



Work Package 4

Activity 4.7

NORWAY'S PARTICIPATION IN THE NEW TEN-T POLICY

June 2015

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European Union  The European Regional Development Fund

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LIST OF ABBREVIATIONS

CEF	Connecting Europe Facility
CPT	Clean Power for Transport
EEA	European Economic Area
ERTMS	European Rail Traffic Management System
EU	European Union
MoS	Motorways of the Sea
SESAR	Single European Sky ATM Research
TEN-T	Trans-European Transport Network
VAT	Value Added Tax



Summary

Several factors indicate that the inclusion of non-Member States in the new TEN-T (Trans-European Networks - Transport) Connecting Europe Facility Programme (*launched in December 2013*) is essential to complete the goals of the programme and to continue with the improvement of the Single Market. Therefore, the aim of this TEN-TaNS report is to analyse the new TEN-T programme and its relation to non-Member States, more specifically Norway.

The analysis is based on three methods: regulations, funding opportunities and negotiation. Furthermore, a closer look is taken to the TEN-t policy structure and its recent changes, which makes the report up-to-date. Supported by theories of social sciences, an explanation is given to certain decisions of the EU and Norway regarding the transport policy.

By the end of the report, it can be understood how and to what extend the EU uses the methods of regulations, funding opportunities and negotiation in order to ensure coherent and efficient transport infrastructure.

1. Introduction

Since the foundation of the European Union the Member States have been coordinating their actions and bringing down barriers in order to achieve one of the Union's main goals: the Single Market. The Single Market can only be created by accomplishing the four fundamental freedoms: the free movement of people, goods, services and capital. Even though major actions towards a common market have been taken since 1957 (removal of physical, technical and fiscal barriers), the Single Market is not yet complete.

One of the areas where a complex and comprehensive coordination was lacking is the field of transport policy. Despite the fact that at the beginning of the 1990s the 12 Member States decided to set up an infrastructure policy at Community level, until now most of the policies have been coordinated locally, without taking into consideration the needs of the overall European transport infrastructure.

Therefore in December 2013 the European Commission launched a new transport infrastructure policy that connects the continent between East and West, North and South. The aim of the new TEN-T (Trans-European Networks - Transport) policy is to allow the smooth functioning of the internal market by "closing the gaps between Member States' transport networks, removing bottlenecks" and by "overcoming technical barriers such as incompatible standards for railway traffic."¹ Furthermore, it will help the transport network in its development and growth, with a budget of € 26 billion until 2020.²

¹ Website of the European Commission (2015)
http://ec.europa.eu/transport/themes/infrastructure/index_en.htm

² Ibid.

In order to “transform the patchwork into a network”³ and build a system which facilitates the free movement of people, goods, services and capital, it is certainly necessary to take into account the fact that not every country of Europe is member of the European Union.

Moreover, in order to convince the European citizens and decision makers of the effectiveness of TEN-T policy,⁴ the program has to offer a way to include the countries which are not Member States of the Union.

Norway, for example, is closely associated with the Union. It is part of the European Economic Area (EEA) and the Schengen Area, which ensures that Norway is part of the EU internal market. In fact, 80 % of the country's exports go to the EU and more than 60 % of its imports come from EU countries.⁵ Therefore the aim of this TEN-TaNS report is to investigate how the EU ensures coherent and efficient transport infrastructure under the TEN-T policy, taking into consideration that some countries are not Member States of the European Union.

³ Video of the European Commission (2013): TEN-T Days- EU Corridors, backbone for transport in Europe

<https://www.youtube.com/watch?v=leDFI38oKKI#t=23>

⁴ European Commission: Building Infrastructure To Strengthen Europe's Economy. p.5. http://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines/doc/building_infrastructure_en.pdf

⁵ Norwegian Ministry of Foreign Affairs: Norway and the EU- partners for Europe. p. 3. https://www.regjeringen.no/globalassets/upload/ud/vedlegg/eu/norge_og_eu_2011.pdf

2. Theories

In order to investigate the EU-Norwegian relations, three theories of social sciences and international relations are introduced. The three theories are explained in the following sections, and will be used throughout the rest of the report, to explain the EU-Norwegian relations.

2.1 Neoliberalism

Neoliberalism is a continuation of the liberalist theoretical approach influenced by the behaviorist method, reflecting the post-1945 international setting. Neoliberalism was born by observing that relations between liberal democracies of the West during the 1950'-1970' concerned trade, investment or travel issues. Neo-liberalist thinkers try to avoid the utopian excesses of earlier liberalism and many of them accept the premises of neo-realism as starting points, but they continue to emphasize on international cooperation and interdependence between states. They believe that integration - a particularly intensive form of international cooperation - is mutually advantageous for the participating countries on a long term.⁶

Different streams of Neoliberalism can be distinguished:

Sociological liberalism was invented by Karl Deutsch in the 1950'. He argued that cross-border activities help to create common values and identities among people from different countries. The interconnecting activities lead to peaceful and cooperative relations by making the war disadvantageous for both parties.⁷

This idea was further developed by Robert Keohane and Joseph Nye in the 1970'. Their *interdependence liberalist theory* states that Western states are in a complex interdependence: apart from the political relations of the governments, they are also

⁶ Jackson, Robert and Sørensen, Georg: Introduction to International Relations, (New York: Oxford University Press, 5th edition, 2013), pp. 48-50.

⁷ Deutsch et al.1957 from Jackson, Robert and Sørensen, Georg: Introduction to International Relations, (New York: Oxford University Press, fifth edition, 2013), p.49

related by a network between their societies and business corporations. Therefore, the military force is not anymore used as an instrument of foreign policy.⁸

Institutional liberalism states that in case of a high degree of interdependence, the countries often set up international institutions. The aim of the institutions is to deal with common activities like shipping, aviation or environment and to promote cooperation by providing information and reducing costs. Institutions can be formal like EU, UNESCO etc. or informal.⁹

2.2 Europeanization

Europeanization is not a theory of International Relations, but a prominent concept in the study of European Integration, which is closely related to the project report's topic. Europeanization refers to the interactions between the EU and its Member States or third countries. There are three different notions of Europeanization:

- bottom-up Europeanization
- top-down Europeanization
- the two perspectives together¹⁰

Taking into consideration the research question, only the relevant notion- *top-down Europeanization*- is going to be described. The top- down Europeanization analyses how the EU shapes institutions, processes and political outcomes in both Member States and third countries. In other words, it studies how the EU influences domestic policies or policy processes. Top-down Europeanization assumes that the EU can cause adaptations of domestic processes if there is a misfit between the domestic

⁸ Keohane and Nye 1977:25 from Jackson, Robert and Sørensen, Georg: Introduction to International Relations, (New York: Oxford University Press, fifth edition, 2013), p.49

⁹ Jackson, Robert and Sørensen, Georg: Introduction to International Relations, (New York: Oxford University Press, fifth edition, 2013), p.49

¹⁰ Cini, Michelle & Pérez-Solórzano Borragán, Nieves(ed.) (2013): European Union Politics. (Oxford: Oxford University Press) p. 406

and the European Union level ideas and it seeks to explain the mechanisms through which the EU causes domestic change.¹¹

Two streams of neo-institutionalism aim to find the answers: both assume that institutions mediate or filter the domestic impact of Europe. Their difference lies on the assumptions about exactly how institutions matter.

Rational choice institutionalism states that the EU facilitates domestic adaptation by changing opportunity structures for domestic actors. This action requires two steps: first, a misfit between the EU and domestic norms creates demands for domestic adaptation. Second, downloading the EU policies, the policy is shaped by the strategic actors whose interests are at stake. This perspective shows Europeanization as an emerging political opportunity structure; domestic change is facilitated where the Member States empower to block the change or to facilitate it through supporting formal institutions.¹² This means that the success or the failure of the new policy depends largely on the institutions of the Member State.

On the other hand, *sociological institutionalism* argues about the logic of appropriateness: actors are guided by collectively shared understandings of what is proper, socially expected behavior. The collective understandings strongly influence how actors define their goals and perceive as rational action. The priority of the actors is to meet social expectations rather than maximize their self-interest. From this perspective, Europeanization is understood as the emergence of new rules, norms and practices to which Member States are exposed to and which they have to incorporate into their domestic structures. For example in case of a misfit between the EU and the domestic norms, domestic actors are socialized into the new norms. After, domestic actors redefine their interests accordingly.¹³

¹¹ Cini, Michelle & Pérez-Solórzano Borragán, Nieves(ed.) (2013): European Union Politics. (Oxford: Oxford University Press) pp. 406, 409

¹² Cini, Michelle & Pérez-Solórzano Borragán, Nieves(ed.) (2013): European Union Politics. (Oxford: Oxford University Press) p. 409

¹³ Cini, Michelle & Pérez-Solórzano Borragán, Nieves(ed.) (2013): European Union Politics. (Oxford: Oxford University Press) p. 410

To sum up, EU policies and institutions are not downloaded in a uniform manner; therefore, the top-down impact of Europeanization is differential.¹⁴

2.3 Rational Choice

Rational Choice theory is a theory of social science which emerged as a tool of political analysis during the early 1950s. Although the theory originated as an economic theory, in the past two decades it has been present in the study of EU politics, analyzing the EU integration and politics through the *Rational Choice Institutionalism*.¹⁵

The rational choice theory states that all action is fundamentally rational and that people calculate the costs and benefits of any action before taking a decision. The individual aim to maximise its “utility” and takes a decision considering which action will lead to the best overall outcome or result. Before acting, the expected utility of an alternative action is calculated. Social norms and the logic of appropriateness do not influence the decision making process, because the individuals are goal-seeking and their preference is utility- maximization.¹⁶

The theory recognizes the existence of various institutional or strategic constraints on individual choice. Based on this idea, a stream of the theory- *rational choice institutionalism*- was established, which aims to explain how formal and informal institutions shape the choices of individual actors.

Two understandings of the institutions can be distinguished:

- Independent variables that channel individual choices into ‘*institutional equilibria*’ or

¹⁴ Cini, Michelle & Pérez-Solórzano Borragán, Nieves(ed.) (2013): European Union Politics. (Oxford: Oxford University Press) p. 411

¹⁵ POLLACK, M.: Handbook of European Union Politics (SAGE Publications, 2006) p.31

¹⁶ IMPITHUKSA, V.: Rational Choice Theory Vs. International Relations.
<http://www.polsci.soc.ku.ac.th/article/MA%20Discussion1.pdf> p.2



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- Dependent variables or '*equilibrium institutions*' chosen or designed by actors to secure mutual gains.¹⁷

According to the first interpretation institutions lay down the rules of the game, while the second interpretation argues that the rules of the game are provided by the players themselves.¹⁸

¹⁷ POLLACK, M.: Handbook of European Union Politics (SAGE Publications, 2006) p.33

¹⁸ SHEPSLE, K.: Rational Choice Institutionalism.(Harvard University, 2005) p.2
http://scholar.harvard.edu/kshepsle/files/rational_choice_institutionalism_4.5.05.pdf

3. Methods

Three methods have been used in order to analyze how the EU ensures coherent and efficient transport infrastructure under the TEN-T policy in the case of Norway.

Method 1: One of the methods to influence Norway is by **Regulations**.

There are certain areas which are considered as EU competence, meaning that the EU has the right to adopt binding acts. An example is the Clean Power for Transport Directive, which ensures that an appropriate number of LNG (*Liquefied natural gas*) and CNG (*Compressed natural gas*) refueling points will be available by 31 December 2025, along the TEN-T Core Network.¹⁹

Method 2: Another method the EU can use in order to guide Norway to the desired direction is by **Funding** opportunities.

This method can work in the cases when the EU has no right to adopt binding acts; by granting funds when complying with the criteria, it can still ensure that the country tries to fulfill the EU requirements and standards.

Method 3: When the previous two methods are not applicable, the EU can still use the method of **Negotiation** to ensure its will.

There are numerous fields where cooperation is highly desirable for both parties. For example, in order to enhance cross-border interoperability, it is profitable for the countries to use the same standard track gauge of 1435 mm or simultaneously implement the European Rail Traffic Management System (ERTMS).

¹⁹ Directive 2014/94/EU Of The European Parliament And Of The Council
<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0094>

4. Background Material

4.1 History of the TEN-T

The first Regulation of the European Council regarding the TEN-T policy was made on 18 September 1995, laying down general rules for the granting of Community financial aid in the field of trans-European networks. The next year, the first "Community Guidelines" for the development of a trans-European network in the transport sector were adopted. Three budget periods were established: 1995–1999, 2000–2006 and 2007–2013. Apart from the TEN-T budget, other EU funds were also available for the applicants, namely the Cohesion Fund and the European Regional Development Fund.²⁰

The technical and financial implementation of the TEN-T programme was managed by the Trans-European Transport Network Executive Agency (TEN-T EA) until the end of 2013. Today its successor, the Innovation and Networks Executive Agency (INEA) is responsible for the implementation of the following EU programs:

- Connecting Europe Facility (CEF)²¹
- Parts of Horizon 2020 – Smart, green, and integrated transport + Secure, clean and efficient energy
- Legacy programmes: TEN-T and Marco Polo 2007-2013²²

Since 2007, the budget has been allocated through two types of Work Programmes: Multiannual and Annual Work Programmes. The main difference between the two Work Programmes is that the Multiannual Program covers the highest prioritised projects. Since the new TEN-T regulations (2014), 80-85% of the funding is available

²⁰ Website of the European Commission (2015): 20 Years of TEN-T Policy
http://ec.europa.eu/transport/themes/infrastructure/ten-t-policy/index_en.htm

²¹ New 2014-2020 programme for investing in EU infrastructure priorities in Transport, Energy and Telecommunications

²² Website of Innovation & Networks Executive Agency (2015)
<http://inea.ec.europa.eu/>

under the Multiannual Work Programme and 15-20% under the Annual Work Programme.

4.2 New TEN-T

The new TEN-T policy is often identified as a new era in Europe's transport infrastructure policy. The new approach aims to recondition the mistakes of the past 20 years- individual project funding causing today's transport patchwork of national parts- and create a smooth- running European network. The innovation of the new TEN-T policy is the adoption of the **Core Network Corridors**: which constitute the backbone of a powerful European transport network across 28 Member States connected to neighbouring countries and the rest of the world, to promote growth and competitiveness. This integrated, multimodal core network shall be developed until 2030 by Member States and relevant stakeholders (representative of infrastructure authorities, EU macro-regions, civil society etc.) The corridors were established based on three pillars: enhancing cross border connections and removing bottlenecks; multi-modality (integrating different transport modes) and promoting technical interoperability.²³

Based on the above mentioned criteria, the core network will connect:

- 94 main European ports with rail and road links
- 38 key airports with rail connections into major cities
- 15,000 km of railway line upgraded to high speed
- 35 cross-border projects to reduce bottlenecks²⁴

²³European Commission:

Core Network Corridors. Progress Report of the European Coordinators.(2014) pp.4-5, 9.
http://ec.europa.eu/transport/infrastructure/tentec/tentec-portal/site/brochures_images/CorridorsProgrReport_version1_2014.pdf

²⁴ Website of the European Commission: *Infrastructure - TEN-T - Connecting Europe* (15.01.2015)
http://ec.europa.eu/transport/themes/infrastructure/news/2015-01-15-corridors_en.htm

The new legal base of the TEN-T Guidelines (2014-2030) and the Connecting Europe Facility (CEF 2014-2020) describes three priorities for innovation and new technologies for transport infrastructure. The goal of the policy is to ensure a sustainable and efficient transport system, thus enabling all transport modes to be decarbonised while optimizing safety. The policy promotes alternative fuels to comply with the White Paper on Transport (2011) and to break the sector's oil dependence.²⁵

In total 9 core network corridors have been defined, each of them involving between four and nine Member States. Additionally, two horizontal priorities have been set up: European Rail Traffic Management System (ERTMS) and Motorways of the Sea (MoS).

CORRIDOR	MEMBER STATES
Baltic-Adriatic	PL, SK, CZ, AT, SI, IT (6)
North Sea-Baltic	NL, BE, DE, PL, LT, LV, EE, FI (8)
Mediterranean	ES, FR, IT, SI, HR, HU (6)
Orient/East-Med	DE, CZ, SK, AT, HU, RO, BG, GR, CY(9)
Scandinavian-Mediterranean	FI, SE, DK, DE, AT, IT, MT (7)
Rhine-Alpine	NL, BE, DE, FR, IT (5)
Atlantic	PT, ES, FR, DE (4)
North Sea-Mediterranean	IE, UK, FR, NL, BE (5)
Rhine-Danube	FR, DE, AT, CZ, SK, HU, HR, RO, BG (9)
European Rail Traffic Management System	All Member States with railways
Motorways of the Sea	All maritime Member States

Table 1: Core Network Corridors and Member States

Source: Core Network Corridors. Progress Report of the European Coordinators. p.6.
http://ec.europa.eu/transport/infrastructure/tentec/tentec-portal/site/brochures_images/CorridorsProgrReport_version1_2014.pdf

One corridor and two horizontal priorities can be identified as relevant in case of Norway: the Scandinavian-Mediterranean corridor, Motorways of the Sea and European Rail Traffic Management System. Since only the Member States can be entirely part of the corridors, Norway is not covered by any of them, although a

²⁵ European Commission: Core Network Corridors. Progress Report of the European Coordinators.(2014) p. 116

branch of the Scandinavian-Mediterranean corridor goes from Oslo to Copenhagen and then to the European mainland.²⁶ (see picture below)

Taking into consideration the geographical features of Norway, the Motorways of the Sea is also of particular interest: its ultimate goal is to achieve a full integration of maritime transport operations in the global logistics chain, which will allow the seamless integration of transport operations supporting European external trade and internal trade. Currently 74% of Europe's external trade and 40% of its internal trade is performed by maritime transport therefore safety and traffic management improvements are crucial.²⁷

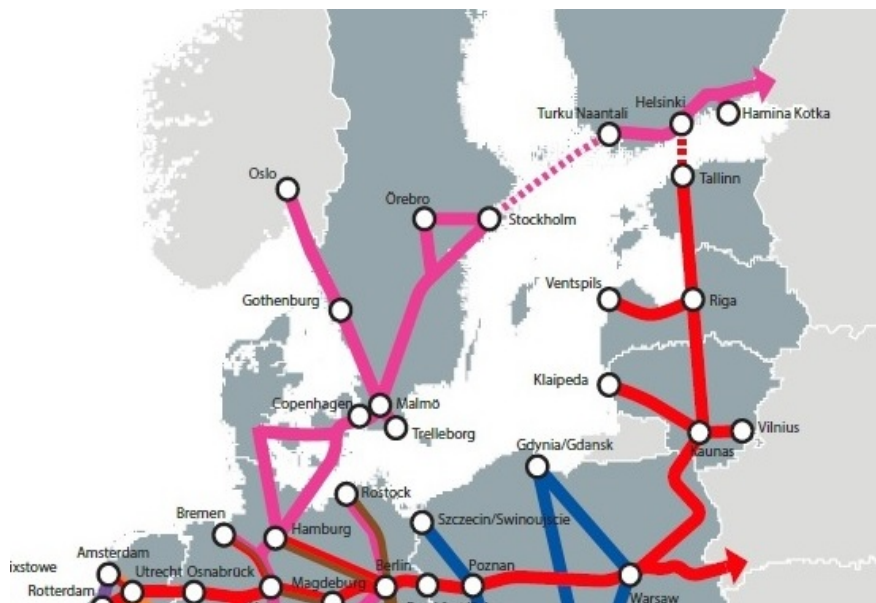


Figure 1: Core Network Corridors in Scandinavia

Downloaded from: <http://www.bpoports.com/commission-appoints-european-coordinators.htm>

²⁶ European Commission: Core Network Corridors. Progress Report of the European Coordinators. (2014) p.56.

http://ec.europa.eu/transport/infrastructure/tentec/tentec-portal/site/brochures_images/CorridorsProgrReport_version1_2014.pdf

²⁷ European Commission: Core Network Corridors. Progress Report of the European Coordinators. (2014) p.119.

4.3 TEN-T Guidelines

In its regulation No 1315/2013, the European Parliament and the Council of the European Union defined the difference between a neighbouring country (a country falling within the scope of the European Neighbourhood Policy including the Strategic Partnership, the Enlargement Policy, and the European Economic Area or the European Free Trade Association) and third country (any neighbouring country or any other country with which the Union may cooperate to achieve the objectives pursued by this Regulation), applying different possibilities for participation in the TEN-T.²⁸

Article 8 of the above mentioned regulation describes the cases when a cooperation and financial support of projects in neighbouring countries- such as Norway- is possible. The projects shall:

- “ (a) connect the core network at border crossing points and concern infrastructure necessary to ensure seamless traffic flow, border checks, border surveillance and other border control procedures;
- (b) Ensure the connection between the core network and the transport networks of the third countries, with a view to enhancing economic growth and competitiveness;
- (c) Complete the transport infrastructure in third countries which serve as links between parts of the core network in the Union;
- (d) Implement traffic management systems in those countries;
- (e) Promote maritime transport and Motorways of the Sea, excluding financial support to third-country ports;
- (f) Facilitate inland waterway transport with third countries.

²⁸ Regulation (EU) No 1315/2013, Article 3
<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32013R1315>

Such projects shall enhance the capacity or utility of the trans-European transport network in one or more Member States.²⁹

Given Norway's geographical location in Europe, it is mainly maritime transportation - including Motorways of the Sea - solutions, which are of interest for EU-Norwegian infrastructure projects. Article 8 describes a number of cases when cooperation with third countries is possible. A core issue here is the fact that third-country ports can participate in such projects, but not receive financial support under the CEF programme. This fact could more or less exclude Norwegian interest in participating in such projects, as also shown in other TEN-TaNS reports and analyses.³⁰

²⁹ Regulation (EU) No 1315/2013, Article 8

³⁰ See report on "Funding and opportunities for a short sea shipping service from Mid-Norway to the Continent"

4.4 Characteristics of the Norwegian Transport System

Norway has a total area of 323.802 km² and a population of 5.051.275 inhabitants. The country's main characteristic is its low population density and its coastline of 25.148 km.

The sea route along the Norwegian coast is the most important transport corridor in Norway. The total length of its public roads is 93.822 km. Furthermore, Norway has a railway network of 4.237 km of which more than half- 2.844 km- is electrified and 245 km is double track. The country has a total of 32 seaports with connections to the national transport grid and 52 airports with scheduled flights.³¹

The following trends can be observed in the Norwegian transport system: in the last thirty years, freight transport by truck has increased with over 300%, while sea transport has increased with 35%. The railway transport has been stagnant.³² According to forecasts, Norway will have 6 million inhabitants by 2029. Regarding the transport sector, freight transport is expected to grow by 35-40% by 2040.³³

This means that the transport system must acquire higher capacity to handle this growth. Therefore, the government decided to pursue a proactive transport policy, prioritizing the transition of freight transport from road to sea and rail and facilitating environmentally friendly transport. To complete the goals, the government also allocated extra funds of 12.5 billion € for transport system investments, which budget sums up to 75.8 billion € over the ten-year period of 2014-2023.³⁴ (See table 2 on the next page)

³¹ Please note that the facts are from 2013.

Norwegian Ministry of Transport and Communications: National Transport Plan 2014-2023. p.4.
<https://www.regjeringen.no/contentassets/e6e7684b5d54473dadeeb7c599ff68b8/en-gb/pdfs/stm201220130026000engpdfs.pdf>

³² Hans Silborn: Freight transport policy and measures in Norway.(2015) p. 2
<http://www.piarc.org/ressources/documents/422,56-Norway-text-E.pdf>

³³ Norwegian Ministry of Transport and Communications: National Transport Plan 2014-2023. p.11.

³⁴ Ibid.

In relation to cross-border transport, there are initiatives to establish new border-crossing rail connections (freight lines) from Sweden, Finland and Russia to ice-free Norwegian ports. Furthermore, apart from TEN-T, Norway is participating in the international partnerships of BEATA (Barents Euro-Arctic Transport Area) and NDPTL (Northern Dimension Partnership for Transport and Logistics) in order to promote cross-border transport development.³⁵

	National Transport Plan 2010–2013	Budget 2013	National Transport Plan 2014–2033
Roads*	2394	2617	3894
Railways	1234	1409	2098
Ports/harbours and navigation	139	156	243
Total	3766	4183	6235
Reward Scheme		84	115
Total government funds	3766	4267	6350
Other funding (estimate)	882	1191	1225

* All figures include compensation for VAT.

Table 2 - Allocation of Norwegian government funds
Annual average, Million EUR (2013)
Source: Norwegian Ministry of Transport and Communications:
National Transport Plan 2014-2023. p.12.

³⁵ Norwegian Ministry of Transport and Communications: National Transport Plan 2014-2023. p.27.

5. Analysis

5.1 Regulations

The Trans-European Transport Network policy contains a wide range of criteria regulating meticulously every area of transport infrastructure: land, air, sea and inland waterways.

An important difference between the old and the new TEN-T guidelines can be observed. The old TEN-T was seen by many experts of the field as a funding opportunity and not a real, coherent policy, due to the fact that the participant countries were not obliged to implement the criteria set by the EU.

In comparison, the new TEN-T is literally a regulation: a binding legislative act which is directly applicable in the Member States, without the need to transverse it into national law. Therefore, it is a stricter framework focusing on high- quality projects which will have a significant impact on European economy and European added value.³⁶

The fact that Norway is not a Member State implies that its participation in TEN-T is voluntary. As Norway has decided to participate, it also means that Norway must comply with the EU Regulations regarding TEN-T. However, its participation in TEN-T does not cover the participation in the investment fund for TEN-T projects - the Connecting Europe Facility. As of June 2015 Norway has not ratified the CEF Regulation in the field of transport policy.

Norway's voluntary participation in TEN-T can be explained though Neoliberalism. Neoliberalism emphasizes international cooperation and interdependence between states, as well as mutual wins in case of arrangements or institutions. The concept of

³⁶ Interview with Olivier Vandersnickt, pp. 3-4. ,7.

complex interdependence develops this idea further; Western states are related by a network between their societies and business corporations.³⁷

Taking into consideration the fact that 80 % of Norway's exports go to the EU and more than 60 % of its imports come from EU countries³⁸, the strong economic and trade connections can be easily seen. Neoliberalism also states that in case of a high degree of interdependence, the countries often set up international institutions. The aim of the institutions is to deal with common activities³⁹, in this case, with infrastructure.

In most of the cases, cooperation on infrastructure development is highly desirable for both parties in order to ensure that they use the same technical standards. Interoperability - one of the key pillars established in TEN-T - can only be achieved if international agreements or binding regulations ensure that the countries will follow the same technical standards. Therefore, the TEN-T regulations state the criteria or the conditions that need to be fulfilled. For example, if a country wants the road to be part of the Comprehensive network, rigorous requirements need to be fulfilled to obtain this status. Requirements are divided into two categories: technical and legal. The technical requirements ensure the use of intelligent transport systems. For example, in the case of railway, the European Rail Traffic Management System must apply everywhere, road safety and tunnel safety requirements must be fulfilled across the network, as well as the future electric vehicle infrastructure charging points must also meet certain standards. The legal requirement ensures that Member States with projects receiving funding on the core network have a legal obligation to complete the entire network according to TEN-T standards by 2030.⁴⁰

³⁷ Keohane and Nye 1977:25 from Jackson, Robert and Sørensen, Georg: Introduction to International Relations, (New York: Oxford University Press, fifth edition, 2013), p.49

³⁸ Norwegian Ministry of Foreign Affairs: Norway and the EU- partners for Europe. p. 3.
https://www.regjeringen.no/globalassets/upload/ud/vedlegg/eu/norge_og_eu_2011.pdf

³⁹ Jackson, Robert and Sørensen, Georg: Introduction to International Relations, (New York: Oxford University Press, fifth edition, 2013), p.49

⁴⁰ European Commission Press Release: MEMO/11/706. (2011)
http://europa.eu/rapid/press-release_MEMO-11-706_en.htm

Even though agreements on technical standards are highly desirable in most of the cases, exceptions can be found. The Clean Power for Transport directive states that the EU Core seaports should make available Liquefied Natural Gas (LNG) bunkering facilities by 2025. Therefore the two Core seaports of Norway- Oslo and Narvik- must make an investment to meet this criterion.

The Port of Oslo already offers LNG fuelling if the vessels request it. Due to the lack of space, LNG is not stored on site, but it is being transported on road by tanker trucks. However, in Narvik there is currently no need for LNG bunkering because the ships at this port don't have the possibility to use LNG.⁴¹ Although the status concerning the use of LNG as a bunker fuel for ships and the advantages of using LNG on ships is being assessed⁴². Regardless of the results, the investment must be made to meet the criterion, even if it is not advantageous. The case of LNG bunkering facilities in Narvik can be assessed by Rational Choice Institutionalism, which aims to explain how formal and informal institutions shape the choices of individual actors. In this case, institutions are understood as independent variables that channel individual choices into 'institutional equilibria'.⁴³ With other words, institutions constrain and limit the individual choice-set.⁴⁴

On the other hand, institutions can also be understood as dependent variables or 'equilibrium institutions' chosen or designed by actors to secure mutual gains. For example, Norway has prioritized green transport projects for a long time and is advanced in relation to technical development. For instance in some of the fjords, the use of so called 'green ships' was implemented- that are not so harmful for the

⁴¹ Interview with Torbjørn Tråholt, pp.7-8, 10.

⁴² Northern Research Institute: Assessing gas initiative in Narvik (2013)
<http://norut.no/en/news/assessing-gas-initiative-narvik>

⁴³ POLLACK, M.: Handbook of European Union Politics (SAGE Publications, 2006) p.33

⁴⁴ RAKNER, Lise: Rational Choice and the Problem of Institutions. (1996)
http://www.researchgate.net/profile/Lise_Rakner/publication/37166677_Rational_Choice_and_the_Problem_of_Institutions._A_discussion_of_Rational_Choice_Institutionalism_and_its_Application_by_Robert_Bates/links/02e7e5372a44662433000000.pdf

environment- operating with gas and have very low emissions. Further use of electrical ferries is also assessed.⁴⁵

In Norway, most of the electricity is produced in hydro-electrical stations with zero emissions. This land electricity can be used as shore side power supply for ships calling Norwegian ports. According to the Clean Power for Transport Directive, for which Norway is part of – *“Member States shall ensure that the need for shore-side electricity supply for inland waterway vessels and seagoing ships in maritime and inland ports is assessed in their national policy frameworks. Such shore-side electricity supply shall be installed as a priority in ports of the TEN-T Core Network, and in other ports, by 31 December 2025, unless there is no demand and the costs are disproportionate to the benefits, including environmental benefits.”*⁴⁶

From this perspective, Norway and probably many other countries have already chosen the path to prioritize green transport and sustainable development. In order to ensure cooperation in the mentioned area, a comprehensive strategy called White Paper on Transport (2050) was adopted by the European Commission.⁴⁷In this understanding, the rules of the game are provided by the players themselves.⁴⁸

To summarize, by using Regulations the EU can ensure its goals of coherent transport policy in a very efficient way, given the fact that the countries participating in the TEN-T must implement those requirements and obey to the rules.

⁴⁵ Interview with Torbjørn Tråholt, p.6.

⁴⁶ Ibid. pp. 7, 10.

⁴⁷ European Commission Press Release: IP/11/372.
http://europa.eu/rapid/press-release_IP-11-372_en.htm

⁴⁸ SHEPSLE, K.: Rational Choice Institutionalism.(Harvard University, 2005) p.2
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5.2 Funding

In order to implement TEN-T projects, financial support is accessible under the Connecting Europe Facility (CEF). Naturally, most of the budget is only available for Member States, but Norway - identified as a neighbouring country in the Regulation No 1315/2013 - can also apply for funding in certain cases. Article 8 of the above mentioned Regulation describes six project criteria for funding opportunities. Additionally, the article also specifies that every type of project applying for funding must be of benefit to one or more Member States. Knowing these criteria it raises the questions: Is this a real opportunity for Norway? Is the EU using the funding opportunities to guide Norway in the desired direction?

The questions could be easily answered knowing how many project proposals were submitted for the 2014 CEF Transport Calls for Proposals - closed on 26 February 2015- which was the first annual and multiannual call under the new TEN-T policy. According to available information per July 2015 the number is 3 one for Telematic Application Systems, one for a Motorways of the Sea study and one for SESAR, which mean that Norway as a third country have supported 3 projects submitted by EU Member States.

Theoretically, Norway could have applied for the following funding opportunities:

1. Under the Annual Call

a; "Projects to connect the trans-European transport network with infrastructure networks of the neighbouring countries, in particular related to cross- border sections (railways, inland waterways, roads, maritime and inland ports)"⁴⁹

b; "Telematic Application Systems other than those covered by the multiannual Work Programme"

⁴⁹ <http://www.tentans.eu/toolbox>

2. Under the Multiannual Call

a; “Studies on Motorways of the Sea (MoS). The studies shall contribute to the promotion and development of the concept at a regional or European level. They may also contribute to further policy developments in the field. Preference will be given to mature studies, leading to concrete results such as technical design of infrastructure, human element aspects in maritime transport, preparation of ICT applications, better security measures etc.”⁵⁰

b; “Deployment of new technologies and innovation in all transport modes, with focus on decarbonisation, safety and innovative technologies for the promotion of sustainability, operation, management, accessibility, multimodality and efficiency of the network.”⁵¹

According to Torbjørn Tråholt - TEN-T responsible in the Ministry of Transport and Communications - the criterion of ‘*enhancing the capacity or utility of the trans-European transport network in one or more Member States*’ is very difficult to fulfil. In other words, Norwegian enterprises face difficulties submitting project proposals because they cannot prove that their projects are also beneficial for Member States of the EU.

Furthermore, another requirement makes it harder to grant financial support for neighbouring countries. Section 6.1 of Article 8 of the TEN-T Regulation specifies that financial assistance might be given if that is indispensable to the achievement of the objectives.

Taken into consideration all the criteria, conclusion can be drawn that Norwegian infrastructure projects are only eligible to receive funding in very specific cases and strong justification of the necessity of the financial assistance is indispensable. The strict rules of the EU regarding TEN-T funding for neighbouring countries, especially in case of Norway, can be understood through the lens of Rational Choice

⁵⁰ Ibid.

⁵¹ Ibid.

Theory. The theory states that all actions are fundamentally rational and that people calculate the costs and benefits of any action before taking a decision. Utility-maximization is a key concept of the theory, meaning that a decision is taken based on which action will lead to the best overall outcome or result.

Reflecting on this theory, the budget for TEN-T infrastructure projects should be used in the most efficient way in order to maximize its utility. With the analysis of Figure 2- *Allocation of government funds* - it becomes clear, that the Norwegian budget is already allocating 6.350 Million € for the implementation of infrastructure projects. To be able to understand the amount of the budget, it is worth to compare it with other countries' allocations.

Germany, for example, is having a budget of 1.000 Million € for transport infrastructure projects in 2015.⁵² This means, that Norway is spending six times more on this field than Germany. One of the reasons is that transport costs in Norway are especially high due to the country's geographical location and topographical characteristics. The fjords make the travel along the coast complicated because of the need of tunnels and bridges. In case of ferries, passengers need to adapt to the schedule, which causes loss of time and productivity. Furthermore, the high mountains in the middle of the country make the passage from East to West very difficult and expensive. In the winter, due to extreme weather conditions, the use of longer bypass roads is necessary.⁵³ Even if in case of Norway a higher budget is necessary, the scarcity of resources cannot be an argument to justify the necessity of EU funding.

Another reason for the EU to apply strict funding rules regarding Norway might be political. Some of the countries of the Union are still affected by the Economic Crisis. In this situation, it would be hard to justify why the EU funds are given to a country, which is outside the EU. In case of Western-Balkans or the Eastern Partnership

⁵² German draft budgetary plan 2015 (October 2014), p.19
http://ec.europa.eu/economy_finance/economic_governance/sgp/pdf/dbp/2014/2014-10-10_de_dbp_en.pdf

⁵³ Interview with Torbjørn Tråholt, p.2.

Countries, available funding opportunities can support political reasons, for example to help them become a member of the Union⁵⁴. On the other hand, Norway is not part of the EU because of its own decision. Therefore - applying Rational Choice Theory- EU politicians might lose popularity in case of less strict funding opportunities regarding Norway.

To summarize, EU funding under the TEN-T policy in case of Norway is hard to access. Strong justification of the necessity is needed, as well as a proof, which confirms the advantages of the project for the European Union. Until now, Norwegian enterprises have only to a very limited extent found enough justification to access the available budget. From the other perspective, the EU is not emphasizing funding opportunities to ensure a coherent transport policy with Norway.

⁵⁴ Interview with Olivier Vandersnickt, p.10.

5.3 Negotiations

When the two previous methods - Regulations and Funding opportunities - cannot fulfil their role to ensure a coherent and efficient transport policy, guiding Norway into the desired direction of the EU, negotiations might offer a possibility to bring closer the interests of the two parties.

Regarding negotiations related to the TEN-T policy, the most important fact to mention is that Norway did not ratify the Connecting Europe Facility, the financial instrument of the TEN-T.

The reason for not doing that can be explained through Rational Choice Theory. Based on a purely economic motive, Norway decided not to take part in CEF Transport, because the costs of participation would have been higher than the calculated benefits.⁵⁵

Although the decision of not ratifying CEF was an advantage for the state, Norwegian companies might see it from another perspective. The enterprises show an interest in applying for EU funds in order to execute their infrastructure projects faster.

In other cases, due to environmental regulations of the IMO, companies must invest in acquiring new technology. For example, from 1st January 2015 vessels operating in the Sulphur Emission Control Area (SECA) are allowed a maximum of 0.1% sulphur content in their fuel compared to the previous limit of 1.0%.⁵⁶ The costs of necessary investments are very high; therefore, companies are seeking national or international funding opportunities to finance part of the investment.

⁵⁵ Interview with Torbjørn Tråholt, p.4.

⁵⁶ Website of UNIFEEDER

<http://www.unifeeder.com/C1257026006095A6/%28AllDocsByDocId%29/FF0018C80765F6A7C1257D4D0041CDF1>

Furthermore, a factor which might influence future negotiation regarding transport policies is the recent change that Norwegian companies cannot anymore apply for funding through the program called Marco Polo. Marco Polo was a transport program, which promoted the switch from traditional to greener transport modes for European freight traffic.⁵⁷ Since 1 January 2014, Marco Polo is integrated into the TEN-T programme, which due to the non-Norwegian ratification of the CEF, no longer is available for Norwegian enterprises.

The negotiations regarding Norway's participation in CEF Transport are not open anymore, yet the EU can use the previously mentioned differences of interests in their future negotiations. According to top-down Europeanization, the EU can cause adaptations of domestic processes, if there is a misfit between the domestic and the European Union level ideas. In the case of EU relationship with Norway regarding transport policy, based on the findings of the report, an explanation through rational choice institutionalism is more likely than sociological institutionalism. By changing opportunity structures for domestic actors, the EU might be able to exercise influence on Norwegian institutions.

Currently, the EU and Norway is negotiating on one topic. Norway is actually operating on the old TEN-T guidelines because the new guidelines are not yet incorporated in the EEA agreement. The process is the following; first, the law was made public and relevant parties could make comments and remarks on it. After, the legal specifications were discussed and agreed in detail. The last stage of the process is the technical part on how to incorporate the agreement. The negotiations are currently in the last stage, so in the near future, it can be expected that Norway will operate on the new guidelines as the Member States.⁵⁸

⁵⁷ http://ec.europa.eu/transport/marcopolo/about/index_en.htm

⁵⁸ Interview with Torbjørn Tråholt, p.4.



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To summarize, negotiations between the two parties are on the right track. Except the difference of interest in participating in the CEF Transport, a significant interest for cooperation can be observed from the Norwegian partners. The country is prioritizing the removal of bottlenecks between Oslo and the Swedish border, as well as railway infrastructure developments on the same phase, which is part of the Scandinavian-Mediterranean Core Network Corridor. Furthermore, the Ministry of Transport is emphasizing business interests and connections with Europe in its transport infrastructure policy.⁵⁹ Additionally, Norwegian municipalities show an interest to include their infrastructure in the TEN-T network, seeing it as an investment to have the TEN-T network status.⁶⁰

⁵⁹ Ibid. pp. 2, 9.

⁶⁰ Ibid. p.5.

6. Conclusion

In order to answer the research question - How does the EU ensure coherent and efficient transport infrastructure under the TEN-T policy, taking into consideration that some countries are not Member States of the Union? - a closer look was taken into the new TEN-T policy structure. This background information, together with the characteristics of the Norwegian transport infrastructure system formed the basis of the analysis, made through the different lenses of theories of International Relations and Social Sciences.

In the analysis, the three methods of the paper were tested; whether the EU can ensure efficient transport infrastructure using the methods of regulations, funding opportunities and negotiations.

Thanks to the new TEN-T Regulations, the policy is able to provide a stricter framework than the old guidelines, focusing on high quality projects, which look after the European interest and which are able to have a significant impact on the European economy. Furthermore, the regulations promote green transport methods, ensuring a sustainable transport system in Europe. Due to the nature of the Regulations - a binding legislative act for all of the countries participating in TEN-T- this method is the most efficient way to control the development of the transport sector and the outcome of the investments to be accomplished all over Europe.

The available funding opportunities provide possibilities for the participating countries- with a special attention on the Core Network Corridors- to finance part of their infrastructure projects and ensure that the Core Network Corridors are going to be completed by 2030 as planned. However, in case of Norway, accessibility to the funds is strongly restricted. Therefore, based on the findings of the report, it can be concluded that the CEF funding opportunities do not have a relevant impact on Norway and Norwegian infrastructure development.



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On the other hand, the EU-Norwegian relationship is focused on business interests. For both parties, it is advantageous to build a well-functioning transport network in order to facilitate trade and accessibility to the Single Market. Therefore, the method of negotiations is moderately effective when building up the Trans-European Networks for Transport.



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TEN-TaNS

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