



European Rail
Infrastructure Managers



21 January 2010

EIM POSITION PAPER ON TEN-T POLICY REVIEW

EIM Position Paper on TEN-T policy review

The association of European Rail Infrastructure Managers (EIM) feel that the following points should form the basis for the revision of the EU TEN-T policy:

- **In order to increase the overall efficiency of the EU transport system, member states should identify TEN-T corridors based on a socio-economic analysis which takes into account the demand and the traffic flows as well as social and territorial aspects.**
- **Clear priority should be given to environmentally friendly and safe transport modes, such as rail, and port-hinterland connections.**
- **Alleviating bottlenecks and eliminating “missing links” should be key criteria when assessing TEN-T projects.**
- **The conceptual pillar will allow the funding of valuable projects that meet EU transport priorities (decarbonisation, modal shift, economic development), but which are not on a priority corridor.**
- **The deployment of the Intelligent Transport Systems (ITS) should be coordinated across all transport modes in order to ensure seamless transport for both passengers and freight.¹**
- **The granting of Community financial aid to projects of common interest should be conditional to compliance with relevant Community law, including the First Railway Package.**
- **The European Commission should look into new financial solutions to ensure a timely implementation of TEN-T projects, such as Eurobonds and revenues from internalisation of external costs. Combination of EU funds and further involvement of private investors are vital to reaching this objective. Non-financial instruments should be further developed to solve cross border issues.**

Introduction

The association of European Rail Infrastructure Managers (EIM) welcomes the revision of the TEN-T policy launched by the European Commission in the Green Paper “*Towards a Better Integrated Trans-European Transport Network at the Service of the Common Transport Policy.*”

In general, EIM agrees with the Commission’s assessment of the areas in which TEN-T policy has failed so far: objectives have been rather broad, which has made it impossible to meet them in full. Therefore, action should focus on specific issues in order to generate effective impacts and visible results.

According to a European Commission study,² the gains expected from the completion of the 30 priority projects are substantial:

- An increase in GDP by 0.2–0.3% by 2020;
- The creation of one million permanent jobs, in addition to three million temporary jobs created during the construction period;
- Time savings on travelling (€8 billion per year), congestion delays reduced by 14%;

¹ See EIM-CER position on “the Action Plan for the Deployment of ITS in Europe (<http://www.eimrail.org/EIM-CERpositiononITS.pdf>)

² European Commission (2005), The economic cost of non Lisbon, Occasional Papers, n.16, p.51

- 4% reduction in greenhouse gases emissions.

Therefore, EIM welcomes the Commission's efforts to promote:

- **Economically and environmentally efficient**, safe and secure transport services;
- **Financial and non financial instruments** to implement TEN-T projects;
- **Interconnection and interoperability** of national networks, and access to such networks.

Remaining issues put the existing TEN-T at risk

- A report from the Court of Auditors³ has already shown poor implementation of TEN-T projects, which led to the creation of the TEN-T Executive Agency.
- **Cross-border sections** experience major delays in the implementation of TEN-T projects (e.g. Priority Project 3, French-Spanish High Speed railway Axis).
- Questions of **interoperability**, homogenisation of operational rules, lack of coordination of investment and works amongst member states and optimal technical parameters (e.g. train length, loading gauge) need to be addressed.
- The conditions for infrastructure managers to operate in an **independent and non-discriminatory** manner should be further harmonised.
- The Commission launched infringement procedures for the implementation of the First Railway Package in June 2008, sending letters of formal notice to 24 member states.

Proposals

- Projects should be identified on a **market-oriented** basis while taking into account sustainability aspects, including adequate **territorial cohesion** at EU level.
- Receipt of TEN-T funding should recognise a member state's commitment to enacting EU transport legislation (e.g. the railway packages).
- The conditions for infrastructure managers to operate in an **independent and non-discriminatory** manner should be further harmonised.
- In order to overcome cross-border issues, commitment and enhanced cooperation are required at both EU and national level.

Developing the TEN-T network

EIM supports the concept of a "**conceptual pillar**" in the "**core network**" alongside a "**geographic pillar**" ("priority network").

The "conceptual pillar" provides the criteria and procedures to flexibly identify projects, corridors and network parts over time. The core network should be the result of a socio-economic analysis which takes into account the demand and the traffic flows as well as social and territorial aspects. The TEN-T network shall be able to expand flexibly over the budgetary period to adapt to changing market circumstances.

Besides, the conceptual pillar has an added value as long as it allows the following criteria (in priority order) to be integrated into the assessment of TEN-T projects:

1. Market orientation (socio-economic analysis)
2. Environmental performance /contribution to decreasing CO₂ emissions⁴
3. Alleviating bottlenecks⁵

³ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2006:094:0001:0036:EN:PDF>

⁴ COMMUNICATION FROM THE COMMISSION "A sustainable future for transport: Towards an integrated, technology-led and user friendly system", point 48 (June 2009)

⁵ COMMUNICATION FROM THE COMMISSION "A sustainable future for transport: Towards an integrated, technology-led and user friendly system", point 64 (June 2009)

4. Territorial cohesion (priority to “missing links”)

Finally, when shaping the TEN-T network of the future, the Commission should not neglect the implementation of ongoing projects.

Priority projects are not the panacea

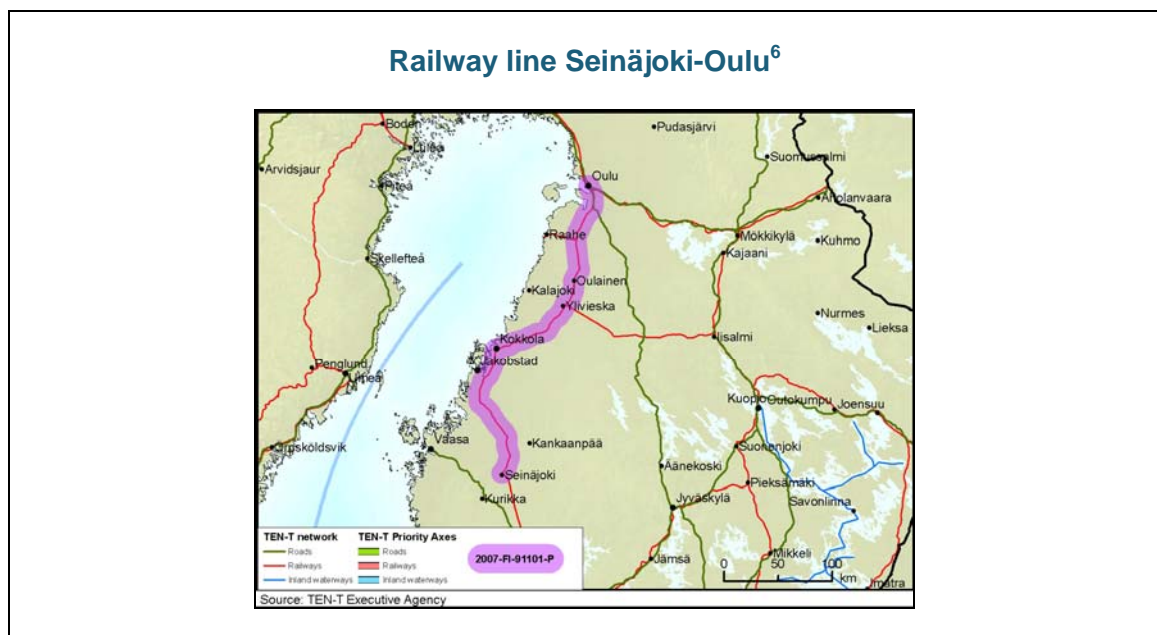
Such an approach should allow applicants to bid successfully for the TEN-T budget when a proposal cannot be associated directly to priority projects. For instance, the **railway line Seinäjoki-Oulu in Finland** is not one of the 30 priority projects. However, it legitimately received TEN-T funding (€ 9.3 million) for structural, electrical and capacity measures and improvements of the line. Upgrading of 183 km railway, 21 stations and 50 level crossings will result in increased competitiveness of the railway traffic.

Another example of a non priority project that was financed in 2007 is the development of the Railway Common Interface and Reference File Database Software in support of the TAF-TSI (€1 million).

Projects that have not been put forward for support because they do not lie on the TEN-T network include major investment in rail freight schemes such as the upgrade of the line from the Port of Southampton (one of the biggest in the UK) to priority axis 14.

From a legal point of view, the comprehensive network is used as a reference in the railway sector, for instance for the scope of application of Technical Specifications of Interoperability.

The extension of scope of TSIs is currently being discussed but, in the meantime, the distinction between TEN-T network and non-TEN-T remains relevant. EIM assumes that at least the categories High Speed, Conventional Rail – TEN and Conventional Rail will be part of the new TSIs, with a further differentiation likely to be necessary to create a positive business case for scope extension and to limit the number of specific cases. In road transport, the TEN-T network is also meant to define the geographical scope of application of heavy goods vehicles charging (Eurovignette Directive).



⁶ http://tentea.ec.europa.eu/en/ten-t_projects/ten-t_projects_by_country/finland/2007-fi-91101-p.htm

The project involves the main railway connection between southern and northern Finland, which is heavily used for both passenger and freight traffic. It provides access to the multimodal corridor Narvik-Haparanda-Tornio-Vartius-St. Petersburg and the Barents Euro-Arctic transport area.

Presently this single-track railway is facing capacity and structural problems. There are also over hundred level crossings on the line which create a safety issue and affect the maximum speed limit of the track.

The project consists of a variety of structural, electrical, safety and capacity measures and improvements on the line. The overall objective is to **improve the competitiveness** of the railway traffic by **cutting down the journey times**, by **increasing the axle load for freight traffic** and by **providing sufficient capacity and high level services**.

Total project cost: €93 million

Total EU contribution: €9.3 million (10% of the total)

National budget: €83.7 million

Beneficiary: Republic of Finland

Implementing body: Finnish Rail Administration (RHK)

Sustainability, efficiency and intermodality are key drivers

In order to make the EU transport system more sustainable, the Commission and member states should integrate, high speed and rail freight networks, European Rail Traffic Management System (ERTMS) corridors, motorways of the sea and short sea shipping into an **intermodal TEN-T concept**. Such a concept should be based on planned actions in favour of more environmentally friendly, less carbon intensive and safer modes.

Travelling by rail is on average 3-10 times less CO₂ intensive and 2-5 times more energy efficient compared to road or air transport.⁷

As long as all transport modes are not required to internalise their external costs, thus achieving a level playing field, preference must be given to railways, especially on long distance connections and for modal shift of freight and passengers. In fact, investing in rail would help to accommodate growing demand and to reduce transport greenhouse gases emissions. Similarly, also in order to foster inter-modality, preference has to be given to the funding of rail-road, rail-air, and rail-water intermodal terminal facilities and connections between terminals (rail tracks).

EIM supports the creation of an efficient and sustainable EU core network for freight transport. In order to maximise the economic, social and environmental effects of such a network, the following measures need to be properly addressed:

- **Business oriented approach:** in principle, corridors should be selected according to their market relevance and to global traffic flows. The creation of corridors should be flexible, depending on each country's needs.
- **Smart use of priority rules:** The way priority freight trains will be granted effective priority, both for the definition of the timetable and traffic management, should be based on a **pragmatic approach**.

⁷ www.ecotransit.org

- **Efficiency of traffic management:** Aiming at minimising overall delays.
- **Stronger role of regulatory bodies:** Cooperation between national regulatory bodies should be fostered. They should also be given the means to act in an efficient way.
- **Promotion of ERTMS corridors:** Full deployment of the six existing ERTMS corridors would be of essence for an effective implementation of the regulation on rail freight corridors being currently discussed by the EU Institutions.
- **Cooperation between infrastructure managers:** Coordination should be extended to all works that would restrict available capacity on the network in order to improve quality of international train paths.

EIM believes that **Intelligent Transport Systems (ITS)** can enhance the functioning of transport systems by better connecting transport modes through information and communications technologies. Multi-modal ITS can in fact reduce congestion and CO₂ emissions, thereby making transport more sustainable and efficient. ITS can therefore be efficiently embedded into a multi-modal TEN-T *only* if they are applied consistently with a multi-modal approach.

Finding the funds

The Commission's priority projects are being delayed due to a lack of funding and government coordination. This is in part due to an imbalance in funds given to TEN-T and those allocated to Structural Funds, where their expenditure is less strategically coordinated.

Greater effort to ensure completion of works is required, since only three of the 30 priority projects have been completed.⁸ The Commission should be clearer about its rules for reclaiming unspent funds.

While EIM welcomes the publication of the Green Paper on the future of the TEN-T policy, current levels of funding fail to respond to the growing imbalance between the proposed allocated funds and the budget required by stakeholders to complete TEN-T projects in Europe.

Therefore, EIM fully supports additional processes aiming at funding the TEN-projects, **up to at least €25 billion** for the financial period 2014-2020,⁹ in order to cover more than 20% of the DG TREN investment forecast for priority projects (€116.6 billion).

EU funding should be prioritised for cross-border projects delivering significant levels of modal shift towards environmentally friendly modes and with high socio-economic returns.

Moreover, the EU budget could contribute to the realisation of TEN-T projects through measures such as:

- A flexibility instrument to support TEN-T;
- A new own resource to finance transport infrastructure in the framework of the revision of the EU budget;
- Improving the adaptation of structural and cohesion funds, regulations and procedures to Public Private Partnerships (PPPs).

EIM encourages the European Commission to adopt a flexible approach to funding by allowing for the combination of output measures and various funds, in order to improve

⁸ http://ec.europa.eu/transport/infrastructure/basis_networks/guidelines/doc/pp_implementation_progress_report_may08.pdf

⁹ Banverket does not support the increase of the TEN-T budget for the period 2014-2020

the efficiency and overall performance of the projects. This would additionally leverage the amount of private capital invested in the projects.

Future sources of financing

- The EU could create a “**Sovereign European debt**” to be used by individual member states to obtain loans for a relevant amount - up to 50% - of the foreseen infrastructure investment.
- The Directive on the **Emission Trading Scheme**,¹⁰ states that revenues from the auctioning of allowances for the aviation sector should be used, amongst others, to reduce greenhouse gas emissions through supporting low emission transport. 15% of the allowances granted to the aviation sector will have to be auctioned from 2013 onwards. The same directive,¹¹ will suggest that at least 50% of the revenues of allowances auctioning should be used, amongst others, to encourage a shift to low-emission and public forms of transport. This article will apply from 2013 onwards.
- New revenues may come from **infrastructure tolls**, as clearly stated by the TRAN Committee of the European Parliament on 31st March in its vote on the TEN-T Green Paper: *Paragraph 17c: Stresses the need to allocate a percentage of toll revenues from road infrastructure to funding TEN-T projects in order to increase the leverage effect on borrowing.*
- Additional revenues can also come from the internalisation of external costs of transport. The **Eurovignette Directive** proposal (Charging of Heavy Goods Vehicles) as amended by the European Parliament on 11 March 2009, and in particular its new article 9 states: *As from 2011, at least 15% of the revenues generated by external cost and infrastructure charge in each Member State shall be dedicated to the financial support on TEN-T projects to increase transport sustainability. This percentage shall gradually increase over the years.*

The role of the private sector

PPP projects in the TEN-T network prove that partnership structures may be successfully applied to various projects in all modes of transport. For instance, Infrabel's Diabolo and Liefkenshoek projects are rail PPP success stories. Therefore, private sector involvement in infrastructure delivery should definitely be further stimulated in order to ensure adequate funding of the projects. In this regard, EIM welcomes the launch of financial instruments which aim at facilitating a larger participation of the private sector in the financing of Trans-European Transport Network infrastructure, such as the **Loan Guarantee Instrument for Trans European Transport Network (LGTT)** which offers increased opportunities to engage into and succeed in financing PPPs. However, the LGTT might need to be adapted to the **complexity of rail PPP projects**. In particular, it should take into account the high costs and long term return on investment of rail projects.

In order to foster the use of PPPs to implement rail infrastructure projects, EIM supports any Commission's concrete initiatives following up on the Communication of 19 November,¹² such as:

- Setting up a PPP group of experts and stakeholders.
- Increasing the funding available for PPPs.
- Proposing a legislative instrument on concessions, based on the ongoing Impact Assessment.

¹⁰ Article 3d - paragraph 4 of Directive 2008/101 on inclusion of aviation in the ETS

¹¹ Article 10 - paragraph 3f of Directive 2008/101 on inclusion of aviation in the ETS

¹² <http://www.eib.europa.eu/epec/infocentre/documents/Commission%20Communication%20on%20PPP-en.pdf>

- Linking EU funds to environmental performance as well as to the implementation of the EU legislation.

Non financial instruments

- Further investigations into the role of **coordinators** could help increasing their usefulness. In particular they should play a major role in solving cross border issues.
- The positive experience of **European Economic Interest Groups (EEIGs)** along ERTMS corridors proves that coordination among infrastructure managers is of essence for operations, but also for investments especially for cross border sections. It works even better when member states have explicitly committed to working together via letters of intent. For example, the European Economic Interest Group (EEIG) of the Infrastructure managers on the ERTMS corridor Rotterdam-Genoa will work to guarantee interoperability and coordinated deployment of all stakeholders.
- As foreseen in the proposal for a regulation on rail freight corridors,¹³ **Governance bodies** formed by Infrastructure Managers along freight corridors should coordinate their investments as well as their maintenance works.
- The recently launched **European PPP Expertise Centre (EPEC)** can be a very useful platform to strengthen the organisational capacity of the public sector to engage in Public Private Partnership (PPP) transactions.
- The **TEN-T Executive Agency** could also bear a more important role in the future as it is a good platform for the exchange of best practices and provides useful administrative support to member states.
- Setting **mandatory deadlines** for projects' completion would be helpful to force the various member state authorities to cooperate effectively.

Please find in the following annex EIM's response to the public consultation on TEN-T revision.

13 COM(2008) 852 final: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL concerning a European rail network for competitive freight



European Rail
Infrastructure Managers



29 April 2009



EIM answers to online questionnaire on TEN-T revision



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EIM answers to online questionnaire on TEN-T revision

Introduction

EIM, the European Rail Infrastructure Managers, was established to promote the interests and views of the independent infrastructure managers in Europe, following liberalisation of the railway market. The organisation was fully established in spring 2002.

Mission

EIM works to improve the development of the rail transport mode. It also acts as a lobbying organisation towards the European Institutions and together with the industry. EIM provides expertise to the appropriate European bodies including the European Rail Agency (ERA).

Vision

- Create an intra- and intermodal level playing field.
- Promote the development of rail traffic.
- Provide an efficient cost effective and open rail network.
- Allow infrastructure managers to operate in an independent and non-discriminatory manner to facilitate optimisation of overall system cost and performance.

Members

EIM members are Infrastructure Managers from the 10 following countries: Finland, Sweden, Norway, Denmark, the Netherlands, Belgium, the UK, France, Portugal, Spain

They represent:

- 44% of EU27 lines
- 49% of EU27 rail passengers
- 35% of EU27 rail freight
- Over 250.000 employees
- Total investments of €9.1bn (2006 fig.)

Question 1: Should the Commission's assessment of TEN-T development to date cover any other factors? (optional)


In general, EIM agrees with the assessment of the Commission explaining why TEN-T policy has failed so far. However, further elements could have been taken into account:

- The upcoming audit of the Court of Auditors on cost-effectiveness of TEN-T policy will be enlightening. But previous reports from the Court of Auditors have already showed major mismanagement of TEN-T funds which led to the creation of the TEN-T Executive Agency.
- Projects should be identified on more market-oriented and territorial cohesion basis.
- There will be a significant number of opportunities lost by the Commission being unable to adequately support projects that lie off of the priority axes.
- Questions of interoperability, lack of coordination among Member States and optimal technical parameters (train length, loading gauge...) within the railway sector could have also been raised.
- On many occasions EIM has underlined that the rail mode can only achieve its full potential

when national and international railway markets are open to competition. As a minimum, the conditions for infrastructure managers to operate in an independent and non-discriminatory manner should be further harmonised. Therefore, in order to strengthen and harmonise the TEN-T policy, EIM suggests that funds are made conditional to implementation of the EU legislation.

Question 2: Should the comprehensive network be maintained or abandoned, and what advantages and disadvantages would either approach involve? Could the respective disadvantages be overcome, and if so by what means? (optional)

- YES - the comprehensive network should be maintained
- NO - The comprehensive network should be abandoned
- No opinion

 Please justify your choice by answering the sub-questions of Q02 as comprehensive as possible (compulsory)


Keeping the comprehensive network allows to preserve some successes of the TEN-T policy that cannot be reduced to priority projects. For instance, the High Speed Rail Line Bretagne - Pays de Loire is not part of the 30 priority projects. However, it legitimately received TEN-T funding for studies (€6m) on the extension up to Rennes for passenger trains, thus opening up capacities for freight transport on the existing lines. The 182 km of new line will link to existing train stations and lines, such as the line to Nantes.

Another example of non priority project that was financed in 2007 is the development of the Railway Common Interface and Reference File Database Software in support of the TAF-TSI (€1 m)


From a legal point of view, the comprehensive network is used as a reference in the railway sector, for instance for the scope of application of Technical Specifications of Interoperability.

The extension of scope of TSIs is currently being discussed but, in the meantime, the distinction between TEN-T network and non-TEN-T remains relevant.

It is also meant to be used on roads for the geographical scope of application of heavy goods vehicles charging (Eurovignette Directive).

 Please allocate the advantages as described above to the following categories: (optional)


- Important for access function and territorial cohesion
- Reference basis for structural policy objectives
- Basis for a broad range of transport policy objectives (Help: rail interoperability, road safety etc.)
Large scope for identification of projects of common interest
- Broad reflection of national infrastructure planning
- Others (please specify above)

 Please allocate the disadvantages, as described above, to the following categories: (optional)

- Truly European planning is hardly possible
- Community instruments are insufficient to allow full network implementation
- Community added value of many projects of common interest is questionable
- Community action lacks visibility
- Others (please specify above)

Question 3: Would a priority network approach be better than the current priority projects' approach? What would be the advantages and disadvantages of either approach, and how should it be developed? (optional)

- YES - The priority network approach would be better than a priority projects approach
- NO - the priority network approach is not recommended; the current priority projects' approach should be further pursued
- No opinion


 Please justify your choice by answering the sub-questions of Q03 as comprehensive as possible (compulsory)

EIM agrees with the Commission that until now TEN-T priority projects and maps were mainly a composition of large and expensive national transport infrastructure projects, some of the 30 TEN-T Priority Projects not being a realistic option, other projects becoming in the meantime - and after EU enlargement in particular - important but missing from this list.

Therefore, EIM agrees with the European Parliament (Vote on TEN-T of 31st March) to develop a more "coherent and integrated" network approach with corridors reflecting the market needs for intermodal freight and passengers connections. This market based approach would bring a quick return on investments as well as an increased economic efficiency of freight transport.

On the other hand, priority must be given to environmentally friendly transport modes, such as rail, and their hinterland connections. In order to reach this goal, the Commission and Member States should integrate green corridors, rail freight networks, European Rail Traffic Management System (ERTMS) corridors, motorways of the sea and short sea shipping into an intermodal TEN-T concept, based on planned actions in favour of more environmentally friendly, less oil consuming and safer modes.


These additional criteria of intermodal and greener modes will grant a better visibility to TEN-T policy. Preference has to be given to railways, especially on long distance connections. Similarly, preference has to be given to the funding of connections between terminals (rail tracks) and not to the terminals themselves (airports, ports...). This would have the additional advantage of enhancing territorial cohesion.

 Please allocate the arguments described above to the following categories:
- Advantages of priority network approach (compared to priority projects approach) (optional)


- More rational planning approach at European level, including the possibility for
- Better focussed projects of common interest

coverage of network benefits

- | | |
|---|---|
| <input type="checkbox"/> Possibility for coverage of all modes | <input type="checkbox"/> Coherence between instruments (financial and other) necessary for full network implementation and planning objectives as challenge for future TEN-T policy |
| <input checked="" type="checkbox"/> Possibility for coverage of nodes and inter-modal connections | <input checked="" type="checkbox"/> Enhanced possibilities for "environmental optimisation" |
| <input type="checkbox"/> Possibility of better reflection of major European traffic flows and Cohesion objectives | <input type="checkbox"/> Others (please specify above) |

 Disadvantages of priority network approach (compared to priority projects approach) (optional)


- Difficult to plan such a network for reasons of planning methodology
- Difficult to combine with sovereign national responsibility for infrastructure development
- May become too large in scope to ensure sufficient Community funding; thus not much change compared to comprehensive network approach
- Others (please specify above)

 Elements that should be taken into account in the development of a priority network approach (planning method) (optional)

- | | |
|---|--|
| <input checked="" type="checkbox"/> Traffic flows | <input checked="" type="checkbox"/> Interoperability and infrastructure standards |
| <input type="checkbox"/> Social, economic and geographical cohesion | <input type="checkbox"/> Minimum capacity requirements |
| <input checked="" type="checkbox"/> Environmental protection / climate change | <input checked="" type="checkbox"/> Intelligent transport systems and new technologies (infrastructure and vehicles) |
| <input type="checkbox"/> Due coverage of all transport modes | <input checked="" type="checkbox"/> Implementation capacities |
| <input checked="" type="checkbox"/> Inter-modal connections | <input checked="" type="checkbox"/> Harmonized cost-benefit analysis |
| <input checked="" type="checkbox"/> Connections between long distance transport and local transport / urban nodes | <input type="checkbox"/> Others (please specify above) |
| <input type="checkbox"/> Links to third countries | |

Question 4: Would the flexible approach to identifying projects of common interest, as proposed with the "conceptual pillar", 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? (optional)

- YES - a flexible approach would be appropriate
- NO - the proposed flexible approach would be inappropriate for the TEN-T
- No opinion


 Please justify your choice by answering the sub-questions of Q04 as comprehensive as possible (compulsory)

The conceptual pillar has an added value as long as it allows to integrate the following criteria (in priority order) to assess TEN-T projects:


1. Environmental performance /contribution to decreasing CO2 emission
2. market orientation (socio-economic analysis)
3. Alleviating bottlenecks
4. implementation of EU legislation de jure and de facto
5. a true European added value
6. establishment of performance standards
7. Territorial cohesion (priority to "missing links")
8. interoperable ITS for all modes


Please allocate the advantages, as described above, to the following categories: (optional)

- Allows to incorporate into TEN-T infrastructure-relevant aspects of a wide range of common transport policy measures on a "rolling basis"
- Allows to promote measures that stimulate efficient infrastructure use along TEN-T axes through several Member States or at Europe-wide scale (e.g. measures that may involve infrastructure works of smaller scope and are not reflected in major projects' maps; may cover actions like Green corridors or rail freight corridors; ITS applications)
- Allows for flexibility where necessary to facilitate the development of commercially viable services
- Others (please specify above)

 Please allocate the disadvantages, as described above, to the following categories: (optional)

- Entails uncertainties regarding the specific definition of projects of common interest (consequently uncertainties in terms of cost, needs and possibilities for Community support)
- Others (please specify above)

 How could the "conceptual pillar" be best reflected in planning at Community level? (optional)

- Through objectives and criteria set out in the TEN-T Guidelines: **CO2 reduction, Return on investment, economic studies**
- Through links to relevant Community legislation
- Through Comitology measures 
- Other

Question 5: How can future challenges in the sectors of waterborne and air transport (especially ports, inland waterways and airports) as well as of freight logistics be best taken into account within the overall concept of the future TEN-T development? Do different requirements for freight and passenger transport require different treatment in the TEN-T

policy? What further aspects relating to different transport sectors / common transport policy issues should be given attention? (optional)

EIM supports the Commission's approach on rail freight corridors and considers that it should not have adverse effects on passenger traffic.

For more information on EIM's position regarding the proposed freight corridor regulation, see: http://www.eimrail.org/EIM-UNIFEPositionPaper_FreightCorridorsRegulation-February2009.pdf.pdf

Regarding freight logistics, EIM believes that the internalisation of external costs of transport is a key-tool to make freight transport more efficient and achieving a level playing field for all modes of transport. Moreover, EIM supports the administrative simplification of freight transport management and operations as well as increased information and communication technology.

Other aspects to be taken into account are:

- Interaction between soft infrastructure and hard infrastructure (information systems such as ERTMS/RIS/ITS/SESAR/Galileo).
- Interoperability;
- Rolling stock (ERTMS hard- and software equipment in trains and noise reduction of freight wagons)
- Green logistics;
- Intermodal connections and nodes;
- Decentralised door-to-door supply chain services;
- Mobility management.

Question 6: How can Intelligent Transport Systems in all modes, 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? (optional)

EIM believes that ITS can enhance the functioning of transport system by connecting transport modes using information and communication technologies. If their deployment is coordinated across all transport modes, ITS could achieve their full potential to ensure seamless transport for both passengers and freight. Multi-modal ITS can in fact reduce congestion and CO2 emissions, thereby making transport more sustainable and efficient. ITS can therefore be efficiently embedded into a multi-modal TEN-T *only* if they are applied consistently with a multi-modal approach.

EIM stresses that there should be a coordinated approach to EGNOS/Galileo innovative technologies in order to avoid incompatibilities between various transport modes (e.g. the basic requirements for data output have to be agreed, without any obligation to use any particular one of these technologies).

Only €260 million was granted during the previous call for funding for ERTMS in May 2007, while requests for funding amounted to €1.5 billion in that same period. Another €240m was granted this year.


Given the twenty incompatible signalling systems currently in use in Europe, ERTMS is an essential technology in enabling true interoperability between European railways in order to increase the sector's competitiveness and levelling the playing field with road transport. In the context of the current debate on rail freight, replacing the more than twenty signalling systems used in Europe by a common one is a matter of urgency.

Question 7: 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? (optional)

- YES - the current concept of the infrastructure project of common interest should be widened.
- NO - there is no need for widening the current concept of the infrastructure project of common interest.
- No opinion

Question 8: Would a core network (bringing together a priority network approach as referred to in Q3 and a conceptual pillar as referred to in Q4) be "feasible" at Community level, and what would be its advantages and disadvantages? What methods should be applied for its conception? (optional)


- YES - a core network approach would be feasible.
- NO - a core network approach would not be feasible
- No opinion

 Please justify your choice by answering the sub-questions of Q08 as comprehensive as possible (compulsory)

EIM supports the concept of a "core network" made of a "geographic pillar" ("priority network") and "conceptual pillar" where the "conceptual pillar" provides the criteria and procedures to flexibly identify projects, corridors and network parts over time and not rigidly at the beginning of the budgetary period for the whole period. The core network should be based on the market demand and on territorial cohesion priorities. The TEN-T network must indeed be able to expand flexibly over the budgetary period to adapt to changing market circumstances (see also EIM reply to question 4).


 To which categories would you allocate the main advantages? (optional)

- Strengthening the European planning approach
- Capturing benefits of a network
- Strengthening the network planning methodology
- Combining the "traditional" infrastructure approach (essentially priority network) and a more flexible "conceptual" approach
- Integrating transport infrastructure and transport policy developments in the best possible way
- Establishing a strong basis for concentration of Community support (financial and non-financial)
- Other


 To which categories would you allocate possible disadvantages? (optional)

- Difficulties regarding an appropriate planning method

- High degree of complexity and diversity of projects involved, requiring a too broad range of means for implementation
- Too much flexibility
- Too many network development priorities
- Other

 What basis could be used for its conception? (optional)

- Best practice from national methods (please specify above)
- Available research (please specify above)
- New research (please specify above)
- Expert groups
- Other (please specify above)

 Which are the three aspects that need to be given highest priority in the core network development method? (optional)

- Infrastructure needs in relation to the Lisbon strategy
- Climate change and other environmental objectives
- Common transport policy needs
- Member States' infrastructure master plans
- Financing capacities
- Most efficient infrastructure use
- Technological challenges and opportunities of the future (transport and energy, infrastructure and vehicle)
- Economic sustainability

Question 9.1: How can the financial needs of TEN-T as a whole - in the short, medium and long term - be established? (optional)

In order to develop a more realistic network approach with corridors, financial needs of the TEN-T as a whole should reflect the needs for intermodal connections for citizens and freight; therefore priority must be given to rail corridors and their hinterland connections or intermodal nodes in infrastructure links with and within new Member States.

The main key issues in setting up an efficient EU core network for freight transport are:

- **Interoperability:** a major effort should be put into improving cross acceptance and implementing ERTMS.
- **Coordination:** all corridor initiatives should be coordinated at both the corridor and EU levels.
- **Business oriented approach:** in principle, corridors should be selected according to their

- market relevance and to global traffic flows.
- Socio-economic benefits including territorial cohesion

In terms of process, previous experiences can come handy:

1. Mostly benchmark with previous similar TEN-T projects applying SMART principles.
2. Use the experience that the TEN-T Executive Agency should have gained by now.

Question 9.2: What form of financing - public or private, Community or national - best suits what aspects of TEN-T development? (optional)

EU funding should be preferred for:

- cross-border projects
- having EU interest

For projects implying major risks of low traffic in the first years, the Loan Guarantee Instrument for TEN-T (LGTT) could be used. It will incentivise private investments by limiting risks in PPPs.

EIM supports any additional process aiming at funding the TEN-T projects as well as a substantial increase in the funds allocated to environmentally friendly transport modes, with emphasis on railway infrastructure projects.

The same applies to other EU funds potentially helpful to rail infrastructure managers, such as:

- Structural funds
- Cohesion fund

Moreover, the EU budget could contribute to the realisation of TEN projects through measures such as:

- A flexibility instrument to support TENT;
- A new own resource to finance transport infrastructure;
- Funding of Galileo and ERTMS via the Research Headline.

In particular, EIM believes that EU funding plays a pivotal role in enabling ERTMS deployment in Europe. For this reason, EIM urges the European Commission to significantly increase the budget allocated to ERTMS.

Question 10.1: What assistance can be given to Member States to help them fund and deliver projects under their responsibility? (optional)

- More frequent use of a European Coordinator
- Longer time frames than the 7 year planning horizon.
- The LGTT should help Member States to find private partners for potential PPP projects.
- The Joint Assistance to Support Projects in European Regions (Jaspers) assists beneficiary countries (principally the new Member States and acceding countries of the EU) to prepare major infrastructure projects which will be assisted by the EU Structural and Cohesion Funds.
- Member States should be able to combine EU funds more easily than it is currently the case.
- The EU could create a "Sovereign European debt" to be used by individual Member States to obtain loans for a relevant amount – up to 50% - of the foreseen infrastructure investment.

- Finally, the EU should be more flexible towards those Member States whose ratio debt/GDP is over 60%. The reduction of the debt is possible through the application of a flexible semi-golden rule, set from time to time by the European Council, in particular in times of economic downturn.

On 11 March 2009, the European Parliament adopted (by a very large majority) its resolution on a European Economic Recovery Plan (2008/2334(INI)). The European Parliament:

49. Stresses the added value of the trans-European transport network programme (TEN-T) for the achievement of the Lisbon Strategy, the European Union's climate change goals and for greater social, economic and territorial cohesion, while providing timely support for sustaining aggregate demand in the European Union; stresses the importance of the 30 TEN-T priority projects - in particular the cross-borders corridors - for re-launching the economy and for enabling the increasing demand for a better, environmentally friendly, co-modality; calls on the Commission and the Member States to develop new methods of financing transport infrastructures and to increase substantially the budget for the TEN-T projects in future financial frameworks and in the Recovery Plan;
56. Welcomes the Commission's proposal to bring forward from 2010 to 2009, EUR 500 million in investment in transport infrastructure; nevertheless stresses the need for the Commission and the Member States to include urban transport and TEN-T priority projects among those for the additional EUR 5 billion fund to be mobilised in accordance with the Recovery Plan; considers that those TEN-T projects at an advanced stage of implementation should, in particular, benefit from the greater availability of appropriations;
66. Stresses that in tackling the acute problems resulting from the economic crisis, sight should not be lost of the long-term strategy and the possibility of achieving some long-overdue goals, notably to [...] complete the TEN-T priority networks;
87. Stresses the added value of the trans-European transport network programme (TEN-T) for the achievement of the Lisbon Strategy, the European Union's climate change goals and for a greater social, economic and territorial cohesion, while also providing timely support for sustaining aggregate demand in the Europe Union; therefore welcomes the Commission's proposal to bring forward from 2010 to 2009 EUR 500 000 000 in investment in transport infrastructure;


Question 10.2: Should private sector involvement in infrastructure delivery be further encouraged? If so, how? (optional)

PPPs or the involvement of private organisations in delivery can play a major role in developing rail infrastructure projects. For example, Infrabel's Diabolo and Liefkenshoek projects have proved to be successful rail PPPs.

Therefore, the private sector involvement in infrastructure delivery should definitely be further stimulated in order to ensure adequate funding to the projects. In this regard, the Loan Guarantee Instrument for Trans European Transport Network Projects (LGTT) offers increased opportunities to engage in and succeed in financing PPPs. However, the LGTT might need to be adapted to the complexity of rail PPPs. In particular, it should take into account high costs and long term return on investment of rail projects. The availability period (ramp-up phase, up to 7 years) should be extended and the threshold of the stand-by liquidity facility guaranteed by the LGTT (10%) should be increased in order to better meet the needs of rail investments.

Question 11.1: What are the strengths and weaknesses of existing Community financial instruments used for TEN-T? (TEN-T budget, Cohesion Fund, ERDF, EIB loans)? (optional)

- Building a trans-European transport network which connects all EU Member States, is essential for promoting economic growth, social and territorial cohesion, competitiveness and environmental sustainability.
However, major projects are being delayed due to a lack of funding and government coordination. So far, only one third of the 30 priority projects have been completed. While EIM welcomes the publication of a Green Paper on the future of the TEN-T policy, the proposed €500 million call for proposals in the EU Economic Recovery Plan is clearly insufficient. In particular, it fails to respond to the growing imbalance between the proposed allocated funds and the budget required by stakeholders to complete TEN-T projects in Europe. At a time when several countries are launching major rail investment programs to tackle the economic crisis, the European rail sector deemed that the EU recovery plan should be more ambitious (letter of 7 January to President Barroso from EIM, CER, UNIFE).
→ **another €2 billion** would be an important contribution to promote the upgrade of the TEN-T networks, thus requiring **an increase in the TEN-T budget from €8 to 10 billion**.
- The private sector involvement in infrastructure delivery should definitely be further stimulated in order to ensure adequate funding to the projects. In this regard, EIM welcomes the launch of financial instruments which aim at facilitating a larger participation of the private sector in the financing of Trans-European Transport Network infrastructure, such as the Loan Guarantee Instrument for Trans European Transport Network (LGTT). However, the LGTT might need to be adapted to the complexity of rail PPPs.
- Similarly, EIB loans to TEN-T projects tend to favour other modes, although rail's share in loans has recently increased (46% of the 2007 loans).
- Member States generally do not give priority to rail when they decide on transport infrastructure investments. Most of the estimated € 196bn that will be spent by the EU Member States will still go to road transport projects. This is even more obvious for the EU Regional Policy. For the 2007-2013 period, out of € 54bn allocated to transport projects, only 15bn will finance rail project whilst 30bn will be allocated to road projects.
- Besides, EIM believes that the recently launched European PPP Expertise Centre (EPEC) can be a very useful platform in order to strengthen the organisational capacity of the public sector to engage in Public Private Partnership (PPP) transactions.
- The TEN-T Executive Agency could also bear a more important role in the future as it is a good platform for the exchange of best practice.

Question 11.2: Is there a need for new financial instruments (including "innovative" instruments)?  (optional)



YES



NO



No opinion



Please explain (compulsory)

Some interesting schemes are already foreseen in recently adopted legislation:

- The directive on the Emission Trading Schemes, as revised by directive 2008/101 (inclusion

of aviation in the ETS), states (Article 3d - paragraph 4) that revenues from the auctioning of allowances for the aviation sector should be used, amongst others, to reduce greenhouse gas emissions through low emission transport. 15% of the allowances granted to the aviation sector will have to be auctioned from 2012 onwards.

- Furthermore, the same directive, will impose / suggest (article 10 - paragraph 3 f) that at least 50% of the revenues of allowances auctioning should be used, amongst others, to encourage a shift to low-emission and public forms of transport. This article will apply from 2013 onwards.

EIM hopes that these schemes will be applied as soon as possible. Similarly, EIM supports a quick adoption of the Eurovignette Directive proposal (Charging of Heavy Goods Vehicles) as amended by the European Parliament on 11 March 2009, and in particular its new article 9:

Article 9:...As from 2011, at least 15% of the revenues generated by external cost and infrastructure charge in each Member States shall be dedicated to the financial support on TEN-T projects to increase transport sustainability. This percentage shall gradually increase over the years.

New revenues may come from infrastructure toll and not only from external costs internalization. This was clearly stated by the TRAN Committee of the European Parliament on 31st March in its vote on the TEN-T Green Paper:

Paragraph 17c: Stresses the need to allocate a percentage of toll revenues from road infrastructure to funding TEN-T projects in order to increase the leverage effect on borrowing.

Question 12.1:- How could existing non-financial instruments be improved? (optional)

- Further investigations into the role of coordinators could help increasing their useful practice.
- The positive experience of European Economic Interest Group (EEIG) along ERTMS corridors proves that coordination among infrastructure managers is of essence for operation, but also for investments. It works even better when Member States have committed to work together explicitly via letters of intent.
- Besides, EIM believes that the recently launched European PPP Expertise Centre (EPEC) can be a very useful platform in order to strengthen the organisational capacity of the public sector to engage in Public Private Partnership (PPP) transactions.
- The TEN-T Executive Agency could also bear a more important role in the future as it is a good platform for the exchange of best practice.

Question 12.2: Which new non-financial instruments should be introduced, for what reason? (optional)

As foreseen in the proposal of regulation on rail freight corridors (COM(2008) 852 final), Governance bodies formed by Infrastructure Managers along freight corridors should coordinate their investments as well as their maintenance works.

This has already proved to be useful on various ERTMS corridors (A, C or D)

EIM also believes that setting mandatory deadlines for projects' completion would be helpful to force the various Member States authorities to effectively cooperate. EU funding could be conditional to the completion of a project by an agreed date.

Please classify your proposal above: (optional)



Corridor coordination

The Open Method of Coordination, as one of the instrument of the Lisbon strategy, provides a new framework for co-operation between the Member States, whose national policies can thus directed towards certain common objectives. Under this intergovernmental method, Member States are evaluated by one another with the Commission's role being limited to surveillance.



Open method of coordination 



Sharing of best practices



Benchmarking



Setting of investment targets



Other

Question 13: Which of the options for developing the TEN-T is the most suitable, and for what reason? (optional)



Option A: Dual layer: comprehensive network and priority projects (current structure)



Option B: Single layer: priority projects - possibly in extended form



Option C: Dual layer: comprehensive network and "core network"



No opinion



Please justify (compulsory)

EIM agrees with the advantages of this option as described by the Commission in the Annex to its Green Paper. They clearly outweigh potential disadvantages.

<p>Dual layer: comprehensive network and "core network"</p>	<p>Layer 1: Comprehensive network (modal outline plans and traffic management systems as included in current TEN-T Guidelines) maintained in current form.</p> <p>Layer 2: "Core network" consisting of:</p> <p>a) a "geographical pillar" (defined in concrete geographical terms). This includes a "priority network" (starting from the current priority project approach) which links up and extends as necessary major trans-national axes, important nodes as inter-modal connecting points (ports, airports, freight terminals, etc.) and major European action in the field of ITS;</p> <p>b) a "conceptual pillar" providing the basis for the identification of projects, corridors and network parts over time; based on short, medium and long-term service needs; highly business-oriented. This pillar is defined through conceptual features such as objectives, criteria, etc., and provides a basis for transparent and objective project identification (also as a basis for possible Community funding)</p>	<p><u>Benefits:</u></p> <p>Layer 1: as set out in option (1).</p> <p>Layer 2: has greater potential for achieving true network effect subsequent underscoring of MS commitment to completing network. Also provides a reference basis for transport policies, innovations (efficient infrastructure use, co-modality, logistics technologies, etc.) and emission reduction objectives.</p> <p>Overall: Allows concentration of Community instruments (financing and coordination) on full network completion; enhances effectiveness, visibility and credibility of policy. Establishes a basis for negotiations on Community budget for 2014-2020.</p> <p><u>Disadvantages:</u></p> <p>Layer 1: lack of means to ensure full and timely implementation while ensuring important functions for transport policy and network access</p> <p>Layer 2: inclusion of "uncertain" factors in TEN-T planning, which can only be defined through objectives and criteria rather than concrete projects.</p>
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Question 14:- Would you like to make any further comment or proposal? (optional)

EIM would encourage the European Commission to adopt a flexible approach to funding by allowing for the combination of various funds, in order to improve the efficiency and overall performance of the projects. Moreover, this would additionally leverage the amount of private capital invested in the projects.

Finding solutions for the lack of EU resources following the reduction of the TEN-T budget is of vital importance. For instance, in the framework of the revision of the decision on the EU general budget in 2008, EIM supports the creation of a new own resource specifically dedicated to transport.

The new financial Regulation on TENs (June 2007) is already having dramatic consequences for the EU funding of the 30 TEN Priority Projects also because the average investment costs in the TEN-T Priority Projects has increased by 11,6% from 2004 to 2007. Bearing in mind that the 2007-2013 TEN-T budget is about €8.1bn, against an estimated cost of about €200bn, EIM deems it necessary to consider the potential of other sources of financing than solely the EU budget:

- National resources.
- Private investments, for example in the structure of PPPs supported by the EU and Member States.
- The loan guarantee instrument managed by the EIB that also allows projects to be analysed and evaluated by skilled experts.
- Other EIB loans.

Additional resources could be provided through a proper revision of the Eurovignette Directive, allowing for the full internalisation of external costs for road freight transport: the earmarking of revenues of the charges to support the development of more environmentally friendly modes would lead to more investments in railway infrastructure. Full internalisation should take into account not only external costs related to local pollution, noise and congestion, but also climate change and accident costs. In particular, excluding climate change costs from the new Eurovignette Directive would be difficult for the EU citizens to understand and accept, at a time when environmental issues are at the top of the EU agenda.

TEN projects will have to be ranked according to objective criteria. EIM therefore welcomes the variability of co-financing rates set up in the new financial Regulation to focus on cross-border sections or ERTMS. This could be improved by further emphasising:

- Railway corridors with the best progress to date.
- Corridors supervised by a European coordinator.

Besides the TEN priority projects other less costly measures should be financed (harmonising loading gauges, increasing axle/metric loads). In this regard, EIM supports the coordination of investments in rail infrastructure and the implementation of a real and interoperable freight oriented network.

Member States have a major role in the setting up and implementation of TEN-T policy. It should not be limited to funding. They should provide detailed and relevant planning of works and fine-tune them with the European bodies including the TEN-T Executive Agency. EIM hopes that the setting up of the TEN Agency will make investments more cost efficient and pave the way for better practices in the decision making processes of all the European Commission's Directorates General.