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Developments in European Transport Policy

1 Overview

This paper provides a description of the European Union's role in developing transport policy. It provides an overview of the legal framework governing transport policy in Europe and discusses the role of the Transport White Papers in the formation of policy.

2 Background

Transport is one of the European Union's (EU) foremost common policies. It is governed by Title VI (Articles 90 to 100) of the Treaty on the Functioning of the European Union (The Treaty of Rome 1958).¹ Having a Common Transport Policy (CTP) is logical given that a fully integrated transport system is essential for the free movement of goods, services, capital and labour; four freedoms which are central to the ideals of the European Union.

¹ Europa (2011) Transport [online] available from: <http://nia1.me/na>

1.1 The legal framework governing Transport Policy

The numerous legislative acts of the European Union relating to transport have their legal basis in the Treaty establishing the European Community (EC Treaty). The Union and its Member States have concurrent powers to enact legislation under Articles 70 of the EC Treaty. In so far as, and as long as, the European Union has not availed itself of its powers under Article 71 of the Treaty, the regulation of matters relating to transport policy remains the responsibility of the Member States.

In the legal practice of the past twenty years, however, the European Union has become the main legislator in many areas of transport policy. As a result, only a few transport matters are now regulated independently by the Member States; even the remaining national laws – or at least their basic premises - must, as a rule, be constructed within a framework comprising the various thematically relevant European directives.

2 White Papers

The direction of European transport policy is set out in the White Papers (published decennially). These documents set out the objectives of the CTP and the measures to be taken in order to achieve these objectives. The White Papers are significant as they have broadened the remit of the CTP to include social cohesion and environmental sustainability. The overarching goal of the CTP is therefore to “...*promote an efficient, sustainable, safe and secure transport system capable of enabling trade and mobility whilst minimising costs for users and society as a whole*”.² Operationally its key objectives are:

- To enable a competitive internal market for the provision of transport services;
- To support investment in prioritised transport facilities;
- To improve safety and security; and
- To achieve environmental sustainability.

2.1 The 1992 White Paper on European Transport Policy

In December 1992 the Commission published its first White Paper: ‘*The future development of the common transport policy*’ which emphasised the opening and integration of the EU transport market.

- This aim has been largely achieved, except in the railway sector. Cabotage has become a reality i.e. transport carriers are now free to provide domestic road-transport services in other Member States.³

² Steer Davies Gleave (2009) Review of the Common Transport Policy. European Commission: Brussels

³ European Commission (2001) White Paper - European transport policy for 2010 time to decide [online] available from: <http://nia1.me/nb>

- In terms of air transport free competition prevails, coupled with the world's most stringent safety standards.
- Measures have been taken to encourage the development of the latest forms of interoperable technology. The trans-European high-speed rail network and the Galileo programme for a global navigation-satellite system (GNSS) are examples of this.⁴

The success achieved in opening the transport markets to competition did however, create problems, Foremost among these were:

- Distortions of competition arising from a lack of harmonisation of national technical standards and of fiscal and social legislation.⁵
- The uneven growth of the various modes of transport: the [2001] White Paper noted that roads accounted for 44% of the goods transport market compared with 8% for rail and 4% for inland waterways. On the passenger transport market, road accounted for 79%, air for 5% and rail for 6%.⁶
- Congestion on the main road and rail routes, in cities and at certain airports.
- Harmful effects on the environment and public health and poor road safety.

2.2 The 2001 White Paper on European Transport Policy

In September 2001 the Commission published a new White paper – '*European transport policy for 2010: time to decide*'. *Time to decide* sought to carry on where the previous White Paper left off but it also acknowledged the problems created by its predecessor.

This White Paper therefore sought the creation of a modern sustainable transport system not only economically but also socially and environmentally sustainable. In short, the guidelines set out in the second White Paper targeted the following measures:

- striking a fair balance between modes of transport,
- eliminating bottlenecks,
- developing a user-centred transport policy; and
- dealing with the consequences of globalisation.

Major proposals adopted and put into practice from the 2001 White Paper include:

- The opening-up of rail freight transport to competition;
- The use of digital tachographs was introduced to create better conditions for haulage drivers. This device records instances of speeding, stopping time etc.;

⁴ The Group of the European People's Party (EPP Group) (2004) European Transport Policy: Present and Future Prospects [online] available from: <http://nia1.me/nc>

⁵ European Commission (2001) White Paper - European transport policy for 2010 time to decide [online] available from: <http://nia1.me/nb>

⁶ Europa (2001) White paper: European transport policy for 2010 [online] available from: <http://nia1.me/nd>

- European Single Sky legislation enables greater coordination and harmonisation of the main air traffic management systems;
- passenger rights in aviation have been strengthened;
- the Eurovignette Directive allows the setting of distance-based prices for road infrastructure use that avoid punitive charges to international trade and that can be channelled to the financing of infrastructure;
- the EU redefined its Trans European Network (TEN) priority projects and decided to concentrate on 30 priority projects;
- the promotion of intermodal transport and logistics with the Marco Polo programme⁷ gave rise to many successful innovative projects;
- the White Paper (2001) established clear and ambitious objectives regarding road safety, including a 50% reduction in road fatalities. This objective has been adopted by the Council, the European Parliament and by many Member States.⁸

2.3 Mid Term review of 2001 White Paper

In 2006, the Commission published a Mid-Term Review of the 2001 White Paper: *'Keep Europe moving – sustainable mobility for our continent'*, which drew attention to the changes occurred in the context since 2001, such as EU enlargement, greater concerns about security and terrorism, the acceleration of globalisation, international commitments to fighting global warming and rising energy prices.

2.4 The 2011 White Paper on Transport Policy

In 2011 the Commission published its third White Paper: *'Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system'*. The general policy objective of this White Paper is to define a long-term strategy that would transform the EU transport system into a sustainable system by 2050. This general objective can be translated into more specific objectives:

- A reduction of GHG emissions that is consistent with the long-term requirements for limiting climate change with the overall target for the EU of reducing emissions by 80% by 2050 compared to 1990. Transport-related emissions of CO₂ should be reduced by around 60% by 2050 compared to 1990
- A drastic decrease in the oil dependency ratio of transport-related activities by 2050 as requested by the EU 2020 Strategy for transport calling for “decarbonised transport”.
- Limit the growth of congestion.

⁷ Marco Polo is the European Union's funding programme for projects which shift freight transport from the road to sea, rail and inland waterways. See: <http://nia1.me/nf>

⁸ European Commission (2006) Impact Assessment of the Communication “Keep Europe Moving” Sustainable mobility for our continent. Mid-term review of the European Commission's 2001 Transport White Paper [online] available from: <http://nia1.me/ne>

The Commission has identified seven policy areas in which concrete policy measures could have a key role in realising these objectives: pricing, taxation, research and innovation, efficiency standards and flanking measures, internal market, infrastructure and transport planning.

Some of the key goals the Commission have identified are:

- To eradicate the use conventionally-fuelled cars in cities.
- That sustainable low carbon fuels in will account for half of all fuel used in aviation;
- To achieve at least a 40% cut in shipping emissions; and
- Achieve a 50% shift of medium distance intercity passenger and freight journeys from road to rail and waterborne transport.

3 TEN-T

Trans-European Networks (TEN) were a by-product of The Maastricht Treaty and they were established to ensure fit-for-purpose networks in transport, energy and telecommunication were available across the EU. These networks aim to effectively link-up the Internal Market and reinforce Economic and Social Cohesion i.e. eliminate regional disparities.

The Trans-European Transport Network (TEN-T) policy sets the policy framework for the development of transport infrastructure across the EU. TEN-T comprises infrastructures such as roads, railways, waterways, ports, airports, navigation aids, intermodal freight terminals and product pipelines. The objectives of TEN-T are to:

- ensure the mobility of persons and goods;
- offer users high-quality infrastructure;
- include all modes of transport;
- allow the optimal use of existing capacities;
- be interoperable in all its components;
- be economically viable;
- cover the whole territory of the European Union (EU); and
- allow for its extension to the Member States of the European Free Trade Association (EFTA), the countries of central and eastern Europe and the Mediterranean countries.

Infrastructure planning and development continues to be controlled by individual member states. However, the TEN-T identifies the key routes through the EU which are required to fulfil the objectives (above). These routes are eligible for support from the European Commission (EC) i.e. member states can bid for TEN funds to support projects on these key routes.

Trans-European transport networks are co-financed by the following Community instruments:

- Grants from the Trans-European transport budget (Funding rules);
- Grants from the Cohesion Fund budget, in the countries eligible for its intervention;
- Grants from the European Regional Development Fund (ERDF), priority on Convergence objective regions;
- Loans and guarantees from the European Investment Bank (EIB).⁹

4 TENT- T and the White Papers

The 2001 White Paper established a key strategic objective of eliminating bottlenecks on the European transport network. This was a priority area for EU-level action because many of the bottlenecks are at the crossings between Member States, reflecting the fact that the transport networks within Member States were generally designed on a national basis. The White Paper stated that unless infrastructure was interconnected and free of bottlenecks, the internal market and the territorial cohesion of the Union could not be fully realised.

The policy of the development of a Trans European Network (TEN-T) dated to the Maastricht treaty, but the 2001 White Paper acknowledged that progress in the development of TEN-T had been slow. Only 20% of the infrastructure planned in 1996 (3 projects out of 14) was complete by 2001. The White Paper envisaged a revision of the TEN-T Guidelines, based on the review of the list of priority projects and a greater involvement of the private sector in the financing of transport infrastructure, to be achieved by encouraging the development of public private partnership (PPP), as well as new procedures for the award of public contracts.

The development of the TEN-T network has contributed to the achievement of the overall objective of the CTP by improving national rail and road network interconnections; facilitating interoperability; and stimulating the development of intelligent transport systems such as Galileo.

However, the extent of this is limited, because although €400 billion has been directed towards the TEN-T projects since their initial identification only 4 have been completed, and there is still a long way to go for all the initial plans to be fully implemented. As a result, the problem of bottlenecks still persists. In addition, as the large majority of TEN-T funded projects are in the rail sector, it can do little to address the issue of bottlenecks on the road transport network (although regional aid and cohesion funds will contribute to this).

⁹ Europa (2011) EU Funding of TEN-T [online] available from: <http://nia1.me/ng>

5 Revised TEN-T and the Connecting Europe Facility

In 2010, the European Parliament and the Council adopted Decision to revise the TEN-T Guidelines largely due to the fact that Transport infrastructure remained fragmented, both geographically and between and within transport modes. The main objective of these new Guidelines is to establish a complete and integrated trans-European transport network, covering all Member States and regions. The main problems it will seek to address from the last guidelines are:

1. **missing links**, in particular at cross-border sections, are a major obstacle to the free movement of goods and passengers within and between the Member States and with its neighbours.
2. there is a considerable and enduring **disparity in quality and availability of infrastructure** between and within the Member States (bottlenecks). In particular the east-west connections require improvement, through the creation of new transport infrastructure and/or maintenance, rehabilitation or upgrading of existing infrastructure.
3. **transport infrastructure between the transport modes is fragmented**. As regards making multi-modal connections, many of Europe's freight terminals, passenger stations, inland ports, maritime ports, airports and urban nodes are not up to the task. Since these nodes lack multi-modal capacity, the potential of multi-modal transport and its ability to remove infrastructure bottlenecks and to bridge missing links is insufficiently exploited.
4. investments in transport infrastructures **should contribute to achieve the goals of reduction of greenhouse gas emissions** in transport by 60% by 2050.
5. **Member States still maintain different operational rules and requirements**, in particular in the field of interoperability, which add to the transport infrastructure barriers and bottlenecks.

5.1 Connecting Europe

The revised TEN-T Guidelines are linked to a new funding plan entitled 'Connecting Europe'. Both the revised TEN-T and Connecting Europe emphasise the importance of targeting financial resources to achieve maximum results. Therefore, the proposed budget for the Connecting Europe Facility (€ 31.7 billion) will be aimed at priority transport infrastructure which has the high EU added value needed to spur economic growth and ensure cleaner transport.

The Commission believe the Connecting Europe facility will stimulate private sector investment and has calculated that this €31.7 billion could generate between €140 and €150 billion of investment on the European Core Network.

The Connecting Europe Facility is designed to be centrally managed. The TEN-T Executive Agency would be responsible for implementing this budget through calls for proposal.

6 Implications for Northern Ireland

The extent of the TEN-T on the island of Ireland is limited to the railway axis between Cork-Dublin-Belfast-Stranraer and the road axis linking Cork-Dublin-Belfast-Stranraer.

This axis was included in the 30 priority projects from the previous TEN-T and work is on-going to complete both the rail and road sections. Sections which are yet to be completed on the road axis include the A8 between Belfast and Larne while on the rail axis there will be increases to platform size, the construction of new maintenance facilities and upgraded signalling.

None of the priority projects identified in the revised TEN-T are based on the island of Ireland. This suggests that Northern Ireland would not be able to apply for funding from the new package including the connecting Europe facility as it is for priority projects only.