

**THE EUROPEAN COMMISSION CONSULTATION ON THE FUTURE
TRANS-EUROPEAN TRANSPORT NETWORK POLICY (COM 2010/212)**

Response from the Bothnian Corridor Project

We, the steering committee of the Bothnian Corridor project, welcome the opportunity to respond to the EC consultation on the future of TEN-T policy. We appreciate the open dialogue hitherto, with EC representatives, at separate meetings in Brussels in the fall of 2009, at TEN-T Days in 2008, 2009 and in 2010 in Zaragoza and at the Haparanda meeting in June 2010.

Having paid attention to the reports from the expert groups, taken account of the studies TEN-CONNECT, and TRANSvisions and other relevant material, we deliver our standpoints and input to the further revision process.

The project Bothnian Corridor is a joint initiative from the five northernmost regions of Sweden. Members of the project are Norrtåg Association (lead partner), the county administrations and county councils of Norrbotten, Västerbotten, Västernorrland, and Jämtland, the regions of Västerbotten and Gävleborg, and the cities of Sundsvall, Umeå and Luleå, as well as the North Sweden European Office and Mid Sweden Office.

The project is financed by the EU Structural funds and aims for promoting improved railway infrastructure, in Sweden and Northern Finland, facilitating efficient freight transports, commuting and regional growth. The Bothnian Corridor project is collaborating with the Finnish regions in the Main Line project, the Swedish and Finnish Traffic Administrations and has had regular contacts with the Ministries of Industry and Transport in both Sweden and Finland.

This paper is organised into three sections:

- A. Summary of main issues
- B. European added value and rationale for infrastructure improvements
- C. Response to the consultation questions

A. Summary of main issues

- Northern Sweden and the Barents region are very rich on natural resources such as forests, ore, minerals and natural gas and have a great potential for sustainable energy production. Adequate and relevant infrastructure is a necessity for transports of these resources to the European market, bringing added value to Europe
- There needs to be a strong balance between several criteria in the methodology for choosing nodes and links. Besides demography it is important to address cohesion, environmental concern, economic development and industrial growth potential in all parts of Europe.
- The different specificities of freight and passenger transports must be considered thoroughly. The same criteria for choosing nodes and links may not be used.
- Haparanda/Tornio should be a strategic geographic node, connecting the northernmost branch of Northern Axis to the Nordic Triangle, through the Bothnian Corridor both at the Swedish and Finnish side, on the main criteria of very large volumes of freight to central Europe.

B. European added value and rationale for infrastructure improvements

The Northern part of Europe is indispensable for the realisation of the goals in the EU2020 strategy and thus the growth, competitiveness and prosperity of the European Union. A large share of the natural resources needed for industrial production in other parts of Europe comes from northern Sweden and Finland. Also there is a huge potential for increased tourism in this part of Europe.

Sweden and Finland are among the world leaders in exports of wood and wooden products. The value of the Swedish wood export was in 2008 approx. € 12 billion and in Finland € 11 billion and 70-80 % of the production is exported to other EU member states. The share of the total employment in this industry sector is 10-12 %. In the EU, 10 % of the total consumption of paper and 20 % of processed wooden products come from Sweden.¹ In relation to the forest industry in northern Sweden and Finland, world leading research on biofuels is carried out.

As much as 88% of the EU's total output of iron ore is produced in the Barents region. Gold, silver, copper, chromium, nickel, aluminium and lead are other metals that are extracted in large amounts in northern Sweden and Finland. The production value of mining and quarrying in the Swedish part of the Barents region was more than 2.9 billion Euros (2007).² In the Swedish production industry,

¹ The Swedish Forest Industries - Facts and figures 2009, <http://www.forestindustries.se>

² AF Infrastruktur AB, May 2010, Supply of Raw Materials, Transport Needs and Economic Potential in Northern Europe, <http://89.233.236.127/Barents/BARENTS100526print.pdf>

minerals and metals generate a production value of approximately € 50 Billion, and at least as much in industries around Europe.³

The northern part of EU is a *domestic source* of raw materials. In the Raw material initiative COM 2008(699) the Commission defines the second pillar of a raw material strategy to “*set the right framework conditions within the EU in order to foster sustainable supply of raw materials from European sources.*” This aims for facilitating the exploitation of new resources, expansion and establishing of new mines, but for the efficient supply of minerals and woods to the European market the transport infrastructure is crucial. For example the EU’s consumption of iron ore products in 2007 was 177 million tonnes, while the iron ore production was only 28 million tonnes. Apparently, there is a strong need for increasing the *domestic production*.

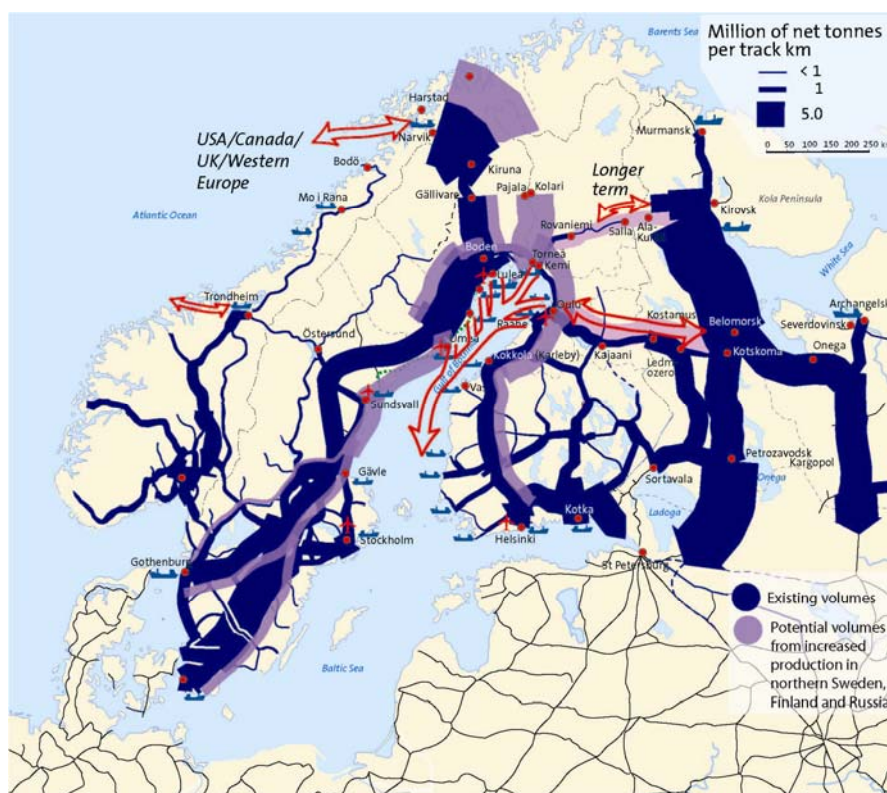


Figure 1: Existing and potential volumes of freight (Source: ÅF Infrastruktur AB)

In the next ten years huge investments are planned in the mining industry. Figure 1 shows how this will affect the freight volumes. LKAB is investing 0.5 Billion Euro per year and will increase the production of iron ore by almost 40% to 37 Million tonnes per year. The large copper producer Boliden is planning to double its annual production in the Aitik mine from 18 million tonnes to 36 million tonnes per year.

New iron ore deposits have been found in the vicinity of Kaunisvaara (Pajala in Sweden and Kolari in Finland) with a volume of approximately 340 million tonnes. The new mines will generate at least 1500 jobs in this area and is planned to start

³ ÅF Infrastruktur AB, May 2010, Nationell godsstrategi: <http://89.233.236.127/NGS/NGSREMISS100525.pdf>

in 2012 with a production of 2 million tonnes per year. Production is expected to increase to 5 million tonnes per year in 2014.⁴

A big share of the Swedish core industry situated in all the regions of northern Sweden depends on the Bothnian Corridor and intermodal connections to ports along the coastline. Examples are paper pulp industries along the coastline, wood industry, car industry, steel industries and wooden product industries. These are all beneficiaries from improved infrastructure and co-modal transport systems.

Tourism is an important sector in northern Sweden, Norway and Finland, highly dependant on reliable transport systems. The tourism sector in Sweden creates European added value and in 2009 the turnover of tourism increased by 6 % to 24 Billion Euro.⁵ In the Barents Area the estimated total investments in tourism are about 1.5 billion Euros by the year 2015.⁶

Adequate and relevant transport infrastructure is a necessity for freight, commuting as well as for tourism. Already today the capacity at some of the railway lines and ports has reached the limits. There is a risk that inadequate transport infrastructure will be an impediment to realising the full potential of raw material production in Northern Europe and in the end inhibiting the development of European industry. The most essential infrastructure components, which already today handle huge freight volumes, are:

- The Bothnian corridor, at both the Swedish and Finnish side of the Gulf of Bothnia, connecting the northernmost branch of Northern Axis to the current Nordic Triangle. The Bothnian Corridor is essential for the industries in northern Sweden and Finland for reaching the European markets but also for intermodal connection in East-West directions along the line, e.g. Wasa-Umeå-Mo i Rana, Trondheim-Sundsvall. In addition to freight transport the Bothnian corridor facilitates environmental friendly commuting.
- The northernmost part of the Northern Axis with its connection to Narvik in Norway. The Malmbanan and Haparanda lines as the Swedish parts of this transnational axis are essential for iron ore transports, from Kiruna/Gällivare to the port of Narvik and the ports in the Gulf of Bothnia. The Northern axis will have increased importance for global trade to Asia and also to the US (the NEW corridor).
- The port clusters in the Gulf of Bothnia and intermodal hinterland connections to railways and roads, for the out shipment of heavy cargo such as iron ore, metals and wooden products and paper, to the European markets.

⁴ Swedish Transport Administration and Finnish transport agency 2010: Transport potential and development needs in the Bothnian Corridor Transport Network. <http://www.trafikverket.se/botniskakorridoren>

⁵ Tillväxtverket – Fakta om svensk turism 2009

⁶ ÅF Infrastruktur AB, May 2010, Supply of Raw Materials, Transport Needs and Economic Potential in Northern Europe

Already today large infrastructure investments are being made in northern Sweden and Finland. Recently the new railway Bothnian Line was inaugurated and planning is underway for investments in increased capacity at several lines and new lines at both the Swedish and Finnish side. Improvement in several ports and hinterland connections are also being made.⁷

An obvious strategic node for the TEN-T core network would be the transnational connection between Finland and Sweden in Haparanda/Tornio. The appointment of Haparanda/Tornio as a main node in the core network is motivated also for the following reasons:

- Foreseen increases of the exploitation of natural resources in the near future, with added European value.
- It will be a strategic node in the Barents region connecting four countries, Sweden, Finland, Norway and Russia.
- Connection of Northern Axis with the current Nordic Triangle via the Bothnian Corridor at both the Swedish and Finnish side.



Figure 2: Existing and proposed railway core network corridors and main nodes

⁷ Swedish Transport Administration and Finnish transport agency 2010: Transport potential and development needs in the Bothnian Corridor Transport Network.

C. Response to the questions

3. THE METHODOLOGY FOR TEN-T PLANNING

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?

Nodes and links

The proposed methodology and steps for identifying nodes, links and bottlenecks for designing the TEN-T Core Network seems reasonable, given that criteria for identifying nodes and links are balanced between different objectives as stated by EG 1, such as cohesion and internal market efficiency, but also regional growth potentials and environmental objectives.

Macro-regional strategies, such as the EU Baltic Sea Strategy constitutes an important political base for designing both the TEN-T Core network and the links to third countries.

The commission proposes that “The core network will be made up of nodes and links of the highest strategic and economic importance throughout the EU.” We agree on this but would like to stress that nodes of strategic and economic importance are more than urban areas. Cross-border passages, as we suggest Haparanda/Tornio between Sweden and Finland with closeness to Norway and Russia, should be such a strategic main node.

- According to EG 4, external and internal core nodes (“EU ports and airports”), should be identified. We would like to stress the importance of strategic geographical places for the connection of the EU Core Network and the external network. We suggest that the border cities Haparanda/Tornio at the northernmost branch of Northern Axis (the NEW corridor) should be such a strategic main node. This node should include the port cluster of *North Sweden Sea Port* and ports in northern Finland, as well as Luleå airport which has a great potential for flight cargo between Asia and the Barents region.

Modes of transports

When identifying nodes and links, it is necessary to consider the different specificities for freight and passenger transports. Large cities are very often not the best nodes for *transit* freight transports due to congestion and environmental factors, even if they are obvious as passenger nodes. As an example, minerals, steel, woods, paper pulp and industrial products, from northern Sweden and Finland to the European markets should preferably not be transported through congested urban areas (such as Stockholm)

Even though we agree on the multimodality of the TEN-T Core Network it is important to prioritize the most environmental modes of transport, which for heavy cargo are railways and sea transports. Multimodal freight terminals are of

utmost importance for improved logistic chains using road transport on “the last mile”. These should be considered in the conceptual pillar, as well as ITS development and green corridor concepts.

Importance of reliable facts

The TEN-Connect study provides a starting point for the identification of nodes and links. However the EG 1 rightfully admits the limitations of the TRANS-TOOLS model when using it as a tool for decision making. It is essential to take into account other relevant factors, especially for freight transports, and political considerations.

In the TEN-Connect study foreseen changes (up until 2020 and 2030) in the exploitation of natural resources in northern Europe, is missing. Maps showing rail freight volumes in Northern Sweden and Finland are erroneous already with the volumes today and do not take into account the large expansion of existing mines and establishment of new mines, in the 2030 scenario. In some of the maps of the railway structure in Northern Sweden also important new and upgraded railway links are missing.

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?

Using new techniques and technologies to support a climate and environmentally efficient transport system will of course have a significant impact on the results. We want to give special attention to:

- **Promotion of the Green Corridor initiative**
- **Optimize the use of existing infrastructure (ITS)**
- **Administrative bottlenecks**

Green corridor initiative

The Green corridor initiative aims at developing cross-border transport corridors from Northern EU to the continent to increase growth and competitiveness in EU, and contribute to a sustainable Europe. Climate and environmental effects should be reduced, while safety and efficiency increases.

A green corridor involves for instance sustainable logistical solutions, optimized use of transport modes, harmonized regulations, concentration of freight transport and innovative information systems. One proposed pilot corridor will be Narvik-Stockholm-Naples, including the Bothnian Corridor and parts of the Northern axis.

Optimize the use of existing infrastructure (with Intelligent Transport systems)

The demands for infrastructure improvements are extensive. Building new infrastructure require harsh economic priorities, especially within the railway sector. Regarding missing links it is unavoidable to build new infrastructure, but intelligent transport solutions can optimize logistics to use free capacity, and thereby create economic space for the really needed investments. The expansion

of ERTMS should be stimulated within the core network to increase capacity and contribute to a seamless transport. The first railway line in Sweden to use ERTMS is the Bothnian line, starting in the fall of 2010.

Administrative bottlenecks

It is of great importance to eliminate not just physical bottlenecks, but also administrative bottlenecks to ensure functional connections especially in border crossings within EU and between EU and third country.

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

The growth potential of the vast natural resources in the northern Sweden and Finland, and in the rest of the Barents area are one of many resources for the realization of the EU2020 strategy. Efficient and sustainable transports, of these resources are essential for the employment, growth and prosperity, not only for the area of the origin but also for all industries and regions that are dependant of these resources for production of high-end goods.

In the recent report by Mario Monti, "A new strategy for the Internal Market" the importance of transports to the efficiency of the internal market is stressed. "Reaping the full benefits of a single market for goods depends on the existence of a seamless, flexible and efficient logistics and transport system."⁸ In this report both lack of physical standardisation and administrative obstacles are addressed. Besides the importance of removing physical bottlenecks in the TEN-T planning, the recommendations of Mario Monti could be included in the Conceptual pillar of the TEN-T Core Network.

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?

- We welcome the establishment of the secretariat for the Northern Dimension Transport and Logistics Partnership, hosted by the Nordic Investment bank in Helsinki. Their role in the planning and implementation of TEN-T and the Northern Axis in the Baltic Sea Region should be obvious.

⁸ Mario Monti, 9 May 2010, A NEW STRATEGY FOR THE SINGLE MARKET AT THE SERVICE OF EUROPE'S ECONOMY AND SOCIETY- Report to the President of the European Commission José Manuel Barroso, part 2.5

- The commitment of member states needs to be stronger as pointed out in the Green Paper in 2009.
- Synchronization of TEN-T planning and national and regional infrastructure plans will be important. In these processes the financial planning and the use of different funding sources should also be included.
- We would like to stress the need for regions to be involved in the ongoing dialogue on the implementation of TEN-T.

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

- Coherent rules or recommendations would be needed on the use of structural funds and other EU funds for infrastructure investments, e.g. for hinterland connections and/or soft infrastructure investments.
- It is important to show the possibilities of combining different funding sources, such as structural funds, national funds, TEN-T funds, and private funding.
- The possibilities of combining private funding with structural funds, in a more creative way, needs to be further investigated. Most often private funds can not be used as match-funding leveraging the structural funds financing, at object level.
- Coherent policy and/or recommendations on the use of EIB and NIB funding, are needed, for creating as much added value as possible for the realisation of TEN-T.

This response to the TEN-T Consultation has been prepared by a task force in the project Bothnian Corridor with use of relevant facts and analyses. Questions regarding the document should be addressed to Olle Tiderman, Norrtåg AB, olle.tiderman@norrtag.se or Gustav Malmqvist, Mid Sweden Office/County Council of Västernorrland, gustav.y.malmqvist@lvn.se.

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