



*JBC is funded under the INTERREG IVA Programme*

## **JOINT BUSINESS COUNCIL RESPONSE TO THE EUROPEAN COMMISSION GREEN PAPER 'TEN-T: A POLICY REVIEW'**

The Joint Business Council links the Irish Business and Employers Confederation (IBEC) and the Confederation of British Industry (CBI) in Northern Ireland. Formed in 1991, the Council's primary role is to promote economic growth and development on the island of Ireland, based around the core business values of enterprise and innovation. The JBC programme under INTERREG IVA also prioritises the development of trade, economic and infrastructure links between Ireland, Northern Ireland and Scotland.

This paper provides the JBC response to the Commission consultation on the policy review of the trans-European transport network (TEN-T). The objective is to shape the future network and to ensure timely completion. We welcome the policy review and emphasise our strong view, on behalf of the enterprise sector, that an efficient, integrated and interoperable transport system is of utmost importance to promote the functioning of a competitive EU market.

This is particularly the case for the more peripheral open economies such as Ireland that depend heavily on trade and export-lead growth.

In terms of the three options presented by the Commission, we would favour an approach based around Option 3 with a dual layer structure incorporating both the geographically defined network and a conceptual pillar that integrates policy and infrastructure aspects.

### **Priority Projects**

The green paper acknowledges that many important priority projects have yet to be completed. In addition, the indications for time to completion presented by the member states are in many cases overoptimistic.

This is well illustrated in the case of PPP 13 road and shipping corridor (Ireland-UK-Benelux). JBC recognizes that securing improvements to the PP 13 corridor is of vital importance from a trade and economic development perspective. A large proportion of the higher value trade (particularly door-to-door, just in time) between the island of Ireland and Europe (approximately 1.5 million tonnes of imports and a little lower volume for exports) passes overland by lorry through Britain, mainly down to the ports of south-east England and the Channel Tunnel. **This relies on the quality and usage cost of the infrastructure in Britain.**

A lack of reliable road links to the ports of **Pembroke** and **Fishguard** (A477/A40), **Heysham** (construct Lancaster by-pass) and **Stranraer / Cairnryan** (A75/A77) have been identified. **This is a serious issue facing hauliers and those ports on the island of Ireland which are geographically tied to these routes.**

A report from the European Commission (May 2008) provides a useful status report which, with reference to PP 13, suggests that of the 1,690 Km earmarked for upgrade, only 18% has been completed. As the project has been on the priority list since 1996, this suggests that upgrades are proceeding at a rate of only 28 Km per year. **This implies**

**that, at current rate of development, the corridor upgrade will not be completed before 2050.** Yet the report asserts that improvements will be complete by 2015.

This axis upgrade is of considerable strategic importance given its objective to improve road transport between **Cork, Dublin and Belfast**, complementing the development of Ireland's main east-coast rail line (PP9). It will also provide upgraded links to mainland Europe via ferry links to Scotland and Wales, the A14 and M6 roads across England, and the North Sea ferry ports of **Felixstowe** and **Harwich**. The route includes both the construction of new roads, mainly in Ireland, and the upgrading of existing roads to motorway, expressway, dual-carriageway and high-quality single-carriageway standards, 'appropriate to traffic density'.

The report also asserts that these schemes, when taken together, will lead to shortened journey times, a reduction in the number of bottlenecks, fewer accidents and a reduced impact on the environment. However it is clear from the foregoing that upgrades will not achieve a consistent standard across the corridor, which we suggest is a major failing that needs to be addressed as part of the present TENS review. Hence, the vital section linking the port of **Stranraer** with the M74-M6 (approx 150 Km) is being upgraded to **single carriageway incorporating 'overtaking opportunities'**. Many of the towns along the route will continue to experience congestion with consequent adverse impacts on both the local environment and on transit times.

This contrasts with the position **on the same corridor in North Wales** where upgrades are to **motorway standard** with towns completely bypassed.

**In the longer term, if the quality of access continues to deteriorate due to the growth of local congestion, this could seriously hamper the ability of the corresponding port, North or South to compete with others on the island of Ireland.** Any erosion of competition between ports on the island of Ireland is unlikely to be in the public interest.

**Co-operation with the authorities in England, Wales and Scotland is required to ensure that these improvements are prioritised. This issue could also be taken forward by the Governments within the machinery of the British-Irish Council.**

## **Cross border road links in Ireland**

In terms of cross-border links on the island of Ireland, JBC takes the view that the N16-A4 road (Sligo-Belfast via Enniskillen) has particular significance as a corridor providing onward trade and economic links from the North West and other areas adjacent to the border.

**We strongly recommend that, in the context of the TENS review, the UK and Irish authorities should seek to have the A4-N16 corridor designated as an east-west extension of PP 13.**

## **Infrastructure Management**

The review quite properly lays heavy emphasis on the need to implement ITS and traffic management systems in order to achieve high utilization rates on corridors while reducing congestion. As a business organization, JBC is not entirely convinced on the merits of *stealth taxes* that impact adversely on business but which are defended by promoters on ‘demand management’ principles. **It is important for the Commission to ensure that the revenue potential of these schemes is not exploited by member states.** This can be achieved through an appropriate regulatory structure. An additional point is that revenues calculated with reference to mileage driven should be avoided as an approach, as it is one which discriminates against companies on the basis of their geographic location.

In relation to financing these large scale investments, the green paper places too much emphasis on the role of the public sector. While the reality of partnerships with private operators is acknowledged, the contribution of private investment and private risk capital in terms of asset provision (including mobile assets and fixed facilities such as ports and terminals) is not recognised. **When considering investment performance the contribution of both private and public contributions needs to be taken into account.**

JBC accepts the need for standards to be imposed on national authorities with reference to aspects of **traffic management performance** which come within their ambit. While the Green paper refers at length to the potential for Galileo and other technology-based approaches, the importance of more traditional approaches also needs to be highlighted. **The role of traffic police is a case in point.** It is our frequently experience that arbitrary interventions by police authorities result in lane closures or diversions which disrupt traffic on major arteries over very long periods. Diversions implemented by local authorities to facilitate road works have a similar impact. Disruptions result in additional costs for business but have no comparable impact on the management agencies. This situation needs to change **and the authorities concerned should be made accountable for their actions and their performance.** Poor performance in particular should result in fines or budgetary cutbacks, otherwise the agencies concerned will never be motivated to change their behaviour.

### **Ports and Shipping**

The green paper also makes reference to the role of freight and shipping and comments on progress in terms of implementing maritime motorways. In this context we would comment that timely provision of port capacity on the island of Ireland is a key policy concern for JBC. In this context, the Council is in process of developing a comprehensive policy statement on development of ports and shipping services on the island. This will build on the more broadly-based perspective from the Freight strategy report published last year (2008 JBC -Intertrade Ireland).

Subsequent to publication of the freight report, JBC made a submission to the North South Ministerial Council (NSMC) that focused significantly on the ports capacity issue, from an all island economy perspective.

One of the key arguments presented was that the sector lacks competitive dynamism to the extent that decades of free competition have not impacted significantly on the overall structure of the market which continues to be dominated by major players.

This point was touched on in the Irish government ports policy statement (2005 DCNMR) which stated:

"Dublin...dominates as a locational monopoly and there is little evidence of significant competitive pressure from other ports".

The position today is that two dominant port locations, Dublin plus Belfast-Larne can be regarded as all-island players, with the smaller ports serving niche or regional markets. Spatial strategy in the Republic (reflected in ports policy) has as one of its objectives, the diversification of traffic away from Dublin port. It has never been clear how this aspiration is to be delivered on.

In the context of the TENS debate, of particular relevance is the ongoing commentary - much of which is grossly misinformed - around the need to 'move' Dublin port which is the stated policy objective of Dublin City Council. This in our view is not a reasonable or sustainable objective and JBC would be strongly of the view that such a costly, disruptive and high risk approach to port capacity provision should not be pursued.

It is important in this context for the Commission to develop policies which contribute to the development of a vibrant, competitive ports sector for the member states and the EU generally as this will contribute significantly to the competitiveness of the traded goods sector.

### **Performance benchmarking**

JBC would strongly encourage the Commission and the agencies responsible for delivery of the TENS programme to introduce meaningful performance benchmarking standards on road corridors and on key shipping routes. Publication of independently verified figures on rates of return, levels of congestion, average journey times, turnaround times in ports etc, will bring an important element of transparency to the process of evaluating major investment projects.

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