



POSITION PAPER OF THE EUROPEAN TRANSPORT COORDINATORS

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ON
THE FUTURE OF TEN-T POLICY

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This report only represents the opinion of the European coordinators
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INTRODUCTION

The current economic and financial crisis has moved investments in transport and energy infrastructure higher on the political agenda. Differences in impact of the current crisis across countries can to some extent be explained by the difference in investment policies in infrastructure in the various countries. The transport sector has been severely hit by the crisis, as illustrated by the dramatic increase in bankruptcies of transport operators due to the decline in (freight) transport.

Even if transport infrastructure has received some attention within the different economic recovery packages adopted both by the EU and in several Member States, the European Coordinators take note of the fact that in Europe it has however been mainly energy infrastructure that has benefited from this renewed attention, as opposed to transport.

Indeed, transport infrastructure more than any other means unites peoples and markets. Even though the European institutions have realised quite early that European transport infrastructure projects have not received due attention, concrete policy actions have been lagging somewhat behind.

In 2005, the European Commission decided to appoint European Coordinators to focus attention on some specific trans-European Priority Projects (PP). These European Coordinators have been Karel van Miert for the Berlin Palermo railway axis (PP 1)¹, Etienne Davignon for the South-West European high speed rail axis (PP 3) and, from July 2009, his successor Carlo Secchi, Laurens Jan Brinkhorst for the Lyon-Ukrainian border railway axis (PP6), the successor of Mrs Loyola de Palacio since July 2007², Péter Balázs for the Paris – Bratislava high speed rail axis (PP 17), Luis Valente de Oliveira for Motorways of the Sea (PP 21), Pavel Telička for the "Rail Baltica" (PP 27), Karla Peijs for the Rhine/Meuse – Main – Danube and the Seine-Scheldt inland waterway axes (PP18 and PP 30) and Karel Vinck for the European Rail Traffic Management System (ERTMS).

They are a relatively new instrument that the European Commission uses to further the creation of the internal market by ensuring that the physical infrastructure to realise it gets built in time throughout the whole of the European continent. Their experiences in working with a large variety of stakeholders on the projects they coordinate can serve as input in the ongoing reflections on the future of Transport and the future of TEN-T policy.

Taking account of the TEN-T review process that the European Commission has launched, at the start of their second term, the Coordinators wish to contribute to the debate by delivering an assessment as well as recommendations based upon their experience. This is the aim of the present paper, which is the result of consultations between the Coordinators that took place between March and October 2009. It is based on their experiences with the projects. Details and progress on these priority projects can be found in their annual activity reports³.

¹ Karel Van Miert, who passed away on 21 June last, is one of the main contributors to this position paper, because of his active involvement in its creation, and most of all through his work and experience on PPI.

² Mrs de Palacio passed away in December 2006.

³ http://ec.europa.eu/transport/infrastructure/european_coordinators/european_coordinators_en.htm

1. SHARED EXPERIENCES ON TEN-T PROJECTS

The European Coordinators have been appointed to follow projects that present severe difficulties and lag significantly behind in completion compared with their initial schedule. One of the common features of these projects is that they involve several Member States, which renders coordination between the project countries especially difficult and stunts progress on the terrain.

Most of the projects are rail projects, but the Danube and Seine – Scheldt projects and the Motorways of the Sea are at least as challenging. The main issue at stake for the Coordinators is to ensure that with their efforts of coordination, they can contribute to giving Europe the opportunity to endow it with the infrastructure it needs to sustain the internal market.

The Coordinators' vision is one of enabling a door-to-door logistics chain that is economically and environmentally efficient. Neither economic efficiency (making the best, responsible decisions possible within a given budget) nor environmental efficiency (making the best use of our most precious natural resource) can be seen as distinct.

Despite the differences in the nature of the coordinated projects, their experiences during their first mandate (2005-2009) has led to common views on objectives of TEN-T policy and on financing and governance of TEN-T projects. These views and their shared perception of obstacles in realising the objectives of TEN-T policy are set out in this chapter.

1.1. Bringing national and European priorities closer together

Unsurprisingly, during the course of their mandate the Coordinators observed that Member States tend to give priority to national transport sections which link up centres of national interest. One reason for that lies partly in the fact that cost-benefit analysis and traffic volumes are often higher on national than on cross-border sections.

Examples of such priority setting are many and cannot be exhaustively quoted here. In general, complicated cross border infrastructure projects are the most affected⁴. Other examples show that reducing travel times and rebalancing the modal split on cross border sections is considered not as important a target as improving them on national sections⁵.

There are at least two issues at stake here. On the one hand, a stronger focus should be put on carrying out cost-benefit analyses (CBA) over a whole international corridor linking major European centres, both at an economic (e.g. by improving rail links) and at a technical level (e.g. by improving intermodality). The CBA should also take better account of environmental advantages or disadvantages than has thus far been the case. For instance, the potential linked to enhancing interoperability at cross-border sections has often been underestimated due to a narrow scoping of the CBA.

⁴ In that respect, the Brenner and the Mont Cenis tunnels (as well as the construction of the tunnels themselves) are prime examples.

⁵ From a European point of view, the second phase of the East European HSL, combined with further improvements in Germany are essential to reduce travel times between Paris and Munich. The same goes for the Liège-Aachen section for reducing travel time between Brussels, Cologne and beyond.

Secondly, these cost-benefit analyses need to be more closely related to long term economic forecasts that integrate European Member States together with regional and local added value of TEN-T projects⁶. The economic effect of TEN-T projects on transit regions should be given as much attention as their effects on major European nodes with the aim of bringing local, regional, national and European interests closer together. Of course, Member States are the main interlocutors of the EU; however specific attention should be paid as well to other decision makers, such as regional and local authorities and other actors involved in the projects

1.2. To what extent should TEN-T priorities be updated?

1.2.1. Enlargement of the internal market – pondering the European interest

A fresh look at the map of Europe learns that the internal market in a Europe of 27 Member States, and more in the future, has different infrastructural needs than the Europe of 12 or 15 Member States. The Maastricht Treaty which recognises transport policy as a shared responsibility, and the first Guidelines and Priority Projects were approved well before the enlargement of 2004.

This imbalance has partly been addressed by the new Guidelines and an increase in the number of Priority Projects to 30. This was done in 2004. However, since infrastructural changes on the ground have long lead times, especially in the case of complex projects such as inland waterways, seaways and railways, in practice this imbalance is still very much felt.

This goes to the detriment of a balanced economic development in Europe, harming the full and efficient implementation of the internal market, with the 12 last Member States necessarily resorting to the quicker solution of motorway construction, whilst neglecting their erstwhile stronger infrastructure of more environmentally friendly transport modes, the most efficient for long distance hauling. This might in due course hamper their economic development, which will hamper the whole of Europe's development as most of the growth in trading volumes can be expected to come from the East, both within and beyond the European Union's current borders.

In addition to this imbalance, it is logical for Member States to prioritise national sections on their networks and their national sections of TEN-T projects. More complex cross-border projects, which require good coordination between the project countries and which are often also more expensive to realise are often left for later. Europe is confronted in large parts of the continent with infrastructure that does not stand up to the new challenges of both people's expectations and the competitive pressure coming from other countries and companies better equipped for the changing economic and environmental realities of today and tomorrow.

The European Coordinators would like to mention a point of concern when it comes to the neighbouring countries. The EU lays the emphasis on adoption of the 'acquis communautaire'. While it is of course necessary for our trading partners to adopt our market rules, this can sometimes lead to unfortunate situations. Neighbouring countries and, to some extent, the

⁶ For example, the 30 minute time gain between Stuttgart and Ulm is essential for the Paris-Munich connection. This new section will also greatly improve connections within Germany (e.g. between Frankfurt and Munich), within the Land of Baden-Württemberg (e.g. between Tübingen and Stuttgart) as well as for the local commuter services within the Stuttgart urban area.

Member States that have joined since 2004, may see themselves quickly adopting EU market rules, while sometimes losing decision power over the operation of their infrastructure. Their national budgets and revenues do not always allow these countries to come forward with the necessary financing to maintain a meaningful stake in the running of their infrastructure.

1.2.2. *Greening transport*

The polluter pays principle is an accepted principle throughout the European Union. In practise it is far from implemented. It is difficult for governments to confront lobbies of various road users, transporters and producers using fossil fuels when it comes to, for instance, fair excise duties on fuel. In times of economic downturn, the pressure is nearly impossible to withstand, leading to delayed implementation of the polluter pays principle.

In addition, the Coordinators notice a contradictory reflex in popular thinking about different forms of infrastructure. Although there is opposition against road infrastructure works in general, cross border road projects have materialised to link up Member States. However, in some Member States it is hard to convince local and regional population affected by a railway project that building railway infrastructure will significantly alleviate their environmental concerns due to pollution, especially in environmentally sensitive regions.

Environment is often an afterthought in planning procedures of infrastructure projects, even if the situation has improved over the last years. Environmental considerations are still dealt with in planning processes when it is relatively late. This also applies to noise abatement measures, for instance. This leads to costly adjustments and even more costly delays in realising infrastructure. When local population affected by infrastructure projects feels left out in the concerns of infrastructure planners, they will raise their voice and justifiably so. Many examples can illustrate the delays and additional costs this causes.

Even if waterway transport tends to have a better environmental balance on the complete trajectory, there are points for improvement here as well. Some of these are being tackled, such as lowering sulphur emissions, however other solutions to reducing the environmental damage of burning (bunker) fuel in ports – inland or sea-side – should be speeded up. Examples include increased efficiency in the logistics chain, reducing waiting times for anchoring, careful assessment and deployment of shore-side electricity and better enforcement of existing rules and regulations.

In June 2008, the European Commission adopted the "*Greening Transport*" package⁷. It includes a proposal aiming at internalising certain external costs. Its implementation is one of the steps towards full observance of the polluter pays principle and could lead to wider possibilities for financing more environmentally friendly transport modes.

Most of the priority projects on the TEN-T network aim at promoting cleaner transport modes such as rail and inland waterways. Delaying their implementation now will make any future investments in cleaner transport more expensive and could perpetuate the pre-crisis situation of increasing traffic on already overloaded motorways, causing congestion, resulting GDP losses and increasing atmospheric pollution.

⁷ http://ec.europa.eu/transport/strategies/2008_greening_transport_en.htm

1.2.3. Regulatory stability and need for enforcement

Building transport infrastructure and adaptation of industry to new rules and regulations require time, often many years. For this reason, the market needs regulatory stability and quick and good enforcement of rules that have been agreed on a European/national level.

This is most especially the case for rail. EU legislation has opened the rail market, for rail freight as of 2007, for international passenger transport as of 2010. However, as indicated above, the European Coordinators observe that infrastructures are sometimes underused due to market arrangements reflecting the situation before market opening. Technical incompatibilities are specific obstacles that need to be overcome to arrive at a fluid logistics chain without undue obstacles at border crossings. The rail sector needs special regulatory attention in creating a competitive European market.

The coordinators therefore underline the close relationship existing between certain TEN-T instruments such as adopting legally binding interoperability and safety standards, and transport market opening. They strongly encourage further initiatives similar to those taken in the field of rail interoperability⁸ (see also Chapter 2.2.2).

For the sake of regulatory stability and honouring past investment efforts by industry, the Coordinators also ask for some caution when considering changes to weights and dimensions on the transport market. Their experience has taught them that self-regulation by markets may only work in markets where perfect competition exists. They are not sure whether such markets do exist, however, they do know that the transport market is a market far from having arrived at a stage of even fair competition, especially between modes, for the reasons explained above.

They are thus somewhat weary of self-regulation by industry or adoption on a voluntary basis by Member States of higher maximum weights and dimensions. They see a risk that allowing different maximum weights and dimensions in the Union might hamper the development of an efficient and environmentally sustainable internal market.

Member States with fragile environments to protect, or without the budget to frequently repair and maintain infrastructure due to increased wear and tear, might not be able to withstand pressure from Member States and companies using bigger containers, differently sized pallets or heavier heavy goods vehicles. The adaptations to rolling stock, ships, terminals etc, that bigger containers or trucks might require, are a cause of concern in normal times, and more so in times of financial crises. Investors may favour quick-win investments, not paying due attention to Europe's current and future interest. They would not have problems with such measures should the polluter pays principle be implemented throughout all transport modes.

In this context, they once again underline that all authorities should devote the proper resources to the enforcement of the rules that are in place.

⁸ See for example the legalisation of a unique ERTMS interoperability standard in April 2008 and the adoption of a European Deployment Plan in July 2009.

1.3. Looking for alternative financing schemes

1.3.1. The limits of national budgets

Infrastructure investments needed to create a fluid logistics chain – such as rail, inland terminals, port infrastructure and signalling equipment across borders – are notoriously difficult to finance. Road infrastructure projects, airports that generate significant cash flow are easier to finance. This leaves most of the financing burden on the State and other authorities. They have difficulty prioritising investments that require multi-annual investment efforts and give solid, but small, returns over periods which may even exceed 50 years, such as in case of rail infrastructure.

Before the financial crisis, many authorities and money lenders based financing decisions on quick returns on investment. This has favoured road infrastructure investments and has led – using a broad generalisation, which has many exceptions – to using other infrastructure up to the point of nearly irreparable wear and tear; it suffers from decades of under investment. Current transport infrastructure is bursting at the seams in places, and is no longer equipped for the demands of the market and the population.

In this respect, the general decrease of national infrastructure budgets – with the notable exception of the recently adopted short term economic recovery plans - is preoccupying, and will certainly have further repercussions on the next financial perspectives, as was already the case when the current budgetary exercise was prepared.

1.3.2. A need for increased EU interventions

The EU budget has not been able to keep pace with investment needs either. EU support has occurred so far through EU-Grants (TEN-T budget, Cohesion and Structural Funds) or loans and guarantees from the European Investment Bank (EIB) and is expected to amount to approximately 27% of total TEN-T costs for the period 2007-2013.

Regarding the present financial perspectives 2007-2013, the EU has made an important effort to concentrate its investments on the Priority Projects and in particular on cross-border sections, bottlenecks and access routes to both such sections. This increased the leverage effect of the TEN-T budget. The multi-annual call for proposals 2007-2013 proved the needs of project promoters. For Priority Projects alone, the proposals received for the multi-annual program 2007-2013 represented a total investment of more than EUR 55 billion, and a total requested Community contribution of EUR 11.5 billion. The EU budget available for multi-annual funding for the Priority Projects was limited to EUR 5.1 billion.

Regarding the next financial perspectives 2014-2020, the TEN-T budget will be even more important. During these years, the most difficult to realise and difficult to finance sections on the Priority Projects will be under construction, among which the Brenner and Mont Cenis base tunnels and their access routes, the Fehmarn Belt crossing, the Seine-Scheldt and the Rhine/Meuse-Main-Danube inland waterway axis, Motorways of the Sea and their hinterland connexions or complex bottlenecks such as the Stuttgart-Ulm section. EU financing is necessary in these cases; alternative financing for these projects, such as public private partnerships, may be difficult to engineer for quite a few of them (see below).

The involvement of the European Investment Bank is crucial here. The EIB is cooperating increasingly, also through frequent contacts and mediation by the European coordinators, with national authorities to set up financing schemes for infrastructure projects. These schemes are based on solid market surveys and commitments by national authorities on future financing, both from the national budget and from 'Eurovignette' enabled revenues. With the EIB on board as one of the financiers of an infrastructure project, other financiers will find it more alluring to consider investing as well.

The Coordinators equally plead for involvement of different industrial stakeholders surrounding a particular project. They are taking the lead in gathering industrial actors with seemingly conflicting interests to help realise difficult infrastructure. This goes especially for mobilising their (non-financial) support for difficult projects from which local, regional and national industry will benefit. Even seemingly conflicting interests can be gathered in support. Motorway companies can be mobilised for a rail project provided their interests are to a reasonable extent taken into account, such as in decisions on the location of logistical platforms. Industries wishing to use rail, inland waterways or maritime transport as a better alternative to road transport are already strong allies for some Priority Projects.

These proposals should be assessed against the potential constraints in public budgets Member states are confronted today and in the years to come, as an outcome of the current crisis.

1.3.3. Alternative financing opportunities

A frequently quoted panacea to the lack of public financing is public private partnerships (PPP's). This type of financial structure has proven successful for projects such as airports, rolling stock, urban transport networks and road construction. For the construction of rail projects, ports and inland ports infrastructure, there are only few examples of successful PPP so far.

Even though current economic circumstances have put a damper on private investors' interest to finance transport infrastructure, it has led to successful enterprises in the past. However, sometimes they lead to foreclosure of the use of publicly financed infrastructure by the private investors in the superstructure. The interests of fair competition on the internal market need to be safeguarded in such ventures. There is nevertheless a potential for PPP on TEN's, but from the experience of the coordinators, it clearly appears that the success of a PPP in particular in the rail sector requires a high level of financial and planning discipline of all parties involved.

The European Coordinators think that the possibilities that the current Eurovignette Directive offers authorities could be better used⁹, as well as the use of any revenue from greenhouse gas emissions savings. They can already now enable cross-financing from revenues from road infrastructure, such as tolls, to investments into infrastructure with higher European added value (in terms of economic effectiveness and environmental impact)¹⁰.

Full use of the Eurovignette possibilities will not completely pay for the realisation of necessary infrastructure, alpine rail tunnels being a special case in point. However, they do

⁹ Directive 2006/38/EC of the European Parliament and the Council of Minister of 17 May 2006 amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures.

¹⁰ Austria has put such a scheme in place on the Brenner Highway and Italy is preparing to do the same to help finance both the Brenner and the Mont Cenis Base Tunnels.

provide a steady, significant stream of income, which renders it more palatable for banks to lend money for these projects.

In general the opportunity to exploit a wide range of financial tools to finance transport infrastructure must be duly considered¹¹. These tools range from cross-financing to “Eurobonds”, guarantee funds and tools to provide access to credit – such as the “Marguerite fund” - for private enterprises, institutional investors, pension funds, etc.

1.4. Improving cooperation methods and practice

1.4.1. Improving cooperation between Member States

Experience shows that project coordination on cross border sections is the most complex. It demands active cooperation among a wide range of stakeholders. Such cooperation between Member States normally falls in one of these two categories¹²:

- Bilateral treaties: mostly for shared infrastructure such as the Brenner, the Mont Cenis base tunnel and the Strasbourg-Kehl Bridge.
- Memoranda of Understanding or Letters of Intent: e.g. cross-border sections Munich-Salzburg, Vienna-Bratislava and between the Baltic states and Poland and for the six freight corridors to which priority has been given for the deployment of ERTMS.

Generally speaking, adopting a legally binding bilateral treaty is a lengthy process. They are however useful in improving the situation on some major cross border bottlenecks. Memoranda of Understanding and Letters of Intent are mostly easier and quicker to conclude, but they are mostly less useful at providing longer term stability around a project.

Follow-up patterns vary between these two categories. In some cases, an Intergovernmental Commission (IGC) was set up to exchange information, to accompany specific processes such as impact assessments, to consult and to include other stakeholders and to settle contentious issues. The efficiency of IGC's has proved satisfactory where Member States provided adequate support structure for the ICG to pave the way for the implementation of the projects.

In other cases, less official bilateral committees as a result of Letters of Intent or Memoranda, have been set up. Partly due to their informal status, they have often led to sub-optimal results especially when more formal decision making processes need to be integrated at some point.

In general, the experience of the coordinators shows that international cooperation processes on cross-border project coordination need to address:

- Lack of joint traffic forecasts leading to differing investment plans;
- Lack of investment planning coordination leading to disconnected or even contradictory timelines, capacity planning, alignment, technical and interoperability characteristics, environmental assessments;

¹¹ This aspect has to be coupled with the on-going debate on national budgets and constraints arising from the stability and growth pact.

¹² For Priority Project 21, Motorways of the Sea (MoS), the cooperation between Member States is a pre-requisite and may take the form of a "joint Call for Proposals" involving two or more Member States and aimed at bringing together ports and other key transport actors, in a consortium to develop a common MoS project.

- Differing planning processes from a Member State to another, and need for total transparency on the planning situation on an entire axis;
- Need to determine the functionalities of the line (for instance, to assess if the technical characteristics are compatible) on the entire length of the project;
- Lack of joint investment calculation leading to significant differences in investment implementation depending on different priority settings in the Member states involved in cross border sections;
- Subsequent lack of a joint financial structure necessary for the project;
- Insufficient work phase management for cross-border bridges or tunnels potentially delaying the works schedule, both for the project itself and for the access routes; Insufficient joint management of the finished infrastructure;
- Insufficient coordination for the adoption of related measures: in order to achieve a modal shift from road to rail for instance, a public authority may propose to impose a night time driving ban. Such a measure needs to be coordinated with the neighbouring authorities.

1.4.2. Improving cooperation between authorities and other stakeholders

Regional and local authorities and other stakeholders have gained in importance in the decision making processes surrounding infrastructure investment planning, financing and realisation. There are several reasons for this.

Firstly, as stated above, European infrastructure projects have significant effects on local and regional economies. New infrastructure facilities provide local economic areas with an access to wider national and European networks and thus to broader markets, while generating time and efficiency benefits for both freight and passengers.

Secondly, regions have more often been requested to contribute to the financing of infrastructure projects, be it in the form of direct subsidy or of advanced payments to be reimbursed later by the State, depending on competence sharing at national level.

To support these processes, non-governmental initiatives were launched. Their maturity varies and their representatives are not always fully associated in national decision processes.

1.4.3. Comprehensive project approach

The Coordinators have developed a comprehensive project approach for the Priority Projects they are following up, indicating which conditions should logically be met for EU co-funding. These extensive Priority Projects need to bring real added value at European level. In many cases, the conditions the Coordinators recommend in their annual activity reports go beyond the legal obligations that stem from EU law or financial Decisions. They include aspects such as the coherence of the timing of works on different sections along the Priority Project, the use that will be made of the infrastructure, capacity issues and interoperability aspects. The Coordinators recommend that this approach and the conditions they express in their individual reports are taken on board by the European Institutions, the Member States and the other stakeholders in the Priority Projects.

2. RECOMMENDATIONS FOR THE FUTURE TEN-T POLICY

In early 2009, the Commission published a Green paper on the development of the trans-European Transport Network. It develops different scenarios, on which the Coordinators now react. Through their activities of the past four years, they find that the Priority Projects are a useful instrument for developing major infrastructures that link up Member States and contribute to the realisation of the internal market. They feel that the proposed idea of integrating the Priority Projects further and thereby establishing a core network could be the right way forward, when phased in properly. Attention shall be paid to render this network intermodal and interoperable to enable strong, seamless logistical chains along main corridors. Transport modes must play their economically and environmentally optimal role in this chain.

2.1. General approach for a future TEN-T network

The Coordinators generally believe that adopting a European core network that is demand and market driven is the right way forward. The design of such a core network will be the result of a gradual approach. The Coordinators believe that the deployment of a core network needs to rely on a full assessment of the needs for physical infrastructure to complete the internal market in a sustainable way. Priorities should go to transport modes that are best suited to specific corridors in terms of demand and supply, sustainable internal market development, safety and arriving at the objective of a fluid European logistics chain.

In that respect, assessing the successes and setbacks of the current 30 Priority Projects will be helpful. Some Priority Projects have progressed well, some are already completed. They should therefore be part of such a core network. Some Priority Projects could, however, be usefully reconsidered in the light of the overall European interest.

Considering the results achieved so far (as well as the available completion forecasts of ongoing projects), the completion of the Priority Projects, especially those attributed to the European Coordinators, will remain a priority target of TEN-T policy.

It appears that there cannot be a single method to design such a network. It involves a mix of top-down pro-active choices and of bottom-up considerations based on the experience gathered both from the Member States and from the coordinators in including a wide range of stakeholders surrounding a project. However, strict criteria need to be agreed upon, one of which being the European economic and environmental added value of the core network.

Lastly, TEN-T development should focus on completing the potential to connect TEN-T with non EU networks that provides shortcuts or competitive access to other markets.

2.2. Towards a high quality network

2.2.1. Coherence with environmental objectives

As mentioned throughout this paper, the objective of TEN-T policy is to contribute to the completion of the European physical internal market that is both economically efficient and sustainable. Therefore, in decisions surrounding these projects the environmental objectives and commitments of the European Union should be respected.

The main contribution of TEN-T policy to the environment should concentrate on reducing fossil fuel use and dependency, thus increasing security of the supply. Transport accounts for

7% of the EU-27 GDP and is responsible for 24% of European greenhouse gas emissions. EU support can occur in that field either through technology improvements to the benefit of cleaner and/or renewable energies – which would require stronger interactions with the RTD budget - or through the promotion of less polluting transport modes such as inland waterways, maritime transport and rail. In this context, they equally plead for further efforts to 'green transport' in general, without overlooking the fact that also in inland waterways, maritime and rail transport significant efforts can still be made.

In the view of the Coordinators, a competitive TEN-T network serving long-term growth, needs to be sustainable and should put economic and environmental efficiency on the same footing, if only to ensure future growth.

2.2.2. The fulfilment of interoperability and safety standards

Transport interoperability means that infrastructure characteristics and traffic management systems are compatible with one another, thereby removing national segmentation and enabling seamless traffic flows. Knowing this, there cannot be a Trans-European network for transport if technical standards change at the border, forcing operators into costly equipment investments to comply with the various national standards if they seek access to markets beyond their national border.¹³

In addition, interoperability responds to concerns about safety. Introducing a single rail traffic management system such as ERTMS means being able to deploy a signalling system that is as reliable as the current national systems, which furthermore refer to homologation criteria that differ – however slightly - from one country to another.

The development of common interoperability standards is therefore closely related to that of common safety standards. Efforts to improve the European logistics chain include measures ensuring interoperability and safety of infrastructure and operations.

TEN-T policy has so far mainly focused on capacity building. It would now be advisable to fully include improvements in interoperability. These should be two-fold: adopting legally binding interoperability and safety standards on the one hand, and support for deployment of new equipment that responds to these standards.

Such an objective requires cooperation between a wide range of stakeholders. These include public authorities with very different priorities such as safety authorities, transport operators, infrastructure managers and industry.

Efforts have been most significant for ERTMS. Concerning ERTMS, those efforts will need to be intensified in the next three to five years to fulfil the requirements of the European Deployment Plan adopted in July 2009 and to support onboard equipment when a final and unique interoperability standard will have been legalised. In a sector as segmented as rail, public intervention through the adoption of legally binding interoperability standards and investment support will further be necessary to create a framework in which fair competition

¹³ A good example of this problem would be 'Thalys' trains, which need seven different national onboard signalling systems to operate on the Paris-Brussels-Köln-Amsterdam-London network. The differing track gauges between Spain and France and Poland and the Baltic States is another concrete example of this problem which hampers the development of rail freight services in South-Western Europe and in the Baltic region.

can prevail. A similar calculation can be made for inland waterways and the deployment of the River Information System.

It is clear to the European Coordinators that there will be an increased need in the coming years to make substantial investments to achieve transport infrastructure interoperability.

2.2.3. Increasing logistical efficiency through reinforced intermodality

The TEN-T guidelines of 2004 do not refer to freight transport as an issue requiring special consideration. Freight transport does raise specific questions that are different from passenger transport, such as financing issues and project management. The Coordinators would, therefore, plead for the integration of freight transport as a specific priority issue in future TEN-T policy. EU support should be distributed more evenly than before among the different transport modes and their related infrastructure projects according to their efficiency both in economic and environmental terms.

In the view of the Coordinators, linking key intermodal nodes such as sea ports, inland ports, airports and terminals ('dry ports') to the TEN-T Priority Projects is an increasingly important objective. Freight logistics raise specific questions that are different from passenger transport (specific cost-benefit balances, subsequent financing issues depending on economic viability schemes different from those of passenger transport, partly specific networks, terminal issues etc...). These must be addressed separately.

For example, road to rail terminals should be given a strong priority to allow for an intermodal node network dense enough to support the transfer of goods from one mode to another. In this context, one equally has to consider that rail freight is not as competitive over short distances as other modes, especially road. This factor is aggravated by the current lack of full inclusion of external costs in transport costs.

In this perspective, and due to the necessity of concentrating EU funds on a limited amount of projects, EU support should be concentrated on priority freight corridors. Besides, support to terminals and their accesses needs to be coherent with support to infrastructure capacity building between these terminals. Improving rail terminal capacities, on one side of the Alps for instance, is not very useful if traffic capacity in transalpine tunnels is not consequently increased and bottlenecks on the accesses are not removed. Determining the appropriate traffic capacity needs between terminals is a delicate exercise as many access nodes and terminals are possible and choices affect the overall profitability of a project.

More sea ports need to be included in the TEN-T projects to ensure that the European logistics chain can cover door-to-door transport. Also inland ports need to become real nodes for the capillary connection of internal regions to the main inland waterways corridor¹⁴.

Another key element in the logistics chain is obviously the reliability of the different links. In this context the Coordinators would like to emphasise that for a large number of transport

¹⁴ For retaining the good environmental profile of inland navigation it will be necessary to foresee incentives and financial aid for the renewal of fleet. Operations should also be geared towards enhancing the efficiency of inland navigation and improving its environmental performance.

customers, quality of service is the determining factor in their transport choices. They attach great importance to the possibility of tracking their goods throughout their journey, safety in ports, on railways, waterways and highways, good connections between modes, reliability and availability of slots.

3. CONCLUSION

To resume their findings, the European Transport Coordinators recommend to:

- Put the European economic and environmental interest first;
- Take full account of the interests of an enlarged European Union and to put the European internal market at the service of Europe's place on the global market;
- Take a fresh look at financing difficulties of infrastructure projects and change decision makers' mindsets from too much attention for the short to medium term to taking full account of the interest of the long term sustainability of the European internal market;
- Ensure the mobilisation of enough financial leverage to complete the planned projects and ensuring that all financial instruments and all EU funds available for transport infrastructure are used in a coordinated manner to reach this goal;
- Involve all relevant stakeholders in infrastructural projects at an early stage so as to avoid costly oversights and delays;
- Ensure coherence between the comprehensive project approach and EU co funding;
- Look at transport and transport modes as part of one logistical chain that can ensure seamless door-to-door transport and to improve the quality of service of all modes;
- Include intermodal nodes in the TEN-T network in order to improve, where necessary with financial support, the intermodality of the network;
- Direct European co-financing with priority to investments enabling each mode to form an optimal link in the logistics chain;
- Urgently tackle the lack of interoperability along many European transport networks and remove main bottlenecks, notably at cross border sections;
- Ensure regulatory stability for the market and enforce current European and national legislation;
- Better coordinate policy and enforcement efforts throughout the different layers of public administration.

Even when not explicitly mentioned throughout this paper, the Coordinators dedicate their voluntary efforts on these projects in the interest of Europe as a whole. They believe that Europe only has a future when it works together on the realisation of concrete projects that benefit individual citizens.

Their analysis and recommendations focus mostly on decision makers, and not on the individual consumers deciding on their budget. They believe individual consumers cannot do much more than react to stimuli from industry and authorities. European institutions and national/regional/local authorities need to create the framework to enable responsible decisions by all.

Since the 1970ies decision makers are aware that using fossil fuels at a rate which only quickened after the seventies is unsustainable. The best legacy current decision makers can leave for future generations are decisions enabling our economies to grow in a responsible and sustainable way. The environment dimension is too easily reduced to a CO2 issue. The

issue is much broader and requires nearly all decision makers, be they from industry or authorities to prioritise limiting damage to our natural environment.

The European Coordinators look forward to contributing to this goal for the next four years with their expertise and the initiatives they take on the ground. They are keen to realise a better and more balanced European transport network; one that finds the right balance between the interests of the internal market, of Europe's natural environment and the European population.

They can only do so, with the support of the Commission, the European Parliament, Council and the other Institutions. They look forward to continued good cooperation with them on these projects.