

European Communities

EUROPEAN PARLIAMENT

Working Documents

1983 - 1984

13 February 1984

DOCUMENT 1-1347/83

REPORT

drawn up on behalf of the Committee on Transport

on transport infrastructure planning in the
Community

Rapporteur: Mr J. KLINKENBORG

The Commission of the European Communities forwarded to the European Parliament its report of 29 June 1981 on the implementation of the Council Decision of 20 February 1978 - COM(81) 333 final.

On 14 June 1982 the President of the European Parliament authorized the Committee on Transport to draw up an own-initiative report on the subject. At its meeting of 25 June 1982 the committee appointed Mr KLINKENBORG rapporteur.

The motion for a resolution tabled on 30 September 1982 by Mr GLINNE and others pursuant to Rule 47 of the Rules of Procedure on the absence of motorway planning at European level (Doc. 1-647/82) was referred to the Committee on Transport on 11 October 1982. At its meeting of 20 October 1982 the Committee on Transport decided to include this motion for a resolution in Mr KLINKENBORG's report.

At its meeting of 26 November 1982 the Committee on transport held an initial exchange of views on the subject.

At its meeting of 25 January 1983 the committee decided that the report from the Commission of 7 December 1982 on the evaluation of the Community interest of transport infrastructure investments - COM(82) 807 final, should also be considered in Mr KLINKENBORG's report.

At its meeting of 16 February 1983 the Committee on Transport decided that this report should also deal with the motion for a resolution tabled by Mrs THEOBALD-PAOLI pursuant to Rule 47 of the Rules of Procedure on a special Community programme for Toulon (Doc. 1-1191/82), referred to it on 7 February 1983 for its opinion.

At its meeting of 16 March 1983 the Committee on Transport decided also to consider in this report the motion for a resolution tabled by Mr De Pasquale pursuant to Rule 47 of the Rules of Procedure on planning a fixed link across the straits of Messina (Doc. 1-1338/82) referred to it on 7 March 1983.

At its meeting of 21 September 1983 the committee decided to include in the report the motion for a resolution tabled by Mr ANTONIOZZI on a Community financial and planning contribution to the study and execution of the project to link Sicily to Calabria and the Continent of Europe across the Straits of Messina (Doc. 1-636/83), which had been referred to it on 12 September 1983.

At its meeting of 18 October 1983 the committee also decided that the report should cover the two motions for resolutions referred to it on 10 October 1983, viz. that tabled by Mr CROUX and others on improvements to infrastructures in the Rhine-Meuse Euregio (Doc. 1-745/83) and that tabled by Mr TURNER on Community funding for transport infrastructure in East Anglia (Doc. 1-764/83). At its meeting of 2 November 1983 the committee decided that the motion for a resolution tabled by Mr PAISLEY and others on measures to assist certain islands (Doc. 1-885/83), which had been referred to it for an opinion on 28 October 1983 be dealt with in this report. At its meeting of 23 January 1984 the committee decided in addition to include in the report the motion for a resolution tabled by Mr ALMIRANTE and others on the construction of the Pistoia-Modena motorway route (Doc. 1-1225/83), which had been referred to it on 16 January 1984.

The committee considered the draft report at its meeting of 1 December 1983 and adopted the motion for a resolution unanimously at its meeting of 23 January 1984.

The following took part in the vote: Mr Seefeld (chairman), Mr Kaloyannis (vice-chairman), Mr Klinkenborg (rapporteur), Mr Baudis, Mr Buttafuoco, Mr Chanterie (deputizing for Mrs von Alemann), Mr Gabert, Mr Gatto (deputizing for Mr Ripa di Meana), Mr Gouthier (deputizing for Mr Candia), Mr Key, Mr Loo (deputizing for Mr Albers), Mr Martin, Mr Moreland (deputizing for Mr Marshall), Mr Moorhouse, Mr Konstantinos Nikolaou (deputizing for Mr Lagakos), Mrs Scaroni and Mr Vandewiele.

This report was tabled on 30 January 1984.

The deadline for tabling amendments will be indicated in the draft agenda for the sitting at which the report is to be considered.

CONTENTS

	<u>Page</u>
A. Motion for a resolution	6
B. Explanatory statement	13
I. Bases for transport infrastructure planning in the Community	13
II. Route planning as a Community problem	14
III. The work of the Committee on Transport Infrastructures ..	20
IV. Practical experience in evaluating the Community interest of infrastructure projects	22
V. Detailed consideration of the Community interest of a fixed link across the Strait of Messina	24
VI. Conclusions	31
 Annex I: Motion for a resolution by Mr GLINNE and others on the absence of motorway planning at European level (Doc. 1-647/82)	
 Annex II: Motion for a resolution by Mr DE PASQUALE on planning a fixed link across the straits of Messina (Doc. 1-1338/82)	
 Annex III: Motion for a resolution tabled by Mr ANTONIOZZI on a Community financial and planning contribution to the study and execution of the project to link Sicily to Calabria and the Continent of Europe across the Straits of Messina (Doc. 1-636/83)	
 Annex IV: Motion for a resolution by Mr CROUX and others on improvements to infrastructures in the Rhine-Meuse Euregio (Doc. 1-745/83)	
 Annex V: Motion for a resolution by Mr TURNER on Community funding for transport infrastructure in East Anglia (Doc. 1-764/83)	
 Annex VI: Motion for a resolution by Mr AIMIRANTE and others on the construction of the Pistoia-Modena motorway route (Doc. 1-1225/83)	

Annex VII.: Some methodological aspects of the appraisal of major investment projects of Community interest

Annex VIII : Some indicators of the economic situation and the development potential of Sicily, particularly with regard to the construction of a fixed link across the Straits of Messina

Annex IX : Note on financial support for transport infrastructure projects of Community interest under Chapter 78 (transport expenditure) of the Community budget

The Committee on Transport hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on measures in the field of transport infrastructure in the Community

The European Parliament,

- A. having regard to the report of the Commission of the European Community on the implementation of the Council Decision of 20 February 1978 instituting a consultation procedure and setting up a committee in the field of transport infrastructure (COM(81) 333 final),
- B. having regard to the report from the Commission on the Community Interest of Transport Infrastructure Investments: practical experience with the evaluation methodology (COM(82) 807 final),
- C. having regard to the motion for a resolution by Mr GLINNE and others on the absence of motorway planning at European level (Doc. 1-647/82),
- D. having regard to the motion for a resolution tabled by Mrs THEOBALD-PAOLI on a special Community programme for Toulon (Doc. 1-1191/82),
- E. having regard to the motion for a resolution by Mr DE PASQUALE on planning a fixed link across the straits of Messina (Doc. 1-1338/82),
- F. having regard to the motion for a resolution by Mr ANTONIOZZI on a Community financial and planning contribution to the study and execution of the project to link Sicily to Calabria and the Continent of Europe across the Straits of Messina (Doc. 1-636/83),
- G. having regard to the motion for a resolution by Mr CROUX and others on improvements to infrastructures in the Rhine-Meuse Euregio (Doc. 1-745/83),
- H. having regard to the motion for a resolution by Mr TURNER on Community funding for transport infrastructure in East Anglia (Doc. 1-764/83),
- I. having regard to the motion for a resolution by Mr PAISLEY and others on measures to assist certain islands (Doc. 1-885/83),
- J. having regard to the motion for a resolution by Mr ALMIRANTE and others on the construction of the Pistoia-Modena motorway route (Doc. 1-1225/83),

- K. having regard to its resolutions of 10 June 1983 on a transport infrastructure experimental programme¹, of 7 May 1981 on the Community's role in the development of transport infrastructure², of 9 March 1982 on the future of the Community rail network³, of 12 December 1974 on permanent links across certain sea straits⁴ and of 5 June 1973 on the improvement of traffic infrastructures across the Alps⁵, of 8 May 1981 on the construction of a Channel Tunnel⁶, and of 10 June 1983 on the possibilities of providing Community support for a fixed link across the Channel⁷,
- L. having regard to the report by the Committee on Transport (Doc. 1-1347/83),
1. Reaffirms its view that within the present division of responsibilities for transport infrastructure planning a Community dimension must be added to the national dimension, taking on roles of guidance and coordination;
 2. Is convinced that the guiding and coordinating role will be strengthened by the final adoption of the basic regulation proposed by the Commission requiring the Community to provide financial support from its budget for certain projects of special Community interest;
 3. Calls on the Member States to make the furtherance of European integration an express objective of their infrastructure planning;

¹OJ C 184, 11.7.1983, p. 135 et seq.

²OJ C 144, 15.6.1981, p. 41 et seq.

³OJ C 87, 5.4.1982, p. 42 et seq.

⁴OJ C 5, 8.1.1975, p. 43 et seq.

⁵OJ C 49, 28.6.1973, p. 12

⁶OJ C 144, 15.6.1981, p. 98

⁷OJ C 184, 11.7.1983, p. 138

Route planning

4. Believes that the planning of transport links is vitally important to the development of the Community, as the grave problems that have arisen can be resolved only by coordinated planning by all ten Member States; would make the following specific points in this connection:
 - the relationship between the modes of transport must be determined by coordination at European level;
 - the endeavours of the Group of Ten railway undertakings of the Community to achieve a lasting revival of the railways as the most important mode of transport would be helped by coordinated planning of this nature;
 - action to transfer traffic is possible and will have the desired effect only if infrastructures are made compatible;
5. Points out that in its resolution of 9 March 1982 it advocated the expansion of the EEC railway network on the basis of the European infrastructure master plan drawn up by the International Union of Railways and requested the Commission to draw up a route map on that basis taking priority measures into account;
6. Believes that after decades of neglect of rail transport, the development of a modern railway network must be regarded as central to Community transport infrastructure policy;
7. Believes that it is vital to the future of the railways that emphasis be placed on improving the main railway arteries in the Community through provision of adequate capital for rail infrastructure development;
8. Points out that, because of its territorial discontinuity, the Community must also encourage the expansion of the rail network in non-Community countries through which rail traffic between Member States has to pass; in this connection believes that action in Yugoslavia and Austria is required if rail communications with Greece are to meet present day needs;

9. Notes that many international bodies are attempting to coordinate planning of efficient long distance road links in this way, but that actual plans are still decided according to primarily national objectives, and there are few specific arrangements for taking international aspects into account;
10. Considers it therefore essential that the Commission actually perform these tasks of guidance and coordination within the Community, and should concern itself with coordinating overall plans and in particular construction schedules;
11. Calls on the Commission in the course of this general planning work to ascertain which major international motorway links and sections important on regional policy grounds are still lacking in the Community; there can be no doubt that it is in the Community's interest to close these gaps in the road network;
12. Points out however that in other respects new motorway construction projects require critical examination in respect of the following problems:
 - (a) the scarcity of funds as a result of the general economic crisis;
 - (b) the destruction or disfigurement of the countryside;
 - (c) noxious exhaust emissions and noise from the increasing use of vehicles with combustion engines;
 - (d) policies of transferring heavy goods traffic from roads to rail or internal waterways, especially in relation to efforts to achieve a more efficient use of energy in transport and a solution to the problems of transport across the Alps;
13. Calls upon the Commission to deploy energy and care in its work on the master plan for transport links of Community interest announced by it for the second half of 1984;
14. Emphasizes the importance of airport and port planning in the context of transport infrastructure planning in the Community;

15. Points out that, in committing appropriations from the regional and transport budget, the Commission must assert its role as coordinator and in particular ensure that European transport policy priorities are respected in the distribution of funds among the various forms of transport;

Consultation procedure

16. Believes that the consultation procedure set up by the Council by its Decision of 20 February 1978¹ cannot be effective without a regulation on Community financial support for transport infrastructure projects, but does offer a basically suitable institutional framework within which the trans-frontier infrastructure plans of the Member States of the Community may be coordinated;
17. Regrets the fact that during the first period of activity of the Committee on Infrastructures most Member States adopted a very unenthusiastic attitude towards the consultation procedure;
18. Calls upon the Commission in future to use its right to initiate the consultation procedure and convene the Member States to coordinate their transport infrastructure plans;
19. Calls on all Member States to be scrupulous in giving notification as required by the Council Decision of 20 February 1978, and to provide the Commission with full and detailed information on their transport infrastructure plans;
20. Believes that parliamentary control over the work of the Committee on Infrastructures is essential;

¹OJ L 54, 25.2.1978, p. 16

21. Points out to the Commission that the report on the first period of activity of the Committee on Infrastructures which, under Article 6 of the Decision of 20 February 1978 also has to be forwarded to the European Parliament, does not meet the requirements demanded of it for the exercise of parliamentary control;

22. Believes it is desirable to forward short reports on the results of its work to Parliament following each meeting and that its Chairman should answer questions at a meeting of Parliament's Committee on Transport once a year;

Calls on the Commission in future to do everything in its power to improve parliamentary control over the work of the Committee on Transport Infrastructures;

23. Calls on the Commission also, after exhausting the possibilities of the existing procedure for consultation on transport infrastructures, to consider and propose any improvements the institutional framework of the procedure itself may require;

Evaluation of Community interest

24. Believes that the Commission's first report on practical experience with its methods of evaluating Community interest, using fixed links across the Channel and the Strait of Messina and a new railway tunnel in the Alps as examples, provides no objective and comparable results which could substantially facilitate political decisions fixing priorities;

25. Calls on the Commission to refine and strengthen the instruments of its evaluation method, with a view to achieving the greatest possible degree of objectivity and comparability in the information obtained from this procedure, thereby providing a valuable aid for political decision-making;

26. Points out however that it is methodologically completely unsound for the Commission to base its assessment on data from different sources which cannot therefore be comparable;

27. Calls on the Commission therefore to obtain the initial data for an objective assessment from inquiries conducted by its own services which in the process should cooperate closely with the bodies responsible for planning and executing the projects in question; in the course of such cooperation these evaluation procedures should culminate in detailed cost/benefit calculations quantifying the national and European benefits; in the course of this cooperation the Commission will have to ensure that these calculations are arrived at in the same way for all projects, as they would otherwise not be comparable;
28. Points out that in its opinion of 15 December 1983 on the Commission proposal for a multi-annual transport infrastructure programme, it made a demand to the effect that, to assist with the political decision as to whether a transport infrastructure project should receive support from the Community transport budget, a cost/benefit analysis must first be conducted for each proposed project on the basis of objective criteria common to all projects;
29. Points out that in its resolutions of 5 June 1973¹, 12 December 1974², 8 May 1983³ and 10 June 1983⁴ it stated inter alia that the construction of a new tunnel through the Alps and fixed links across the Channel and the Strait of Messina were prima facie of considerable Community interest; in all three cases this was because the project would forge links between different areas of the European Community separated by natural barriers, whether in peripheral or central positions, and would further the consolidation of a unified economic area;
30. Calls on the Commission therefore to review its evaluation of the Community interest of the three projects mentioned in paragraph 23; for this purpose the Commission should examine all three projects in a pilot study by way of example, and in doing so develop objective criteria for comparing European and national benefit, to be applied to all future projects; in this the Commission should take into account the rapporteur's remarks in the report on which this resolution is based (Doc.1-1347/83) and the annexed comparative table;

¹ OJ C 49, 28.6.1973, p. 12

² OJ C 5, 8.1.1975, p. 43

³ OJ C 144, 15.6.1981, p. 98

⁴ OJ C 184, 11.7.1983, p. 138

31. Calls on the Commission further to take account of the outcome of this review when reassessing and deciding on the second phase of its transport infrastructure experimental programme;
32. Recalls in this connection the demand contained in the Resolution of 10 June 1983 on the transport infrastructure experimental programme¹ that the Commission prevail upon the Member States to submit projects which were of definite interest to the Community;
33. Urges the Commission to apply the method of evaluation developed on the basis of this resolution (Doc. 1-1347/83) to many other projects);
34. Instructs its President to forward this resolution and the committee's report to the Commission and Council of the European Communities.

¹ OJ C 184, 11.7.1983, p. 135 et seq.

EXPLANATORY STATEMENTI. Bases for transport infrastructure planning in the Community

1. The European Community's present transport infrastructure policy is based on the Commission Memorandum of 7 November 1979 on the role of the Community in the development of transport infrastructure¹ and on the resolution adopted by the European Parliament on 7 May 1981 on the basis of the report by Mr KLINKENBORG (Doc. 1-601/80)². In respect of transport infrastructure planning, this policy may be summed up as, without prejudice to the existing division of responsibilities, advocating that the national dimension be supplemented by a Community dimension, taking over the role of guidance and coordination.
2. In order that projects of Community interest and the Member States' plans and programmes for developing their transport links might be better coordinated, by Decision of 20 February 1978³ the Council introduced a consultation procedure and set up a Committee on Transport Infrastructures. This Decision was based on a Commission proposal⁴ approved by the European Parliament subject to a number of amendments⁵, and replaced the consultation procedure criticized in the European Parliament as inadequate⁶ and contained in the Council Decision of 28 February 1966⁷.
3. The Community's guiding and coordinating role in transport infrastructure planning is closely linked to the granting of financial support from the Community budget for projects of Community interest.

¹Bulletin of the European Communities, Supplement 8/79

²OJ C 144, 15.6.1981, p. 77 et seq.

³OJ L 54, 25.2.1978, p. 16

⁴Resolution of 4.7.1977, OJ C 184, 1.8.1977, p.15 et seq.

⁵OJ C 207, 2.9.1976, p.7 et seq.

⁶The NYBORG reports, Docs. 377/76 and 185/77

⁷OJ 42, 8.3.1966, p. 583

However, this report will not be touching on this aspect in detail, as Mr MARTIN has already done so in his report on the transport infrastructure experimental programme submitted by the Commission on 14 December 1982. While the question of Community finance for transport infrastructures depends on persuading the Community's inert legislative organ, the Council, finally to act, this report on transport infrastructure planning will be examining how the Commission as the executive of the Community is to make use of an existing and, as we shall see, basically adequate set of instruments for coordinating national infrastructure plans.

II. Route planning as a Community problem

4. Following the KLINKENBORG report on the role of the Community in the development of transport infrastructure, the Committee on Transport recently dealt with two aspects of transport infrastructure planning:

- the future of the Community railway network, in the report by Mr GABERT (Doc. 1-982/81);
- the extension of the network of inland waterways in the Community, in the report by Mr HOFFMANN (Doc. 1-323/82).

The motion for a resolution by Mr GLINNE and others on the absence of motorway planning at European level now provides the opportunity for a closer examination of this sector. It does, however, call for some preliminary remarks on the relationship between the various modes of transport, especially in view of future Community contributions to transport infrastructure investment. It is in fact vital that, when providing budgetary aid for transport infrastructure projects (Article 781, Regional Funds), the Commission respects the priorities of the common transport policy for the development of the various modes of transport.

5. The planning of transport links is fundamental to the future development of the Community because of the unifying effect of such links and because of the dependence of economic development and living standards on adequate communications. Different national approaches to transport policy and route planning in the past have caused serious problems which only joint or at least coordinated planning can remove.
6. If these problems are to be solved, the relative roles of the individual modes of transport must be defined by coordination at European level. Coordinated planning of this kind would effectively support the Group of Ten railway undertakings in the Community in its efforts for a lasting recovery of the railways as the most important mode of transport. However, action to transfer traffic for this purpose can be effective only if infrastructures are compatible.
7. After the decades of neglect of the railways, the development of a modern rail network should be regarded as central to Community transport infrastructure policy. In Mr GABERT's report the Committee on Transport therefore emphatically advocated the expansion of the EEC railway network on the basis of the European infrastructure master plan drawn up by the International Union of Railways and requested the Commission to draw up a route map fixing the Community's priorities. As Mr GABERT dealt with all related matters in his report, there is no need to go into them in detail here.
8. However, the Community's policy for developing the railway network cannot stop at its own borders. As the territory of the Community is not continuous, rail links between several Member States pass through non-Community countries. These transit sections have to be developed at the same rate as the railways within the Community. This is especially true of the sections through Austria and Yugoslavia providing rail links with Greece.
9. Mr GLINNE's motion for a resolution¹ on motorway planning assumes that in some countries in Europe there is a total lack of overall planning

¹Doc. 1-647/82

of road and motorway construction, that the increase in the number of vehicles on the road has been accompanied by the construction of frequently redundant motorways, and that cross-frontier coordination of plans at Community level is essential.

10. International coordination of arterial road planning does in fact already exist under the European Declaration on the construction of main international traffic arteries of 16 September 1950 which came into being at the initiative of the United Nations Economic Commission for Europe (ECE), and was replaced by a new agreement opened for signature on 15 November 1975. The object of this agreement is to establish a network of E roads to be constructed to specific quality standards.
11. The European Conference of Ministers of Transport (ECMT) has devoted great efforts to infrastructure planning, especially the comparative assessment of programmes and projects in the various Member States, and in 1981 published a report by its expert working party on criteria for infrastructure investment. Members of the national administrations¹ believe that the coordination of trans-frontier plans within the ECMT is perfectly satisfactory. On the other hand, the report by the ECMT expert working party concluded, at the very same moment, that transport infrastructure investment decisions were still being reached on primarily national grounds, and that for the most part there were no specific arrangements for taking international aspects into account.
12. On 28 October 1981 the conference of local and regional authorities organized by the Council of Europe adopted a resolution on the European main road network, the annex to which recommended that priority be given to the completion of numerous motorway projects of European interest.

¹ Gleisner, Erwin and Rumpf Karl-Heinz, Transport infrastructure policy-problems at national and international level: Internationales Verkehrswesen, 1981, Vol. 2, p. 91 (96);

² ECMT, Echange d'expériences sur les critères d'investissements retenus pour les projets d'infrastructures des transports terrestres, Paris 1981, p. 7

13. For the area of the European Community, the Commission presented an outline European motorway network in its Memorandum on the role of the Community in the development of transport infrastructure¹. Its Report on bottlenecks² lists the Member States' priorities for motorway construction.
14. Many motions for resolutions tabled in the European Parliament have called for improvements to motorway links, the following since direct elections:
- the Brussels-Strasbourg-Luxembourg motorway, LIMA motion for a resolution, Doc. 1-583/79³;
 - a motorway link between the upper Adriatic and Austria and Yugoslavia, DIDO motion for a resolution, Doc. 1-625/80⁴; CECOVINI motion for a resolution, Doc. 1-582/81⁴; CECOVINI motion for a resolution, Doc. 1-439/82⁵;
 - the Civitavecchia-Leghorn motorway, FILIPPI motion for a resolution, Doc. 1-21/82⁴;
 - the Voltri-Simplon motorway, PININFARINA motion for a resolution, Doc. 1-198/82⁶;
 - the Volos-Igoumenitsa motorway, LAGAKOS motion for a resolution, Doc. 1-309/82⁷;
 - the Innkreis-Pyrhn motorway, SEEFELD motion for a resolution, Doc. 1-335/82⁸.

¹ Bulletin of the European Communities, Supplement 8/79, p. 29

² COM(80) 323 final

³ Included in the KLINKENBORG report on transport infrastructures, Doc. 1-601/80

⁴ Included in the MOORHOUSE report on bottlenecks, Doc. 1-214/82

⁵ Included in the von der VRING report on integrated development operations (Committee on Regional Policy)

⁶ Included in the CAROSSINO report on ports, Doc. 1-844/82 and the COTTRELL report on rail links

⁷ Included in the KLINKENBORG report on Greece

⁸ Included in the BUTTAFUOCO report on freight transport through third countries, Doc. 1-792/82

Pressure groups have also contacted the committee on behalf of the Calais-Bayonne and 'Autostrade Alemagna' (Venice-Munich) motorway projects.

15. As this inventory shows, 'European' planning for a motorway network at present amounts to no more than a shopping list compiling the interests of the various groupings. It ignores:
- Problems arising from the increasing scarcity of funds as a result of the general economic crisis;
 - the ecological and aesthetic damage caused as the countryside is concreted over for motorways;
 - environmental problems caused by increasing numbers of vehicles with combustion engines;
 - any policy of transferring heavy goods traffic from road to rail or internal waterways, as advocated by the European Parliament in the context of energy savings in transport¹ and of transit traffic through the Alps².
16. The master plan of infrastructure links of Community interest described as an objective in the 1979 memorandum and now³ promised for the second half of 1984 has therefore now acquired added importance if the Community's role of guidance and coordination in respect of motorway planning is to be asserted. The deliberations of the Committee on Transport Infrastructures provide the basis for the Commission's work in this field. We shall therefore be examining this institution shortly; but first a number of things need to be said about criteria for a European master plan for the motorway network.
17. Motorway construction has been encountering increasing problems for some time. On the one hand there has been a shortage of public funds which has forced investment to be concentrated on repairs and maintenance. At the same time the public has become

¹ Resolution of 15.10.1981 on the basis of the ALBERS report (Doc. 1-429/81)

² See debate on the oral question by Mr SEEFELD and others on European solutions to the problem of transit traffic in the Alpine region (Doc. 1-298/79), Debates of the European Parliament, Monday, 20 September 1979

³ Commission Communication on progress towards a common transport policy - inland transport - COM(83) 58 final

increasingly aware of the need to protect the environment and the countryside. Despite all protective measures, new motorways in urban areas mean greater noise and pollution. Outside conurbations, new motorways would frequently unacceptably despoil landscapes worth preserving². New motorway projects therefore require critical examination to assess whether they are really needed or whether satisfactory alternative solutions can be found, for example by improving existing links at the cost of minor disadvantages.

18. Of course, it could be no part of a European master plan to examine national plans on the basis of these criteria - that would be the responsibility of the national administrations themselves.
19. In its resolution of 7 May 1981¹ the European Parliament set out a list of priorities including border crossings and links of importance for regional policy.
20. Unfortunately only three Member States have complied with your rapporteur's requests to supply information on their motorway planning for this report. From the information that has been provided it is clear that there is indeed sufficient overall planning of cross-border links in Europe. However, the transition to the final planning and construction stages usually takes much longer for projects in frontier areas than for those in the interior of individual countries.
21. European master plans for motorway construction must therefore ascertain the major trans-frontier links and the sections important for regional policy reasons. The Member States should be influenced by this in setting their construction priorities. Indirectly this could ensure that the money available is spent only on projects which are absolutely necessary. The Community should provide financial aid for projects in which it has a

¹OJ C 144, 15.6.1981, p. 77 et seq., on the basis of the KLINKENBORG report (Doc. 1-601/81)

²This argument has been used by members of the Committee on Transport against the 'Alemagna' project (Venice-Munich motorway) in particular

particular interest, especially those closing gaps in trans-frontier or regionally important sections¹.

22. Difficulties also arise when the construction schedules of trans-frontier projects are not coordinated, where for example a motorway will simply stop at a frontier for years on end. Binding agreements on construction schedules should therefore be one objective of the consultation procedure set up by the Community.

III. The work of the Committee on Transport Infrastructures

23. The Council Decision of 20 February 1978 instituting a consultation procedure and setting up a committee in the field of transport infrastructure² did not in fact incorporate word for word the European Parliament's amendments³ to the original Commission text. In the end the European Parliament's views on the consultation procedure were taken into account. Parliament did however assume that the proposal for a regulation on Community finance for transport infrastructure projects, which was closely linked with the consultation procedure, would also be adopted by the Council. This has not yet happened.
24. Although the consultation procedure has to that extent been left 'in the air', it does offer a basically suitable institutional framework for coordinating the Member States' trans-frontier infrastructure plans.
25. Some time ago the Commission submitted its first report⁴ on the operation of this consultation procedure and the work of the Committee on Transport Infrastructures for the period June 1978 - March 1981, in which it notes that during the

¹ See the MARTIN report on the Commission's transport infrastructure experimental programme (Doc. 1-85/83)

² OJ L 54, 25.2.1978, p. 16

³ Resolution of 4.7.1977, OJ C 183, 1.8.1977, p. 16 et seq.

⁴ COM(81) 333 final

period covered by the report only the Grand Duchy of Luxembourg had invoked the consultation procedure, in respect of its motorway plans. It can therefore be said that, at least during the first period of the committee's activity, most Member States have been reluctant to use the procedure.

26. Even more surprisingly, the Commission has not used the power conferred on it in Article 3 of the Council Decision of 20 February 1978 to initiate the consultation procedure, although, as is made clear, the Member States had informed it of their plans pursuant to Article 2 of that Decision. So the Commission itself does not seem to see the value of the consultation procedure. At all events it lacks the political will to force the Member States to sit down and coordinate their plans. The experience of the European Parliament's Committee on Transport confirms that consultation was needed during the period covered by the report.
27. The Commission considers the exchange of information pursuant to Article 5(2)(a) of the Council Decision of 20 February 1978 to have been satisfactory. It does, however, refer to the difficulty of pin-pointing aspects likely to be of direct use for Community action from the data provided, which differ in horizon, legal force and depth of detail. Here too, the Commission is being optimistic. Of course there are differences between the planning procedures in the Member States. But there are grounds for suspicion that some Member States are taking too facile a view of their obligations, and are providing the Commission with the vaguest of information. Unfortunately the Commission's report does not cast much light on this matter.
28. This brings us to a general defect in the Commission's report. It provides page after page of generalizations but no definite information (e.g. naming individual projects under discussion, summarizing conclusions). The problems that had arisen, and the results that might have been achieved, are no more than hinted at. This report does not therefore comply with the requirements set out by the

European Parliament in paragraph 11 of its resolution of 7 May 1981¹ on the basis of the KLINKENBORG report.

29. The rapporteur therefore asked to attend a meeting of the Committee on Infrastructures, in order to make a personal assessment of its work. The Commission invoked the committee's rules of procedure to refuse this request. It is regrettable that parliamentary control over the work of the Committee on Infrastructures has thus been thwarted. If that committee is to exclude the European public from its deliberations, its elected representatives at least ought to be allowed to exercise a suitable degree of supervision, either by proper reporting or by their presence. Otherwise the absence of democracy, which already characterizes the legislature, will also find a foothold in the executive.

IV. Practical experience in evaluating the Community interest of infrastructure projects

30. The Commission report mentioned in Section III also states that the results achieved by the Committee on Infrastructures were useful in preparing the Commission reports on bottlenecks and on the criteria for assessing Community interest. In its resolution of 9 July 1982² on the basis of the MOORHOUSE report, the European Parliament approved the evaluation methods in general but criticized the absence of a European dimension in the report on bottlenecks. Here, too, the work of the Committee on Infrastructures has therefore been only partly successful.
31. On 7 December 1982, in a report to the Council³, the Commission described its first practical experience with the evaluation methodology. Three selected projects, for the construction of fixed links across the Channel and the Strait of Messina and of a low-level tunnel through the Alps, were assessed using a seven-point questionnaire.

¹OJ No. C 144, 15.6.1981, p. 77 et seq.

²OJ No. C 238, 13.9.1982, p. 99 et seq.

³COM(82) 807 final

32. The seven criteria listed in the questionnaire are obvious; the problems arise with the details of the replies and their evaluation. Specific examples are required here:

(a) Evaluation of a fixed link across the Channel:

The growth rates used in the economic scenario were considered 'rather optimistic' (p. 24); nevertheless, the financial profitability of the project is baldly described as satisfactory (p. 31) while in the same breath it is said that changes in construction costs and policy changes by the railways could seriously affect future profitability. Benefits to the Community are ascertained, about half going to France and just under one-third to the United Kingdom (p. 30).

(b) Evaluation of a fixed link across the Strait of Messina:

The growth rates of the scenario used are regarded as 'acceptable' (p. 33). It is assumed that, despite a favourable economic forecast, not enough private capital could be attracted to the project (p. 37); it is stated that the user benefits are overwhelmingly Italian, but no figures are given (p. 37); on these grounds the evaluation of interest to the Community is unfavourable (p. 39).

(c) Evaluation of the construction of the new Alpine rail tunnel:

Three options (Gotthard, Brenner and Splügen) are analyzed using high and low-growth hypotheses (p. 46-49); for none of the options does the study show benefits to the railways exceeding the capital cost; positive overall benefits are likely only for the Gotthard option and assuming the high-growth scenario (p. 46); the Community interest of such a project is emphasized (p. 50), but no final choice is made between the three options.

33. This summary demonstrates that the results obtained by these methods of evaluation are not sufficiently comparable to make the setting of priorities much easier. The profitability of the Channel Tunnel is assessed on the basis of growth rate scenarios described as 'rather optimistic', while the scenarios for the Messina project are based on 'acceptable' growth rates and in the case of the Alpine Tunnel project even on zero growth. Furthermore, the factors in the cost calculations are not the same in the three cases considered, and to that extent the results of the profitability calculations are not comparable either. In the case of the Messina project it is argued that

the Community interest is small because the main user benefits go to Italy, but the fact that the benefits of the Channel Tunnel go mainly to France and the United Kingdom is not used as an argument against the Community interest of that project.

34. It is not the intention here to place the three projects in unwarranted competition. All three, if carried out, would bring close together areas of the European Community divided by natural barriers, helping the Community become a unified economic area. However, what does emerge is that the evaluation of Community interest must be based on uniform, objective criteria.

V. Detailed consideration of the Community interest of a fixed link across the Strait of Messina

35. As the European Parliament has always endorsed the Community interest of a fixed link across the Strait of Messina¹, the unfavourable assessment in the Commission report² calls for closer examination of the case. The first point to note is that the Commission report expressly confined itself to evaluating the transport benefits, deliberately leaving aside other benefits. As we shall show, this distinction, while justified on the grounds that funds from the Community's transport budget are involved, cannot be rigidly applied without unacceptable distortions.
36. To obtain the initial data for his assessment, your rapporteur engaged in talks on the spot, with the President and the Chairman of the Board of 'Stretto di Messina S.P.A.', responsible for planning and implementing the project, and local authority representatives on 12 July 1983 in Messina, and with the Sicily regional Government on 13 July 1983 in Palermo, meeting in particular its President and the Assessor of Public Works.

¹ See resolution of the European Parliament of 12 December 1974 on permanent links across certain sea straits (OJ No. C 5, 8.1.1975, p. 43 et seq.) and the motion for a resolution by Mr DE PASQUALE on planning a fixed link across the Straits of Messina (Doc. 1-1338/R2)

² COM(82) 807 final

37. The Commission finds that the perceptible transport benefits of a fixed link across the Strait of Messina would consist of time savings and would be concentrated in Italy. Exceptions would be benefits to foreign tourists in time and cost savings, to Sicilian products exported from Italy and to foreign products sold in Sicily; however, these benefits were quantitatively negligible. Your rapporteur's enquiries do, however, cast doubt on the assumptions on which these conclusions are based.

Time saved

38. The Commission report assumes that time savings per crossing would be 46 minutes for road and 78 minutes for rail. However, if we consider that today (1983) the ferry crossing plus loading and discharging, but not including waiting time, takes about 90 minutes for road and 120 minutes for rail, it is clear that the Commission has calculated time saved only in relation to the time for crossing, loading and discharging.
39. Even with normal traffic flows, for goods traffic in particular, waiting times measured in hours and queues measured in kilometres have to be expected. Seasonally higher traffic flows worsen the situation still further. At harvest time in particular lorry queues up to 20 kilometres long, involving waiting times of up to 3 days before loading, are not uncommon. Goods traffic by rail has to face similar delays.
40. This typical bottleneck caused by limited ferry capacity can be illustrated as follows: existing ferry capacity across the Strait of Messina (about 7,200 vehicle units in 24 hours) corresponds to that of an ordinary road with one lane in each direction. The problem with increasing ferry capacity is that, because of the steeply shelving coastline, the expansion of port facilities this would require would cost more than building a bridge across the straits.
41. Traffic across the strait comes to a complete halt when bad weather or industrial disputes hamper or stop the ferries. By contrast, a bridge across the strait would still be usable even in the most severe weather conditions yet observed in this region.

42. The Community's interest in removing this bottleneck could be said to be established by its location alone, on one of the great North-South axes, as can be seen from the map of major Community links (Annex to the Commission Memorandum on the role of the Community in the development of transport infrastructure, Brussels, 1979).

Economic effects of the bottleneck

43. Time lost at this bottleneck was calculated by the Commission in money terms and rightly assessed as points in favour of the bridge both for the marketing of Sicilian products abroad and of foreign products in Sicily.
44. On the other hand it is not clear whether the Commission's report also takes into account the savings arising from the difference between the ferry charges and the probably much lower bridge tolls. At present the crossing is estimated to add 15% to the cost of goods being transported to or from Sicily; this extra cost could be brought down to one third of this level.
45. However one might argue, as the Commission does, that these benefits would accrue almost entirely to Italy. Although present traffic flows would seem to confirm this finding, in the long run it is open to question. One example will show why:
46. An agricultural revolution has taken place in Sicily over the last 20 years, with Community aid. With the increasing difficulty in selling traditional Mediterranean products such as olives and citrus fruit aid has been given for growing fruit and vegetables and the installation of greenhouses, which already cover an area of over 2,000 hectares. A development plan which the regional government of Sicily has just approved provides for the construction of eight more dams which will enable a further 2,000 hectares to be irrigated.

47. This development effort is being greatly hampered by the fact that in the biggest markets, in Germany, the UK and the Benelux countries, the freshness of the produce determines its marketability and price. If we assume that in a wholesale market a given quantity of table grapes will fetch a price of 700 between one and three days after picking, it will fetch no more than 500 between four and seven days and after seven days it will not command a price at all.
48. It is therefore clear that the bottleneck at the Strait of Messina, with waiting times of up to three days, is literally throttling the opportunities for expanding the sale of fresh Sicilian produce to Central Europe. Conversely, this example shows how a fixed link across the Strait of Messina would provide the communications required to satisfy a potential demand and thus fulfil the task of the common transport policy to promote throughout the Community a harmonious development of economic activities (Article 3(e) in conjunction with Article 2 EEC Treaty).
49. The need for the common transport policy to catch up lost ground here is demonstrated by the fact that, even in the 1930s, a daily goods train, the 'Fagiolini Express', carrying perishable farm produce, reached Hamburg from Reggio Calabria in two days, an achievement that cannot be equalled today either by rail or road. The 'Piano Integrativo' recently adopted by the Italian Government includes the expansion of the rail network in Southern Italy. A bridge across the Strait of Messina would be an important element in the rapid rail freight communications between Southern and Central Europe which are one of the aims of the common transport policy. There is therefore a particular Community interest in providing a permanent rail link via this bridge.

Crossing traffic

50. Another European interest in bridging the Strait of Messina which the Commission did not take into account arises from

the fact that the main shipping route lane from the Suez Canal into the Western Mediterranean, involving over 60,000 ship movements a year, passes through this strait. Ferry traffic across the strait, involving over 80,000 movements a year, creates a permanent hazard, intensified by the difficult currents. Casualties regularly occur in this shipping lane, and could easily turn to disaster as oil tankers from the Middle East regularly pass through the strait.

51. In its efforts to increase safety at sea the Committee on Transport has in the past always regarded the elimination of dangerous crossing traffic as a major European concern. In view of the international composition of shipping passing through the Strait of Messina, the importance to European shipping of bridging it - in a single span - should not be underestimated.

Sources of error

52. If one wonders why the Commission has given little or no consideration to these arguments, certain points of similarity indicate that the Commission might have based its evaluation uncritically on old documents from 'Stretto di Messina S.p.A.'. The purpose of these documents was to demonstrate the national usefulness of the project for the debate within Italy. Benefits extending beyond the national borders were therefore not mentioned.
53. At all events, these possible sources of error are enough to warn the Commission to exercise great caution in determining the facts, as national bodies are frequently unaware of the European viewpoint. The Commission should normally obtain the initial data for its evaluation via its own services, which should of course act in cooperation with the competent national authorities.

Cost/benefit analysis

54. The final assessment of the Community and national interest of a project assumes that the various cost and benefit factors can be quantified and juxtaposed in a cost/benefit calculation. The need for comparison at European level makes it absolutely essential that in its cost/benefit calculations the Commission cooperates closely with the competent national authorities and ensures that such calculations are always based on uniform, impartially defined criteria; otherwise comparison of the results of these calculations is pointless.
55. Because of the complexity of the factors entering into these calculations there is no point in performing them until the project has progressed to a certain stage, at which some idea can be obtained of the technical and cost aspects. The plans for a bridge across the Strait of Messina has reached a stage at which a final cost/benefit calculation may soon be begun, and the Commission should therefore already be in contact with the contractor, to ensure that national and Community benefits from this project are accurately assessed.
56. Of course in this cost/benefit analysis the Community will be looking beyond benefits from the transport point of view alone, to regional policy factors for example, opening up Sicily, encouraging industrial development and tourism. The analysis must also include the Sicilian Government's development plans e.g. for reorganizing (the petrochemical) industry, orienting the economy towards Africa, and expanding tourist capacity. Sicily's high unemployment will also have to be taken into account, although the direct employment implications of the bridge project should not be exaggerated. Finally, the great symbolic value of a Community presence in a project linking Sicily with 'Europe' should not be ignored.

Stage reached in the project

57. The evaluation of the Community interest of infrastructure projects is not simply an academic exercise, but leads on to

possible financial support by the Community either in the form of financial contributions or guarantees. In its resolution of 15 October 1982 the European Parliament laid down the principle that Community financial support should be given only to projects ready for implementation. The political context and the readiness of a project for implementation must therefore also be considered when evaluating its interest to the Community.

58. This stipulation raises no problems with the fixed link across the Strait of Messina. The Italian Republic, with sole responsibility for deciding on the implementation of the project, took the basic decision to do so in Law No. 1158 of 17 December 1971, entrusting preliminary studies, planning and execution to a company (Stretto di Messina S.p.A) which is 100% public owned. Commencement does however still depend on approval by the Italian legislature of the bill financing the project, as the former has to receive a set of cost estimates and a cost/benefit analysis together with the final project.
59. Preliminary work by Stretto di Messina S.p.A has progressed so far that a project will be defined by the end of 1984, for submission to the railway and the highway construction authorities for approval. The vote in the Italian Parliament on the project in final form and finance for it could then take place in 1986; at that point the project will be 'ready for implementation'.

Result

60. Detailed investigation of the preliminary work on the establishment of a fixed link across the Strait of Messina has produced a number of definite arguments for the Community interest of this project. They are substantial enough for the Commission to be asked to review its present evaluation. The Commission should profit from this example by conducting a pilot study in close cooperation with the competent national bodies in order to refine its evaluation methods and base them on objective criteria to be applied in the same way to all cases. The evaluation process must culminate in a comprehensive cost/benefit

calculation covering the national as well as the Community benefits. Of course the findings must be taken into account by the Commission in reviewing the transport infrastructure experimental programme, especially in the decisions on its second phase.

VI. Conclusions

61. The Committee on Transport Infrastructures offers an appropriate institutional forum within which the Member States may coordinate their transport infrastructure plans and construction schedules. The Commission must make the best use of the instruments at its disposal. In particular it must take the initiative itself, refine its methods for evaluating the Community interest of projects, and make the reports it is required to produce adequate for effective parliamentary control. Once the Commission is making full use of the consultation procedure, improvements to the institutional framework itself should be considered.

MOTION FOR A RESOLUTION (Doc. 1-647/82)

**tabled by Mr GLINNE, Mr SEEFELD and Mr GABERT
pursuant to Rule 47 of the Rules of Procedure**

on the absence of motorway planning at European level

The European Parliament,

- A. Whereas in the period since 1960 there has been an increase in the construction of motorways which are in many cases unnecessary,
- B. Whereas the considerable increase in the number of vehicles on the road has served as a pretext for governments to expand the construction of roads and motorways,
- C. Noting that in some European countries, such as Belgium, there is a total lack of overall planning of road and motorway construction,
 1. Considers cross-frontier coordination of transport infrastructure plans at Community level to be essential;
 2. Instructs its President to forward this resolution to the Council of Ministers and to the Commission.

MOTION FOR A RESOLUTION (Doc. 1-1338/82)

tabled by Mr DE PASQUALE

pursuant to Rule 47 of the Rules of Procedure

on planning a fixed link across the straits of Messina

The European Parliament,

- A. Having regard to the importance for the islands and peripheral regions of the Community of swift and reliable links with the central areas of the EEC,**
- B. emphasizing the positive consequences of a modern transport structure as a factor of regional, economic and social development, a view which is, moreover, enshrined in the Community's regional policy,**
- C. convinced that a suitable solution to the problem of linking Sicily to the mainland is in the interests of the EEC as a whole, enabling it to eliminate the bottlenecks which are a serious obstacle to the full integration of Community markets,**
- D. having regard to the Transport Infrastructure Experimental Programme submitted by the Commission of the EEC on 10 December 1982,**
 - 1. Regrets that the Commission of the EEC did not include the construction of a fixed link across the Straits of Messina in its Transport Infrastructure Experimental Programme, and deplores the fact that the Member State concerned did not include such a project in the list it submitted to the Commission;**
 - 2. Particularly requests the Commission to initiate as soon as possible, in collaboration with the Member State, a design study for the construction of infrastructures to link Sicily to the mainland;**
 - 3. Considers that the execution of projects of this kind is a positive step towards eliminating existing regional disparities, contributing as they do to the development and economic integration of areas of the Community with particularly serious handicaps;**
 - 4. Instructs its President to forward this resolution to the Commission, the Council and the Member States concerned.**

MOTION FOR A RESOLUTION (Doc. 1-636/83)

tabled by Mr ANTONIOZZI

pursuant to Rule 47 of the Rules of Procedure

**on a Community financial and planning contribution
to the study and execution of the project to link
Sicily to Calabria and the Continent of Europe
across the Straits of Messina**

The European Parliament,

- A. whereas in recent years much publicity has been given to the study of specific proposals for linking Sicily and Calabria across the Straits of Messina, not least because of the importance attaching to various measures taken by the authorities,**
- B. whereas major projects for linking key areas in the Member States are currently being evaluated by the Community,**
- C. whereas the Italian Government's Interministerial Committee for Economic Planning (CIPE) has indicated that it is in favour of commissioning the 'Straits of Messina' company to carry out a preliminary study of the construction of a permanent link, thereby giving the green light for the start of a project which would be of infinite benefit to the economy and the development of the regions concerned,**
- D. aware that the EEC has more than once shown an interest in both the general and the specific aspects of such a project,**
 - 1. Calls on the Commission to make a planning, technical and financial contribution to the completion of the initial planning stage and to the launching of the subsequent stages, so that a permanent link may ultimately be established between Sicily, and Calabria and the Continent of Europe;**
 - 2. Instructs its President to forward this resolution to the Council and the Commission, the Italian Government and the Regions of Sicily and Calabria.**

MOTION FOR A RESOLUTION (Doc. 1-745/83)
tabled by Mr CROUX, Mr MALANGRE, Mr NOTENBOOM,
Mrs PHLIX and Mr SCHINZEL

pursuant to Rule 47 of the Rules of Procedure

on improvements to infrastructures in the Rhine-Meuse
Euregio

The European Parliament,

- A - having regard to the proposals from the Commission of the European Communities to the Council concerning:
 - 1. a decision establishing a consultation procedure and a Committee on Transport Infrastructure,
 - 2. a regulation on support for projects of Community interest in transport infrastructure (Doc. 244/76) and the Commission's proposal for an amendment (Doc. 1-46/80),
- B - having regard to the reports adopted by the European Parliament on regional policy as regards the regions at the Community's internal frontiers (Doc. 355/76) and on the memorandum from the Commission on the role of the Community in the development of transport infrastructure (Doc. 1-601/80),
- C - having regard to the von Alemann report on transfrontier transport policy in the frontier region of Rhine-Meuse north and Euregio,
- D - whereas the wishes of the Meuse-Rhine-South frontier region with regard to infrastructures have not been covered in the von Alemann report,
- E - whereas the expansion of Zuid-Limburg airport to a Euregior international air freight centre could play an important part in this area's economic links,
- F - whereas improvement and electrification of the Antwerp-Hasselt-Maastricht-Visé-Aachen railway line will help to increase transport capacity between the Ruhr district and the port of Antwerp and whereas this also involves a relatively inexpensive and clean use of energy,
- G - whereas the importance for tourism of transfrontier infrastructures such as country roads, bicycle tracks and paths, has increased considerably,

1. Considers that the quantity and quality of infrastructures in regions at the Community's internal frontiers are significantly more limited than in areas in the interior of individual countries;
2. Points out that these regions are often caught up in a downward spiral characterized by (relative) decline in industry and prosperity, inter alia because of the lack of infrastructures;
3. Considers that the quality and scale of infrastructures at internal frontiers, constructed on a national basis are less than optimal because the scale is based on the number of national users, which is less than the number of potential users, and because there is a tendency to disregard the advantages of internal infrastructures for non-residents;
4. Considers that the quantity and quality of infrastructures at the internal frontiers can (now) be optimized (more) efficiently at Community level (than at national level);
5. Calls on the Commission to start the process by considering the extent to which electrification of the railway line between Antwerp and Aachen, in particular the Maastricht-Visé section, and the expansion of Zuid-Limburg airport to an international air freight centre could be viewed as regional economic priorities at the internal frontiers, and, if this is requested by the relevant governments, whether Community assistance could be considered;
6. Calls on the Commission to consider in what respects tourist-related infrastructures in the Rhine-Meuse Euregio could be improved and what assistance it would be prepared to give.

MOTION FOR A RESOLUTION (Doc. 1-764/83)

tabled by Mr TURNER

pursuant to Rule 47 of the Rules of Procedure

on Community funding for transport infrastructure in East Anglia

The European Parliament,

- A. Whereas the Treaty of Rome, in particular Articles 74 and 75, provides for the establishment of a Common Transport Policy;
- B. Whereas the Commission proposed in 1976, and again in 1979, that there should be Community financing for transport infrastructure;
- C. Whereas, on each of these occasions, and on a number of other occasions particularly with respect to the allocation of 10 million ECU in the 1983 Budget, the European Parliament has actively supported these proposals, with a view to removing transport bottlenecks which hinder intra-Community trade;
- D. Whereas in its report on bottlenecks of the 20th June 1980, the Commission recognised that Ipswich classified as a road bottleneck, that the Colchester to Harwich rail link was a rail bottleneck, that the ports of Harwich and Ipswich had insufficient RO-RO facilities for road vehicles, that Parkstone Quay in Harwich had inadequate facilities for handling containers, that the Harwich to Dunkerque/Zeebrugge train-ferry service had inadequate capacity and that the parts of Felixstowe and Ipswich required infrastructure improvement;
- E. Whereas, in its communication to the Council "Transport Infrastructure Experimental Programme" of 10th December 1982, the Commission proposed that the Community should finance the electrification of the Colchester-Harwich rail line and improvement of the port installations at Felixstowe and Harwich;
- F. Whereas, in its proposed Council Regulation on financial support for a multiannual transport infrastructure programme, the Commission proposes that, for the 1984 financial year, the improvement of (rail) access to the port of Harwich and the port installations should be considered for Community financial aid,
- G. Whereas the UK ports of Lowestoft, Felixstowe, Ipswich and Harwich, constituting a main link between the UK and her EEC partners, are vital to the fostering of EEC trade, particularly because of their strategic location and their traditional relations with the major northern European ports;
- H. Whereas trade and traffic flows through these ports have increased dramatically as a result of the UK's membership of the Community;

- I. Whereas the road infrastructure to and from these ports is totally inadequate to cope with the increased lorry sizes, sanctioned by the Commission;
- J. Whereas the ports of Lowestoft, Felixstowe, Ipswich and Harwich require substantially improved port facilities and road and rail access to remove the serious bottleneck to the smooth flow of goods and passengers through these ports, particularly if the further development of intra-Community trade is to be encouraged;
1. Calls on the Commission and the Council to give urgent consideration to the provision of Community financial support to the development of the port facilities and the road and rail access to Lowestoft, Felixstowe, Ipswich and Harwich;
2. Calls on the Council to adopt the draft Council Regulation on financial support for a multiannual transport infrastructure programme, with the inclusion of support for improving (rail) access to the port of Harwich and the port installations;
3. Calls on the Commission to propose, and the Council to adopt, measures to provide financial support for the improvement of transport infrastructure in the ports of Lowestoft, Felixstowe, Ipswich and Harwich, and access to and from them, in particular in relation to:
- a) the development of a container terminal in the port and improvement of the roads leading to and from the port of Lowestoft;
 - b) improved berthing facilities and a new depot in, and improved road access to Harwich Dock (Navy Yard);
 - c) the development of Bathside Bay in Harwich;
 - d) the improvement of the installations and rail link at Parkeston Quay in Harwich;
 - e) improvement of the trunk road and rail links between the ports and the rest of the country, in particular, in addition to the electrification of the Colchester to Harwich rail line, completion of the Ipswich by-pass (western section), upgrading of the A604 between Colchester and Harwich and the building of a by-pass at Parkeston;
 - f) the extension of the container port at Felixstowe;
 - g) additional container handling capacity in the port of Ipswich;
4. Calls on the Commission to propose financial support for a study to be carried out with respect to the future capacity requirement, economic viability and installations necessary if the essential rail-sea freight link between Harwich and Zeebrugge is to be continued;
5. Instructs its President to forward this Resolution to the Council and the Commission.

MOTION FOR A RESOLUTION (Doc. 1-1225/83)

tabled by Mr ALMIRANTE, Mr BUTTAFUOCO, Mr PETRONIO
and Mr ROMUALDI

pursuant to Rule 47 of the Rules of Procedure

on the construction of the Pistoia-Modena motorway
route

The European Parliament,

- A - whereas in Italy more than 80% of goods are transported by road with traffic increasing annually and to levels approaching saturation during peak periods,
 - B - noting that the motorway network in Italy is of vital importance for economic and industrial development,
 - C - bearing in mind that tourism is a major feature of the Italian economy and that much of it comes into the country by way of the motorway network,
 - D - emphasizing that the continual flow of vehicles in areas of heavy traffic such as Bologna means that the road structure is seriously exposed to strain and weakness involving costly repair work,
 - E - noting that the motorway nodal point of Bologna is the vital section of the central Italian,
 - F - whereas most of the traffic heading for the Tyrrhenian coast is obliged to flow with the southern-bound and Adriatic traffic with the point of intersection at Bologna,
 - G - noting that a motorway route linking Modena and Pistoia would relieve the Apennine stretch from Bologna to Florence of at least one-third of the traffic,
 - H - pointing out that this route would develop the trade-crafts and industrial sector of the hill region of Pistoia which calls for a modern and practical road network and essential support structures,
1. Calls for:
 - a) A study to be prepared by the Commission on financial support for the project of the Modena-Pistoia route;
 - b) The Commission to intervene with the national and regional authorities for a rapid implementation of the project on the grounds of its importance to the Community;
 2. Instructs its President to forward this motion for a resolution to the Commission.

Some methodological aspects of the appraisal of major investment projects of Community interest

- Study note presented by the Society for Mathematics and Applied Economics, Rome.

1. OBJECTIVES

The first study aiming to appraise the economic consequences of the construction and management of a permanent link between Italy and the Continent was carried out by SOMEA in the three years from 1965 to 1968. That study was the first attempt to evaluate more or less comprehensively the balance between the economic resources invested in and those generated by carrying out a project of this kind. The study was later brought up-to-date in 1978, this updated version did not use subsequent direct research but was arranged as requested by the Messina Bridge Group, so that it no longer considered a single specific typology of structure but, on the contrary, left open the range of typological choice and took into account solely the direct and indirect benefits.

Apart from the methodological difficulties encountered at that time which have now been completely overcome, the 1968 and 1978 studies were not comprehensive because they deliberately left out any calculation either of changes to the social fabric or of the indirect effects produced.

Within the limits described above, both studies assessed, in the light of a considerable financial commitment, the advantages for Italian society as a whole as a result of carrying out the Link project. In other words the cost-benefit analysis was applied in its most traditional meaning as a technique for achieving the best results in allocating scarce resources.

During this analysis the basic criterion for the appraisal of public investment projects was, in accordance with common practice, that of economic efficiency consisting of giving preference to projects producing the greatest net benefits (profit less costs) for the community as a whole. From this point of view, cost-benefit analysis was a useful instrument for planners to appraise the efficiency of various alternative uses of resources (projects) for the purpose of attaining the ultimate objective of economic activity, increase in social prosperity, frequently interpreted however as that of economic growth per se.

The concept of social prosperity is much wider and goes beyond concepts such as income or consumption. It reflects a whole set of social preferences even as regards the distribution of wealth between individuals or social groups, inter-regional balance of development, etc. It follows that the preferences of the Community may differ from one society to another in varying degrees and that therefore the same benefit or resource may be assessed differently according to the social preferences and therefore objectives of the community making the assessment.

The differences in social preferences and thus in the interest in obtaining a particular benefit or in sacrificing another given resource assume special relevance in the appraisal of national investment projects in countries which are more or less closely linked to others in structural and functional terms and which are, moreover, bound by reciprocal cooperation agreements or even economic integration processes.

The consideration of possible differences (or points of convergence) between national and Community preferences or interests (which are only the result of a compromise between different national interests) in relation to the execution of major infrastructure projects prompted the EEC to commission Coopers and Lybrand Associates to carry out studies on the nature and scope of the Community interest in major transport infrastructure projects. In this connection Coopers and Lybrand made studies relating to the appraisal of the costs and benefits resulting from the creation of a permanent link across the English Channel: in that case-study Coopers and Lybrand had occasion to demonstrate the concept of Community interest. In particular, the consultants made a comprehensive study of all the effects of the link in question on all identifiable parties, including an examination of the effects on the environment and the distribution of costs and benefits between production sectors, nations and regions (the latter aspect was developed only in qualitative terms).

Subsequently, the EEC considered it necessary to carry out further studies, commissioning the same consultants, to demonstrate the concept of Community interest. One of those studies concerned the assessment of the costs and benefits connected with the construction and management of a permanent link between Sicily and the Continent. Although based on limited information because it was not brought up-to-date and not intended for that purpose, the consultants made an assessment of the relevant costs and

benefits in the light of the concept of Community interest, illustrating wherever possible the benefits for the regions of Sicily and Calabria, Italy and the rest of the European Economic Community.

The study on the link across the Messina Straits was also accompanied by other appraisals of major infrastructure projects in Italy. The series of studies ended with the compilation of a handbook for the assessment of Community interest.

In our opinion this methodological handbook is a useful contribution to the identification of all the parties which might be involved in carrying out a project (whether bearing the costs or receiving the benefits) and therefore in the definition of a 'map' of costs and benefits showing how they are distributed between the regions within the promoter country, between the countries of the Community and between sectors of activity.

We consider that this methodology may be subsequently improved and amplified so as not only to assess all the costs and all the benefits but also to assess them according to social preferences, national on the one hand and/or Community on the other.

In addition, it should be pointed out that the appraisal of major projects, not only transport projects, should be made not only in terms of economic efficiency but an attempt should also be made to assess the degree of efficiency of each project for the purpose of attaining social and economic policy objectives such as the reduction of territorial imbalances, the improvement of the distribution of income, balanced growth of different production sectors, etc.

However, in our opinion, in order to make a complete and exhaustive appraisal of major infrastructure projects, analysts must use research techniques enabling the following:

- extensive identification not only of the intensity but also of the direction of the factors that act as an impetus to the execution of major infrastructure projects. In this connection analysts must be equipped with an instrument of intersectoral analysis which also includes the spatial aspect (regions and/or countries).

- the identification of the value attached by the community to each benefit or resource which might be involved in carrying out the project (as a cost or benefit) including those benefits which are not subject to the vagaries of the market. It is therefore necessary for analysts to have both national and Community parameters which express the expediency cost of all the resources (including the intangibles) invested in a project and the value attached by the community to each benefit produced by that project.
- the appraisal of major projects, taking account, in addition to their economic efficiency, of their contribution to the attainment of objectives more or less expressly stipulated by the planners such as, for example, the reduction of regional imbalances, the improvement of the distribution of income and the attainment of inter-sectoral equilibrium. Analysts should therefore have co-efficients or weights which alter the value of costs and benefits, as calculated for the purposes of efficiency, so as to take into account the above-mentioned aspects.

The provision of the instruments and the calculation of national and Community parameters represent a complex problem as regards which, however, methodological research work is considered useful in order to progress to a more complete assessment of both national and Community interests in carrying out major infrastructure projects.

This note presents a research plan on these methodological aspects and describes the characteristics which the results should reveal in order to apply them in practice to the assessment of the costs and benefits connected with the construction and management of a permanent link between Sicily and the Continent.

2. CONTENTS OF THE METHODOLOGICAL STUDY

2.1. Identification of the cost-bearers and beneficiaries of major infrastructure works

As is well-known, the starting point for all cost-benefit analyses is the identification of all the parties involved. One then proceeds to assess in quantitative terms the extent of their participation either in the costs or in the benefits linked to the carrying-out of a project.

Although the identification of the costs and direct benefits does not present great difficulties, the identification of the indirect benefits produced is impracticable without a detailed knowledge of the structural relationships, above and below, of the sectors directly concerned. It is common practice to have recourse to tables of structural interdependence factors, where they exist and are reliable.

Planners will however also be interested in assessing not only the effects on each sector but also the spatial distribution of those sectoral effects; these will depend on the structural links between each industry in a region, all the other industries in the same region, the same industry in the other regions and all the other industries in the other regions. By analogy, the supranational authorities will also have an interest in assessing the distribution between the various countries of the sectoral effects, which will depend on the structural links between industries and countries.

Tables of structural interdependence factors are available for almost all the Italian regions, as well as for Italy as a whole, although they vary in their completeness and their breakdown by sector. It should however be borne in mind that the bases exist for an attempt to introduce the spatial element into those tables and thus to construct an inter-regional table.

With reference to the study of the permanent link between Sicily and the Continent, the first attempt might consist of constructing an inter-sectoral table with three territorial components: Sicily, Calabria and the rest of Italy.

In view of the fact that the major difficulties in the construction of inter-regional tables are created by the lack of surveys on inter-regional flows, they could perhaps be constructed by using indirect methods or even on the basis of studies of trade flows in Italy.

Finally, it should be pointed out that an inter-Member States table of the European Economic Community could be envisaged. Much homogenization work has already been accomplished by the Community's statistical bodies; the extensive existing information base would therefore allow research work to be predominantly conceptual.

2.2. Determination of national and Community parameters for the purpose of assessing economic efficiency

For the purpose of assessing the economic efficiency of a public investment project all the costs and benefits associated with carrying out that project must be compared; these costs and benefits should not, however, be expressed in terms of their market prices (given that they exist) but in terms of their efficiency prices or shadow prices.

One of the most recurrent problems encountered in assessing projects is that of the lack of national parameters and the need therefore to make on occasion estimates which are often difficult. In addition, the criterion for these estimates is not homogeneous from one project to another and such estimates therefore often limit the scope of the appraisal and prevent comparison.

The need is apparent however to fix a methodology for calculating these shadow prices making their calculation easier and enabling comparisons to be made.

It is proposed especially in this respect that a survey should be carried out with the aim of fixing a methodology for the assessment of the shadow prices for goods and services (including intangibles) which are chiefly of interest for infrastructure projects in the field of transport and that that assessment should actually be made. Since it cannot be assumed that all goods and services will be included in the survey it will be necessary to make a list of them on the basis of largely technical considerations, whilst in the case of goods excluded from that list because they are insignificant as regards the total goods and services consumed and produced by the project it may however be assumed that their shadow price corresponds to their market price, less transfers, duty and taxes.

The methodological work for the calculation of shadow prices in Italy will form not only a basis for fixing a single method in the transport sector as well as in other Member States, but also for any fixing of Community shadow prices, the latter being understood as a weighted mean or some other combination of national shadow prices.

2.3. National and Community weights for the appraisal of the efficiency of investment projects as regards the attainment of national objectives and Community objectives

As mentioned above, the analysis of the costs and benefits connected with the carrying out of major investment projects such as the construction of a permanent link between Sicily and the Continent has so far been made solely on the basis of the criterion of economic efficiency and from the viewpoint of the country promoting the undertaking.

The criterion of economic efficiency does not however always completely reflect all the objectives pursued by planners (who, ultimately, express community preferences). Aspects such as the improvement of the distribution of income, the reduction of territorial imbalances and balanced development between the various sectors of production often constitute objectives which are just as important.

The most modern interpretations of cost-benefit analysis claim that investment projects can be planned so that they contribute to the attainment of more objectives and can be appraised so as to measure that contribution. The most well-known practical experiments in this kind of approach are those carried out by the World Bank's analysts in connection with the appraisal of the investment projects of countries receiving aid from that institution; in fact it was they who introduced into the everyday language of cost-benefit analysis the concept of the social efficiency of a project; by this they mean the ability of the project to contribute to the objective of improving the distribution of income.

Moreover, projects may also be appraised so as to measure their contribution to the attainment of two other objectives: territorial equilibrium and intersectoral equilibrium. This means that the cost-benefit analysis must be capable of measuring, in addition to the economic and social efficiency, the territorial efficiency and sectoral efficiency of a project.

2.3.1. Appraisal of social efficiency

Current practice as regards the appraisal of the social efficiency of a project has been to give different values to the same costs or benefits in respect of individuals or social groups with different levels of income. From the methodological point of view this may be done by applying co-efficient

or differential 'weights' to the same cost or benefit according to the social groups involved where those weights express social preferences in relation to the distribution of income.

The quantification of those weights presents enormous difficulties because it presupposes an express statement of social preferences (or by its representatives). In the absence of an express statement recourse may be had to indirect methods consisting of deducing those preferences from statements implied by the actions of the public authorities.

Leaving aside for the moment problems relating to the calculation of those weights, the economic and social efficiency of a project may be measured by the difference in the adjusted value between the weighted total benefits and the weighted total costs.

The aim of the methodology set out in this note is not to ascertain those weights or to deduce them from implied action but, on the contrary, to provide the authorities whose task it is to make the investment decision with a technical economic instrument enabling the effects on the redistribution of income to be evaluated in the light of specific objectives.

This instrument might consist of an indicator measuring the degree of 'poverty' (or 'wealth') of the various social groups. The indicator can be estimated by using multiple correlation analysis techniques, thus taking into account all the factors which contribute to the determination of a situation of poverty or relative wealth.

A diagrammatic illustration will demonstrate how the indicator can be used in the appraisal of the investment project:

Assuming that project A and project B produce the following net benefits for the three social groups of which the community is composed:

	A	B
Group 1	20	25
Group 2	15	10
Group 3	5	5
	--	--
Total benefits	40	40

Assuming also the following values in respect of the indicator of relative wealth:

	<u>Indicator</u>	
Group 1	0.7	(1.43)
Group 2	1.0	(1.00)
Group 3	0.8	(1.25)

Applying the inverse of the poverty indicators as weights, the result is as follows:

	A	B
Group 1	28.6	35.8
Group 2	15	10
Group 3	6.3	6.3
	----	----
	49.9	52.1

Where the benefits in terms of economic efficiency are equal and when the contribution to the objective of improving the distribution of income is also taken into account, the choice between the two projects A and B will fall to project B, which offers greater benefits once the increases in prosperity of all the social groups have been assigned a coefficient, except those relating to the richest group.*

The survey proposed in this note will concern the determination of the indicator in relation to the social groups of which the Italian population is composed and the identification of the criteria for the determination analogous indicators and weights for the Community as a whole.

It should be pointed out, finally, that the definition of social groups must be a function of the type of costs and benefits which are to be appraised and thus those connected with the creation of transport infrastructures.

* It should be pointed out that the assignment of a coefficient, in proportion to the value of the indicator, the benefits of all the social groups except those relating to the richest group means a political choice on the part of the authorities whose task it is to take the decision. The procedure for implementing the weights however leaves the authorities ample scope for decision making on the basis of their own social policy objectives. It should be noted, finally, that the indicator should be greater than zero.

2.3.2. Appraisal of territorial efficiency

By analogy with the appraisal of social efficiency, the procedure for appraising the contribution of a project to the objective of reducing regional imbalances might consist in giving different values to the same benefit in respect of regions at different levels of socio-economic development. From a methodological point of view this may be done by the application of distributive weights between the regions rather than between social groups. By applying these weights to take into account territorial efficiency as well as economic efficiency, the net benefits to the nation should consist of the weighted total benefits produced by the project for each of the regions of the country.

These weights should also express social preferences as regards the territorial distribution of development. In the absence of an express statement of those preferences and thus priorities, recourse may be had to the indirect method consisting of deducing these from the preferences implied in the regional development policies carried out by central government (e.g. transfers, subsidies to industry, public expenditure in the regions).

In view of the practical difficulties and the problems of subjectivity associated with the identification of these social preferences we consider it more appropriate to give the authorities whose task it is to take the investment decision a socio-economic development (or under-development) indicator which, used as a weight, enables the authorities to evaluate, in the light of their own objectives in this connection, the effects on the regional distribution of development. This indicator too may be evaluated with the help of multiple correlation analysis techniques. The starting-point for the appraisal of territorial as well as economic efficiency will be the reconstruction of a 'map' of the regional distribution of the net benefits associated with carrying-out and managing an investment.

The net benefits shown in that map may however be weighted by having recourse to the estimated indicators.

As an example, let us assume that two projects, A and B, produce, in terms of economic efficiency, the same net benefits but with the following distribution between the regions:

	A	B
Region 1	10	13
Region 2	25	25
Region 3	8	5
	--	--
Total net benefits to the nation	43	43

The respective indicators are as follows:

	<u>Indicator</u>	<u>Indicator</u> ⁻¹
Region 1	1.0	1.00
Region 2	0.9	1.11
Region 3	0.7	1.43

Weighting the net benefits produced by the projects for each of the regions the result is as follows:

	A	B
Region 1	10	13
Region 2	27.8	27.8
Region 3	11.4	7.2
	----	----
Net benefits to the nation	49.2	48.0

Project B will prevail when choosing between the two because, apart from fulfilling the criterion of economic efficiency, it also fulfils the criterion of territorial efficiency. In this case too it should be pointed out that the preference implied in this procedure involves attaching greater importance to the net benefits in respect of all the regions except those produced for the richest of those regions.

Apart from the evaluation of the indicators mentioned, the survey can also concern the study of methodology for the construction of the inter-regional 'map' of costs and benefits.

2.3.3. Appraisal of sectoral efficiency

It is clear that all countries have an interest, in addition to economic development per se, in the territorial distribution of that development and its more or less equal apportionment between the social groups as well as in balanced development between sectors of production. By achieving these objectives a regular and continuing development process can be ensured.

The objective of balanced development between production sectors will in fact enable problems concerning over-dependence on foreign countries, over-production crises and thus waste of resources to be avoided and the relationship between industry and the environment to be improved.

The execution of a major infrastructure project in the field of transport will produce net benefits varying from one sector to another, being more favourable to some than to others and, in extreme cases, penalizing yet others. It is therefore necessary for the authorities whose task it is to make the choice between investment projects to take into account these aspects too. A project which contributes to the improvement of the equilibrium between sectors of production can therefore be considered as sectorally efficient.

If sectoral efficiency is to be taken into account in addition to economic efficiency the net benefits for the economy as a whole must be valued as the weighted total of the net benefits produced by carrying out the project for each production sector.

In the case of the appraisal of sectoral efficiency the problem of determining the weights appears to be less complex because it might be said that the problem of social preferences which have not been expressly revealed is less important here.

A situation of sectoral equilibrium and thus its desirability may be clearly defined in technical economic terms apart from considerations of value.

It will therefore be necessary in this case to construct a 'map' of the distribution between the sectors of production of the benefits produced by carrying out a project and the construction of a composite indicator evaluated once again with the help of appropriate statistical techniques, the value of which can be used as a weight or as a bonus or penalty factor.

The subsequent calculating procedures will therefore be analagous to those followed in the case of the appraisal of social efficiency and territorial efficiency. The choice between two projects which produce the same net benefits in terms of economic efficiency will fall to that offering the greatest net benefits after account has been taken of the effects on individual sectors of activity.

3. SUMMARY

Having identified the need to expand and examine certain methodological aspects relating to the appraisal of the costs and benefits of major infrastructure projects in more depth we feel that the following should receive special attention:

- the introduction of the spatial element into the appraisal of inter-sectoral effects, which would enable the effects on each industry in each region as a result of variations in the output of any industry in one region to be discovered. The research proposal concerns in particular the methodology relating to the construction of a table for at least three regions (Sicily, Calabria, and the rest of Italy) and of a table for at least two nations (Italy and the rest of the Community);
- the methodological research into procedures for the calculation of shadow prices and testing as regards Italy of those procedures and the main goods and services involved in the carrying-out of infrastructure projects in the field of transport;
- the definition of methodology relating to the construction and testing as regards Italy of indicators of distribution of income, territorial distribution of development and sectoral equilibrium which could be used as revaluation weights for the purposes of appraising the social, territorial and sectoral efficiency of investment projects.

Some indicators of the economic situation and the development potential of Sicily, particularly with regard to the construction of a fixed link across the Straits of Messina*

1. Population

Sicily's population is approaching zero growth (estimated growth rate for the period 1986-2001: 0.25%), the expected progression being as follows:

	1986	1991	1996	2001
Population (in millions)	4.98	5.06	5.13	5.17

2. Gross domestic product

Between 1970 and 1980, with an average population growth of 0.68%, Sicily's gross domestic product grew at an average annual rate of 2.45%; consumption rose at a similar rate. The trend in growth rates is downwards, and from 1979 to 1980 there was slight negative-growth. Comparison with the figures for the other areas of southern Italy and for Italy as a whole shows that economic development there is more dynamic and that recession-related decline is on a smaller scale.

3. Investments

Between 1970 and 1980, the annual volume of investment in Sicily fell by 17.54%. Industrial investment was worst hit - its annual volume was almost halved, dropping from Lit 262 000 million to Lit 141 000 million - while agricultural investment remained at practically the same level and in 1980, at Lit 113 000 million, almost matched industrial investment. In the rest of southern Italy there was a downward investment trend only in the industrial sector - and even that was slight - while for Italy as a whole the trend was actually up for the period 1970 to 1980.

4. Value-added output

Between 1970 and 1980, Sicily's overall value-added output (at factor costs) rose by 27%. Services accounted for by far the largest share, rising from Lit 2,07 bn to Lit 2,68 bn**); industrial production came second, increasing from Lit 906 000 m (1970) to Lit 1.172 bn (1980); and agricultural production came third, moving from Lit 566 000 m (1970) to Lit 655 000 m (1980).

* Source: Report by the Society for Mathematics and Applied Economics (Rome, September 1983) on the economic indicators with regard to the region of Sicily

** 1970 prices

5. Employment

Between 1970 and 1980 the number of people in employment increased by 5.5% i.e. from 1.37 million to 1.44 million. The population as a whole rose from 4.7 million to 5.0 million inhabitants, i.e. by 7.5%. An analysis of the development of the individual economic sectors in this period is revealing: the number of people employed in agriculture fell from 378,000 to 329,000 (- 13%); the number of people employed in industry fell from 411,000 to 390,000 (- 5.1%); but the number of people employed in the services sector rose from 576,000 to 722,000 (+ 25.4%).

The number of registered unemployed, i.e. those seeking further employment rose from 53,000 (0.13% unemployment rate) to 168,000 (3.34% unemployment rate). The number of people in employment as a proportion of the total population is dropping; the unemployment rate is showing a strong upward trend.

In the rest of Italy there is a greater fall-off in the number of people employed in agriculture, while employment levels in industry are almost unchanged; the increase in the number of people employed in the services sector is similar to that in Sicily.

6. Agricultural production

Between 1970 and 1980 the value of agricultural production rose from Lit 579 000 m to Lit 705 000 m* (+ 22%), with a considerable increase in productivity during the last phase of this period in particular. Here, too, the development of the individual sectors is interesting:

Production activity	1970 (Lit '000m*)	1980 (Lit '000m*)	Increase (%)
Cereals	183	215	17
Feedingstuffs	0.6	1.0	25
Fruit	292	370	6
Stock-farming	102	113	10

The concentration of agricultural production in Sicily on the basis of provinces is as follows:

Citrus fruits: Catania (34%), Siracusa (29%), Palermo (16%), Messina (10%)

Other types of fruit: Siracusa (18%), Agrigento (16%), Palermo (15%), Caltanissette (13%), Catania (12%)

Horticulture: Regusa (23%), Siracusa (14%), Catania (13%), Palermo (11%), Agrigento (11%), Caltanissette (11%)

Cereals: Palermo (24%), Catania (16%), Agrigento (15%), Caltanissette (13%), Enna (12%)

* 1970 prices

Agricultural production is therefore concentrated in provinces whose natural communications are geared towards central Europe via the Strait of Messina. The only exception to this is the province of Palermo: the sea route to Naples or Genoa is considerably shorter and possibly less time-consuming too.

7. Development of goods and passenger transport

(a) Goods transport from and to Sicily is handled via:

Volume of freight in millions of tonnes	1973	1977	1979	1980
Ports	71	78	85	69
Airports	10	7	7	7
<u>Messina-Reggio ferry</u>				
by rail	3.4	2.7	2.3	2.5
by road	4.9	5.4	5.5	5.9

Most of the freight is shipped; air and overland routes each account for about 10% of the volume. The volume of freight is tending upwards overall, but has not been spared by the present recession: in overland haulage, rail traffic has fallen off considerably vis-à-vis road traffic, and this has probably been helped along to a large extent by the waiting times prior to the ferry crossing.

(b) Passenger transport from and to Sicily is handled via:

Millions of passengers carried	1973	1977	1979	1980
Ports	1.1	2.1	2.5	2.7
Airports	1.6	2.1	2.0	2.1
<u>Messina-Reggio</u>				
Rail ferry	11	9.9	10.7	10.2
Other ferries	1.0	1.6	2.1	2.5
Aliscafo	0.8	0.3	0.6	0.5
Millions of vehicles carried	0.9	0.7	1.1	1.1

Passenger transport is dominated by the railways, even if the other carriers (ship, aeroplane, motor vehicle) have become more significant in recent years. After a spurt of growth in the mid-70s, the number of passengers carried has now levelled off.

- (c) There are no figures on the type of transport used in respect of tourism. The trends can be extrapolated by comparing the following data for 1970 and 1980: though the number of hotels, inns etc. dropped slightly (from 915 to 906), the number of beds almost doubled (from 30,000 to 58,000); the number of guests rose from 1.4 million (1970) to 2.1 million (1980); the number of foreign guests rose from 0.3 million (1970) to 0.7 million (1980), i.e. a proportionately greater increase than that enjoyed by tourism in general.

8. Conclusions

The economic data indicate that Sicily still has considerable growth potential, economic development prior to the current recession having been considerably slower than in the rest of Italy, for example. Full utilization of this potential may be considerably hampered as a result of the time lost by using transport routes that are long enough as it is: for many goods, transport by sea is too time-consuming. The volume of freight carried overland is stagnating, which can be considered a result of the limited ferry capacity across the Strait of Messina. Identical stagnation can be seen in road and rail-based passenger transport, presumably for the same reason. Therefore we can support the theory that the construction of a fixed link across the Strait of Messina would give Sicily the opportunity of participating more fully in the development of the European Community.

Annex IX

Note on financial support for transport infrastructure projects of Community interest under Chapter 78 (transport expenditure) of the Community budget

1. 1982 budget

- (a) In 1982 for the first time 10 m ECU were authorized as provisional appropriations under Chapter 100; the European Parliament approved their transfer to Article 781 under Proposal No. 35/82 by the Commission. In its proposal for a regulation on the granting of limited financial support in the field of transport infrastructure¹ the Commission made no proposals for aid for specific projects.
- (b) In its resolution of 15 October 1982² the European Parliament, on the basis of the report by Dame Shelagh ROBERTS, then called for these appropriations to be concentrated on the following projects:
- modernization of the marshalling yard at Domodossola (Italy)
 - construction of the Eidomeni - Volos motorway (Greece)
 - construction of the Pyrhon motorway (Austria)
- (c) By Regulation No. 3600/82 of 30 December 1982³ the Council decided that within the limits of the appropriations available under the budget the Community should contribute towards the cost of the following projects:
- Domodossola marshalling and customs clearance yard
 - Evzoni - Volos road - section between Klidi and Axios
 - fixed cross-Channel link - work on the technical aspects for appraisal by the banking institutions
- (d) By decisions of 12 September 1983 the Commission granted financial support as follows:

¹ OJ C 226, 31.8.1982, p.14

² OJ C 292, 8.11.1982, p. 104

³ OJ L 376, 31.12.1982, p. 10

83/472/EEC¹: 2.5 m ECU for the 'Evzoni - Volos road - section between Kleidi and Axios' project

83/474/EEC²: 7 m ECU for the 'marshalling yard and customs station at Domodossola' project

2. 1983 budget

- (a) The European Parliament authorized payments amounting to 13 m ECU and commitments of 15 m ECU for financial support for transport infrastructure projects under Article 781 of the Community budget.
- (b) The Commission then proposed³ that the appropriations authorized under the 1983 Community budget be committed to the following projects:
- modernization of the key railway junction at Mulhouse North (France);
 - road by-pass of Wexford (Ireland)
 - construction of the section Pötschberg to German frontier of the Luxembourg-Trier motorway
 - improvement of the road between Axios and Gallikos bridge (Greece)
- (c) In its Resolution of November 1983, on the basis of a report by Mr BAUDIS (Doc. 1-979/83), the European Parliament approved the Commission proposal for a regulation with a number of amendments, not however affecting this list.

3. 1984 budget

- (a) The European Parliament authorized payments amounting to 32 m ECU under Article 781 of the Community Budget, together with 80 m ECU in commitment appropriations. It also made token entries against Article 784 for support for transport infrastructure projects outside the Community.
- (b) The Commission proposed⁴ to select projects for financial support under the 1984 Budget from the following list:

¹ OJ L 259, 20.9.1983, p.32

² OJ L 260, 21.9.1983, p. 23

³ See Article 11 (1) of the proposal for a regulation on financial support for a multi-annual transport infrastructure programme COM(83) 474 final

⁴ See Article 11(2) of the proposal for a regulation on financial support

- work on the road link from Athens to the Peloponnese)
-)
- the Larissa by-pass) (Greece)
-)
- renewal of the railway line from Larissa to Plati)
- improving the Nuremberg marshalling yards (Germany)
- Shankill-Bray by-pass (Ireland)
-)
- M 25 motorway round London)
-) (UK)
- improving (rail) access to the port of Harwich and)
- the port installations)
- improving the inland waterway link between France and Belgium
- elimination of a bottleneck on the railway junction at Dordrecht (Netherlands)
- Denmark-Germany-Italy railway line: construction of an additional line on the Chiasso to Milan railway (Italy)
- transit section through Italy (Pyrhn motorway) subject to the outcome of negotiations currently in progress

(c) In its resolution of 15 December 1983 on the basis of a report by Mr BAUDIS (Doc. 1-979/83) the European Parliament approved the Commission's proposal for a regulation with a number of amendments, not however affecting this list.

4. 1985 financial year and beyond

According to the Commission's proposal¹, approved by the European Parliament in its resolution of 15 December 1983 with a number of amendments, projects to receive support would be selected by the Commission from a list adopted by the Council on a proposal from the Commission and after consulting Parliament.

¹ Proposal for a regulation on financial support for a multi-annual transport infrastructure programme COM(83) 474 final.

PROJECTS	1982 budget		1983 budget		1984 budget (first reading)	
	Commitments	10 m ECU	Payments 13 m ECU	Commitments 15 m ECU	Payments 32 m ECU	Commitments 105 m ECU
Domodossola marshalling and customs yard (Italy)	P, C, COM	7.0 m ECU	-			-
Volos-Yugoslav border road (Greece)	P, C, COM	2.5 m ECU	COM, P		COM, P	
Studies for the appraisal of a fixed link across the Channel	C		-			-
Innkreis-Pyrhn motorway (Austria)	P		-		COM*, P**	
Mulhouse North rail junction (France)		-	-		COM, P	
Wexford by-pass (Ireland)		-	-		COM, P	
Luxembourg-German border motorway		-	-		COM, P	
Athens-Peloponnese road (Greece)		-	-		COM, P	
Larissa-Athens railway (Greece)		-	-		COM, P	
Nuremberg marshalling yard (Germany)		-	-		COM, P	
Shankill-Bray by-pass (Ireland)		-	-		COM, P	
Motorway round London (UK)		-	-		COM, P	
Rail access to Harwich (UK)		-	-		COM, P	
Inland waterway link between France and Belgium		-	-		COM, P	
Dordrecht railway junction (Netherlands)		-	-		COM, P	
Additional railway line between Chiasso and Milan (Italy)		-	-		COM, P	

COM = Support proposed by the Commission

C = Support adopted by the Council

P = Support endorsed by the European Parliament **COM** plus amount = Community contribution granted by the Commission

* Subject to outcome of negotiations

** Token entries against Art. 784

20
1