



European Communities

EUROPEAN PARLIAMENT

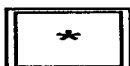
SESSION DOCUMENTS

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A3-0339/90/Part B



R E P O R T

of the Committee on Transport and Tourism

on a Community railway policy and, in particular,
the proposals from the Commission to the Council for

- I. a directive on the development of the Community Railways
- II. a regulation (EEC) amending Regulation (EEC) No. 1191/69 on the action by Member States concerning the obligations inherent in the concept of a public service in transport by rail, road and inland waterway
- III. a decision concerning the establishing of a network of high speed trains
- IV. a directive amending Directive 75/130 on the establishment of common rules for certain types of combined carriage of goods between Member States

(COM(89) 564 final - Doc. C 3-46/90)

Rapporteur: Mr B. SIMPSON

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- PART B : Explanatory statement
Opinion

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A Series Reports - B series: Motions for Resolutions, Oral Questions, Written Declarations, etc - C Series Documents received from other Institutions (e.g Consultations)

***** = Consultation procedure requiring a single reading

****II** = Cooperation procedure (second reading) which requires the votes of the majority of the Members of Parliament

****I** = Cooperation procedure (first reading)

******* = Parliamentary assent which requires the votes of the majority of the current Members of Parliament

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EXPLANATORY STATEMENT

Introduction

1. The Communication of 25 January 1990 represents a new intervention by the Commission in railway policy after the rejection by the Council, much to Parliament's regret, of the 1984 proposal on the improvement of the situation of railway undertakings and the harmonization of the rules governing the financial relations between such undertakings and States¹. This fresh attempt fulfils a wish explicitly voiced by Parliament in its resolution of 25 May 1989² on the problems of the railways. As in the air and maritime transport sectors, the Commission has opted to launch its new railway policy initiative in the form of a package of measures. This approach, which has proved its worth in other areas, demonstrates the Commission's determination not to leave the railways isolated in a completed internal transport market. Parliament has repeatedly highlighted the important role to be played by the railways in a European transport system by virtue of its speed, safety, low environmental impact and rational use of energy. The Commission Communication provides for a package of Community measures designed to enable railway undertakings to fulfil this role. Parliament welcomes it, therefore, in principle. However, detailed changes will be necessary in order to attain the railway policy objectives set by Parliament.

Railway policy objectives

2. Before going into the Commission proposals in detail, it seems appropriate to draw up a framework of political objectives, something the Commission Communication perhaps does not do with the necessary clarity. Transport policy at the end of the 20th century must find a way of meeting the ever-increasing demand for mobility and transport facilities, an objective which cannot be achieved by means of further, linear development in individual transport sectors. Ecological (especially emissions and land use) and mass phenomena ('terminal transport congestion') impose certain restrictions. Transport policy cannot limit itself to establishing conditions for fair competition between carriers. The transport system must serve both people and the economy. Railway policy cannot be seen as separate from the task, which devolves on every welfare state, of providing basic transport services. However, these must take forms which are compatible with the European internal market and do not jeopardize the economic viability of railway undertakings. The commercial autonomy of the railways must be strengthened, and the basic fiscal, technical and social conditions adjusted in such a way that the specific competitive advantages of rail transport can be exploited. The railway undertakings' role as undertakings committed to the general good, however, must be preserved and it must be ensured that the railways provide an appropriate service not only on the profitable main routes but also in peripheral, sparsely populated areas.

¹ See the resolution of 12 March 1985, OJ No. C 94, 15.4.1985, p. 43 on the basis of the VISSER report (Doc. 2-1763/84)

² OJ No. C 158, 26.7.1989, p. 365, on the basis of the PUERTA GUTIERREZ report (Doc. A 2-119/89)

Proposal for a directive on the development of the Community Railways

3. This proposal is the cornerstone of railway policy for the internal market. It is designed to create the conditions in which international railway undertakings will be able to provide, on an autonomous basis, transfrontier rail services on the networks of the Member States. There is an undeniable need for such services. If rail services are to be competitive in the internal market, these transfrontier services must be provided by a single, commercially fully liable and flexible undertaking. In this connection, there are sound reasons for making provision, from the beginning, for involvement by interested railway undertakings from neighbouring third countries in international groupings of this kind on the basis of appropriate agreements concluded with the Community.

4. With regard to the railway undertakings in the Community of European Railways, the proposal guarantees their legal autonomy and management independence and stipulates that Member States shall ensure that they have a sound financial structure. The Commission proposes that the railway infrastructure should in future be administered separately from operations, with separate accounting, stipulating that railway undertakings and international groupings should pay access charges for use of rail routes.

5. The Commission has thus deviated from its 1984 proposal that the Member States should assume ownership of the railway infrastructure. However, responsibility for operations may be conferred on a public body or other undertaking. This step has met with criticism since the coordinated management of infrastructure and operations by one body represents one of the specific advantages of rail transport over other sectors which should not be sacrificed. It is also quite unnecessary. Admittedly, the 1984 proposal did prove to be unworkable because the EEC Treaty³ contains no provisions to govern changes to the system of property ownership in the Member States. However, the Commission unfortunately did not take up the compromise solution proposed by Parliament⁴ which merely assigned financial responsibility for the railway network to the Member States, a measure which would not have entailed any changes to their systems of property ownership.

6. The particular advantage of this solution is that the Member States are given direct responsibility for meeting the backlog demand for rail network development in a manner consistent with real needs. By comparison, the Commission's stipulation that the Member States should take the measures needed to develop the public rail network seems, when taken on its own, too weak. The Committee on Transport therefore proposes that Parliament should hold to its basic demand that financial responsibility for railway infrastructure be assigned to the Member States. It agreed that Member States should have the option of assigning management of the network to a separate public body.

7. A minority on the committee took the view, however, that the proposal for a directive should be applied only to state-owned public railway undertakings and that responsibility for infrastructure and operations should not be

³ See in particular Article 222 thereof

⁴ Resolution of 12 March 1985, OJ No. C 94, 15.4.1985, p. 43, VISSER report (Doc. 2-1763/84)

divided between two separate undertakings but between two departments of the same undertaking, with separate accounting and administration. Although the compulsory introduction of separate accounting for infrastructure and operations represents a restriction on the management independence of railway undertakings, they felt it was necessary if charges for the planned use of rail routes by international groupings were to be set without distorting competition.

Proposal for a regulation amending Regulation (EEC) No. 1191/69

8. This proposal deals with the extension of public service obligations to provide adequate transport services. Taking up the 1984 proposal approved by Parliament⁵, the Commission lays down a basic system of public service contracts whereby the nature and scope of the public services and the contract price must be agreed between the public bodies concerned and the railway undertakings. The rules governing the negotiation of such contracts are then set out in detail. This approach does not distort competition and will ensure that the railways continue to provide a public service on the basis of fair cost allocation. In view of the specific problems affecting urban, suburban and regional transport, the Commission will continue to allow Member States to impose public service obligations on a unilateral basis if certain conditions are met (separate accounting, adequate compensation).

9. The Committee on Transport welcomes the fact that the Commission has decided, through the proposal amending Regulation (EEC) No. 1191/69, to opt for a pragmatic approach to maintaining the public service aspects of rail transport. Public service obligations should also help to solve environmental problems such as excessive traffic on certain key road haulage routes. In the committee's opinion, the particular need for action in respect of urban, suburban and regional transport must be reflected in the tasks imposed on the public bodies responsible.

Proposal for a decision concerning the establishing of a network of high speed trains

10. The adoption of this proposal would be a milestone in the development of the common infrastructure policy because, for the first time in the history of transport policy, provision is being made for something more than simple 'coordination'⁶: having consulted Parliament, the Council will lay down the form of the future high speed rail network, including a timetable specifying which main routes are to be given priority for completion over the next 15 years. The need to develop a European high speed rail network is undeniable. Capacity problems on the roads and in the air are making the high speed train tomorrow's ideal means of transport. Shorter carriage times will also make the railways more competitive in the freight haulage sector.

11. The Commission proposal requires amplification on certain points. From the beginning, the introduction of high speed rail technology must go hand in hand with rigorous safety standards, and with full consideration given to

⁵ See the documents referred to in footnotes 1 and 2

⁶ See Council Decision of 20 February 1978 on the introduction of a consultation procedure, OJ No. L 54, 25.2.1978, p. 16

environmental factors. Moreover, it is unfortunately still not axiomatic that high speed tracks should be electrified. For example, it is an incomprehensible anachronism that the section of track between Crewe and Holyhead has still not been electrified, thus creating a bottleneck in the rail connections between Ireland and the Channel Tunnel. On present proposals put forward by British Rail the North West of England will gain little or no benefit from the Channel Tunnel due to a lack of through high speed services. Particular attention must be paid to linking peripheral and sparsely populated areas to the European high speed rail network⁷. It is unacceptable that a train journey from Edinburgh to Aberdeen should take as long as the journey from London to Edinburgh. Economic and population centres not served by the international motorway network, one example being the French town La Rochelle which lies off the Paris-Madrid high speed rail link, must be effectively connected to the high speed transport network. When framing its definitive proposal for a network, the Commission will also have to take greater account of East-West transport and transit routes whose significance will be increased by current political developments. The same applies to Scandinavia and the northernmost areas of the Community, where there is still no effective link between the Benelux countries and Denmark, via the north German coast, or Scandinavia, via the Baltic ferry ports. Can we also say we have a true European high speed rail network when the Iberian peninsular, and in particular Portugal, has no north-south high speed link? The committee believes that there is more to a high speed rail network than the mere linking of capital cities.

12. In the committee's opinion, the Commission proposal is also inadequate in that although it does provide for Council decisions on the form of the network and the timetable for its completion, it contains no financial measures. The Community dimension to this European project implies at least some measure of Community financing to be concentrated, in particular, on those sections of track which are vital to the cohesion of the network but which are not in themselves profitable. The rapporteur believes that Community funding should mainly be concentrated outside the so-called 'Golden Triangle', and that additionality rules should be strictly applied.

Proposal amending Directive 75/130

13. This proposal is intended to promote the use of combined transport services and so help the railways increase their share of the freight haulage market and, in turn, contribute to reducing ecological problems. The measures currently being taken to develop the combined transport of goods on transalpine routes will only prove useful in transport terms if long-distance combined transport services are operated throughout the Community. The proposal provides for the liberalization of the regulations governing initial or terminal road haulage in connection with combined transport, in particular the abolition of any remaining restrictions in respect of cabotage. It also lays down rules, which are practicable in that they stipulate graduated, standard amounts, for the reimbursement of the taxes applicable to road vehicles which undertake a specific number of journeys each year when routed in combined transport. Here, the proposal meets the demands which Parliament

⁷ In this connection, see the PUERTA GUTIERREZ report (Doc. A 2-119/89)

had already addressed to the Commission in its resolution of 16 November 1988⁸. This can only be welcomed.

In the committee's opinion, this proposal should be widened to make provision for a Council decision on a combined transport network. A corresponding Commission proposal, on which Parliament would naturally have to be consulted pursuant to Article 75 of the EEC Treaty, should be submitted by the end of 1991. This would clearly demonstrate that the Community attaches the same priority to developing rail transport in both the freight and passenger sectors.

Remarks on the individual amendments

14. The reasoning behind the committee's other amendments is set out in brief below:

- Amendment No. 24 is designed to ensure, in the interests of users, that international groupings must fulfil the same requirements as national railway undertakings when operating their services.
- Amendment No. 27: With regard to the access of international groupings to the rail network, in order to maintain the regularity and reliability of rail transport scheduled services should be given priority over non-scheduled services.
- Amendment No. 30: In order that the specific competitive advantages of rail transport can be exploited, full account must also be taken of external costs when comparing the cost burden of the various modes of transport. As long as its main competitors, the roads and inland waterways, continue to make virtually no contribution to the external costs they generate, the railways must continue to enjoy corresponding relief from these costs. Since the calculation methods are controversial, approximate estimates will have to be used.
- Amendment No. 63: There seem to be sound reasons for establishing, at Community level, uniform rules to govern not only the high speed rail network but also certain operational quality standards and staff qualifications.

⁸ Resolution on the Community's relations with certain third countries in the transport sector, OJ No. C 326, 19.12.1988, p. 57, on the basis of the TOPMANN report (Doc. A 2-168/88)

ANNEX I

MOTION FOR A RESOLUTION

B3-0606/89

pursuant to Rule 63 of the Rules of Procedure

by Mr LANGES, Mrs FLESCHE, Mr KLEPSCH, Mr ESTGEN, Mrs REDING, Mrs LULLING,
Mr HERMAN and Mr MÜLLER

on a new high-speed railway line in the Federal Republic of Germany

The European Parliament,

- having regard to the judgement of the European Court of Justice on transport policy confirming that the European Community has an obligation to pursue a common policy on transport projects whenever these entail a European dimension,
 - whereas the Commission of the European Communities is required, in implementing this judgment, to cooperate with Parliament in ensuring that the ruling by the European Court is adhered to,
1. Considers that the proposed route of the new high-speed German Federal (deutsche Bundesbahn) railway line from CoTogne to Frankfurt fails to comply with the requirements of European interests as a whole. The proposed route is to run from Bonn-Beuel straight through the Westerwald and the Taunus to Frankfurt. Consequently the entire frontier areas of Lorraine, Luxembourg, Southern Belgium and the Trier and Koblenz regions in Rhineland-Palatinate will be by-passed by this high-speed link;
 2. Notes that the importance of Luxembourg as the seat of the European Court of Justice and of the European Court of Auditors, and as a major European banking centre, is being disregarded in German Federal Railway planning;
 3. Is convinced that the alternative proposal by the Rhineland-Palatinate land government to route the high-speed line from Bonn-Beuel to Koblenz and thence over the Taunus to Frankfurt would be more appropriate to the requirements of transport planning with the European dimension in mind;
 4. Urges the Commission to make approaches to the German Federal Railway to secure the adoption of the Rhineland-Palatinate alternative solution. In doing so the Commission would also be putting supporting equivalent proposals by the Luxembourg Government;
 5. Instructs its President to forward this resolution to the Commission.

ANNEX II

MOTION FOR A RESOLUTION

B3-0463/90

pursuant to Rule 63 of the Rules of Procedure

by Mr COIMBRA MARTINS, Mr BARROS MOURA, Mr CARVALHAS, Mr COATES, Mr CRAVINHO, Mr da CUNHA OLIVEIRA, Mr LUCAS PIRES, Mr RINSCHÉ, Mr B. SIMPSON, Mr STAMOULIS, Mr TORRES COUTO and Mr VISSER

on the high speed trans-Europe rail link

The European Parliament,

- A. whereas the changes and developments in EC/USSR relations call for bold projects and designs in order that these relations reach their full potential,
- B. whereas major communication routes such as the Rhine-Danube link acquire greater significance at such a time,
- C. whereas, according to a report in the Soviet press, one Japanese company is already planning a motorway crossing the USSR and part of Europe,
- D. whereas both Mr Gorbachev and Jacques Attali, in his essays 'Lignes d'horizon', have mooted the concept of a high speed Paris-Moscow rail link,
- E. whereas the Commission is advocating an infrastructure policy which concentrates on large-scale projects and avoids the 'watering can effect',
- F. whereas the 'reshaping' of Europe cannot be allowed to disadvantage or remarginalize the South,
 1. Calls on the Commission to examine the feasibility of a high speed rail link crossing the Community from East to West, covering Central and Eastern Europe and serving Moscow;
 2. Calls for this rail link, working on the hypothesis of a Europe stretching from the Atlantic to the Urals, also to serve Madrid and to have its western terminus in Lisbon;
 3. Notes that the project for such a rail link, involving the connection of existing tracks with different gauges (the wide gauge is prevalent in Portugal, Spain and the USSR) calls for a new and general solution to the problem of track gauges.

MOTION FOR A RESOLUTION

B3-0472/90

**pursuant to Rule 63 of the Rules of Procedure
by Mr Brian SIMPSON**

on United Kingdom rail links with the Channel tunnel

The European Parliament.

A. Having regard to the European Community's policy of giving greater help to the periferal regions through the Regional Development and Social funds

B. Noting the way in which efficient transport networks can stimulate regional economies

C. Also noting the need to ease road congestion and to improve the environment

D. Wishing to ensure the speedy transit of goods and people throughout Europe

1. Urges that British Rail put forward new proposals regarding UK links with the Channel tunnel to provide sufficient through passenger and freight services from the rest of Europe to the UK north of London

2. Feels that British Rail's present proposals have been made without due consideration of the social and regional implicatons and

3. Fears that the present inadequate plans for the rail links from the Channel tunnel will not contribute to the stimulation of new investment in regions of Britain other than the more prosperous areas of Southern England thus widening a North South divide

4. Worries that these plans will not improve the economic prospects of the deprived areas of North and North West England and in particular will not fully utilize Liverpool as a major trading port

MOTION FOR A RESOLUTION

B3-0870/90

pursuant to Rule 63 of the Rules of Procedure

by the members CRAMPTON, WYNN, HARRISON, B. SIMPSON, DESMOND, FORD, TITLEY, MEGAHY, STEWART, McGOWAN, DE ROSSA, SEAL, NEWMAN, BANOTTI, McMILLAN-SCOTT

on improving the transport route between Ireland, Britain and the European mainland

- A. Noting the strategic importance of the transport route between Ireland, Britain and mainland Europe,
- B. Noting that improvements to such a strategic route would avoid adding to transport congestion in South East England,
- C. Noting that such an improved route would provide an alternative to the Channel Tunnel
- D. Noting that the regions through which this route passes have been designated by the Commission as having Objective 1 and Objective 2 status,
- E. Noting that Hull City Council, other local authorities and the Irish authorities believe that improvements to this route would result in great economic benefits and would link up a number of important sea routes to Northern Europe and the Eastern European countries,
 - i. calls upon the competent committee to study this matter, examining the possibilities for the electrification of the Hull-Manchester/Liverpool rail line, and the possibility of financial assistance for such improvements.

MOTION FOR A RESOLUTION

B3-1065/90

pursuant to Rule 63 of the Rules of Procedure

by Mr STAMOULIS

on the intra-European high-speed rail network

The European Parliament,

- A. whereas, looking forward to Europe in the years 1992 and 2000, transport infrastructure is an absolutely essential sector for the success of the single European market,
- B. whereas rail transport has considerable advantages as regards capacity, its effects on the environment, traffic congestion and safety,
- C. whereas the Commission has already announced an ambitious plan for a European high-speed rail network which is to link Greece with Italy via the Brindisi-Patras sea crossing,
 1. Considers that, as work on this ambitious plan proceeds and priorities are established for the selection of projects to be implemented in the near future, the Italy-Greece link should form part of the programme given immediate priority so that preparatory work can be started on the necessary infrastructures in the ports and on land;
 2. Notes that this route should be extended to Brindisi-Igoumenitsa-Patras with a view to creating a future link Igoumenitsa-Thessaloniki-Alexandroupolis as on completion of the Via Egnatia highway and subsequently a link Thessaloniki-Athens-Patras so that eventually the entire network will be within Community territory and not run through the territory of third countries;
 3. Calls on the Commission to give immediate priority to the plans to develop the Italy-Greece link and to request the Italian and Greek authorities to submit plans to link up the southern regions of the Community to a European high-speed train network based entirely within the Community.

MOTION FOR A RESOLUTION

B3-1083/90

pursuant to Rule 63 of the Rules of Procedure

by Mr RAFFARIN, Mrs ALLIOT-MARIE, Mr LATAILLADE, Mr VERWAERDE, Mr LAMASSOURE, Mr AMARAL, Mr LACAZE, Mr BOURLANGES, Mr GARAIKOETXEA URRIZA, Mrs GARCIA ARIAS, Mr CALVO ORTEGA, Mrs DENYS, Mr PORTO and Mr MARQUES MENDES

on the development of a high speed rail network through the European Community regions bordering on the Atlantic

The European Parliament,

- A. having regard to the communication from the Commission regarding a common rail transport policy,
- B. whereas the Community will have to draw up the programme for the future of high-speed trains (TGVs) and the timetable for the construction of the main lines,
- C. whereas, though the Community plan is being drawn up in cooperation with the Member States, it is the Commission's responsibility to ensure the coherence of the Community system,
- D. whereas improvements to the infrastructure of links between Community regions, which is indispensable for the smooth operation of the internal market, must not have the effect of marginalizing the Atlantic regions,
 1. Draws attention to the efforts made by the Member States bordering on the Atlantic to develop rail programmes;
 2. Expresses its concern at the choice of main lines planned by the European Community, which could accentuate the peripheral character of the regions bordering on the Atlantic;
 3. Calls for a report assessing the socioeconomic impact of the Commission's priorities before any decision is taken;
 4. Hopes that the decisive role of the European communications network, particularly high-speed trains, in the economic development of the regions bordering on the Atlantic will also be recognized, with the following priorities:
 - . Paris-Bordeaux-Madrid
 - . Paris-Bordeaux-Valladolid-Oporto
 5. Recalls that the 'high-speed' strategy in rail transport calls for efforts to find the most direct routes in order to spare the environment;
 6. Instructs its appropriate committee to draw up a study of the socioeconomic impact of a high-speed rail network through the EEC regions bordering on the Atlantic;
 7. Instructs its President to take steps to ensure that the Atlantic regions do not suffer as a result of Europe's centre of gravity moving eastwards.

MOTION FOR A RESOLUTION

B3-1700/90

pursuant to Rule 63 of the Rules of Procedure

by Mr MARLEIX and Mr PASTY

on behalf of the RDE Group

on the TGV (high-speed train) in the Massif Central, France

The European Parliament,

- A. having regard to the alarming situation of certain European regions, particularly the whole Massif Central area, in terms of railway infrastructures,
- B. having regard to the modified proposal for a Council regulation for an action programme in the field of transport infrastructure with a view to the completion of an integrated transport market,
- C. whereas this project involves spending FF 160 billion to lay over 3000 km of new track, which will enable future high-speed trains (TGV) to convey 160 m passengers by the year 2015,
 1. Regrets, particularly in view of the Community's agreed priorities, that the Massif Central region, although covered by the ERDF's objective 5b, is excluded from the Commission's planned high-speed railway network;
 2. Deplores this situation all the more in view of the fact that the Auvergne and Limousin regions, by virtue of their location, occupy a strategic position for the development of relations between north western Europe and the Iberian peninsula;
 3. Hopes the Commission will draw up detailed proposals to remedy the isolation of the regions in question from the point of view of railway infrastructures and high-speed train connections and ensure, in particular, that the planned rail routes pass through, rather than round, the Massif Central.

MOTION FOR A RESOLUTION

B3-1710/90

pursuant to Rule 63 of the Rules of Procedure
by the members McMILLAN-SCOTT and McINTOSH

on TGV Mediterranee

The European Parliament

- A. Having regard to the need for an efficient high speed rail network linking EC countries and those of EFTA and the countries of East/Central Europe
- B. Having regard also to the need to protect the environment - especially sensitive and important landscapes such as Provence - and Community legislation to this end
- C. Having regard to the imminence of a Single Market in railway procurement
 1. - congratulates the French rail company SNCF on the development of the TGV network
 2. - considers that TGV is not appropriate for all main-line routes
 3. - urges an EC-funded programme of research into an intermediate system - such as the 'tilting' British APT, Italian "Pendolino", Spanish "Talgo", Swedish X2 - which use enhanced existing track to run at high speeds
 4. - urges the French government to undertake an environmental impact assessment of the proposed TGV Mediterranee options and consider the use of a 'tilting' system for this route

MOTION FOR A RESOLUTION

B3-1857/90

pursuant to Rule 63 of the Rules of Procedure

by the following Members: PUERTA, GARAIKOETXEA URRIZA, CABANILLAS GALLAS, VALVERDE LOPEZ, BANDRES MOLET, NAVARRO, CALVO ORTEGA, PEREZ ROYO, GUTIERREZ DIAZ, DOMINGO SEGARRA, PACHECO HERRERA, PUNSET I CASALS and SUAREZ GONZALEZ

on the Pajares rail link

The European Parliament,

- A. whereas the completion of the internal market requires the adoption of corrective measures within the framework of structural policy with a view to working towards the equalization of the imbalances currently existing between the most developed regions of the Community and the rest,
- B. having regard to the Commission's proposals for the adoption of a medium-term programme for transport infrastructures,
- C. having regard to the importance of the adoption and implementation of this programme for the development of the Community's peripheral regions and for the permanent improvement of their links with the European centre,
- D. whereas the current economic decline of the Autonomous Community of Asturias is aggravated by deficiencies at the level of transport infrastructure,
- E. whereas, according to the conclusions of a number of technical studies, the proposed 'Pajares link' between Asturias and the rest of Spain is a project of vital importance for the Spanish rail network, in view of the congestion affecting the existing link, built more than a hundred years ago,
- F. supporting the resolution of the Regional Parliament of the Autonomous Community of Asturias calling for the Pajares link to be included in the current Spanish Rail Transport Plan,
1. Calls on the Commission to make the necessary representations to the competent Spanish authorities with a view to studying, jointly with those authorities, the possible construction of the Pajares link.

O P I N I O N

(Rule 120 of the Rules of Procedure)

of the Committee on Economic and Monetary Affairs and Industrial Policy
for the Committee on Transport and Tourism
Draftsman: Mr Karel PINXTEN

At its meeting of 8 February 1990 the Committee on Economic and Monetary Affairs and Industrial Policy appointed Mr Pinxten draftsman.

At its meetings of 25 September, 30 October and 6 November 1990, it considered the Commission proposals and the draft opinion.

At the last meeting it adopted the enclosed amendments by 15 votes to 1.

The following took part in the vote: Mr BEUMER, chairman; Mr FUCHS, Mr de MONTESQUIOU, vice-chairmen; Mr PINXTEN, draftsman; Mr Peter BEAZLEY, Mr CASSIDY, Mr de DONNEA, Mr De PICCOLI, Mrs ERNEST DE LA GRAETE, Mr FRIEDRICH, Mr HOPPENSTEDT, Mr LATAILLADE, Mr METTEN, Mrs READ, Mr ROUMELIOTIS, Mrs TONGUE, Mrs van HEMELDONCK (for Mr MIHR) and Mr von WOGAU.

I. The problem stated

Whereas in areas like road haulage, air transport and shipping, common rules and policies have advanced in the Community, for railways, a common policy has lacked initiative, consistency and determination.

These three factors have contributed to creating an environment for the railways that neither allow them to participate in the single market on an equal footing with other modes of transport nor is it likely that the downward trend of railways' share of the transport market which, over the last 15 years, has stagnated in the passenger transport and slightly declined in the freight transport, is to be reversed unless a Community railway policy is to become effective and efficient.

One of the main causes of the unsatisfactory performance of railways has been the uncoordinated - notably due to varied national interests - development of:

- a) infrastructure for high-speed network;
- b) research and development for alternative engines and tracking;
- c) intermodal transport.

This uncoordinated approach has led to a segmentation of the railway market. This segmentation is also the result of national laws, regulations or administrative provisions that have prevented transporters from having access, directly or through affiliated companies, to railway operation.

High growth rates are forecast for the transport sector and that because of:

- a) the completion of the Single Market;
- b) the opening up of the frontiers with Central and Eastern Europe, and
- c) the elimination of bottlenecks and congestion emerging especially in road transport.

Freight transport is likely to benefit more from the advantages of an unified transport market. But unification of the railway market has to be seen as a two fold process: elimination of modal segmentation imposed by national institutional means and promotion by the Community, via means of project financing, of technical harmonisation and traffic control and safety systems.

II. The potential of railways

Yet for a mode of transport like railways - which is environment friendly, safe and competitive for up to 700 km, - the railways' potential has not yet been exploited.

First, the railway companies have not yet developed the synergy effects inherent in international cooperation and in offering complete service like high quality terminals, parking facilities and passenger - goods traffic.

Second, the provision of public services is not exploited fully and the concept loses its dynamism in cross-border transport.

Third, the problem of infrastructure costs for existing or future needs has not been solved in the same way that it has been solved for road, port or airport infrastructure.

Fourth, distortions of competition arising from

- i) different VAT regimes for international transport or tax-free allowances;
 - ii) different approaches in monitoring social conditions
- have not been dealt with.

Fifth, Community policies in research and development have not tackled the serious problem of technologically incompatible national railway systems. The EURET programme, for example, has paid no attention to it.

Research projects that would be necessary for exploiting the potential of railways might be suggested:

- a) a Computerised Reservation System for Railways similar in conception with that for air transport;
- b) a Data Exchange System similar to the one found for shipping and principal road enterprises;
- c) a programme of harmonisation of conventional railway networks.

III. Community instruments

The package of four measures on railway policy follows the practice of the Commission in air and sea transport and the approach has proved its worth:

i) Directive on the development of Community Railways

This proposal is the more interesting of the four and could be said to act as a cornerstone of a Community railway policy. It is designed to provide international rail services on existing networks of the Member States on an autonomous basis.

The autonomy is thought to be guaranteed by two factors:

- a) management independence and
- b) sound financial structure ensured by public bodies of Member States.

A further innovation by the Commission is its proposal to separate infrastructure management from operations with separate accounting. Hence there will be an access charge for use of rail routes.

The Commission approach is grounded into the principle of vertical separation of infrastructure from transport operations. It is argued that the principle entails certain advantages. These are:

- a) the clarification of the roles of public bodies that own railway infrastructure and of independent undertakings that are responsible for operating commercial railway services;
- b) harmonisation of infrastructure costs associated with various modes of transport;
- c) internalisation of social and environmental external costs;
- d) development of a risk-taking commercial attitude by railway undertakings;
- e) diversification of financial resources generated in financial markets or by the exploitation of infrastructure facilities.

ii) Amending Regulations (EEC) No 1191/69 concerning obligations inherent in a public service

The Commission in this proposal extends the public service obligations inherent in the concept of a public service and governed by Article 77 of the Rome Treaty to the public service contracts. The idea here is that both the

nature and scope as well as contract price should be agreed between the public bodies concerned and railway companies.

This kind of public service contracts do not seem to distort competition but the nature and scope of such services are not laid down in detail. In this case, one has to specify the conditions under which public contracts will be agreed. Such conditions could be:

- a) solving environmental and ecological problems;
- b) providing minimum service for peripheral or less developed regions; and
- c) keeping separate accounts for such services.

iii) Council Decision establishing a network of high speed trains

The objective of the Commission proposal is to commit the Council in laying down the form of the future high speed rail network and the timetable concerning the main routes to be completed over the next 15 years. Should this proposal be adopted, it would be a milestone in the development of a highly competitive transport mode not only in passenger but also in freight transport.

It might be of interest, though, to think of the component elements of such a framework. These might be:

- i) should all high speed tracks be electrified or should other technologies such as maglev be accounted for?
- ii) should priority be given to linking peripheral and sparsely populated areas to the European high speed rail network?
- iii) economic and population centres not served by existing modes of transport should they be connected to the high speed rail network?
- iv) what provision is it made for transit routes?
- v) what sort of financing should be provided for such an ambitious project?

iv) Amending Directive 75/130 concerning combined carriage of goods

This Commission proposal is intended to liberalise the regulations governing initial or terminal road haulage in connection with combined transport. In fact, it also provides for the abolition of any restrictions of cabotage.

The proposal also lays down rules for the reimbursement of indirect taxes applicable to road vehicles which undertake a specific number of journeys when routed in combined transport.

The following amendments are intended to improve the Commission text and take into account the suggestions made in the previous paragraphs:

I. Proposal for a Council Directive on the development of the Community Railways

Commission text (1)

Amendments

(Amendment No. 1)
Article 2(1) d) (new)

d) 'railway infrastructure' means the item defined in part A in Annex I of Council Regulation (EEC) No. 2598/70 as well as the traffic control and safety systems

(Amendment No. 2)
Article 2(2)

2. Railway undertakings whose activity is limited to the provision of urban and suburban services - as defined by article 1(5) of Council Regulation (EEC) No. 1191/69 (2) - are exempted from the scope of this Directive.

2. Railway undertakings whose activity is limited to the provision of urban, suburban and regional transport services - as defined by article 1(5) of Council Regulation (EEC) No. 1191/69 (2) - are exempted from the scope of this Directive.

(Amendment No. 3)
Article 3

Member States shall lay down the financial and other requirements, including the procedure for authorisation, that any undertaking has to meet for establishment as a railway undertaking having access to the national infrastructure.

Member States shall lay down the financial and other requirements including the procedure for authorisation, that any undertaking has to meet for establishment as a railway undertaking having access to the national infrastructure. Such requirements shall ensure that any undertaking shall be granted access to any transport mode on the principles of equivalent treatment and fair competition between modes of transport.

(1) For full text see COM(89) 564 final

(2) OJ No. L 156, 28 June 1969, p. 1

(Amendment No. 4)
Article 3(2) (new)

2. The services to be operated by any established railway undertaking shall meet the minimum standards of safety referred to in Article 4A.

(Amendment No. 5)
Article 4

Member States shall take the necessary measures to provide for the development of national railway infrastructure taking into account the general needs of the Community. To this end they shall lay down and make public provisions for railway infrastructure in accordance with the principles set out hereafter.

Member States shall assume the responsibility for financing the maintenance and setting up of railway infrastructure and shall take the necessary measures to provide for the uniform development, within the Community, of national railway infrastructure.

(Amendment No. 6)
Article 4A (new)

Infrastructure operators shall be responsible for the management of railway traffic, control and safety systems. Safety standards and rules governing the allocation of infrastructure capacity shall be laid down in conformity with rules set by Member States and subject to their supervision.

(Amendment No. 7)
Article 6(1)

1. Until the entry into force of common rules on the allocation of infrastructure costs, Member States shall ensure that railway undertakings and international groupings pay access charges based on the principles of non-discrimination and fair competition between modes of transport.

1. Until the entry into force of common rules on the allocation of infrastructure costs, Member States shall ensure that railway undertakings and international groupings pay access charges based on the principles of non-discrimination, equivalent treatment and fair competition between modes of transport taking into account the external costs.

(Amendment No. 8)
Article 7(2) (new)

add new recital

- close down services according to Article 14(4) of Regulation (EEC) No. 1119/69.

(Amendment No. 9)
Article 9(2)

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| <p>2. "Sound financial structure" means that the balance sheet, established according to generally accepted accounting principles and reflecting the real value of the assets employed, after taking into account any transfer of ownership and financial responsibility for infrastructure, is such that the long term assets plus a reasonable working fund are <u>financed by an appropriate amount of capital and by long-term debts.</u></p> | <p>2. "Sound financial structure" means that the balance sheet, established according to generally accepted accounting principles and reflecting the real value of the assets employed, after taking into account any transfer of ownership and financial responsibility for infrastructure, is such that the long term assets plus a reasonable working fund are <u>covered by capital and by long-term debts.</u></p> |
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(Amendment No. 10)
Article 10 second sub-paragraph

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft, within a time limit which the chairman may lay down according to the urgency of the matter, if necessary by taking a vote.

The representative of the Commission shall submit, by 31 December 1991, to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft, within a time limit which the chairman may lay down according to the urgency of the matter, if necessary by taking a vote.

Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 1191/69 on action by Member States concerning the obligations inherent in the concept of a public service in transport by rail, road and inland waterway

Commission text (1)

Amendments

(Amendment No. 11)

Article 1(3)

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| <p>3. Nevertheless, <u>Member States may maintain urban, suburban and regional services subject to the imposition of public service obligations referred to in paragraph 1.</u> Such services shall be operated as a specific division meeting the following requirements:</p> <p>a) to have separate accounts and a clear division of assets;</p> <p>b) to be granted internal autonomy as regards current management and control over administrative and accounting matters;</p> <p>c) to have a financial balance on the basis of receipts, subsidies and compensations, without support from or to any other operation of the undertaking.</p> | <p>3. Nevertheless, <u>public service obligations referred to in paragraph 1 and imposed on urban, suburban and regional services may be established or maintained by Member States.</u> Such services shall be operated as a specific division meeting the following requirements:</p> <p>a) to have separate accounts and a clear division of assets;</p> <p>b) to be granted internal autonomy as regards current management and control over administrative and accounting matters;</p> <p>c) to have a financial balance on the basis of receipts, subsidies and compensations, without support from or to any other operation of the undertaking.</p> |
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(Amendment No. 12)

Article 14(4)

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| <p>4. Where an undertaking wishes to discontinue to a service to which a public service contract may apply or to introduce substantial modifications to such a service, the competent authorities shall be informed in advance and have the right to request that the decision be postponed for <u>a reasonable period</u> for public consultations to take place. If the competent authorities wish the service to be maintained, it is to be the subject of negotiations with a view to the conclusion of a public service contract.</p> | <p>4. Where an undertaking wishes to discontinue to a service to which a public service contract may apply or to introduce substantial modifications to such a service, the competent authorities shall be informed in advance and have the right to request that the decision be postponed for <u>not more than one year</u> for public consultations to take place. If the competent authorities wish the service to be maintained, it is to be the subject of negotiations with a view to the conclusion of a public service contract.</p> |
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(1) For full text see COM(89) 564 final - OJ No. C

(Amendment No. 13)
Article 14(6)

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| 6. The undertaking shall be entitled to compensation in accordance with the procedures laid down in Section IV for the period prior to the conclusion of the contract. | 6. The undertaking shall be entitled to compensation in accordance with the procedures laid down in Section IV for the period prior to the conclusion of the contract, <u>or the definitive termination of the service.</u> |
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Proposal for a Council Directive amending Directive 75/130 on the establishment of common rules for certain types of combined carriage of goods between Member States

(Amendment No. 14)
Article 1(3)

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| 3. Paragraph 1 of Article 8 is replaced by the following:

"1. Member States shall take the measures necessary to ensure that, <u>as from 1 January 1985</u> , the taxes listed in paragraph 3 applicable to road vehicles (lorries, tractors, trailers or semi-trailers) when routed in combined transport are reduced or reimbursed either by a standard amount, or in proportion to the journeys that such vehicles undertake by rail or inland waterway, within limits and in accordance with conditions and rules fixed by them after consultation with the Commission. | 3. Paragraph 1 of Article 8 is replaced by the following:

"1. Member States shall take the measures necessary to ensure that the taxes listed in paragraph 3 applicable to road vehicles (lorries, tractors, trailers or semi-trailers) when routed in combined transport are reduced or reimbursed either by a standard amount, or in proportion to the journeys that such vehicles undertake by rail or inland waterway, within limits and in accordance with conditions and rules fixed by them after consultation with the Commission. |
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