

CER CONTRIBUTION

CER Response to Commission Working Document on Future TEN-T Policy

15 September 2010

This document has been developed by CER, the Community of European Railway and Infrastructure Companies. CER membership is made of **rail infrastructure managers** (which represent more than 80% of the European rail network), **rail passenger operators** (both private and public, which represent more than 95% of the rail passenger business in Europe) and **rail freight operators** (both new entrant and historic companies, which represent more than 95% of the rail freight business in Europe). As such, it expresses a comprehensive, cross-industry perspective of the European rail community.

COMMUNITY OF EUROPEAN RAILWAY AND INFRASTRUCTURE COMPANIES - COMMUNAUTÉ EUROPÉENNE DU RAIL ET DES COMPAGNIES D'INFRASTRUCTURE - GEMEINSCHAFT DER EUROPÄISCHEN BAHNEN UND INFRASTRUKTURGESELLSCHAFTEN

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1. INTRODUCTION

With the publication of the Working Document on the future trans-European transport network (TEN-T) policy¹, the European Commission launched a second stakeholder consultation on 4 May 2010. CER is grateful for the transparent approach adopted by the Commission on this dossier, and is looking forward to continuing this constructive cooperation in the future.

The Commission Working Document is part of a complete TEN-T policy review, which was launched with the publication of the Green Paper on the future TEN-T network in February 2009², including a first stakeholder consultation. The intention of the Commission's latest document is to refine the available policy options already discussed in the Green Paper. In so doing, the Commission draws on the results of the Green Paper consultation and on the conclusions of the six expert groups set-up subsequently. CER welcomes the Commission's future TEN-T planning approach and the development of a core network as the essential part of the future TEN-T structure.

The text below expresses CER's views and opinions in response to the questions put forward by the Commission in its Working Document.

2. CER'S RESPONSE TO THE GREEN PAPER CONSULTATION

CER prepared a response to the Green Paper consultation in April 2009. For more information on this document, please visit CER's website³.

3. THE METHODOLOGY FOR TEN-T PLANNING

Question 3.1

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

In the Working Document, the Commission suggests that the future TEN-T network should follow a dual layer planning approach, containing a core network and a comprehensive network. The Commission defines the comprehensive network as "*the basic TEN-T layer*", which "*must cover all elements of the future TEN-T network*" and should "*take the current comprehensive network as a starting point*". Although the Commission questions put forward in the Working Document relate to the core network only, CER considers that there is also a need to develop a methodology for defining and planning the comprehensive network, and that the link between the core network and comprehensive network must be clearly defined.

¹ COM(2010) 212

² COM(2009) 44

³ [http://www.cer.be/media/090430_cer_response_to_green_paper_ten-t\)_ec_questionnaire_final.pdf](http://www.cer.be/media/090430_cer_response_to_green_paper_ten-t)_ec_questionnaire_final.pdf)

The Commission Working Document describes the future core network as being *“made up of nodes and links of the highest strategic and economic importance throughout the EU”*, to cover all modes of transport, and to include intelligent transport systems.

CER supports the Commission’s definition of the main nodes as the capitals of member states and other cities or agglomerations of supra-regional importance, and the definition of intermediary nodes as smaller or less important cities, airports, freight terminals, ports, etc. Planning the core network according to future traffic flows (passenger and freight) as the main criteria is an economically sensible and realistically quantifiable starting point.

However, CER also believes that the criteria used for identifying the core network must be very precisely defined, and that the weighting of the criteria should be clearly understandable to all stakeholders. More weight should be given to environmental and social cohesion criteria in order to create a truly European and environmentally friendlier transport system.

The order of the criteria, based on the above mentioned traffic flows, should be as follows:

- Priority 1: Improving the environmental and safety performance of the transport sector;
- Priority 2: Promoting European socio-economic cohesion;
- Priority 3: Strengthening the overall European economic development
- Priority 4: Removal of bottlenecks / missing links
- Priority 5: Improving the efficiency of the network.

CER believes that the future TEN-T policy should, as one of its main priorities, promote the use of energy-efficient and environmentally friendlier modes of transport in order to help meet Europe’s goals of reducing transport related CO2 emissions. EU’s commitment to protecting the environment is laid down in Article 11 of the Treaty (TFEU) which says that *“Environmental protection requirements must be integrated into the definition and implementation of the Union policies and activities, in particular with a view to promoting sustainable development.”*

Furthermore, special attention must be given to the needs of the economies in the new member states. Bearing in mind social and demographic differences in some of the new member states (less agglomeration, more rural), special efforts are needed to connect the infrastructure networks in the new member states with those in the *“old Europe”*. In this respect, CER believes that TEN-T policy must respect the provisions of the Treaty (TFEU), which calls for a harmonious development of all economies *“by reducing the differences between the various regions and the backwardness of the less favoured regions”*. In addition, the future TEN-T network should be linked to important nodes near European borders.

Ensuring continuity of ongoing projects by building largely on existing infrastructure is an essential element. The future core network should therefore include the priority projects which have already been started. Given that rail is one of the most energy-efficient and environmentally friendlier modes of transport, priority for rail projects must continue to be kept. Intermodality should be enhanced by creating proper interconnections between rail priority projects and main European ports and airports.

High speed lines and rail freight corridors should be part of the core network. Within the core network, European high speed rail links can play a major role for the implementation of an integrated, interoperable and sustainable TEN-T policy. Furthermore, these links will help meet customer demand and EU cohesion objectives, and contribute to the completion of the Single European transport market.

Question 3.2

To what extent do the supplementary infrastructure measures contribute to the objectives of a future-oriented transport system? Are there ways to strengthen it?

The use of Intelligent Transport Systems (ITS) can certainly contribute to increasing the efficiency and environmental performance of the future TEN-T network. However, CER believes that the development of new technologies should not forfeit investment in existing technologies which are equally important (for example, the electrification of lines, the development of infrastructure for longer trains, etc).

Special measures should be taken to overcome the technology gap between Western Europe and CEE countries.

ITS solutions should be designed to promote interoperability between modes by linking (and not rejecting) existing systems. ITS should encourage modal shift toward the most sustainable and energy efficient transport modes. However, the economic balance of these investments should remain positive both for the infrastructure managers and the railway undertakings.

CER considers that examples of innovative projects drawn by Expert Group 3⁴ on ITS considerably underestimate the innovative potential of the railway sector. Innovations in the rail sector could be stimulated in the field of diesel and hybrid motorisation, energy/CO₂ efficiency, and maintenance (predictive maintenance systems).

Question 3.3

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

By promoting the use of more environmentally friendly modes of transport and by giving more priority to environmental criteria in project assessment, TEN-T planning can help reduce transport related CO₂ emissions. CO₂ emissions from rail are almost 8 times less than lorries and 4 times less than inland waterways. In this context, the continued development of the European high-speed rail network should remain a priority, as reliable and rapid rail connections induce modal shift from air and road to rail, which in turn reduce energy consumption and CO₂ emissions from transport.

Rather than only concentrating on the Europe 2020 objectives, the new TEN-T policy should also take into account the results of the GHG 2050 study⁵. The report concludes that all available measures will be needed if the transport sector is going to contribute to meeting the EU objective of reducing greenhouse gas (GHG) emissions by between 80% - 95% by 2050, and makes clear the need for a "broad, ambitious and co-ordinated strategy" at EU level to reduce transport's GHG emissions. The report points to the need to invest in infrastructure which favours low carbon development and concludes that the use of economic instruments to internalise the external cost of transport is the first best and most efficient approach for reducing GHG emissions.

⁴ (pages 80 and 81 of the expert groups' report)

⁵ EU Transport GHG Emissions: Routes to 2050

4. TEN-T IMPLEMENTATION

Question 4.1 - 4.3

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 the TEN-T projects and policy objectives?

CER believes that TEN-T is an ambitious project for which Europe's politicians deserve credit. But the funds made available have not been sufficient to generate interest in European projects. A proper and adequate EU budget is a necessary precondition for the implementation of the TEN-T policy and for the completion of the priority projects.

It is therefore necessary that better financing solutions are developed. CER supports the suggestion of setting up an integrated European funding framework to better coordinate available EU instruments for transport. This European funding framework must have clear and targeted aims: EU funding should not be driven by national political ambitions, but by projects of true European interest fulfilling the five criteria outlined under Part 3 (Question 3.1).

In order to speed up the completion of delayed TEN-T projects, CER believes that Member States should be provided with more incentives to invest in transport infrastructure by, for example, increasing the EU TEN-T budget and EU co-funding rate for TEN-T projects. According to the 2008 TEN-T Progress Report of the European Commission, one third of the investment (more than € 145 billion) will still be required after the current multi-annual period which expires in 2013. Considering the expected infrastructure costs and the leverage effect, it is necessary to ensure an adequate EU budget of € 30 billion in the next financial perspectives 2014-2020. A budgetary stimulus of € 30 billion would have a major impact on the EU GDP as well, contributing to the European Recovery Plan.

In addition, it must be assured that the TEN-T related contributions of the Cohesion and Structural funds will continue to be earmarked to infrastructure projects in Europe's poorer regions.

It is important to have long-term financing periods for transport infrastructure projects. This is particularly true for rail infrastructure projects, which generally require more than the seven-year TEN-T budget period to be completed. An extension of the TEN-T budget period to more than seven-years (or a commitment to continue the projects already underway beyond the funding framework period) could help make rail investments more attractive.

Furthermore, other financial sources, such as self-financing (i.e. user-pays and polluter-pays principles), should be included in the fund. It is essential to develop a price-based policy where the "user/polluter pays" principle is progressively implemented. This would not only allow a level

playing field between all modes and help reduce transport emissions, but would also help generate financial resources needed to fund TEN-T projects.

5. THE LEGAL AND INSTITUTIONAL FRAMEWORK OF THE TEN-T POLICY REVIEW

Question 5.1

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

One of the key issues related to the future TEN-T policy is better coordination of available EU financial instruments (TEN-T, cohesion, structural, research, etc), as well as better coordination between EU and national instruments. This calls for the development of a more coherent planning methodology between these various funds.

6. CONCLUSIONS

CER welcomes the Commission's future TEN-T planning approach and the development of a core network as the essential part of the future TEN-T structure. Planning the core network according to future traffic flows (passenger and freight) as the main criteria is an economically sensible and realistically quantifiable starting point.

However, CER also believes that the criteria used for identifying the core network must be very precisely defined, and that the weighting of the criteria should be clearly understandable to all stakeholders. The order of the criteria, based on the above mentioned traffic flows, should be as follows:

- Priority 1: Improving the environmental and safety performance of the transport sector;
- Priority 2: Promoting European socio-economic cohesion;
- Priority 3: Strengthening the overall European economic development
- Priority 4: Removal of bottlenecks / missing links
- Priority 5: Improving the efficiency of the network.

CER believes that the future TEN-T policy should, as one of its main priorities, promote the use of energy-efficient and environmentally friendlier modes of transport in order to help meet Europe's goals of reducing transport related CO2 emissions. High speed lines and rail freight corridors should be part of the core network.

Bearing in mind social and demographic differences in some of the new member states (less agglomeration, more rural), special efforts are needed to connect the infrastructure networks in the new member states with that in the "old Europe".

CER agrees that use of Intelligent Transport Systems (ITS) can contribute to increasing the efficiency and environmental performance of the future TEN-T network, but that this investment should not forfeit investment in existing technologies. ITS solutions should be designed to promote interoperability between modes by linking (and not rejecting) existing systems. ITS should encourage modal shift toward the most sustainable and energy efficient transport modes.

In order to implement the future TEN-T policy and to complete the priority projects, a proper and adequate EU budget is a necessary precondition. CER believes that Member States should be provided with more incentives to invest in transport infrastructure by increasing the EU co-funding rate for TEN-T projects and by raising the EU TEN-T budget to €30 billion in the next financial perspectives 2014-2020.

Disclaimer

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