

## EXPERT FORUM ON MOBILITY AND INFRASTRUCTURE NETWORK

Vienna, 23 April 2018

The moderator, **Manfred Mühlberger** (*Managing director and owner, ETA environmental consulting*) opened the event noting the European Commissioner for Transport Violeta Bulc has called 2018 the most important year for infrastructure, and stated its importance since it can effectively contribute to meeting climate goals, ensuring safety of EU transport system and economy in EU benefits.

In their introductory remarks, **Josef Lentsch** (*Member of the ELF Board*) and **Angelika Mlinar MEP** (*ALDE Party Vice-President*) offered an overview of the ALDE Manifesto Drafting Process and of the status of the Expert Forums.

### **Session 1: Cross-border Infrastructure**

The moderator opened the session saying that thanks to the Roman Empire which built huge networks of road across Europe, the continent is well connected but there are however layers of issues has emerged over time – namely, the need of better cross border infrastructure and more money. He asked the speakers their views on the current and future EU infrastructure.

**Gesine Meissner MEP** (*Member of the TRAN Committee in the European Parliament, FDP Germany*) showed an illustrative map of the TEN-T project illustrating current EU connections. She noted that today there are nine different transport corridors through Europe that connect the EU capitals and that this is one of the best things the EU did. She also stated that the EU is ready to invest more in infrastructure, but it is blocked by the Member States. She gave as an example, for the 2014-2020, the EU institutions agreed to invest 32bn which was then reduced to 20bn by the Member States. Investing in cross-border infrastructure, she argued, is an EU task since the Member States tend to finance projects just up to their own borders. She reported that the EU has determined that all the projects must have demonstrable 'European Added Value' and include a clause ensuring that Member States sufficiently contribute to these projects or funding can be requested back. She affirmed that the system is not perfect now, but it works better than before: each corridor has its own transport corridor coordinator in the European Commission and they are tasked to improve projects, talk to governments, financiers, see where the problems are and where they can be improved. However, she underlined that the system would work even better if both the EU institutions and Member States would be fully on board and the financing processes accelerated.

**Franz Hörhager** (*Expert of private infrastructure investments*) stated that, after the economic and financial crisis, the private financing of infrastructure has deeply changed to support equity investors. He said that the infrastructure equity markets are maturing – especially when it comes to cross-border infrastructure investments which are ultimately more attractive because the risk is lower – indeed, cross-border projects allow doublechecks on the projects, exchange of expertise and creation of interconnectors. He concluded saying that despite the private sector being open to investing in cross-border infrastructure projects, he has not seen many of them yet.

**Gesine Meissner MEP** responded commenting she has the impression that transport infrastructure is never that attractive to private investment – which she finds a shame. She asked why the private investor do not have programmes allowing investment in cross-border infrastructure.

**Franz Hörhager** replied that while cross-border infrastructure are indeed attractive projects, investors need more concrete programmes and firmer numbers to be attractive to investment – and, maybe, to be involved in shaping the policy *ex ante*. If the projects include firmer details on costs and returns, then the private investors would be more inclined to invest. Indeed, returns are decreasing on core infrastructure projects that are guaranteed by government money – decreasing, in this way, the interest of private investors.

**Alfred Pitnik** (*Head of Public & International Affairs, Rail Cargo Group*) is happy about the recent EU actions for transport but urged the European Commission to create a level playing field for private funding which is now not very sustainable and more critical compared to the other modes of funding. He added that the rail sector has always gone cross-border and that with the opening of the EU market and the increase in competition, costumers are more satisfied than ever, but there is still a problem to be solved – namely the harmonisation of rules and technical standards. Harmonisation, he said, is needed for having a real single market in rail transportation.

**Gesine Meissner MEP** agreed adding that there are still gauges that block railways from crossing borders. She stressed the need of having a more harmonised rules system in the EU. The Fourth Railway Package, adopted two years ago, aims to reach this harmonisation, however it has not been fully implemented by Member States – e.g. no implementation of electrification standards and specifications.

The moderator then asked to the speakers what the lessons have been learnt by the TNT-Programme.

**Alfred Pitnik** stressed the need to focus on finishing TNT projects – especially those on cross-border stations. He also highlighted the difficulties in delivering in certain areas suggesting Member States propose to the European Commission different projects on the basis of the problems that they face at national level as well as to ask for money to be able to deliver them.

**Gesine Meissner MEP** said that the programme is good, but the EU institutions have to push for Member States to full commit to it: transport ministers signed agreements in Brussels, but they then forget during their trip home, she commented. She stressed the need for European infrastructure to complete the Single Market.

**Franz Hörhager** said that there is a huge amount of capital to invest in tight assets but there is a need of clearer programme and a more secure risk for reducing the risk of the projects in the current financial situation. He concluded stressing the need of motivating European private investments in infrastructure since the Chinese are improving in terms of financing European infrastructure.

The moderator finally asked each speaker to send a message to the Members of the Manifesto Drafting Committee.

**Alfred Pitnik** urged to push for a harmonised transport rules system across Europe.

**Franz Hörhager** stressed the need of allowing European investment funds – especially pension funds – to make investment in cross-border infrastructure.

**Gesine Meissner MEP** wants an ALDE manifesto that encourages people to think European and that ensure European infrastructure continues to evolve since it is vital for mobility.

### **Session 2: Cross-border mobility**

The moderator opened the second session referring to the consumer rights issue in the borderless Europe.

**Bart Vink** (*D66, Member of the City Council of Amsterdam and Board Member Dutch Thinktank on Mobility and Spatial Development*) said that, in terms of consumer protection and rights, there are still governance and institutional limitations hindering citizens to fully benefit from the borderless Europe. He affirmed that the EU has still to work on creating a real single EU market for citizens to benefit – giving the example of the healthcare system and that of data collection. He stressed the need of creating specific deals to use cross-border services – especially for people living on the borders.

**Andreas Sernetz** (*Founder and CEO Fairplane*) that there are two operating systems dealing with consumer rights – one European, pushed forward by the EU Parliament, and one other which is national, supporting national interests and monopolies. He gave the example of the flight complaint claim system: on average, a customer has to wait 6/9 months per case and the form itself is very complicated so as to deter applications. He said that this is where Fairplane's business plan has evolved from: they have been working on creating a simpler way for flight delay compensation claims.

**Prof. Elmar Fürst** (*Vienna University of Economics and Business - Institute for Transport and Logistics*) said that there is the same problem regarding disability claims. He also added that people who have substantial impairments such as wheelchairs or people who are blind still find very difficult to get assistance. Beyond the difficult complaint systems, he said there is another issue – namely the high rate of abuse, especially in the aviation system where at airports, 40 % of people asking for assistance do that because they do not want to walk rather than because they need assistance. He stressed the need of solving differences between countries since more and more disabled people travel and of getting away from protectionist behaviour if the EU wants a single market. He concluded saying that the best way to increase the quality of customer services is to increase competition.

**Bart Vink** reported another cross-border problem for consumers, that is the lack of cooperation with neighbourhood states when it comes to projects with cross-border effects. He reported the examples of

the Dutch check-in and check-out fare system on the railway that was not implemented with Germany and Belgium: the result was that consumers, especially those in border areas got negatively impacted. He explained that the reason behind the issue is that many cross-border companies still largely operate as national companies. He urged both the EU institutions and national institutions to talk over new systems with neighbour countries; to think more of border areas in future transport plans suggesting including concessions for cross-border areas – as already in place in The Netherlands. He said that, ultimately, there is a need of changing the national mindset to an international one.

**Andreas Sernetz** added that the EU should give more power to the ECJ on consumer rights issues and complaints.

**Prof. Elmar Fürst** agreed regarding the limitations of the current fake cross-border system giving another example related to people with disability. He said that disabled people in Austria are entitled to a free ticket for an accompanying person, but they lose their right if they book in Germany. He added that if the EU does something for solving this consumer rights issue(s), it can also get back its reputation and position. He suggested to create EU standards valid throughout Europe to allow people to travel cross-border without surprises; to improve the transparency on tickets – companies are increasingly offering cheaper flights tickets with reduced services and benefits that are not always so easy to distinguish on tickets. He also recommended to create an EU authority to check the implementation of consumer laws and where a person can lodge a complaint against national decisions related to consumer rights.

### **Session 3: Digitalisation of Transport**

**Irene Rivera Andrés MP** (*Ciudadanos, Spanish Chamber of Deputies Member of the Commission on Road Safety and sustainable mobility*) stated that transport is very important, and it should absolutely be in the EU agenda for the next legislative term. Formerly working in the private sector, she highlighted the need for collaboration between the public and private sectors when it comes to technological development in the transport sector – especially, in terms of network to communicate and exchange data, fundamental for automated car for example. She suggested the EU and national institutions to focus on three main priorities: (1) smart cities; (2) automated highways; (3) smart planet.

**Stefan Blachfellner** (*BCSSS, Managing Director – special advisor to the Commissioner for Transport Violeta Bulc*) suggested to no longer focus on infrastructure but on people in the manifesto. He strongly believes that people and their needs must be the main drivers of the new legislations – if not, he said, even the best business model will not satisfy the needs of the consumers. He also stressed the need of getting rid of the silos approach in digitalisation.

**Stefan Gara** (*NEOS, Member of the Vienna City Council and Parliament*) said that digitalisation is a very fast-moving disruption to existing systems but with often old rules in place. The challenge, he affirmed, will be to match the disruption that is happening very fast with the old regulation. When it comes to smart cities, he affirmed that the EU and its Member States should develop a different approach to the one used now. Today we just put more legislation on top of older legislation while, he thinks, we really have to tear

down old legislation that is no longer necessary. He suggested to create laboratories to test interaction between new technologies and people before working on any new rules or legislations. He added that politicians could also learn a lot from the case of Uber and AirBnB to see how digitalisation is changing existing systems. He said that the EU should work to deepen the Digital Single Market if it wants to prevent a Europe of nations in this realm.

**Laurin Sepoetro** (*Uber, Senior Associate, EU Public Policy*) said that technology can help to make existing transport system more efficient and provide to consumers better experiences. He affirmed that Uber welcomes regulation that, from a business perspective, is very important since it gives some certainty regarding the regulatory environment in which operates. Regulation, he said, opens up opportunities for companies as Uber. He also agreed on the need of better cooperation between the private and public sector to ensure the best regulation possible. Before launching in a city Uber partners with the city to figure it out how to launch the products, here, he said, private sector and governments can work together. He highlighted that the main issues of interest for Uber are data and consumers protection – adding that the GDPR demonstrated the European Added Value in this area. Moreover, the EU is becoming the standard of data protection. He concluded saying that, in business of mobility, Uber is not a company selling commercials, but it is focusing on mobility options. He added that showing data can be added value not only for them but also for policy-makers to see mobility flows before regulating or working on new projects. Uber has a portal where anonymous uber data are collected and they try to give it back to cities and regions for helping decision-makers.

**Irene Rivera Andrés MP** said that the EU should not forget the importance of data sharing if it wants to have safe roads and autonomous vehicles. She also added that the EU should find a balance between automated cars and normal cars to allow people that want to keep their cars, to keep them.

**Stefan Gara** argued that despite the recent developments, we will not see the end of public transport. However, he suggested to think in a new way, to think about interconnectivity between sharing transport and public transport so they work together to the benefit of consumers.

The moderator wrapped up the session asking the speakers what they want liberals campaigning for in 2019 EU elections.

**Laurin Sepoetro** firstly suggested to embrace the political momentum for *Europeanising* transport regulation – which is still generally regulated at local level. He pointed out that the EU should look at best practices (e.g. Finland and Estonia) without imposing it to other countries or regions but to develop a tool box or to give suggestions to cities who are struggling. Moreover, another more specific challenge that the EU must tackle is to solve the overlapping between transport and digital regulation.

**Stefan Blachfellner** said that liberals should support the better inclusion of civil society in the decision-making processes opening a multi-stakeholder dialogue. In this dialogue, he said, politicians should be more learners than teachers. He concluded saying that mobility is essential to increase EU identity and that the EU should keep it in mind and work better on that issue.

**Irene Rivera Andrés MP** agreed on the need of better cooperation, but she stressed that a new strategy, a change of mentality is needed: liberals should push for national politicians to think that the EU is one big nation and to work together – at least in certain areas.

In his concluding remarks, **Josef Lentsch**, highlighted the main take-aways of the discussion.

From the first panel, he highlighted that:

- Cross-national regulations and initiatives are necessary to overcome barriers with respect to Member State (examples of project funding up until the border);
- Even today national regulations often still dominate (e.g. rail signals);
- The EU need to foster cross-national competition and business models: bottlenecks and incomplete networks need to be tackled.

From the second panel, he highlighted that:

- While physical barriers have been constantly reduced, institutional and regulatory barriers turned out to be persistent;
- There is a need for European standards to be created on all domains;
- Consumer protection often exist in European Law, but it is very difficult for individuals to claim these rights. This creates a chance for the EU to create positive visibility among citizens.

From the third panel, he highlighted that:

- Processes are more important for citizens than infrastructure;
- Automatisation needs to be embedded in cross-border networks;
- There is a need for regulations for the new era rather than trying to adopt existing legislation that hardly fits new developments.