

Consultation on Future Policy for the Trans-European Transport Network (TEN-T)

August 2010

I. Preliminary Remarks:

The TEN-T policy of the European Commission has as its goal the realisation of a transport infrastructure that meets the long-term, growing transport needs in Europe and contributes to the development of its economic and territorial cohesion. As the effects of the financial and economic crisis have already eased significantly, the expectation is for a rapid resumption of growth in the European economy and transport. Therefore a timely and appropriate expansion of the current infrastructure is urgently necessary.

It is against this background that in spring 2009 the IHK Nord (North German Chambers of Commerce and Industry) welcomed the consultation process, initiated by the EU Commission, to review the TEN-T policy. The Commission, having taken over 300 organizations, EU institutions, and advisory boards into consideration for the Green Book published in February 2009, has now completed a working paper that outlines the essential changes to the current TEN-T policy:

- the overall network should be retained and serve as the basis for a core network. The latter should be the focus of future TEN-T policy. In addition to the European capitals, significant economic regions and transport hubs should be connected by this core network.
- the priority projects should be integrated into the core network.
- future policy arrangements of the TEN-T should take greater consideration of the political goals of the EU (especially the goal of sustainability).

The stance of the IHK Nord to the proposed working paper is as follows.

II. General Evaluation:

Focus on the Core Network

In the past only limited success could be ascribed to the overall network (95,700 km of paved roads, 106,000 km of rail lines, 13,000 km of inland waterways, 411 airports, 404 seaports). This is partly due to the greater emphasis of investment decisions of the Member States on the national than the overall European interests and thus these concentrated on the expansion of the infrastructure within the respective Member States. To date ca. € 400 billion has been invested in the overall network, of which roughly one-third is from EU funds. The costs for the expansion and the maintenance of the overall network require, according to estimates of the Member States, an additional ca. € 500 billion. In sum, the available funds are wholly inadequate in order to make all the necessary investments in the overall network in a prompt manner. Even if the expansion of the overall network is welcome, its comprehensive strengthening will be difficult to finance in the foreseeable future.

Against this background the IHK Nord welcomes the definition and future development of a core network. The greatest strength of such a core network is the efficient connection of the most important transport hubs such as airports, seaports and inland ports. These have a key function in the transportation of passenger and cargo goods traffic. They are the most important points of connection for Europe to the world and their significance looks only to increase. The incorporation of these important transport hubs into the core network of the TEN-T and the securing of their accessibility should therefore enjoy the highest priority in the future.

Further, the EU Commission has proposed the incorporation of third countries (neighbouring countries with which the EU has regular dialogue on the issue of infrastructure) into the TEN-T network. The IHK Nord also welcomes this approach. An improved transport connection with the most important places and transport hubs in neighbouring countries contributes to the economic development of these countries and makes the hinterland of European seaports outside the EU more accessible.

Integration of the Priority Projects

In the past the 30 priority projects were able to make a greater contribution to the implementation of the goals of the TEN-T when compared with the overall network. Therefore a retention of the priority projects is desirable. The option of integrating the priority projects into the core network is in principle welcomed by the IHK Nord. The Commission spoke in favour of creating a hierarchy among the priority projects. Projects such as a "high European utility" are to be realised first. This proposal is also in principle welcomed by the IHK Nord for this is a means of taking the transport needs into account. It would, however, be preferable if, alongside the priority projects, the projects of the future core network were also evaluated with the aid of a comprehensible and transparent means of evaluation based on their transport utility and then integrated into the hierarchy. Based on the project of integrating all of the capitals of the Member States into the core network, this step is necessary in our view. Only in this manner can it be ensured that in the future the projects with the highest effectiveness will be implemented according to their priority.

Consideration of the EU Political Goals

For the core network the Commission has proposed that those transport-infrastructure measures take priority that are derived from the political goals of the EU, such as from the "Europe 2020" strategy and the transport, climate protection, environment, and innovation policies. This approach is seen critically by the IHK Nord because an optimal arrangement of the transport network should be based primarily on transport concerns. If social and ecological aspects become significant decision criteria in transport planning, then limitations in future handling of traffic must be accepted.

The EU Commission has proposed that in the future arrangement of the TEN-T network issues of sustainability should be given greater consideration than to date. A modal split should be aimed at – especially favouring rail transport – in order to reduce green house gas emissions. The IHK Nord is in principle in favour of improving the framework conditions for all transport modes, having their own characteristic advantages and disadvantages, according to their requirements. Certainly a part of this process should be taking thoughts of sustainability into account. In addition to the improvement of the rail lines in this context the Commission should also provide for the strengthening of the waterways, which, in contrast to rail, still have considerable capacity reserves. A stronger integration of inland navigation and of the intra European maritime transport into the traffic processes would be ecologically sensible and economically advantageous, but would require stable conditions for inland navigation.

III. Evaluation of Individual Topics

In the course of reviewing the current TEN-T policy – independent of its future design – the IHK Nord has found the following topics to have primary significance:

Enabling a stronger integration of seaports and airports

The seaports are the most important gateways in the intercontinental and, in most cases, also in the European transport chain. The significance of maritime transport will increase due to the long-standing high rates of growth, especially in international maritime transport, as well as due to the transport policy trend to shift land transport to sea routes as much as possible. Efficient ports address the formulated sustainability concerns and therefore lie in the general interest of the European economy. In addition to improving the accessibility of the seaports from sea and land, fair competitive conditions between the ports should be a high priority. Only then can port customers be assured a qualitatively higher-value, more cost-effective, and proximally-closer access to international maritime transport.

In the core network, which is now to be expanded, the transport hubs – especially the seaport – should be assigned a higher priority. Given the key function of seaports to the economic and social cohesion of the society all transport that passes through seaports should be fundamentally seen as intra-EU maritime transport. To this end it is urgently necessary to ensure, in the framework of the TEN revision, that procedures for transport passing through seaports are made as simple as those for other modes of transport.

The Commission's proposed concentration on intercontinental hub-seaports is correct, but it should also incorporate ports that are of a higher significance for internal European transport, e.g. ferry traffic or short sea shipping.

Making transport more environmentally friendly via technology and not damaging Europe as a location via a rise in cost

With economic growth necessarily comes a corresponding growth in transport needs. In order to meet this growth in transport and to be able to offer an appropriate and timely processing of transport, beyond the implementation of intelligent traffic management, an expansion of the current transport infrastructure is urgently needed.

The proposed inclusion of external costs will make operations more costly, thus having an adverse effect on the competitiveness of the European economy as its result. A further, politically-motivated rise in transport costs should be avoided as the current costs and competitive pressures already ensure an efficient use of the infrastructure for commercial transport. A contribution to the general environmental and climate policy goals of the EU Commission would be better served by technological innovation. In particular, motor vehicles of greater length and total weight (up to 44 tonnes) could contribute to the transportation of volume goods in a more economical manner with less environmental pollution. Their harmonised scope of application should be supported by the EU Commission.

Review possibilities to improve the financial framework

The available funds are not sufficient to facilitate a timely, appropriate expansion of the transport infrastructure in the framework of the TEN-T. The funds for co-financing must therefore be significantly increased. The IHK Nord welcomes both the development of a financing strategy and the creation of incentives for a stronger mobilisation of private funding.

The greater use of PPP models is entirely appropriate. However, private financing can only help in suitable, exceptional cases to fill the gap created by the simultaneous combination of high investment demands and limited budgetary means.

Rail Corridors

The North German *Bundesländer* have reached a mutual agreement to strengthen the rail corridors in the hinterland traffic of German seaports. The IHK Nord expressly supports the strengthening of these rail corridors according to the measures of the consensus developed by the north German *Bundesländer*.

IV. Overall Evaluation:

The change in focus on the future TEN-T policy from an overall network to a core network is expressly welcomed by the IHK Nord. The focus on the core network can ensure that in the future more transport and fewer *Bundesland*-specific interests will stand in the forefront. An appropriate strengthening of transport hubs, especially the seaports and their hinterland connections that play an important role in the competitiveness of the entire European economy, should stand in the forefront. To this end it is urgently necessary that the equality of national and transnational rail freight transport to and from the seaports be ensured in the framework of the TEN revision. The perspective of European utility should be at the centre of development and prioritisation of measures more than in the past. To this end concerns should focus primarily on transport needs and not the social or ecological concerns when making decisions about the realisation and financing of infrastructure plans.

The **IHK Nord** is the Association¹³ North German Chambers of Industry and Commerce. A total of about 650,000 companies are united under its purview. They have their headquarters in the *Bundesländer* Bremen, Hamburg, Mecklenburg-Vorpommern, Lower Saxony, and Schleswig-Holstein. The IHK Nord represents 18 percent of all German Chambers of Industry and Commerce and a region that makes up 18 percent of the gross domestic product (GDP). The mission of the IHK Nord: to represent the collective interests of north German private industry both in policy and in public on the ground, in Berlin and Brussels. Its emphases are port industry and transport, maritime technology and industry as well as tourism.

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