



Long Term Investment and Reindustrialisation Intergroup

#Invest4Future

WHAT PLACE FOR THE MAINTENANCE OF INFRASTRUCTURE IN THE NEXT MFF?

25 SEPTEMBER 2018 / EUROPEAN PARLIAMENT

MINUTES OF THE CONFERENCE

Speakers:

- **Dominique Riquet**, MEP, Chair of Long-term Investment Intergroup
- **Rudolf Niessler**, Director for Smart and Sustainable Growth and Programme Implementation IV, DG REGIO, European Commission
- **Christian Tridon**, President of the French association of repair and structural reinforcement contractors (STRRES)
- **Siobhan McKelvey**, Member of the Executive Committee, European Union Road Federation
- **Fulvia Raffaelli**, Head of the “Clean Technologies and Products” Unit, DG GROW, European Commission
- **Gautier Chatelus**, Deputy-Head of the Infrastructure & Transportation Department, Caisse des Dépôts et Consignations
- **Koene Talsma**, Member of the Taskforce De Bouwagenda and Chairman of the Roadmap Bridges and Locks (The Netherlands)
- **Etienne Willame**, Director General, Wallonia Infrastructures SPW
- **Antongiulio Marin**, Deputy Head of the Transport Investment Unit, DG MOVE, European Commission



Dominique Riquet, MEP and Chair of Long-term Investment Intergroup, introduced the conference by underlining that the tragedy of Genova exemplified the driving necessity of infrastructure maintenance. In this regard, he emphasized several criteria that should be considered: the security criterion; the economic criterion; the loss of use of infrastructures in decay, which damages territories' image and competitiveness; the obsolescence of infrastructures, that diminishes their lifespans. Since 2008, a 38% drop of the budget dedicated to road maintenance has been observed. The paradox is that, in parallel, investments needs rise continuously. Not only do we maintain less and less, but above all we overload the infrastructures use and their risks. The point is that from an economic perspective, quality infrastructures have largely contributed to Europe's competitiveness since the 1950's. Hence, in the opinion of D. Riquet, today the Europeans need to increase and reallocate maintenance funds, enhance innovation in that field and make progress in predictive maintenance. Without awareness nor action, that topic could become a public scandal very soon.

Rudolf Niessler, Director for Smart and Sustainable Growth and Programme Implementation IV at the Directorate General for Regional and Urban Policy, recalled that Cohesion policy provides support to the development, upgrading and rehabilitation of the European transport system, which is of key importance for the functioning of the internal market. The objective of the Commission is not only to close the missing links, but also to make European transport networks fit for the future, more efficient and cleaner. Building a better system of transport is sometimes a question of money, but it also amounts to determining how effectively and coherently we spend those funds. One should not underrate the responsibility of the Member States at stakes in that domain. Then, R. Niessler highlighted some important features of the propositions made by the Commission for 2020 and beyond. Cohesion policy is proposed to be available for all layers of the European transport network, with a firm focus on the less-developed Member States and regions. In order to access these funds, a long-term investment framework, a comprehensive transport plan, is required to be in place, covering not only investments, but also maintenance and operation aspects that are the remit of the Member States. He called on project promoters to continue their efforts to deliver a mature pipeline of projects ready for investment.

Christian Tridon, President of the French association of repair and structural reinforcement contractors (STRRES), explained that 1950 marked the start of work of art industrialization. At that time, we did not know the risk inherent to the mix of steel and concrete, which appeared so promising. Because of steel corrosion, today we accumulate the costs of numerous infrastructures affected by that deterioration. C. Tridon also underscored the perception issue: today, people wait for natural catastrophes, but they are not ready to accept the fall of a humane buildings designed by experts. As regards maintenance, the point is that the infrastructure is very expensive at first. When it is finally built, a "fatigue" appears regarding its funding. However, without that continuous maintenance effort, the catastrophe is near. According to him, Europeans have the knowledge but the cost is the true issue. Today we have lost that notion of maintenance, as shown by many communities or States which disregard that necessity. Representatives and decision-makers should be sensitized to that notion. There is a need for an European awareness regarding maintenance.

Siobhan McKelvey, Member of the Executive Committee of European Union Road Federation, introduced the panel discussion by presenting the speakers and inviting them to express their points of view on the perspectives of infrastructure maintenance.

Fulvia Rafaelli, Head of the Clean Technologies and Products Unit at the Directorate General for regional and urban policy, reminded the audience that the European Commission is aware that the

transport infrastructure is a strategic investment with huge consequences on economic development. If safety is a huge stake, it is also important to consider those infrastructures as assets in terms of values. A new study made by the Commission, taking the form of a discussion paper¹, focuses on the need for monitoring and how it can facilitate maintenance. The document notably emphasizes that there is a huge variety of governances regarding infrastructures, no standards in this field and a big difference between construction and maintenance. The Commission advocates the shift to predictive maintenance and to recent technologic development and raises concerns about the perception of maintenance. Consequently, F. Rafaelli concluded her intervention by praising the need for exchange of good practices at different levels and for more standardization.

Gautier Chatelus, Deputy-Head of the Infrastructure & Transportation Department at Caisse des Dépôts et Consignations (CDC), presented the financing side of the infrastructures maintenance issue. In that regard, with the new Banque des Territoire, CDC is now focusing on the development of all territories in France. But now that the French network is well developed, the birth of new projects is challenging. Among the four axes of the Banque des Territoires, one consists in reinventing the funding of structuring transports. G. Chatelus explained that the question amounts to asking “How to have the best service, with the challenge of paying less?”. The goal is to find a way to bring private money to focus on maintenance and operation, not only on new projects. Indeed, a recent audit commissioned by the French Ministry of transport² emphasizes the lack of investment in the maintenance of the French road network. The study identifies some issues such as the difference between railroad and roads in terms of perception but also identification of needs. It also focuses on the means of coming back to the “normal status” of the French network, since normal maintenance would not be enough today. For Gautier Chatelus, some of the perspectives consist in establishing new ways to finance those maintenance operations, finding how to allocate those resources and what type of new resources can be allocated, and finally structuring the projects and finding who is able to guarantee the optimization of the maintenance.

Koene Talsma, Member of the Taskforce De Bouwagenda and Chairman of the Roadmap Bridges and Locks (The Netherlands), shed light on a concrete example of program related to infrastructure maintenance. Indeed, the “De bouwagenda” Program is a Dutch taskforce with a high ambition in the construction sector, especially in the environmental field with the objective of “an energy neutral and circular Building environment in 2050”. It notably aims at promoting a real step change in productivity and innovation. K. Talsma emphasized that the program approach is the coalition of the willing, gathering the greatest number of stakeholders implied : financial institutions, clients, branch organizations, education and knowledge institutes, consumers and employees etc. The Roadmap 1 “future proof bridges and locks” (infrastructures) founds its ambition on the needs regarding Netherlands infrastructures. Its modernization priorities are proof of safety, environment and circular way. K. Talsma presented the principles on which that Approach is based on : common “knowledge agenda”; creation of tendering procedures to stimulate innovation; working with prototype series of projects; applying institutional incentives. As for 2020, the objective is to have an acknowledgement programme in place, an Agreement on new tender procedures, clear obligations for asset owners and definitions.

Etienne Willame, Director General at the Wallonia Infrastructures Public Service, emphasized that the framework of reasoning must particularly account for competitiveness of the territories and economic development, especially if roads and infrastructures are congested. The environmental issue is also at

¹ [Discussion Paper “State of infrastructure maintenance”](#), European Commission, 27/09/2018

² [Réseau routier national non concédé : résultats d’audit](#), Nibux and IMDM, 10/07/2018

stake : the need for a mix between environment and mobility led Wallonia to develop a vision named FAST (Fluidity, Accessibility, Security and model Transfer). As a true regional mobility strategy, it includes a reflection on governance or the transports system supply. According to E. Willame, it exists a conflict between maintenance and development of the assets. Then the role of the Public Service management is to objectify a political choice. In that arbitrage, the debt involved by underinvestment in maintenance should not be hidden and It should be clear whether new assets should or should not be built. Then E. Willame insisted on the need for analysis tools once those assets are created. In this regard, technologies should aim at providing both qualitative and quantitative visions of the state and value of the infrastructures, using ageing laws for instance. In order to prove that public money can be spent in the right place, at the right time, adequate strategies should be implemented and aim at:

- developing the more adapted maintenance technologies and strategies: adaptative maintenance, preventive maintenance, anticipative maintenance etc...
- to intervening as soon as possible: when the network is significantly damaged, it costs 5-6 times more and it is too late.
- mobilizing the means of upgrading infrastructures.

Etienne Willame then identified some of the challenges of the future :

- Mobility: during a road maintenance intervention, the population cannot stand anymore the mobility consequences.
- Security: that of the users as well as that of operators.
- Potential epidemic: the Wallonia infrastructures were mostly built 60-70 years ago, we are not safe from accidents or deterioration. The situation is similar in many European countries.
- Courage: we should be courageous enough to mobilize funds as soon as the first maintenance needs appear.
- Circular economy: the deconstruction of infrastructures is an important reservoir of future products in terms of recherche, innovation or for natural resources.
- Digital opportunity: the digital face of smart transport systems but also in infrastructures knowledge, in order to better understand the ageing and the adequate moment of intervention.

Antongiulio Marin, Deputy head of the Transport Investment Unit at the Directorate General for mobility and transport, underscored that we are now close to the end of economic life of the infrastructures constructed 60 years ago. It implies security but also social impact stakes, the social focus in the next MFF being an answer. If the 2008 crisis was general, one should bear in mind that some States are more affected by its consequences today. Since transport relies on public expenses, reduction in expenses often affect local budgets first. It partly explains the current lack of funding for local transport infrastructures. The propositions involved in the CEF or the Cohesion policy remain limited, so there is a need for private investments as exemplified by the approach promoted by CDC. Regarding non-financial measure, new technologies and monitoring are also very decisive. Finally the issues of data collection and harmonization, pinpointed by the recent Discussion Paper of the Commission (*cf supra*), can be tackled thanks to the promotion of exchanges of good practices.