



## **EC 2010 Consultation on the Future Trans-European Transport Network Policy**

Contribution of ESPO

*15 September 2010*

### **Executive Summary**

1. The future TEN-T guidelines should place ports and their hinterland connections at the heart of a competitive, sustainable and cohesive European transport network. This means that a stronger focus is needed on European added value and that genuine pan-European priorities have to be identified. ESPO believes that the 'dual layer' planning proposal of the Commission, consisting of a core network and an underlying comprehensive network, can meet this aim. It would furthermore ensure that every European port can develop according to its own potential.
2. Taking into account the principle of subsidiarity, ESPO believes that every European seaport engaged in international traffic should a priori form part of the comprehensive network. The common conditions for projects of common interest laid down in the present TEN-T guidelines provide a good basis for Member States to present port-related project proposals in a bottom-up manner. These criteria can be refined on the basis of the principles outlined in the Commission's consultation paper and the forthcoming transport policy White Paper. To provide supporting background material, ESPO will shortly undertake a survey among its members to identify the most significant kind of common infrastructure and other bottlenecks that occur in European ports.
3. The core network should be future-oriented and be sufficiently robust to anticipate future needs and trends for the next 10 to 20 years. Ports in the core network should have potential for decarbonisation and limitation of external costs, have a gateway function linking the main EU markets with the rest of the world, connect between maritime and land-based networks, be responsive to market needs and be reliable. Based on these guiding principles, a set of operational selection criteria can be devised. These include volume concentration, scale and other positive effects related to reduction of CO2 emissions and other externalities, limitation of total transportation time and cost to main markets, modal split in favour of co-modality, the network function with inland ports, dry ports and other seaports and innovative use of existing infrastructure.
4. These principles and criteria should be elaborated and applied for all maritime trades, i.e. containers, roro, conventional general cargo, liquid and dry bulk. In this way a core network of seaports will emerge that holds the unique trump card of significantly contributing to the global competitiveness of the European Union and improving its overall sustainability at the same time. ESPO invites the Commission and Member States to elaborate the criteria in a manner which is as transparent as possible.

5. ESPO sees an important role for the European Commission in continuously monitoring the implementation of the core network. When market and economic drivers fail to respond, stronger steering measures could be considered on the policy side, such as internalisation of external costs. However, since price is far from being the only factor of modal choice, and since today administrative and service related burdens still undermine alternative modes of transport, ESPO believes it should be approached with care. The Commission should fully implement the 'co-modality' objective whereby each actor in the logistics chain should take the same responsibility in contributing to the sustainability and environmental objectives of the European Union.

6. As regards funding, ESPO supports maintaining the two existing work programmes under a financial period. The multi-annual programme should be reserved for the achievement of the core network and the annual programme for supporting the development of the comprehensive network. In general terms, ESPO believes that the budget for TEN-T should substantially increase compared to the budget made available under the current framework. ESPO can support the Commission's proposal to develop a consistent funding strategy in the form of an integrated European funding framework to coordinate EU instruments for transport. It should however not be used as an alternative for not significantly raising the TEN-T budget as such.

7. ESPO believes that the review of the TEN-T guidelines would be a good opportunity to review the position of Motorways of the Sea, integrating it as the maritime section of the core network. Motorways of the Sea should no longer be seen as port-to-port connections but as services connecting hinterlands.

## **1. Introduction**

The Trans-European Networks form a key tool to fulfil the objectives of the EU Treaty and the Lisbon Agenda. These objectives include the completion of the internal market, the reinforcement of economic, social and territorial cohesion and the stimulation of sustainable economic growth and employment. The development of the Trans-European Networks for Transport (TEN-T) includes the interconnection and interoperability of national networks as well as the access to such networks and the establishment of good connections with Europe's immediate neighbours and the world at large.

As gateways of most of Europe's external trade, seaports are key parts of logistics chains designed to provide a vital link between industries and their market and supply sources. Seaports are indispensable components of the European single market and play a fundamental role in the overall competitiveness of the European Union. Despite this crucial role, seaports were up to now largely ignored in the TEN-T policy because no priorities were identified. As a result almost all commercially significant seaports were included in a comprehensive network but hardly any TEN-T funding was spent on port-related projects.

In its response to the 2009 TEN-T Green Paper<sup>1</sup>, ESPO agreed that it is time to change this approach. The future TEN-T guidelines should place ports and their hinterland connections at the heart of a competitive, sustainable and cohesive European transport network. This means that a stronger focus is needed on European added value and that, inevitably, genuine pan-European priorities have to be identified rather than an amalgamation of national shopping lists. ESPO believes that the 'dual layer' planning proposal of the Commission that consists of a core network and an underlying comprehensive network can meet this aim. This would ensure that every European port can develop according to its own potential.

ESPO welcomes the progress that was made since the Green Paper through the various expert groups. The result of this work is reflected in the new consultation paper of the Commission. With this contribution ESPO wants to respond to this consultation, elaborating some of the viewpoints expressed during the TEN-T Days held in Zaragoza on 8-9 June 2010.

Concretely, this paper will address:

- eligibility of port projects under the comprehensive network;
- the identification of a core network of ports;
- implementation and funding;
- the position of existing priority projects, in particular Motorways of the Sea.

## **2. Eligibility of port projects under the comprehensive network**

The comprehensive network should be a multi-modal infrastructure network of European interest. It should ensure a better functioning internal market and connect all regions to the Community priority network, reinforcing territorial cohesion and economic links between regions. It should also provide a comprehensive infrastructure basis for the achievement of transport policy objectives and relevant legislation.

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<sup>1</sup> See: <http://www.espo.be/downloads/archive/df4bcdcf-df5a-47b5-9df1-fc300864d34b.pdf>

Taking into account the principle of subsidiarity, ESPO believes that every European seaport engaged in international traffic should a priori form part of the comprehensive network.

The common conditions for projects of common interest laid down in the present TEN-T guidelines provide a good basis for Member States to present port-related project proposals in a bottom-up manner, i.e.:

- projects of common interest must relate solely to infrastructure open to any user on a non-discriminatory basis;
- any project which concerns the following works will be deemed to be of common interest:
  - o construction and maintenance of all elements of the transport system generally open to all transport users within the port and of links with the national or international transport network;
  - o in particular, this includes the development and maintenance of land for port-related purposes, the construction and maintenance of road, rail and inland waterway connections, the construction and maintenance, including dredging and ice-breaking, of access routes and of other areas of water in the port, and the construction and maintenance of navigation aids and traffic management, communication and information systems in the port and on access routes. The construction and maintenance of access and defence infrastructure in ports should also be added.

These general criteria can be refined on the basis of the principles outlined in the Commission's consultation paper:

- updating the current comprehensive network to reflect progress in its implementation and adjust it where necessary to changes in national planning;
- adding selected and well-defined missing links and nodes, including bottlenecks, especially in Member States which have acceded the EU since 2004, where necessary to ensure homogeneous network planning and the interconnection of national networks, and to contribute significantly to the TEN-T objectives;
- eliminate dead ends and isolated links in the current comprehensive network if not justified with geographical particularities.

In this way ports in the comprehensive network can be properly connected to the core network, thus ensuring a cohesive transport network in general as well as the homogeneous availability of transport infrastructure among Member States. ESPO also agrees that a requirement for any element in the comprehensive network is compliance with relevant Community legislation in the transport and other sectors, including technical specifications related to interoperability, safety etc. as well as State aid rules.

Further refinement is also possible on the basis of the objectives outlined in the Commission's forthcoming transport policy White Paper. ESPO agrees with the Commission that elements for planning the comprehensive network have to be discussed bi- and multilaterally with the Member State(s) whose territory is concerned.

To provide supporting background material, ESPO will shortly undertake a survey among all European ports to identify the most significant kind of common infrastructure and other bottlenecks. The results of this survey will be published by the end of 2010.

### 3. The identification of a core network of ports

ESPO supports the Commission's proposal to start planning the core network by identifying the main nodes, which configure the overall layout of the network. For the reasons explained in the introductory section, seaports obviously fall in this category of main nodes and have to be identified on the basis of clear and transparent criteria.

In its contribution to the Green Paper consultation, ESPO proposed a conceptual methodology to identify the core network. This dynamic methodology consisted of four iterative steps, i.e. developing a strategic vision of the core network, identifying future cargo flows in Europe in accordance with global trade flows, determining the future priority network in Europe and determining the required steering measures to stimulate the usage of the desired priority network

ESPO would like to reiterate some essential elements of that methodology to come to the identification of the core network of seaports in line with the new proposal of the Commission.

#### 3.1. Identification of current main maritime nodes in Europe

ESPO commissioned in 2009 an independent economic analysis of the European port system from the Institute of Transport and Maritime Management Antwerp (ITMMA)<sup>2</sup>. This report included a map outlining the present location of the main maritime nodes for container traffic. The report categorised these nodes in the form of multi-port gateway regions, stand-alone gateways and transshipment hubs. The report defines multi-port gateways as clusters of neighbouring ports that share a local hinterland and that have a similar focus on the development of more distant hinterlands. Multi-port gateway regions compete with each other but equally ports within these regions compete. Stand-alone gateways are somewhat isolated in the broader port system as they have less strong functional interactions with adjacent ports than ports of the same multi-port gateway regions. Some nevertheless play a crucial role in the European port system, as do the main transshipment hubs which are essential turntables in feeding maritime traffic flows.

Since the publication of the report, the container map has been discussed widely. An updated and improved version was recently made as well as two additional maps that indicate where the main maritime nodes for, on the one hand, general cargo and ro-ro traffic and, on the other hand, liquid and dry bulk can be found today (*see annexe*).

ESPO emphasises that these maps only give a factual snapshot of the current situation. It is not implied that they should reflect the future TEN-T core network for seaports. The maps however help in understanding the present geographical distribution of the main maritime nodes in Europe.

#### 3.2. Policy guiding principles and criteria

The core network should be future-oriented and be sufficiently robust to anticipate future needs and trends for the next 10 to 20 years. The key to identifying this future core network lies in finding consensus on the policy guiding principles. From these, a series of operational criteria can then be derived.

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<sup>2</sup> See: <http://www.espo.be/downloads/archive/c4d38e25-6eb6-456a-8df5-cfc55807602b.pdf>

In its response to the Green Paper, ESPO highlighted four important policy objectives that should guide the future core network: sustainability, market-based, efficiency as well as flexibility and responsiveness.

These can be translated in the following guiding principles for the identification of the core network of seaports:

- potential for decarbonisation and limitation of external costs;
- gateway function linking the main EU markets with the rest of the world, in particular with those markets that will dominate the foreseeable future;
- connection between maritime and land-based networks;
- market responsiveness and reliability (provision of quality services).

Based on these principles, the following operational criteria emerge:

- volume concentration (critical mass) which will generate economies of scale ;
- scale and other positive effects related to reduction of CO2 emissions and other externalities;
- limitation of total transportation time and cost to main markets;
- modal split in favour of co-modality (intensified use of rail, barge and shortsea);
- network function with inland ports, dry ports and other seaports in order to reduce congestion;
- innovative use of existing infrastructure.

These principles and criteria should be elaborated and applied to ports in all maritime trades, i.e. containers, roro, conventional general cargo, liquid and dry bulk. In this way a core network of seaports will emerge that holds the unique trump card of significantly contributing to the global competitiveness of the European Union and improving its overall sustainability at the same time. ESPO invites the Commission and Member States to elaborate the criteria in a manner which is as transparent as possible so that it is clear why some ports are in the core network and some are not.

## **4. Implementation and funding**

### **4.1. Implementation**

As outlined in its contribution to the Green Paper, ESPO sees an important role for the European Commission to continuously monitor the implementation of the core network by Member States through:

- ensuring full commitment of Member States regarding infrastructure development priorities and achievement of the core network;
- appointing European coordinators (with sufficient authority and empowerment) for cross-border projects in order to obtain a timely and smooth implementation of projects;
- achieving a better integration of transport and environmental policy objectives by acknowledging that projects that have been granted TEN-T status fulfil ‘Imperative Reasons of Overriding Public Interest’ (IROPI or similar) criteria;
- inclusion in the TEN-T Guidelines of special and fast track procedures in order to allow the prompt execution of the necessary investments, to deal with environmental and other assessments.

Where market and economic drivers fail to respond, stronger steering measures could be considered on the policy side, such as internalisation of external costs. However, since price is far from being the only factor of modal choice, and since today administrative and service related burdens still undermine alternative modes of transport, ESPO believes it should be approached with care. The Commission should furthermore ensure that this instrument is not abused for competitive reasons and should eventually set out a number of common principles. In the same context, the Commission should fully implement the ‘co-modality’ objective whereby each actor in the logistics chain should take the same responsibility in contributing to the sustainability and environmental objectives of the European Union.

#### 4.2. Funding

ESPO proposed in its contribution to the Green Paper that the main part of the TEN-T budget (i.e. the multi-annual budget) is allocated to the funding of the core network in order to speed up its realisation. The TEN-T budget should furthermore be used for financing projects related to general infrastructure, i.e. non-dedicated infrastructure which has a clear European interest and which is benefiting all users, and projects that help better and more innovative use of existing infrastructure. Funding should be allocated on the basis of proper cost-benefit analysis and be proportional to the European added value of the project as well as the criteria laid down in the conceptual pillar.

ESPO is of the opinion that funding of projects within the comprehensive network that connect with the priority network, upgrade or develop existing infrastructure or facilitate the achievement of transport policies should be provided under the annual TEN-T programme. The comprehensive network should also be financed following the subsidiarity principle and co-funding from other sources of Community funding such as cohesion funds, structural funds, the European regional development fund and loans from the European Investment Bank should also be considered. As for the core network, these sources should however be reserved for financing projects of general infrastructure and projects that help better and more innovative use of existing infrastructure.

ESPO thus supports maintaining the two existing work programmes under a financial period. The multi-annual programme should be reserved for the achievement of the core network and the annual programme for supporting the development of the comprehensive network.

In general terms, ESPO believes that the budget for TEN-T should substantially increase compared to the budget made available under the current framework. The requirements of the maritime sector and its related transport and logistics networks should be dealt with on a par with those of other sectors. This was not the case up to now.

ESPO can support the Commission’s proposal to develop a consistent funding strategy in the form of an integrated European funding framework to coordinate EU instruments for transport, such as the TEN-T programme and the TEN-T related contribution of the Cohesion and Structural Funds. It should however not be used as an alternative for not significantly raising the TEN-T budget as such.

### **5. Existing priority projects – project no. 21 ‘Motorways of the Sea’**

ESPO believes that the Commission should ensure that Member States live up to their commitments in completing fully the existing priority projects that are relevant to freight transport and cross-border sections issued from the previous review of the TEN-T guidelines.

ESPO however advocates that TEN-T priority project no. 21 'Motorways of the Sea' is reviewed. The concept as such remains valid and presents very good opportunities for the reinforcement of the sea-based European transport network, including its extension to neighbouring countries. The current approach has however not really been successful so far. Concerns exist about potential distortion of competition, the complexity of the concept and the fragmentation and lack of synergy.

The review of the TEN-T guidelines would therefore be a good opportunity to review the position of Motorways of the Sea, integrating it as the maritime section of the core network. In order to identify a core maritime network of European interest, an overview of existing short-sea shipping services should be made first in order to resolve competition issues. Motorways of the Sea should no longer be seen as port-to-port connections but as services connecting hinterlands. TEN-T funding should therefore concentrate on hinterland connectivity of the ports concerned. Particular attention should be paid to avoiding congestion. Where appropriate, Member States can complement this funding with national support measures for demand and supply of MoS services, provided again that these do not distort competition.

*Since 1993, ESPO represents the port authorities, port associations and port administrations of the seaports of the European Union. The mission of the organisation is to influence public policy in the EU to achieve a safe, efficient and environmentally sustainable European port sector operating as a key element of a transport industry where free and undistorted market conditions prevail as far as practical.*

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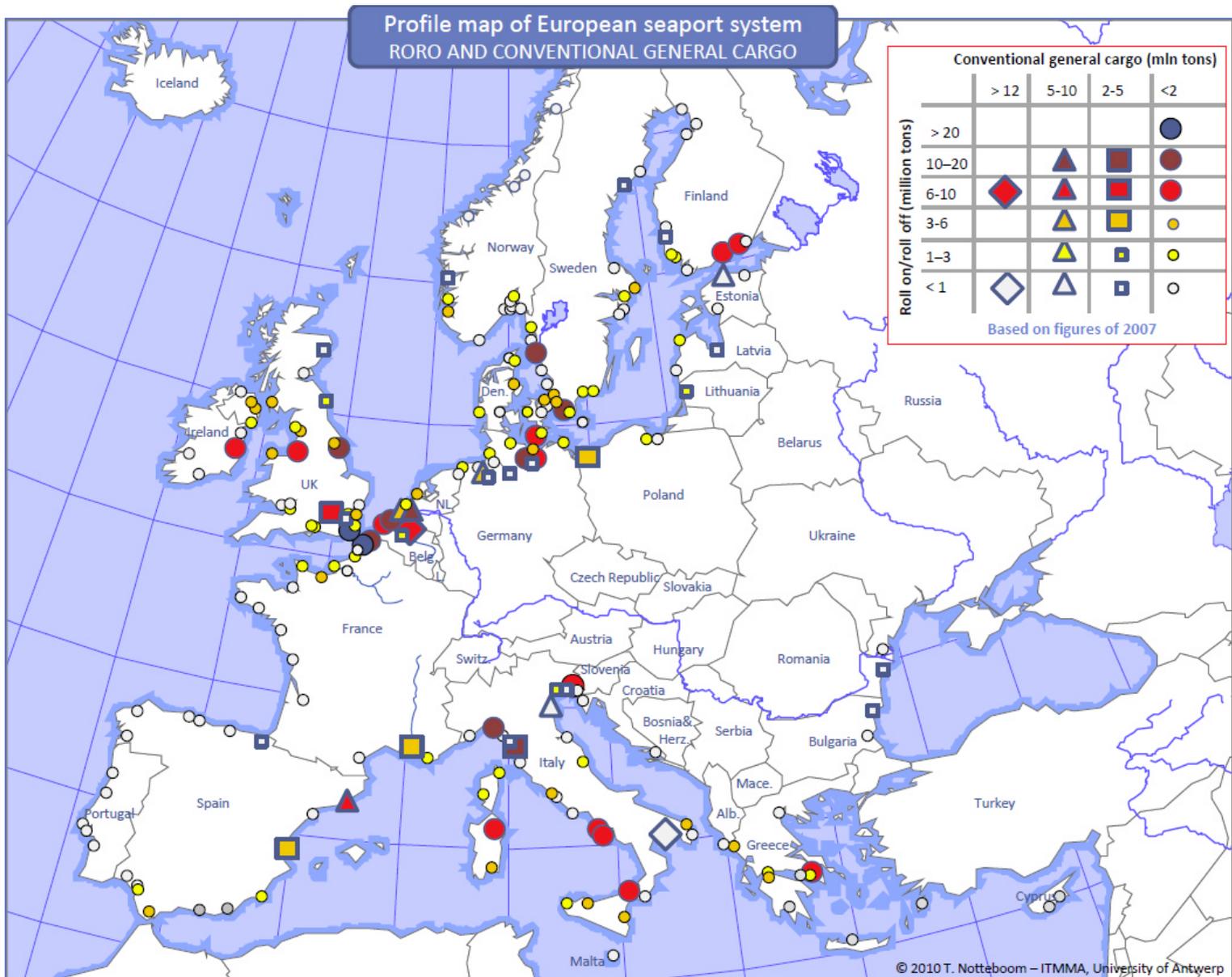
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**Annexe:**

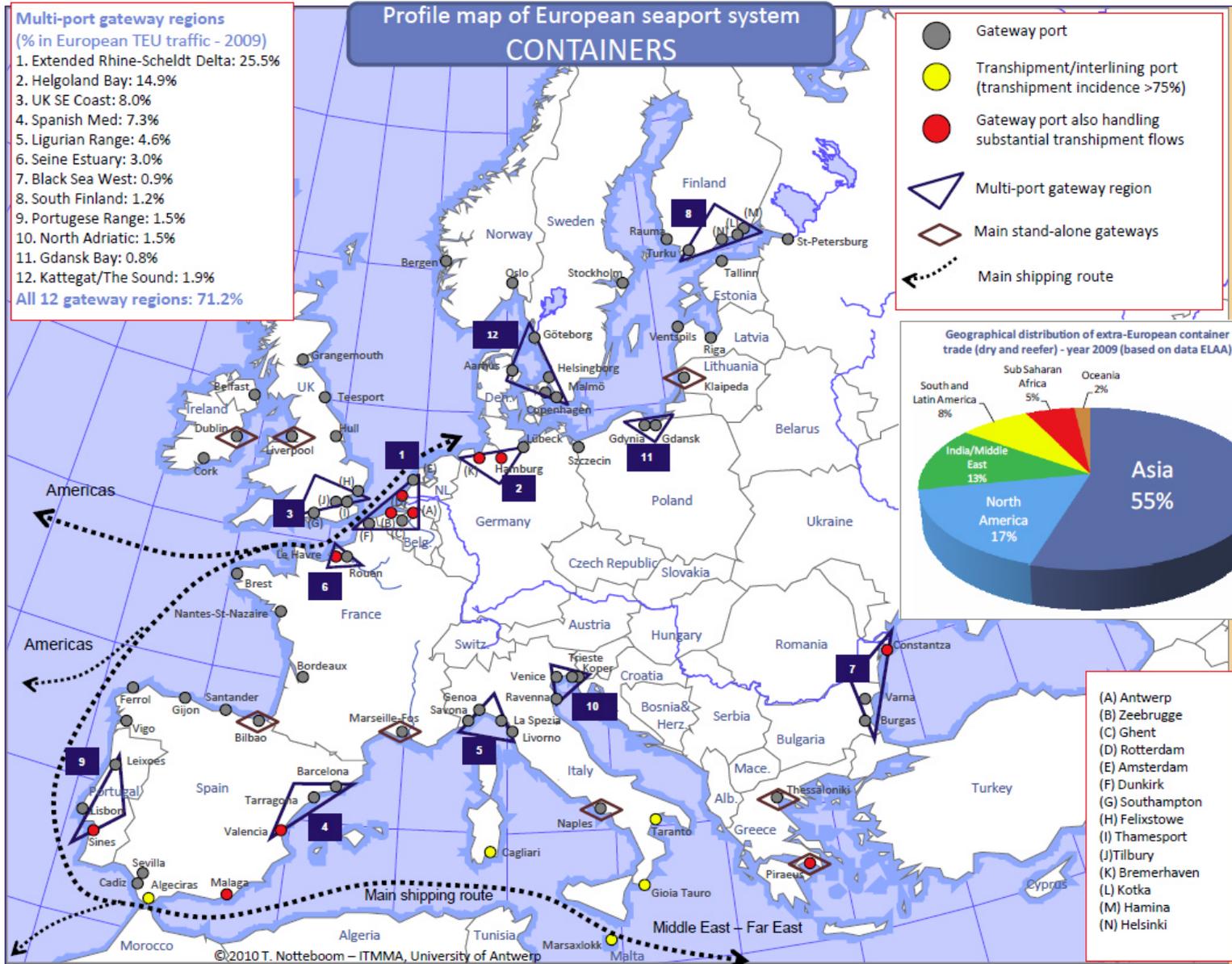
**Maps indicating the present location of the main maritime nodes in Europe**

*These maps were prepared by the Institute of Transport and Maritime Management Antwerp (ITMMA). They only intend to give a factual snapshot of the current situation. It is not implied that these maps should reflect the future TEN-T core network for seaports. They are meant to help understanding the present geographical distribution of the main maritime nodes in Europe.*

**1. Roro and conventional general cargo**



## 2. Containerised cargo



### 3. Liquid and dry bulk cargo

