



LIETUVOS RESPUBLIKOS SUSISIEKIMO MINISTERIJA
MINISTRY OF TRANSPORT AND COMMUNICATIONS
OF THE REPUBLIC OF LITHUANIA

European Commission
DG Energy and Transport
TEN-T
B-1049 Brussels

27 April 2009

No 2-2184(16-3)

CONTRIBUTIONS TO THE GREEN PAPER ON THE REVISION OF THE TEN-T GUIDELINES

The Ministry of Transport and Communications of the Republic of Lithuania welcomes the Green Paper on the revision of the TEN-T policy guidelines issued by the European Commission on 4 February 2009. The TEN-T policy contributes significantly to the transportation conditions in the European Union, thus having direct influence on the economic performance of the EU, as well as on social and environmental living conditions of the EU citizens.

Believing that the TEN-T guidelines make an important component of a successful future development of the EU, we aim at contributing to the consultation process launched by the Green Paper. Please find enclosed the Lithuanian contribution for the discussion, on the basis of the questions identified by the European Commission in the TEN-T Green Paper.

We are ready for active participation in the further process of the TEN-T policy revision.

Sincerely,

Alminas Mačiulis
State Secretary of the Ministry

Lithuanian proposals to the TEN-T Green Paper

1. General Comments

Lithuania welcomes the European Commission's Green Paper on TEN-T revision. The EU transport policy agenda is becoming more complex, and new initiatives (Freight logistics Action Plan, Action Plan on ITS development) are taking place in it. This new evolving context has to be reflected in the TEN-T policy and its guidelines.

However, it is clear that in general, the aims of the current TEN-T policy are still relevant and provide a sound basis for the solution of today and future problems. Thus in the short term, we should aim at identifying the factors which hinder the implementation of some of the TEN-T policy targets, and then strive to address them in our long-term agenda.

Lithuania supports the European Commission's view that TEN-T policy has to develop taking due account of the needs of European transport business and provide the ground for the supply of effective transport services. However, in our view, transport business needs exclusively cannot be the center of the new TEN-T policy guidelines. Rather, the new TEN-T guidelines should strive for a balance between the access function, sustainable transport and business-oriented goals, giving clear priority for cohesion and sustainable development.

We disagree with the assessment provided by the European Commission that the "TEN-T network planning has not been driven by genuine European objectives <...>". The TEN-T priority projects' layer provided the guarantees that the overall impact of the TEN-T policy (or the European perspective) is more than a sum of its separate parts (or the national perspectives), with the due help of the active role of the European Commission.

Moreover, the comprehensive layer has a direct positive impact on the implementation of the overall goals of the TEN-T policy as well, although it falls under the competence of the Member States. The Community sources allocated to the implementation of the comprehensive network were vital in enhancing the quality of transport infrastructure, especially in the Eastern part of the EU. There, the improvement of transportation conditions is clearly visible to the EU citizens.

2. Specific Issues (according to the questions of the Green Paper)

Q1. Should the Commission's assessment of TEN-T development to date cover any other factors?

The assessment of the long-term integration of the future member states' transport network into the TEN-T would be valuable.

Q2. What further arguments are there for or against maintaining the comprehensive network, and how could the respective disadvantages of each approach be overcome?

The Comprehensive network has to be maintained as one of the elements of the network planning. The implementation of this network is necessary for the achievement of the overall TEN-T goals, although it falls under the competence of the Member States. This has been proved in the Eastern part of the EU, where the quality of transport infrastructure has improved considerably, thus enhancing the mobility of the EU citizens as well as the EU connections with its neighboring countries in the East.

The aim to ensure the "access function", which is provided by the implementation of the comprehensive network, is established by the EC Treaty. It should be also noted that the implementation of the comprehensive network, with the Cohesion fund support, has been successful in fulfilling the cohesion goals.

Removing the comprehensive network layer from the TEN-T policy would seriously hinder the possibilities of the Member States to guarantee the TEN-T network accessibility function. This is especially true for countries with smaller populations and for other situations where such instruments as the infrastructure charging and the internalization of external costs are not economically feasible.

However, enhancing the effectiveness of the implementation of comprehensive network should be one of the priority areas in the future TEN-T guidelines. The creation of an on-line database with Member States responsible for the timely information updating would be a serious advancement in the monitoring process. Moreover, it would be desirable to create a mechanism for a stronger commitment of the Member States to the TEN-T implementation process.

Aiming at a more effective implementation of the TEN-T network, it would be useful to evaluate the possibilities to strengthen the overall monitoring of its implementation, especially by strengthening the role of the European Commission in this process.

Q3. Would this kind of priority network approach be better than the current priority projects approach? If not, why not and what are the particular strengths of the latter? If so, what (further) benefits could it bring, and how should it be developed?

The "priority network" approach proposed in the Green Paper is of greater value than the existing "priority projects" approach to the extent it provides a more consolidated and systemic incorporation of various transport hubs (seaports, airports and other intermodal hubs (terminals)) into a single network.

We welcome such "priority network" approach, which is based on the current TEN-T priority projects perspective, i.e. corresponds to the cohesion goals, needs to connect economic centers, development of sustainable transportation and the efforts to enhance the usage of the existing transport infrastructure. In principle, a geographically defined "priority network" should evolve from the structure of the existing TEN-T priority projects.

While the TEN-T “priority network” is an expression of the European goals on the Community level agenda, the methodology for its planning and criteria for the formation of such network cannot reflect solely of a single EU region nor focus only on the needs of transport businesses. Such “priority network” would guarantee the cohesion goals on the European level.

Q4. Would this kind of flexible approach to identifying projects of common interest be appropriate for a policy that, traditionally, largely rests on Member States' individual infrastructure investment decisions? What further advantages and disadvantages could it have, and how could it best be reflected in planning at Community level?

The introduction of more flexibility into the TEN-T policy is understandable given the recent economic and transport conditions. However, the “conceptual pillar” approach as it is described in the Green Paper, should be more specific and focused, to make clear its added value in achieving the general Community goals and guaranteeing the accessibility function.

While we understand the need to include business-driven approach into the TEN-T policy, we would suggest that this approach would be more useful to the transport services sector than to the transport infrastructure planning. The removal of administrative barriers and other *red tape* aspects is more promising to the transport business than the provision of transport infrastructure both in short and in long-term perspectives.

It is also important to stress that Member States are paying due attention to the transport business interests while planning their investments into the transport infrastructure, thus business approach to some extent is already included in the transport infrastructure planning process. Moreover, business has the possibility to mobilize the needed resources through the PPP projects, which should be encouraged on the European level, with juridical and other instruments.

Q5. How can the different aspects outlined above be best taken into account within the overall concept of future TEN-T development? What further aspects should be taken into consideration?

Given the recent economic downturn, it is fully understandable that measures to improve economic performance and support transport business sector are gaining more importance. The development of the TEN-T network, however, should be driven by the long-term goals of the EU.

The TEN-T network has to ensure the effective functioning of the internal market of the EU, firstly by ensuring the seamless flow of goods and people on the whole of its territory. This means that TEN-T connections should aim at reducing regional disparities, caused by the lack of adequate transport infrastructure connecting peripheral regions of the EU with the central European regions. This goal is important not only for the peripheral regions, but also for the economical performance of the rest of Europe.

Q6. How can ITS, as a part of the TEN-T, enhance the functioning of the transport system? How can investment in Galileo and EGNOS be translated into efficiency gains and optimum balancing of transport demand? How can ITS contribute to the development of a multi-modal TEN-T? How can existing opportunities within the framework of TEN-T funding be strengthened in order to best support the implementation of the ERTMS European deployment plan during the next period of the financial perspectives?

ITS play a crucial role in optimizing the performance of the transport sector, enhancing the quality of mobility and improvement of economic and social conditions. Thus, ITS should be an integral part of the TEN-T development, with due attention to the financial EU support for their

development. It is of highest priority to ensure the interoperability between various ITS as well as between systems used in different transport modes, therefore ITS development should be integrated in all aspects of the TEN-T, including comprehensive as well as priority projects layer.

A more coordinated approach to the development of ITS is needed. Lithuania welcomes the ITS development Action plan, recently approved by the Council, believing it would give a positive stimulus to the development of ITS services in the EU. The European Commission should take all the stakeholders and experience of private initiatives in this area into the consideration during this process.

ITS related infrastructure should be further developed, primarily considering the investments to the GALILEO and EGNOS, which will provide the necessary basis for further deployment of ITS.

Q7. Do shifting borderlines between infrastructure and vehicles or between infrastructure provision and the way it is used call for the concept of an (infrastructure) project of common interest to be widened? If so, how should this concept be defined?

Although we acknowledge the importance of shifting borderlines between infrastructure and vehicles, we believe that it should not be made a priority area in the short, medium or long-term.

Q8. Would this kind of core network be "feasible" at Community level, and what would be its advantages and disadvantages? What methods should be applied for its conception?

The most problematic element of the proposed "core network" is the conceptual pillar (see position on the q. 4), which, according to the Green Paper, should be integral to the "core network". While the conceptual pillar would certainly bring more flexibility to the TEN-T policy, it would also hinder the continuity of planning and implementation process of the European importance transport infrastructure.

To achieve greater coherence between the TEN-T policy and the overall European transport policy goals, it would be of greater benefit to apply the "conceptual pillar" element of the "core network" to the amelioration of the transport services on the European level.

Moreover, the formation of the "core network" should be based primarily on the existing transport policy-making experience on the European level, i.e. the work carried out by the Loyola de Palacio High Level Group, which had identified five transnational axes linking the EU with the neighboring countries. Basing the "core network" on the internal EU transport network and its extension to the neighboring regions would integrate various EU initiatives in a coherent character and enable the overall network effect.

Q9. How can the financial needs of TEN-T as a whole in the short, medium and long term be established? What form of financing – public or private, Community or national – best suits what aspects of TEN-T development?

Agreeing with the view expressed in the Green Paper that there should emerge more projects financed by private sources, especially through the application of the PPP principle, we however stress the fact that the possibilities for the private sector to finance TEN-T infrastructure varies considerably between the Member States. In the cases of smaller countries, the private sector might be less willing to participate in the implementation of big projects with small benefit, especially in the context of inexperience and the period of credit crunch. Thus projects of lesser scope might seem more realistic (e.g. airports infrastructure) for the cooperation of public and private sectors. In general, the EU funding stands for an assurance for the member states to be able to improve transport infrastructure in a relatively short time.

Considering the suitability of various forms of financing for the TEN-T infrastructure, it is quite obvious that building of business-driven transport infrastructure (that is, infrastructure based on the market needs and potentially intensive transport flows) is the most suitable for the private sector participation (possibly through the PPPs). In other words, high transport flows will assure the profit for the private investor. Thus, in case where building of transport infrastructure is based on the transport business needs, the financing of such infrastructure should primarily be considered through PPP principle.

Q10. What assistance can be given to Member States to help them fund and deliver projects under their responsibility? Should private sector involvement in infrastructure delivery be further encouraged? If so, how?

The experience of private sector participation in the transport infrastructure provision has revealed positive as well as negative aspects, the exchange of information about such experience should be further encouraged and intensified. Member States could be encouraged to implement smaller-scale PPP projects as “pilot” projects, while a European standardized toolkit (*guidelines*) for public sector on PPP application to infrastructure building could be prepared. Such guidelines could integrate the existing European experience, including preparatory, selection, negotiation, implementation and other PPP aspects.

Q11. What are the strengths and weaknesses of existing Community financial instruments, and are new ones needed (including "innovative" instruments)? How could the combined use of funds from various Community resources be streamlined to support TEN-T implementation?

We highly encourage the possibility to raise the funding from the TEN-T fund, because it would enhance the effectiveness of the preparatory phases of big-scale projects. In this contexts, we would also suggest to extend the maximum proportion allowed from the TEN-T fund (to this day, only up to 50 per cent of the cost of the preparatory studies of the project may be funded from the TEN-T fund). Also, more flexible approach to the size of the total allocated support is needed, i.e. the size of support should be measured according to the benefit of a concrete project and its added value.

The existing Community financing instruments should be amended to delegate more power to the financial experts (in this case, the European Commission) during the project evaluation procedure. This would enable to avoid the negative effect of the Member States voting during the economic evaluation process and guarantee a more objective approach to this procedure.

We would also encourage allowing the possibility to combine funding from several EU funds for a single project. Today, if a project receives 25 per cent from the TEN-T fund (which is only for the preparatory phase), the rest of the project falls on the Member States’ financing potential. The possibility to combine resources from various EU funds would lessen the financial burden for the Member States.

Q12. How could existing non-financial instruments be improved and what new ones might be introduced?

We agree with the opinion that the role of “European coordinators” should be strengthened. It would be useful to evaluate the possibilities to strengthen the overall monitoring of the TEN-T network implementation, especially by strengthening the role of the European Commission in this process. The proposed “corridor coordination” (to replace “project coordination”) approach, which is stemming from the formation of freight corridors, is already *de facto* taking place. Business

operators and other stakeholders operating along such corridors are highly in favor of strengthening coordination.

However, we disagree with the efforts to allocate significant Community financial support to such business-oriented projects, believing that they are able to attract significant private sector participation and apply the PPP principle for funding (see position on q. 9).

Q13. Which of these options is the most suitable, and for what reason?

TEN-T policy and its guidelines should be adapted, considering the changing European transport policy context and the newly emerging initiatives and factors. Therefore, the third option, which is composed of the comprehensive network and the “core network” is the most suitable for further TEN-T policy development.

However, this option has some major limitations, therefore several modifications and comments need to be taken into account, especially:

- Current TEN-T policy goals and its planning instruments are relevant and they should form the basis for solution of today and future problems.
- The comprehensive network should be maintained as a part of the TEN-T policy, because it ensures the “accessibility function”. In this context, we disagree with the evaluation of the comprehensive network proposed in the Green Paper, which concludes that the implementation of this layer has no “visible” impact to the EU citizens. In our view, what is really needed is the strengthening of monitoring process of the implementation of comprehensive network.
- “Priority network” as a part of the “core network” will ensure the network effect on the whole of the EU territory. “Priority network” has to be based on the existing TEN-T priority projects.
- The need to bring more flexibility as expressed by the willingness to introduce the “conceptual pillar” is understandable, but the current description of the “conceptual pillar” is still unclear. In this context, of utmost importance is the need to find a balance between the business needs and the duty of the Member States as well as the EU to build adequate infrastructure in order to provide access function and enhance mobility of its citizens.
- Too much emphasis on the short-term business needs will result in the TEN-T policy without a clear long-term vision, and which will be in a constant need for a revision according to the changing business interests and environment. This will hinder the implementation of general TEN-T policy goals established in the Treaty, which are related to intensifying social and regional cohesion and enhancing the mobility of EU citizens.