

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 336 final.

Brussels, 30 June 1976.

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

on action in the field of transport infrastructure

PROPOSAL FOR A COUNCIL DECISION

instituting a consultation procedure and creating
a Committee in the field of transport infrastructure

and

PROPOSAL FOR A COUNCIL REGULATION

concerning aid to projects of Community interest in
the field of transport infrastructure

(submitted to the Council by the Commission)

Communication from the Commission to the Council on Measures concerning
Transport Infrastructure

INTRODUCTION

- 1) In its Communication to the Council of 24 October 1973^(*) the Commission proposed the phased introduction of a Community transport system, the various elements of which were to be pursued in parallel.

The Commission pointed out that, in order to satisfy transport needs and the various requirements of economic and social development, the setting up of a Community transport system would not only involve, as in the past, an organization of the market but would also require measures in the infrastructure sector.

This is why in addition to its work on harmonizing conditions of competition, rationalizing railways and charging for infrastructure costs, the Commission presented to the Council on 10 October 1975 an initial package of measures^(**) organizing the goods transport market according to the guidelines laid down in its Communication of October 1973.

The Commission considers the time has come to define more clearly the main guidelines of transport policy in the transport infrastructure sector which were only outlined in the Communication of 1973.

The aim of this Communication is to:

- set out the main reasons calling for a new impetus to action on transport infrastructure,
- lay down the principal objectives of such action,
- draw from it the practical consequences with regard to measures to be taken.

JUSTIFICATION FOR AN EXPANDED PROGRAMME

- Development of international traffic

- 2) One of the reasons why the Member States must accept action at Community level on transport infrastructure problems is the increase in the relative importance of international traffic and, in particular, of traffic between the Member Countries of the Community, this growth means that each State will be more and more affected by the imperfections which may appear in the communications system of another Member State or even of certain non-Community countries. Generally speaking, the gradual introduction of a common market is very often reflected in an increase in traffic between the Member States which is more than proportional to the increase in purely national traffic, particularly in transit countries. In the Federal Republic of Germany, for instance, long-distance international haulage traffic increased elevenfold between 1957 and 1973, while national traffic only tripled.

(*) COM(73) 1725 final of 24 October 1973

(**) OJ No. C 1 of 5 January 1976

As economic integration progresses the specific braking effect of frontiers on traffic will diminish. The growth rate of international traffic between the Member States will probably continue to be higher than that of national traffic, as a result, international traffic will play a distinctly larger role in traffic patterns than in the past, even if the overall growth of traffic is somewhat reduced. It is evident that an overall increase in international traffic could be accompanied by major changes in the direction and composition of trade posing problems of adaptation for each infrastructure system on the routes concerned.

- 3) It is hard to imagine how to deal with traffic flows, the Community character of which is increasing constantly, if each Member State is continued to be viewed as a separate entity for the programming or planning of infrastructure.

The increase in traffic between the Member States makes it all the more imperative to ensure that national communication networks are effectively linked by developing an adequate system of cross-frontier routes. It also accounts for the direct interest of numerous Member States in the development of sections or nodal points of national networks of other Member States as obstacles to the flow and expansion of international traffic may appear not only in frontier regions, but also on certain routes within the territory of the Member States.

It is impossible to meet the need shared by all the Member States to turn their transport networks to best account, i.e. to avoid bottlenecks and excess capacities as far as possible and to facilitate the development of integrated transport operations, unless on a level which rises above the national viewpoint and disregards distinctions between the different modes of transport.

- The Need to select investments carefully

- 4) It is true that numerous measures taken since 1950 have appreciably improved the linking of national networks, particularly motorway systems, in response to post-war economic growth and increased demand generated by the common market. The primary road, railway and inland waterway Community network is more or less in place. Since overall transport demand will not grow at the same rate as in the past, capacity problems will not arise as quickly and will be less widespread in the Community. However, this does not mean that the question of the expediency of completing certain major projects can be shirked. Much more thought will have to be given to investments and priorities in order to avoid any risk of carrying out projects which are not sufficiently beneficial from the social and economic viewpoint to satisfy the needs and objectives of the Community.

We can no longer count on an accelerated growth in traffic to compensate for some of their errors in overestimation of the benefits expected from such a project.

- External Effects of Infrastructure

- 5) Infrastructures not only provide the support on which the traffic runs, nor are they solely an instrument which must be created and used in the transport sector to provide better services. Infrastructures also have numerous effects which are extraneous to transport. This raises the problem of coordinating these effects with the objectives of general economic policy and various sectoral policies. Since these policies are taking on an increasingly Community aspect, this is a further and more cogent reason than in the past to study within a Community framework infrastructure projects which, in addition to their role in trade, have a large impact on sectors other than that of transport.

Infrastructures shape an economic region. They are therefore an important element of land-use planning and regional development in view of their possible effects on the location of industries, exploitation of resources and population distribution. Economic integration must be linked to a policy on Community space utilisation which, although not necessarily expressly formulated, flows from the general objectives of the Treaty and the guidelines of the Community's regional policy which is being gradually introduced.

To the extent that certain major projects which are currently planned for heavily used routes within the Community will have appreciable structural effects, they must not only be better defined but also be coordinated with the regional objectives of the Member States and of the Community. Although they have different ends it must be ensured that these major projects are sufficiently compatible with those of regional transport infrastructure programmes which figure in the overall framework of regional development.

Energy and environment considerations must also be taken into account in the decision-making for investments. Their significance has grown since the 1960s and common policies are gradually being developed on these aspects. Account must also be taken of possible constraints that might occur in a similar fashion in national processes of investment choice. For example in the case of the environment, procedures for the evaluation of environmental impact have been developed in many Member States. Therefore, it will be necessary to ensure that their development takes place along coordinated lines.

- Importance of a Frame of Reference

- 6) Once the transport requirements of the Community are known and the objectives of economic development and those of social development which embrace the various requirements described above - such as the conditions and environment in which we live (space and pollution) - are taken into account, a long term reference framework for the entirety of the infrastructure relevant to the Community can gradually be established. This will also allow the coherent inception of a network of Community links, with routes and characteristics established by similar criteria, which give Community interest priority.

The gradual and coordinated integration of national measures within this framework will prevent serious wastage caused by successive and costly alterations which have to be made to infrastructures when they are planned in isolation and in the short term. This premise can be borne out by the specific example of the hasty modifications which have had to be made to the routes linking major European conurbations. It is essential to plan such developments right from the start for the entire Community network and not just for one particular route, this is essential to prevent uneconomic trans-shipments, unbalance between capacities and needs, harmful effects on other infrastructures and, finally, the need for the later reviews of projects.

Certain projects in the Community network might be given a priority which they would not necessarily have under national programmes or, at least, not to the same degree. The Member States will therefore be faced with the problem of making certain changes in priority (where necessary) to some of their projects. Such changes may run up against national financial constraints. Community financial assistance, justified by the Community nature of the project, could prove of decisive help in such cases and enable the requisite changes to be made to certain elements of national programmes to adapt them to Community requirements.

Evidently the European Investment Bank and the Regional Development Fund can support transport infrastructure projects. But, for various reasons, notably the limits of their financial resources, the rules and regulations that govern their operations, their characteristics and capabilities, these Community financial organisms cannot be adapted to all the requirements needed to realise the objectives of adaption noted above.

OBJECTIVES AND MEANS

7) The following conclusions can be drawn from these considerations:

- a) the need for joint action to be taken on the Community's transport needs, which are linked with the development of trade, and on the various constraints and objectives which must be taken into account when transport infrastructure projects and programmes are decided.

Need to improve the methods of assessing and choosing these projects in relation to requirements, constraints and objectives and to draw up a methodological outline which will help Member States to make their decisions on a comparable basis.

- b) Necessity for gradually working out the long-term framework for transport infrastructures, under which the Member States will carry out their projects within the limit of available funds. This framework will take into account national programmes and projects and will seek the best coordination thereof and the specific requirements and objectives of the Community will be incorporated where necessary. A comparison with national programmes could reveal the need for certain modifications to the projects to be undertaken under this Community umbrella and the priority to be given to them.

- c) Advantage of providing procedures which will enable, in particular, a study to be made at Community level of certain projects which have major repercussions at Community level even before official decisions make it impossible to alter or modify them. The aim of these procedures is to enable the fullest possible assessment to be made of projects. They should therefore be able to provide, in particular, information on the interdependence of these projects with other projects regarding the same or some other mode of transport and on the range of alternatives available. Consequently, information on programmes is an essential condition of an effective assessment.
 - d) Expediency of making use of, where necessary, the new Community financial mechanisms intended exclusively for transport infrastructure.
- 8) How can it be ensured at Community level that investments in transport infrastructures are based on rather than be subject to the guidelines outlined above?
It is useful to commence with a review of the actions already taken and the experience gained in this field.

- The Consultation Procedure of 1966

The Council recognized the need to ensure a coordinated development of links within the Community but only adopted one measure to achieve this objective: the introduction of a procedure of communication and consultation (Decision of 28 February 1966) 1)

This consultation procedure has made it possible to replace bilateral discussions between Member States, which were not always satisfactory, by multilateral consultation, this is more suitable for examination of projects of interest to the Community. This procedure has been used for numerous projects of Community interest which it had in fact been decided at national level to implement. It has provided a fairly satisfactory forum for an exchange of information between Member States and discussion of certain problems of project harmonization and work coordination.

However, in view of its sporadic application without any coordination with plans and programmes, the often irreversible nature of the projects communicated, the Decision of 1966 is no longer in keeping with the degree of progress in economic integration and no longer satisfies the requirements described above. The restrictive conditions under which it is implemented by the Member States have simply highlighted the disparity between the Decision and actual needs.

The Commission feels the conditions under which the procedure is used should be improved. In its opinion, the following minimum conditions should be satisfied:

- Knowledge of the framework under which the projects communicated to the Commission fall,
- Coordination of information on interdependent projects sent to the Commission so that they can be examined simultaneously,
- Possibility of studying projects to be carried out in the longer term and at least of discussing them.

1) OJ no. 42 8 March 1966

In parallel with this, but independent of the consultation procedure - which does not provide for such action - it is clearly understood that it is necessary to assemble a mass of data, particularly on likely studies, with a view to obtaining the information necessary to assess the projects.

- Attempts to Improve the Consultation Procedure

- 9) The steps taken by the Commission to improve the functioning of the consultation procedure (often, moreover, on the initiative of some Member States) have, unfortunately, not produced any positive results because of the lack of agreement by all the Member States.

The Commission has therefore reached the conclusion that, in order to make this procedure operational, without an intermediate amendment of the provisions, it should be accompanied by an informal procedure for discussion on national infrastructure development projects. Such exchange of views would make it possible to put the projects in their overall context, provide information about projects in their initial stage of preparation and reach a consensus on projects of Community interest which should be the subject of formal consultation.

The Commission's conclusion tallies with the Opinion of 15 November 1974 on the coordination of infrastructure investments of the Advisory Committee on Transport which was set up under Article 83 of the Treaty.

The Commission organized the first meeting on transport infrastructure development programmes on 10 and 11 April 1975. The majority of the delegations were in favour of the proposed formula which would enable cooperation methods to be tried out under flexible and practical conditions. Few of them, however, have reached the stage of practical application since the meeting.

The second meeting of this kind (which was held on 19 March 1976) launched this cooperation on a firmer basis. The delegations have actually begun exchanging information on the elements of programmes which might interest their partners and questions have been asked on them.

Nevertheless, certain delegations pointed out that in the absence of an appropriate institutional instrument of cooperation might be neglected by some administrative departments. Other delegations, on the other hand, were reluctant to commit themselves too soon to new channels of communication and information-processing procedures until they were not covered by a legal act. Finally, it will obviously be fairly difficult to decide what should be discussed at informal meetings on infrastructure development and what should be carried out under the consultation procedure set up in 1966. The complementary nature of these works does not justify different forms of organisation and procedure.

- Forecasting studies

- 10) The Commission would also like to have more detailed information as a basis on which to assess projects. It is taking part in the forward study of interurban passenger transport in Europe which was proposed in 1968 under Community scientific and technical cooperation projects. This study, Project COST 33, will provide participating organizations and countries from this year onwards with a quantitative and qualitative forecast of transport supply and demand on the major interurban routes in 1985 and 2000 based on various hypotheses incorporating different economic social and technical factors.

- Criteria for the Choice of Investments

The Commission decided to make a similar study for goods transport which is being carried out under the direction of the Member States and the Commission with the assistance of an Institute. This study is due to be completed by 1978. The combination of its results and those of the COST 33 project will provide the requisite basis for an assessment of future infrastructure requirements on the major Community routes.

The Commission has also begun examining certain methodological problems connected with the choice of investments. It is consulting Committee 83 on this matter. A more far-reaching analysis will certainly have to be carried out with the cooperation of the Member States in order to ensure that investment decisions on transport infrastructures are taken on a rational basis more and more in keeping with not only regional and national but also Community interests.

The results of these studies and research projects which will constitute the permanent instruments to support action on infrastructures will have to be refined and continuously updated and critically reviewed. Since these studies and research projects are operational in nature it would seem more natural to view their continuation and operation as complementary to the other elements of a general coherent policy on transport infrastructures and to incorporate them in the institutional framework under which, in particular, programmes can be examined and consultations held on projects of Community interest.

REVIEW OF INFRASTRUCTURE POLICY

- 11) In the light of these considerations, the Commission feels it is absolutely essential to adopt provisions which will, by means of the adaptation and extensions of the Decision of 28 February 1966, systematically introduce a set of instruments and mechanisms to continue and develop the action already taken.

The main principles and objectives of these provisions will be:

- a) Firstly, the basic elements of the Decision of 28 February 1966 - i.e. the principle of communication of projects of Community interest and consultation on them - must be preserved. The communication and consultation procedures must be improved.

Community action can no longer be limited to subsequent study of a few major projects communicated by the Member States. Without impinging in any way on the Member States' right to take investment decisions, the consultation mechanism should enable projects to be studied at any preparatory stage in the process selected, a constant review to be made of projects as they are implemented, all the repercussions to be assessed and seen in the context of existing plans or programmes, these should therefore be communicated.

- b) The usefulness of this procedure of information on plans, programmes and projects of Community interest and of consultation on them depends to a large extent on continuing collaboration between the Member States and the Commission within a Committee which will ensure continuity, coordination and progress in the work.

The Committee will also provide a natural forum for discussion of other additional aspects of action which might be taken in the infrastructure sector.

This framework will enable information and experience relating to the methods and criteria for selecting investments to be circulated, and the fundamental data serving as basis for the preparation of projects to be notified and subjected to a critical examination, this means, inter alia, the results of international studies of traffic forecasts and qualitative or quantitative objectives of sectoral policies. An attempt must be made, on the basis of the collaboration between the Member States and the Commission to fill in the gaps in the methodology and basic data. Such collaboration could result quite naturally in the development of a methodological framework to be used by the Member States when drawing up their decisions, particularly with regard to projects of Community interest.

- c) All the procedure for the exchange of information, consultations and joint action should be as flexible as possible, This is a field in which results can be achieved not by means of rules but by ongoing concerted action, but by gradually clarifying the scope of the choice of investments and the Community's specific requirements. Furthermore, it is very difficult to decide on precise criteria governing the point at which the Community should be notified of projects, programmes and plans. It is also difficult, if not impossible, to decide on the stage in the preparation of a project at which it is eligible for the application of the consultation procedure at Community level. It would therefore be unrealistic to lay down a precise, detailed course of action. The procedures should not contain detailed, binding instructions but should leave some freedom.

The expected results of the joint action should serve above all as a useful guide to the Member States, without encroaching on their responsibilities or imposing restrictions on their national decision-making procedures.

As the consultation procedure is applicable to preliminary plans of Community interest, certain Member States may wish the information to be treated confidentially. The organization proposed by the Commission does not prevent this. In short, the Commission expects a certain amount of pragmatism. It therefore does not consider it advisable to retain the most formalistic elements of the consultation procedure instituted by the Decision of 28 February 1966.

- d) Finally, provision must be made for the principle and means of intervention by the Community in the financing of projects, without replacing the national authorities, the Community could play a decisive role in the implementation of projects which are in danger of being neglected or delayed as a result of national priorities. The purpose of such financial intervention is, as explained above, to help to prevent any time lags between national programmes and the Community's requirements. It cannot be separated from the action as a whole.

The financial intervention procedure must therefore be linked with the other provisions governing the implementation of the project.

Concretely, in view of the basis of the Community financial intervention, projects which will be likely to benefit are motorway links, mountain or sea crossings, improvements to major waterways and high speed railway links.

- 12) The legal interpretation of these objectives and principles is found in the two proposals annexed hereto: Decision instituting a consultation procedure and setting up a Committee for Transport Infrastructure, Regulation on the support of projects of Community interest in transport infrastructure.

The adoption of those proposals would eliminate the threats to the satisfactory organization of the transport sector and the construction of unsatisfactory European infrastructure networks. Their implementation should lead to the achievement of the objective of the harmonious development of links within the Community, which the Council itself approved in 1966, by meeting the Community's requirements in respect of trade while at the same time recognizing the need for economic and social development and preventing wastage of the Community's resources and distortion on the transport market. Public opinion is particularly sensitive in this connection.

The Commission hopes that the Council will reach a decision as soon as possible with regard to this stimulus in the field of transport infrastructure which is designed to supplement the progress already achieved in other sectors of the common transport policy.

Proposal for a Council Decision instituting
a consultation procedure and setting up a Committee for
Transport Infrastructure

Explanatory memorandum

General considerations

1. The main factors which have provided the Community with a new stimulus to continue its work in the field of transport infrastructure are described in the Commission's Communication to the Council in this connection.

In addition to the permanent reasons for continuing the efforts to achieve the harmonious development of links within the Community, some new reasons have arisen rendering the need for the optimum choice of investments for the Community as a whole all the more urgent. Very little progress will probably be achieved if the 1966 Decision instituting a procedure for consultation in respect of transport infrastructure investment is taken as a basis for action, and the point would seem to have been reached at which legal instruments must be created which are better suited to the measures to be implemented.

2. However useful the Decision of 28 February 1966 may be, it does not enable the communication networks to be integrated effectively in a way that would take into account all aspects of the Community's development.
 - a) The consultation procedure is applied, at the instance of the Member States, only for projects which have reached a stage at which it would be difficult to change their direction or adapt them to meet the Community's needs.
 - b) The communication of information under this procedure is not applicable to plans and programmes even though it is more difficult to assess the value of individual projects if the plans and programmes are not known, and even though discussions of the main points in the plans and programmes could also be useful in themselves in the effort to achieve the optimum utilization of the available resources.
 - c) The consultation procedure does not lend itself to the examination of the fundamental problems posed by the search for the optimum investment possibilities, even though the danger of more serious mistakes being made in the placing of investments, the need to take into account the objectives of other policies and the high cost of the proposed projects require that selection procedures be applied even more strictly than in the past. There is an increasingly urgent need to establish a methodology for the selection of investments to analyze and process jointly the results of the forward studies of traffic which are - or will be - available, to take into account the requirements of the various policies which interfere with transport, so that the infrastructure networks will gradually develop until they reach a form suitable to the interests of the Community.
3. The action to be implemented must be based on two main guidelines:
 - Firstly, the operation of the consultation procedure introduced by the Council Decision of 28 February 1966 must be improved by extending its scope, but without interfering with the national decision-making procedures with regard

to investments or imposing new restrictions on the Member States. Provision must therefore be made for several amendments to the 1966 consultation procedure, mainly in the light of past experience.

- Secondly, it is necessary to ensure that the consultation procedure is not carried out independently of the other essential elements of the transport infrastructure operations, especially as regards the collection of information and the development of methods for assessing projects.

This guideline justifies the need for a general organization enabling the various measures to be implemented simultaneously and coordinated under the Commission.

The Commission attaches a great deal of importance to the formation of a Committee of Government experts as a body in which there would be close and trusting collaboration between the Commission and the Member States, and at the same time between the Member States themselves on all matters relating to Community action in the field of transport infrastructure.

4. The Commission is also aware of the danger of applying rigid, detailed rules in this delicate field.

The Commission considers that the effectiveness of the decision depends far more on the proper definition of the work to be carried out, the introduction of very simple and very flexible procedures and the goodwill of the Member States and the Commission. The essential objective is to set up a basic organization so that there may be permanent collaboration and continuity in the project and so that useful guidelines can gradually be drawn up for the Member States and the Commission.

Individual Articles

Article 1

This article provides information on certain plans, programmes and projects. In the case of plans and programmes an extremely general definition has been adopted to cover all possible situations, ranging from simple outlines produced by the authorities to programmes approved by the national Parliament with timetables for their implementation. The Committee is responsible for selecting the information which it considers useful for its work.

In the case of projects of Community interest, on the other hand, in respect of which there could arise immediate practical problems of adaption to the Community's economic and social development requirements, and which could involve large scale examinations, particularly if they were later to be the object of a request for financial support, certain criteria must be laid down concerning notification.

The Decision of 28 February 1966 provides some general guidelines which have been developed. Nonetheless it was not possible to settle on perfectly precise, objective criteria. The criteria adopted which overlap to a certain extent, in any case relate directly to the basic objectives of the Decision of 28 February 1966.

The danger of an excessively strict interpretation will probably be eliminated as the actual value to the Community of certain projects can be discussed, such discussions may be called for by the Committee for Transport Infrastructure.

Article 2

This Article relates to the communication by the Member States of information on transport infrastructures. It represents the preliminary step necessary before action can be taken in the transport infrastructure field, and also prior to consultation on projects of Community interest.

Unlike what was envisaged in the corresponding Article in the Decision of 28 February 1966, infrastructure development plans and programmes must also be notified to the Commission, because of their contribution to the appreciation of the projects. It did not seem necessary to retain the obligation on the Commission to transmit such information to the Member States in view of the existence of the Committee provided for in Article 4 which will form the natural framework for the dissemination of such information.

It is impossible to define the stage in the preparation of a project when, in all cases, it is desirable for it to be notified to the Commission. Each case is special and a function of the national decision making process, the nature of the project, the special interests in question, of its potential implication at the level of the Community etc.

The Commission did not consider it realistic, therefore, to work out a precise course of action. Nevertheless, it hopes that while leaving the matter open, the communication, and if necessary the consultation, will in practice be applied to projects at an early stage of their preparation. The communication may be completed at a later date as and when the project develops, possibly giving rise to further consultations. The argument that such a procedure could be contrary

to the national requirements as regards the confidentiality of certain projects is not valid. The Committee can, in the context of the framework which projects are notified and which are the subject of a consultation, decide to refrain from giving any publicity to the examination.

Article 3

Since the Council Decision of 28 February 1966, consultation on projects of Community interest has been an accepted Community principle. The relevant provision is incorporated word for word.

Article 4

This Article sets up the Committee responsible for helping the Commission with its action in the transport infrastructure field.

This is an essential element in the organization, as the development of the project is possible only through continuing cooperation with the Member States.

Article 5

Article 5 lists the Committee's tasks. These tasks are all interdependent. Above all the Committee will form the natural forum for the consultations on projects of Community interest. The exchange on infrastructure will take place within the Committee as well the undertaking of the work allowing the consecutive planning of those developments needed to form a Community network. In view of the importance of the report the Commission will present to the Council on the various activities of the Committee it is advisable for the Committee to have the possibility to express an opinion on the report.

Article 6

It was not possible to specify the composition of the delegations. Each Member State therefore has only one representative (and a deputy) responsible for expressing his opinion where necessary; the representative may be assisted by experts of his choice.

Article 7

No comment.

Article 8

It seemed advisable to leave the Commission considerable latitude with regard to the form of its report to the Council, this provision, too, was designed to prevent a degree of formalism which could impede the effectiveness of an action based on cooperation. The fundamental objective of the report is to inform the Member States of the Community's specific needs as revealed by comparisons between national plans, programmes and projects and the Community's development objectives in the transport and other fields notably an harmonious regional development. However, this objective can only be achieved gradually. Furthermore, for the reasons indicated above, the report should comply with certain publicity requirements.

The desire to have the Committee's opinion on the report is the result also of the desire for satisfactory cooperation between the Member States and the Commission.

Three years would seem to be a sufficiently long period to allow for any significant changes in the supply and demand for transport.

Articles 9 and 10

No comment.

Proposal for a Council Decision establishing a
Consultation Procedure and creating a Committee for
Transport Infrastructure

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 75 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

Whereas the implementation of the common transport policy involves the establishment of Community measures aiming at the coordinated development of links within the Community,

Whereas these measures must be based on information concerning the plans and programmes for developing transport infrastructures and concerning projects of Community interest, whereas they must take account of all the factors contributing to the assessment of infrastructure requirements, and notably the broad lines of the regional development programmes,

Whereas the projects of Community interest should be submitted to a consultation procedure,

Whereas it is appropriate^{to} have certain information concerning the basic ideas of infrastructure plans and programmes and the idea of projects of Community interest,

Whereas it is necessary to set up an organizational framework to guarantee the effectiveness, consistency and continuity of these measures,

Whereas it is necessary to compile a report on the various aspects of these measures at regular intervals and draw up guidelines for the Member States,

HAS ADOPTED THIS DECISION:

Article 1

For the purposes of this Decision:

- 1) Plans and programmes are defined as any overall framework for future work in the field of infrastructure serving as a guide for action by the Governments of the Member States.

- 2) A project of Community interest is defined as any project aimed to create new lines of communication or to appreciably increase the capacity of existing lines belonging to one of the following categories:-
- a) cross-frontier projects
 - b) projects of one Member State likely to affect the trade of one or more Member States with this Member State, with other Member States or with non-member countries.
 - c) projects improving access to outlying or less developed regions,
 - d) projects likely to have an appreciable influence on the effectiveness of a common policy,
 - e) projects which make use of new transport technologies which could be used for long distance inter-urban transport.

Article 2

- 1) The Member States shall notify the Commission, prior to the start of their construction, of projects of Community interest and their plans and programmes for developing transport infrastructures.
- 2) The notification can concern both projects which have received the approval of the authorities for construction and those which have yet to be the subject of a declaration of intent to proceed.
- 3) A project notified at an early stage of its development shall be subject to further notifications at a later date as its development proceeds.

Article 3

If the Commission considers such action appropriate, or if requested to do so by a Member State, it shall engage in consultation with the Member States on the project or projects of Community interest of which it has been notified in accordance with Article 2 of this Regulation.

Article 4

A Committee for Transport Infrastructure, henceforth "the Committee", shall be established at the Commission, consisting of representatives of the Member States and chaired by a representative of the Commission.

Article 5

The 'Committee' in order to contribute to the harmonious development of the Community transport network, shall undertake the following tasks:-

1. The Committee shall serve as the basis for the consultation on projects of Community interest referred to in Article 3.
2. On the request of the Commission, or on its own initiative, the Committee shall organize
 - a) an exchange of information on the plans and programmes for transport infrastructure and also on the projects of transport infrastructure of Community interest which have been notified.
 - b) Examination of the selection methods and criteria applied to transport infrastructure investments with a view to their harmonisation and the establishment of a joint system.

- c) An analysis of the results of forecasting studies for freight and passenger traffic and the determination of the constraints and objectives of the various policies, notably regional development, to be integrated in the transport infrastructure measures.
 - d) Investigation of how the projects, plans and programmes diverge from the forward studies and Community requirements.
 - e) Detailed examination of any other question relative to the development of a Community network of transport links.
3. The Committee shall provide an Opinion on the periodic report referred to in Article 8.

Article 6

The Member States shall each appoint a member of the Committee and a deputy. The members of the 'Committee' may be assisted by experts whom they may nominate. The members of the 'Committee' and their deputies are to be selected from the senior officials responsible for transport infrastructure policy in their country.

The Commission shall chair the Committee and be responsible for any work it requires to undertake.

Article 7

The Committee may entrust the study of specific questions to working parties, consisting of some of its members or deputies or government experts.

Article 8

Every three years the Commission shall forward to the Council a report on the information it has received in conformity with this Resolution and the Committee's activities. The report shall include in particular the results of consultations on the projects of Community interest and, if the case arises, observations to inform the Member States of the Community's infrastructure requirements.

The Commission shall forward the draft report for the opinion of the Committee referred to in Article 3.

Article 9

This Decision cancels and replaces the provisions of the Council Decision of 28 February 1966 instituting a procedure for consultation in respect of transport infrastructure investment.

Article 10.

This Decision is addressed to the Member States.

Proposal for a Regulation on the support
of projects of Community interest in the field of
transport infrastructure

Explanatory memorandum

General considerations

1. The Communication from the Commission to the Council on Community action regarding transport infrastructure sets out and justifies the main guidelines. An effective means of expediting it is to create an instrument equipped to provide financial help for the performance of projects of Community interest. The existing Community financial instruments which could be used in the transport infrastructure section do not resolve all the special financial problems posed by the undertaking of projects of Community interest.
2. Some projects of Community interest, i.e. projects whose benefits affect more than one Member State, in accordance with the criteria in the Decision establishing a consultation procedure and establishing a Transport Infrastructure Committee, are not in the Member States' own programmes because of national urgencies. The main projects concerned are as follows. The underlying criteria overlap somewhat.
 - projects to be executed in one Member State whose non-execution would create a bottleneck in Community traffic. As the Member State concerned, which must take the decision to invest or not to invest, may underestimate the disadvantages resulting from the obstacles to international traffic, the execution of this project is likely to be delayed or even jeopardized in view of the Member State's total budget for transport infrastructure,
 - cross-frontier projects which are not financially attractive enough to arouse the interest of a Member State, bearing in mind the funds at its disposal. Profitability has been underestimated either because insufficient account was taken of the completed project's beneficial effect on international traffic - as for the preceding projects - or because the importance of opening up the border region was insufficiently appreciated,
 - projects whose socio-economic benefit nationally is not sufficient to motivate their execution but which are more beneficial from the Community's point of view because of its wider objectives,
 - projects which will foster the standardization of equipment and the synchronization of works in the Community's communications network, particularly the high-speed network, thereby upgrading the socio-economic benefit accruing from the entire network. That such projects could benefit from the creation of a Community mechanism to provide financial support would be major incentive to their undertaking.
3. The capital investment necessitated by the different types of project described will vary widely. Some inexpensive projects may have a considerable impact in the Community as a whole. In addition large-scale projects may be executed in successive sections or through successive improvements so that they can be divided into smaller Community interest projects. In some cases, therefore, comparatively small funds may act as the springboard for the performance of projects with Community priority.

Nevertheless, in other cases considerable sums of money will be needed because of the projects' dimensions and indivisibility. Moreover, different types of financial intervention are justified because of the diverse nature of the projects reflected in their multifarious objectives (satisfaction of traffic requirements, national development, the fostering of a Community policy) and the varying proportion of specifically "Community" interest.

Consequently, it is apparent that the nature and amount of financial backing to be granted for a project depends on its goal and ought not be fixed in advance.

4. The financial backing for some projects is an extra means to permit the development of a communication network suitable to the Community's needs. This means that the procedure for awarding financial backing must be integrated into the general parallel procedure instituted to attain the Community's transport infrastructure objectives.

If the coherence of Community action is to be ensured, those projects of Community interest for which a request for financial support has been submitted, must be subjected to the consultation to be carried out by the Committee set up by the Council Decision establishing a consultation procedure and establishing a Committee for Transport Infrastructure, a proposal for that decision is being presented to the Council together with this Regulation. The same Committee should also be consulted on the question of financial support.

Individual Articles

Article 1

This Article lays down the principle of the possibility of granting financial aid for projects of Community interest. The notion of a project of Community interest is defined in the Council Decision establishing a consultation procedure and establishing a Committee for Transport Infrastructure. Reference is therefore made to that Decision. The need to act in selective manner should be underlined. Also aid has to be concentrated on certain predetermined types of project.

Article 2

This Article lists the various forms of support possible. The expected effects of each project and the specific financial problems connected with them require solutions which are suited to each individual case.

Financial support can be justified essentially by the implications of the projects at Community level. The amount of financial support should be calculated more or less on the basis of the benefit of the project to the Community and may be combined with other forms of Community intervention. There is no justification for laying down the limits of such support.

Article 3

This Article provides for the linking of the procedure for the grant of financial aid to the general procedure designed to promote the harmonious development of links within the Community by means of concerted action on projects of Community interest. It would be paradoxical if a project receiving financial support were not subjected to the consultation procedure for projects of Community interest provided for in the Decision establishing a consultation procedure and establishing a Committee for Transport Infrastructure.

Article 4

The States play a decisive role in the field of transport infrastructure. This is why requests for financial support must be presented by the Member States. However, this does not exclude the possibility that legal persons formed in accordance with the legal provisions in force in the Member States of the Community could be responsible for drawing up the requests and implementing the aid.

The information on the projects in respect of which a request for financial support has been submitted will already have been supplied for the purposes of the consultation procedure applicable to projects of Community interest. However, as the examination of such projects is now seen in a new light, additional information might be required, particularly with regard to expenditure and the calculation of certain benefits as well as its coherence with the regional development programme. Article 4 provides a guarantee that all the information will be taken into account.

Article 5

The Committee for Transport Infrastructure questions will naturally be the most appropriate body for delivering a useful opinion on requests for financial support. It will be consulted on such requests but the results of the consultations will not be binding on either the Commission or the Council.

To the extent that the Commission considers it justifiable to accept certain requests for aid, the financial consequences which result have to be integrated into the draft budget.

Article 6 et seq.

No comment.

Proposal for a Council Regulation on support for
projects of Community interest in transport infrastructure

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty setting up the European Economic Community
and particularly Article 75 therein,

Having regard to the proposal of the Commission,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

Whereas the implementation of the common transport policy involves the establishment of Community measures aiming at the coordinated development of links within the Community;

Whereas, due to national constraints a certain number of projects of Community interest having a considerable importance for the Community are not financed by the Member States acting alone;

Whereas it is essentially the responsibility of the Member States to finance such projects of Community interest, whereas because of some of their specifically Community implications there should however be an procedure by which the Community might grant them support, in particular when this support will mean that they are given priority;

Whereas the Community should enjoy every means which will enable it to assess the interest of each project from case to case, this assessment must take place as part of the procedure implemented to guarantee a coordinated development of links within the Community;

Whereas the Commission is responsible for making proposals concerning the allocation of financial support measures;

Whereas the recipients shall inform the Community of the work's state of progress;

HAS ADOPTED THIS REGULATION:

Article 1

The Community, under the conditions laid down in the following Articles, may grant its financial support for the execution of transport infrastructure projects of Community interest referred to in Article 1 of the Council Decision of setting up consultation procedure and establishing a Committee for Transport Infrastructure.

The aim looked for is to give selective assistance for the undertaking of a limited number of important projects.

The projects likely to be financed fall particularly in the following groups:

- projects to be undertaken in the territory of a Member State the failure of which to be undertaken creates a bottleneck in Community traffic,
- cross-frontier projects which are not sufficiently viable to pass the threshold, based on available resources, where a Member State would be willing to intervene,
- projects having a socio-economic profitability at the national level which is insufficient to justify their undertaking but from the Community point of view, taking account of the Community's objectives, have a greater benefit,
- projects which facilitate the standardisation of equipment and the synchronisation of work on the Community communications network.

Article 2

Aid given to a project can take the form of a Community participation in the finance of a project by the granting of the following advantages: loan guarantees, loans, subsidies, interest rate reductions, taking account of the other financial interventions of a Community nature which the project might benefit from.

Article 3

Any project of Community interest for which the financial support referred to in Article 1 is requested must be submitted in advance for the consultation referred to in Article 3 of the Council Decision of ... establishing a consultation procedure and establishing a Committee for Transport Infrastructure.

Article 4

The request for financial support shall be forwarded to the Commission by the Member State or Member States on whose territory the project is to be carried out.

It shall include the necessary assessment factors, in particular:

- the assessment of the expenditure forecast, broken down into the various items,
- an estimated schedule of work and financial commitments,
- a cost-benefit study.

The Commission may ask the Member States for any additional information which is may consider necessary for assessing the project.

Article 5

1. The Commission shall consult the Member States on the request for financial support forwarded to it. This consultation shall take place within the Committee established in accordance with Article 4 of the Council Decision of establishing a consultation procedure and establishing a Committee for Transport Infrastructure.
2. The Commission will prepare a report with a justified opinion including notably :
 - a) ~~the possible allocation of the aids figuring under article 2 of this regulation~~
 - b) the obligations towards the Community that the beneficiary has to agree to.
3. This report and the justified opinion are to be forwarded to the Council and the Parliament annexed to the general introduction to the draft budget of the European Communities, which will include, in the section dealing with the expenditure of the Commission, a special chapter intended to bring together all the credits for the financial support of projects mentioned in Article 1.

Article 6

The party or parties responsible for carrying out a project receiving financial support in accordance with this Community Regulation shall forward to the Commission, at the Commission's request, a report on the state of progress of the work on this project and on the expenditure allocated to its accomplishment. The Commission shall have access at all times to the accounts relating to each project.

Article 7

The information received in accordance with this Regulation shall be treated in confidence.

Article 8

This Regulation shall take effect on the day following its publication in the Official Journal of the European Communities. The Regulation shall be binding in its entirety and directly applicable in all Member States.

ANNEX - FINANCIAL STATEMENT

A. Intervention: Credits

- 1. Budget line concerned: title 3, Chapter 37 number 373.
- 2. Title of the Budget line: Aid for transport infrastructure investments of Community interest.
- 3. Legal basis: Proposal attached for a Regulation concerning the support of transport infrastructure projects of Community interest.
- 4. Description, objective(s) and justification for the action: financial aid by the granting of loans, guarantees and subsidies to one or more infrastructure projects of Community interest.

This action will allow projects to be undertaken which, although they have a Community interest, would not be completed due to the absence of financial support from the State or the responsible national body. Some transport infrastructure projects, although having an interest for one or other Member State of the Community, do not have a priority claim for construction based solely on their national characteristics. Community intervention can therefore be determinant in assuring their undertaking.

5. Financial Implications of the Action:

The Commission's services do not currently possess a good information base on projects of Community interest, notably concerning their precise interest for the Community and the national financial problems which they pose. It is not possible, therefore, to establish precisely which projects are likely to lead to a demand for financial aid, or the forms that this might take, before the procedure envisaged to provide this information have been approved. No figure can therefore now be given to indicate the magnitude of the loans and guarantees, which can in any case vary from year to year.

6. Method of Control provided for

The control of the social and economic interest of projects will be undertaken within the framework of examination procedures provided for by the Regulation and on the base of cost-benefit studies.