Trans-European Transport Networks Get New Push

by Lothar Komp

All the European economies are stuck in the mud. To make matters worse, the heads of many politicians and top managers seem to be quite muddy as well. After ten years of budget cutting in order to fulfill the requirements of the European Union's Maastricht Treaty, the deficits of public budgets in Europe are now larger than ever before. And the only solution proposed by most representatives in politics and business is to cut public expenditures even further, thereby allegedly overcoming the so-called "structural crisis."

But, finally, some fresh wind is hitting the economic debate in Europe. Parallel to the initiative by the Italian government to jump-start the European economy by large public and private investments into infrastructure and technology (the "Tremonti Plan," or "European New Deal"), the transport ministries of 27 Western and Eastern European states have now agreed on a joint plan to accelerate the construction of the Trans-European transport networks.

After ten meetings between December 2002 and June 2003, the representatives of the 15 old European Union (EU) members in the West and those of the 12 acceding countries in the Mediterranean and East (Bulgaria, Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, and Slovenia) selected 18 out of about 100 cross-border transport projects which are extraordinarily important for boosting economic growth in Western and Eastern Europe. These should receive vastly upgraded funding by the EU, the European Investment Bank (EIB), and national governments.

The "High-Level Group" of top transport ministry representatives is chaired by former European Commissioner Karel van Miert and works under the umbrella of the Transport and Energy section of the European Commission, headed by Spain's Loyola de Palacio.

LaRouche and the Infrastructure Debate

On June 30, the group published its recommendations in a document, often referred to as the Van Miert Report. The report admits that the development of the Trans-European Networks, or TENS, had been much too slow during the recent decade. The background of the TENS is important to the principle of any possible European economic recovery.

Already in October 1988, at a public event in Berlin, Lyndon LaRouche predicted the imminent economic breakdown of the Soviet Union. He called for a grand design of economic reconstruction, where Western Europe—in particular a reunified Germany—would help to rebuild the Polish economy, which could then become a model for economic development in the former East bloc. Right after the fall of the Berlin Wall in 1989, LaRouche presented his "European Productive Triangle" plan for rebuilding the Eurasian economies by great infrastructure and technology projects, in particular by mobilizing the technological potential of the *Mittelstand,* the small and medium-sized industrial enterprises, which dominate the economies of Western Europe.

Echoing certain aspects of the LaRouche proposal, then-European Commission President Jacques Delors in 1993-94 called for a big infrastructure program across the European Union, in order to offset the anticipated disasters resulting from the budget cuts required by the Maastricht Treaty. The Delors Plan, originally supposed to be financed by European Union bonds outside of national budgets, focussed on cross-border transport corridors, the so-called TENS. At the European Union summit in December 1994 in Essen, Germany, the heads of state and government actually decided to build 14 large TEN projects.

However, Delors' idea of European Union bonds was not implemented, national governments were forced by Maastricht to cut their budgets, and not much has happened in the meantime. Only 3 of the 14 projects have been finished in a decade: the railway line Cork-Dublin-Belfast-Stranraer; the Malpensa airport for Milan; and the Øresund Bridge connecting Denmark and Sweden. Five other projects (the Betuwe line, high-speed train Paris-Brussels-Cologne-Amsterdam-London, Greek Motorways, the U.K./Ireland/Benelux road link, and the British West Coast Main Line) are to be completed by 2010.

The Van Miert Report emphasizes that a dramatic increase in infrastructure investments is now urgently needed. The EU member states are currently investing less than 1% of their Gross Domestic Product in building transport infrastructure, and devoting only one-third of this investment to achieving the Trans-European Networks, "despite their positive repercussions on the entire economy of the Union." The underfunding of European transport infrastructure at a time of rapidly rising traffic volume has caused "a worrying increase in traffic congestion in urban areas" and "a new phenomenon of congestion on the major arteries of the Trans-European network, increasing the number of bottlenecks." This affects all transport modes, states the report, not only road transport, but railway transport as well. Right now, "20% of railways tracks represent bottlenecks. Also air traffic is increasingly affected by delays." Furthermore, "peripheral regions still suffer from isolation due to a lack of connections with the center of the continent."

More investment in infrastructure is also needed, due to the EU enlargement. In the 12 countries that will soon enter the European Union, "approximately 20,000 kilometers of roads and 30,000 kilometers of railways, as well as ports and

Source: TEN Study of European Commission/V. Siarov.

The Berlin-to-Naples high-speed rail corridor is one of the key infrastructure projects in Western Europe which are being launched or sped up in the "New Deal" infrastructure approach to economic recovery, put forward by Italy and being debated by all of Europe. This policy for recovery from admitted economic depression, reflects Lyndon and Helga LaRouche's campaigns for the Eurasian Land-Bridge and New Bretton Woods policies.

airports, will have to be built or modernized" to achieve the objectives agreed on by the current member states. Required investments would be about 100 billion euros, which is huge compared with the GDP of those countries.

Satellite Navigation, Rail Corridors, Rivers

Therefore, the report calls not only for finishing, as quickly as possible, the 11 remaining TENS projects decided on in 1994, but for also starting to construct 18 additional "priority projects," many of them focussing on reconnecting Western and Eastern Europe. The 18 new projects are:

1. The Galileo project, launching 30 satellites to provide the European Union with an autonomous radionavigation system, independent of the present GPS system run by the United States. One of the main objectives of Galileo will be to improve the efficiency and safety in all modes of transport due to the ability to position and identify vehicles, trains, ships, and aircraft. The project is also of crucial importance for sustaining the European space sector, which after the bursting of the telecom bubble has temporarily lost its main private contractors.

2. Eliminating the bottlenecks on the Rhine-Main-Danube river systems by widening Danube bottlenecks all the way to the Romanian/Bulgarian border.

3. Motorways of the Sea: overcoming all sorts of sea transport obstacles along all the European coasts.

4. The Lyon-Trieste/Koper-Ljubljana-Budapest railway.

5. The Berlin-Verona-Naples/Milan-Bologna railway, which includes Halle/Leipzig-Nuremberg, Munich-Kufstein, the Brenner Pass tunnel, Verona-Naples and Milan-Bologna.

6. The Greek/Bulgarian border-Sofia-Budapest-Vienna-Prague-Nuremberg railway.

7. High-speed railway lines Southwest, including Lisbon-Madrid, Perpignan-Montpellier, Montpellier-Nîmes, Irun-Dax, Dax-Bordeaux, and Bordeaux-Tours. A main objective of this project is to overcome the natural barrier of the Pyrenées, which presently is a major obstacle to economic development in the Southwest of Europe.

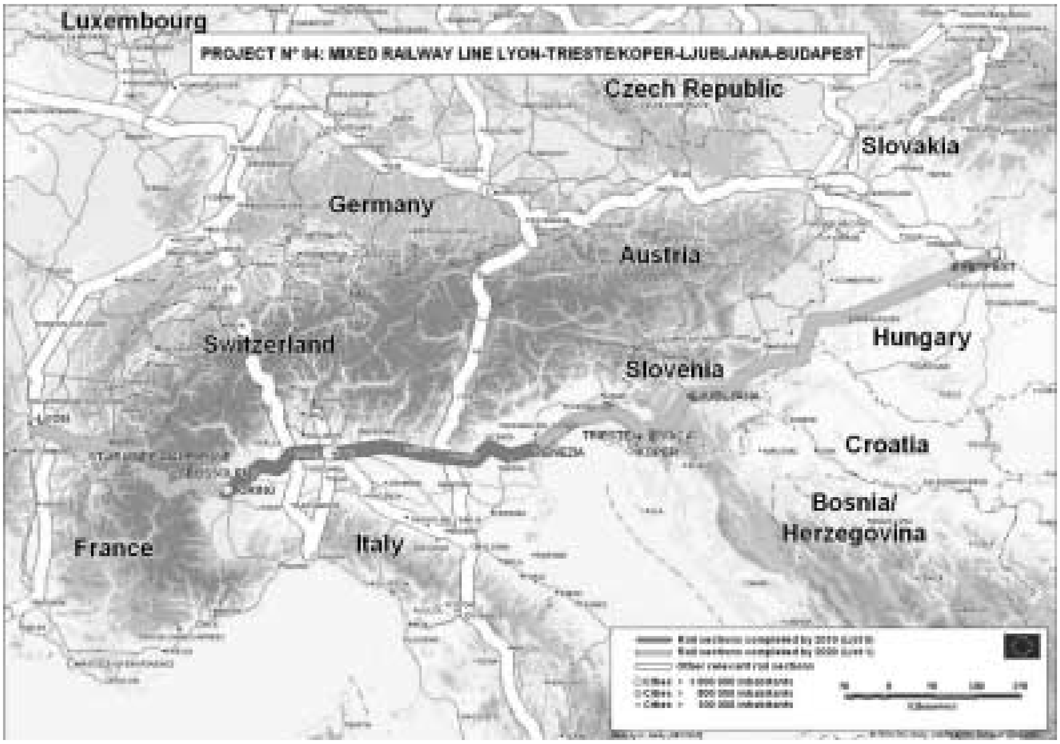
8. The Gdansk-Warsaw-Brno/Zilina railway. It includes the routes Gdansk-Warsaw-Katowice and Katowice-Brno-Breclav/Zilina-Nove Mesto, all along the new north-south axis from the Baltic Sea, starting from the Gdansk port.

9. The Lyon/Genoa-Basel-Duisburg-Rotterdam/Antwerp railway, including the routes Lyon-Mulhouse-Mülheim, Genoa-Milan/Novara-Basel-Karlsruhe, Frankfurt-Mannheim, Duisburg-Emmerich, "Iron Rhine" Rheidt-Antwerp.

10. The Paris-Strasbourg-Stuttgart-Vienna-Bratislava line, including Baudrecourt-Strasbourg-Stuttgart, Stuttgart-Ulm, Munich-Salzburg, Salzburg, Vienna, Vienna-Bratislava.

11. Inter-operability of the high-speed rail network of the Iberian Peninsula, including the new high-speed line between Vigo and Porto.

12. The multimodal links connecting Ireland/U.K./Continental Europe, including the road/railway corridor linking



Source: TEN Study of European Commission/V. Siarov.

The 18 key infrastructure projects on the agenda for more than 200 billion euros investments, also include new transport corridors stretching eastward into the countries newly joining the European Union—such as this Turin-to-Budapest high-speed rail corridor—and toward Asia.

Dublin with Belfast and Cork, the road/railway corridor Hull-Liverpool, the railway line Felixstowe-Nuneaton, and the railway line Crewe-Holyhead.

13. The rail/road bridge over the Strait of Messina. The project consists of a long, mixed bridge (the main span will be 3.3 kilometers) connecting Sicily, the most populated island of the Mediterranean Sea, to the rest of Europe. "This link will constitute a landmark infrastructure for Europe with a magnitude comparable with that of the Øresund Bridge" in Scandinavia, says the Van Miert Report.

14. A fixed-link rail/road across the Fehmarn Belt connecting Germany to Denmark. This would eliminate an important bottleneck for transport flows between Scandinavia and the continent. The report states: "An agreement between Germany and Denmark on the financing methods should be found in the near future. . . . The railway connections to the fixed link of the Fehmarn Belt, in Denmark from the Øresund, and in Germany from Hamburg, Hanover and Bremen, needs to be considered as part of the extended project."

15. The Nordic Triangle transport projects in Sweden and Finland, including the Helsinki-Vaalimaa motorway and the railway line Helsinki-Vainikkala (at the Russian border).

16. Multimodal connections of Portugal and Spain with the rest of Europe.

17. The motorway from the Greek/Bulgarian border to Budapest.

18. The Gdansk-Katowice-Brno/Zilina-Vienna motorway.

Investments to finish the old and construct the new "priority projects" will require about EU 235 billion, while the total investments for all the roughly 100 TENS projects would amount to EU 600 billion. Obviously, additional financial resources will have to be made available, or the Van Miert recommendations will turn into a "dead letter," warns the report. Details will be worked out in the coming months by the EU governments and the European Commission. The group of Transport Ministry representatives proposes to increase the share of EU funding for cross-border projects from 10% to at least 20%; to promote public-private partnerships; and in particular to upgrade the role of the EIB, which has just established a new EU 50 billion investment facility specially for the TENS projects.

The Van Miert Report was welcomed at the July 4-5 summit of European Transport Ministers in Naples. In an interview with the Naples daily *Il Mattino*, EU Transport and Energy Commissioner Loyola de Palacio described the meeting as a "really historic occasion, since we will also speak about Russia, Ukraine, other Eastern countries, and the Southern shores of the Mediterranean." The priority, Palacio said, will be "to regain the lost time, through fundamental projects for the internal market; those projects which are more advanced, and therefore could rapidly respond to the demands indicated by [Italian Finance Minister Giulio] Tremonti in his infrastructure plan: to jump-start a stagnating economy."