CONSULTATION ON THE FUTURE TRANS-EUROPEAN TRANSPORT NETWORK POLICY

Alstom welcomes this second consultation from the European Commission, which aims at refining the main criteria and priorities for the future TEN-T policy. Alstom had already the opportunity to express its views, by contributing to the consultation of the Green Paper last year.

This second consultation comes in due time, as the European Commission is working on the White Paper to be expected by the end of this year. This is actually the opportunity to align and put TEN-T policy in coherence with the transport policy and its main objectives.

Planification

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?
Alstom focused on five main criteria and principles proposed in the working document of the European Commission

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?
See points on interoperability and ITS

What specific role could TEN-T planning in general play in boosting the transport sector's contribution to the "Europe 2020" strategic objectives?
Focus on innovative technologies and sustainable transport (see points below)

Alstom welcomes the broad reflection carried out on the planification of the future TEN-T network: the European Commission's proposals are comprehensive and take into account many criteria. The top-down approach to planification is a good way to boost a coherent TEN-T policy. Alstom recalls that the key drivers for planification should be: competitiveness, territorial cohesion, decarbonisation, modal shift, and the European transport policy.

It remains unclear what will happen with the 30 priority projects and whether they will be incorporated into the core network.

Alstom would like to come back on a number of criteria and principles proposed by the European Commission on the TEN-T planification, that would apply to both the core and comprehensive networks.

- **Sustainability**

The redefinition of the TEN-T policy must be the opportunity to move to a low carbon transportation network and to promote sustainable transport. However, Alstom regrets that climate change and environmental challenges are not enough taken into account in the European Commission's working document on the future TEN-T policy. The environment criteria proposed are insufficient and not enough defined: "Sustainability, by reducing greenhouse gas emissions ("de-carbonisation") to minimize climate change impacts and pollution as well as by respecting relevant EU environmental legislation, including the Espoo Convention and in particular the following Directives: SEA, EIA, Habitats and Birds, Water Framework Directive, Floods Directive". De-carbonisation is mentioned but isn't being translated in the planning of the core network.

Alstom calls the European Commission to consider decarbonisation (CO_2 emissions avoided) as the main criteria to select and design projects of the future TEN-T core network. It is all the more important that TEN-T policy needs to be in coherence with the future sustainable transport policy and the white paper to be issued end of 2010, or beginning of 2011.

The future core network must therefore give a clear priority to environmentally-friendly transport modes of transport, such as rail and fluvial transport, and innovative technologies which offer sustainable solutions to transport systems.

To go further, the European Commission should propose:
- A methodology to measure the CO_2 footprint of each mode of transport
- Additional environmental and energy efficiency criteria for each mode of transport

These criteria will be used to facilitate the arbitration between modes of transport.

- **Multimodality**

Multimodality or co-modality is necessary when it improves the connections between nodes such as harbours and airports and other modes of transport, as rail. The principle of multi/co-modality should, however, not be disadvantageous to rail, which remains the safest and more sustainable mode of transport. Therefore, modal shift to sustainable modes of transport (barge or transport) should remain a key objective of the future TEN-T policy, in coherence with the environmental and climate change ambitions.

In addition, the "volcanic ashes crisis" demonstrated the need for alternatives to air transportation: 66 % of passengers affected were traveling within Europe. To build an efficient transport network on the EU territory, the European Commission should support the creation of a trans-European high-speed network linking major cities in Europe. This could be for passengers, but also for freight: high speed corridors for rail freight could be set up, according to the plan of the Commission to reboost rail freight transport.

Focus on rail advantages:

- **Greener transportation:** the Commission has set out a clear goal to green transportation in Europe. Rail projects represents a significant share of TEN-T projects and this share should be kept. Rail is by far the most environment friendly mode of transportation. For instance, an average European passenger travelling 500 km by very high-speed rail emits ~1/6th of that by air and ~1/10th of that by car. In addition, rail requires approximately half the footprint of road for a given capacity, whether in intercity (car) or urban (bus) setting. Modal shift towards rail provides the most significant solution to curb CO_2 emissions.

- **Infrastructure saturation**: airport and road (mainly urban) infrastructure are increasingly saturated. As more capacity is needed, it is only logical that investment in transport infrastructure be made where it will most contribute to EU's objectives (GHG emission, value added to Europe...), i.e. rail. Without necessarily creating new infrastructure, it is possible to increase capacity on existing lines, through higher performance signalling systems (e.g. ERTMS), higher capacity rolling stock, the relief of bottle necks, the ease of border crossing (mainly for freight).

- **Safety:** rail is by far the safest mode of transportation. For instance, extra urban fatality rate (death / b km) is approximately 2x for air and 30x for passenger car what it is for very high-speed rail. Thus, a shift towards rail would result in lower cost to society.

- **TEN-T linked with key infrastructure in third countries**

In the planning of the future TEN-T, connections with key infrastructures of third countries is one of the criteria put forward by the European Commission. Since 1996, the TEN-T number of projects keeps increasing without the completion of the rising number of projects being guaranteed. It is important to remain careful on the connections with third countries: financing of TEN-T is very limited and insufficient, and most of the projects on the EU territory are not completed or are delayed. For these reasons, a two-step approach should be preferred:
-   Firstly, focus on the EU territory to ensure that our priorities are implemented
There are already missing infrastructures in the European Union (Eastern and Central Europe mainly), which is imperative to be completed as soon as possible.
-   In a second step, link the completed projects with third countries infrastructures, with a specific focus on candidate and neighbouring countries from Eastern Europe.

- **Interoperability and improved efficiency of all modes of transport**

The European Commission should support "full interoperability" of the core network. That is why the implementation of the European Rail Traffic Management System (ERTMS) should be imposed on rail infrastructure, together with other requirements in terms of interoperability. The installation of ERTMS on rail projects of the core network should be mandatory.

During the previous consultation, some stakeholders suggested to have Open Source Solutions for ERTMS. Such a solution would totally be against the EU 2020 strategy and will discourage further investment in R&D for the rail industry. What should be done instead, is to provide the necessary

funding to allow a real deployment of ERTMS along the TEN-T railway network. Until now, the EU funding for ERTMS has been insufficient.

- **Application of advanced technologies and ITS**

TEN-T should support the deployment of innovative and the latest technologies. In the rail sector, intelligent technologies can be useful for increasing the competitiveness and interoperability (as ERTMS, see above) both for passengers and for freight. In addition, ITS can improve co-modality, especially between road and rail transport. TEN-T policy should be used as an instrument of promotion and implementation of these applications, which will be fully in line with EU2020 strategy. In this field, TEN-T should also support the use of minimum technical common standards, to ensure interoperability and compatibility. Their use should, however, not be limited to the core network, but be widely spread, in the most possible way, to the comprehensive network.

Alstom therefore strongly support the criteria of the application of advanced technologies and ITS in TEN-T planning.

EU 2020 strategy and technologies in rail transport

The European market represent approximately 50 % of the world market, and the European rail industry remains by far the most significant in volume and global market share, as well as in technology.

Employment: we see the strong emergence of Asian players on the world market place, whereas their markets are increasingly closed to non-domestic players. The new policy must ensure that this environment does not jeopardize the sustainability of the European rail industry and its jobs. This is all the more necessary for high value adding jobs, which are critical for this strategic industrial sector.

R&D: as mentioned above, the European rail industry clearly leads in terms of technology. This allows for the performance of rail transportation in general, in Europe in particular. The high level and constant improvement in safety, infrastructure capacity, passenger services, etc are the results of the qualification of European rail engineers, and the level of R&D engaged by European players. It is necessary that EU R&D funds continue to flow towards the rail sector to ensure rail continues to improve, in order to fully contribute to the "EU 2020 Strategy", e.g. creation of European value added, environment

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- **Integration of main nods into the core network**

In its contribution to the Green Paper on TEN-T, Alstom strongly encouraged the future TEN-T network to take into account main nods such as airports, freight terminals and harbours. The proposal of the European Commission to integrate main and intermediate nods is very relevant (especially main urban centres). This strategy will particularly help to reboost rail freight with connections between entrance points, such as harbours, and rail corridors.

The key question, which remains, is how to select these nods to make relevant projects and more or less in accordance with the existing priority projects.

Implementation

It is important to deepen the reflection on the implementation of the TEN- T projects. If the planning part has been well studied by the European Commission, the implementation should undergo the same process. The implementation phase is crucial to make sure TEN-T objectives and projects are achieved.

Alstom would like to raise three main points on the implementation:

- **Mandatory targets**

The main issue with the implementation of TEN-T projects is how to make sure Member States respect their commitments, and in due time. A solution could be to set biding targets with: a calendar to respect, which will be done with Member States and criteria to be respected on the specific project (for instance use of ERTMS level 2, ITS, etc.). The new approach taken by the European Commission (i.e. top-down approach) could be very useful on this regard.

In case deadlines or criteria are not respected, there could be gradual sanctions, such as loss of financing, or part thereof.

- **European coordinators**

European coordinators have proved to be efficient. There should be one coordinator per project of the core network, to help the coordination and implementation of the projects, with adequate coordination across borders if relevant Coordinators should be empowered.

- **Scope of TEN-T projects**

The scope of tender for each project should be large and comprehensive enough to attract maximum competition. Large projects' scope is an efficient way to implement project timely and within budget.

Financing

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?
Managed at EU level, with EU rules

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

Would the setting up of a European funding framework adequately address the implementation gap in the completion of TEN-T projects and policy objectives?
Yes, but not sufficient. Need specific rules to have Member States to implement projects

Firstly on financing, it is important to remember that the total cost of the entire network is estimated at €900 billion and the current funding doesn't cover these costs. In addition, ongoing delays are likely to increase these initial costs. Even if priorities projects are redefined to become the core network, additional funding will be needed to achieve a fast and efficient completion of the projects.

- **Simplify the funding framework**

Funding issues for the TEN-T do not only come from the scarcity of financial resources but also – if not mainly – from the way the transport policy is being planned and implemented both at the EU level and at the Member State level. There are various source of funding, with different periods, thresholds, management (EU/national) etc., which increase the complexity of the implementation. In order to simplify the current financing solutions, there should be:
   - One stop shop
   - Managed at the EU level (idea to get it managed by the EIB)

- **Basic principles to access TEN-T funding**

In addition, funding should:
   - Both loans and grants could be combined and accessible through one stop shop.
   - Give priority given to sustainable modes of transport. As regards structural funding, money has mainly been given to road transport projects, while TEN-T funding tends to focus on rail projects.
   - Be conditional to a number of criteria (use of innovative technologies, common standards, respect of deadlines etc.)
   - Target high added value projects that can attract investors
   - Focus on core network and very specific projects, to avoid a dissemination of the funding, which is already insufficient.

- **Additional sources of funding**

Its is very clear that additional funding will be needed to achieve as fast as possible the priority / core network projects, at least. That is why the EU should reflect on innovative ways of funding. Here are some proposals:
- Earmarking revenues from Eurovignette
That is why a rapid agreement on the text and provisions on earmarking is needed.
- Earmarking revenues generated from the auctioning of allowances of ETS phase 3
- Public Private Partnership with a clarified framework at EU level. The EIB is supporting PPPs, through the LGTT instrument that could be a useful instrument.
The European Commission has a role to play in setting as soon as possible the measures to be able to raise this additional funding.

Legal and institutional framework

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

A new and simplified legal and institutional framework can benefit the TEN-T policy:
- It provides clarity to stakeholders, especially on the funding and if there is the creation of one stop shop.
- It can set roles and responsibilities of the EU institutions and Member States. It can especially enshrine into law important elements such the deadlines, penalties for non-respect of deadlines etc. that could be additional incentives to complete TEN-T projects.