MINISTRY OF TRANSPORT OF THE CZECH REPUBLIC

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Response of the Ministry of Transport to the European Commission as regards working document *Consultation on the future trans-European transport network policy* (KOM(2010) 212)

1. *Are the principles and criteria for designing the core network, as set out above, adequate and practicable? What are their strengths and weaknesses, and what else could be taken into account?*

   Principles and criteria for designing the core TEN-T network are feasible and correct. The position document should contain also criteria for the creation of network configuration as they are described in the expert group's proposal No 1. In order to provide for an unambiguous use of the methodology, the basic description of the criteria should be completed by the definition of values to be reached so that the element under assessment may be included into the core network or, if appropriate, defined directly by creating a particular list. Analogous methodology should be created also for comprehensive network as a guide for an update of the network to be suggested by particular Member States.

   Core network

   The Czech Republic welcomes the division of TEN-T network in two layers, with the core network ensuring, as its task, main trans-European transport flows and connection to neighbouring regions so that they may be linked to all Member States. The investments made into existing priority projects should serve as a background.

   Basic procedure is considered as correct and logical, i.e. the definition of main nodes, design of links between 1st level nodes, assessment of the possible involvement of 2nd level nodes (specification of parameters), and other measures following from European transport policy.

   As far as the definition of 1st level nodes is concerned, the methodology for their establishment will have to be specified in more detail. Also the definition of secondary network (2nd level nodes) will have to be dealt with – greater participation of Member States will be necessary in that case. It is a matter of a task that can be managed only with difficulty because local conditions will have to be required – requirements of peripheral, remote and sparsely populated regions and, on the contrary, rather densely populated regions. Consequently, it will not be possible to establish these nodes according to the size of the city or agglomeration, and a certain key for the definition of a node will have to be proposed. The ESPON study could serve as a certain guide. The preparation of particular list of 1st level nodes may represent a more simple approach, and such list would be subsequently discussed. Provided a certain limit of the size of the relevant city to be

included into the list of 1st level nodes is set out, it will be necessary to take account of a more wide agglomeration of the city under assessment and not only the size within administrative border.

The application of co-modality principle is an important aspect of network definition. This should be ensured not only by involving maritime ports and main airports as multimodal nodes into the system. It is also important to support co-modality within the framework of relations inside European continent. Therefore, in the first step, individual links between main nodes should be defined as multimodal axes which would not consider the existing transport infrastructure but would represent main directions of transport demands irrespective of transport modes satisfying these needs. This would enable, in the next step, to take the co-modality approach more into account and look for optimum points for nodes interconnecting the transport modes. The axes should be based on current most important transport flows, and they should interconnect all neighbouring 1st level nodes and ensure the accessibility of neighbouring 1st level nodes in case of 2nd level nodes (often a link with the capital city of a state will be involved).

Only on the basis of multimodal axes the routes of individual transport modes would be established in the second step. Each multimodal axis should have its alternative in the road and railway network. For individual routes, in the case of potentially most loaded directions, it would have to be specified for justified cases (particularly in case of railways) whether the route in question is to be used preferentially or exclusively for certain purpose – for passenger or goods transport or as a high-speed line, for instance. The interconnecting nodes between individual networks of transport modes will make an inevitable part of the network. Apart form ports and airports, these nodes will also include combined and multimodal transport terminals and also public logistics centres. The centres will enable to provide for other high quality logistics and distribution custom-made services for end users as well as door-to-door services. Network of these nodes should be subject to coordination at a supra-national level since attraction circuits of logistics centres may cross the borders of states.

As regards particular routes included in core network, close cooperation with the Member State concerned will be needed. To suggest a route in the shortest direction or to take account of a 2nd level node is out of the question. On the contrary, a route will have to be designed so that no bottleneck may arise due inappropriate routing of the route and because local traffic flows in surroundings of larger or medium cities are usually rather intensive and to transfer other transports to these points may be questionable. On the other hand, direct routing across a region with low settlement and minor economic activities may have a negative impact on the project economics because national transports are using decisive part of the infrastructure capacity and without its existence the project will always be of problematic nature.

As regards route parameters, we have to consider the fact that different transport demands will be raised on various sections of the route. A compromise will have to be fined between taking this fact into account (which will represent a modification of design parameters from the capacity point of view and also the speed in the case of road transport) and homogeneity of design parameters in the whole route.

As to the assessment of the capacity, it is necessary to follow also from specificities of individual transport modes. In the case of railways a missing section may be identified (currently, the infrastructure leading in this direction may show completely inadequate parameters and lack competitiveness) showing only very low transport flows or no flows at all. In the case of a non-competitive railway, the transport flows are transferred to road

infrastructure and this may cause problems of various types. In assessing projects of this sort it is not possible to start from current transport flows. In addition, such issues usually show an impact on a more wide environment since due to inadequate infrastructure parameters in the end section of goods transport the transport is a rule transferred to road transport not only within the affected section but due to demanding transhipment in the whole length of the route, namely also where the railway infrastructure is of already adequate capacity. On the contrary, this fact will be usually demonstrated by congestion and increased rate of accidents in the case of inadequate road transport capacity.

Comprehensive network

Comprehensive network should represent a relatively wide network and it should serve all regions with transport. However, it will be important to set out particular regional level which will have to be considered in this case. The Czech Republic, together with other V-4 states, recommends considering the NUTS III level. It will have to be also specified what regional needs could be ensured through the help of TEN-T network. It should be the case of ensuring basic connections in terms of accessibility of TEN-T core network. The connection in the most loaded direction will be of greatest importance, i.e. usually in the direction towards centre of the state or to other 1st level node points in the neighbourhood. Even on this new network all interoperability elements must be introduced and be of intermodal nature. The relation to lower level networks (national and regional) will be represented by another function.

The modification of the current TEN-T network within comprehensive network according to national planning changes is considered as next important step. Comprehensive network should be updated following Member States' proposal (bottom-up procedure). However, common principles used for the network update would be of advantage and should be inferred from the core network planning methodology. The proposal must be discussed with European Commission. On the contrary, in the case of core network the top-down procedure will prevail.

The updating of the comprehensive network must be the first step since the core network will be a subset of the comprehensive network. It is necessary to ensure comparable network density for all transport modes on the whole continent with respect to the feature of the settlement. The comprehensive network should also follow from the network of main nodes, namely 1st and 2nd level nodes. Also different transport infrastructure condition in EU 15 and EU12 countries is necessary to be taken account of. Such network need not be adequately developed in EU 12 countries, which manifests itself also in lowest density of the comprehensive network in that countries – this is to be rectified.

As regards the sections unlinked to comprehensive network, the removal of such sections should relate to cases where the continuance on borders to neighbouring state is not ensured. On the other hand, such sections have their justification provided they serve some important area with transport or ensure the connection of a region to core network. Furthermore, the unlinked section may serve the remote region with transport or in turn a location showing important manufacturing or mining industry. All this has to be taken into account.

Also a principle concerning conditions for co-modality is applicable to the comprehensive network (see shortening of the first and last mile in door-to-door transports – these distances are the most demanding). Even here it should be relevant that individual routes should have an alternative in road and railway infrastructure.

Other aspects

Main efforts at European level have to be focused on completing the core network. In the case of comprehensive network outside core network, the participation of European co financing should be focused, within the Cohesion Policy, particularly on states and regions showing worse transport infrastructure condition.

Individual network elements will be evaluated by MCA, CBA and other methodologies. Relevant methodology should by available already in defining new features of TEN-T network.

Similar methodology to be set out for the core network could be appropriate also for updating the comprehensive network since this methodology was set out in the past on a policy basis only and the network need not be balanced.

High-speed railway systems are gradually expanding eastward, and also Central European Countries like the Czech Republic, Poland, Slovakia, Slovenia and Hungary will have to consider further development of these systems. Even this must be considered in the design of the TEN-T network.

2. *To what extent do the supplementary infrastructure measures contribute to the objectives of a future-oriented transport system, and are there ways to strengthen their contribution?*

   Infrastructure measures within the conceptual pillar are inevitable for the provision of high quality services on the transport infrastructure so that the potential of investments already put into infrastructure may be fully used. What is also important is the area of the environment, global climatic changes (co-modality, new drives, up-to-date technology, and assessment of infrastructure investments also in terms of demands of the traffic on energy), safety and security.

   As regards global climatic changes, the extent of the transport impact is given particularly by the volume of consumed hydrocarbons coming from fossil fuels. The introduction of new energy sources (above all, based on electric energy produced by renewable and nuclear resources) will be important here. The infrastructure of feeding stations must be adapted to this development. It will be important to reduce energy demands by means of appropriate transport infrastructure parameters and also by measures focused on the use of less energy demanding transport modes on co-modal basis.

   It is important to deal, on an all-European basis, with issues of freight transport logistics, namely the concept of green corridors and network of multi-modal terminals for combined and multimodal transport. Within the framework of up-to-date technologies it is necessary to support also the research and application of non-expensive and efficient transhipment systems serving individual transport modes and enabling to shorten the competitive distance in combined and multimodal transport.

3. *What specific role could TEN-T planning in general play in boosting the transport sector's contribution to the "Europe 2020" strategic objectives?*

   The “Europe 2020” strategy sets out a number of objectives closely related to the transport sector. Economic growth without high quality mobility of goods and labour is not possible. The transport is capable of contributing to the solution of social and regional cohesion issues but also in the context with other measures which are outside the transport sector. Approach of this kind will assist in dealing with poverty issues and in overcoming

the impacts of economic crisis. TEN-T Policy and European transport policy must go on with the creation of conditions for sustainable development.

TEN-T Policy should play a crucial role in implementing "Europe 2020" strategic objectives in relation to transport sector. Better planning and subsequent TEN-T implementation should improve the efficiency of free movement of goods and persons across European Union. The infrastructure development and inter-connectivity of strategic transport links through exactly defined cross-border projects should substantially contribute in this way to the increase of competitiveness and sustainable economic development of the whole EU.

4. *In which way can the different sources of EU expenditure be better coordinated and/or combined in order to accelerate the delivery of TEN-T projects and policy objectives?*

Investments into transport infrastructure and follow-up measures help overcome the impacts of economic crisis on the one hand, while contributing to the increase of the public budget deficit, on the other. Therefore, it is necessary to look for financial approach showing high added value. Also the efficiency of the construction should be one of the targets.

It is necessary to take account of different transport infrastructure quality in particular regions. All transport infrastructure levels as a whole are showing a synergic effect in terms of the efficiency, and it is necessary to consider the fact that the core network as such as well as comprehensive network would not be sufficiently efficient without the associated high quality infrastructure at national, regional and local level. Also the structure of European co-financing should correspond to this condition as well as the way of combining individual sources including private ones (creation of better conditions for combining resources from European Funds with private sources). This has to be also interconnected with Cohesion Policy objectives. Consequently, for regions and countries subject to the Cohesion Policy, it would be suitable to earmark for each period certain volume of EU funds for particular network levels (core network, comprehensive network and other networks at national and regional level). The development plans must have not only a time dimension but also a dimension according to network level. This is justified, in particular, by different level of quality and transport infrastructure inter-connectivity between individual regions and also between "old" and "new" EU Member States at all levels of the network.

New transport policy and planning of new transport networks should consider obstacles caused by different level of transport network in regions. The EU should coordinate work concerning the definition of TEN-T network, and it should also financially support the process of implementing the network. Main responsibility for the construction and modernisation of transport infrastructure will continue to be the task of Member States. The European Union should be engaged only in cases where the completion of internal market would be endangered without its role, particularly as concerns cross-border section (TEN-T instrument) and further in less developed Member States having inadequate means for the development of their infrastructure (Cohesion Policy – ERDF, Cohesion Fund).

Hence, to combine TEN-T funds, Cohesion Fund and ERDF does not seem from the point of view of the Czech Republic and V-4 countries as optimum solution, namely in terms of the TEN-T program and Cohesion Policy objectives. European funding framework must consider different transport infrastructure condition at the level of the core and

comprehensive network in individual regions. ERDF Fund is predominantly designed for the revitalisation of transport infrastructure networks at regional and local level, and for this reason it should be used at regional level according to principles of Cohesion Policy. The Cohesion Fund is appropriate for the support of the whole TEN-T network at all levels, again according to Cohesion Policy principles. TEN-T Fund is suitable for financing the TEN-T core network across Europe, above all for the implementation of cross-border projects and dealing with infrastructure bottlenecks.

5. *How can an EU funding strategy coordinate and/or combine the different sources of EU and national funding and public and private financing?*

   With respect to limited sources at EU level it will be necessary to give more support to greater involvement of private financing, for instance in the form of PPP projects, and also by more extensive use of EU/EIB financial instruments which require greater participation of national (public and private) financing, for instance guarantees, credits made more advantageous, etc. (lever effect).

6. *Would the setting up of a European funding framework adequately address the implementation gap in the completion of TEN-T projects and policy objectives?*

   It is necessary to create conditions for potential use of more sources within a single project – for instance European co-financing with PPP - and reducing administrative demands in ensuring the project financing. The approval process of projects at European Commission level needs to be simplified, for instance by giving the authority over the approval process to a single DG, only to DG MOVE in this case. Also other procedures may be simplified, these suggestions are however of technological nature.

7. *In which way can the TEN-T policy benefit from the new legal instruments and provisions as set out above?*

   The amalgamation of two legal instruments into one European Regulation is understood by the Czech Republic as a potential solution, nevertheless the Czech Republic does not see in this possibility substantial benefit as against current state. On the other hand, as a matter of principle, the Czech Republic is against the aforesaid approach if it would result in having only the above mentioned regulation as the only legal instrument governing the financing of the TEN-T projects from EU funds. The possibility of co-financing the TEN-T projects through Cohesion Fund and ERDF as Cohesion Policy instruments should be maintained also in the future. The drawing of finances from these funds should substantially contribute to better transport inter-connectivity and transport infrastructure improvement in less developed EU areas. Elimination of such shortcomings would considerably contribute to economic growth of these areas across whole EU.

   European transport policy should constitute a strategic framework for the transport sector. Individual problem areas subject to identification and analysis should be elaborated within follow-up policies and relevant legislation. The TEN-T Policy should be one of the most important follow-up policies. “Conceptual pillar” will create a connecting bridge between European transport policy and TEN-T Policy, and it should be focused on the creation of conditions for the provision of high quality infrastructure services. This should enable the optimisation of the use of investments into transport infrastructure.

In view of the Czech Republic, the main responsibility for TEN-T network implementation should be left to Member States also in the future. Even in spite of using private funds and funds following from traffic charging, the public budgets will have a decisive share in the financing. At the same time, the states must satisfy various budget criteria (Maastricht criteria, for instance), and therefore in many cases the states need not be capable of satisfying all the scheduled terms. The financial sanctions, if any, for failing to satisfy the schedule would in turn worsen the situation. Moreover, within the new TEN-T Policy legal framework, the Czech Republic does not consider as appropriate to charge the Commission, in compliance with the SFEU, Article 290, with the authority to amend other than substantial elements of the Regulation, because it would result in the limitation of the influence of Member States on the TEN-T Policy implementation.