

Rīga, 14.03.2006
No.4/1- 43

European Commission
Directorate General for Energy and Transport

Dear Sir or Madam,

In response to the European Commission's announced public consultations on the report of the High Level Group on the extension of the main trans-European transport axes to the neighbouring countries and regions and the way forward, Society "Latvian Transit Business Association" (LTBA) would like to express its opinion and give answers to consultation question regarding the report.

The aim of our answers is to promote the development of transit transportation from Russian and Asian regions to Latvia's ports and to increase freight traffic volume through Latvia's transit corridors. It also aims to develop the contacts among EU neighbourhood regions including countries like Russia, Belarus, (also the northern regions of Ukraine) and to establish unified and effective transport connections with Trans – Europeans transport axes.

Referring to public consultations questionnaire for the stakeholders, LTBA would like to indicate the following:

1. We would like to admit that the transport axes approved by the High level Group could be identified as the major transport axes, however in our opinion there is an additionally need to supplement the Multimodal connections from Baltic ports to Minsk/Moscow with the connection (Latvian Courland port region (Ventspils, Liepaja) – Riga – Belarus border (Pāternieki). Our argumentation is following: this connection with Belarus is especially significant for Latvian transit business development because of the notable amount of mineral salt freights and other freights (aprox. 30 % of all transit rail freight). We also believe that if there are two other connections with Belarus marked in the report, there should also be a way to include the third through Latvia.
2. Of course we do support all horizontal measures that will cover all transport policies and all modes of transport. However we would like to remark/object to the following statement in the report, that the investments need to be focused only on limited amount of motorways of the sea. Taking into account that the axes of motorways of the sea to Latvian ports are not even mentioned on the maps as the priority axis, we cannot agree with such statement of the High Level Group. Furthermore we do believe that the funding of TEN- T for



the projects of Motorways of the sea need to be available for all EU ports not only those which are on the priority axis. We call the European Commission to find possibility to include as priority connection of the motorway of the sea axis with Latvian (Courland) port region (Ventspils, Liepaja, and also Riga), as it was adopted in conclusions at the Ministerial Conference on the Motorway of the sea in Ljubljana, Slovenia, on 24 January 2006. The conclusions adopted by the conference as well as the statement of the Vice President of European Commission Jacques Barrot approves that instead of choosing a single port in each state the whole port region can be chosen.

3. We do recognize that the issue of transport investment financing is one of the most problematic in the context of transport axis development and it should be solved. One of the possible and supportable activities could be the use of public – private partnership, where the project is successfully implemented and accordingly the development of priority axis promoted by uniting the resources of private and public sector. Regarding the user charges, there need to be a division into type of charges should be applied and there is also a crucial need to evaluate them. If there is discussion on additional charges for freight traffic on roads and rails, it cannot be supported for those modes of transport, since the state fixed charges are already in place on the infrastructure of road and rail freight traffic as an accumulating instrument of development and investment resources. Additional charges for users will lead to lower competitiveness capacity of those modes of transport. We also do believe that the introduction of infrastructure charges in the port sector as a finance obtaining instrument for transport investments is in no case acceptable. Such charges will only reduce the competitiveness of Latvian ports and the whole transit sector as such. We do believe that the state support could be a significant financing instrument, especially in all 10 new EU Member States. In the context of the next Financial Perspective the resources between the Cohesion and Regional development fund should be shared.
4. LTBA associates, that the implementation of horizontal measures can be achieved through an international agreement. Such agreement can serve as an instrument, especially to develop the connections with the third countries on which the EU legislation does not apply, for example (Russia, Belarus, etc.) The international agreement will be a basic framework for motivation of all interested stakeholders to involve in the projects to promote the development of transport axis. Of course, in the drafting process of such agreement the interests, rights and liabilities of all parts need to be set equal.
5. As it was mentioned before, we believe that an international agreement could be the most appropriate solution for common coherent framework, which will regulate and organise the development of priority transport axis with the EU neighbouring countries.

We hope that our proposals will help to complement the report of High Level Group and promote further development of Trans – European transport networks and its connections to the neighbouring countries.

Sincerely,
Latvian Transit Business Association

Executive director

A handwritten signature in black ink, appearing to read 'G. Verners', is centered within a light gray rectangular box.

G. Verners

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