project by each Member State and the EU on an annual basis. This simple management tool would provide a quick and clear picture of how the various projects are advancing and offer information on the timing of the results.

The report presented to the informal Council meeting in May 2008 is a good example that should be repeated each year.

POSSIBLE OPTIONS FOR FURTHER TEN-T DEVELOPMENT

In the green paper, the Commission considers three options for further TEN-T development and asks stakeholders for their opinion on the most suitable option. The three options are the following:

- (1) Maintaining the current dual-layer structure with the comprehensive network and (unconnected) priority projects
- (2) Reducing the TEN-T to a single layer (priority projects, possibly connected into a priority network)
- (3) Dual-layer structure with the comprehensive network and a core network, comprising a – geographically defined – priority network and a conceptual pillar to help integrate the various transport policy and transport infrastructure aspects.

Option 1 would entail maintaining the status quo, which BUSINESSEUROPE would not favour for reasons explained in the introduction.

BUSINESSEUROPE finds that the difference between option 2 and 3 is not clearly outlined in the Commission green paper. It is for instance difficult to assess the difference between a priority and a core network.



Taking into account the information outlined in the planning and implementation sections above, BUSINESSEUROPE thinks that the European Union should develop a master plan for an integrated transport network linking together current and future priority projects. Airports and ports included in the network should be ranked since the current comprehensive network of ports and airports is too wide and impossible to sustain.

While the priority network should represent the EU transport master plan, priority projects are needed as the tool to realise such a network.

BUSINESSEUROPE finds it important to secure a better match between the TEN-T programme's goals and the financial means allocated. In future it will be important to improve financial efficiency and avoid budgetary problems, as have often been experienced in the past. Funding should not be wasted on projects which are not directly linked to the TEN-T.

Development of infrastructure in the EU is a highly important political issue. Therefore, we believe that the EU together with the Member States should find ways to move this issue higher up on the political agenda and speed up implementation of the existing unfinished TEN-T projects.

PARY Willy (CAB-KALLAS)

From: CAMPBELL Karen (CAB-KALLAS)
Sent: 14 September 2010 15:20
To: CAB KALLAS ARCHIVES
Subject: FW: Letter by Mr Philippe de Buck, BUSINESSEUROPE's Director General, to Commissioner Kallas - Response to the public consultation on the future trans-European transport network (TEN-T) policy
Attachments: L0913_DBO to Commissioner Kallas_response consultation future TEN-T policy.pdf; 0427_position paper TEN-T policy final.pdf

From: Janson Magali [mailto:m.janson@businessseurope.eu]
Sent: Tuesday, September 14, 2010 3:08 PM
To: CAMPBELL Karen (CAB-KALLAS)
Cc: Constable Anna; Janson Magali
Subject: Letter by Mr Philippe de Buck, BUSINESSEUROPE's Director General, to Commissioner Kallas - Response to the public consultation on the future trans-European transport network (TEN-T) policy

Dear Madam,

Please find at annex a letter by Mr Philippe de Buck, BUSINESSEUROPE's Director General, to Commissioner Kallas responding to the public consultation on the future trans-European transport network (TEN-T) policy.

We thank you in advance for transmitting this letter and its attachment to Commissioner Kallas.

Best regards,

Magali Janson

Secretary

Legal Affairs Department

Internal Market Department

Don't miss BUSINESSEUROPE's new website and Go for Growth publication!

BUSINESSEUROPE (The Confederation of European Business)

Tel: +32(0)2 237 65 53

Fax: +32(0)2 237 65 54

E-mail: m.janson@businessseurope.eu

Visit our website at www.businessseurope.eu