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ROADMAP

Title of the initiative:

Impact assessment on the revised guidelines for the Trans-European Transport Network (TEN-T)

Lead DG/contact person: DG MOVE

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PART I – Initial IA screening & planning of further work

A. Context and problem definition

What is the political context of the initiative? How does this initiative relate to past and possible future initiatives, and to other EU policies?

The EU Treaty, in its chapter on TENs, sets out the key objectives of this policy: supporting the functioning of the internal market, contributing to social and economic cohesion and cooperating, as appropriate, with third countries to identify projects of mutual interest. For this purpose, the Community may establish Guidelines which, inter alia, allow the identification of projects of common interest and the granting of financial aid to these projects.

The TEN-T guidelines were subsequently developed to implement the Treaty provisions stipulating that they identify projects of common interest and that the Community together with Member States may support them. To further facilitate implementation, the Commission may also take initiatives to promote coordination between Member States.

Positive changes resulting from the implementation of TEN-T policy are already visible, especially with major high-speed rail projects. It has enabled some of the most challenging and complex projects to be taken forward and has promoted pilot schemes for public-private partnership solutions that allow lessons to be learnt in terms of financing and project management.

Nevertheless, TEN-T policy to date has been criticised for its relatively poor "European Added Value", and the Council¹ asked the Commission to develop, as a basis for the elaboration of the proposal for revised TEN-T Guidelines, a methodology that takes account of criteria such as effects on trans-national traffic flows, territorial cohesion and economic development, spatial planning, environment/climate change and connections to neighbouring countries.

The TEN-T policy review started on 4 February 2009 by publishing a Commission Green Paper (COM(2009) 44 final), which developed possible approaches for the further TEN-T

¹ Green paper TEN-T: A policy review towards a better integrated trans-European Transport Network at the service of the common transport policy – Council Conclusions of 15 June 2009, paragraph (6).

policy in the light of global challenges, in particular climate change. TEN-T policy review is linked with the preparation of the Transport White Paper for the period 2011-2020.

What are the main problems identified?

The European Parliament's report "The Impact of Trans-European Networks on Cohesion and Employment" PE 363.791 of 15/06/2006 criticised the effectiveness of the 30 priority projects that have received around 90% of TEN-T funding to date. The report stated that the investments in the TEN-T networks do not give rise to large additional effects in terms of cohesion although it recognised that there was a positive impact on relatively under developed areas in Eastern Europe and Greece so that more and less positive effects co-exist. Nevertheless, overall the "European Added Value" for most priority projects was considered to be poor.

The main aim of the revised guidelines will be to enhance European Added Value by addressing the following problems that have been identified with the guidelines so far.

- They are too broad in scope with mainly qualitative criteria and provide little guidance to prioritisation in terms of what is of European importance.
- Projects are mainly identified in a bottom-up approach that leads to fragmentation of resources that prevents a strategic "network" perspective.
- The guidelines treat transport policy on a mode by mode basis and do not significantly contribute to the objective of co-modality.
- The function of seaports and hinterland hubs as node points for all the modes of transport is not addressed.
- The TEN-T guidelines provide little help in prioritising TEN-T investments and hence are not effective in influencing the implementation of transport infrastructure projects financed under other EU mechanisms.
- It is now recognised that there is poorly managed capacity across the road, rail and air networks that could be used without significant infrastructure enhancements, this is especially so for freight transport. Revised guidelines will give focus to the effective utilisation of the existing network.

Is EU action justified on grounds of subsidiarity?

In general, coordinated development of the TEN-T is possible only at the Community level and therefore a task included in the Treaty. National competences regarding national transport networks are not affected. The proposed policy options respect the principle of subsidiarity because they address trans-national aspects such as interoperability that cannot be satisfactorily regulated by Member States alone and hence the EU is best placed to enhance European added value.

B. Objectives of EU initiative

What are the main policy objectives?

The future TEN-T policy shall, to an extent even greater than in the past, enhance the socio-economic efficiency of the infrastructure, allowing in particular for efficient and sustainable co-modal operation. Enhancing connectivity and network integration and addressing deficiencies in cohesion and sustainability shall be the most important operative goals to be met. Hence, both the business community and citizens in general will be better served by a more efficient and effective transport system. Also, it shall be developed and

implemented in such a way as to contribute effectively and efficiently to the achievement of the Community's climate change objectives through low carbon transport.

The TEN-T policy needs to be modernised for the European Union to better harness its resources for the implementation of strategic projects with high European added value to address critical bottlenecks in the smooth operation of the internal market, in particular cross-border sections and inter-modal nodes (cities, ports, logistic platforms). The TEN-T should support the emergence of an integrated European transport system that better addresses environmental and climate change challenges. Such an integrated system will also provide inter-modal solutions, which would better serve the mobility needs of citizens and businesses and support the EU's industrial competitiveness.

The TEN-T policy review with its revised guideline needs to be seen in the broader context of the “Europe 2020” Strategy² under which the Commission “[...] present proposals to modernise and decarbonise the transport sector thereby contributing to increased competitiveness.” The TEN-T policy review is also linked to the preparation of the White Paper for future transport policy. The White Paper will lay out the Common Transport Policy (CTP) in the next decade and beyond and the general aspects of the future TEN-T policy.

Does the objective imply developing EU policy in new areas or of strategic importance?

No, but it is expected that, through technological innovation, a development will be to boost the deployment of innovative transport systems i.e. infrastructure and vehicles with new, low or zero carbon technologies and a coordinated expansion of Information and Communication Technologies (ICT) so as to achieve better integration and so enhance operational efficiency.

C. Options

What are the policy options? What legislative or 'soft law' instruments could be considered? Would any legislative initiatives go beyond routine up-date of existing legislation?

In its Green Paper the Commission had suggested three options for TEN-T planning stressing that each of the planning options needed to be backed by an appropriate set of instruments for their implementation.

1. No action beyond the minimum required by the TEN-T Guidelines currently in force

This is a baseline scenario and focuses on the structure currently in place (dual layer structure of a 'comprehensive network' and priority projects).

2. Modify the current TEN-T Guidelines fundamentally by:

a) eliminating the very broad and complex comprehensive network, the implementation of which is essentially driven by national rather than European investment priorities.

² COM(2010)2020.

b) boosting major, large-size infrastructure projects (current TEN-T priority projects and other, comparable projects which may or may not link up into a 'priority network') that are identified, to a large extent, through the traditional bottom-up process.

3. Modify the current TEN-T Guidelines strategically.

The third option is a dual layer structure: comprehensive network and core network. While the rather dense comprehensive network of rail, road, inland waterways, ports and airports, which comprises significant parts of corresponding national networks, shall be maintained, the core network shall overlay this basic layer and comprise the nodes and links of vital strategic importance.

The option introduces a top-down approach for network planning and reinforces the link between TEN-T, transport policy and other related policy areas, with the goal to meet the relevant objectives as laid down in the Treaty, in a balanced and integrative way. The core network's capacity shall match projected traffic demand and access to peripheral and ultra-peripheral regions shall be ensured.

Does the action proposed in the options cut across several policy areas or impact on action taken/planned by other Commission departments?

Yes, the TEN-T revision will impact on a range of policy areas, including: regional development through social and economic cohesion, citizens health and safety, economic and financial affairs, industrial development, climate change, biodiversity, environment, energy, information and communication technologies, external relations, better regulation. It should go hand in hand with the developments in all relevant fields of transport and other related policies.

Do the options respect the proportionality principle?

Providing a strategic framework for TEN-T development that meets the need of economic demand and social cohesion while mitigating as far as possible the negative effects on the environment, including the production of Green House Gas Emissions from transport is the goal on which the policy options shall be assessed in the Impact Assessment. The preferred option will not go beyond what is necessary in order to achieve this objective.

D. Initial assessment of impacts

What are the significant impacts likely to result from each policy option (cf. list of impacts in the impact assessment guidelines), even if these impacts would materialise only after subsequent Commission initiatives?

Each policy option will be assessed on its social, economic and environmental performance. To calculate the effects and to optimize different possible solutions, the traffic model TRANSTOOLS will be used. Direct economic effects, time savings for travellers, etc. and environmental impacts, in particular greenhouse gas emissions, can be derived directly from traffic volumes. Impact of improved accessibility on cohesion can be estimated on a non-numerical or non-monetized basis. Ahead of this detailed analysis, the following observations can be made on the relative effect of each option.

Option 1 is the baseline on which the other options will be compared. Criticism of this option is that given against the existing TEN-T policy which is that there has been insufficient enhancement of European Added Value. Funding would continue to be distributed to both priority projects and the comprehensive network. The option would have overall positive effects on employment in general, however by increasing regional disparities, there might be negative effects in some parts of the Community that are not directly connected to the resultant transport axes or corridors.

Option 2 differs from Option 1 in that the TEN-T's comprehensive network has been dropped and the focus is concentrated on priority projects only. On the one hand, removing the comprehensive network would mean taking away an important instrument of cohesion policy. But on the other hand, there would be more funding and effort available for progressing priority projects. Again, there would be winners and losers, the former being served by the priority projects, the latter, not, which is the case at the moment.

Option 3 takes a fresh look at the transport network through a plan to link Member States' capitals, major cities, ports and transport nodes. This would be achieved through a core network that is part of the comprehensive network and all is complimented by a conceptual network that is essentially 'soft' infrastructure. This Option aims at giving overall enhancement to the TEN-T network by attempting to achieve sustainable growth in a balanced and cohesive way.

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| Could the options have impacts on the EU-Budget (above 5 Mio €) and/or should the IA also serve as the ex-ante evaluation, required by the Financial Regulation? |
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All options have an impact on the EU budget. Indeed, the funding for the implementation of priority projects resulting from the last TEN-T guidelines was in the order of 8 Billion Euro. Whereas estimates have been made as to what the total cost for the provision of an idealised network might be (around 500 Billion Euro), it is not known how much Member States will be prepared to spend and hence the impact can only be quantified on the basis of the option chosen and the resultant legislative proposal for revised TEN-T Guidelines.

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| Could the options have significant impacts on simplification/administrative burden or on relations with third countries? |
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There will not be any discernable difference in administrative burden between the three options considered. The application for project funding and the various impact assessments such as for the business case or SEA/ EIA assessment will be the same for each option. Nevertheless, the more Member States involved in project implementation then the greater would be the collective administrative effort. Application of 'soft infrastructures' would see the need for additional communication and information exchange cooperation. However, this can be seen as an alternative to new infrastructure development and hence would not incur the environmental assessment and planning strictures required for new infrastructures.

The links between the transport infrastructure of the Community and that of third countries need to be strengthened. This is particularly relevant for countries in the European Neighbourhood with whom the EU is engaged in a regular infrastructure dialogue that also covers the identification of priority projects along the main axes. The policy would aim to enhance the network between the EU and third countries by addressing the current missing links and bottlenecks to mutual advantage

Who is affected?

Both citizens and business will be directly affected through the provision of an effective and efficient transport infrastructure that will enhance citizens' right to mobility and businesses demand for transport efficiency. The aim would be to provide a sustainable transport network that best serves all. In the TEN-T network's construction and operation phases, of direct concern will be Member States, regional and local authorities, public and private project promoters and infrastructure managers as well as construction companies and equipment providers.

E. Planning of further impact assessment work

What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The current TEN-T policy, and in particular the resultant priority projects have been the subject of review, both with regard to their likely effects on cohesion, employment and general European Added Value as well as regarding their construction progress. Hence, there is sufficient information to form a judgement for the comparative baseline that Option 1 represents. However, results and corresponding data, which would enable the Commission to determine concrete impacts, are not yet available, due to the very nature of this process.

To calculate the effects and to optimize different possible solutions, the traffic model TRANSTOOLS will be used. Direct economic effects, time savings for travellers, etc. and environmental impacts, in particular greenhouse gas emissions, can be derived directly from traffic volumes. Impact of improved accessibility on cohesion can be estimated on a non-numerical or non-monetized basis. A common assessment can be carried out by means of multi-criteria analysis.

Comprehensive assessment of the economic effects of what could be considered to be a core network has been calculated against a pre-recession baseline. A revised economic and transport demand baseline has been established and this is enabling a revised and hence realistic assessment of the three options. The updating of the TRANSTOOLS model has been done through an external contract and the socio/economic/environmental assessment will be done internally (by JRC).

Which stakeholders & experts have been/will be consulted, how and at what stage?

In the public consultation on the Green Paper (COM (2009) 44 final) that followed its publication on 4 February 2009, more than 300 stakeholders expressed their views. Most of them advocated the idea of an integral policy review on the lines envisaged. All the other EU institutions and the consultative bodies broadly supported the ideas put forward by the Commission.

The European Parliament stressed the need to focus more on inter-modal connections and consistent interoperability. Environmentally-friendly forms of transport, climate change protection and sustainable development were seen to be particularly important. **The Council** emphasised continuity with previous developments (in particular coverage of the

current priority projects in a future core network and continuing support for their implementation) while being open to new approaches and challenges and strengthening the link between transport and TEN-T policy. **The European Economic and Social Committee** paid particular attention to the use of each mode according to its comparative advantage within efficient co-modal transport chains, underlining that such an approach contributed to the achievement of the EU climate change objectives. The EESC also called for more effective EU funding, and its concentration on the core network as envisaged by the Commission. **The Committee of the Regions** particularly highlighted the need to maintain the comprehensive network, which provided access to all regions. It also called for greater involvement of regions in TEN-T policy-related action.

A technical workshop has been convened with external experts on 9 July 2010 which will be followed by a large stakeholder and Member State conference in December. External experts will also participate in the "focus" working groups.