

27 June 2003

**HIGH LEVEL GROUP  
ON THE TRANS-EUROPEAN  
TRANSPORT NETWORK  
  
REPORT**

<b>1. SUMMARY AND CONCLUSIONS.....</b>	<b>4</b>
<b>2. THE POLICY OF THE TRANS-EUROPEAN NETWORK SINCE MAASTRICHT.....</b>	<b>11</b>
2.1. THE FIRST ACHIEVEMENTS.....	11
2.2. THE NECESSITY OF REFORMULATING THE COMMUNITY GUIDELINES. 13	
<b>3. NEW INFRASTRUCTURE: AN ESSENTIAL CONTRIBUTION FOR ENLARGEMENT .....</b>	<b>16</b>
3.1. INTEGRATE THE NETWORKS OF THE NEW MEMBER STATES .....	16
3.2. INFRASTRUCTURE FOR ENLARGEMENT IS A MATTER FOR ALL .....	16
<b>4. THE MANDATE GIVEN BY THE COMMISSION.....</b>	<b>18</b>
4.1. THE COMPOSITION AND MANDATE OF THE GROUP .....	18
4.2. THE WORK PROGRAMME.....	18
<b>5. THE NECESSITY OF A SELECTIVE APPROACH .....</b>	<b>21</b>
5.1. GENERAL REMARKS .....	21
5.1.1. <i>An insufficient and sometimes incoherent provision of infrastructure at the European level.....</i>	<i>21</i>
5.1.2. <i>The foreseeable development of traffic .....</i>	<i>22</i>
5.1.3. <i>The constraint of financing.....</i>	<i>22</i>
5.1.4. <i>The need for greater concentration, selectivity and coordination.....</i>	<i>23</i>
5.2. CRITERIA AND METHODS FOR EXAMINING THE PROJECTS .....	23
5.2.1. <i>Take stock of progress and delays with existing priority projects .....</i>	<i>23</i>
5.2.2. <i>The need to stick to strict criteria.....</i>	<i>24</i>
5.2.2.1 A two stage method .....	25
5.2.2.2 The pre-selection .....	25
5.2.2.3 The evaluation of the pre-selected projects.....	26
5.2.2.4 Comparisons with the approach of the Christophersen Group.....	26
<b>6. RECOMMENDATIONS OF THE GROUP.....</b>	<b>28</b>
6.1. CARRY OUT THE PRIORITY PROJECTS.....	29
6.1.1. <i>Priority projects in the process of completion (List 0).....</i>	<i>29</i>
6.1.2. <i>Priority projects to start before 2010 (List 1).....</i>	<i>32</i>
6.1.3. <i>Longer-term priority projects (List 2).....</i>	<i>38</i>
6.1.4. <i>Other important projects for territorial cohesion (List 3).....</i>	<i>39</i>
6.2. DEVELOP GENUINE MOTORWAYS OF THE SEA.....	41
6.2.1. <i>An untapped potential .....</i>	<i>41</i>
6.2.2. <i>Process proposed to launch projects.....</i>	<i>41</i>
6.3. BETTER MANAGE TRANSPORT .....	43
6.3.1. <i>Build a European rail network.....</i>	<i>44</i>
6.3.1.1 Make national networks interoperable .....	44
6.3.1.2 Dedicate part of the rail network to freight .....	44
6.3.2. <i>Integrate air traffic management .....</i>	<i>45</i>
6.3.3. <i>Manage river traffic .....</i>	<i>46</i>
6.3.4. <i>Watch maritime traffic.....</i>	<i>46</i>
6.3.5. <i>Remove airport capacity constraints.....</i>	<i>47</i>
6.4. IDENTIFY THE MAIN AXES .....	47
6.4.1. <i>More coherent planning .....</i>	<i>48</i>

6.4.2.	<i>Take into account the experience of the pan-European corridors.....</i>	49
6.4.3.	<i>A task to be continued within the framework of the revision of the guidelines.....</i>	49
6.5.	<b>DEVELOP LINKS WITH NEIGHBOURING COUNTRIES OF THE UNION .</b>	51
6.5.1.	<i>Switzerland: a particular case .....</i>	51
6.5.2.	<i>The Western Balkans .....</i>	52
6.5.3.	<i>Eastern European countries (Russia, Belarus, Ukraine, Moldavia).....</i>	52
6.5.4.	<i>Mediterranean Countries .....</i>	53
6.6.	<b>FACILITATE THE IMPLEMENTATION OF THE NETWORK.....</b>	54
6.6.1.	<i>Ensuring the necessary funding .....</i>	54
6.6.1.1	<i>Taking into account the constraint of public finance .....</i>	55
6.6.1.2	<i>A strongly anchored principle of territoriality .....</i>	56
6.6.1.3	<i>Community financial instruments to meet the challenge .....</i>	57
6.6.1.4	<i>Greater efficiency for Community financial aid .....</i>	59
6.6.1.5	<i>The public-private partnership: better management of risks and costs ....</i>	61
6.6.2.	<i>Adapt the political and legal framework.....</i>	63
6.6.2.1	<i>The laws related to concessions .....</i>	63
6.6.2.2	<i>Infrastructure Charging .....</i>	64
6.6.3.	<i>Organise the coordination of investment .....</i>	64
6.6.3.1	<i>Coordination within the major European axes .....</i>	64
6.6.3.2	<i>Transnational legal entities for major cross-border projects.....</i>	65
6.6.4.	<i>Adapt the assessment methods to sustainable development.....</i>	65
6.6.4.1	<i>More homogeneous economic assessment methods .....</i>	65
6.6.4.2	<i>Taking sustainable development into account.....</i>	66
6.6.4.3	<i>The environmental impact assessment procedures .....</i>	66
6.6.4.4	<i>Facilitate these procedures by transnational commissions of enquiry ....</i>	67
6.7.	<b>SIMPLIFY THE FUTURE REVISIONS OF THE LISTS OF PRIORITY PROJECTS .....</b>	69
6.7.1.	<i>A necessary periodic revision.....</i>	69
6.7.2.	<i>The list of the priority projects evolves .....</i>	69
6.7.3.	<i>The bottom-up approach is no longer enough .....</i>	70
7.	<b>LIST OF MEMBERS.....</b>	71
8.	<b>LIST OF MEETINGS.....</b>	75

## **1. SUMMARY AND CONCLUSIONS**

1. The High-Level Group on the trans-European transport network (TEN-T) was mandated by the Vice-President of the Commission in charge of Transport and Energy to identify by the summer of 2003 the priority projects of the trans-European transport network up to 2020 on the basis of proposals from the Member States and the acceding countries. This exercise is part of a broader review of the Community guidelines for the development of the trans-European transport network. The Group, which was chaired by Mr Karel Van Miert, consisted of one representative from each Member State, one observer from each acceding country and an observer from the European Investment Bank. The Group met on 10 occasions between December 2002 and June 2003.
2. The High-Level Group confirms the need to reformulate the trans-European transport network guidelines decided upon by the European Parliament and the Council in 1996. The network is characterised by a worrying increase in congestion, due to the persistence of bottlenecks and of missing links and a lack of interoperability. The prospect of enlargement to include 12 new countries accentuates the need for a new approach to preserve the competitiveness of the European economy and to guarantee a balanced and sustainable development of transport. A new impetus must therefore be given to create a real trans-European network.
3. One of the major tasks of the Group was to select a restricted number of priority projects on the transport network of the expanded Union. Such projects are essential to complete the internal market on the scale of the European continent and to reinforce economic and social cohesion. The Group also studied the obstacles of a financial, legal and administrative nature to the implementation of these priority projects.
4. The High-Level Group recommends that the Commission takes all the necessary initiatives to implement its recommendations. The Group also suggests that the other Community institutions, within the context of their respective competencies, take all measures to support the Group's recommendations. It will not be possible to put these recommendations into practice unless there is strong political and financial commitment from the Member States. The Group therefore invites all the Member States - both current and future members - to mobilise to attain, with the support of the Community institutions, the objectives formulated in the report.

### **1.1. Carrying out priority projects by 2020**

5. In accordance with the Group's mandate, the list of priority projects includes only *"the most important infrastructure for international traffic, bearing in mind the general objectives of the cohesion of the continent of Europe, modal balance, interoperability and the reduction of bottlenecks"*. In addition, an assessment was made as to *"how well each project fits the objectives of European transport policy, the added value for the Community and the sustainable nature of its funding up to 2020"*.

6. The Group considers that this label of "priority project" must lead to the coordination and concentration of Community financial resources - whatever their origin or designation - and of the financial contributions of the States and local authorities allocated to the trans-European transport network. This label must also serve as a reference for the loan policy of the European Investment Bank. The Group thinks that this label, thanks to suitable legal structures, will help to attract private investors.

#### ***Finishing 5 of the Essen projects before 2010***

7. Among the 14 priority projects identified by the Christophersen Group and confirmed by the European Councils of Essen and Dublin, only three have been finished and five will be completely finished before 2010. The Group nevertheless notes the significant progress made in the majority of the six remaining projects since important sections will be completed before 2010.<sup>1</sup> As regards the other sections, the Group agreed on new timetables and, considering the commitments taken by the Essen and Dublin European Councils, decided to integrate them, together with extensions in the territory of future Member States, in new priority projects with a time horizon of 2020.
8. The High-Level Group recommends that all measures be taken for these projects, such as they were conceived when endorsed by the European Council of Essen in 1994, to be completed and made operational between now and 2010. Sections which it will not be possible to complete by that date should in any case be fairly well advanced. This degree of advancement will be taken into consideration, moreover, when judging the appropriateness of keeping them on the list of priority projects beyond the year 2010, during future reviews of the guidelines for the development of the trans-European transport network. The Group recommends that the Commission follows the progress of these projects with the greatest attention and takes every useful initiative to ensure that the deadlines provided for in this report are met. The policies on awarding Community funding will have to depend particularly on the proper progress of the projects.

#### ***Starting new 22 priority projects in an expanded Union with a time horizon of 2020***

9. The Group established its own methodology to assess and identify, amongst the candidate projects proposed by the present and future Member States the new priority projects to be carried out between now and 2020. Amongst 100 projects that the Group had to examine, 24 delegations agreed on a set of new priority projects which were grouped together synthetically in the report, depending on their belonging to a certain number of major traffic axes on the scale of the expanded Union. Belgium and Luxembourg did not approve the report because the upgrade of the rail link between Brussels and Luxembourg was not included in List 1. Greece also disagreed because it wanted to add the Ionian/Adriatic intermodal corridor in List 1 instead of List 3.

---

<sup>1</sup> The sections to be achieved by 2010 are included in "List 0" of the report. The sections to be achieved after 2010, and the extensions in the acceding countries, are included in "List 1".

10. The Group has set, as a general condition, that works must begin by 2010 at the latest on all of the sections<sup>2</sup> concerned. Given the absence of an agreement between the States concerned on the financing or itinerary of four of these priority<sup>3</sup> projects, the Group recommends to these States that they pursue their preliminary studies and negotiations in order to decide on their itinerary, completion date and funding. Given their importance for the trans-European network, the Group recommends that the Commission takes all useful steps to aid their execution, especially as concerns the high-capacity rail link across the Pyrenees.
11. Without neglecting the funding of other projects of common interest in the transport field, the Group is of the opinion that the Commission and the European Investment Bank ought to concentrate their financial efforts as far as possible on the priority projects.
12. A key priority is the Galileo project to develop a satellite radionavigation system for civil use. Galileo will help to improve efficiency and safety in all transport modes, while at the same time guaranteeing the European Union's technological independence in this area.
13. Given the prospect of an increasing demand for transport, inland infrastructure projects must complete missing links in the network or help to eradicate bottlenecks. Railway projects will also have to improve the European network's interoperability. Particularly careful attention will have to be paid among these projects to two major obstacles to the achievement of the trans-European network, namely, first of all, the crossing of natural barriers such as the Alps and the Pyrenees and, secondly, cross-border projects, which have often in the past been the victims of a blatant lack of coordination and commitment between and by national authorities.
14. The objective of sustainable development requires a shift in modal balance to be operated in favour of transport modes which are alternatives to road, namely rail, inland waterways and short-sea shipping. Accordingly, among the priority projects, the Group has selected works geared to improving navigability on several sections of the Rhine-Main-Danube route, including the Meuse, and on the Seine-Escaut route. To promote short-sea shipping, it has defined four "motorways of the sea", for which the Member States concerned will have to devise projects of common interest. The success of the motorways of the sea depends notably on improving logistics chains, the simplification and automation of administrative and customs procedures and the introduction of common traffic management systems.
15. The Group also identified, although not exhaustively, other important projects for the territorial cohesion which come under the logic of the current structural financial instruments<sup>4</sup>.

---

<sup>2</sup> These projects are included in "List 1".

<sup>3</sup> These projects are included in "List 2".

<sup>4</sup> These projects are included in "List 3".

16. The Group also identified several "horizontal" or cross-cutting priorities aimed at a better management of the European transport system, the effectiveness of which will be closely connected to the introduction of accompanying regulatory measures. The integration of traffic management systems on the basis of common techniques and standards for an optimised use of the existing networks will require incentive aid. A group of measures to manage more efficiently the allocation of capacities, particularly for freight transport, appears moreover unavoidable, with regard in particular to requirements imposed by the sustainable development of transport. In this context, the Group recommends particularly keenly the gradual introduction, with the support of all market operators, of a European rail network dedicated to freight transport.
17. The Group's mandate was to identify priority projects for the internal market. The Group did, however, identify a number of connections with third countries which are of interest for the development of the European Union's external trade and in order to improve the transit conditions of some new Member States. Consequently, the Group recommends that they be developed, particularly with the help of structural financial instruments - in the case of sections within Union territory - or in the framework of transit or association agreements between the Community and the third countries concerned (such agreements could even include a financial component), in the case of sections outside the Union.

## **1.2. Facilitating the creation of the trans-European network**

18. The priority projects selected by the Group represent funding estimated at €35 billion between now and 2020, approximately €12 billion of which is for the Essen/Dublin projects still to be carried out<sup>5</sup>. What is more, these new priority projects represent only a part of the investment needed for the trans-European network of the expanded Union. The Group stresses indeed that the total cost of the network, including priority projects and other projects, is estimated at more than €600 billion, exclusive of maintenance costs.
19. The Member States are currently investing less than 1% of their gross domestic product in building transport infrastructure and devoting only one third of this investment to achieving the trans-European network. The Group considers that the latter is currently suffering from under-investment, which may prevent a fair number of the network projects, notably some priority projects, to be completed within the desired time frames, despite their positive repercussions on the entire economy of the Union. In addition, cross-border projects are often held up through the intrinsic difficulty of coordinating, at intergovernmental level, their timetable, their financial planning and the related administrative procedures for such projects.

### ***Guaranteeing funding for priority projects***

20. The Commission estimates that the Community share in funding the construction of the trans-European transport network will be about €20 billion between 2000 and 2006<sup>6</sup>. In the eyes of the Group, this contribution does not appear to be an adequate

---

<sup>5</sup> Including both sections in List 0 and in List 1

<sup>6</sup> This amount comprises contributions from the trans-European network budget, the Cohesion Fund and the Structural Funds.

inducement, particularly to carry out cross-border projects. The Group therefore welcomes with interest the Communication from the Commission - Developing the trans-European transport network: Innovative funding solutions<sup>7</sup>.

21. Both the commitments entered into at the European Council of Essen and the recommendations of the new priorities made by the Group risk remaining a dead letter if the European Community does not release new financial resources. In particular, the Group recommends to the budgetary authorities that they should positively consider an appropriate allocation of funds, and one which truly acts as an inducement, be set aside for the trans-European transport network within the forthcoming financial perspectives, considering that the investments required in the period 2004 – 2013 for the priority projects alone stand at €208 billion.
22. Recurrent delays are jeopardising the viability of other sections on the route concerned, in particular on cross-border projects. Hence, the Group defends the idea that the Community could play a more active role in financing the cross-border projects. The Commission has already proposed an amendment to the Financial Regulation aimed at raising the share of the TEN budget for certain vital cross-border sections from 10% to 20%. The Group recommends to re-examine this initiative, as a possible first stage of a system permitting a greater modulation of the intervention rate depending on the benefits for other countries and more generally as one of the possible solutions to increase the Community role for cross-border projects .
23. The Group is keen to stress the crucial role of the European Investment Bank (EIB) through its loan policy. It suggests to develop the financing capacity of the bank through various financial engineering techniques in particular for cross-border projects. Moreover, it suggests that the EIB strengthen its links with the European Commission.
24. The coordination of projects and of financial resources, particularly for the construction of cross-border projects, must be strengthened. By their very nature, trans-European network projects benefit the whole of the Union. Consequently, Member States should go beyond a purely national logic which has led - apart from a few, all too rare exceptions - to their excluding funding for any infrastructure outside their territory.
25. The investments needed to carry out the recommended priority projects of the trans-European transport network represent, on average, 0.16% of GDP. They are, however, key productive investments that will improve the potential for economic growth, boost the dynamics of the internal market and contribute to sustainable development and territorial cohesion. In the light of what has just been said, the Group draws the attention of economic policy decision-makers to the incongruity in the long term between what is at stake in carrying out these projects and the constraints curbing public funding.
26. Finally, given the extent of the financial requirements, the Group is calling for initiatives to promote public-private partnerships. An appropriate legal framework, particularly as regards concession rights and charging for infrastructure use, must be introduced at Community level. Such partnerships must also be based on a distribution of risks which is acceptable for the private sector. New guarantee

---

<sup>6</sup> COM(2003)132 final.



mechanisms ought to be set up, such as in the context of a mutual risk fund, in order to cover, inter alia, the risks of delays or failures to complete certain sections which could jeopardise the viability of a project.

### ***Better coordination of projects***

27. The Group considers that it is necessary for coordination - not just financial, but also operational coordination - between the States concerned by projects on a single axis<sup>8</sup> to be strengthened and institutionalised. To that end, a coordination team under the auspices of the Community, headed by a personality recognised and accepted by all the States concerned, should be set up to spur on the achievement of projects on the major axes and to canvass private and institutional investors. In time, such teams could evolve into common management structures ensuring the coordination of the various Community interventions.
28. Superimposing national procedures relating to the assessment of the environmental and socio-economic impacts of a project has proven to be unsuitable in the case of cross-border projects. Going beyond the common assessment methods, joint procedures for trans-national enquiries ought to be developed. Consequently, the Group suggests that, for a given project, there should be the possibility of resorting to a single enquiry in the different States concerned, which could facilitate the application of recently adopted Community rules on environmental impact assessment.<sup>9</sup> Apart from taking better account of environmental priorities, a procedure of this kind will permit greater transparency in the choice of infrastructure and avoid the pointless and costly overlapping of procedures.

### **1.3. Preparing the next stages in the construction of the network**

29. The priority projects selected by the Group are those which contribute most to promoting transnational traffic on the major trans-European axes. This selection procedure has made it possible to highlight a certain number of major trans-European axes. The identification of European axes characterised by major flows unavoidable for geographical or economic reasons facilitates the ordering of priorities and the establishment of consistency between the national plans. Consequently, the Group asks for this initial identification to be completed in the context of the revision of the guidelines by more detailed analyses of traffic flows in a Union of 27 countries.
30. The definition of a core network comprising these axes will constitute an indispensable working tool for further revisions of the list of priority projects. Recourse to a group of high-level experts appointed by the transport ministers has, moreover, permitted the identification of broad guidelines for the trans-European network and the incentives needed for its development. Given the strong territorial dimension and financial implications of the network, the work of a group of this kind constitutes an important prerequisite of any substantial revision of the Community guidelines.

---

<sup>8</sup> The wording "axis" is used in order to avoid confusion with the pan-European Corridors identified by the Crete and Helsinki Conference under the auspice of ECMT.

<sup>9</sup> Directive 2001/42/EC on the environmental assessment of certain plans and programmes.

31. For this reason, a similar group ought to be set up regularly, taking care to synchronise this exercise with the periodic revision of the Community's financial perspectives, in order to assess the progress made with the priority projects and to consider the inclusion of new projects on the list or, where necessary, the removal from the list of some projects which have been held up for too long.
32. The Group suggests that this exercise could be launched in 2010.

## **2. THE POLICY OF THE TRANS-EUROPEAN NETWORK SINCE MAASTRICHT**

### **2.1. THE FIRST ACHIEVEMENTS**

1. A fully integrated transport network is a prerequisite for a real freedom of movement of goods and people and for bringing together the peripheral, island or isolated areas with the central regions. A modern, interconnected and interoperable network allow, through a better use of transport, to enhance trade and the competitiveness of the European economy as a whole. Without implementing the necessary infrastructure and an appropriate regulatory framework for an efficient network management, the concepts of the internal market and the territorial cohesion of the Union will remain unfinished.
2. The inclusion in the Treaty of Maastricht of a Title for a policy on the trans-European networks gave the European Community competencies and the instruments for their development. In accordance with Article 154 of the Treaty establishing the European Community, the Community contributes to the establishment and development of trans-European networks in the sectors of transport, telecommunications and energy infrastructures. This is with a view to contributing to both the establishment of the internal market, and to economic and social cohesion. To do this it must firstly develop the interconnection and the interoperability of the national networks.
3. Under these conditions, the trans-European transport network will support the development of the economy of the European Union. People, goods and services should be able to circulate throughout the market in an effective way and at the least cost. However, in the last decades, the transport infrastructure of the Member States was still excessively oriented inwards, with the national capitals representing the nerve centres towards which the major transport routes converged. In the early 90's, the development of the trans-European network became a political priority as it was rightly considered as a supporting tool for the single market, which, with the opening of the internal borders, became a tangible reality on 1<sup>st</sup> January 1993.
4. Establishing such a network would have become an instrument of economic integration, facilitating communication, reducing distances and making contacts easier between the peripheral and the central regions. As it is of crucial importance for the orderly functioning of the single market, the trans-European network also takes on a fundamental role in developing economic and social cohesion.
5. It soon proved necessary to "step on the gas" to promote the establishment of the trans-European transport network, as its implementation suffered from slow economic growth, which reduced the availability of funds. The Commission's 1993 White Paper on growth, competitiveness and employment consequently evoked the idea of drawing up a list of projects of Community interest together with a number of measures aiming at mobilising public and private actors.
6. Within this framework, the role of the Union was to eliminate the financial and administrative obstacles in the development of these major and costly priority projects, of which many cross-border projects, by encouraging private investors to

play a larger part in their financing. In other words, these projects were carried out through the encouragement of partnerships between all the interested parties: public authorities, network operators, users, financial institutions and industry. This approach included the development of an action plan for each project in a form which intended to give the political impetus necessary for speeding up its implementation and financing.

7. Based on the Commission proposals contained in its White Paper, the Brussels European Council of December 1993 adopted a series of important decisions to speed up the implementation of trans-European networks (transport, but also energy and telecommunication). One of these created a special group of representatives of the Heads of State or Government chaired by Mr Christophersen. The mandate of the "Christophersen Group" was to help the Council in discharging its task in the field of transport and energy network infrastructure. The prime objective of the Group was to identify priority projects which, in the view of national representatives, were of determining importance for the establishment of the trans-European networks for transport and energy.
8. As regards transport, at its meetings in Corfu in June 1994 and in Essen in December of the same year, the European Council endorsed a list of 14 priority transport projects based on the report drawn up by the "Christophersen Group". It invited the Member States concerned to take all the measures necessary to advance these projects by in particular speeding up the administrative, regulatory and legislative procedures.
9. Subsequently, on 23 July 1996, the European Parliament and the Council adopted Decision N° 1692/96/EC on Community guidelines for the development of the trans-European transport network<sup>10</sup>, that included a much larger list of projects of common interest.
10. This Decision<sup>11</sup> set 2010 as its target date for completing the network. The guidelines were intended to encourage the Member States, and if necessary the Community, according to its budgetary resources, to carry out projects of common interest aimed at ensuring the consistency, interconnection and interoperability of the trans-European transport network as well as access to this network.
11. The guidelines put in a single reference framework the plans and criteria for each mode of transport, which has made it possible to identify projects of common interest likely to be eligible for the TENs budget or under financial structural instruments. Furthermore, the Decision incorporated within its Annex III the priority projects adopted by the Essen European Council. **In fact, now, the priority projects endorsed by the Essen European Council represent only a part of the many projects of common interest.**

---

<sup>10</sup> OJ L 228 of 9.9.1996, p. 1.

<sup>11</sup> The Decision was amended on 22 May 2001, in order to incorporate inland ports and intermodal terminals into the plans, as well as to modify the priority project n°8 as requested by the European Council of Dublin in December 1996.

## **2.2. THE NECESSITY OF REFORMULATING THE COMMUNITY GUIDELINES.**

1. The past decade saw not only a worrying increase in traffic congestion in urban areas, but also a new phenomenon of congestion on the major arteries of the trans-European network, increasing the number of bottlenecks. Missing links in the infrastructure, and a lack of interoperability within specific transport modes and for intermodal transport systems, are all reasons aggravating this congestion of the network. All transport modes are affected: road transport, but also railway transport – the railway themselves estimate that, on the basis of existing technologies, 20% of the railways track represent bottlenecks. Also air traffic is increasingly affected by delays. In contrast, the peripheral regions still suffer from isolation due to a lack of connections with the centre of the continent, and also congestion on the central parts of the network. The peripheral countries of the European Union are thus directly affected by the deterioration of traffic conditions in transit countries.
2. Having to cross natural barriers such as mountain ranges and sea stretches is a particular brake on the movement of goods and people. Traditionally one thinks of the Alps and the Pyrenees, but the ice which covers the north of the Baltic Sea during the winter is another example of a natural barrier which affects maritime traffic in the Nordic and Baltic countries. The construction of adapted infrastructure to cross these areas or the putting into service of specially adapted equipment (ice-breakers) is indispensable. This will require colossal investments which will often require the commitment of several Members States and very good cooperation between national administrations.
3. The phenomenon of congestion or lack of connections for the peripheral regions affects the competitiveness of companies by increasing their costs. It also has a negative impact on the environment through extra fuel consumption, as well as on the citizens' well-being due to the many side effects of transport. According to the Commission, the external costs of congestion due to road traffic alone represent approximately 0.5% of the Gross Domestic Product (GDP) in the European Union.<sup>12</sup>
4. This assessment becomes even more alarming when one realises that transport demand will continue to increase strongly in the future. Therefore, if no measures are taken between now and 2010 to make more rational use of the advantages of each transport mode, heavy lorry traffic alone in the Union of 15 could increase by 50% compared to its level in 1998. This phenomenon affects the Member States as well as the acceding countries, where we note a progressive deterioration of the market share of rail, with a consequent increase in road transport of almost 20% between 1990 and 1998.
5. An effective transport policy is obviously not just limited to the construction of infrastructure on the trans-European transport network. It should be noted, however, that the saturation of certain major arteries routes as well as the lack of satisfactory connections with the peripheral regions are directly caused by delays in implementing the infrastructure of the Network. As the White Paper on the European

---

<sup>12</sup> White paper on the European Transport Policy

transport policy noted<sup>13</sup>, six years after the adoption of Decision 1692/96/EC on the Community guidelines for development of the trans-European transport network, barely 20% of the projects planned for the year 2010 have been completed. The longest delays affect the cross-border and railway projects. Of the fourteen projects adopted by the Essen European Council in 1994, only three have been completed and two have even not been started yet.

6. The current plans of the trans-European network result essentially from the juxtaposition of national plans. After enlargement, this lack of common global vision at the scale of the continent will inevitably lead to a dispersal of efforts and great difficulties in ensuring coherence between the different initiatives to plan and implement the network, at European, national or even regional level.
7. Moreover, at the request of the Member States, more than half of the capital expenditure was devoted to roads. In the new context of sustainable development, the Gothenburg European Council of June 2001 asked that, in future, stress should be laid on the development of rail, maritime and river transport. The Commission's White Paper on transport policy for 2010 also placed the re-balancing between different modes of transport at the heart of a sustainable development strategy.
8. The rebalancing of transport modes also signifies a more vigorous promotion of intermodality. It is necessary to place each project on the trans-European network in a transport chain and to find the optimal combination of existing transport modes, with a view to improving the overall performance of the system while reducing the consequences on the environment. A road project can for example have overall a positive contribution to reduce the environmental impact of transport if it improves a connection with rail or inland waterways. Rather than consider a project in isolation, one must combine at the European level the specific qualities of each transport mode.
9. Consequently, a reformulation of the current guidelines had become essential. As indicated in the Transport White Paper, the unbalanced growth of traffic and the requirements of sustainable development are forcing us to rebalance transport modes, eliminate bottlenecks, and fill in the missing links. Such an effort calls for regulated competition within the whole transport sector, for a framework favourable for the financing of the infrastructure but also for better targeting of investments on the major routes of the trans-European network.
10. We must judiciously use the different transport modes, telematics to better organise journeys and traffic, connect, in all the areas, the relevant networks of national authorities and ultimately improve transport services combining different transport modes. We must integrate higher environmental standards into infrastructure projects. The territorial aspects of transport must be considered in order to guarantee a balanced and sustainable development of all the regions of Europe by a better distribution of traffic flows. The investments are considerable but so are the gains in terms of competitiveness, employment, territorial cohesion, and reduction of negative social and environmental externalities.

---

<sup>13</sup> COM (2001) 370 - [http://europa.eu.int/comm/energy\\_transport/en/lb\\_en.html](http://europa.eu.int/comm/energy_transport/en/lb_en.html).

11. A first, limited, attempt at revising the guidelines of the trans-European network of transport, was proposed by the Commission on 2 October 2001<sup>14</sup>. It is necessary to point out that although the Commission's proposal received the Parliament's approval on the list of new priority projects presented in Annex III<sup>15</sup>, it has not found yet any agreement of the Council. Nonetheless, at several European Council meetings Member States renewed their request for a revision of the guidelines for the trans-European network, including new priority projects.<sup>16</sup>

---

<sup>14</sup> COM (2001)544; OJ C 362 of 18.12.2001, p. 205.

<sup>15</sup> The new priority projects presented in Annex III of the proposal were: Galileo, a high-capacity rail link across the Pyrenees, a mixed rail line from Stuttgart to Vienna, Danube river improvement between Vilshofen and Straubing, the high-speed rail interoperability on the Iberian peninsula, and the Fehmarn belt.

<sup>16</sup> The following European Councils made the following statements:

Göteborg, "invites the European Parliament and the Council to adopt by 2003 revised guidelines for trans-European transport networks on the basis of a forthcoming Commission proposal, with a view to giving priority, where appropriate, to infrastructure investment for public transport and for railways, inland waterways, short sea shipping, intermodal operations and effective interconnection;"

Barcelona, "requests the Council and the European Parliament to adopt, by December 2002, the revision of the guidelines and the accompanying financial rules on Trans-European Transport Networks (TEN), including new priority projects identified by the Commission, with a view to improving transport conditions with a high level of safety throughout the European Union and to reducing bottlenecks in regions such as, among others, the Alps, the Pyrenees and the Baltic Sea."

Brussels, "invites the Council, in the light of the conclusions of the Barcelona European Council and following the report of the Van Miert High Level Group, to spell out conditions and directions needed in terms of "connectivity", especially in view of enlargement, so as to make better use of and improve existing infrastructure while completing (in the next programming period) its missing links, while reducing bottlenecks in regions such as the Alps, the Pyrenees, the Massif Central and the Baltic Sea, especially related to cross-border natural barriers, encouraging investment in basic infrastructures through available EU financing instruments and joint public-private initiatives;"

### **3. NEW INFRASTRUCTURE: AN ESSENTIAL CONTRIBUTION FOR ENLARGEMENT**

#### **3.1. INTEGRATE THE NETWORKS OF THE NEW MEMBER STATES**

1. A reformulation of the current trans-European transport network guidelines is especially necessary since we are on the verge of the largest expansion of the European Union. Ten countries are expected to join the European Union in May 2004: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Romania and Bulgaria should join in 2007. This prospect emphasises the need for upgraded or new infrastructure on the corridors serving these countries in order to connect them effectively to the trans-European network of the 15 current Member States. There is also a need to improve the connections between these countries themselves. A new infrastructure network must therefore be developed East-West, and also North-South.
2. Adequate transport infrastructure is one of the conditions for the economic development of the acceding countries and their integration into an internal market on a continental scale, as well as for strengthening the accessibility of the peripheral regions towards the central regions. Borders will not be truly opened and people and goods will not be able to circulate freely and efficiently if the roads, railways, airports and ports of these countries are not modernised.
3. The accession negotiations revealed important needs regarding transport in the acceding countries. Approximately 20,000 km of roads and 30,000 km of railways, as well as ports and airports, will have to be built or modernised to achieve the criteria and the objectives of the Decision on the trans-European network guidelines applicable in the current Member States. The investments to be made in those countries can be estimated at about €100 billion, which is huge compared with their GDP.
4. The pan-European Conferences of the Ministers of Transport in Crete in 1994 and then in Helsinki in 1997 made it possible to identify a series of pan-European corridors crossing the Central and Eastern European countries and connecting with the network of the European Union. These corridors, whose purpose is to take up the major part of international traffic, made it possible to coordinate the interventions of the various authorities, including those of the Community that already actively support the Central and Eastern European countries through the PHARE and ISPA programmes (Instrument for structural policies for pre-accession).

#### **3.2. INFRASTRUCTURE FOR ENLARGEMENT IS A MATTER FOR ALL**

5. Raising the economies of the acceding countries to the level of those of the 15 Member States will still however require considerable investment efforts. Moreover, economic growth will itself generate unprecedented growth in the transport needs in these countries, and consequently for infrastructure as well. Since the cycle of development of an efficient transport network is relatively long, we understand that large-scale facilities must be planned and launched now in order to develop the future trans-European transport network of the broad-based Union. Furthermore we need to make up for investments that were not made for several decades because of the separation of Europe into two blocs.



6. The effects of enlargement on the trans-European transport network are not limited to those parts of it located in the future Member States. The integration of markets will be accelerated by enlargement and this will also probably lead to the generation of new traffic flows on the network of the current Member States. Some of the existing peripheral Member States will benefit from new intra-EU connections with central areas, for instance through the Baltic states or the Eastern Balkans. It is difficult to estimate today the magnitude of this phenomenon, which will depend on new territorial dynamics and the international division of labour. It is clear that the regions of the Union bordering the acceding countries will be strongly affected, as will certain major routes such as those crossing the Alps and the Pyrenees. It is therefore particularly important to keep the commitments of previous years and carry out the projects needed to complete the trans-European transport network in the current Union.

## **4. THE MANDATE GIVEN BY THE COMMISSION**

### **4.1. THE COMPOSITION AND MANDATE OF THE GROUP**

1. At the end of 2002, the Vice-President of the Commission, Loyola de Palacio, decided to create a High Level Group to assist the Commission in the revision of the guidelines for the trans-European network. She also wished to associate the future Member States from the outset of this large-scale exercise.
2. The Group was established under the presidency of Mr Karel van Miert, former Vice-President of the Commission with particular responsibility for transport, and comprised a representative designated by the Transport Ministers of each Member State, and, with observer status, a representative from the 12 countries whose accession to the European Union is envisaged in 2004 or 2007, and a representative of the European Investment Bank<sup>17</sup>.
3. The primary objective of the Group was to identify, from proposals from each State, a restricted number of priority projects located on those major corridors that will carry important traffic volumes between the states of the enlarged Union. In accordance with the mandate of the Group, this list of projects should only include *"the most important infrastructure for international traffic, keeping in mind the general aims of cohesion of the European continent, modal rebalancing, interoperability and reduction of bottlenecks"*. Moreover, each project should be evaluated regarding its *"conformity with the objectives of European transport policy, its Community value added and the sustainable character of its financing up to 2020"*.

### **4.2. THE WORK PROGRAMME**

4. The Group met ten times between December 2002 and June 2003. It developed a methodology and criteria for the selection of priority projects. It examined all the proposals for new projects submitted to it by the States, and the eleven unfinished projects among those adopted by the Essen European Council of 1994<sup>18</sup>, as well as the six new projects identified by the Commission in its proposal of October 2001<sup>19</sup>.

---

<sup>17</sup> See list of the members of the High Level Group in point 7 of the report.

<sup>18</sup> See Annex III to Decision 1692/96/EC.

<sup>19</sup> Proposal for a Decision of the European Parliament and the Council amending Decision 1692/96/EC on the Community guidelines for the development of the trans-European transport network; COM/2001/544, OJ 362 of 18/12/2001 p. 205. Proposal for a Council regulation of the European Parliament and amending Council Regulation (EC) 2236/95 determining the general rules for the granting of Community financial aid in the field of trans-European networks; COM/2001/545, OJ C 75 of 26/03/2002 p. 316.

5. For those projects that had been selected by the Essen European Council in 1994, the objective of the Group was, above all, to check the commitment of the States concerned to carry them out within a reasonable time-limit, and consequently examine the advisability of keeping them on a list of priority projects. The examination by the Group was also an occasion to update information on these projects and to identify the sections already built, in order to focus future efforts on the sections that are uncompleted. The prospect of enlargement also gave a new dimension to certain projects that had to be taken into account. Therefore some of the 'Essen projects' were extended towards the East to improve connections with the acceding countries.
6. The list of *priority projects* only represents a part of the numerous projects of the trans-European network. However their selection from a wide range of projects gives them a high profile. Receiving this 'European label' will make it possible to concentrate and coordinate the financial resources of the Community budget allocated to the trans-European networks, along with funds allocated by the states and/or regional or local authorities, and also attract private investors.
7. The definition of these priorities will also make it possible to channel the financial contributions of the cohesion and structural funds, and will be able to serve as a reference for the loan policy of the European Investment Bank. These projects display a particularly clear European interest insofar as they will facilitate exchanges between States of the enlarged Union; will improve the cohesion between countries, and will promote modal shift towards the railways and inland waterways.
8. The restricted list of priority projects established by the Group includes those large-scale projects for which all the states concerned were able to show sufficient political commitment, guaranteeing the start of work between now and 2010 and the completion of the infrastructure by 2020.
9. The Group also identified projects with an evident European interest, but where agreement on the timetable is currently lacking between the countries concerned or some other characteristics of the project remain undefined.
10. The Group hopes that this approach will give these projects the necessary high profile to facilitate coordination between the countries concerned and to carry out, where necessary with a financial intervention of the European Community, the required preliminary studies to mobilise potential investors.
11. The Group has identified some projects which contribute in particular to connections to third countries, as well as a series of projects which, although not meeting the selection criteria to be retained on a list of priority projects, are important at the national or regional level and which could, where appropriate, benefit from certain Community funds (Cohesion Fund and/or European Regional Development Fund).
12. Apart from the selection of a restricted number of priority projects, the Group also identified projects involving so-called "horizontal" priorities that contribute to improving the organisation and management of traffic. More precisely, this involves projects aiming to promote interoperability and traffic management systems for the various modes of transport.

13. In addition, the Group explored the means of facilitating and accelerating the implementation of the priorities of the trans-European network. Success in carrying out major projects of the trans-European transport network very often depends on the degree of coordination between the various authorities concerned. This is particularly the case for cross-border projects where the launch but also the implementation commonly suffer from the lack of a common approach.
14. In this context the Group has identified some measures which the Commission needs to examine in more detail with a view to reinforcing the financial part of projects of the trans-European network. Public private partnership and the coordination of different sources of investment are examples of approaches which merit deeper consideration at a technical level.
15. The Group also recommended a method, a procedure and a timetable for future updates of the list of priority projects. These updates involve the identification of new priority projects, but also the possible withdrawal from the list of projects failing to make any progress or projects whose profitability and feasibility are called into question.

## **5. THE NECESSITY OF A SELECTIVE APPROACH**

### **5.1 GENERAL REMARKS**

#### *5.1.1. An insufficient and sometimes incoherent provision of infrastructure at the European level*

1. Experience shows that the volume of overall traffic always, or almost always, increases more quickly than GDP and that interurban flows and, in particular, long distance flows, grow even faster. In addition, enlargement will accelerate this traffic growth, in particular for freight. At the same time, the provision of infrastructure does not keep pace because of, amongst other things, a lack of public financing and the current difficulty of mobilising private funds. This gap between transport needs and the supply of new infrastructure will lead to an impasse which will not be without negative consequences for the competitiveness of the economy of the Union.
2. The coherence of the trans-European network suffers from the actions of the past. The transport infrastructure networks in the various Member States were developed above all according to a national logic, giving priority to the development of radial routes serving major cities, thus affecting overall balance. Experience shows that it is the cross-border sections which are generally the last to be carried out on a given transport route. Furthermore, the Member States do not all show the same interest in the transport modes - alternatives to road - which sometimes leads to situations where canals or railway tunnel projects for freight are only built up to one side of the border.
3. In addition, the division of Europe after the Second World War led to underinvestment in the connections not only between the current Member States and the future Member States of Central and Eastern Europe, but also in those between the acceding countries themselves.
4. The policy of transferring a share of the growth of goods traffic by road towards railways, inland waterways, or the Motorways of the Sea will only happen if cross-border infrastructure projects and interoperability on a European scale see the light of day.
5. Infrastructure project management is becoming increasingly complex. Carrying out of major projects today takes from 10 to 15 years, or even longer in the case of the cross-border projects.
6. In addition, the implementation of cross-border projects is hindered by specific factors such as different political agendas, the lack of coordination of administrative procedures on either side of the border and the difficulty to agree on sufficient amount of public contribution to make projects bankable. The political decision-makers are sometimes inclined to sacrifice cross-border projects for the benefit of national projects.
7. It requires a long-term vision in order to avoid, as is often the case today, short-term decisions on financing infrastructure - according to the political priorities of the day. It also requires a Community vision, on the level of the enlarged Europe, for the planning of major infrastructure.

### 5.1.2. The foreseeable development of traffic

8. The integration of 12 new Members States between now and 2007 will greatly stimulate these countries' trade. It must be expected that, if Europe does not agree to make sufficient efforts for modal transfer and the construction of new infrastructure, certain sections of the current network will quickly arrive at complete gridlock.
9. It is still difficult to make forecasts, especially for 20 years hence. Nevertheless, the Commission's services launched a major study aiming to simulate growth scenarios for traffic in an enlarged Europe as well as identifying how the major flows were structured on a European scale.<sup>20</sup>
10. Although this study is not yet completed, the Group benefited from certain preliminary results. Even on the assumption that some of the proactive measures proposed in the White Paper on European transport policy were implemented, with an assumed growth of 60% of GDP and a moderate economic catch-up of eastern countries, the volume of land freight traffic would increase by 68% from 2000 to 2020 in the current Member States and by 94% in the future Member States.

#### Provisional results

<i>Freight transport in billion t.km</i>	<i>Current Member States</i>			<i>New Member States</i>		
	<i>2000</i>	<i>2020</i>	<i>%</i>	<i>2000</i>	<i>2020</i>	<i>%</i>
Road	848	1420	67%	114	268	135%
Rail	220	388	76%	167	273	63%
Inland waterways	145	226	56%	7	18	157%
<b>Total</b>	<b>1213</b>	<b>2034</b>	<b>68%</b>	<b>288</b>	<b>559</b>	<b>94%</b>

11. Without wishing to be too alarmist, the Group draws the attention of the Member States and the Community Institutions to the importance of taking, today, courageous decisions both on the common transport policy and on investment priorities for safeguarding the competitiveness of the European economy.

### 5.1.3. The constraint of financing

12. The estimated cost of the whole trans-European transport network agreed in 1996 in the guidelines and in 2002 in the Accession Treaties, alone, amounts to nearly €500 billion<sup>21</sup> for all the projects due initially to be completed by 2010, including €12 billion still to be invested for the priority projects agreed by the European Council of Essen. The work of the Group has shown that new additional needs for a time horizon of 2020, not yet identified in the guidelines, have now to be considered. Adding what needs to be completed to achieve past commitments and these new needs, we can estimate the total needs at nearly more than €600 billion until 2020.

<sup>20</sup> Study "Scenarios, traffic forecast and analysis of TEN corridors", ordered by DG TREN. Figures exclude local traffic.

<sup>21</sup> 2003 prices, excluding traffic management and information systems and partly airports and ports.

13. The Member States, which invested on average 1.5% of the GDP in transport infrastructure during the 1980s, now invest less than 1%<sup>22</sup>. Acceding countries currently invest roughly 1.5% of their GDP and it seems to be quite unlikely that they could significantly increase this level without external support. Only a small part of these investments is actually devoted to infrastructure of the trans-European transport network, the lion's share being allocated by Member States to other national, regional or urban transport projects. Recent estimates<sup>23</sup> point out that overall investments in the trans-European transport network in the EU27 amount to less than €30 billion a year since 1996. With such a pace of investments, more than 20 years will be needed to complete the network.

#### *5.1.4. The need for greater concentration, selectivity and coordination*

14. The constraints relating to public finance inevitably require a high selectivity in identifying new priority projects of common interest. A stronger concentration of efforts must be sought on the basis of joint programming and maximising the profitability of these new infrastructure by ensuring coordinated development at European level. The effectiveness and the value added of Community action necessitates concentrating, in a selective manner, the financial support of the Community.

## **5.2. CRITERIA AND METHODS FOR EXAMINING THE PROJECTS**

### *5.2.1. Take stock of progress and delays with existing priority projects*

1. Although the Group could take stock of progress on a number of priority projects (see Chapter 6.1), it had to examine the reasons for delays encountered by those priority projects which will not be completed between now and 2010. Certain delays are inherent in infrastructure project management in general, such as:
  - the lack of well advanced studies when the decision to build the infrastructure is taken;
  - the existence of environmental constraints, connected for example with being in a NATURA 2000 area;
  - the legal risks, which arise from the 'NIMBY syndrome' ("not in my backyard"). Decisions taken by the Member States to build major infrastructure are increasingly frequently challenged in local courts.
2. It must also be remembered that it is the cross-border projects or the cross-border sections which in general show the biggest delays. The cross-border nature of these projects exposes them to additional causes of delay:

---

<sup>22</sup> Including transport infrastructure of the trans-European network and others, ECMT, "Investment in Transport Infrastructure 1985 – 1995".

<sup>23</sup> Study TEN-Invest commissioned by DG TREN, excluding traffic management and information systems.

- firstly, sometimes there is the difficulty that Member States have to agree on a route, as in the case of the high-capacity rail crossing of the Pyrenees;
  - secondly, the question of who is going to pay is particularly difficult to agree upon as the benefits are usually not in proportion to the costs incurred in each region or country crossed by the project (for instance in the case of the Brenner base tunnel of priority project No 1 of the Essen list);
  - thirdly, unlike national projects, cross-border projects are likely to be the focus of political decision-makers seeking advantage on the pretext that the other Member State is, or is likely to be, behind schedule;
  - lastly cross-border projects suffer from having to undergo different procedures in the various Member States for prior authorisations necessary for construction of the infrastructure in question. Similarly, it is more difficult to set up a management contract for the cross-border sections.
3. The delays encountered by cross-border projects illustrate certain weaknesses of the intergovernmental method used up until now by the Member States:
- Member States which are not concerned with the project route but which have on the other hand a direct interest in its construction as it links them to the network, are not invited to the bilateral meetings;
  - the Community is not represented at the "intergovernmental" meetings between Member States, although there is the question of common interest and the fact that the Community contributes a sometimes considerable financial share from the Cohesion Fund, from the ERDF or from the TEN budget line;
  - the delays in the construction timetables do not result in 'penalties' to the State in question, although these delays often cause a severe financial cost to another Member State which carried out its section on time, but which cannot make this section profitable in the absence of an extension of the infrastructure beyond its border.

#### *5.2.2. The need to stick to strict criteria*

4. An examination of all the priority projects selected by the Christophersen Group might give the impression that they do not have a perfect coherence. The method used and the rules of the game inherent in this type of exercise can explain this relative and occasional lack of coherence. Some of the Essen projects reflect a national planning desire which does not show any strong synergy with the remainder of the trans-European network. Others take the form of packages including many disparate projects. However, the priority projects have a role in completing major trans-European axes whose usefulness and European added value is undeniable at the level of the Community. The present Group wished to avoid the above-mentioned difficulties by following two principles :



- having a rigorous and clear methodology for choosing the priority projects;
  - having in mind the concept of major trans-European axes - like that of pan-European corridor developed by the pan-European conferences on transport infrastructure among the countries of Central Europe and Eastern Europe – so as to keep in mind the need for the priority projects in an overall framework and hierarchy coherent with the trans-European network.
5. The Group arrived at a clear methodology and criteria to choose from among the candidate projects, those which can really play a key role from a European perspective.

#### 5.2.2.1 A two stage method

6. The Group decided to work in two stages. In a first stage, the Group pre-selected the projects worthy of being examined in more detail, by eliminating those projects not meeting one of the following criteria:
- Being on a main trans-European axis pertinent to the internal market of the enlarged Europe, taking in particular into account projects crossing natural barriers, solving congestion problems or corresponding to missing links.
  - Having a European dimension in particular by meeting a threshold of €500 million for infrastructure.
  - The existence of evidence showing potential economic viability, other socio-economic benefits (e.g. social, environmental), and firm commitments from the concerned Member States to carry out the required impact assessments with a view to completing the project within an agreed timeframe.
7. In a second stage, the Group selected the priority projects with respect to the three following qualitative criteria:
- The European value added of the project, in terms of importance for facilitating exchanges between Member States, for instance improving interconnections and interoperability between national networks.
  - The strengthening of cohesion, either by better incorporating the future Member States into an enlarged Europe, or by connecting the main peripheral areas and the least developed regions to the rest of Europe.
  - The contribution to the sustainable development of transport while tackling the problems of safety and of environmental protection and by promoting modal transfer.

#### 5.2.2.2 The pre-selection

8. The first pre-selection criterion refers, for the future Member States, to the pan-European corridors mentioned in Chapter 4 of this report. For the current Member States, the main trans-European axes which should have constituted the framework of a genuine core trans-European network were never formally identified and listed.

This is why, Member States were invited to indicate for each one of their proposals on which main trans-European axes the project in question was located. This approach made it possible to have very constructive and informative exchanges on the perception that the various members of the Group had of what these main trans-European axes were.

9. The second pre-selection criterion relating to the financial threshold had the role of ruling out the projects whose scale was obviously below that foreseen for this exercise.
10. Lastly, as a the third pre-selection criterion it was considered crucial to be able to rule out the projects which are not mature enough or to which the States are not ready to commit themselves.

#### 5.2.2.3 The evaluation of the pre-selected projects

11. The first evaluation criterion relating to the European value added is without doubt the most important one. This criterion is measured either by the share of intra-Community traffic (i.e. concerning at least two Member States) in percentage terms of the total traffic on the sections concerned, or on the increases in net capacities on the route concerned, or by the number and length of networks which become interoperable.
12. The second evaluation criterion relating to the contribution of the project to cohesion directly follows the provisions of Article 154(2), of the EC Treaty. This criterion reflects population of an 'isolated' region served by the infrastructure in question, and in the number of hours saved for the peripheral regions, or the cost savings for the transportation of goods.
13. Lastly, the third evaluation criterion reflects one of the major concerns of the White Paper on transport policy to make transport more compatible with sustainable development. This objective has to measure itself by the number of passenger-kilometres or of tonnes-kilometres transferred towards more "sustainable" modes of transport, such as rail or waterways.

#### 5.2.2.4 Comparisons with the approach of the Christophersen Group

14. For the record, we recall that the Christophersen Group devised a list of selection criteria as follows:
  - (i) projects had to be projects of common interest in accordance with the criteria which were meanwhile set in the Community guidelines for the development of a trans-European transport network;
  - (ii) they had to be of exceptional size, bearing in mind the type of project and the relative size of the Member States directly concerned;
  - (iii) they had to pass the economic viability test, including improvements of competitiveness and the technological performance of the Union;

(iv) they had to allow for the possibility of private financing;

(v) they were ought to be mature enough in order to be carried out quickly;

(vi) they had to avoid the public financing of infrastructure which would lead to distortions of competition contrary to the common interest;

(vii) and to respect Community legislation, in particular concerning environmental protection.

15. The Group took up most of these selection criteria, knowing that the other criteria had implicitly to be met whatever happened, and added up other criteria attempting to capture the greatest European value and reflecting new important policy objectives like sustainable development. The innovation of the Group consists in having introduced evaluation criteria beforehand, on which it will justify the inclusion or not of a project in the list of the priority projects. The evaluation criteria are not absolute instruments, but constitute above all a methodological reference to facilitate the work of the Group and to justify certain decisions.

16. It must be recalled that the Christophersen Group retained 14 priority projects from the 34 projects which had been submitted to it. For this exercise, the present Group had to examine more than one hundred projects and finally select only 19 in the list of the priority projects.

17. This is why the Group had to make use of a very selective approach, by retaining only those projects whose overall contribution to the objectives inherent in the three evaluation criteria is obviously higher than the average. The fact that a project is not adopted as a priority does not mean that it is not of interest for the Community.

18. Firstly, the list of the priority projects is intended to evolve over time. Secondly, for certain non-selected projects, the Group commits itself to recommending their being taken into account for other Community funds.

19. It is from this viewpoint that the Group decided on various lists of projects.

## **6. RECOMMENDATIONS OF THE GROUP**

1. These recommendations go beyond a strict framework limited to physical infrastructure. Demand management, active policies on intermodality and investment targeted and coordinated on the major trans-European axes are only facets of the same problem, to ensure sustainable transport development at the level of the enlarged European Union.
2. Although a number of missing strategic links have to be built, more efficient use of the existing network is crucial. The potential of maritime transport on intra-Community routes still needs to be tapped by innovative cooperation between public authorities and the private sector to start up genuine 'motorways of the sea'. The organisation of traffic to distribute railway capacities between freight and passenger trains, to manage the capacity of airports and of airspace, better use of rail signalling, and ultimately more integrated traffic management will also prove necessary.
3. Given the budget constraints and the change of the scale of the trans-European network after enlargement, a more coherent approach between European and national infrastructure planning will be needed. Identifying the main multimodal routes taking intra-Community traffic flows is a prerequisite to organise effective coordination of the various public authorities and industry and to target the efforts to promote a shift to rail and waterborne transport able to compete with roads mainly for long-distance services.
4. Undertaking the priority projects identified by the Group will require substantial public financing. It will also demand further efforts to adapt the legal and transport policy framework to allow both a higher participation of private capital and more efficient use of infrastructure overall.
5. The Group stresses that the implementation of these priorities must be monitored regularly at Community level and that a further revision between now and 2010 will be necessary.

## 6.1. CARRY OUT THE PRIORITY PROJECTS

6. The Group identified a set of new priorities, and other important projects, considered as crucial to facilitate transnational exchanges in a single internal market, and to promote intermodality leading to a 'rebalancing' of the territory of the enlarged Union.
7. The lessons of the past and of the delays to the Essen projects have to be learnt. The Group took first stock of the progress made as regards the current Essen projects (List 0).
8. After having considered 100 projects, 24 delegations agreed on a set of new priority projects which were grouped together synthetically in the report, depending on their belonging to a certain number of major traffic axes on the scale of the expanded Union. Belgium and Luxembourg did not approve the report because the upgrade of the rail link between Brussels and Luxembourg was not included in List 1. Greece also disagreed because it wanted to add the Ionian/Adriatic intermodal corridor in List 1 instead of List 3.
9. It was ensured that the new priorities in List 1 are clearly defined, have a high European value added, and are realistic as concerns financing and the possibility to start work on time. Important sections of six of the Essen projects have been integrated in these new priority projects.<sup>24</sup>
10. Projects identified in List 2 feature a particularly high European added value and, although for a longer-term time horizon, deserve special attention. Without prejudging the scope of Community financial instruments in the future, the Group has also identified a list of important projects for territorial cohesion contributing to the aims of economic and social cohesion (List 3).
11. It cannot be ruled out that other needs will appear between now and the next revision of the list of priority projects, nor, moreover, that it will be necessary to re-examine certain projects identified by this report (see Chapter 6.7).
12. It is advisable to make a distinction between these priorities and eligibility for Community funding. Eligibility is specific to each financial instrument and has to be considered on a case by case basis (see also Chapter 6.6). The numerous other projects not included in this report are not less important. Choices had to be made. Besides that, a certain number of other projects have simply neither the necessary scale, nor the strategic role for the Community, to develop transnational trade, to significantly contribute to territorial cohesion and to the concentration of traffic on the more environmentally friendly modes.

### *6.1.1. Priority projects in the process of completion (List 0)*

13. Certain priority projects adopted by the European Councils of Essen and Dublin are in the process of completion. Their implementation is envisaged in the majority of cases before 2007. **The Group notes the progress achieved and recommends the**

---

<sup>24</sup> Former Essen Priority Projects N°1, 3, 4, 6, 8, 12 (see table 2 of 6.1.1)

**continuation of work on these priority projects according to the agreed timetables.**

14. The Group confirms their priority character. It notes in addition that certain important sections within these projects will not be finished before 2007 and that, consequently, **it is advisable to retain Community financing during the next Community budgetary perspective.** Table 1 below presents the projects which will be completely finished between now and 2007.

**Table 1: Projects completely finished by 2007**

<i>Projects or sections of projects completed in 2007</i>	<i>Date for start of operation</i>
PP2 High Speed Train Paris-Brussels-Cologne-Amsterdam-London <sup>25</sup>	2007
PP5 Betuwe line	2007
PP 9 Rail line Cork-Dublin-Belfast-Stranraer <sup>26</sup>	2001
PP 10 Malpensa airport (finished)	2001
PP11 Öresund fixed link (finished)	2000

15. Other projects are also on the way to completion. Numerous sections will be completed within the deadline initially envisaged, i.e. 2010. The progress achieved by the States concerned deserves to be noted (table 2).

**Table 2: Projects of which several sections will be completed by 2010**

<i>Projects or sections completed before 2010</i>	<i>Date for start of operation</i>
PP1 Berlin-Verona	
- Nürnberg-München	2006
- Kufstein-Innsbruck	2009
PP3 Southern TGV	
- Madrid-Barcelona	2005
- Barcelona-Figueres-Perpignan	2008
- Madrid-Vitoria-Hendaya	2010
PP 4 TGV East	
- Paris-Baudrecourt	2007
- Metz-Luxembourg	2007
- Saarbrücken-Mannheim	2007
PP 6 Lyon-Torino-Trieste	
- Torino-Venezia	2010
PP7 Greek Motorways	
- Via Egnatia	2006
- Pathe	2008
PP 8 Multimodal link Portugal/Spain rest of Europe	
- Rail line Coruña-Lisboa-Sines	2010
- Rail line Lisboa-Valladolid	2010
- Rail line Lisboa-Faro	2004
- Road Coruña-Lisboa	2003
- Road Lisboa-Valladolid	2010
- Road Seville-Lisboa	2001
PP12 Nordic triangle	
- Road and railway projects in Sweden <sup>27</sup>	
- Road link Helsinki-Turku	2010
- Rail line Kerava-Lahti	2006
PP13 UK/IRL/Benelux road link	2010
PP14 West Coast Main Line	2007

<sup>25</sup> Two main HST stations in the Netherlands, Rotterdam and Amsterdam need further financing beyond that foreseen in the project retained in the Essen List.

<sup>26</sup> New additional capacity enhancement of the line has been decided in 2003 and is included in List 1 as a separate project.

<sup>27</sup> Only some minor road and railway sections will remain to be completed between 2010 and 2015.

16. The Group observes, however, that, within the Essen projects, progress is unequal. **The sections located within the national networks have made notably more progress than the cross-border sections, which in general, except the Öresund bridge, have encountered major delays.** Consequently, essential sections of these projects will not be completed before 2010<sup>28</sup>.
17. As regards the project N° 14 (West Coast Main Line), the Group welcomes the commitment of the UK to implement ERTMS before 2015.

#### *6.1.2. Priority projects to start before 2010 (List 1)*

18. On the basis of the proposals submitted by the Member States, the acceding countries and the Commission, the Group identified a series of projects having a very high European value added. **The countries concerned gave firm commitments to begin work on all the sections of each one of these projects at the latest in 2010 so that to make them operational at the latest in 2020.**
19. The Group considers that they constitute the priority projects for the period 2007-2020. They should consequently be identified as such in the future guidelines on the trans-European transport network, without however prejudging later revisions provided for in Chapter 6.6 of this report.
20. The majority of these projects aim to build new railway, river or road infrastructure. The geography of transport flows in Europe as well as the technological developments of the transport sector, in particular in the railways, require us to go beyond the traditional concept of infrastructure. Projects for the development of motorways of the sea, which will make it possible to cross or circumvent natural barriers such as the Alps, the Pyrenees and the Baltic Sea are therefore proposed. Technological projects aiming to improve the interoperability of the rail network, and the overall transport management such as Galileo, are also adopted.
21. The inclusion in this list of certain projects is accompanied by conditions to be fulfilled before a certain date. The Group considers that if these conditions are not met after a while, it will be advisable to transfer the projects concerned to List 2 (longer-term priority projects).
22. The Group recommends that the authorities of the countries concerned, as well as various Community Institutions, give, in particular in their investment and financing decisions, real priority to carrying out these projects in a coordinated framework.
23. These priority projects, and the corresponding sections, are indicated below (date of completion of sections between brackets).

#### ***1. Galileo (2008)***

The Group considers this project as presenting a particularly high strategic interest as it will provide the European Union with an autonomous radionavigation system. The launching of a constellation of 30 satellites covering the world, supplemented with land transmitters allowing the supply of universal services, will provide an essential tool for many sectors and in first instance for the transport sector. It will improve the efficiency

---

<sup>28</sup> Some of these sections still requiring important work are included in List 1 because of their fundamental European interest.



and safety in all modes of transport, by constituting a solid technical base for positioning and the identification of all vehicles, trains, ships and aircrafts.

## ***2. Eliminating the bottlenecks on the Rhine- Main- Danube*** <sup>29</sup>

- Rhin-Meuse (2019) with the lock of Lanaye as cross-border section
- Vilshofen – Straubing (2013)
- Wien – Bratislava (2015) cross-border section
- Palkovicovo-Mohacs (2014)
- Bottlenecks in Romania and Bulgaria (2011)

The Group observes that the Vilshofen-Straubing section constitutes a major bottleneck on the Rhine-Main-Danube line. It stresses that its upgrading should guarantee a draught of at least 2.50 metres during all seasons, in order to develop long-distance and reliable inland waterway transport, compatible with environment, from the North Sea to the Black Sea. However, the Group notes that the technical option taken by Germany for the Vilshofen-Straubing section does not ensure this level of navigability throughout the year.

## ***3. Motorways of the Sea*** <sup>30</sup>

- Motorway of the Baltic Sea (linking the Baltic Sea Member States with central and western Member States)
- Motorway of the Sea of Western Europe (leading from the Iberian peninsula via the Atlantic Arc to the North Sea and the Irish Sea)
- Motorway of the Sea of South-East Europe (connecting the Adriatic Sea to the Ionian Sea and the Eastern Mediterranean to include Cyprus)
- Motorway of the Sea of South-West Europe (Western Mediterranean), connecting Spain, France, Italy, including Malta, and linking the Motorway of the Sea of the South-East Europe <sup>31</sup>

Proposals aiming at developing these motorways of the sea will have to be proposed to the Commission by at least two Member States and must respect certain conditions (see Chapter 6.2). For the Motorway of the Baltic Sea, a joint working group of the countries concerned has already agreed upon a number of transnational proposals (e.g.icebreaking, tracking and tracing of cargo). The Group also welcomes the Greek and Italian initiatives to prepare proposals fitting in the Motorway of the Sea of South-East Europe.

---

<sup>29</sup> A part of this project fits into pan-European Corridor VII.

<sup>30</sup> Projects to be addressed at a later stage to the Commission in order to be evaluated.

<sup>31</sup> Including towards the Black Sea

#### **4. Mixed railway line Lyon-Trieste/Koper-Ljubljana-Budapest**<sup>32</sup>

- Lyon-St Jean de Maurienne (2015)
- Mont-Cenis tunnel (2015/2017), cross-border section
- Bussoleno-Torino (2011)
- Venice-Trieste/Koper-Divaca (2015)
- Ljubljana-Budapest (2015)

As regards the first three sections, the Group classifies them in List 1 on condition that the tunnel under Mont-Cenis, the most critical cross-border section, is completed at a time horizon of 2015/2017. It invites the countries concerned to respect their commitments within the deadline agreed upon. The economics of these sections depend on a firm commitment of the countries concerned to promote a transport policy favourable to intermodality in the spirit of the Alpine Convention. The idea of new road capacities on the competing routes, even in the short and medium term, is not compatible with this project. A coherent approach as regards infrastructure charging is in addition necessary.

#### **5. Mixed Railway line Berlin-Verona –Napoli/Milano-Bologna**

- Halle/Leipzig-Nürnberg (2015)
- München-Kufstein (2015<sup>33</sup>)
- Brenner tunnel (2015), cross-border section
- Verona-Napoli (2007)
- Milano-Bologna (2006)

The Group classifies this project in List 1 on the condition that the cross-border sections, in particular the Brenner tunnel, are completed at the time horizon of 2015. The Group invites the countries concerned to respect their commitments to carry out these sections within the agreed deadline. Like the previous project, the economics of the Brenner tunnel and its access links depend on a firm commitment of the countries concerned to promote a transport policy favourable to intermodality in the spirit of the Alpine Convention. The idea of new road capacities on the competing routes, even in the short and medium term, is not compatible with this project. A coherent approach as regards infrastructure charging is in addition necessary.

#### **6. Mixed railway line Greek/Bulgarian border- Sofia –Budapest – Wien -Praha-Nürnberg**<sup>34</sup>

- Greek/Bulgarian border–Kulata-Sofia-Vidin/Calafat-(Craiova) (2015)<sup>35</sup>
- Curtici–Brasov–(towards Bucuresti and Constanta) (2010)
- Budapest-Wien (2010), cross-border section
- Brno-Praha-Nürnberg (2010), with Nürnberg-Praha as cross border section.

---

<sup>32</sup> Parts of this project are registered in pan-European Corridor V.

<sup>33</sup> Depending on the completion of the Brenner tunnel

<sup>34</sup> Some parts of this project are on pan-European Corridor IV.

<sup>35</sup> The section Vidin/Calafat to Craiova is subject to further discussion with the Commission.

The interoperability of this line on a major railway axis, including a branch connecting the Black Sea to the centre of Europe, has to be ensured by applying the Community technical specifications.

### **7. High Speed Railway lines, South-West**

- Lisboa/Porto – Madrid (2011)
- Perpignan – Montpellier (2015)
- Montpellier - Nîmes (2010)
- Irún – Dax as the cross border section (2010)
- Dax - Bordeaux (2020)
- Bordeaux – Tours (2015)

The Group stresses the importance of the sections crossing the natural barrier of the Pyrenees, which acts as a brake on economic development (see also 6.1.3). The granting of a concession on the section between Figueres and Perpignan (in List 0), on the Mediterranean side, should be done as quickly as possible and be followed by the section between Perpignan and Nîmes as soon as possible. For the Atlantic side the Group recalls the commitments given at the European Council of Essen to develop a high-speed connection, which unfortunately will not be completed before 2020. It suggests ensuring mixed use (freight/passengers) of this railway corridor and increasing capacity for goods traffic in the short and medium term. With regard to the new connection between Lisboa/Porto and Madrid, the Group proposes classifying it in List 1 provided Spain and Portugal decide the route in time before the adoption of the revised TEN-T guidelines in particular for the cross border sections of the project.

### **8. Mixed railway line Gdansk-Warszawa-Brno/Zilina**<sup>36</sup>

- Gdansk-Warszawa-Katowice (2015)
- Katowice-Brno-Breclav/Zilina-Nove Mesto n.V.(2010)

The Group considers that the implementation of this project, together with project n° 18, along a new north-south axis from the Baltic Sea, constitutes an opportunity for providing in the long term an alternative to the existing saturated north-south axes from the North Sea. The project includes access to the Port of Gdansk.

### **9. Mixed railway line Lyon/Genova –Basel – Duisburg - Rotterdam/Antwerp**

- Lyon-Mulhouse-Mülheim (2018), with Mulhouse-Mülheim as cross-border section<sup>37</sup>
- Genova-Milano/Novara-Basel-Karlsruhe (2015)
- Frankfurt-Mannheim (2012)
- Duisburg-Emmerich (2009)
- "Iron Rhine" Rheidt – Antwerp (2010)

This project comprises the construction of new high-speed passenger lines, of new dedicated freight lines, and upgrades of existing lines. The construction of new high-speed lines will release capacity on the existing lines for freight. This project is proposed,

---

<sup>36</sup> This project forms part of pan-European Corridor VI.

<sup>37</sup> Including the so called “TGV Rhin-Rhone” minus the western branch. The section Dijon-Mülheim (“East Branch”) included in the project will be completed in 2010.

with a view to, among others, establishing a dedicated rail freight corridor at a later stage. The good timing of the work requires close coordination of investments between all the countries concerned, including Switzerland (see Chapter 6.5).

#### ***10. Mixed railway line Paris - Strasbourg - Stuttgart –Wien –Bratislava***

- Baudrecourt-Strasbourg-Stuttgart (2015) with the Kehl bridge as the cross-border section
- Stuttgart-Ulm (2012)
- München-Salzburg (2015), cross-border section
- Salzburg-Wien (2012)
- Wien-Bratislava (2010), cross-border section.

The cross-border parts of this project constitute the critical sections, in particular between France and Germany and between Germany and Austria. The Group recommends that the Member States concerned take all the measures necessary to ensure the coordination of investments and the respect of their commitments to complete work within the agreed time.

#### ***11. Interoperability of the high-speed rail network of the Iberian Peninsula***

The Group proposes to place in List 1 the new high-speed lines (with European gauge) and the lines upgraded with dual gauge of the Iberian Peninsula. The Group sticks to the definition proposed by the Commission<sup>38</sup>, with specifications described in the project fiche attached to this report. The project comprises the new high speed line between Vigo and Porto.

#### ***12. Multimodal links Ireland/UK/Continental Europe***

- Strategic Road/Railway corridor linking Dublin with the North (Belfast-Larne) and South (Cork) (2010)
- Road/Railway corridor Hull-Liverpool (2015)
- Railway line Felixstowe-Nuneaton (2011)
- Railway line Crewe-Holyhead (2008)

The projects Felixstowe-Nuneaton and Crewe-Holyhead and on the road/railway corridors Hull-Liverpool, crossing the West Coast Main Line, will contribute particularly at improving the transport of freight between major British ports. In Ireland, the development of passengers and freight transport requires additional works compared to what was already achieved under Essen projects N° 9 and 13 (see List 0).

#### ***13. Rail/road bridge over the Strait of Messina (2015)***

The project consists of a long mixed bridge- with a distance of 3.3 km between the two main piers - over the Strait of Messina which will connect the most populated island of the Mediterranean Sea (5 m inhabitants) to the rest of Europe. This link will constitute a landmark infrastructure for Europe with a magnitude comparable with that of the Öresund bridge.

---

<sup>38</sup> In COM(2001)544

#### ***14. Fixed link rail/road across the Fehmarn Belt (2014)***

The objective of the Fehmarn Belt is to create a fixed combined link for both railway and road and thus eliminate an important bottleneck for transport flows between Scandinavia and the Continent. The link will in particular benefit rail transport. An agreement between Germany and Denmark on the financing methods should be found in the near future so that the project could be carried out within the agreed time. The railway connections to the fixed link of the Fehmarn Belt, in Denmark from the Öresund, and in Germany from Hamburg, Hannover and Bremen needs to be considered as part of the extended project.

#### ***15. The Nordic Triangle***

- Helsinki-Vaalimaa motorway (2015)
- Railway line Helsinki-Vainikkala(Russian border) (2014)

The layout of this project remains as it was when retained by the European Council of Essen. The principal sections which will be carried out between now and 2010 are however included in List 0. In Sweden some minor sections remain to be completed by 2015.

#### ***16. Multimodal connection Portugal/Spain with the rest of Europe***

This project remains as it was when defined at the European Council of Dublin, except for the sections carried out before 2007 which are included in the List 0 and for the new section from Sines to Badajoz on the Spanish-Portuguese border.

#### ***17. Motorway Greek/Bulgarian border -Sofia-Nadlac (Budapest)/(Constanta) <sup>39</sup>***

- Sofia-Kulata-Greek/Bulgarian border (2010), cross-border section
- Nadlac-Sibiu (branch towards Bucuresti and Constanta) (2007)

The project extends the Greek motorway “Pathe” (a priority project endorsed by the Essen European Council) to new Member States.

#### ***18. Motorway Gdansk –Katowice –Brno/Zilina –Wien <sup>40</sup>***

- Gdansk-Katowice (2010)
- Katowice-Brno/Zilina (2010) cross-border section
- Brno-Wien (2009) cross-border section

The Group considers that the implementation of this project, together with project n° 8, along a new north-south axis from the Baltic Sea, constitutes an opportunity for providing in the long term an alternative to the existing saturated north-south axes from the North Sea. The project includes access to the Port of Gdansk.

---

<sup>39</sup> These two sections are part of pan-European Corridor IV.

<sup>40</sup> Road element of the pan-European Corridor VI.

### *6.1.3. Longer-term priority projects (List 2)*

Other less mature projects also present a high European value added. The Group is fully aware that, due to their importance, these other projects could have appeared in List 1. This is particularly the case for the rail crossing of the Pyrenees already proposed by the Commission and accepted by the Parliament in the framework of the first revision of the Guidelines<sup>41</sup>.

However, to its great regret, the Group was not able to obtain from all the countries concerned a commitment that construction would begin before 2010, once the alignment was precisely established, which is not yet always the case. Until an agreement is reached between the countries concerned on the alignment and/or the funding, and until the timescale for achieving these projects is confirmed, the Group recommends that they should be classified in a list of priority projects for the longer term.

The Group therefore recommends that the States concerned continue all the necessary studies, that the Commission supports them and proposes, if necessary, an adaptation of the guidelines to this end. It will be advisable to again examine these projects at the time of the preparation of the next revision (see Chapter 6.7). These longer-term priority projects are:

#### ***1. New high-capacity railway crossing of the Pyrenees***

The Group draws the attention of the Member States concerned to the very rapid growth in traffic across the Pyrenees and to the fact that the development of new rail freight capacities is crucial given that land transport traffic amounts at 70 million tonnes in 1999 and will more than double by 2020. The current roads cannot absorb such an increase in traffic (+10% of yearly increase of road traffic).

In this context, taking account of the great importance of this project, an importance already identified by the Commission and recognised by the Parliament, the Group hopes that France and Spain will be able by common accord to reach an agreement in the near future permitting construction to begin before 2010, thus allowing this project to have the same status as the projects appearing in List 1.

The Group recalls that the Commission listed the improvement of the Pau-Canfranc line in its proposal to revise the Community guidelines for the development of the TEN-T as one of the stop-gap solutions while waiting for the construction of the high-capacity trans-Pyrenees line.

Given the impressive growth of the trans-Pyrenean freight traffic, the remote time horizon of such a huge project makes it necessary to increase, in a near future, the capacity on existing road connections through the Pyrenees so that the means of crossing them can be enhanced, while keeping in mind the necessity of constructing the high-capacity railway crossing as soon as possible.

---

<sup>41</sup> COM (2001) 544

## ***2. Rail Baltica: Helsinki-Tallinn-Riga-Kaunas-Warszawa***

As well as an agreement between the States concerned on the nature of work, the route and the interoperability standards, it will be advisable to ensure a good interconnection to the network of the remainder of the European Union (via the Polish network).

## ***3. Dedicated freight railway line Gdansk-Bydgoszcz-Katowice-Zwardon***

The Group recalls that Poland is currently one of the countries with the highest share of rail freight. However, given the current reform of the rail sector in Poland, the Group considers that the viability of this project can reasonably be assessed and envisaged after progress in implementing projects n°18 and n°8.

## ***4. Inland waterway Seine-Scheldt***

Given the fact that one of the concerned countries is not in the position to confirm a time horizon, the project is not classified in List 1. The Group believes that this project will allow substantial improvement of the connections between the three large waterway basins in France, in Belgium and in the Netherlands.

### *6.1.4. Other important projects for territorial cohesion (List 3)*

The trans-European network contributes to the aim of economic and social cohesion. The economic catching-up of numerous regions, in particular in the future new Member States, will depend on good access to the major European axes, efficient interconnections, in particular good cross-border connections. Hence, the Group considered a range of important projects in this respect. Without prejudging the scope of Community financial instruments in the future, after 2006, only the most important projects could be selected by reference to the selection criteria developed by the Group. Also, projects on urban transport systems have not been retained, given their more local value; these projects are therefore not relevant in terms of trans-European dimension. The interest of the projects in this list is important in terms of facilitating exchanges between Member States, but mainly for territorial cohesion. The list is not exhaustive as the Group considered only projects initially thought to be possibly priority projects.

### **1. Accessibility and interconnections of networks**

- Multimodal logistic centres in Slawkow (Poland) with connections to the Russian gauge rail network (2012)
- Railway line Bari–Durrës-Sofia-Varna/Bourgas (Black Sea) (2020)<sup>42</sup>
- Railway line Napoli-Reggio Calabria – Palermo (2015)
- Road/Railway Corridor linking the West and Dublin (2010)
- Limassol port and road access (2015)
- Larnaka port and road access (2020)
- Ports of Valletta and Marsaxlokk (2012)
- Ionian/Adriatic intermodal Corridor (2015)
- Road Dover-Fishguard (2015), (except M25)

---

<sup>42</sup> Part of Corridor VIII

## 2. Cross-border connections

- Motorway Dresden/Nürnberg-Praha-Linz (2010)
- Railway line Praha/Linz (2010)
- Motorway Zilina - Bratislava- (Wien) (2012)
- Railway line Maribor-Graz (2015)
- Motorway (Ljubljana)-Maribor-Pince-Zamardi-(Budapest) (2012)<sup>43</sup>
- Road permeability through the Pyrenees (2010)<sup>44</sup>

---

<sup>43</sup> Parts of this project are registered in pan-European Corridor V.

<sup>44</sup> See comments on project N° 1 of List 2.



## 6.2. DEVELOP GENUINE MOTORWAYS OF THE SEA

1. Maritime transport represents more than 40% of the volume of intra-Community freight flows<sup>45</sup>, i.e. almost on a par with road transport. But maritime transport could do more to remove lorries from the roads in congested areas. Maritime routes which better link countries isolated by natural barriers such as the Alps, the Pyrenees and the Baltic Sea, as well as island countries, should be as important as motorways or railways in the trans-European network.

### 6.2.1. *An untapped potential*

2. But a number of potential maritime routes have not taken off for many reasons such as, amongst others, the administrative burden at the customs, the lack of regularity and of punctuality and the absence of adequate facilities (logistic facilities, one-stop commercial shops, mobile equipment, infrastructure).
3. It is of the utmost importance to Europe that the most promising would-be links be supported by public aid during the start-up phase, as the White Paper on transport policy stresses it: *"These lines will not develop spontaneously. Based on proposals from the Member States, they will have to be 'sign posted', notably by granting European funds (from the Marco-Polo programme, Structural Funds) to encourage start-ups and give them their attractive commercial dimension"*. While taking due consideration of the risks of distortion of competition, such maritime routes<sup>46</sup> should preferably connect ports located on the main trans-European axes, or at least significantly alleviate road traffic congestion on these axes.
4. Genuine motorways of the sea are therefore aimed at acting as a substitute for motorways on land, either to avoid saturated land corridors or to give access to countries separated from the rest of the European Union by seas. In addition to reducing the number of lorries on main roads, they could also in certain cases contribute to fostering the transport of passengers by sea since vessels can carry at the same time freight and passengers. The underlying concept thus differs from the broader one of short sea shipping which also includes coastal domestic connections and connections from mainland to islands areas<sup>47</sup>.

### 6.2.2. *Process proposed to launch projects*

5. The Group identified in List 1 (see priority project n° 3) four maritime areas where projects could be launched. The type of vessels suited for this job should be most obviously roll-on-roll-off (roro) but load-on-load-off (lolo) could also be envisaged at a later stage, where appropriate, in connection with feeding dispatching schemes. A successful launch of new motorways of the sea, or 'seaways', would depend on a number of prerequisite or parallel actions, such as:

---

<sup>45</sup> White Paper on the European Transport Policy

<sup>46</sup> Including sea-river shipping.

<sup>47</sup> With the exception of the island States.

- concentrating freight on the maritime routes concerned in order to increase the potential economic viability of sea lines;
  - convincing hauliers, shippers and forwarders of the benefits and merits of the maritime alternative;
  - eliminating (systematic) customs checks and other administrative burdens as it is already the case at intra-Community crossings on European land motorways, or at least streamlining them, and developing electronic reporting for port authorities<sup>48</sup>;
  - providing for, where possible, appropriate facilities that should preferably be dedicated for this activity (ro-ro terminals, logistic equipment, parking places, facilities for lorry drivers) and direct access to ports (including open rail access);
  - respecting competition rules;
  - ensuring all year round navigability, especially in the Baltic Sea with ice-breakers.
6. One possible method for a pair of Member States could be:
- to select their respective ports amongst the A category of the TEN-T on the basis of transparent criteria;
  - to agree on the sharing of the costs to be borne by public finance;
  - to organise a public tender for awarding a contract of public service;
  - to phase-out the operating aid within a predetermined timeframe.
7. But the Group notes that the most difficult step for Member States is to choose the ports suited for being part of a motorway of the sea. If the choice at national level proves to be too difficult, one alternative method could consist of proposing a global tender to both ports and maritime companies, leaving the choice of ports to candidate consortia.
8. Another (complementary) approach could be to finance or subsidise the accompanying actions described above while giving due consideration to avoid distorting competition and to be in compliance with state aid guidelines.
9. To launch projects in practice, the Group suggests that current and future Member States submit to the Commission proposals before 2007 in relation to the objective of creating motorways of the sea in at least one of these four maritime areas. **These projects could take the form of public-private partnerships schemes whereby financial aid from the Community and national budgets would be jointly granted through public tendering procedures.** To be eligible for Community funding, these projects should:
- be proposed at least by two Member States;
  - concern the smallest possible number of ports (ideally two in each different Member States);
  - alleviate road traffic congestion on the main axes<sup>49</sup>.

---

<sup>48</sup> In the field of electronic reporting a European wide system concerning all sea motorways should be developed (see Chapter 6.3)

<sup>49</sup> Or improve accessibility in the case of island States

10. The Group considers that **these projects should constitute priority projects, on an equal footing with land infrastructure**, and consequently they deserve a place in List 1 and a similar financing (see 6.1), even though they are not yet defined considering also that these projects maybe launched within shorter delays..
11. The Group stresses that such priority projects are not deemed to compete with the Marco Polo programme which follows a broader objective. Sea motorways should be primarily focused on complementing major land axes.
12. **On the basis of this general approach, the Group recommends to integrate as soon as possible in the TEN-T guidelines the required legal provisions to encompass Motorway of the Sea projects and allow a concrete Community support.**

### **6.3. BETTER MANAGE TRANSPORT**

1. Infrastructures are not an end in themselves. They deliver their promises by offering high quality services only if efficiently managed, which requires, among other things, to design interoperable networks better adapted to market needs and integrated traffic management systems. The growth in transport over the last decades has led to the construction of more and more infrastructure. Such supply-driven policy can no longer be the only response to the problem of growing congestion. Building infrastructure has, furthermore, a considerable cost and, especially road, is far from being neutral in its effects on the environment, human health, the land take and the general well being of the population.
2. A high performance transport system should allow for the safe and regular provision of services, be they air, road, rail, or waterborne. To this end, the Member States of the enlarged Union must fix common objectives to optimise the use of transport infrastructure. In this respect the Commission has already underlined in its White Paper on a European Transport Policy the need to better manage and co-ordinate the different transport modes.
3. European transport suffers from an imbalance between transport modes, to the detriment of railways, more particularly in the rail freight transport, of maritime shipping and of inland waterways. In the railway sector, for example, between 1970 and 1998, the share of goods market carried by rail in Europe fell from 21% to 8.4%, even though the overall volume of goods transported rose spectacularly. International rail haulage enjoys an average speed of only 18 km/h, due in particular to the priority given to passenger trains, deterring shippers from using rail freight.
4. Even with the efforts to reverse this trend, road transport will grow substantially. Rather than building new road infrastructure, better management of transport can contribute to make this mode as efficient as possible in order to alleviate bottlenecks and environmental nuisances. In this respect, good progress has already been made in the deployment of efficient road traffic management systems, to be continued.
5. The growing imbalance between transport modes, to the detriment of railways (in particular for freight transport), maritime and inland waterways, needs to be addressed, including through better transport management. Hence, the Group stresses the need to build a genuine European rail network, fully interoperable and adapted to

customer needs by separating freight traffic and passenger traffic. Integrated management systems for air, river and maritime transport with the help of Community financial support, and removing airport capacity constraints play also a very important role.

### 6.3.1. *Build a European rail network*

#### 6.3.1.1 Make national networks interoperable

6. The emergence of trans-European interoperable railway axes for specific market segments (e.g. high-speed and freight) should be seen as key to the success of international rail services. However, the huge diversity in signalling and in telecommunication systems constitutes a major obstacle to this goal, The current situation requires European standards for a new-generation of railway signalling and telecommunication systems to be implemented, such as the *European Rail Traffic Management System* which covers, on the one hand, the *European Train Control System* (the “signalling” part) and, on the other hand, the *GSM-Railways* (the “telecommunication” part). The Community has already adopted directives promoting technical specifications for interoperability.. These specifications for high-speed rail were adopted in 2002 and are starting to be implemented. As regards the conventional rail system, these specifications still need to be further developed by the future European Rail Agency. A coherent “*Trans-European deployment strategy*” should reconcile the different national deployment blueprints.
7. The Group is of the opinion that Community funding should support interoperability and help coordinate national approaches. Based on axes, an EU deployment plan should be elaborated in 2003 drawing on national plans. Grants would be determined on the expected effects of projects. Cost incurred by the infrastructure managers, should be given priority since investment in rolling stock equipment is in general not assigned to a specific axis.

#### 6.3.1.2 Dedicate part of the rail network to freight

8. Major stumbling blocks to the development of European rail freight are inefficient use and technical and physical insufficiencies of the rail infrastructure. Incompatibility of slow and fast trains as well as technical and operational differences between national networks in combination with a low priority for freight trains in train path allocation and daily train path management limit the growth potential of rail freight services.
9. The Group considers that a freight-dedicated network (or with very strong priority for freight) on some major European axes in the transit countries is likely to significantly improve the quality and the effectiveness of services to an extent similar to that of the high speed train revolution. Such a network could be very efficient in terms of speed (more than 100 km/h) and of service quality (regularity), both for the traditional freight, for combined transport or for the transport of lorries by rail.
10. The Group welcomes the Commission position that such the emergence of such a dedicated network needs a very significant and encouraging subsidy rate of up to 50% of the overall costs.
11. A first step towards a more efficient European rail freight network will be to render it gradually interoperable. To that end Member States should first implement the

technical specifications for interoperability provided for in the above mentioned Community Directives (see 6.3.1.1).

12. National infrastructure managers will need to co-operate in a Community framework in order to make a better use of existing infrastructure. This mainly goes through a co-ordinated allocation of international and national train paths with a priority for international freight.
13. Last but not least, operation of the rail freight network must be redesigned to allow attractive and high-quality services at European level. A research study<sup>50</sup> on the attractiveness of the dedicated network shows that the traffic on the dedicated network can increase by about 25%, account for 85% of total traffic and result in time saving of 20 to 30%. Currently, the total rail freight network has a length of 140,000 km, but this survey stresses that only 22% of the network carries about 60% of the total traffic.
14. The Group recommends the creation of a permanent group gathering operators and national and European authorities. Its first mission would be to identify at the level of an enlarged European Union the rail network dedicated to freight. In a second stage, this group could evolve into the coordinating entities mentioned in Chapter 6.6.3.

### *6.3.2. Integrate air traffic management*

15. Aviation is hampered by regular delays as a consequence of the limits of current air traffic management systems. Air transport suffers on the one hand from the fragmentation of the air traffic management services in Europe, with 29 national systems and 58 Air Traffic Control Centres developed to different standards with different systems and capabilities, and on the other hand, from the too slow implementation of new technologies.
16. The role of the Community is to ensure that the development of the future air traffic management systems is properly organised and managed at the European level to ensure that the various elements are available and implemented system-wide in line with traffic growth. The Community thus proposed solutions to these problems, through the Single Sky legislative package<sup>51</sup> to be adopted in 2003. The EU should achieve a 'European system' and not a collection of national systems, by setting up functional blocks of airspace and putting new concepts and technologies into practice.
17. To achieve the Single Sky, the integration of air traffic services would require reconfiguration of air space into a limited number of functional blocks. This opens the way to consolidation of service provision and rationalisation and infrastructure. This would imply the development by 2008 of interoperability requirements for the existing systems and a standardised 'target' architecture for the future European air traffic management system and the progressive implementation of this target architecture in the national systems by 2015. The Group thus shares the idea that Community financial grants for new and crucial interoperability components, such as

---

<sup>50</sup> EUFRANET, EU Framework Transport Research Programme IV

<sup>51</sup> COM(2001)123final/2 ; OJ C 103E, 30.4.2002, p. 1 and COM(2001)564final/2 ; OJ 103E, 30.4.2002, p. 26

for instance data processing systems or equipment, and where appropriate some ground control centres would help lead to an integrated European air traffic management system.

### 6.3.3. *Manage river traffic*

18. In order to help inland waterways' users, a pilot project called *River Information System* is currently developed in order to provide boats with:
  - Fairway information (geographical, hydrological, administrative information regarding the waterway);
  - Flash traffic information (affecting immediate navigation decisions in the actual traffic situation and geographical surroundings.);
  - Planning traffic information (voyage planning, lock and bridge planning, port and terminal planning);
  - Cargo and fleet management, tracking and tracing;
  - Information on calamity abatement;
  - Information on possible interfaces with other transport modes.
19. This project aims at minimising voyage incidents, injuries and fatalities in inland navigation and at preventing environmental hazard as well as polluting spills.
20. Up to now, Member States are implementing the system on a voluntary basis on the basis of commonly agreed standards and protocols. To ensure interoperability on Community inland waterways, the Group welcomes the intention of the Commission to propose a framework directive in a near future. It is indeed in the Community interest that Member States implement in a harmonised way on the trans-European inland waterway network, in priority on the Rhine-Danube axis.

### 6.3.4. *Watch maritime traffic*

21. European waters are at greater risk of major accidents, as confirmed by the accident statistics for the last twenty years. *Vessel traffic management and information systems* are needed to improve safety in Community waters, particularly in areas of high traffic density, of dangerous navigation or of ecological sensitivity. It would also make the transport chain more competitive, and enhance security of ports.
22. Some maritime zones in Europe are already covered by such systems run at a national or regional level. Exchanges of information, if any, between systems occur on a bilateral basis and the communication protocols have not yet been harmonised. To correct these weaknesses, the existing system should be integrated into a European *vessel traffic management and information system*. An EU Directive already determines the features of such a Community instrument: equipment tracking vessels by automatic identification systems, interoperability for exchanging information, identification of places of refuge and close surveillance of 'dangerous' ships.
23. Such an integrated system should comprise physical infrastructure, facilities for receiving vessels in places of refuge and telematic networks between Member States for exchanging maritime transport information. It should moreover resort to new technologies, such as automatic identification and tracking systems for vessels far out at sea.

24. With this objective in mind, the Community has already subsidised such systems through various financial instruments, particularly in peripheral regions such as Greece and Spain. In particular the Commission launched in January 2002 the *SafeSeaNet* project, with the objective of establishing an electronic platform for the exchange of maritime data between Member States.
25. More generally, the Group is of the view that the Community should aim through the TEN-T programme:
- to further develop infrastructure for managing maritime traffic, particularly in the zones most at risk;
  - to make Member States' systems interoperable and to provide for regional vessel traffic management centres;
  - to set up telematic networks for exchanging data on dangerous goods, interfacing local databases with the SafeSeaNet;
  - to connect the Community database on maritime safety to other European databases (security, Schengen, customs, inland navigation, etc);
  - to equip places of refuge with appropriate tools;
  - to develop tools for risk analysis in connection with vessel traffic control.
26. But the improvement of the navigability and management of the maritime traffic would also hinge on the Galileo programme for developing an autonomous radionavigation system. With a future constellation of 30 satellites connected to land transmitters, Galileo will be an indispensable tool for, amongst others, developing sea motorways.

#### *6.3.5. Remove airport capacity constraints*

27. Given the expected growth in air transport the Group stresses that efforts will have to be undertaken to better manage the use of existing airport capacities. It therefore recommends to accordingly review existing rules on slots and charges and to proactively support the better functioning of rail/air intermodality.
28. The Group recognises that airports play a particular role in the European transport network. Their function as facilitators of economic growth and gateways to intra- and extra European markets for goods and passengers is vital in light of the enlargement and economic globalisation processes.
29. Currently the environmental, political, and physical restrictions on airports are such that major expansions of existing facilities, in particular the major hub airports, are difficult to implement. Therefore, there is a need for the development of additional new airport capacity in this and the next decade. Ideally such airports should have the potential to become major European connecting points.

### **6.4. IDENTIFY THE MAIN AXES**

1. The Group noted that the trans-European network is identified in the Community guidelines and the Accession Treaties while the pan-European corridors were identified by the Crete and Helsinki pan-European Conferences.

2. The Group very rapidly agreed that an essential criteria to identify priority projects is that they should form part of one of the essential transnational axes relevant to the internal market; the criteria should take into account projects crossing natural barriers, solving congestion problems or filling in missing links.
3. The density of the existing trans-European network, made up as it is of all the national networks, and sometimes of the regional networks as well, does not however give a clear picture from a European perspective. The Community guidelines do not specify the multimodal routes between Member States which, due to geographic and economic factors, carry the heaviest traffic. Against this background, identifying priorities on the basis of a network reflecting the juxtaposition of the national networks has proved to be a delicate exercise, in particular in current Member States where no official corridors having a European dimension exist.

#### *6.4.1. More coherent planning*

4. Therefore, the Group considers that there is a need to proceed, as quickly as possible, with an exercise to identify major axes in order to facilitate the selection of trans-European network priorities in the course of future revisions. This work appears all the more urgent for several reasons:
  - It is necessary, when planning the network, to consider in parallel major infrastructure projects, the deployment of operating systems and the gradual elimination of bottlenecks, or even the management of demand, which is easier to do by axis than by taking the network as a whole.
  - An increase in intermodality, a condition of sustainable transport development, is possible only on routes with substantial long-distance traffic, these being the only ones where it is possible to compete with road transport. Concentrating this type of traffic on major axes will offer a better chance to rail freight, inland waterways, and maritime transport to be competitive<sup>52</sup>.
  - Eliminating bottlenecks and completing missing links on the main European routes to stimulate transnational trade and providing access to every European region constitutes distinct problems with different solutions. Distinguishing these problems, and thereby clarifying responsibilities, will help differentiate between planning at European, national, and regional level, and between planning in the long and short term.
  - The coordination and follow-up of investments on the network at the level of the trans-European network has proven to be complex and is unlikely to work efficiently in the near future. However, it appears feasible to quickly set up mechanisms that provide for broad coordination and follow-up for each major axis (see chapter 6.6.3).

---

<sup>52</sup> See Chapter 6.2 on sea motorways and Chapter 6.3.2.1 on a dedicated rail freight network.



5. The Group notes that this recommendation goes in the direction of the Parliament's resolution on the White Paper which advocates giving priority in the framework of TEN-T to the development of East-West and North-South corridors<sup>53</sup>.

#### *6.4.2. Take into account the experience of the pan-European corridors*

6. The only concrete experience in defining main European axes stems from the Ministerial pan-European Conferences in Crete (1994) and Helsinki (1997) which identified 10 pan-European corridors in Central and Eastern Countries.<sup>54</sup> This has proved to be a promising planning approach to coordinate investments as pan-European corridors are now widely used by the national administrations of Accessing Countries, and by the Commission itself, not only to program financial aid but also to maintain coordination at policy level.
7. Pan-European corridors form part of a different institutional framework (intergovernmental cooperation) from the trans-European network (Community framework). They have played an important role, in particular because in the early 90', there was no network clearly established like in western countries.
8. Today in the enlarged Union and the increased scope and complexity the trans-European network, the needs are different and require a different approach. The identification of trans-European axes aims at ultimately establishing a core network.
9. Many of the Member States have identified corridors on their territory when preparing national transport infrastructure plans. The concept of a corridor is also increasingly used by rail operators and infrastructure managers (Magistrale Eco-fret, Belifret, etc.).

#### *6.4.3. A task to be continued within the framework of the revision of the guidelines*

10. The Group did not have the time to identify these main axes. The priorities recommended by the Group reflect, however, to a great extent some of the major transnational axes considered by the Group since it was the first criteria of the methodology to identify priority projects. The priority projects, on the basis of the proposals of the Member States, therefore make it possible to have a first idea of the likely mapping of such axes. (See Annex 4).
11. The Group requests the Commission to complete this work of identification of the main European axes which are crucial in enabling the efficient flow of the majority of goods and people within the enlarged Union, and to include them in the future guidelines.

---

<sup>53</sup> Resolution of the E.P. – in Item 43, the European Parliament asks "that the improvement and creation of south-north and East-West European corridors of large capacity in the rail and intermodal terminals sectors... be given priority under TEN-T". See also item 34.

<sup>54</sup> "The object of the corridors is to [...] put in evidence the main transport relations in a pan-European context. They take the form of broad bands up to 100 or 200 kms wide. They have a multimodal character and do not preclude the different transport modes called upon to serve these relations (Pan European Ministerial Transport Conference, Crete, March 1994).

12. This work should rely on mapping traffic flows and a forward looking approach, while taking into account, the existing pan-European corridors. It requires an in-depth analysis of current and future traffic flows (goods and passengers) including modal split as well as the split between short and long distance transport. The group proposes to base this work on the following three main principles:
  - European axes should include land and maritime links and nodes expected to have great significance in terms of inter Member States trade. Improving the flows on these links will yield benefits not only to users at a national level but also at a European level, and facilitate exchanges between Member States.
  - European axes should take into account accessibility needs of the peripheral countries and be well interconnected with national, regional and third country networks.
  - European axes should include routes with proportionally high volumes of long-distance traffic, including long distance national traffic, since these are good targets for promoting modal rebalancing and could make it possible to improve the consistency with existing national corridors under development.
13. The Group stresses that, once these main axes have been identified, it will facilitate the future revision of the list of priority projects, but also make it possible to identify smaller projects, including projects submitted to the Group for consideration, which are nevertheless likely to improve the efficiency of these axes, as well as projects to improve the accessibility to, and interconnections with, these main axes and sea motorways.

## **6.5. DEVELOP LINKS WITH NEIGHBOURING COUNTRIES OF THE UNION**

1. Good connections with third countries have an important role in encouraging trade between the European Community and its neighbours, and thus promoting economic development. Connections to and across Switzerland and the Western Balkans facilitate trade and mobility between the Member States. In the majority of the new Member States, such transit routes carry a large part of their foreign trade. In this context, Motorways of the Sea also have a role in creating linkages with regions outside the EU. Most of these continental connections also belong to the Pan-European Corridors as defined in the Helsinki Conference in 1997.
2. While recognising the vital role of these connections for the European Union in general, and for the countries of the periphery of the Union in particular, it must however be stressed that they involve a different logic to that of the priority projects of the trans-European transport network, which must firstly contribute to strengthen the internal market.
3. This however does not rule out the possibility that these connections, of which certain projects are identified below, could benefit from aid granted under Community financial structural instruments, for those sections located within the territory of the European Union, in particular in the new Member States, both peripheral and transit countries. Indeed, the sections in the new Member States, which are dependent on trade with third eastern countries, may also improve the transit conditions between them and the old Member States.
4. These projects could also be taken into account when negotiating transit or association agreements between the Community and the third countries concerned, bearing in mind that some of these agreements could contain a financial cooperation chapter allowing the support of feasibility studies or works on sections located outside the European Union..
5. Norway merits particular mention. Although a third country, not contributing directly to the EU budget, it participates closely in the internal market of the European Union through the European Economic Area Agreement. This is why the connections to Norway are specified in List 1 (Nordic Triangle).

### *6.5.1. Switzerland: a particular case*

6. The Group stresses the special situation of Switzerland. The territory of Switzerland is located in the middle of the Union in an area characterised by a very high traffic density. The agreement of 21 June 2002 between Switzerland and the European Community envisages new Alpine rail links (NLFA) in Switzerland, and improvements on the territory of the Union of the capacities of the northern and southern access routes to the NLFA to the UIC C' gauge. These access connections were naturally included in List 1, in view of the Community's international commitments.

7. The construction of each of access tunnels to Switzerland will have to be taken into account in the implementation of the Community transport policy, in order to guarantee a coordinated vision of the development of the major traffic axes at the level of the European territory as a whole.
8. This investment policy is necessary to promote intermodality in this sensitive area. It requires close coordination of programming in the construction timetable of the tunnels and of the access routes. It requires a complete view of the flows crossing the Alps in particular after enlargement. The Group consequently recommends strengthening the systematic exchange of multilateral, detailed information on investments, for example within the framework of the joint committee, foreseen by the agreement between the EU and Switzerland.

#### 6.5.2. *The Western Balkans*

9. The Balkans constitute another area of third countries located in the heart of Europe. Croatia has already submitted its application for membership of the Union in March 2003 and the strengthening of the connections with the whole area contributes to the stabilisation process. On the basis of the strategic plan established by the Commission for the development of the infrastructure in the Balkans<sup>55</sup>, the Group identified a number connections with a high European interest, not only for the economic development and the stabilisation of the area, but also to give Member States in south-east Europe a better access to the central markets of the European Union.
10. These projects with a high European interest are above all on the *Danube*. During the war in the 1990's several bridges on the Danube in Serbia were destroyed, blocking navigation. Pontoon bridges have now been set up but they still hinder normal navigation. A construction plan for new bridges has to be set up very quickly in order to restore sufficient navigability on this part of the Danube. Other important projects are the *motorway Ljubljana-Zagreb-Beograd-Nish-Skopje-Thessaloniki*, and the *motorway Budapest-Sarajevo-Ploce* to improve the access to the Adriatic Sea.

#### 6.5.3. *Eastern European countries (Russia, Belarus, Ukraine, Moldavia)*

11. Several projects were identified by the Group as worth consideration to reinforce ties with Russia, Belarus and the Ukraine. The rail line (Helsinki)-Vainikkala-Saint Petersburg. Railway and road connections between the Baltic States and Russia/Belarus, (Klaipeda-Vilnius-border with Belarus and Ventspils/Liepāja/Riga – border with Russia/Belarus; Tallin – Narva/Tartu – border with Russia). the motorway Zilina-Kosice (Ukraine); road and rail connections Berlin – Warsaw – Minsk-Moscow-Nishny Novgorod (pan-European Corridor II); road and rail connections Berlin/Dresden-Wroclaw-Lvov-Kiev (pan-European Corridor III); road and rail connection between Budapest and Ukraine's border (pan-European Corridor V) Rail and road access to Kaliningrad. Connections to countries bordering the Black Sea.

---

<sup>55</sup> Report 'Transport and energy infrastructure in south-eastern Europe' available from [http://europa.eu.int/comm/energy\\_transport/en/se\\_sum\\_en.html](http://europa.eu.int/comm/energy_transport/en/se_sum_en.html).

12. The Group recommends that the Commission assesses the EU interest in these cases, for instance within the framework of the EU-Russia Partnership and Co-operation Agreement (PCA) and in the context of EU's Northern Dimension and "Wider Europe" initiatives.

#### 6.5.4. *Mediterranean Countries*

13. The European Union is on the point of enlarging with ten new Member States, of which two, Cyprus and Malta, are Mediterranean partners. There is therefore a pressing need to develop a Euro-Mediterranean-Transport Network which as much concerns North-South traffic as South-South regional traffic. In this context, special attention should be given to the connections to Turkey.
14. The Group welcomes, with interest, the Commission's Communication on this issue<sup>56</sup>. It notes the interest of the countries concerned to undertake, on the basis of the ongoing studies, an exercise aiming at planning such a network. This exercise will identify, in the context of the Euro-Mediterranean Conference "Infrastructure and Investments" under the Italian Presidency (December 2003), a number of transport infrastructure projects judged by all the Euro-Mediterranean partners as having major regional interest. These projects would rapidly benefit from feasibility studies in the framework of MEDA.

---

<sup>56</sup> COM (2003) ... on the development of Euro-Mediterranean transport networks

## 6.6. FACILITATE THE IMPLEMENTATION OF THE NETWORK

### 6.6.1. Ensuring the necessary funding

1. The scarcity of public financing due to budgetary constraints led the Group to be selective in the establishment of priorities, in particular by spreading them over time (see Chapter 5). **It is nonetheless true that the priority projects of the trans-European network identified by the Group<sup>57</sup>, even after great efforts at selectivity, involve investment estimated at €35 billion<sup>58</sup> up to 2020, this being double of that for the current projects in the Essen list.**
2. To this are added the investments which will be necessary for the longer-term projects, and other projects on the trans-European network important for the territorial cohesion as identified by this report. **However, all these priorities are only a part of the whole trans-European network.** Indeed, the Group stresses the needs of financing the construction of other elements of the trans-European network - not mentioned or specified in details in this report - of more modest size, e.g. access to the main axes, or necessary management systems for better use of the existing infrastructure. **The cost of the whole trans-European transport network, including the projects which are not identified as priority projects in this report, is in the order of €600 billion.** In addition, the maintenance and the regeneration of existing infrastructure stock increasingly weighs on public accounts.

Cost of priority and important projects <sup>59</sup>

<i>Billion €</i>	<i>2004-2020</i>	<i>Of which 2004-2013</i>	<i>Of which 2014-2020</i>
List 0	80	80	0
List 1	142	125	17
List 2	13	3	10
List 3	22	20	2
<b>Total</b>	<b>257</b>	<b>228</b>	<b>29</b>

3. Figures of the above table are based on information provided by the members [and are subject of minor updates until the final publication of the report]. For simplification, the table assumes an equal spread of investments' needs over the construction periods. Due to lack of data, it excludes the cost of the horizontal priorities indicated in Chapter 6.2 and 6.3. Moreover, it should be stressed that the cost of the investments needs after 2014 does not take into account of the projects which may be added by that time.

---

<sup>57</sup> List 0, List 1 and List 2.

<sup>58</sup> These figures are affected by uncertainties inherent in estimating 'upstream' from the costs of major infrastructure projects. Experience suggests that they are underestimates.

<sup>59</sup> However, the budgetary period corresponding to the next financial perspectives is not fixed.

4. The question of the financing of the priority projects of the trans-European network, and more generally of all the transport infrastructure, consequently takes on crucial importance. The Group therefore welcomes with great interest the Commission Communication entitled "*develop the trans-European transport network: innovative financing*"<sup>60</sup> which takes stock of this subject. In the light of this Communication, the Group considers that measures have to be undertaken to attract more private capital in order to facilitate the carrying out of the priority projects. However, the Group stresses that at the end of the day either the tax payers or the users have to pay. It notes that the share paid by users is likely to increase in the near future as already observed in some countries in recent years.
5. Certain major infrastructures can be financed entirely by fees. Hence, the Group considers that the building of new airport capacities or significant increase of existing capacities can, as a general rule, be financed from future fees. In this respect, the Group is of the opinion that projects, such as the construction of a new airport in Berlin - while considering this latter project as having a high priority - should be done without financial aid from the Community, except for studies. The airports in the isolated and less developed regions constitute an exception and, under the structural financial instruments, should be able to benefit from aid from the Community.

#### 6.6.1.1 Taking into account the constraint of public finance

6. Underinvestment in infrastructure characterises the past in current Member States as in the Acceding Countries. The Group considers that if this general tendency continues, it will hinder economic growth and sustainable development.
7. In addition to the significance of investment, the majority of the projects recommended by the Group present uncertainties regarding their *a posteriori* final cost and their future income. These risks, inherent in infrastructure projects, make profitability for private investors risky. Consequently, these projects cannot be carried out without at least partial public financing notably from Community financial support amongst other sources.
8. The Group stresses that the priority projects selected have strong socio-economic benefits by reducing costs (internal and external), improving the quality of transport and inducing spatial development. In addition, these projects present a particularly high European value added. They will facilitate transnational trade and will contribute to the sustainable development of transport at Community level by promoting intermodality. The Group emphasises that, unlike many sectors, investment projects in the transport sector will have a life of many decades, for the benefit of future generations.
9. **Since these projects improve the growth potential for the long term, strengthen the dynamics of the internal market, and contribute to sustainable development,**

---

<sup>60</sup> COM (2003)132

<sup>60</sup> Theory of endogeneous growth

**they can be regarded as productive investments<sup>61</sup> with positive repercussions for the whole Union and its competitiveness.**

10. The Group consequently recommends that the Member States take full account of these benefits when considering the necessary financing. In this respect, the Group notes, on the one hand the importance of these projects for the long term competitiveness of the Union, and the other hand, the current budgetary constraints on public finance. **The Group draws the attention of policy makers to the risk of major gaps over a long period of time between the investment needed to implement these priority projects and the current budgetary framework in which Member States and the Community have to operate.**
11. It should be noted however, that the annual investment necessary to carry out the projects in Lists 0, 1, 2 and 3 accounts for only 0.16% of the GDP of the enlarged Union, although this share may be higher for individual Member States. Nonetheless the individual priority projects are clearly defined, and therefore the related public expenditure can consequently be easily identified.

#### 6.6.1.2 A strongly anchored principle of territoriality

12. It is the State and the regional authorities which bear the brunt of public financing and of the risks inherent in each project. Even in the case of projects co-financed by the Cohesion Fund, the States concerned remain liable for the risks of non-compliance with the project objectives and may have to reimburse the Community grants.
13. But the priority projects of the trans-European network take, by definition, transnational traffic and benefit in the first place the users of other Member States. For example, half of the traffic through the Pyrenees concerns transit flows across France. No less than 80% of the lorries using the Brenner tunnel are in transit through Austria. Transit in Germany will certainly increase. The accessibility and opening-up of certain peripheral regions are also dependent on effective connections on the territory of neighbouring transit Member States.
14. It is important to note that, exceptionally, countries take part in the financing of infrastructure projects in their neighbours. Luxembourg contributes up to €100 million in the financing of the High Speed Line between Metz and Luxembourg. The Netherlands contributes to the financing of the High Speed Train in Belgium.
15. In addition, in those countries where the internal political organisation gives regions specific powers, the increasingly active participation of certain regions can be observed in the financing of infrastructure, which allows a reduction of the contribution from the national budgets.
16. However, a decisive financial contribution remains in the majority of cases, and to a lesser extent in the countries eligible for the Cohesion Fund, at the cost of the national authorities which in addition have the responsibility for delivering the necessary administrative authorisations.



### 6.6.1.3 Community financial instruments to meet the challenge

17. **In general, taking into account the high stakes involved in providing a sustainable and balanced European transport system, the European value added of priority projects, and the current constraints on finance, the Group believes that substantial Community financial support is called for.**
18. **In particular, the Group considers that priority projects of exceptional importance for the single market, for example crossing natural barriers, should benefit from greater European support through the Community budget.**
19. The Community contributes to the financing of the trans-European transport network. Indeed, the Treaty confers on the Community the mandate not only to identify projects of common interest on the network, but also to give them financial support from the TEN budget or the Cohesion Fund. Council Regulation 2236/95<sup>62</sup>, determines the general rules for the granting of Community financial aid in the field of the trans-European networks, for studies or for the carrying out work on projects of common interest.
20. This support is primarily in the form of direct subsidies, while the Regulation also makes it possible to grant loan guarantees, interest rebates, or even direct participation in venture capital funds. The Group considers that this range of possibilities should be fully implemented.
21. In parallel, the Community also takes part in the financing of these networks through structural financial instruments which concern the least developed countries and regions (Cohesion Fund and ERDF). With regard to connections inside the future Member States, the pre-adhesion structural instrument (ISPA) is made available for the development of the networks in these countries. On the whole, Community participation in the current European Union (all instruments combined but not including loans from the European Investment Bank) reaches approximately €20 billion for the period 2000-2006. By the 'leverage effect' that this aid is supposed to create, at best €100 billion could be levered over the period. **It is thus clear that the Community contribution covers only a (very) limited part of the financial needs and is largely insufficient to contribute effectively to the development of the networks.**
22. **The Group stresses the distinction between, on the one hand the priority nature of the projects identified in this report to meet the increase in intra-Community trade and mobility, and, on the other hand, eligibility for Community financing.** This report only retains a small number of projects of common interest: it concentrates on the identification of the strategic elements of the network. Certain projects of common interest should nonetheless remain eligible for Community financial instruments, such as the structural funds and the Cohesion Fund. Nevertheless, the classification in the lists of Chapter 6.1 does not prejudice, in any way, the possibility for the projects to be financed entirely by private investors.
23. On the other hand, a considerable number of projects of Lists 0, 1 and 2 will not be carried out in time without sufficient Community aid to mobilise and coordinate

---

<sup>62</sup> Amended by Regulation of the European Parliament and of the Council No 1655/99.

public and private capital. **This is, in particular, the case for the cross-border projects, and to a lesser extent for certain bottlenecks.**

24. The projects identified in List 3 are another case. Without prejudging the zoning (distribution) of future Community financial instruments such as the structural funds and the Cohesion Fund, the Group stresses that these projects are, above all, part of the logic of territorial cohesion, and that they play a decisive role for the economic integration of the countries or regions concerned by giving them access to the main axes. It is very probable that the budgetary capacity of most of the acceding Member States concerned, and the users' ability to pay charges are insufficient to finance them. Without a significant external financial contribution, in particular on the part of the Community, these projects could not be carried out within the desired time.
25. The timeframe for carrying out of the projects recommended by the Group is considerably longer than those of the budgetary perspectives for the Community. It is spread out over a period covering the perspectives fixed by Berlin and Copenhagen up to the end of 2006, those for the following period from which the preparation has just started, but also the following perspective.

<i>€ Billion</i>	<i>1993-1999</i>	<i>2000-2006</i> <i>EU 15</i>	<i>2000-2006</i> <i>EU 25</i>
TEN Budget	2.2	4.2	4.4
Cohesion Funds	7.6	9	12.8
ERDF *	5	6	6
ISPA	--	2.1	na
<b>Total</b>	14.8	21.3	23.2

\* *Estimate DG TREN of the share allocated to the TEN-T*

26. It is not the role of the Group to come to a conclusion about the share that the trans-European network policy should take with respect to the other Community policies within the next financial perspectives for the Community. Nor is it its role to anticipate the overall budget available at Community level.
27. **The Group emphasises that a sustainable transport policy in an enlarged Union is a prerequisite for European integration, both at the level of the citizens and at the level of the economic integration driven by the internal market and monetary union.** It is therefore important to stress that for the period 2004-2013 alone, the priority projects identified in Lists 0, 1 and 2 represent a total amount of investment of more than €208 billion. **Without appropriate funding of the future financial instruments for the trans-European network, several of these priority projects could not be carried out in time or might even be abandoned.**
28. In this respect, the Group notes with interest the idea of the European Parliament<sup>63</sup> in its resolution on the White Paper on the common transport policy *"of creating within the framework of the financial perspectives a European Transport Fund, a financial instrument with an appropriate budget, applying to all the States of the Union, for all the modes of transport and for all the problems of the sector"*.

<sup>63</sup> Resolution of 12 February 2003, Draughtsman M.Juan de Dios Izquierdo Collado. Paragraph 82.

29. The European Investment Bank (EIB) plays an important role. It can borrow on the international markets at advantageous rates and can consequently grant loans at advantageous conditions to the projects of common interest. Since 1993, the EIB has approved loans for TEN-T projects with a total amount of €80 billion and has financed some €40 billion in public private partnerships.
30. **The Group welcomes with interest the EIB's readiness to create a new 'EIB TENs Investment Facility (TIF)' allowing the granting of long-term loans (35 years) covering up to 75% of the costs of TEN-T projects, up to a volume of €50 billion for the period 2004-2010. This facility will offer a special flexibility for maturity, grace periods, and repayment.**
31. In the framework of this facility, the EIB envisages giving priority to projects of the trans-European network contributing to regional development, cross border projects and intelligent transport systems. The Group welcomes with interest these priorities, in particular cross border projects.
32. Moreover, in the context of private finance and public-private partnerships for TENs, in addition to the existing Structured Finance Facility for higher-risk loans, the EIB could provide a special guarantee scheme for long-term investments,
33. Creating an infrastructure capital fund to provide equity and mezzanine finance with a view to boosting the equity of project companies (or other special project vehicles) and provide start-up and feasibility study finance could also be envisaged. The fund could be managed by the EIB and based on resources from the Commission, the EIB and the private sector. It would give priority to the priority projects identified in this report.
34. A 'Special Purpose Vehicle' (SPV) could buy TENs portfolio of loans from national financial institutions, securitise them and issue AAA bonds to the market. This would release new resources to be invested in TENs while ensuring capital relief for the originating financial institutions. The EIB Group could be involved in these transactions.

#### 6.6.1.4 Greater efficiency for Community financial aid

35. Community resources are very limited, and therefore precious. We must seek the best possible management of these resources. Experience shows that, in their requests for subsidies, countries give priority to spreading them over a multiplicity of small projects. The Essen projects, although declared a priority by the Heads of State and of Government, received only 40% of the budget devoted to the trans-European network for the period 2000-2006 and slightly less than half of the budget available during the previous period. Since the projects<sup>64</sup> recommended by the Group present a high European value added, **the Group recommends that in future a more important share of the financial instruments available for the trans-European network be devoted to them.** This type of concentration should ideally include the structural financial instruments in the countries concerned.

---

<sup>64</sup> Including projects related to themes of Chapter 6.2 and 6.3

36. The coexistence of various financial instruments, each with their own logic, causes asymmetry in the intervention rates between the countries and regions eligible for the structural financial instruments and those eligible only for the budget of the trans-European network. Consequently, work on the corridors connecting the peripheral countries to transit countries encounters an excessive delay on the territory of the latter, being little encouraged to invest in infrastructure benefiting in the first instance their neighbours. The extra-territoriality of eligibility for the structural financial instruments or new adapted financial instruments could constitute in this respect a solution that it is advisable to examine in the case of cross-border sections of the projects on the major axes.
37. **Generally, the intervention rate of Community financing should be differentiated according to the benefits going to other countries, in particular the neighbouring countries.** Such modulation would not be contrary to the principle of territoriality of financing of infrastructure, and should benefit in the first instance the cross-border projects used by long distance transport.
38. Such cross-border connections are essential for exchanges between Member States and for the connectivity along the major trans-European axes. The "border effect" often results in lighter local traffic, which tends to reduce the profitability of the cross-border projects in comparison to those located in the middle of the national networks. As a result, the gap to be filled by public financing is greater.
39. However, in general, the national authorities show a clear reluctance to finance the cross-border sections, not only owing to the complexity of coordination between Member States to define and carry out a project, but also to budgetary arbitration to the profit of infrastructures benefiting the national priorities, without having considered the broader European interest. **It must be remembered that the majority of the cross-border sections identified in this report will only be carried out only after 2010, unlike the other sections.**
40. **The Group defends the idea that the Community could play a more active role in promoting the carrying out of cross-border connections,** and that a possible increase of the Community intervention rate under the TEN budget, as the Commission had already proposed in its proposal of 3 December 2001<sup>65</sup>, should be carefully investigated. Contrary to what one might believe, the budgetary impact of such a development would not be exorbitant, the cost of the cross-border sections for the period 2007-2013 being somewhat lower than €15 billion.<sup>66</sup>
41. The Group therefore recommends the Council to reexamine the Commission proposal to amend Regulation (EC) 2236/95 on the granting of financial aid under the trans-European network, to raise this aid to 20% in the case of certain cross-border projects instead of current 10% - proposals that were approved by the European Parliament. Without prejudging the result of the codecision procedure, it is clear that this proposal may constitute a first practical step towards aid based on benefits to neighbouring countries.

---

<sup>65</sup> COM(2001)545 final.

<sup>66</sup> Including projects in cohesion countries and excluding sea motorways

#### 6.6.1.5 The public-private partnership: better management of risks and costs

42. The capitalisation of the various financial markets in Europe amounts to several trillions of euros. In theory they could very easily absorb the financial needs for the completion of the trans-European transport network. The problem is not therefore the lack of private capital. The major difficulty is at the level of the division of the risk between private investors and public authorities. A clearer and more homogeneous regulatory framework in Europe would probably make it possible to encourage private investors to take a larger share of risks and to channel more private financing towards the construction of infrastructure.
43. Today, except in rare exceptions, the development of the main ports and the main airports can be self financed from the income generated by the infrastructure. However, this is not the case for land transport:
- the railways, whose development was financed largely by private investors throughout the 19<sup>th</sup> century must compete with roads whose use is almost totally free;
  - inland waterways have suffered from a chronic lack of investment for almost two centuries;
  - heavy lorries only contribute a relatively small part of motorway tolls while the bulk of the construction costs of the infrastructure are caused by the technical and construction features that they require.
44. For land transport private investors cannot in general assure the total construction cost because of relatively - and artificially - low charges for use of the infrastructure. It is necessary therefore to make use of mixed financing.
45. These schemes<sup>67</sup>, by means of concessions, make it possible for States to limit their financial aid to what is necessary to make up the difference between what is profitable from the point of view of society and what is financially profitable. In the case of large complex projects, in particular cross-border railway projects, these schemes are however extremely difficult and in any event, the potential contribution of the private sector is limited in view of the risks and of the very long term period of return. In any case, the Group stresses that both for railways and inland waterways, the potential of private capital is very low.
46. **Even if not providing an important share of private capital, public-private partnerships have however an essential virtue, which is to oblige greater transparency of costs and thus the public authorities to more strict management.** They oblige the States to clarify their long-term policy (regulation, infrastructure charging) and to commit themselves, contractually, to reduce the risks. A clear division of the risks between the public authorities and the private sector is

---

<sup>67</sup> The main purpose of Public Private Partnerships (PPP) is to provide public services with private sector participation and financing. When they are on a concession basis, the ownership of the infrastructure remains in the hands of the public sector, even though the concessionaire assumes its business at its own risk.

indeed essential. However those are of a very different nature (future risks inherent in the level of income<sup>68</sup>, risks of slippage in the cost of a project at the time of its construction, exchange rate risks for the States outside the Eurozone). They are therefore particularly complex to evaluate.

47. The practice of risk assessment remains not very widespread in a sector which is traditionally in the public sphere. Decision-makers do not have the reflex to seek mixed financing solutions (public-private). This traditional stance consequently discourages the private investor. **The Group proposes that in future the major priority projects of the trans-European network are subject to an analysis of the various risks and of the private financing opportunities and suggests that the Commission examines further this issue together with the EIB.**
48. The spread of risk provides the key to successful public-private partnership. The guarantee mechanisms play an essential role in this respect. The Commission Communication on the development of the trans-European network puts forward the idea that the Community provides guarantees to concessionaires against the risk of non-completion or of delays of certain sections.<sup>69</sup> For instance, the company who will be awarded the concession contract to build and operate the rail line between Figueres and Perpignan would, by such a guarantee, cover the loss of revenues due to non completion of the section between Perpignan and Nîmes.
49. The Community could, as Article 103 of the EC Treaty permits, jointly grant with the Member States concerned and the European Investment Bank, loan guarantees for the financing of priority projects. These guarantees would reflect the interest and the confidence of the Union in an individual project.
50. To cover these guarantees, a 'Mutual Risk Fund' should be considered. Like insurance systems this would involve putting together the risks of a sufficient number of projects. This Mutual Risk Fund could be set up according to practices determined with the EIB and would be funded by the Member States concerned and the Community.
51. **The funding of this reserve would take account of the level of probability that the incurred limited risks materialise.** The contribution of the Community budget to this mutual fund would be financed from the budget heading TEN-T or possibly by contributions of other financial instruments, such as the structural funds and the Cohesion Funds. **The Group suggests that the Commission examines the feasibility of such new guarantee mechanisms and to assess the potential of such an approach within the framework of work on the new financial perspectives.**
52. Within the framework of the development of the motorways of the sea, the issue is not to attract private capital but to organise general interest services in compliance with competition rules. Public-private partnerships, of a much smaller scale and a different nature, are thus also necessary.

---

<sup>68</sup> In particular if priorities as regards transport policy change.

<sup>69</sup> The rules of monitoring of the public deficit, moreover, do not refer to the guarantees granted by States and regions.

53. Due to lack of time, the Group could not estimate the potential of private capital in financing the priority projects. On the basis of experience and forecasts made in national plans, the Group considers that, at best, between 10% and 30% of the overall amount of the priority project costs could be ensured by the private sector in the field of land transport. Of course, the share varies considerably from one project to another. It is advisable to adopt an approach on a case by case basis, to accurately measure the potential contribution of private investors. **The Group suggests that the Commission should define the framework for such an exercise.**

#### *6.6.2. Adapt the political and legal framework*

54. Public-Private Partnerships have to cope with important obstacles of a legal, economic and sometimes political nature. The Group considers it necessary to disseminate good practice and in the medium-term to update the existing legal framework in order to make them attractive for private investors in particular.

##### *6.6.2.1 The laws related to concessions*

55. The revision of the legal status of concessions has already started in a number of Member States. In the current state of Community law, concessions are not covered by the Directives on public contracts (except for the concessions which include work the making of which is subject to certain provisions of Directive 93/37). In its interpretative communication of 29 April 2000, the Commission nevertheless clarified the principles which arise from the provisions of the Treaty on fundamental freedoms, and in particular the obligations of competition and of equal treatment. The Court of Justice confirmed this interpretation, in particular in its *Telaustria* judgement<sup>70</sup>.

56. On the occasion of the redrafting of the directives on public contracts<sup>71</sup>, the Commission proposed opening new proceedings on the award of contracts, named "competitive dialogue". This procedure applies to the complex markets, and in particular when the judicial entity is not in a position to define the technical means which can meet its needs, or the legal and/or financial set up of a project. The competitive dialogue procedure allows bilateral dialogues with various candidates at an early stage. Once the awarding entity is in a position to identify the solutions likely to respond to its needs, the dialogue is closed. It is then followed of a phase of tendering and of evaluation of tenders. **The Group notes with interest such changes.**

##### *6.6.2.2 Regulated competition of transport*

57. The coherence of transport policies is of primary importance to mobilise private investors. The Group stresses therefore the importance that the application of transport policies at the level of States and the Community is coherent with this list of priorities, once adopted by the Council and Parliament. Uncoordinated infrastructure investments, not very competitive transport markets, unsuitable demand

---

<sup>70</sup> Case 324/98, Judgment of 7 December 2000.

<sup>71</sup> COM (2000) 275 final.

management, the lack of common standards, are factors which all directly affects the economics of the priority projects identified by the Group. The clarification of the interoperability standards, the definition of which is ongoing, applicable in the new Member States is in this respect very important.

58. The current sectoral reforms, in particular in rail transport have a key role. The opening of the rail freight market to competition, decided by the Council and Parliament, creates new market opportunities on a European scale These new rules, accompanied by a set of technical standards to ensure interoperability have still to be fully implemented. **The Group stresses that their application will improve the economics of the majority of the projects recommended in this report. The new infrastructures will not be used for empty wagons making empty return journeys as 'return loads' can be organised.**

#### 6.6.2.3 Infrastructure Charging

59. **The Group stresses in particular the need for a stable common framework as regards infrastructure charging. Charging for an efficient use of infrastructure would make it possible to create a framework more favourable to investment, not least by allowing the infrastructure managers to cover all or part of their costs.**
60. The Group recalls that in this context the building and financing of Alpine tunnels, (and subsequently in the Pyrenees) in the proposed timeframe is only realistic if an appropriate framework allows cross-financing of new infrastructure from existing or new road tolls, or a more substantial Community intervention.
61. The Group observes that cross-financing is allowed in several Member States, as long as there is a clear functional relation, i.e. in respect of availability and quality, between the different infrastructure concerned. It notes that the European Council in Copenhagen in December 2002 has asked the Commission to present a new legislative instrument, amending Directive 1999/62 (the so-called "Eurovignette" Directive) and suggests as announced by the Commission, that such an instrument should specify the conditions of implementation of cross financing, bearing in mind the above.

#### 6.6.3. *Organise the coordination of investment*

##### 6.6.3.1 Coordination within the major European axes

62. The profitability of investment is closely linked to the sequence of putting into operation the various sections on the axis in question. Experience shows that the socio-economic profitability of major projects of the trans-European network is disappointing owing to delays in the work of other projects located on the same trans-European axes. Investments have therefore to be better synchronised along the main corridors.
63. **Closer coordination is therefore necessary between countries concerned with the same axis . For each major European axis (corridor), a coordination entity, in which the Community would take part, could be created for the duration of the priority projects located on the axis. Article 155 of the EC Treaty gives to the Commission the role of taking any useful initiatives to promote coordination**



**between Member States. It would therefore be in the remit of the Commission to designate a personality, in agreement with the concerned Member States, to take charge of coordinating, stimulating cooperation, and ensuring the necessary follow-up, as well as to take measures for its functioning.**

64. This is close to the idea of a ‘European Structure’, as mentioned by the Commission in its Communication entitled *"Developing the trans-European transport network"*. These entities could indeed, in the long term, evolve towards common structures in charge of promoting the projects to private and public investors, Member States directly interested in the completion of a priority project could acquire equity. Those which cannot or do not want to be directly involved in managing big projects could delegate such a task to these structures.
65. Without prejudging the future financial perspectives and the structural aid which will be available after 2006, the Group recommends that the Member States concerned prepare their transport planning and their transport programming for the next budgetary period now on the basis of the priorities identified by this report.

#### 6.6.3.2 Transnational legal entities for major cross-border projects

66. Coordination between the various parties to a project (whether they are public or private entities) is essential, especially for the cross-border infrastructure. However, the setting up of a structure, by project, which has to manage it in the development phase and which has the responsibility for collecting the public and private capital is likely to prove particularly complex. The approval by the Council, on 8 October 2001, of the statute of the **European Company** (EC) already provides some possible solutions.
67. The European Company statute will indeed allow, from its application, in 2004, simplification and substantial economies of scale in the establishment of companies charged with managing cross-border projects. Within this framework of the ‘European Company’, (with a share capital authorised by the Member States, private companies, and the participation of the EIB), one could therefore envisage creating companies for major cross-border TEN-T projects, using for that, the structure or at least the spirit, of the joint undertaking Galileo.

#### 6.6.4. *Adapt the assessment methods to sustainable development*

##### 6.6.4.1 More homogeneous economic assessment methods

68. The socio-economic impact of a project constitutes the base of any infrastructure investment decision. The methods to calculate the costs and the benefits of infrastructure project constitute in this respect a valuable planning tool. The Group notes the great diversity of practices between Member States and between modes of transport. Not only methods vary greatly in their appraisal of the external effects, but also in criteria such as the discount rates affecting the decision-making directly. This diversity impedes clarity and the transparency of the appraisal in the case of cross-border projects. The harmonisation of these methods therefore appears desirable. **Should the Community become an important financial partner for the realisation of cross-border projects, it would be logical that the Commission proposes common evaluation methods.** Moreover, the Commission evaluates subsidy requests under the structural financial instruments, by harmonised methods

of estimating the costs and benefits. This approach constitutes a powerful vector of dissemination and of harmonisation of good practices as regards cost/benefit analysis.

69. The current practices show other limits, in particular with regard to railway infrastructures. The positive effects on the sustainable development of the railway infrastructures are felt only in the very long term and cannot be captured correctly by the traditional cost/benefits analysis. Moreover, certain Member States pay great attention to the time savings for passengers but on the other hand do not give sufficient attention to the added value in terms of new freight capacities. The current railway market is in the process of major change, in particular due to the opening of the market, forecasting traffic from past trends is no longer appropriate. Similarly the effects of transport infrastructure in all modes in terms of spatial development remain difficult to incorporate in a transparent way into the evaluation, leading to under-estimates but also to over-estimates of these effects. **The Group therefore recommends to the Commission to further support research in this area and to disseminate good practices.**

#### 6.6.4.2 Taking sustainable development into account

70. The limiting of emission of greenhouse gases probably constitutes the greatest environmental challenge of current transport policy. The transport sector constitutes one of the main contributors among human activities to the production of these gases. The growth of emissions of carbon dioxide cannot be controlled without a strong political will to achieve a significant modal transfer towards rail and inland waterways. If this does not occur, it will be difficult to respect the commitments that the Union took under the Kyoto protocol, even with technological progress expected on the part of the motor industry in the coming decades. This is why the Group attached great importance to the criterion relating to sustainable development. **The priorities of the Group are directly in keeping with the aim set by the European Council of Göteborg to give priority to the infrastructure for intermodal transport, rail transport, maritime transport, and river transport.**

#### 6.6.4.3 The environmental impact assessment procedures

71. The undertaking of priority projects has to be exemplary concerning the respect of the various Community directives for environmental protection, in particular Council Directive 85/337/EEC, of 27 June 1985, concerning the assessment of the effects of certain public and private projects on the environment<sup>72</sup> and Directive 92/43 of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora.<sup>73</sup> **The Group did not ignore the fact that infrastructures can bring certain harmful effects to their immediate environment. It is advisable to mitigate them as much as possible at source from the design stage (safety, noise pollution, water pollution, etc).**
72. Often the legislation concerning environmental protection is said to be one of the causes of the delays too frequently met in the carrying out of major projects. Even if taking into account environment effects may contribute to lengthening the duration of

---

<sup>72</sup> OJ L 175 of 5.7.1985, p. 40.

<sup>73</sup> OJ L206 of 22.7.1992, p. 7

studies and of completing a project, the Group wishes to stress that this makes it possible to achieve infrastructure of better quality and more respectful, in the end, of sustainable development. It rests with the infrastructure promoters and with the political decision-makers to anticipate these long development deadlines and to start the studies of projects upstream. Too often, studies are not sufficiently advanced when the hour of the political decision arrives. In particular, the Group considers that some of the priority projects selected would have benefited from being at a more advanced stage with their studies to meet the needs of the work of the Group.

73. To avoid delays in a later planning stage, the network managers have to incorporate the environment aspect as far upstream as possible, in particular through the requirements of Directive 2001/42/EC on strategic environmental assessments. COREPER had already proposed to the Transport Council of 25 September 2002 to ask the Commission to develop, in agreement with the Member States, methods to implement strategic environmental assessment with the objective of assuring *inter alia* appropriate coordination, and ‘avoiding a multiplication of the efforts, and of achieving simplification and acceleration of the procedures for the cross-border projects and the corridors’. **The Group subscribes to this request in order to quickly lead to a common methodology for all the priority projects - and other projects of the TEN-T network - for the application of this Directive.**

#### 6.6.4.4 Facilitate these procedures by transnational commissions of enquiry

74. The Group examined the question of going beyond harmonising procedures related to environmental protection. The Group asks in particular that the Commission reflects on the possibility of allowing a **single public consultation procedure covering several Member States** and not only in the Member State promoting the project. A "transnational" commission of enquiry would thus be set up to receive the reactions of all interested parties within the Member States concerned.
75. Such a procedure would be a tool at the disposal of the Member States. **It would be optional, in the sense that it will be applicable only if the Member States concerned by the project specify their wish to use such a procedure beforehand.** Such a procedure could moreover concern any infrastructure project in general, whether it is for transport, energy or telecommunications, beyond those located on the TEN-T.
76. In addition, the procedure will have to take as a starting point the Espoo Convention of 1991 on the environmental impact statements in a cross-border context<sup>74</sup>. This convention defines the principles to be followed for taking into account the cross-border effects of projects in the impact statements, whether these projects are cross-border or not and for the exchanges of information between countries concerned. The procedure envisaged in the case in point would go further than this convention by envisaging a single impact statement and impact procedure in all the Member States concerned.
77. Such a procedure would offer several advantages. It would entail a **single enquiry in the various States concerned** rather than a juxtaposition of national procedures

---

<sup>74</sup> Available on the site of the UNECE at the following address: <http://www.unece.org/env/eia/eia.htm>.

which inevitably are not coordinated. It would establish **the drafting of a single impact statement** for the project. Indeed, it is urgent to take account of the effects, positive or negative, at the level, not of the State promoting the project, but of all the Member States concerned with the project in question. It would make it possible to organise a **consultation, complying with directive 2001/42/EC, of all those concerned in several Member States.**

## **6.7. SIMPLIFY THE FUTURE REVISIONS OF THE LISTS OF PRIORITY PROJECTS**

### *6.7.1. A necessary periodic revision*

1. The list of the priority projects is not set in stone. It must evolve over time by reflecting the reality of the needs and the level of advancement of the projects. Flexibility as regards the list of priority projects remains necessary. Should some projects not start the works before the agreed date for projects in List 1, their qualification as priority projects of the trans-European network should inevitably be reconsidered. Also there are projects of very high European importance, such as those in List 2, which may become ready to go forward if for instance a political agreement between the concerned countries can be found on the alignment and the calendar.
2. The Christophersen Group had already recommended that the list of the priority projects be revised periodically. Ten years have however passed since the work of the Christophersen Group. Experience shows that ten years is too long a period between revisions. Indeed, the Commission felt the need to up-date the Essen list by making new proposals.

### *6.7.2. The list of the priority projects evolves*

3. The Group proposes that the list of the priority projects, and therefore the guidelines on the trans-European transport network, be revised after a certain time. The life span of the guidelines and most of the priority projects exceed, by far, the duration of the Community budgetary perspectives. The Group therefore, suggests preferably synchronising such a revision with the timing of the Community's budgetary perspectives.
4. To that end a group of representatives appointed by the Transport Ministers should be set up at the very latest by 2010<sup>75</sup>. The recommendations of such a group should be addressed to the Commission in time to prepare a proposal for revising the guidelines and the following budgetary perspectives. It should be noted that the co-decision procedure to adopt the Community guidelines, and consequently the priority projects, takes a certain time and must be carefully accounted for in planning the process.
5. Furthermore, twelve months should be given to such a group in order to perform a more thorough analyses. The six-month period granted to the present Group has been considered too short.
6. The Group suggests that the next exercise be preceded by an analysis of the socio-economic interest and financial viability of the individually submitted projects in order to allow the group to better understand the risks associated with the various projects. In particular, the EIB should ideally be in the position to deliver an informed opinion on the financial viability of the different projects.

---

<sup>75</sup> Assuming that the next budgetary perspectives cover a 7-year period.

7. To this end, it would be appropriate that the Commission invites Member States to submit their projects at least six months before the setting-up of the group, in order to allow the Commission and EIB services to examine the projects in detail, well ahead of the work of the group. If in doubt over economic, environmental, social or technical aspects of certain projects, the secretariat of the group should be able to call upon additional independent external expertise. As regards the work of the group itself, more and updated documentation on traffic analysis with maps representing the volume of flows along the various main axes should be made available on time.

*6.7.3. The bottom-up approach is no longer enough*

8. In view of the integration of the trans-European transport network, the bottom up approach is no longer sufficient on its own in order to determine the priority projects. No single Member State can claim to have an overall picture of transport needs on the scale of the enlarged Union.
9. Thus, the Group suggests setting up a European Transport Observatory in charge of carrying out, on a regular basis, a traffic inventory on the main axes and establishing European reference traffic forecasts. Such an Observatory would provide the tools needed by the entities proposed in Chapter 6.6. More importantly, it would assist the Commission in fulfilling its duty from the Treaty by making proposals for the choice of the priority projects and by sounding the alarm when delays to implement projects cause, or are likely to cause, a serious malfunctioning of the internal market.

## 7. LIST OF MEMBERS

Chairman : Mr Karel **VAN MIERT**

Former Vice-President of the Commission and Commissioner in charge of transport

Austria Mr Gerold **ESTERMANN**

Director of « Gesamtverkehrsmanagement, Logistik und Telematik », Bundesministerium für Verkehr, Innovation und Technologie

Belgium Mr Luc **MARECHAL**

Chef de cabinet du Ministère de la mobilité et des transports

Denmark Mr Thomas **EGEBO**

Permanent Secretary, Ministry of Transport

Deputy :

Mr Jørn **HOLDT**

Head of International Division, Ministry of Transport

Germany Mr Ulrich **SCHÜLLER**

Director of Grundsatzabteilung, Bundesministerium für Verkehr, Bau- und Wohnungswesen

Deputy :

Mr Jürgen **PAPAJEWSKI**

Regierungsdirektor, Bundesministerium für Verkehr, Bau- und Wohnungswesen

Spain D. Antonio **LOPEZ -CORRAL**

Director General de Programación Económica  
Ministerio de Fomento

Finland Mr Juhani **TERVALA**

Director of infrastructures, Ministry of Transport and Communication

Deputy :

Mr Juha **PARANTAINEN**

- France Mr Claude **MARTINAND**  
Vice Président du Conseil Général des Ponts et Chaussées, Ministère  
de l'équipement, des transports, du logement,  
du tourisme et de la mer CGPC
- Greece Mr Yiannis **ROUBATIS**  
Former spokesman of government and former Member of European  
Parliament  
  
Deputy :  
Mr Christos **DIONELIS**, Advisor to the Minister of Transport
- Ireland Mr Andrew **CULLEN**, Director General,  
Public Transport Planning and Investments,  
Department of Transport
- Italy Mr Ercole **INCALZA**, Cabinet advisor to M. Lunardi  
Ministero delle Infrastrutture e dei Trasporti
- Luxembourg Mr Paul **SCHMIT**  
Commissaire du gouvernement  
Secrétaire général du Ministère des Transports
- Netherlands Mrs Dr. Neelie **KROES**  
Former Minister of Transport  
  
Deputy  
Drs Roel **GANS**, MMC
- Portugal Exmo Senhor  
Dr Romeu **REIS**  
Director do Gabinete para os Assuntos  
Europeus e Relações Externas-GAERE
- Sweden Mr Jonas **BJELFVENSTAM**  
State Secretary, Ministry of Industry, Employment and  
Communications  
  
Deputy :  
Mr Ulf **LUNDIN**  
Director, Ministry of Industry, Employment and Communications



United Kingdom Mr Willy **RICKETT**  
Director General of Transport Strategy, Roads and Local Transport

Deputy :  
Mr David **Mc MILLAN**  
Mr John **STEVENS**

**Observers appointed by acceding countries :**

Bulgaria Mr Dimitar **ZOEV**  
Director 'Transport Policy, Infrastructure and Construction'.  
Directorate of the Ministry of Transport and Communications.

Czech Republic Mr Antonin **TESARIK**  
Deputy Minister, Ministry of Transport

Deputy :  
Mr Karel **STEINER**  
Director of Transport Policy, International Relations and  
Environment Dept., Ministry of Transport

Mr Vratislav **INDRA**,  
Government Counsellor, Ministry of Transport

Cyprus Mr Symeon **MATSIS**  
Permanent Secretary, Ministry of Communication and Works

Deputy :  
Mr Iacovos **PAPADOPOULOS**  
Director of Administration, Ministry of Communication and Works

Estonia Mr Anti **MOPPEL**  
Head of Department of Development & Logistics,  
Ministry of Economic Affairs and Communication

Hungary Mr Zoltan **KAZATSAY**  
Deputy State Secretary, Ministry of Economy and Transport.

- Latvia Mr Vigo **LEGZDINS**  
State Secretary, Ministry of Transport of Latvia
- Lithuania Mr Alminas **MACIULIS**  
State Secretary of the Lithuanian Ministry of Transport and Communications
- Deputy :  
Mr Albertas **ARUNA**  
Director of Transport Investment Directorate,  
Ministry of Transport and Communications,
- Malta Dr Marc **BONELLO**  
Chairman Malta Maritime Authority  
Ministry of Transport and Communication
- Poland Mr Sergiusz **NAJAR**  
Undersecretary of State, Ministry of Infrastructure
- Romania Mr Sergiu **SECHELARIU**  
State Secretary Ministry of Transport
- Deputy:  
Mrs Virginia **TANASE**  
Director General, Ministry of Public Works, Transport and Housing
- Mr William **PADINA**  
Director General, Ministry of Public Works, Transport and Housing
- Slovakia Mr Branislav **OPATERNY**  
State Secretary of Ministry of Transport, Posts & Telecommunication  
of the Slovak Republic
- Deputy :  
Mr Rudolf **KORONTHALY**  
Director of the European Integration Unit, Ministry of Transport, Posts  
& Telecommunication
- Slovenia Mr Boris **ZIVEC**  
State Secretary for Transport Policy, Ministry of Transport

\*\*\*\*\*

**European Investment Bank (EIB):**

M. Ewald **NOWOTNY**  
Vice-President

## **8. LIST OF MEETINGS**

The High Level Group met in Brussels on the :

- 12 December, 2002<sup>76</sup>
- 10 January, 2003
- 28 January, 2003
- 14 February, 2003
- 7 March, 2003
- 31 March, 2003
- 9 April, 2003
- 30 April, 2003
- 12 – 13 May, 2003
- 20 June, 2003.

---

<sup>76</sup> Without the participation of acceding countries