



European Commission Green Paper “TEN-T: A policy review”

Towards a core and comprehensive network – policy contribution of ESPO

15 May 2009

Executive summary

Seaports are indispensable components of the European single market and play a fundamental role in the overall competitiveness of the European Union. As gateways of most of Europe’s external trade, seaports are key parts of logistics chains designed to provide a vital link between the industries and their market and supply sources. Seamless logistic and transport systems not only ensure cost competitiveness of the existing industry but encourage the establishment of new companies.

Despite their crucial importance for the entire economy of the Union, freight transport and nodal access points such as seaports have been largely ignored in the past priorities of the TEN-T policy. The future TEN-T Guidelines should place ports and their hinterland connections at the heart of a competitive, sustainable and cohesive European transport network.

ESPO welcomes the consultation on the mid-term review of the TEN-T policy and agrees with the main objectives stated in the Green Paper for the future TEN-T development. ESPO believes that a market-oriented approach is essential but also recognises that other objectives such as sustainability need to be integrated. ESPO agrees in particular with the need to highlight the European added value of the policy. In that sense, ESPO invites the Commission to take a stronger role in steering and boosting the implementation of the TEN-T.

ESPO firmly believes that the TEN-T review should be used to generate more attention and resources for freight transport through Europe. The role of nodal access points such as seaports should be strengthened and hinterland connections between ports and land transport networks should be improved and further developed. The review should also help to ensure that every European port is able to develop its full potential.

As a first and absolute priority, ESPO believes that the Commission should ensure the full completion of the on-going priority projects relevant to freight transport and cross-border sections issued from the previous review of the TEN-T guidelines.

ESPO supports the Commission's Green Paper "option 3", which consists of a dual layer structure including a core network and comprehensive network. ESPO's main policy contribution consists of a proposal for a conceptual and dynamic methodology aimed to identify the European core network. This methodology consists of four iterative steps:

- defining a strategic vision of the core network in terms of its fundamental objectives, namely sustainability, market-based approach, efficiency, and flexibility and responsiveness;
- identifying future cargo flows in Europe;
- determining the future priority network in Europe;
- determining the required steering measures, in addition to expected market drivers, to stimulate the usage of the desired priority network.

ESPO believes that the broader layer of the comprehensive network is intended to support and complement the core network in the realisation of the internal market. Concretely, the comprehensive network, as an infrastructure network of European interest, should ensure a better functioning internal market, ensure the connection of all regions to the Community priority network and provide a comprehensive infrastructure basis for the achievement of transport policy objectives and the implementation of Community legislation in the transport sector. Finally, it should respect the European Ports Policy objectives in particular where it concerns the application of Treaty rules regarding internal market and competition. Within this context, port and hinterland connections to ports in the comprehensive network should also be part of the priorities. An efficient infrastructure should help to ensure that medium and small sized European ports are able to use their full potential.

ESPO furthermore believes that the Motorways of the Sea concept, despite being still rather vague and not really successful so far, presents very good opportunities for the reinforcement of the sea-based European transport network. Its development should however be executed in a way guaranteeing that it does not introduce any distortion of competition in the market, neither within the EU nor between the EU and neighbouring countries. ESPO also believes that Motorways of the Sea should be more focused on the wider logistics network to provide EU ports with appropriate hinterland connections and accessibility.

ESPO supports maintaining the two existing work programmes under a financial period, i.e. the multi-annual and annual budget. The multi-annual budget should be reserved for the funding of the core network in order to speed up its realisation. Only general infrastructure projects which have a clear European interest and benefit all users should be eligible. Funding should be allocated on the basis of proper cost-benefit analyses and be proportional to the European added value of the project as well as the criteria laid down in the conceptual pillar. 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 by Member States under the subsidiarity principle and co-funding from other sources of Community funding. Similar to the core network, these sources should however be reserved for financing projects of general infrastructure only.

1. Introduction

1.1. Seaports at the service of Europe's competitiveness

Seaports are indispensable components of the European single market and play a fundamental role in the overall competitiveness of the European Union. As gateways of most of Europe's external trade, seaports are key parts of logistics chains designed to provide a vital link between the industries and their market and supply sources. Indeed, for its success, Europe's industry not only depends on its own performance, but also on the performance of all elements that belong to the logistic chain.

Seen from a broader perspective, the benefits of seamless logistic and transport systems for the European Union's economy are enormous. Apart from ensuring cost competitiveness of the existing industry, these systems encourage the establishment of new companies therefore increasing employment opportunities and thus fulfilling the Lisbon Agenda's objective of improving growth and jobs in Europe.

Logistic and transport systems are aimed to provide fast, reliable and safe transport of goods in support of trade and seaports are their cornerstones. Subsequently, all potential hindrances undermining the flow of goods should be tackled and reduced to the minimum possible.

Despite their crucial importance for the entire economy of the Union, freight transport and nodal access points such as seaports have been largely ignored in the past priorities of the TEN-T policy. The future TEN-T guidelines should place ports and their hinterland connections at the heart of a competitive, sustainable and cohesive European transport network.

1.2. The Trans-European Transport (TEN-T) policy

Under the terms of Chapter XV of the Treaty establishing the European Union, the European Community received the competencies and the instruments to promote the development of Trans-European Networks, inter alia in the sector of transport with a view to contributing to the creation of the internal market and to the reinforcement of economic, social and territorial cohesion. The TEN-T policy also aims to provide a high-quality transport infrastructure to achieve the objectives of the Lisbon Agenda on economic growth and employment.

Consequently, the development of the Trans-European Network is to be considered as a key tool to support the achievement of the EU Treaty objectives and not an ultimate goal per se. To fulfil the Treaty objectives, the development of the 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 with the world.

On the other hand, the TEN-T Guidelines define the Union's priorities in transport infrastructure development and set the criteria for the allocation of EU financial support. As regards seaports, about 300 are included in the TEN-T Guidelines and are all part of a comprehensive network.

1.3. ESPO perspective

ESPO welcomes the consultation on the mid-term review of the TEN-T policy. A review by 2010 is timely since the implementation of the TEN-T programme has so far not really fulfilled the objectives that were originally set out.

This is due to the fact that up to now the TEN-T network mainly materialised on the basis of national priorities and also because transport sectors, including the port and shipping sector, so far demonstrated a lukewarm attitude towards a more pan-European approach because of fear it might interfere with the competitive landscape.

ESPO still believes that a market-oriented approach is essential. However, it also recognises that other objectives such as sustainability need to be integrated. ESPO therefore agrees with the main objectives stated in the Green Paper for the future TEN-T development and in particular with the need to highlight the European added value of the policy. In that sense, ESPO invites the Commission to take a stronger role in steering and boosting the implementation of the TEN-T.

ESPO encourages the Commission to review the TEN-T Guidelines with a view to precisely set selection criteria for projects eligible for Community funding so that their consistency with EU objectives is ensured. In that sense, ESPO firmly believes that the TEN-T review should be used to generate more attention and resources for freight transport through Europe. The role of nodal access points such as seaports should be strengthened in this respect and hinterland connections between ports and land transport networks should be improved and further developed. The review should also help to ensure that every European port is able to develop its full potential.

ESPO supports the Commission's Green Paper "option 3", which consists of a dual layer structure including a core network and comprehensive network. ESPO's main policy contribution consists of a proposal for a conceptual and dynamic methodology aimed to identify the European core network. This contribution is developed further in this paper.

As a first and absolute priority, ESPO however believes that the Commission should ensure the full completion of the on-going priority projects relevant to freight transport and cross-border sections issued from the previous review of the TEN-T Guidelines.

2. Developing a dynamic European core network

The core network, as defined in the Green Paper, consists of a priority network formed of tangible infrastructure and a conceptual pillar based on objectives and criteria.

For developing a transport infrastructure strategy such as the TEN-T, ESPO proposes as its main contribution a conceptual methodology to identify the European core network. This planning methodology is based on a dynamic approach which allows

adjustments according to future needs and unforeseen developments, taking into consideration the different characteristics and needs of Member States.

The proposed conceptual methodology consists of four iterative steps which are elaborated below.

2.1. Developing a strategic vision of the core network

The strategic vision describes the desired European core network in the future in terms of its fundamental objectives.

ESPO believes that the fundamental objectives of the future core network are:

- a) Sustainability: the desired transport network should integrate minimisation of the impact of cargo transport on the environment and society with economic development objectives.
- b) Market-based: the desired network should respond to the logic of current and future global and European cargo flows, originated in industrial/production areas and destined to consumption areas both within Europe and overseas.
- c) Efficiency: the desired network should allow the most effective transport of goods from origin to destination in support of the European industry and for the benefit of the consumer. Europe should be able to get optimal network capacity utilisation.
- d) Flexibility and responsiveness: the desired network should provide routing alternatives to users and be able to react to changing and diverse needs of users.

Based on the objectives set above, the decision-making criteria that would compose the conceptual pillar of the core network emerge:

- territorial aspects of transport related to the sustainable development of all European port regions;
- market potential;
- consistency with climate change objectives of carbon dioxide emission reduction;
- energy efficiency;
- improvement of air quality;
- transport-related noise reduction;
- supporting a structural modal shift that leads to co-modality, understood as the optimal use of all transport modes;
- quality transport and port services;
- safety and security;
- innovation related to infrastructure design and the vehicle sector and to the use of intelligent transport systems and ICT tools to ensure the optimal use of existing infrastructure;
- connection of the priority network with immediate neighbouring countries;
- reinforcement of the competitiveness of European ports versus neighbouring non-EU ports;
- full interoperability and interconnection of national networks;

- providing equal competitive possibilities between different transport modes.

2.2. Identifying the future cargo flows in Europe

Through a forward-looking exercise, the future cargo flows through Europe and the relevant entry points (i.e. ports) and inland intermodal connection points within a priority network should be identified based on:

- current cargo flows and the market dynamics behind the current cargo distribution patterns via the European port system¹;
- expected evolution of the market dynamics and cargo flows;
- expected maritime network development;
- expected hinterland network development²;
- existing industrial/production areas, including their socio-economic structure, and expected blooming areas in Europe and overseas (Asia, Africa, Middle East, etc...) and their future weight;
- existing consumption areas and expected ones based on demographic forecasts.

Furthermore realistic and flexible modal split targets should also be identified per main corridor:

- modal split based on the most environmental-friendly transport modes: rail, inland waterways and coastal transport;
- road transport limited, whenever feasible, to short distance and connectivity purposes.

Finally, the impact of external aspects should also be carefully taken into account:

- environmental costs
- energy prices;
- economic cycles;
- natural disasters.

On the basis of the resulting cargo flow “pattern” an optimal infrastructure network through Europe can be developed which should be tested dynamically against the four objectives laid down in the strategic vision.

2.3. Determining the future priority network in Europe

By matching the optimal infrastructure network with relevant existing infrastructure and on-going developments (non-reversible infrastructure projects) in Europe a future European priority network will emerge.

On the basis of this future European priority network it would be possible to:

¹ Reference is made to the independent economic analysis of the European seaport system prepared by the Institute of Transport and Maritime Management Antwerp (ITMMA).

² ESPO offers to deliver a contribution to the analysis of the expected evolution of the market dynamics, maritime and hinterland network developments.

- identify concrete missing links and bottlenecks in order to close the gap between current and available network and the desired priority network;
- identify the resources required to realise the desired priority network with the existing infrastructure as the starting point;
- define short-term goals, medium-term goals, and long-term goals to achieve the desired priority network;
- identify intermediate infrastructure solutions.

The assessment would also allow identifying planned infrastructure developments, among which planned priority projects, which do not fit anymore in the priority network planning concept.

The results of this third step form de facto the outline of the European core network.

2.4. Determining the required steering measures (in addition to expected market drivers) to stimulate the usage of the desired priority network

The Commission should continuously monitor the implementation of the priority network by Member States through:

- ensuring full commitment of Member States regarding infrastructure development priorities and achievement of the priority 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 execution of the necessary investments, to deal with environmental and other assessments.

Where market and economic drivers fail to respond, stronger steering measures can be considered on the policy side. ESPO believes that internalisation of external costs may be an option in this respect since theoretically it could lead to an increased market share of environmental-friendly modes of transport (e.g. maritime transport) and increased overall sustainability of the European transport system. 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, first and foremost that the revenue of internalisation of external costs should exclusively be used for investment in sustainable infrastructure projects.

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 being sustainable and environmentally friendly.

3. Comprehensive network

This broader layer is intended to support and complement the core network in the realisation of the internal market. It would complement Member States national infrastructure planning with a European planning perspective that would also take into account Community transport infrastructure objectives. The comprehensive network assists Member States with the development and improvement of their national infrastructure and to establish national priorities.

The comprehensive network could also ensure that the European common transport network meets the principle of homogeneous availability of transport infrastructure among Member States. In that sense, as regards the TEN-T port status within the comprehensive network, ESPO believes that the revised guidelines should take into account geographical and other factors (e.g. historical) as well as the fundamental role ports play in various Member States.

Concretely, the comprehensive network, as an infrastructure network of European interest, should:

- ensure a better functioning internal market;
- ensure the connection of all regions to the Community priority network, reinforcing territorial cohesion and economic links between regions, in particular between less dynamic and populated regions as well as with peripheral regions;
- provide a comprehensive infrastructure basis for achievement of transport policy (co-modality, intelligent transport systems, interoperability, etc...) and for the implementation of Community legislation in the transport sector;
- respect the European Ports Policy objectives as defined in the 2007 EC Communication, in particular where it concerns the application of Treaty rules regarding internal market (basic freedoms) and competition.

Within this context, port and hinterland connections to ports in the comprehensive network should also be part of the priorities. An efficient infrastructure network should help to ensure that medium and small sized European ports are able to use their full potential.

4. Motorways of the Sea

Motorways of the Sea constitute the existing TEN-T priority project no. 21 and are a policy initiative aimed at directly improving existing maritime links. It establishes new viable, regular and frequent links for the transport of goods between Member States by concentrating flows of freight on sea-based logistic routes in such a way as to reduce road congestion and improve access to outlying and island regions and states. ESPO believes that the Motorways of the Sea concept, despite being still rather vague and not really successful so far, presents very good opportunities for the reinforcement of the sea-based European transport network. The development of

Motorways of the Sea should be executed in a way guaranteeing that it does not introduce any distortion of competition in the market coming from new lines that are established by request of Member States and which are not driven by market demand, nor damage existing services between EU ports and ports in non-EU bordering countries. ESPO therefore believes that Motorways of the Sea should be more focused on the wider logistics network to provide EU ports with appropriate hinterland connections and accessibility.

5. EU financing

ESPO proposes 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 only, i.e. non-dedicated infrastructure which has a clear European interest and which is benefiting all users. 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 under 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 only.

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.

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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