



September 2010

**ESC submission on the
CONSULTATION ON THE FUTURE TRANS-EUROPEAN TRANSPORT
NETWORK POLICY
Commission Working Document COM(2010) 212 final**

The European Shippers' Council (ESC) represents the interests of European industry as users of freight transport services in all modes of freight transport (deep sea shipping, short sea shipping, air transport, road transport, rail, inland waterways both within Europe and overseas). Shippers are primarily producers of goods and services which they market, sell and distribute to their customers. Through the network of European national shippers' councils, ESC represents the interests of some 100,000 companies involved in international trade, within, to and from the EU.

ESC welcomes the Commission consultation on the future trans-European transport networks policy. In ESC's submission of April 2009, in relation to the Green Paper (Brussels, 4.2.2009, COM(2009) 44 final) on this subject, great play was made of the need to prioritise TEN-T projects on the basis of quantifiable benefit. As this affects the interests of freight transport users, as represented by the ESC, the benefits would be in relation to the level of improvement to service performance and efficiency improvements where demand was greatest.

It is gratifying to note from the consultation paper that some of our suggestions have been incorporated into the proposed principles and criteria for planning the core network.

Putting the needs of freight first

ESC welcomes the statement in relation to 'shaping the network configuration' to include 'external and global trade flows' and 'freight traffic and customer needs' (page 6, paragraph 2). Similarly ESC welcomes the "focus on quality of service for both freight users and passengers", (page 6 6th bullet) when considering the 'general principles for designing TEN-T'.

Likewise, the consultation recognizes that 'The dimensioning and equipping of the network elements will be determined by passenger and freight traffic demand and customers' needs'. Other similar references to the importance of ensuring freight transport demand, quality of service and users' needs are considered, occur elsewhere in the document.

Prioritising TEN-T projects

Nevertheless, there is continued concern by ESC that the TEN-T programme of projects (core network developments combined with the continuing comprehensive network developments) will remain too extensive.

Whilst not opposed to the general principles that have been identified in the overall planning of TEN-T, so inclusive of all inputs to its previous consultation has the Commission been, that it appears the TEN-T could become even more 'comprehensive' than it is currently. Given the financial constraints on the wider European economy and government expenditure, which is likely

to continue for a number of years to come, it would surely be wiser to prioritise developments on the most needy of cases.

It is therefore with some considerable assurances that the consultation document does appear to acknowledge the very same concerns when deliberating over the implementation policy. Such would be determined, as ESC's previous submission also suggested, on an assessment of the principal demand flows, the developments that would produce the greatest benefit to users, at least cost and best value for money, that were in-keeping with the achievement of key EU policy objectives (such as are incorporated into the 'European 2020' initiative).

ESC welcomes the Commission's specific attention on the need to develop homogeneous network planning to reduce missing links which would form part of an overall strategic vision.

One issue that does feel somewhat out of step with the general thrust of this argument, arises where the consultation appears to suggest that it will continue with the current priority projects, for the sake of 'continuity' (page 8, paragraph 2), irrespective of whether they remain priorities under the new proposed set of principles outlined in the paper. The Commission would do well to clarify this issue for the sake of consistency of approach.

Where the Commission refers to the need to provide "the infrastructural basis for co-modal services for passengers and freight" the ESC would want to remind the Commission of the different methods of reducing the conflicts between passenger usage and freight transport: such methods could include priority road freight lanes, freight-only or freight-priority railway lines, restrictions on private car usage during peak periods of freight activity; but these are just a few examples and others should be identified. The recognition within the consultation paper of the option to 'to allow splitting of passenger and freight flows when justified' (page 7, 4th bullet point) is welcomed, as this supports ESC's argument made previously that freight has different characteristics from those of passengers: examples include moving at different times, requiring different speeds (not always slow), moving between distribution points or consolidation centres, transferring (e.g. cross-docking) to other vehicles for local or 'last mile' distribution, etc. These differences could be used to our advantage when seeking to optimise the utilisation of infrastructure and keep passengers and freight apart where otherwise they might clash.

Incorporating technological developments

Welcome too, are the references to the development and use of Intelligent Transport Systems (ITS), innovation and new technologies to enhance the efficient use of infrastructure, improved operational efficiency, safety and security, and flexibility. ICT, ITS and other such innovations can also prove effective in raising awareness, among freight transport users, of the more efficient and effective solutions for their logistics requirements. Information portals, management tools and aids to best route and modal decision making would considerably improve the take-up of the 'best' modal and co-modal opportunities made available through core and comprehensive network developments.

'Total transport policy' – engaging all stakeholders

ESC has long advocated the coordination of other transport policies, initiatives and funding schemes, and therefore welcomes this suggestion in the paper. Indeed the linking of these would help integrate national projects with the priority TEN-T core network projects.

To assist in seeing core-network and linked network projects (big and small) through from conception to completion, the involvement of key users of these freight corridors (the freight forwarders, logistics service providers and shippers) will help considerably. These stakeholders will be able to help quantify the real benefit to industry from various projects, both from improvements in service quality and overall supply chain performance to bottom line reductions in their supply chain costs.

This would be a great incentive, to all those connected to the projects and the direct beneficiaries, to see the projects through to fruition. Given that such stakeholders are principally unbiased towards any particular mode of transport, it would ensure too that projects were truly assessed solely on their ability to deliver significant benefits in line with the high-level, key EU policy goals on climate change and the economy, rather than ill-perceived notions that one mode is universally 'better' than another.

Financing TEN-T

ESC does not feel it is best placed to comment on the financing arrangements and instruments being proposed other than to support the increased involvement of financial bodies such as EIB, and PPP. Such support is given on the basis that they should ensure only those projects which deliver real economic benefit, and are fully justified with sound business cases receive or attract financial assistance from the public and private sector.

One statement within the consultation document that does need to be treated with caution, however is that, in respect of financing projects to be found on page 10, paragraph 4. It was suggested that the European Funding Framework "could comprise other sources of funding, such as the revenues drawn from transport activities." The use of revenue derived from charges, levies and even taxes represents an area of considerable unease among shippers and other transport users. ESC supports the use of such revenue for projects that can be seen to directly benefit those that have paid the charges, levies and taxes, and which demonstrate the lowest cost option that achieves the stated objectives. Otherwise, the situation might arise that those paying the charges etc., will see themselves as being punished for using what is the most efficient and effective use of transport available to them, while helping to fund infrastructure developments and other transport initiatives that benefit others but cannot practicably or economically be used by themselves.

Conclusion

An integrated transport network, linking national infrastructure to core infrastructure along trans-European freight corridors is vital to the success of the economy. It is becoming even more clear as to just how important this is in relation, for example, to the maintenance of viable international single wagon-load freight services and, as a further example, the operation of the European Modular System in international road freight. Both of these services are vital to European industry in providing viable, competitive international freight services that have less impact on society and the environment, than current road freight alternatives. Equally, any effective co-modal logistics operation requires good connectivity between a wider comprehensive network and the core freight corridor networks.

The determination of which project proposal are to receive financial support under the TEN-T programme, however, must be determined by the principles contained in the consultation document and prioritised on the basis of value for money / return on investment rather than a bias towards any particularly mode of transport or sector.

An increased involvement of key freight transport users (including customers) of the major core networks (and nodes) would ensure the benefits to industry from the various projects (big and small) would be quantifiable, and clearly demonstrable to the public and private financiers. This would create greater confidence that the right projects were being invested in and were delivering very real tangible results, coordinated with and contributing to the high-level political goals established by the EU, such as 'Europe 2020' (COM(2010) 2020) and the forthcoming Transport White Paper.