

A better transport network for Europe

European File

Whether it is to go on holiday or to commute to work, we all use some form of transport sometime. Transport keeps us supplied with all the goods we need for everyday use and to keep the economy as a whole ticking over. Nevertheless, we tend to underestimate the importance of the transport sector, which represents some 6% of the Community's gross national product (agriculture represents 5%) and employs 6 million people or 6% of the working population. This rises to 15% if connected sectors, such as the automobile industry, road-building, railways, etc., are taken into account.

Infrastructure: the current position

A series of developments have affected the transport sector over the past 30 years:

- investment in transport infrastructure – 30 000 million ECU in the Community in 1977, or about 115 ECU per person¹ – has tended to favour roads, and to a lesser degree air transport, at the expense of the railways and inland waterways, which are often more economic in terms of energy consumption. Air links have been improved without ever achieving the importance that they have taken on in the United States, where transport was immediately conceived on a continental scale. Today the modernization of the railways and inland waterways is once more under discussion: the Rhine-Danube canal, the Rhine-Rhône project, high-speed inter-city trains in

¹ 1 ECU (European currency unit) = about £0.52 or Ir. £0.70 (at exchange rates current on 13 February 1981).

the Federal Republic of Germany, the Paris-Lyons express, etc. The use of containers allowing goods to be carried successively by road and rail, thereby reducing the number of costly breaks in the journey, is also increasing;

- technical progress, and also the growing integration of the Community countries, has altered trade patterns and the concept of distance. The motorways which link the Netherlands and the Federal Republic of Germany with Italy through France or through the Brenner Pass have boosted tourism and trade. Over the last ten years, international traffic has increased twice as fast as national traffic. And this growth shows no signs of slowing: the 6 500 million tonnes of goods transported from one Community country to another by road, rail and inland waterway in 1973 is forecast to rise to over 11 000 million tonnes by the year 2000. The number of people travelling internationally will rise from its 1973 level of 100 million to double that figure by the turn of the century.

What will our transport infrastructure network look like by then ? Forecasting is a risky business, but one thing is clear: technological innovation, and the need to save energy and protect the environment will be powerful pressures for change. Among the problems to be resolved is one that Europeans will have experienced all too often: shortcomings in the transport infrastructure network, the most obvious being the dreaded traffic jam. But there are others too:

- many routes in the heavily populated, central regions of the Community need modernizing. For example, the railway lines between Brussels and Cologne, Utrecht and Frankfurt via Cologne and Amsterdam and Strasbourg via Brussels and Luxembourg;
- missing links between national transport networks reduce the efficiency of the whole network. On motorways this is evident on the dozens of kilometres of two-lane road which slow up traffic between Belgium, France and the Federal Republic of Germany on the Thionville-Luxembourg-Trier route. On the inland waterways examples are the link between the North Sea and the Mediterranean via the Rhine-Rhône canal and the narrow stretches and locks which hamper barges on the French and Belgian waterways. The same rule applies to air transport too. While certain air corridors and airports (London and Frankfurt, for example) are saturated, there are 26 routes in the new Community of Ten judged economically viable but which are nevertheless under-used, connecting small or medium-sized airports close to badly served towns;
- poor links handicap outlying regions, such as the North and West of Ireland, East Anglia and its ports, the Mezzogiorno and the Italian islands. There are also insufficient links with Greece (which has just joined the Community) and with Spain and Portugal, which are to become members in due course;
- certain routes are hampered by natural obstacles: the English Channel, the Irish Sea, the Straits of Messina, the Fehmarn Straits between the Federal Republic of Germany and Denmark, the Apennines and the Alps between the Federal Republic of Germany and Italy.

The European Commission published in 1980 a report on bottlenecks in the Community's infrastructure network, that is obstacles which seriously hamper traffic, or long sections of a route which are of bad quality or absent altogether (especially in the case of inland waterways) and which consequently reduce the level of transport service. There are some 6 100 kilometres of road and nearly 3 460 kilometres of railway in the Community badly in need of improvement:

- of the roads, 1 618 kilometres are in the Federal Republic of Germany, 1 210 in Italy, 1 160 in the United Kingdom, 1 012 in France, 530 in the Netherlands, 320 in Ireland, 215 in Denmark and 40 kilometres in Luxembourg. Only Belgium appears satisfied with its roads;
- of the railways, 1 600 kilometres are in Italy, 1 110 in the Federal Republic of Germany, 710 in Belgium, 115 in the United Kingdom, 100 in Ireland, 70 in Luxembourg, 60 in Denmark, 25 in the Netherlands and about the same in France.

Missing links and bottlenecks frequently occur at frontiers. Typical examples are the Thionville-Luxembourg road mentioned above, and the periodic saturation of the rail links between France and Italy. There is nothing particularly surprising in this, since the European transport infrastructure network is the sum of ten national networks, which have not always taken full account of the importance of frontier points.

Why Community-level action ?

The desire to eliminate barriers to trade between European countries and the economic importance of the transport sector are the key reasons for Community involvement. The Treaty of Rome, establishing the Community, gave prominence, alongside common agriculture and external trade policies, to a common transport policy, particularly for overland transport. No one imagined in 1957 that the accession of Greece would bring the world's largest merchant shipping fleet into the Community.

Against a background of differing traditions in the Member States and no less traditional rivalries between the various forms of transport, the Community has gradually evolved a policy which is above all designed to free transporters from restrictive national rules, to do away with tariff, tax and other discriminations and to permit free competition based on fair administrative, economic and social practices. Common rules have only been established where they have proved necessary for the smooth functioning of the market. In particular, the Community has:

- harmonized international road and rail goods tariffs and prepared the harmonization of vehicle tax and infrastructure tolls;
- harmonized conditions of entry to the profession of transporter, as well as social legislation and working conditions, for instance for lorry drivers, whose legal driving hours are limited and controlled by the tachograph;

- harmonized numerous safety and environmental standards, particularly for goods vehicles, although the problem of maximum lorry weights and dimensions remains to be resolved;
- reduced trade barriers and administrative formalities at customs posts;
- adopted initial common rules to improve the economic situation of the railways and inland waterways and to encourage container transport;
- created a European driving licence which will come into operation in 1983.

More recently, new ground has been cut: in civil aviation, where the financial situation of the airlines and passenger service both need improving; in shipping, where the Community participates in international conferences and is drawing up measures to increase safety, particularly in the English Channel and in Community ports.¹

But this is not enough. The quality of the transport infrastructure network determines that of the whole transport sector. The European Commission has suggested that railway companies increase cooperation to improve their competitiveness and financial situation. The 'inter-city' passenger services are one area where increased cooperation could yield good results. But all too often increased volume of faster, more comfortable and more economic traffic requires modernization of slow or overloaded lines. Improvements in rail, road and waterway networks and in air and sea links, within and above all between the Member States is therefore one of the major preconditions for free circulation of goods and people and the smooth operation of the common transport market.

Coordination at European level could be especially useful since:

- the rapid development of transport has created new traffic routes, making links previously regarded as of purely national, if not local, interest internationally important and creating multiple bottlenecks, whose elimination would benefit several member countries;
- the increasing interdependence of networks built to satisfy national needs means that action on a purely national scale no longer provides the best solutions to problems. It tends to leave gaps in routes and increases the risk of duplication, which is already evident at national level (the Ronquières plan for example, which allows barges to cross Belgium from north to south has lost all hope of viability, particularly since the introduction of very low railway tariffs and the construction of the Brussels-Mons motorway). In addition, the urgency there may be to build a motorway, for example, and the sum of its potential costs and benefits — which are not always readily identifiable — tends to vary according to whether the interests of neighbouring Member States are taken into consideration;

¹ For more details see *European File No 20/79*: 'The common transport policy'.

- Member States hesitate to fund work which will benefit their neighbours more than themselves. They meet increasing difficulties in financing transport infrastructure projects which currently absorb 15% of all European investment and nearly 40% of public investment. What is more, this huge spending effort does not always reap its full economic returns because of a lack of coordination on one or other side of the frontier. The new transalpine tunnel between France and Italy at Fréjus, for example, is under-used because access roads have not been built in time.

Coordinated development of infrastructure could also help realize other Community aims:

- in energy: transport uses up 14% of all energy and 24% of the oil consumed in the Community; potential savings are estimated at around 20% to 30%. An impartial approach to different forms of transport is needed to secure maximum energy savings;
- in the environment: the Community has asked the Member States to study the environmental impact of all major infrastructure projects before carrying them out;
- in regional and social development: improving transport infrastructure could help promote better living conditions in many Community areas: central and frontier regions are often overcrowded, while outlying regions are poor and attracting industries to them requires good internal links and rapid communications with other regions;
- in the economy and employment: simultaneous development of different European transport networks would boost trade and economic growth; a major public works policy would create jobs (in building, equipment, transport materials, etc.); technological innovation in the sector (airport modernization, high-speed trains, bridges and tunnels by-passing major natural obstacles) also stimulates industry.

Main points of Community policy

The Community is not seeking to take over from the Member States, which bear the primary responsibility for transport policy. But it can contribute to the coordination and direction of the Member States' programmes, so that national transport networks meet the future needs of all Europeans. Community action must obviously be confined to links which have a truly European interest. These could be links whose establishment or improvement would encourage the development of the Community in which international transport is of prime importance, or which would help meet the Community aims listed above: energy savings, regional development, economic growth, etc.

Community involvement must also be seen in the longer term: transport infrastructure has a lengthy working life and only a forward looking approach can provide a sound basis for short-term activities. The European Commission therefore intends to encourage the planning of a network of major routes of Community interest, and evaluate the level of investment needed to realize it. The member governments will thus have a flexible and

adaptable planning framework at their disposal, which will enable them to know sufficiently far in advance both the needs and the available resources. Forecasts will obviously have to take account of increasing oil, labour and vehicle construction costs, which will all have considerable influence on the development of different forms of transport.

The groundwork for this long-term goal has already been laid in a series of studies and concrete proposals.

- Studies have been carried out or are under way on the needs of passengers and goods traffic between major urban areas between now and 1985 and onwards to the year 2000, as well as estimates on the shareout of traffic between the main routes. Other research is under way on the capacity of Community transport infrastructure, new transport techniques for use on long-distance inter-city links, communications with the candidate countries for Community membership, and finally on the evaluation of the concept of Community interest, notably in the context of a fixed single-track tunnel between France and the United Kingdom under the English Channel. Cost benefit analysis on this project shows that the investment would prove profitable, despite the inevitable losses it would mean for the Channel ports and existing ferry links. The budget required at 1979 prices would be around 1 000 million ECU. The cost would be twice this for a double track tunnel and four times as much for a bridge across the Channel.
- Since 1978, the Community has had a special transport infrastructure committee and there is a procedure for exchanging information between the Ten Member States' representatives and the European Commission can therefore study national plans, projects and programmes which could have an impact at Community level. This consultation takes place before decisions are taken at national level.
- The European Commission wants to go still further. It has drawn up a list of principal bottlenecks in the Ten and plans to pick out those projects with a Community interest which could be financed from Community funds.

As mentioned above, speedy realization of a road, rail or waterway project (and certain specific improvements to ports and airports) could be of interest to several Member States but might be too expensive for the country in which it is situated to finance alone. Bilateral cost-sharing agreements could help. But since it is difficult to assess the potential or actual advantages to each partner, bilateral agreements are badly suited in a large number of cases. What is more, they do not guarantee that projects of most value to Europe as a whole will be undertaken. Hence the idea of Community financing, and in particular when the project in question:

- is designed to eliminate a bottleneck in intra-Community traffic;
- is not sufficiently viable for one Member State to undertake alone, but which has an added interest, given the economic or other advantages it offers to neighbouring Member States or the Community as a whole;

- results in standardization of equipment and the synchronization of work on the Community transport infrastructure network.

Financial aid could also be given to projects undertaken in non-member countries. In Austria, the volume of road haulage traffic, most of it involving Community Member States, rose from 5 to 14 million tonnes between 1972 and 1977 and the roads are now choked. Community aid could help speed the construction of the motorway between Passau (Federal Republic of Germany) and Maribor (Yugoslavia), from where another motorway leads on towards Greece. This project already benefits from European Investment Bank loans under the Community's cooperation agreement with Yugoslavia.

The European Investment Bank has already contributed to many transport infrastructure projects within the Community. The European Regional Development Fund also grants aid or loans, as do other Community financial instruments, but either their scope is limited to certain less prosperous Member States or regions or conditions are determined by the state of the capital markets.

The Commission has therefore proposed the creation of a new Community financial instrument exclusively for the transport sector, which would work in close cooperation with other Community funds. Its operations would be limited to projects whose Community interest had been established by the Community institutions after consultation with the transport infrastructure committee.

These projects would be designed chiefly to improve international communications between important urban centres, links with outlying regions and new Member States, routes crossing natural obstacles and those which fill in gaps between national transport networks. Examples in all these areas are not hard to find — a good many have been listed above. Among the bottlenecks that need to be eliminated are those sections of the transport network of Community level interest which are choked with international traffic and those where improvements would yield energy savings (by, for example, reducing the number of traffic jams, increasing the use of container transport, securing more rational use of various forms of transport, and so on).

- Air transport poses a specific problem. The European Commission does not intend to plot new air routes but to create a framework within which the airlines themselves can respond better to their customers' needs, wherever they can find a commercial interest. Air links between Member States are currently based on national rules and bilateral agreements. The Commission has proposed that the Member States adopt a regulation envisaging more flexible procedures, particularly in relation to route authorizations and fare levels for companies wanting to open new passenger, postal or freight services. The only conditions would be that they steer well clear of the main airports (Paris, London, Milan, Lyons etc.) which are already very well served, that they offer regular scheduled flights using planes with less than 130 places and weighing less than 55 tonnes at take off and on routes of more than 200 kilometres, except where natural obstacles would result in a serious loss of time. In this way, links between regional centres could be

multiplied, industrialization assisted in poorer areas, congestion limited at major airports and significant gains in terms of time and energy achieved (by shorter flights, reductions in the number of stops and more frequent use of turbo-propelled aircraft, etc.).



Much remains to be done before the ten national transport networks become one European network. But the European Commission has initiated a series of actions that will eventually lead to genuine improvements for all transport users ■



The contents of this publication do not necessarily reflect the official views of the Institutions of the Community.

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