

EC Green Paper on Trans-European Transport Networks

INE contribution to public consultation

29 April 2009

Q1 Should the Commission's assessment of TEN-T development to date cover any other factors?

Despite modest attempts at change, the TEN-T strategy today, on the one hand reflects a transport vision of 30 years ago (modal development, prestige projects and traditional vehicles and energy consumption) and on the other hand reflects a financial gap between investment aspirations and capital attracted.

We see the development of inland waterway transport and its infrastructure in integrating strategies.

- The first layer of strategy is to link transport modalities and nodes into an effective co-modal network for better movement of goods and people. Transport is a means to a competitive and free-flowing economy, not an end in itself.
- The second layer of strategy is to integrate the trans-European networks (energy, information and transport) as well as other fields where synergies can generate win-wins. A smart vision on co-modal transport infrastructure can act as a multiplier for regional and inter-regional development, since swift effective accessibility, mobility and communication are the cornerstones of prosperous and competitive societies.

For waterways, the Seine-Scheldt project and the East-of Vienna project have been frontrunners in showing how an integrated approach to logistics, energy, tourism, leisure, regional development, environment, water supply and protection is perfectly possible, stimulating coordinated planning and yielding wider economic benefits. Even more extraordinary is that these integrated waterway projects are not more expensive than ordinary transport projects, in fact, quite the contrary.

We believe that such a multi-disciplinary approach should be the paradigm for future network infrastructure development in Europe as it triggers more opportunities for European and regional economies, enables a better coordination of funding and delivers more public and private return. More stakeholders will benefit and may even develop relationships from which other business might evolve. These are important factors to attract the necessary public and private capital for investment.

A "business as usual" modal transportation strategy will not only miss the incentives for more investment from a wider range of partners but will also miss the major challenges we are facing today to give the European economy a new strong basis.

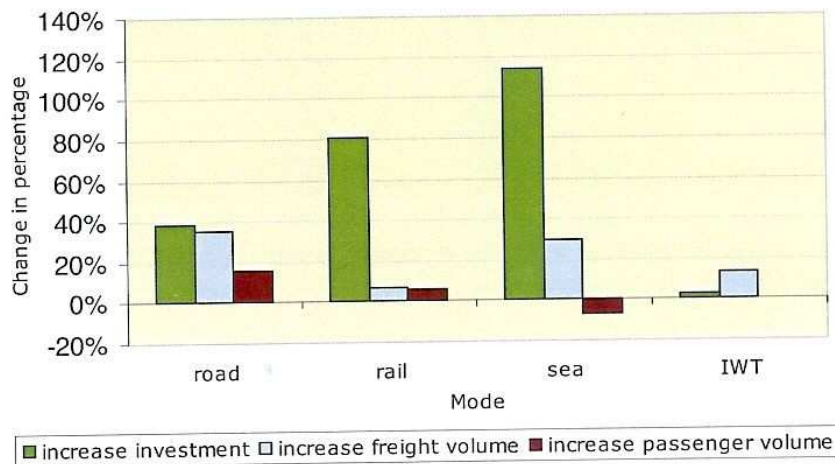
Radical changes are unfolding right now. The economic transition and global warming will challenge the competitiveness and the sustainability of our society in the long run. It is not news that Europe needs innovation to sustain a strong economy that aligns people, planet and, profit, but innovation cannot thrive and multiply without infrastructure. The Union therefore needs to develop a clear purpose and planning strategy on how to design a successful long-term infrastructure carrier for innovation (system and technological) deployment that gives new energy to Europe's economy in a sustainable way.

Meeting transport demand is important, but the question to be asked is how. A business-oriented vision should be matched with a long-term approach on infrastructure to provide the framework for a competitive and free-flowing economy in a societally responsible



manner (mobility, energy use, carbon footprint, pollution and safety). Hence, passenger and freight flow forecasts have to be combined with external and internal drivers for change in different scenarios and their cost-benefit analysed for the EU economy and society.

Comparison growth investment with freight and passenger volume 1995-2004



Source: EU energy and transport in figures, Statistical Pocketbook 2007/2008, page 110, 120 and International Transport Forum data for investment figures

Thanks to the spare capacity, we see huge opportunities to integrate inland waterways with a limited amount of resources from taxpayers' money into co-modal supply chains yielding significant societal return (mobility, energy use, carbon footprint, pollution and safety).

Q2 What further arguments are there for or against maintaining the comprehensive network, and how could the respective disadvantages of each approach be overcome?

The so-called comprehensive network has led to an improvement of some access infrastructure, but the result has been too much of a patchwork of national and single modal projects which as a sum is far from a comprehensive transportation network. This means the comprehensive network should not be abandoned, but the scope should change. As for inland waterways, the network is not so dense, so every waterway is of importance within the network and requires an optimal connection to the overall co-modal and trans-European network in the definition of sound criteria. This also means abandoning the current modal outline plans and traffic management systems and replacing them with regional cross-modal maps with interconnective planning including intelligent transport systems.

Finally, criteria should reflect the purpose and strategy of the future TEN: to enhance a strong, free-flowing and sustainable economy, prioritising integration, innovation deployment and multi-disciplinary approaches which support this objective. Remaining focused on modal fragmentation is not the answer to creating a strong and sustainable



internal market.

Q3 Would this kind of priority network approach be better than the current priority projects approach? If not, why not and what are the particular strengths of the latter? If so, what (further) benefits could it bring, and how should it be developed?

The current priority projects are too modally oriented and part of the old transport policy. A network approach can enable us to build upon demand across the modes while taking other criteria such as sustainability and innovation deployment into account.

The urban dimension should not be too easily dismissed or looked at in isolation. With more than 70% of EU citizens living in cities and negative externalities from transport getting worse, it is crucial to connect inter-regional networks with urban networks via interchange transport hubs. Rather than building brand new infrastructure in areas where there is no space, it makes more sense to take away bottlenecks that hamper the development of integrated transportation systems and to optimise and share existing capacity at a lower cost. For example, a lot of cities are served by waterways which can carry consolidated freight flows into inland ports from where clean vehicles can transport them to the last mile. This means innovative logistics organisation concepts can be strongly encouraged (or killed) by infrastructure policy enabling cutting costs and greenhouse gases.

INE also recommends that besides capacity optimisation, minimum service levels must be developed for the management and exploitation of infrastructure.

INE acknowledges that climate change is a crucial driver in the development of a possible priority network. If industry is asked to radically reduce its carbon footprint, transport should follow for the sake of consistency. However, INE advocates that all negative externalities are taken into account: air quality and safety have a major impact on the already increasing health budget and congestion seriously affects the economy.

INE recommends that the Union seizes the opportunity when defining the priority network to shift from modal priority projects to cross-modal green corridors which enable users to create integrated and co-modal supply chain solutions. This makes more sense and will create a better movement of goods in the internal market than fragmented modal projects. Such cross-modal green corridors will only become a success if they are free-flowing and tap the potential of integrating solutions in transport and beyond. We therefore see in this respect an enlarged role for the European coordinators:

- to take a cross-modal role to enhance integrated supply chains
- to enhance free-flowing corridors by taking stock of the priority bottlenecks (including administrative and regulatory) which pose most burdens on businesses and taking them away in coordination with involved authorities to create exemplary corridors; this will serve as best practices and incentives for other bottleneck plagued projects.
- to integrate cross-modal corridors where possible with energy and information networks, as well as others fields where synergies can generate win-wins; such a multi-disciplinary approach triggers more opportunities for both European and regional economies, enables a better coordination of funding and delivers more public and private return, since more stakeholders will benefit and even provide relationships from which other business might evolve.

The coordinators are well placed to take such co-modal and integrated green corridors forward as backbones for regional development.

Q4 Would this kind of flexible approach to identifying projects of common interest be appropriate for a policy that, traditionally, largely rests on Member States' individual infrastructure investment decisions? What further advantages and disadvantages could it have, and how could it best be reflected in planning at Community level?



It is obvious there should be stronger link between the strategic demands of a strong and free-flowing economy (which is not the same thing as short term business demands) and the EU's overall strategic transportation policy objectives on the one hand and infrastructure development on the other, but this will not immediately reverse the current investment gap. Underinvestment is the Achilles' heel in today's funding of transportation infrastructure. Member States still have to provide the majority of the resources. In INE's view, there are some routes to address the funding headache:

- to map the added value of prioritising interconnective solutions (hubs and their connections, covering equally the interconnection of modal intelligent transport systems) which are cheaper than creating brand new infrastructures.
- to link infrastructure investment decisions to a better deployment of sustainable transportation, increasing the efficiency rate of investments and reducing negative externalities.
- transport projects and corridors should become more than just transport projects. Providing synergies with other policies is likely to create more buy-in from Member States as it offers wider public goods and is more cost-effective. Such integrated projects could be financed by a combination of EU resources (including EU regional funds) taking the costs down;
- Such multi-disciplinary projects are also likely to create more private buy-in thanks to spill-over effects.

Q5 How can the different aspects outlined above be best taken into account within the overall concept of future TEN-T development? What further aspects should be taken into consideration?

It may be necessary to separate passengers and freight traffic in nodal points according to each specific case, but it is always important to focus on citizens' acceptance with regard to freight projects. Nowadays, residents in port cities and along waterways often feel that they carry an unfair environmental burden. They respond by placing increasing political and environmental pressure on local and regional authorities to slow down or restrict the increase in port and waterway traffic in spite of the positive role it plays in their local economy.

For instance, thanks to the port of Brussels, 700,000 truck movements are annually avoided and EUR27.5 million external costs, while providing 12,000 local jobs. Permanently handing over key strategic sites to leisure and residential property development may undermine the creation of future co-modal networks and lead to more environmental headaches as citizens are also consumers, relying on the seamless provision of goods for housing and living. The port of Paris leads the way in elaborating and-and projects rather than or-or projects which enables recreation and freight projects on the waterfront to go hand in hand with innovative and attractive architecture. This again shows that multi-disciplinary projects have a better future for success.

Ports, both inland and sea, are vibrant nodes for integrated transportation and logistics solutions. Optimising transshipment nodes and their connections to individual transport modes will decide if the new freight sharing concepts advocated by the Global Commerce Initiative will materialise. The sharing of transportation, warehousing and information to cut costs and take down negative externalities effectively depends on a vision of the roles of nodes in the network and the interconnection of intelligent transport systems across modes.

By effectively integrating smaller seaports and inland ports into the network, major congested ports can be relieved and the external effects reduced. But even internal optimisation measures in the seaports of Antwerp and Rotterdam, which represent 70% of EU trade and have the highest share of waterway transport in their hinterland traffic, would already help to ship more goods inland because there is still spare capacity on the



waterways of the Rhine-Scheldt delta.

Therefore, it is of paramount importance that investment infrastructure decisions are linked to the deployment potential and capacity of sustainable transportation (green corridors).

Q6 How can ITS, as a part of the TEN-T, enhance the functioning of the transport system? How can investment in Galileo and EGNOS be translated into efficiency gains and optimum balancing of transport demand? How can ITS contribute to the development of a multi-modal TEN-T? How can existing opportunities within the framework of TEN-T funding be strengthened in order to best support the implementation of the ERTMS European deployment plan during the next period of the financial perspectives?

The same co-modal philosophy explicated above has to be taken with regards to intelligent systems such as river information services (RIS). Today several single modal intelligent traffic and transport systems are created and deployed but they do not yet talk to each other or do not plan to talk to each other. Integration of modal transport systems through flexible interfaces/nodes should apply both to physical and intelligence infrastructure. From an internal market perspective, it is of paramount importance to create interfaces so that intelligent transport systems like river information services (RIS) can operate swiftly across modes. Compatible cross-modal intelligent transport systems will boost multi-modal transport since they can simplify administrative procedures and raise the service level of the infrastructure. Real-time and forecasted information also provides more visibility in the transportation process. This enables logistics planners to optimise, to plan better, to go paperless, to consolidate freight flows by sharing which can result in shared warehousing and transportation for the bundling of flows enabling them to cut costs, to reduce empty hauls and negative externalities. Information gives reliability and visibility for better planning.

Q7 Do shifting borderlines between infrastructure and vehicles or between infrastructure provision and the way it is used call for the concept of an (infrastructure) project of common interest to be widened? If so, how should this concept be defined?

Infrastructure is a carrier, not a means in and of itself. The upgrade of infrastructure in the first place and the building of new infrastructure in the second should be evaluated by how much it helps to deploy and multiply as a carrier desirable innovation in transportation and beyond in terms of sustainability and competitiveness.

The key to success remains free-flowing transport becoming clean. In practice, that means that intelligent transport systems can optimise existing infrastructure, but a long-lasting bottleneck such as a low bridge or a badly equipped port can hold up free-flowing and sustainable traffic in an entire corridor, and the costs of doing nothing may be much higher than the costs of lifting the bottleneck.

The introduction of ever larger vehicles should also be evaluated against the higher cost impact they have on transport infrastructure.

Q8 Would this kind of core network be "feasible" at Community level, and what would be its advantages and disadvantages? What methods should be applied for its conception?

The core network should finally abandon the modal approach and become truly co-modal to serve a free-flowing and sustainable internal market. Such a policy approach is not necessarily in favour of or against a particular transportation mode but facilitates an optimal modal mix. It enhances the integration of inland waterways with road and rail



through ports and terminals, all of them together forming a core co-modal network.

Q9 How can the financial needs of TEN-T as a whole – in the short, medium and long term – be established? What form of financing – public or private, Community or national – best suits what aspects of TEN-T development? Q10 What assistance can be given to Member States to help them fund and deliver projects under their responsibility? Should private sector involvement in infrastructure delivery be further encouraged? If so, how?

There is a question that should be asked before these. Why is it so difficult to raise money for transportation projects and how can we close the financing gap?

We believe that a regional development perspective and a multi-disciplinary approach should be the paradigm for future network infrastructure development in Europe as it triggers more opportunities for both European and regional economies, enables a better coordination of funding and delivers more public and private return, since more stakeholders will benefit and even provide relationships from which other businesses might evolve.

These are important factors to facilitate attracting the necessary public and private for investment. Investment cases with win-win visions and with clear returns for a wider range of public and private investors in other areas than transport have shown that attracting capital is also a matter of facilitating cross-cutting knowledge, cooperation and decision-making.

Q11 What are the strengths and weaknesses of existing Community financial instruments, and are new ones needed (including "innovative" instruments)? How could the combined use of funds from various Community resources be streamlined to support TEN-T implementation?

There is a range of options to strengthen existing Community financial instruments

- One-stop-shop for financing
- Better coordination between different funds, which makes even more sense when a single modal approach will be replaced by a multi-disciplinary approach
- Bundle knowledge (EPEC)

One should be careful with harmonised cost-benefit analyses. Bundling knowledge and resources should not be equal to one-size-fits-all. Different projects yield different type of benefits which could be overlooked with a harmonised type of cost-benefit analysis. Take the example of waterway projects which often go beyond transport.

Q12 How could existing non-financial instruments be improved and what new ones might be introduced?

We see an enlarged role for the European coordinators:

- to take a cross-modal role to enhance integrated supply chains and serve the internal market rather than a single modal approach
- to enhance free-flowing corridors by taking stock of the top priority bottlenecks (including administrative and regulatory) which pose most burdens on businesses and taking them away in coordination with involved authorities and users to create exemplary corridors; this will serve as best practices and incentives for other bottleneck plagued projects.
- to integrate cross-modal corridors where possible with energy and information networks, as well as others fields where synergies can generate win-wins bringing actors together. Such a multi-disciplinary approach triggers more opportunities for both European and regional economies, enabling better coordination of funding and delivering more public and private return, since more stakeholders will benefit and



even provide relationships from which other businesses might evolve. We see this flexible and bottom-up approach involving relevant stakeholders as more straightforward and transparent than new institutional structures. As a college, the coordinators should bundle their know-how and experience, and drive a network of co-modal green corridors as a backbone for regional and inter-regional development.

TEN-T development to be possible:

- (1) Maintaining the current dual layer structure with the comprehensive network and (unconnected) priority projects
- (2) Reducing the TEN-T to a single layer (priority projects, possibly connected into a priority network)
- (3) Dual layer structure with the comprehensive network and a core network, comprising a – geographically defined – priority network and a conceptual pillar to help integrate the various transport policy and transport infrastructure aspects.

Table 1 sets out the benefits and disadvantages of these three options.

Q13 Which of these options is the most suitable, and for what reason?

The final option should enable the Union to realise its objective of a free flowing and sustainable economy. At a public level, it is imperative to go beyond the purely business or modal oriented approach, because the internal and external costs of transportation are ultimately passed on to the consumers, i.e. the tax payers. That is why public authorities have to shape a long-term vision on infrastructure, so it can service a competitive economy in a societally responsible manner. This means looking forward how major challenges like globalisation, global warming, mobility, energy resources etc. can be addressed by designing and adapting infrastructure as an optimal carrier for regional development and the deployment and multiplication of desirable innovative distribution patterns to sustain a green and competitive economy. The instruments must follow these objectives.

Thanks to the spare capacity, we see huge opportunities to integrate inland waterways with a limited amount of resources from taxpayers' money into co-modal supply chains yielding significant societal return (mobility, energy use, carbon footprint, pollution and safety). Option 3 looks best suited to accommodate the special character of the waterway network which is less dense than other land modes, so every waterway is of importance within the network and will be optimally connected to the overall co-modal and trans-European network.

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