

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(84) 709 final

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Broad outlines of a medium-term transport infrastructure policy

(Communication from the Commission to the Council)

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Introduction

1. At its meeting on 10 May 1984 the Council considered the Commission's memorandum of 7 May (COM(84) 235) and called on the Commission to present a report, by 31 December 1984, to serve as the basis for :
 - (i) an outline programme of major transport infrastructure projects to be implemented in the medium term,
 - (ii) objective criteria to be applied by the Infrastructure Committee in combination with priorities drawn up by the Member States concerned,
 - (iii) a method of combining Community funding - both budgetary and non-budgetary - together with national aid - in order to deploy an adequate level of funds for the implementation of the policy as may be permitted by the financial means available to the Community.

The aim of this report is to put forward solutions in three separate areas in line with the broad approach laid down by the Council.

As the Commission sees it, the first step should be to draw up an inventory of schemes of interest to the Community without predetermining the role that Community could play in promoting individual schemes. Selection criteria could then be drawn up to enable the Community to take effective steps in promoting a project using the appropriate instruments. Finally, the procedures for Community intervention should be formulated.

Once the Council has scrutinized the conclusions reached in this paper the Commission will be in a position to put forward a proper programme setting out the funding required to carry out the schemes it comprises.

2. Indeed, the Commission has stressed the need in previous reports¹⁾ to organize Community action in the field of infrastructure on a multiannual basis. In its view, such action - notably in the shape of financial support - should be based on clearly-defined criteria²⁾. Finally, the Commission believes³⁾ that the execution of major infrastructure projects will entail not only increased funding from the Community budget but also the deployment of other financing methods. These concerns are reflected in the Commission's proposals with regard to financial support.⁴⁾

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- (1) in particular : - Report on bottlenecks;
COM(80) 323 final of 20 June 1980
Council Mandate of 23 November 1978.
- Experimental programme;
COM(82) 828 final of 10 December 1982.
- Reports on the implementation of the Council Decision
of 20 February 1978,
COM(81)333 final of 29 June 1981 and
COM(84) 317 final of 18 June 1984.
- (2) in particular : - Reports on the Community interest of transport
infrastructure investments
- COM(81) 507 final of 16 September 1981 and
- COM(82) 807 final of 7 December 1982.
- (3) In particular : - Memorandum from the Commission to the Council on the
continuation of transport infrastructure measures of
Community interest
COM(84) 253 final of 7 May 1984.
- (4) - Proposal for a Council Regulation concerning aid to projects of Community
interest in the field of transport infrastructure (OJ No C 207, 2.9.76).
- Proposal for a Council Regulation on financial support for a multiannual
transport infrastructure programme (COM) (83) 474 final of 5.8.1983.

The Commission is, however, aware that the Council wishes to get rid of the disadvantages of the present system, which relies on a series of circumscribed measures.

In this connection and in the light of the Council's examination of the May 1984 Memorandum, the Commission feels that a number of points deemed to be crucial for the further deliberations need to be made clear from the outset.

To begin with there is the importance of a clear definition of the specific aims of an infrastructure policy for the Community in its present form.

Infrastructure objectives must dovetail with the goals of the common transport policy and be consistent with the broad objectives of Community policy as a whole. These objectives are constraints which will have major repercussions on infrastructure operations.

If infrastructure measures are to be effective they must focus on a relatively limited network defined in the light of the aforementioned objectives.

Furthermore, Community funding entails other conditions, notably a positive socio-economic result. This will mean adopting a clearly-defined methodology incorporating a definition of the criteria listed by the Council.

Finally, an infrastructure programme should be examined in greater depth in the light of experience gained hitherto, in particular in the deployment of different Community financial instruments.

3. In view of the above considerations, the objectives, scope and method of selecting priorities and financial options will have to be clearly defined in order to ensure that the Council's requirements are met.

The Commission will frame definitive proposals on the programme and the appropriate financial instruments on the basis of the broad outline that emerges from the Council's scrutiny of this paper.

The objectives

4. The definition of objectives which will help to identify projects of Community interests is a prerequisite for the formulation of an outline programme. The Commission has set out its ideas as to these objectives on a number of occasions. The objectives (or priorities) proposed have been defined in relation to :

Firstly, the frame of reference provided by the transport policy and its specific aims. In devising the various facets of this policy, efforts to come up with an effective transport system have constantly encountered a number of constraints, e.g. :

- (i) the development of a system to help promote integration of the national economies. If one examines real transport conditions it can be seen that the existence of natural obstacles and the peripheral situation of certain regions are obstacles to the achievement of such an objective;
- (ii) an inter-modal structure that will enable each mode of transport to fulfil its specific role;
- (iii) a more equitable balance between the revenue and expenditure of the authorities responsible for administering the infrastructure;

Secondly, the actual situation in the network with regard to level of service (speed, frequency). Major routes or corridors where the overall level of service is patently inadequate can be identified in relation to an average level of service.

On this basis, the Commission reasserts the proposals it put forward in its memorandum of May 1984 which set out the following objectives :

- (a) support for projects on routes carrying major trade flows within the Community and representing a particular burden for the transit countries;
- (b) choice of adequate solutions to problems in the field of land-sea links, in particular on Continent-United Kingdom-Ireland routes;
- (c) gradual development of links, particularly high-speed rail links, with a high level of service between major urban centres.
- (d) better integration of outlying connections into the Community network.

These different objectives should be taken into account both in relation to the development of the networks and the appraisal of the projects.

Development of networks of Community interest

5. In previous reports aimed at providing an overview of the inadequacies of existing infrastructure and of the investment requirements, the Commission based its investigation on relatively tight-mesh networks.

If the Community's action is to focus on those projects of greatest importance to the Community, a basic network comprising those links deemed to be the most crucial for Community trade should be identified. Moreover, concentrating the action of the Community on basic networks comprising the smallest possible number of links will make it easier to assign funds with optimum efficacy.

As a first step, clear-cut criteria should be used to identify in the form of geographical networks (and without prejudging the level of service to be furnished) the objectives proposed by the Commission and endorsed in principle by the Council in May 1984.

The Commission is proposing three communication networks of Community interest which have been chosen on the basis of different criteria reflecting the importance of the links for the Community, such as percentage of international traffic, dependence of a Member State's trade on the route, and volume of transit traffic.

The method used for defining these networks is given in Annex 1 .

The three networks are shown in Annexes 2, 3 and 4.

6. These networks are not definitive and could be modified depending on the development of traffic flows or to take account of new evidence of the Community interest of certain links, in particular where itineraries comprising a number of variants are concerned.

Subject to these modifications, the three networks should be considered as the geographical scope of the Community action. This means, among other things, that the networks will serve as a criterion for the initial selection of projects of Community interest. In other words, the Community interest of the projects will be established on the basis of the location of these networks.

7. It should be noted that none of the three networks provides an adequate level of service on the majority of the links it comprises. This state of affairs has already been highlighted in the report on bottlenecks. There has been little change in the meantime where railways and inland waterways are concerned. Although certain sections of motorway have been opened to traffic since 1980, the continual increase in road traffic on main routes has led to the saturation of other sections. The number and dimensions of the schemes put forward by Member States in the experimental programme illustrated the need for major development of the networks.

Furthermore, in view of the potential demand, it should be noted as a first approximation that the performance of the railways on certain routes is quite inadequate if one considers the possible benefits available from the high-speed system. The Commission has already made a study into the scope for developing a high-speed network, the special features of which will enable it to meet the needs of users in harmony with the objectives of economy, environmental protection, development of research and industry, and the constraints of profitability. Special attention should therefore be given to projects involving high-speed development. This is why - on the basis of potential demand, and without ignoring the scope for improving the level of service obtainable from existing equipment by means of small scale measures in specific areas - we are proposing an examination of the scope for introducing a high-speed service on part of the rail network deemed to be of Community interest. A blueprint for such a high-speed network is given in Annex 5.

8. In order to obtain an idea of the investment requirements of these networks we have to examine whether the various routes or route sections provide an adequate level of service in the light of recent technical advances. To this end, the Commission will rely on the assessments it made in the report on bottlenecks. The assessments, which will be discussed further below (see point 11), will provide confirmation of the socio-economic justification of the levels of service envisaged as a first step. These studies should primarily concern schemes to which Member States assigned priority in drawing up the experimental programme. This would give a clear picture of the levels of service desired in the network.

Annex 6 illustrates the way ahead in that it lists, as examples, projects from the Experimental Programme where these form part of the networks proposed under point 7. The object is thus to illustrate the effects of an initial selection based on information communicated by Member States to the Commission when the Experimental Programme was being drawn up or, additionally, during the examination of the measures to implement this programme. Before a definitive version of the outline programme can be established, Member States will have to update this basic information within the Infrastructure Committee.

The proposed approach should not be confined to the three modes of land transport. As the Commission has stressed on many occasions, infrastructure policy must take account of harbour and airport requirements. The Commission will, with the Member States, study how to select harbours and airports whose inadequate capacity is detrimental to the development of Community traffic.

Selection methods with regard to financial intervention by the Community

9. Ascertainment of inadequate levels of service (traffic saturation, very low average speed) or the existence of scope for enhancing the performance of the rail network cannot automatically entail an investment decision, which at both national and Community level (particularly where the Community's participation in an operation by a Member State is desired) depends on the conclusions of the assessments being conducted.

At the Council's request, the Commission has proposed a methodology for assessing projects of Community interest. It is analogous to the systems used by the Member States themselves and does not rule out the application of national methods. Compared with the latter, the Community approach makes it possible to :

- a) ensure that the cross-frontier effects of the project have been taken into consideration;
- b) compare projects, from the Community viewpoint, by using comparable values;
- c) provide a basis for estimating Community financial support.

The Commission has made practical use of a number of projects communicated by the Member States. These assessments, some of which are well advanced, have made it possible to verify the eligibility of the projects selected so far by the Commission for financial support.

It is desirable that an increasing number of projects should be assessed in this way.

10. The usefulness of the project evaluation is enhanced by the fact that it is possible to take account simultaneously of the choices between modes of transport and the interdependence of the projects. An evaluation at Community level should and could take account in particular of the fact that the implementation of a number of the projects will entail major deviations of traffic and, as a consequence, modify the needs and priorities of competing or complementary links.

Furthermore, the pursuit of indicative programming presupposes the possibility of assessing alternative groups of projects corresponding not only to different assumptions (scenarios) of economic development but also to different notions of the response in respect of infrastructure to transport requirements (strategy).

The system developed by the Commission and now applied by computer to assess projects will make it possible to conduct traffic simulations on all the networks, especially as their number is limited. The system thus lends itself to evaluations of alternative programmes to develop the networks of Community interest which the Member States and the Commission wish to compare.

This system is described in Annex 7.

A trial comparative study on the various alternatives for developing the inland waterway network is already being conducted by the Commission. The results are summarized in Annex 8.

11. Throughout the discussions conducted to date the Commission and the Council have been aware of the need for evaluations. It has not always been possible when drawing up lists of projects eligible for financial support under the 1982, 1983 and 1984 budgets to conduct such thorough-going assessments.

Devising a medium-term programme entails systematic use of such evaluations but this does not preclude the Council - pending adoption of a programme - from continuing and improving the current practice of assessing the interest of the schemes on the basis of a limited number of key data.

Studies of a number of vital projects undertaken in the past have revealed that only a very small number of the factors determining the socio-economic benefits for the Community of a project is liable to influence the overall evaluation in any significant way. These earlier studies also revealed that by limiting the examination to physical data one did not substantially detract from the interest of the exercise while avoiding problems posed by having to convert the various national values used (discounting rate, time). This practice thus meets the fundamental requirement that the results of the analysis should be comparable. These considerations led us to propose - as a rough guide - the following three key criteria:

(a) direct economic profitability expressed by simultaneous assessment of two elements:

- degree of saturation of existing equipment, and
- time gained by the user once the project has been completed;

(b) Community interest in the strict sense expressed by an assessment of two elements:

- the proportion of trans-frontier traffic in the volume of current or envisaged overall traffic, and
- the proportion of a Member State's trade carried on the route on which the project is located;

(c) the extent to which the project is consistent with measures taken or envisaged on a Community scale. This criterion is crucially important in a multinational context. The possible adverse impact of a national project on congestion in neighbouring countries does not constitute a natural concern for the national planner.

Systematic use of these criteria would make it possible to make a stringent selection of Community infrastructure projects and would thus reduce the risk of spreading the means available too thinly over too many projects. The Commission recognizes that compliance with these criteria will not guarantee that a project eligible in accordance with these criteria will in all cases contribute ideally to an objective deemed to be desirable. These projects should therefore be scrutinized in the light of the objectives proposed and, more generally, in the light of the objectives of the common transport policy.

Financing

12. The overview of the various financial instruments presented in the Memorandum of 9 May indicates a range of possibilities adapted to specific infrastructure requirements.
 - (a) As infrastructure investment is, by its very nature, a productive investment, loans are the most obvious and foremost method of financing. In view of their eligibility criteria and allocation procedures, Community loan instruments are without question an attractive prospect.
 - (b) The impact of these instruments may, in certain cases, be reinforced by subsidies or interest rate reductions from the budget. This would apply to the financing of equipment which will benefit users in several Member States when the country making the expenditure, either from its budget or by borrowing, is compensated only partially by tax or other revenue.

Although an adequate system of tariffs for the use of such infrastructure would offset these charges, Community interest may determine the execution of joint projects where strictly national interests do not fully coincide.

Finally, the raising of national resources for large scale works in many instances involves more than obtaining the budgetary appropriations or borrowed funds required during the period of construction. In such instances it may well be justified to give assistance out of the Community's budget funds. This possibility is of particular interest where a country has a substantial lag to make up in completing its section of a Community route. However, it should be noted that Community assistance can only complement and in no way replace national resources.

- (c) The granting of a Community guarantee for large-scale projects may be justified where a project is profitable only in the longer term and depends on factors inherent in the development of the Community itself, notably where the development of trade is concerned.

13. The only financial instrument in the field of transport infrastructure that has been used in practice in the form of measures adopted by the Council is that of subsidies out of the Community budget. The Commission proposal of 1976 provided for a system of fixing budget appropriations which will ensure that continuity of action which is indispensable for the harmonious development of the network of routes of Community interest. The Commission's 1983 proposal provides a response to the same objective for a trial period of five years. In preferring solutions covering a limited period of time, the Council has made it difficult for agreement to be reached on the selection of projects at a time when the selection procedure operated to the detriment of large projects. The development of an outline programme in line with the objectives and criteria accepted by the Council would facilitate such selection.

But a programme of this nature cannot be properly carried out unless it comprises an appropriate financial package with an overall estimate of Community financing over a period of several years. Such estimates should of course leave room for possible deployment of other types of financing in accordance with procedures to be worked out.

14. At the end of the day, the establishment of a multiannual financing programme providing for identification of projects and an estimate of the total budget funds necessary for effective support is the only realistic answer to the twin concerns expressed within the Council, namely that:

- (i) effective action should be taken in a limited number of significant cases;
- (ii) there should be a measure of balance in the medium term between the different modes of transport and the different sections of the network.

In accordance with the approach proposed by the Commission, an estimate of the costs as currently forecast has not been formulated at this stage since this would, as a corollary, entail drawing up formal proposals for projects. However, the following elements can be taken into consideration:

- (i) an estimate of the overall construction cost of the projects put forward (Annex 9). This overall cost estimate - which does not comprise certain projects whose future is unsettled, e.g.: the fixed Channel link, the Paris-Brussels-Cologne high speed train link - is of the order of 7 000 million ECU for all three modes of land transport. Assuming that Community participation in the cost of these projects is 25%, the charge to the Community budget, spread over a period of ten years, would be 175 million ECU annually.
- ~~(ii) presentation of data making it possible to estimate the impact of an allocation of budget resources based on the requirements of different Member States. The calculations are based on the share of national networks in the overall network, and on the average level of service (Annex 10).~~

15. On this basis it will later be possible to establish a quantified programme comprising detailed projects to provide an indication of the Community resources called for as well as the financing operations. These estimates will be based on an assessment of what the public and private promoters of the project are likely to be able to contribute and the role the Community financial instruments might play in mobilizing the necessary resources. The Memorandum of May 1984 lists the possibilities in this connection (paragraphs 2.1 to 2.7).

Proposals for further action on transport infrastructure

- 16.1. The foregoing arguments confirm that it would be possible to draw up a medium-term outline programme and provide further information on the type of work to be done and the procedures to be followed in order to turn this programme into an essential aid for the completion of major projects on networks of Community interest. The Council is therefore asked to approve the general form of the medium-term outline programme referred to and further developed by the Commission in this report.
- 16.2. An important step in drawing up a programme is to define the basic geographic networks on whose routes projects of Community interest will be identified and possibly adopted to form part of the programme. The work the Commission has already done with the help of the Transport Infrastructure Committee will enable the former to submit a list of networks of Community interest.

- 16.3. The continuity of action required to ensure the best possible execution of the outline programme represents a certain guarantee as to the possibility of financial intervention. The Commission is prepared to make an overall estimate of the total charge to the Community budget of the implementation of a medium-term programme. In order to obtain an estimate of financial requirements that is as precise as possible, the Commission attaches particular importance to the Infrastructure Committee helping to examine the provisional list of projects drawn up on the basis of earlier communications from the Member States, and particularly to the projects being examined in the light of the Experimental Programme. The budgetary timing for the medium-term programme would need to be developed on the basis of the approach which would be decided at the time.
- 16.4. By using an appropriate evaluation method (objective criteria) it will be possible to change the outline programme into an effective medium-term programme. The Commission considers that the method proposed to the Council makes it possible to associate in a practical way all the authorities concerned in the process of evaluating the Community interest.

- 16.5. The Commission considers that methods of combining financing by the Community from budget and non-budget sources with finance raised nationally must be considered individually for each of the large-scale projects regarded as urgent from the point of view of the Community as a whole. The first project to be examined is the fixed link across the Channel on which the Commission is in a position to provide certain conclusions.
- 16.6. The specific action implied by the other stages of the formulation of the outline programme, its implementation and its financial implications justify the creation of a legal framework to ensure close coordination between the Commission and the Member States and give the programme something of an operational aspect. If the Council so requests, the Commission is prepared to provide the necessary additional material for its proposals in this filed. In the light of the guidelines which emerge from the Council on the basis of this Communication the Commission will work out definitive proposals regarding the programme and the appropriate financial instruments.

LIST OF ANNEXES

- Annex 1 Method of drawing up the list of networks
- Annex 2 Basic network of roads
- Annex 3 Basic network of railways
- Annex 4 Basic network of inland waterways
- Annex 5 Draft high-speed network
- Annex 6 Draft Experimental Programme routes forming part of
the basic network
- Annex 7 Possible evaluation system developed by the Commission
Summary of the results of a study to evaluate alternative
methods of structuring the inland waterway network
- Annex 9 Estimated cost of projects (indicative)
- Annex 10 Presentation of a system for allocating resources

ANNEX I

Method for drawing up the list of networks of Community interest

RAIL

The proposed basic network is made up of three sub-units:

- (a) the definition of 18 international routes adopted by the "Infrastructure" Committee of the Group of Ten of the International Union of Railways (IUR);
- (b) several sections which, as a result of the work done by the Commission with a view to establishing a system of forecasting long-term demand for transport, have proved to be important from the point of view of potential intra-Community traffic;
- (c) in two instances it was considered necessary to add alternative routes (the inter-city line between Antwerp and Aachen and the line from Ulm via Splügen to Milan).

ROADS

The basic network consists of a map of E roads (European Agreement on Main International Throughroads (AGR)).

In principle only the direct links between capitals and cities of over 500 000 inhabitants have been included. In two cases it proved useful to add alternative routes, namely in the case of the Luxembourg-Metz-Nancy-Dijon route and the Regensburg-Passau-Graz-Zagreb route.

INLAND WATERWAYS

1. The Community interest network of inland waterways has been defined so as to form a consistent body of wide-gauge waterways used by international traffic.

Here "consistent" is taken to mean that all the inland waterways belonging to the suggested European network should form an unbroken whole permitting the smooth flow of traffic and avoid the breaking of loads.

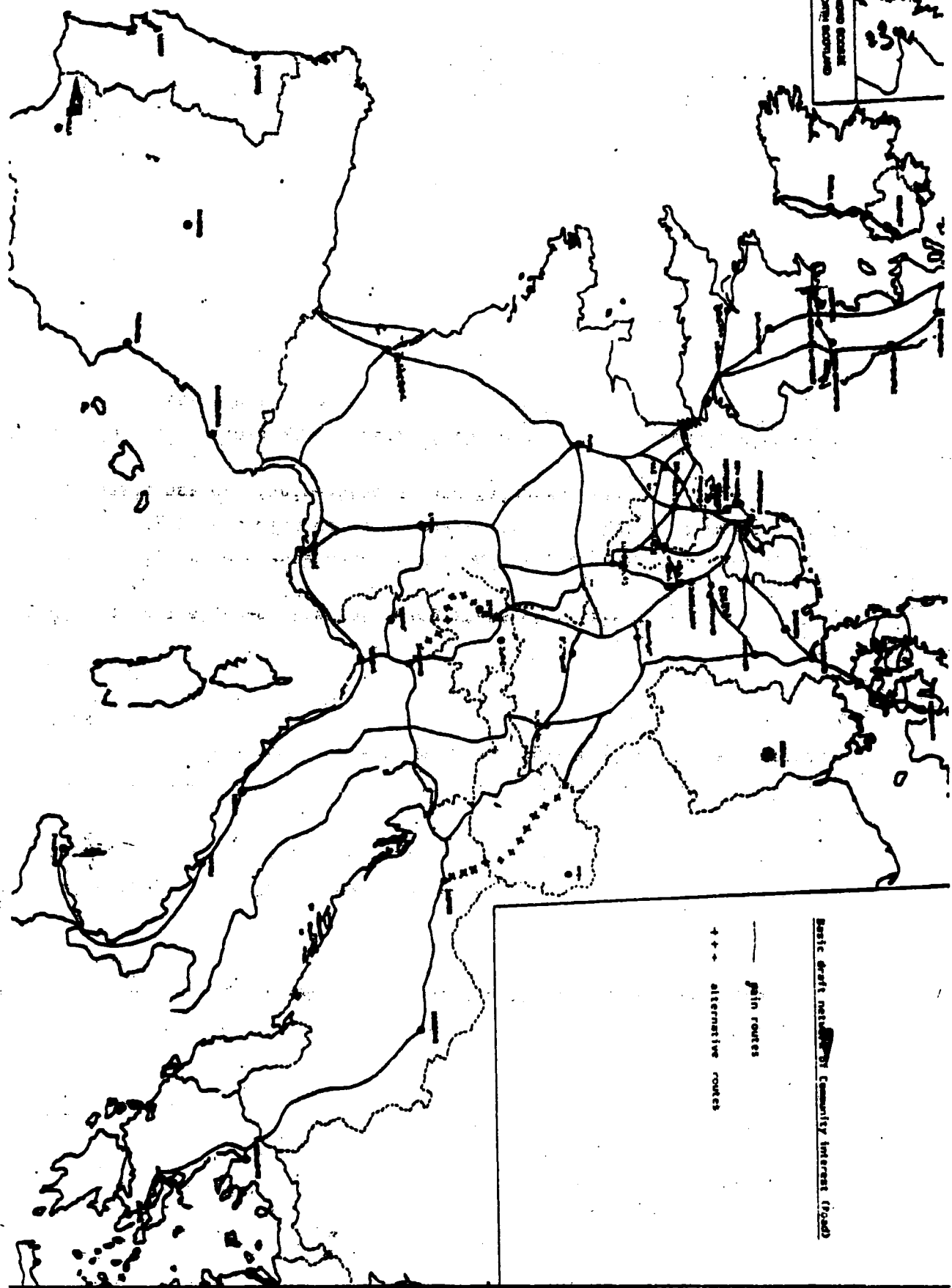
"Wide-gauge" is taken to mean waterways making up a network which can be used at least by Class IV vessels of the ECMT classification.

"Used by international traffic" is taken to mean waterways which at least potentially contribute to maintaining the flow of international traffic.

2. On a practical level the following steps were taken:

- (a) a basic or reference network was defined, consisting of existing waterways and planned waterways which will clearly form part of the basic network (Seine-Scheldt and Saône-Rhine);
- (b) further 7 links were added; if these are redeveloped it will make for better inter-connections in the basic network.

ROAD ROUTES
NORTH-SOUTH LINKS

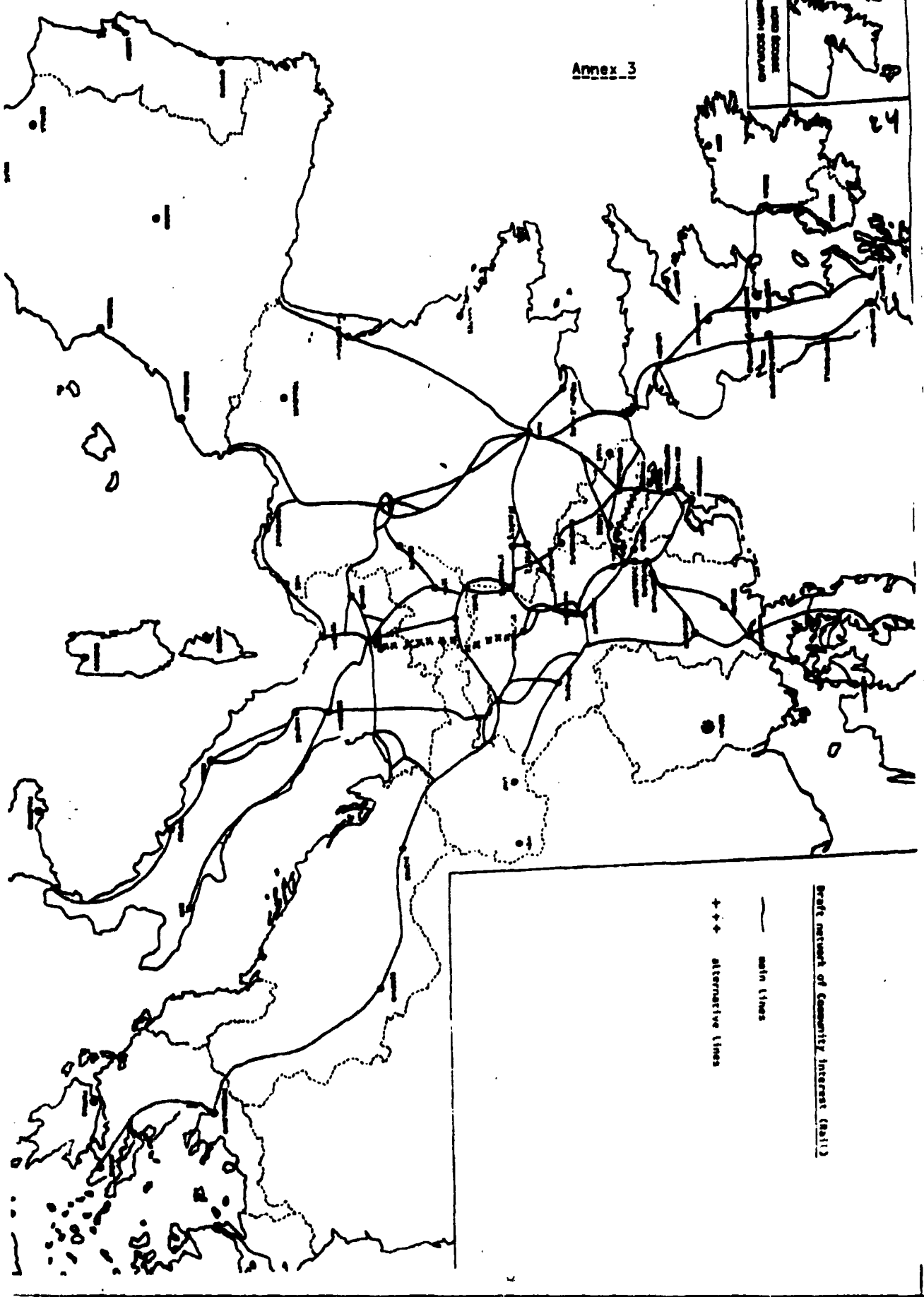


Basic draft network of Community Interest (road)

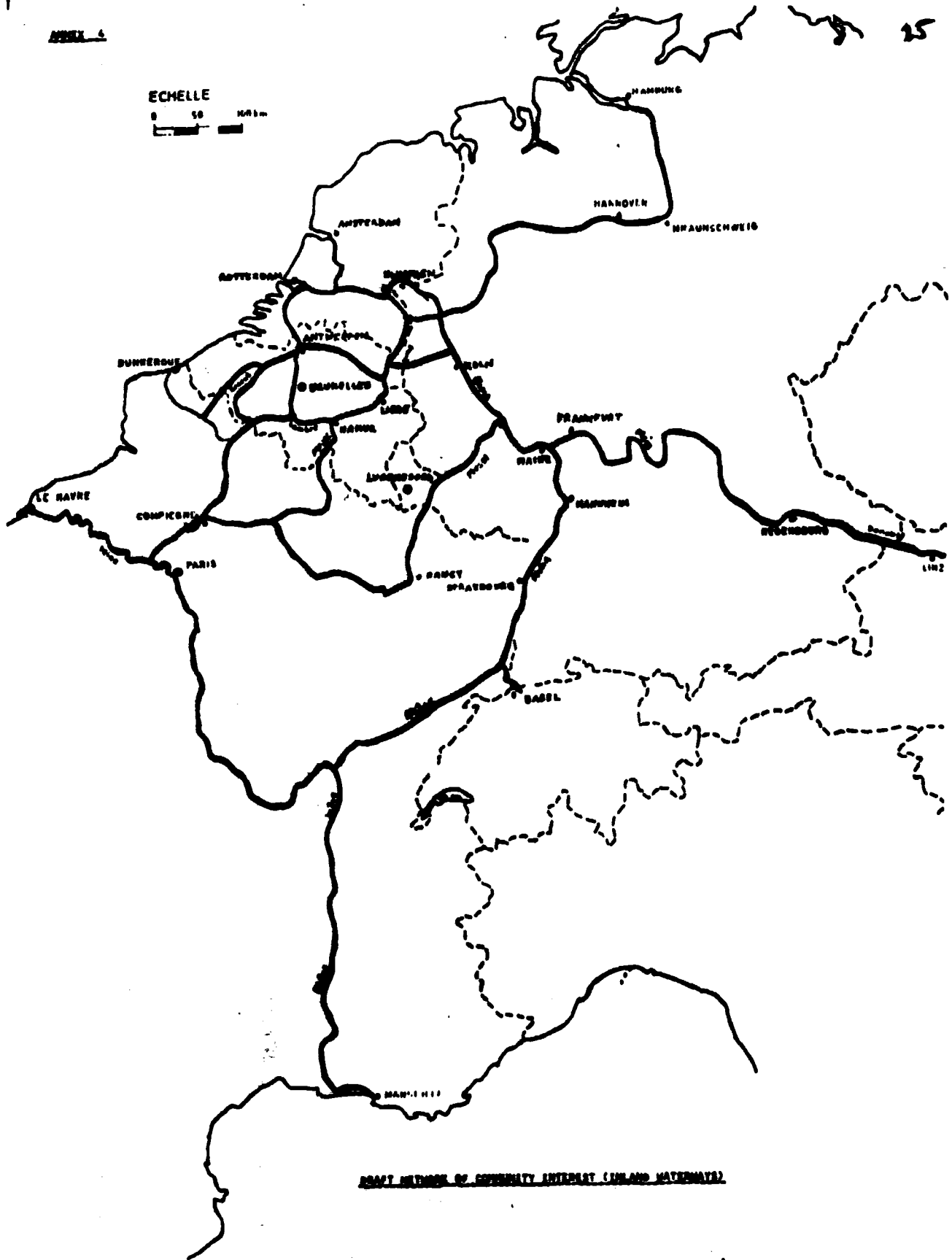
- main routes
- - - alternative routes

Annex 3

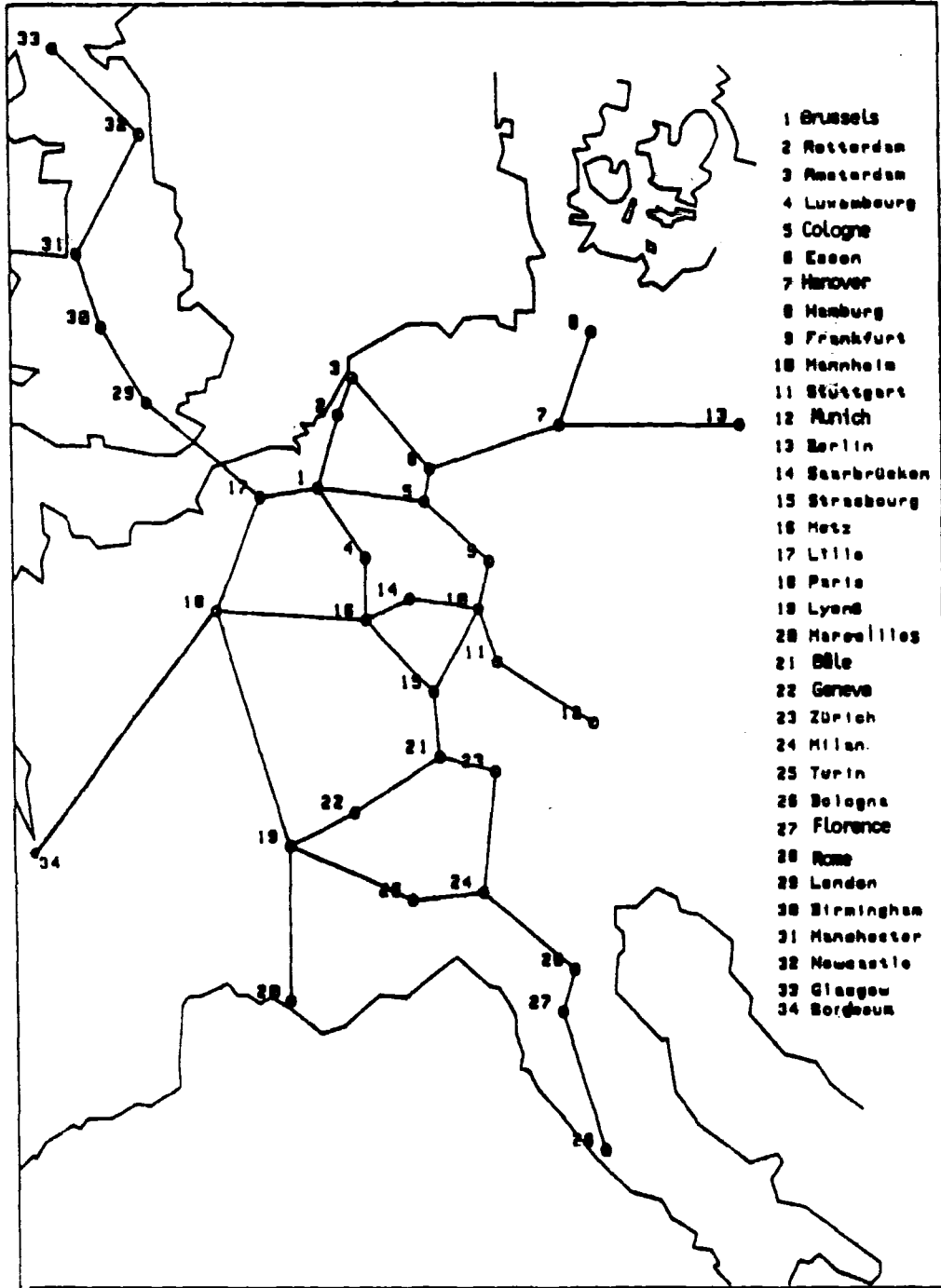
UNITED KINGDOM
AND IRELAND
EXCLUDED



ECHELLE
0 50 100 km



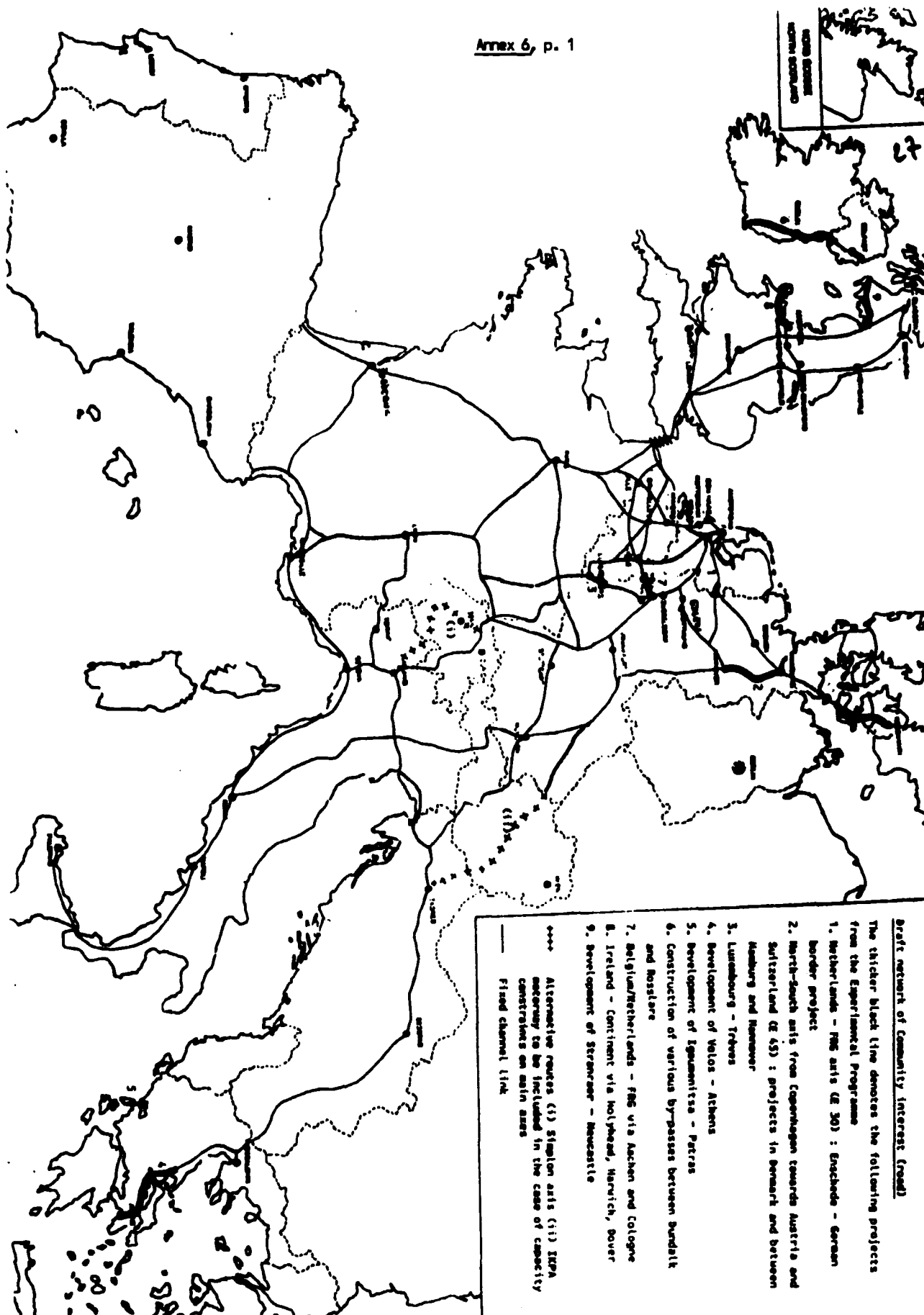
DRAFT NETWORK OF COMMON INTEREST (INLAND WATERWAYS)



Draft network established on the following basis:

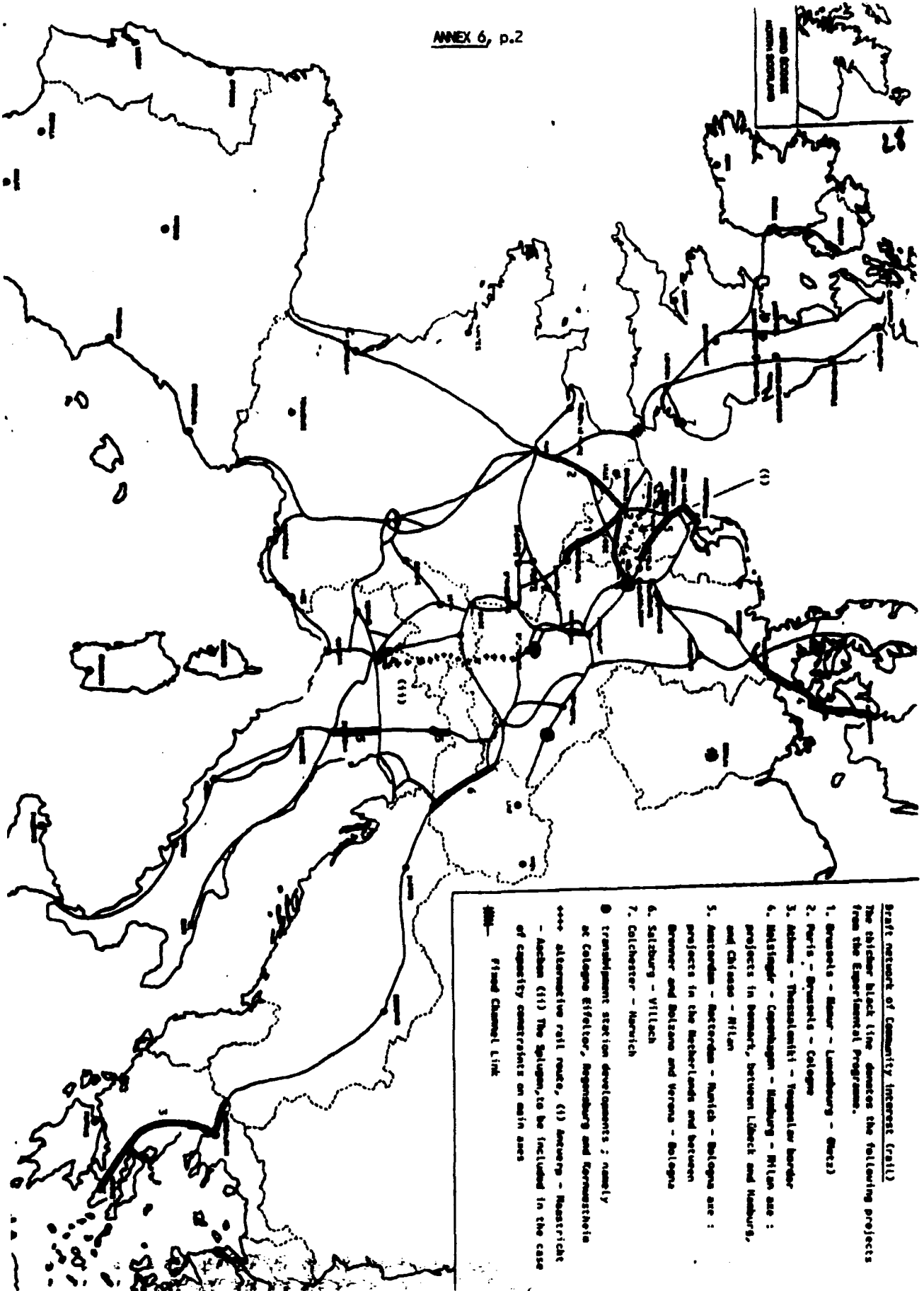
(a) North-South and East-West routes linking the Community's main towns and cities;

(b) Present traffic flows and potential demand on these routes.

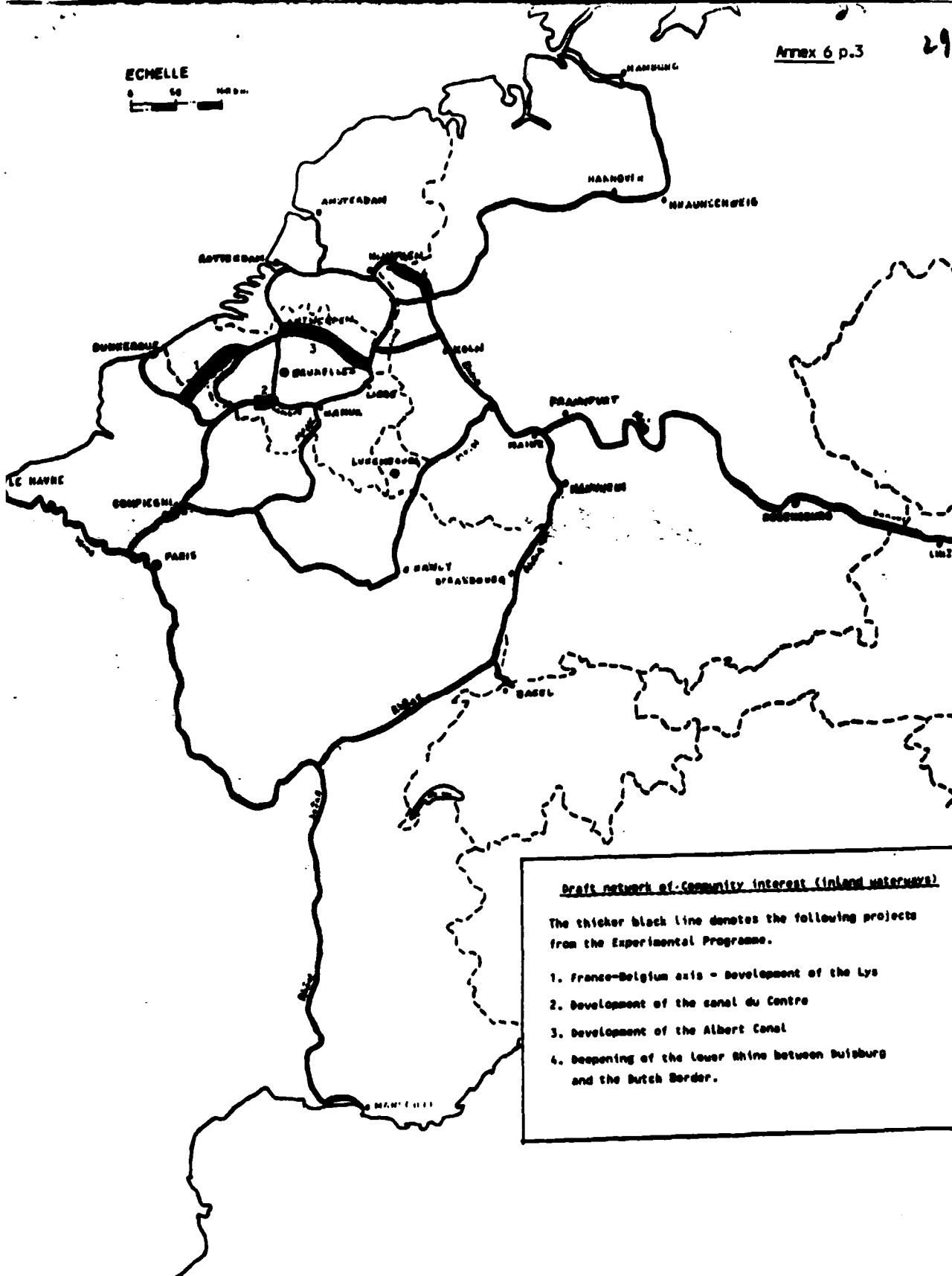
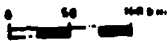


NORTH SEA
 NORTH ATLANTIC
 OCEAN

- Order network of Community interest roads
- The thicker black line denotes the following projects from the Experimental Programme
1. Netherlands - FRS axis (E 30) : Enschede - German border project
 2. North-South axis from Copenhagen towards Austria and Switzerland (E 45) : projects in Denmark and between Hamburg and Hannover
 3. Luxembourg - Treves
 4. Development of Valios - Athens
 5. Development of Egumenitsa - Patras
 6. Construction of various by-passes between bundelk and Nozylare
 7. Belgium/Netherlands - FRS via Aachen and Cologne
 8. Ireland - Continent via Holyhead, Harwich, Dover
 9. Development of Stranraer - Newcastle
- +---+ Attractive routes (i) Stimulus axis (ii) ECRP
 necessary to be included in the case of capacity
 constraints on main axes
 - - - - - Fixed channel link



ECHELLE



Draft network of Community interest (inland waterways)

The thicker black line denotes the following projects from the Experimental Programme.

1. France-Belgium axis - Development of the Lys
2. Development of the canal du Centre
3. Development of the Albert Canal
4. Deepening of the Lower Rhine between Duisburg and the Dutch Border.

THE EVALUATION OF THE COMMUNITY INTEREST OF TRANSPORT INFRASTRUCTURE
PROJECTS: RECENT DEVELOPMENTS AND PROPOSALS FOR EVALUATION WITHIN THE
FRAMEWORK OF A MEDIUM-TERM PROGRAMME

1. In 1981 the Commission presented a report (ref. 1) that set out a methodology for the evaluation of transport infrastructure projects. In essence the proposed system was designed to align with and, where necessary, supplement the existing national systems of project evaluation.
2. After consideration the Council decided that the Commission's proposals merited a practical field trial. Projects that were chosen were typical of the type that the Community could be called upon to finance in the future under an infrastructure financing system.
3. Later, in 1982, the Commission presented to the Council a report (ref. 2) that set out the results of the application of the methodology to a number of projects. Subsequent to the presentation of this report the Council has accepted a number of projects for Community financing. Furthermore, given the allocation of further funds to the specific budget line that has been established for this work, the Commission has been able to refine the system further and respond to suggestions and comments from numerous sources. The results of this work are now incorporated in a computerised evaluation system that is referred to as T.A.S.C. (Transport Assessment System for the Community). The T.A.S.C. system has been applied to a wide range of projects covering the whole of the Community and all modes of transport. In general the T.A.S.C. system has shown itself to be a most useful tool for providing the essential background information that the Commission and the Council will require to judge the value of projects for the Community. At present the T.A.S.C. system is being revised in the light of the extensive testing experience to which it has been subject: these revisions are outlined below (para.7). However, the Commission is now confident that given the minimum amount of data that is essential for the quantified appraisal of projects, a practical evaluation can be presented.
4. In the light of the proposals the Commission is putting forward in this paper the structure of the evaluation process is clearly subject to revision. Perhaps the major innovative feature of the Commission's proposals is the construction

1. COM (81) 507 final

2. COM (82)807 final

of a series of networks for each mode of transport. The concentration of effort on a network that is of primary interest to the Community in terms of the flows of international and transit traffic is clearly a step forward that has major repercussions upon the totality of the Commission's proposed machinery in this field. In the context of the proposals for evaluation the two principal consequences are:

- First: working within the framework of a network will permit a more extensive examination to be made of the consequences of projects over a wide area,
- Second: the possibility of evaluating large projects that have major consequences will be created.

The net result of these changes will be to simplify the process of evaluation and make the results more directly relevant to the questions the Committee for Transport Infrastructure will have to consider.

5. One of the major advantages for the T.A.S.C. system resulting from the concentration upon a limited network is in the field of data collection. Given the current shortcomings of the data available on traffic flows in the Community the creation of a network will be a major advance.

- First: the process of data collection will be considerably simplified, as only data on the limited network will be required,
- Second: comparatively cheap and simple methods can be used to control and assess the information,
- Third: full consideration can be given to the specific problems of long-distance and international traffic where the real needs for Community action lie.

6. To date it is clear that, notwithstanding the demonstrations the Commission has been able to present, certain doubts have subsisted concerning the capability of the system proposed by the Commission to handle a very wide range of projects in any mode of transport anywhere in the Community. Clearly, there is some foundation for doubts if only to the extent that, on the grounds of cost effectiveness, the Commission cannot handle either very diverse projects or small projects without the expenditure of considerable resources. The move to concentrate the attention of the Community upon a limited network of clear prima facie relevance to many Member States should go far to remove any doubts on this score.

7. It has been noted above (para.4) that as a result of practical experience the Commission proposes to modify the T.A.S.C. system with a view to increasing its usefulness in the context of a programme on a given pre-identified network. The main ways in which it is intended to modify the T.A.S.C. system are as follows:

- First: the system will be incorporated into a data base that will provide extensive information on the chosen Community networks,
- Second: a set of standard "tools" will be incorporated to facilitate the study of the effect of the project on the network,
- Third: the work on the multi-criteria analyser will be further developed,
- Fourth: the facilities, available to the Commission, will be amplified and expanded.

It is hoped that the work outlined above will be completed within the next few months. To a large extent this work will be undertaken in the context of improving the Commission's data and analysis methods for the whole of the transport sector. The Commission considers that the application of the T.A.S.C. system should not be obligatory. However, considerable efforts have been and will be made to ensure that T.A.S.C. is flexible and thus suitable for a very wide range of applications. The use of the T.A.S.C. system would considerably simplify the evaluation of a number of projects spread throughout the Community network. It is proposed that the T.A.S.C. system be made available on an electronic exchange system within the framework of the development of the programme. In the short term the use of traditional methods will be a satisfactory alternative.

Conclusion

This note has set out the background to the development of the Community evaluation system T.A.S.C. The T.A.S.C. system has been extensively tested upon a number of projects and proved to be both practical and versatile. Given the results of this testing, the T.A.S.C. system is to be improved and extended. This improvement will be tailored specifically to the Community programme.

8. The creation of a limited network of Community interest will go a long way towards removing any remaining doubts on the ability of the Commission to identify the Community interest of projects. The intention is to develop a data base for the networks that will help to point up the needs and problems of the network. The T.A.S.C. system will be clearly adapted to the network and fully capable of working in the context of a PROGRAMME.

ANNEX 8

to the Outline Programme

Summary of the method used in, and the results obtained from,
a study on developing a network
of inland waterways of Community interest

1. The planned additional links which were adopted to help form a comprehensive network of Community interest can be combined in different ways for construction purposes, depending on whether only one of the various projects is carried out or a number of related projects is completed.
2. Ten variants were evaluated from the point of view of the advantages they would bring to international inland waterway navigation. For this purpose, traffic on the whole network was simulated for each variant so that all the effects of traffic diversion arising out of each project could be taken into account.

With the results of these simulations, supplemented by estimated cost/benefit ratios for each variant, it was possible to classify each variant according to profitability from the point of view of the advantages gained for international navigation.
3. Finally, the study included an economic analysis of large link-up projects which took into consideration certain non-quantifiable criteria of Community interest. As a result of this study it is possible to confirm that the projects adopted for the most profitable variant resulting from the previous stage would merit inclusion in a master plan for a network of inland waterways of Community interest.

ANNEX 9

Outline programme

Estimated cost of projects mentioned in the experimental programme 1982
situated on the draft network of Community Infrastructure

RAIL

	<u>Estimated cost (Mio.ECU,1982)</u>
1. Brussels - Namur - Luxembourg - (Metz)	1 500
2. Paris - Brussels - Cologne	642
3. Athens - Thessaloniki - Yugoslav border	366
4. Helsingør - Copenhagen - Hamburg - Milan	375
5. Amsterdam - Rotterdam - MÜNich - Verona	633
6. Salzburg - Villach	84
7. Colchester - Harwich	47
Total cost	<u>3 647</u>

ROAD

	<u>Estimated cost (Mio.ECU,1982)</u>
1. Netherlands - Federal Republic of Germany axis (E 30): Enschede - border section	29
2. North-South E 45/E 43; construction of motorway sections in Denmark; improving Hamburg-Hannover section	223 75
3. Development of Volos - Athens - Kalamata road	1 050
4. Construction of various by-passes between Rosslare and Dundalk	100
5. Widening of motorway between Aachen and Cologne	36
6. Ireland - Continent via Holyhead, Harwich, Dover, Folkestone - Development of various sections	837
7. Kalamata - Patras - Igoumenitsea; Rio Antirio bridge	300
8. Stranraer - Newcastle; Development of various sections	<u>138</u>
Total cost	<u>2 788</u>

- 2 -

INLAND WATERWAYSEstimated cost (Mio.ECU, 1982)

1. France-Belgium axis - Development of the Lys	58
2. Development of the canal du Centre	154
3. Development of the Albert Canal	264
4. Deepening of the Lower Rhine between Duisburg and the Dutch Border	28
	<hr/>
Total cost	504
	<hr/>

ANNEX 10

This annex sets out the elements that could guide the Council in the definition of a financial program, bearing in mind its often expressed wish to ensure an adequate balance between the different parts of the network. The use of a general budgetary key has to be rejected for well known reasons. Such practice would not only be contrary to the Community's aim, but it would also be a serious drawback in terms of transport policy requirements since it bears no reference to either the need or the benefits that would accrue from Community assistance. If these factors are to be taken into account, some other indicators will require to be adopted.

Among the indicators that clearly merit attention are the following:

- First - the length of the "Community" network in the country concerned.
- Second - the quality of the existing network.
- Third - the ability of the country concerned to finance the works.

An indication of the distribution of the Community network among the various members of the Community is given in table 1 below:

Table 1: Share of the Community network (Roads only)
(nearest 1%)

<u>Country</u>	
Greece	6
Germany	17
France	20
Italy	18
Netherlands	5
Belgium	5
Luxembourg	1
UK	15
Ireland	7
Denmark	6

(Estimates subject to verification of the network)

It is also necessary to add an indicator of the quality of the network in the form of a weighting coefficient that takes account of the existing situation.

In the absence of any quantified information on this point it is suggested that a weighting based on an assessment of the situation be employed. A first attempt at this is shown in the table below:

Table 2: The Road Quality Indicator Factor

<u>Country</u>	<u>Indicator of road quality</u>
Greece	C
Germany	A
France	A
Italy	B
Netherland	A
UK	B
Belgium	A
Luxembourg	A
Ireland	C
Denmark	A

Note: this index is subject to further analysis.

Assuming that an index of the sort set out above can be developed it will be possible to weight the network distances in such a way as to take account of the index.

The volume of traffic and the consequent state of the system also should be taken into account. On the basis of information available from the NVI study etc., a first attempt at developing an index is shown in table 3, page 3.

These two indices can now be combined to give an adjusted distribution of the budget. The adjustment and weighting is undertaken on the basis of the following approximation: that 'A' is ranked as neutral, i.e. 1, 'B' is ranked at 1.5 and 'C' is ranked at 2. The results of this process are shown in table 4, page 3.

Table 3: The Community networks- Traffic Index

Country

Greece	A
Germany	C
France	B
Italy	A
Netherlands	C
UK	C
Belgium	A
Luxembourg	A
Ireland	A
Denmark	B

Table 4: The Community network adjusted for Traffic and Quality

<u>Country</u>	<u>Original total</u>	<u>Adjusted total</u>
Luxembourg	0.5	0.5
Denmark	3	4
Greece	5	6
Ireland	2	2.5
UK	15	21
Germany	19	22
France	23.5	24
Belgium	7	5
Italy	22	12
Netherlands	3	3
	<u>100</u>	<u>100</u>
	*****	*****