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INFORMATION NOTE

From: IT Delegation
To: Council
Subject: Progress report on the TEN-T network review process
– *Briefing by the Italian delegation*

Delegations will find annexed a note from the IT delegation on the above-mentioned subject, which will be dealt with under "other business" at the meeting of the Council (Transport, Telecommunications and Energy) on 15 October 2010.

Transport Council, 15 October 2010

Progress of the TEN-T network review process

Briefing by the Italian delegation

The Italian Government would like to extend its thanks to the Commission for the excellent work it is doing on the TEN-T network review process.

Two years ago, Italy supported the review initiative. The outcome of the Naples and Zaragoza Conferences, and the considerable activity of the various working parties, has been to produce clear and decisive strategic documents - better than expected - on developing the provision of transport infrastructure and services throughout the European Union.

Italy is in agreement with the change from a system based on "corridors" to a system based on a "network". For effective identification and construction of the network, it is also essential to:

- **Support** the move from the "30 Priority Projects" to a "**Priority Network**" in a gradual process which will follow its execution through to completion, ensuring sufficient levels of Community contribution to supplement the considerable national investment.
- **Verify** that it will be possible to follow up the proposal to issue European bonds. The Commission has proposed that European project bonds be issued in collaboration with the EIB and in public-private partnership. Italy supports the proposal and has promoted the Marguerite Fund through the Cassa Depositi e Prestiti.
- **Define** a unified and coordinated financial programming strategy, incorporating the ERDF Structural Funds, the Cohesion Funds and the TEN-T Funds.
- **Consider measures designed to exclude** investments ear-marked by States for the TEN-T networks from the restrictions of the Maastricht Stability Pact.
- **Extend** the Public-Private Partnership instrument by identifying possible "**Corridor Enterprises**".

- **Set up** a Use of Resources plan for the TEN-T networks on a Community-wide scale.
- **Set up** a Revolving Fund for the TEN-T networks with involvement of the EIB. The Fund would in part be constituted by means of the inclusion of mutual funds authorised by the European Union in particular investments involving refunding.
- **Consider the impact, for at least 10 corridors, both of negative external effects and of congestion, and a possible solution to this by means of tariff and toll management.**
- **Restrict** part of the tariff increases to precise measures for improving sustainability.

The above approach could be utilised to identify the key elements of the future network. In that context, it is Italy's view that the Commission should give priority to deciding on one fundamental strategic option: overcoming physical and natural barriers. Italy believes that a fundamental instrument for that purpose would be the construction of the new rail links.

Connecting up the European Union via rail links involves all the present priority projects and all the Member States, directly or indirectly. Increased fluidity of transit routes across new links will bring huge advantages not only to the economies of individual countries but to the entire Community system. As an example, we would point to two facts regarding the Alpine region, which takes more than 36 % of all freight traffic in the whole of the European Union:

- the value of the goods transiting over the Alps in 2008 was approx. EUR 130 000 million;
- transport costs for the present transit routes in the same year, 2008, were around EUR 6 000 million; should transit over a crossing be prevented as a result of blockage or saturation, transport costs would rise to around EUR 15 000 million.

The macrodata clearly indicate that any delay in the progress of the cross-border projects on the links would compromise the competitiveness and growth not just of one country but of the whole of the European Union.

The Italian Government therefore requests that the matter of the border crossings be given priority consideration in the context of the TEN-T review process, and furthermore, that in conducting the review process for the financing currently extended to the 30 priority projects the Commission be asked not to base assessments exclusively on expenditure levels before 2009, but to evaluate also all the measures and preparatory steps which the Governments concerned have had to take in order to begin working. These are the measures and preparatory steps which will enable work to advance during the remaining period of the project without further uncertainties.

In view of the fact, moreover, that the time deadline has been set for 2020, it becomes necessary to identify a precise timetable which, on the one hand, will commit individual Member States to comply with the deadlines for planning and starting work on execution of the projects, and, on the other, will commit the European Union to the provision of sufficient resources for the implementation of these priorities.
