TEN-T Policy as a tool to modernise and decarbonise transport

Response to the consultation on the future trans-European transport network policy

September 2010

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About Transport & Environment

Transport & Environment's mission is to promote transport policy that is based on the principles of sustainable development. That means minimising the use of energy and land and reducing harmful impacts on the environment and health while maximising safety and guaranteeing sufficient access for all.

The work of our Brussels-based team is focused on the areas where European Union policy has the potential to achieve the greatest environmental benefits. Such policies include technical standards for vehicle fuel efficiency and pollutant emissions, environmental regulation of international transport including aviation and shipping, European rules on infrastructure pricing and environmental regulation of energy used in transport.

Naturally our members work on similar issues with a national and local focus. But their work also extends to public transport, cycling policy and other areas largely untouched by the EU. Transport & Environment's role in this context is to bring our members together, adding value through the sharing of knowledge and campaigning strategies.

Established in 1990, we represent around 50 organisations across Europe, mostly environmental groups and sustainable transport campaigners.

We are politically independent, science-based and strictly not-for-profit.

1 Summary of priorities for the TEN-T policy review

- The best value the EU can add to national infrastructure decision making is a focus on the decarbonisation of transport. TEN-T should be considered as a crucial instrument to meet the decarbonisation objective of the European transport policy.

- Every single transport project funded with EU money should contribute to the decarbonisation i.e. reduction of greenhouse gas emissions, established through a transparent and open methodology.

- It follows that EU transport funding should be accessible in priority for projects such as demand management measures including road pricing schemes, traffic avoidance projects or upgrade of existing infrastructure, that represent credible alternatives to new infrastructure construction.

- Biodiversity concerns should be much better integrated into the TEN-T planning methodology and the implementation of the projects. EU public funding should be made fully conditional upon maximum effort to avoid areas of high nature and biodiversity value.

- The planning, the financing, the implementation and the review of TEN-T projects should be done in the most transparent way in order to let the citizens know whether and how EU spending is justified.

2 Context

T&E welcomes the review of the Trans-European Transport Network (TEN-T) policy initiated by the European Commission. We consider this fundamental review as particularly necessary and timely. As one of the most visible of the Community's transport-related policies, T&E has maintained a close involvement in TEN-T policy since the inception of the original TEN-T guidelines in 1996. Our concern has been firstly to seek to ensure that appropriate environmental considerations have been properly integrated into the design of the overarching policy itself and into the design and assessment of the projects that arose from this.

In its consultation document[1], the European Commission reiterated the need for the TEN-T policy review to be considered in the broader context of the "Europe 2020" strategy and the objectives of decarbonisation and modernisation of the transport sector. Considering the significant and growing contribution of the transport sector to greenhouse gas emissions in Europe TEN-T investments should comply with one basic principle: every single project should contribute to decarbonisation of the transport sector i.e. reduction of greenhouse gas emissions. With such a starting point a proper revision of TEN-T policy could create the necessary framework to ease investments in a greener, smarter and more competitive transport sector.

3 The methodology for TEN-T planning

What specific role could TEN-T planning in general play in boosting the transport sector's contribution to the "Europe 2020" strategic objectives?

This is a fundamental question especially as planning is a key to design a TEN-T policy that coherently contributes to fulfil the objectives of the European transport policy. The traditional approach to TEN-T policy, viewed holistically to include EU funding for transport infrastructure via the structural and cohesion funds, has kept Europe on a 'predict and provide' path, which provides neither sustainable nor smart growth.

It is clear that a major rethink is necessary on the question where EU contribution to transport infrastructure investment adds value. The rather vague references to the Treaty on the achievement of the internal market and to cohesion policy have so far been considered as sufficient. However, given the clear objectives pursued by the Commission in terms of decarbonisation of transport, a stronger link between infrastructure investments and the reduction of the greenhouse gas emissions from the transport sector is now needed. It cannot be the case that transport needs to be decarbonised and that the TEN-T policy, which is one of the major instrument to concretely deliver transport policy, pays only lip service to climate change mitigation.

More generally, there is a question of scale. Climate change is clearly a question where responsibilities are shared at EU or even global level. Therefore EU funding in

[1] COM(2010) 212 final: *"Commission Working Document: Consultation on the future trans-European transport network policy"*, 04/05/2010

transport projects should be primarily focused on helping Member States to overcome barriers to invest in transport in an environmentally-friendly way.

With regard to the Europe 2020 strategy's 'sustainable growth' objective for a more resource efficient and greener economy, the TEN-T policy a highly relevant tool where the EU Institutions can demonstrate a clear commitment to the climate and energy targets for 2020, including 30% greenhouse gas emissions reduction. On 14 January 2010, during his hearing in the Committee on Transport and Tourism of the European Parliament, the Vice-President Kallas declared that *"delivering the means to decarbonise transport and reduce greenhouse gas emissions will be a key policy goal for the new Commission"*[2]. A proper review of the TEN-T planning methodology will be a crucial instrument in reaching this goal.

The 'smart growth' objective of the Europe 2020 strategy can also provide guidance for the TEN-T policy review. In the transport context, 'growth' cannot mean simply be understood to mean more vehicles on the roads, in the air or at sea – unsustainable emissions trajectories, costly congestion and missed road accident targets necessitate that mobility and trade is organised in a smarter, more efficient way.

With regard to 'inclusive growth', the vast majority of Europe's citizens live in urban areas, but with the exception of national capitals, urban Europeans are poorly served by today's TEN-T mega-projects which focus on cross border bottlenecks. In order to be of the most value to the highest number of Europeans, the revised TEN-T priorities should also be open to urban and regional projects of a smaller scale.

Taking road transport as an example, there is a glut of spare capacity available in the form of empty passenger seats in cars and an average load factor of heavy goods vehicles in Europe of around 45%. In Germany for example, the motorway toll for lorries has inspired innovative products and services such online platforms for sharing loading space or cargo pooling and route planning software, which has resulted in improved use of vehicle and infrastructure capacity.

This is an illustration of how European transport policies can ensure that existing capacity can be accessed in an extremely cost-efficient way. Clearly with a view to budget constraints, there is additional motivation to investigate such solutions as the first priority. But with a view to smart growth, a TEN-T focus on transport efficiency, energy efficiency, access to cleaner energy and intelligent transport solutions is economically as well as environmentally more innovative, intelligent and sustainable. Such a focus will create longer-lasting employment in innovative sectors and the knowledge economy in contrast to short-lived construction projects.

[2] See the Introductory remarks:
http://ec.europa.eu/commission_2010-2014/kallas/headlines/news/2010/01/doc/speech_hearings_en.pdf

Are the principles and criteria for designing the core network, as set out above, adequate and practicable? What are their strengths and weaknesses, and what else could be taken into account?

T&E welcomes the fact that the consultation explicitly recognises the need to integrate climate and biodiversity concerns into the TEN-T planning methodology. The consideration for the decarbonisation objective has now to be reflected in practice. This could be done for instance by applying a much stricter conditionality when it comes to the selection of projects: every single transport project funded with EU money should contribute to the decarbonisation i.e. reduction of greenhouse gas emissions, established through a transparent and open methodology. These principles need to be strictly respected at all level of planning in order to minimise the impact of the investment on the climate and the ecosystems. These principles could have very positive results on the way TEN-T funding is currently used in Europe.

Determination of future transport needs:

We are pleased to see that when it comes to determine future transport needs, the Commission considers taking into account the contribution to *" […] climate change goals and environmental issues such as avoiding or mitigating air and water pollution, noise and preventing, minimizing or compensating any significant effects on the environment in particular on the conservation objectives and the integrity of Natura 2000 sites."* This very encouraging statement by the Commission needs now to be reflected in practice.

For instance, EU funding should strictly concentrate on low-carbon energy infrastructures and projects to improve transport efficiency, as well as providing alternatives to the most climate intensive mode of transport: aviation. It is clear that if the EU adopts a strategy guaranteeing that only projects contributing to the decarbonisation objective are co-financed, the support for new airports and airport expansion projects will have to be discontinued.

When it comes to *"passenger and freight traffic demand and customers' needs",* the Commission should prioritise "transport-efficient" scenarios, in addition to the long term scenarios reflecting the impacts in terms of modal shift and induced transport demand arising from the new infrastructure projects. Transport-efficient scenarios include traffic demand projections that take into account demand management instruments (user charging, congestion pricing, internalisation of external costs, etc.). If external costs are not internalised, demand is artificially high and must not be further inflated with more capacity.

The European Commission already carries out assessments of "environmental efficiency" and other external cost savings with regard to modal shift and traffic avoidance projects for freight transport under the Marco Polo programme. A similar approach on a broader scale for assessment of all transport plans and projects which request EU (or EIB) funding support should be undertaken.

Moreover, TEN-T planning should also include an indicator of the future climate risks as part of the assessment. Recent studies identify the risks to roads, bridges, rail tracks and waterways posed by temperature extremes, as well as flooding, gales and storms. For example, the effects of climate change (both flooding and drought) increasingly frequently render some stretches of the Danube impossible to navigate. A 2008 US National Academy of Sciences report recommends adaptation strategies, including

advance planning for the design of new infrastructure that accounts for projected future climate conditions[3].

Smarter priorities for investment decisions:

Given that EU funds are limited, they should be concentrated on creating benefits for the largest number of citizens, which would not otherwise arise via investment from national or private sources. Therefore, planning methodology should investigate in a credible way whether accessibility and mobility issues cannot be better solved via alternatives to new infrastructure construction, for example by deploying traffic management measures and upgrading existing infrastructure.

In practice, this means that investment preparation should be done according to a state of the art methodology with a hierarchy of measures, to ensure that only truly necessary investments are made, if the goal cannot be achieved in a more cost-effective way. Such methodologies are already applied in Europe and could serve as an example for the definition of a European-wide methodology:

European best practice approaches

The Netherlands: 'Seven stages of Verdaas'	**Sweden : 'four-stage principle' hierarchy**
1. Optimise spatial planning – prevent transport from happening 2. Optimise pricing - Internalise external costs 3. Exploit options for mobility management 4. Optimise public transport 5. Optimise use of existing capacity 6. Adapt existing infrastructure 7. Underpin need for new capacity	1. Influence demand for transport and the choice of transport mode 2. Improve use of existing network 3. Improving existing Infrastructure 4. New investment and major rebuilding measures

EU transport funding should be accessible for projects in the order of priority outlined above – starting with demand management and traffic avoidance projects. EU citizens would be best served by such an approach which ensures better value for money.

Climate and biodiversity-proofing:

With climate and energy targets and transport decarbonisation as overriding objectives, the Commission must urgently establish a credible methodology to assess climate impacts of all transport plans and projects which request EU funding support. Previous climate assessments of the TEN-T priority projects regrettably failed to take induced demand into account and were therefore not considered credible.
The consultation indicates that biodiversity proofing, in particular when it comes to the Natura 2000 network, should be considered as principle for designing the TEN-T. This aspect is particularly important, as infrastructure has in past demonstrated to have serious environmentally damaging impacts on the ecosystems. Transport infrastructure development has clearly played a role in the failure of the EU to meet its target to halt biodiversity loss by 2010. In 2008, a multi-NGO study on the potential conflicts between the TEN-T Priority Projects and the EU's Natura 2000 network of protected areas found that 379 sites that should be protected by the EU Birds Directive and 935 protected

[3] National, Research Council of the National Academies, Transportation Research Board, 2008, *Potential Impacts of Climate Change on U.S. Transportation*
http://onlinepubs.trb.org/onlinepubs/sr/sr290.pdf

under the Habitats Directive are likely to be affected by the 21 TEN-T Priority Projects analysed[4].

We appreciate the Commission's concern to better integrate biodiversity protection in the TEN-T planning methodology and the past decision not to grant funds to projects where there was a cause for serious doubt over the quality of the Environmental Impact Assessment. More conditionality is needed and therefore strongly advocates setting up a European agency to audit the quality and accuracy of Environmental Impact Assessments. Funding should come from existing infrastructure budgets. EIAs are all too often of questionable quality, independence and transparency (for example, 'salami slicing' of projects into smaller sections to steer towards positive assessment). The agency should have a mandate to carry out audits of EIAs where doubts are raised by affected stakeholders, and also to carry out spot checks to ensure that EIAs are of a consistently high standard – and this in all policy areas where EU funding is applied for, including applications for Cohesion Funds, to the EIB and where EU money is involved in PPP projects.

The structure of the network:

T&E is concerned by the list of criteria used to define the core network. This list should not be focused only the main nodes, Member States' capitals, ports and international airports, but rather on smaller, local projects bringing significant benefits in terms of achieving the goals of energy efficiency and transport decarbonisation.

Moreover, transport investment should also be concentrated on the upgrade of the existing infrastructure and therefore welcome the Commission's statement: *"Planning a core network is not meant to initiate a new infrastructure programme of immense scope neither: ensuring continuity for ongoing projects, giving due attention to the removal of key bottlenecks and building largely on existing infrastructure, it aims at becoming the basis for an efficient, less carbon intensive, safe and secure transport system."* Improvement of the existing infrastructure will allow improving the energy efficiency of the concerned transport mode and, where relevant, providing alternatives to the most harmful modes.

This approach has economic as well as environmental benefits. Existing transport infrastructure can be used in a smarter, more efficient way across the entire European network. Focussing on efficiency benefits all regions, all modes and a larger number of Europeans, rather than just the localised benefits expected of new construction projects. A good example for this is the allocation of funds to rail infrastructure projects. Rail projects currently constitute the majority of the spending done under the TEN-T programme, but they merit closer scrutiny as regards value for money, cohesion and inclusion, and decarbonisation objectives. While TEN-T funds contribute to the expensive construction of 350 km/h (energy intensive) high speed lines in some countries, in many Members States the conventional rail system is falling into disrepair, often reducing maximum speed to 80 or even 60 km/h.

To what extent do the supplementary infrastructure measures contribute to the objectives of a future-oriented transport system, and are there ways to strengthen their contribution?

[4] See : http://www.birdlife.org/eu/EU_policy/Ten_T/index.html

T&E considers that the innovative supplementary measures listed in the consultation should receive a particular attention because of their potential to fulfil the objective of shaping a decarbonised, modern and efficient transport system.

Intelligent transport systems, including charging infrastructure, information, ticketing and signalling systems, collective transport, regional and urban projects should be eligible, as well as measures to support walking and cycling, as these may be able to offer excellent value for money and substantial emissions reductions.

Upgrading is also an opportunity to improve safety and should include stricter speed controls and better enforcement of relevant legislation, including labour legislation. Funding for electrification of infrastructure must give clear priority to sustainable renewable energy sources. One example could be electrification of rail infrastructure in regions where rail is currently diesel-powered. In the rail sector, ETRMS is another good example, which merits continued support. By enabling the creation of real interoperable railway network, ERTMS can provide a real alternative to road transport.

4 TEN-T implementation

In which way can the different sources of EU expenditure be better coordinated and/or combined in order to accelerate the delivery of TEN-T projects and policy objectives?

There are currently important discrepancies between the different European financial instruments that contribute to the funding of infrastructure projects (TEN-T programme, structural and cohesion funds). It is not good enough to claim that because the lion's share of TEN-T priority projects is in the rail sector, that this is adequate to ensure the sustainability of investment. Firstly, because the TEN-T budget line is by far outweighed by transport spending from other policy areas (Structural and Cohesion funds). Secondly and most importantly, because project proposals have not been comparatively assessed on the basis of overall climate impact.

This has undermined the credibility of TEN-T policy and must be avoided for the future. A much stronger conditionality must be applied to all Community funding to ensure that Member States meet all their obligations and apply the highest standards of environmental protection: There must be a pro-climate bias in project section, rather than a modal bias.

In order to provide a coherent funding framework, we welcome the Commission proposal to considering the *"setting up an integrated European funding framework to coordinate EU instruments for transport, such as the TEN-T programme and the TEN-T related contributions of the Cohesion and Structural Funds".* Such a single framework will enable improving the consistency of the projects with the policy objectives but also provide more coherence between the different sources of funding. However, earmarking part of the budget for transport projects is not the best approach. To ensure that EU money will serve the most cost-efficient and sensible investments, competition between various projects from different sectors (including renewable energies, energy efficiency, etc.) should be favoured. As proposed in the consultation, T&E recommends not to restrict this new framework to "traditional" infrastructure investment only but also

to ensure it encompasses other transport-related instruments and strategies, such as Marco Polo, Green Corridors, ITS initiatives, etc.

How can an EU funding strategy coordinate and/or combine the different sources of EU and national funding and public and private financing?

Given that European funding is limited, the need for EU involvement should also be carefully assessed. For instance, the proliferation of tolled motorways and the amount of projects done by national governments suggest that users and national governments are often more than willing to pay for road infrastructure projects and therefore the case for EU financial involvement is considerably weaker. European public funding should therefore be concentrated on projects that would not otherwise arise via investment from national or private sources. The EU should concentrate its support on road projects introducing sustainable elements such as road charging, regional and urban public transport, city bike plans, ITS tools, etc.

As mentioned in the consultation, a substantial support is provided by EIB through loans and a variety of financial instruments. While loans from the EIB could be awarded to "smart" investments projects aiming at improving the efficiency or airports or road infrastructure, public grants from the EU budget should be strictly allocated to projects that positively contribute to the decarbonisation of the transport sector.

Would the setting up of a European funding framework adequately address the implementation gap in the completion of TEN-T projects and policy objectives?

When it comes to infrastructure investments, Members States follow often their own agenda, which is not necessarily in line with the objectives pursued at the European level. It is important that the Commission plays a more active steering role in the preparation of national plans of transport investments (including TEN-T, cohesion funds Operational Programmes, EBRD and EIB lending) in order to ensure that European funding goes towards projects which serve EU objectives. An integrated funding framework should facilitate that the EU funding authority has an overview to ensure the coherence of projects which have applied for funding, with each other as a network, as well as with EU objectives. Such a framework should also oblige Member States to improve coordination across policy departments at national level.

Further guidance on integration of environmental concerns into transport planning and development is also clearly needed in relation to both international corridors and national network plans. Climate change mitigation and protection of biodiversity are two major areas where current approaches have clearly proved inadequate in the transport sector in particular, and stronger application of Community laws is needed. On the basis of the European priorities, the new European funding framework should not only provide guidance but also binding requirement in order to be eligible for funding: targeted CO_2 reductions, etc. In order to assess this, independent auditing of carbon impacts and wider economic, environmental and social impacts should be set up.

As already mentioned, the Commission should also focus on much better enforcement of existing EU nature legislation and the application and quality improvement of required environmental assessments (both SEAs and EIAs). Additional resources – or ring-fencing a portion of funding for such assessments - might also be offered where

these provide genuine inducements towards better compliance. All assessments should, without exception, be available online. EU citizens have the right to know how the EU justifies spending on projects and how their national governments justify projects to the EU.

5 The legal and institutional framework of the TEN-T policy review

In which way can the TEN-T policy benefit from the new legal instruments and provisions as set out above?

T&E welcomes the intent of the Commission to improve the coherence of the TEN-T policy by, among others, creating a unified framework combining the TEN-T guidelines and the TEN "Financial Regulation". Guidelines defining conditions required for the EU involvement in a project should be extended to all the transport infrastructure projects regardless from the source of funding that is provided (TEN-T programme, structural or cohesion funds, EIB, ERBD).

These guidelines will also have to contain an explicit reference and requirement to comply with all relevant legislation, in particular the Birds and Habitats Directives, the Water Framework Directive, the Environmental Noise Directive, the Air Quality legislation, etc.

The consultation mentions the need for *"a clarification of the responsibilities of Member States, who play a vital role in TEN-T project implementation"*. As expressed previously, T&E considers this issue as crucial and calls for more cooperation between Member States and the European institutions when it comes to planning, financing and implementation of the projects. Such a deeper cooperation will enable improving the coherence of public funding with the objectives of the transport policy, especially in terms of climate change mitigation.

In addition, transparency has to be considerably improved. Citizens should be able to access assessments carried out by national transport ministries and EU officials.

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