



ON EUROPEAN TRANSPORT POLICY

The European Dredging Association welcomes the White Paper (COM 2001/370) as a necessary and timely contribution to refocus European transport policies. The problems and issues at hand are of major importance. Integration of transport policies across Member States and optimisation of transport volumes across the various modes pose enormous challenges.

The specific observations by the dredging industry on the White Paper are limited to issues related to waterborne transport, its associated infrastructure and the links with other transport modes.

• **Waterborne transport**

EuDA notes with satisfaction that the White Paper highlights the advantages of waterborne transport and investigates avenues to increase its already significant role. Waterborne transport (both maritime, short-sea shipping and inland) is cost-effective, environmentally friendly, accommodates large volumes and is reliable on those links where the waterways network is well-developed and maintained.

• **Maritime sector**

The Association has taken note of the passages on maritime safety, and on the importance to maintain a quality fleet based in the EU. The current package of allowable state aid measures has had a stimulating effect for the maritime sector as a whole, including for the dredging fleet; the positive measures have prevented outflagging. The Association pleads for an extension of the current package of measures as is and for a clear position of the Commission on the applicability of the measures to apply (only) to seagoing vessels exposed to global competition and working in the maritime sector.

• **Trans-European Networks**

The current guidelines for the development of trans-European transport networks appear to have a double goal (Decision 1692/96/EC) :

- To define the networks for the different transport modes.
- To list priority projects which must be executed expeditiously in order to achieve full integration (missing links).

EuDA recommends that the anticipated revision of the guidelines should improve on these points :

- The transport networks should be defined more completely and consistently. There should be particular emphasis on the intermodal connections between the networks (ports, railway stations, airports).
- An inventory of projects should include all projects anticipated and necessary in the next 10 to 20 years. The current list of priority projects is misleading in the sense that other equally important projects tend to get lesser priority. Project lists



should be established in consideration of the network needs; not in anticipation of sizeable European funds and subsidies.

- **Bottlenecks**

EuDA fully endorses the following statement (p. 45) :

“Despite progress following the fleet renewal and the full opening-up of the inland waterway market, better use could still be made of the mode. For example, there are still a number of infrastructure problems (bottlenecks, inappropriate gauge, height of bridges, operation of locks, lack of transshipment equipment, etc.) which prevent the uninterrupted passage of vessels throughout the year. The free movement of vessels is also hampered by the diversity of legal systems with different rules, particularly on technical specifications for vessels and pilots certificates.”

The Association is convinced that an efficient waterways network will boost the volume of waterborne transport and produce the modal shift from road to water. The necessary improvements in waterways infrastructure must be carefully coordinated at EU level.

i) The backbone of the networks should be the ***trans-European network*** of major waterways. For this network the following projects must be urgently undertaken :

Removal of bottlenecks :

- Danube between Straubing and Vilshofen
- Waterways crossing over the Elbe at Magdeburg
- Deepening of the Elbe at various locations
- Passage in Lys at Kortrijk
- Locks near Ghent
- Lock at Lanaye



Construction of major missing links :

- Seine-Nord, connecting the Seine with the Escaut bassin
- Canal du Centre near Strépy-Thieu
- Rhone-Rhine or Saone-Mosel
- Twente-Mittellandkanal

The total list of projects is much longer, but these cannot all be undertaken at the same time.

Container transport :

Consideration must be given to the height of bridges on important axis. Currently only a limited part of the network can accommodate vessels with 4 layers of containers. The larger part of the network can only accept 2 layers of containers, because of existing bridges. This causes upward pressure on the transportation cost. However, increasing bridge height on an entire waterway is a very expensive proposition and may not be feasible. These aspects must be balanced.

ii) National networks : A number of EU countries have waterway systems of national importance. These must be well interconnected with the TEN waterways. National improvements and maintenance planning should enhance the role of the major international network.

iii) The White Paper also emphasises the importance of building *well-equipped terminals*, especially for the intermodal transfer of containers (Marco-Polo programme). These will be instrumental in achieving modal shifts. The initiative is essential for the future of intermodal transport.

• **Private finance**

An important element in the strategy outlined in the White Paper to realise transport networks is the use of private finance for the construction of infrastructure. The incentive for doing so lies in the fact that public funds are insufficient to realise the enormous investments required for the development and upkeep of trans-European transport infrastructure. As a result the current “priority projects” are limited to rail and road networks to the detriment of waterways. This is most regrettable since a specific investment in waterways will produce more transport capacity per monetary unit invested in other transport modes.

Private finance investment in infrastructure requires that a mechanism exists to guarantee a regular flow of funds to the private contractor.



This can only be achieved in a realistic manner in a limited number of ways :

- By raising toll;
- By allocating “shadow” toll paid out of public funds;
- As a leaseback financial arrangement.

It does not require lengthy explanations to conclude that the mechanisms for payback of the investment hardly exists today for either railways or waterways; even for roads toll systems appear to be limited to main motorways and specific links (bridges, tunnels). If private finance is to play a greater role the leaseback formula should also be explored in more depth.

• **Charging for external costs**

The recurring theme of the White Paper is the thesis that, if users pay the true cost of transport including the “external” cost of pollution, congestion and accidents, the use of infrastructure will be optimised. There are currently some major hurdles to be overcome before such a charging system could be achieved.

- i) The definition of the elements to be considered in external costs varies widely. Also the terminology proposed by the Commission itself in this and previous communications is not helpful.

What should the European citizen think if he is asked to pay for the “marginal social cost” that he may have caused by using a transport means ?

One particular study included the indirect use of land for transport corridors as a major cost factor in transport cost, while most studies consider this to be negligible. Such inconsistencies need resolution.

- ii) The estimates of actual “total” cost figures per transport mode and type vary widely as well. The White Paper itself demonstrates the confusion by presenting a table (2) that gives a breakdown of external cost on a quiet motorway. It presents congestion cost as the single most important contributor ! Hard to believe.
- iii) The social resistance against introduction of widespread charging systems is high.

Even if one assumes that the external costs can reasonably be “internalised”, it is hard to see how charging mechanisms may be developed that are simple, fair, transparent and equitable across the transport modes.

The White Paper states emphatically that the overall level of charging and taxation will not change significantly with a new charging framework, but that the cost becomes more transparent and is more fairly allocated; it would therefore have a sobering effect on the use of transport.

This begs the question ‘Will it really help ?’. If the overall level of revenue will not change significantly then the most one might expect is a better allocation of transport capacity and transport mode; one should not expect an important reduction in transport volume nor more public funds for infrastructure development. There may be simpler means to achieve this goal.

- **Transport and subsidies**

The issue of financial support for certain transport modes is not developed in this paper. Nevertheless, a policy conflict could easily arise if on the one hand “true cost” of transport is assessed, while on the other hand some transport modes are rather heavily subsidised. This would certainly undermine the credibility of a new charging policy.

In order to overcome such objections it would be of considerable help if the financing, construction and maintenance of the various transport networks infrastructure would be organised in similar fashion.

The realisation of infrastructure must be seen as a public function : the government or its agent makes available transport capacity. This “service” should be financed through the public budget, directly or indirectly. Public funds allocated to the cost of the network infrastructure do not have to be seen as subsidies. The use of the transport network can than be organised in a variety of manners and involve public, private or mixed actors.

The “true cost” charging principles can be applied to the core transport function. These charges should not reflect the cost of infrastructure. If any further subsidies would be necessary to achieve the balanced exploitation of the transport function, this may only be allowed if it concerns the public service obligation. Any other support is state aid and would have a distortive effect.

To date there are important differences in the charges for road, rail, air and water that cannot only be attributed to differences in cost.

This approach, if applied consistently to the diverse transport modes, will make subsidisation schemes more transparent and will make the relative transport cost more comparable. The EU could be instrumental in harmonising the charging systems for transport and the Commission should lead the charge.