

European Communities

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# Working Documents

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15 March 1982

DOCUMENT 1-1084/81

REPORT

drawn up on behalf of the Committee on Budgets

on financing the common transport infrastructure  
policy from the tax on mineral oils

Rapporteur: Mr H. NORD



On 6 April 1981 the European Parliament, pursuant to Rule 47 of its Rules of Procedure, referred the motion for a resolution on financing the common transport infrastructure policy from the tax on mineral oils, tabled by Mr KLINKENBORG, Mr KEY, Mr ALBERS, Mr GABERT and Mr SEEFELD, to the Committee on Budgets as the committee responsible and to the Committee on Economic and Monetary Affairs and the Committee on Transport for their opinions.

The Committee on Budgets considered this motion for a resolution at its meeting of 24 June 1981 and appointed Mr NORD rapporteur.

It considered the draft report at its meetings of 26/27 January and 24/25 February 1982 and at the latter meeting adopted it by 19 votes to 1.

The following took part in the vote: Mr Lange, chairman; Mr Notenboom, vice-chairman; Mrs Barbarella, vice-chairman; Mr Nord, rapporteur; Mr Adam (deputizing for Mr Balfe), Mr Adonnino, Mr Ansquer, Mr Balfour, Mr Barbagli, Mrs Boserup, Mr Croux, Mr Fich, Mr Gouthier, Mr Georgiadis, Mr Herman, Mrs Hoff, Mr Kellet-Bowman, Mr Louwes, Mr Price, Mr Simmonds and Mr Simonnet.

The opinions of the Committee on Economic and Monetary Affairs and the Committee on Transport are attached.

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

MOTION FOR A RESOLUTION

on financing the common transport infrastructure policy from the tax on mineral oils

The European Parliament,

- having regard to the motion for a resolution tabled by Mr Klinkenberg, Mr Key, Mr Albers, Mr Gabert and Mr Seefeld pursuant to Rule 25 of the Rules of Procedure on financing the common transport infrastructure policy from the tax on mineral oils (Doc. 1-80/81),
  - having regard to the report of the Committee on Budgets and the opinions of the Committee on Transport and the Committee on Economic and Monetary Affairs (Doc. 1-1084/81),
  - having regard to the Commission proposal to introduce a common system of payment for the use of transport infrastructures<sup>1</sup> and the related opinion of the European Parliament (Doc. 195/73)<sup>2</sup>,
  - having regard to the report by Mr Klinkenberg on behalf of the Committee on Transport on the Memorandum of the Commission (COM(79) 550 final) on the role of the Community in the development of transport infrastructure (Doc. 1-601/80),
  - having regard to the importance of transport networks for modern industrial countries,
  - whereas such transport networks can be improved more effectively and at less cost by adopting a common approach,
  - having regard to the fact that the Community's own resources are becoming virtually exhausted and to the report on this subject by Mr Spinelli on behalf of the Committee on Budgets (Doc. 1-772/80)<sup>3</sup>,
  - having regard to the discussions that have been started on the restructuring of the Community budget pursuant to the 'Mandate of 30 May',
1. Affirms the importance it attaches to a further extension of transport policy and emphasizes in particular the need for joint financing of projects of specific Community interest;

<sup>1</sup> OJ No. C 62, 22.6.1971

<sup>2</sup> OJ No. C 108, 10.12.1973

<sup>3</sup> Doc. 1-772/80, OJ No. C 101, 4.5.1981

2. Takes the view that such projects should be financed from the Community's own resources and that the introduction of taxes or levies earmarked for specific purposes must be avoided;
3. Refers in this connection to the report by the Commission on 'bottlenecks and possible modes of finance'<sup>1</sup> to be implemented within the limits of the Community's existing own resources;
4. Requests the Commission to draw up for the longer term an overall programme for the development of the transport network, bearing in mind the desirability of a common system of payment for the use of transport infrastructures and the possibility of increasing the Community's own resources;
5. Instructs its President to forward this resolution to the Council and the Commission of the European Communities.

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<sup>1</sup>COM (80) 323 fin.

EXPLANATORY STATEMENT

1. This motion for a resolution, Doc. 1-80/81, calls on the Commission to examine whether support for transport infrastructure projects of importance to Europe 'can be financed' from a share of Community revenue accruing from 'taxation on mineral oils'. Various arguments relating to transport and energy policy are set out in support of this request.
2. In detail, in anticipation of a common system of payment for the use of transport infrastructures, it is proposed to include a 'European centime' from the fuel tax of the Member States in the Community budget and earmark it for the promotion of European transport infrastructure projects.
3. However, such an arrangement is not possible without changing the present system of own resources by assimilating the tax on mineral oils to own resources and insofar as the 'European centime' can be established by introducing the principle that the Community can impose such levies. To date, the Community's revenue accrues only from one existing tax (VAT), without this having any impact on the level at which the tax is set.
4. Although such a change is not in itself incompatible with the financial and budgetary policy of the European Parliament, it must nonetheless be pointed out that emphasis is increasingly being placed on the need to ensure that additional revenue for the Community does not increase the burden imposed on the taxpayer. This is possible only if Community policies are substituted for national policy. Thus, increased revenue for the Community must be offset by reduced expenditure at national level. The introduction of a 'European centime' does not appear to offer adequate safeguards in this respect.
5. In the motion for a resolution it is proposed that the revenue generated should be earmarked for a specific type of expenditure: on infrastructure projects. The Spinelli report on own resources<sup>1</sup>, drawn up on behalf of the Committee on Budgets, rightly warned against such a course of action. In that report, it was also pointed out that great caution should be exercised in introducing new taxes or duties. In particular, it was stated that the introduction of customs duties on mineral oils, which does in fact fall within the scope of the Community's powers, should first be examined from the point of view of energy policy and that the consequences for Community revenue were of only secondary importance.

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<sup>1</sup> Doc. 1-772/80, OJ No. C 101, 4.5.1981

6. In its document on 'Financing the Community budget - the way ahead'<sup>1</sup>, the Commission of the European Communities refers to the possibility of a tax on energy consumption or a tax on petrol alone. It considered the latter to be defensible within the framework of the energy policy and simple to apply since it would raise fewer harmonization problems than a tax on all forms of energy consumption. However, the estimated revenue was not very high: a tax on petrol of 0.16 E per 10 litres would bring in approximately 1,600 m E based on 1977 consumption. While such an amount might be sufficient for transport infrastructure projects it is insignificant as a source of income for the Community.

7. The Committee on Economic and Monetary Affairs also points out that the issue must be seen within the overall context of the own resources problem and that from the point of view of expenditure, transport policy is only one of the priorities of the European Parliament.

The Committee on Transport supports the motion for a resolution.

#### CONCLUSION

8. The Committee on Budgets points out that despite repeated requests by Parliament, there is still no overall proposal for increasing the Community's own resources and that this matter is now being discussed again within the context of the restructuring of the budget as called for in the Commission report pursuant to the 'Mandate of 30 May'. The Committee on Budgets therefore considers it premature to express an opinion on the desirability of a tax on mineral oils, which would be wholly or partly included in the Community's own resources.

9. The Committee on Budgets would point out the disadvantages associated with the earmarking of certain revenue for specific policies and draws attention, in particular, to the principle of the universality of the budget and the difficulties which arise if revenue differs significantly from the level of expenditure considered politically desirable for the policies for which it is earmarked. In addition the committee considers that the transfer to the Community of revenue from existing taxes offers a better guarantee of balanced growth in Community finances than does the levying of a surcharge.

10. The Committee on Budgets endorses the development of the transport policy considered desirable by the authors of the resolution. However, it cannot accept the proposal that such development be financed by introducing a special tax.

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<sup>1</sup>COM(78) 531 final, 21.11.1978

MOTION FOR A RESOLUTION    DOCUMENT 1-80/81

tabled by Mr KLINKENBORG, Mr KEY, Mr ALBERS,  
Mr GABERT and Mr SEEFELD

pursuant to Rule 25 of the Rules of Procedure

on financing the common transport infrastructure  
policy

The European Parliament,

- having regard to the great importance of the transport network for modern industrial countries,
  - having regard to the fact that it would be possible by joint endeavours, requiring relatively modest funding, to eliminate bottlenecks in the European transport system, thus saving Europe's economy thousands of millions of units of account a year and making movement within the Community and to and from third countries considerably easier for businessmen and tourists,
  - having regard to the Commission's proposal on the introduction of a common system of payment for the use of transport infrastructure (OJ C 62/71) and the European Parliament's opinion thereon (Doc. 195/73, OJ C 108/73),
  - having regard to Mr Klinkenberg's report on the Commission's Memorandum (COM(79) 550 final) on the role of the Community in the development of transport infrastructure (Doc. 1-601/80),
  - having regard to the tight budgetary situation in the Community and the Member States,
1. Calls on the Commission to consider whether joint measures in the field of transport infrastructure, i.e. support for projects of importance and interest to Europe, can be financed from a share of the revenue, to be made over to the Community; accruing from taxation on mineral oils;
  2. Considers that the elimination of transport bottlenecks is a constructive energy-saving measure and that it would therefore be sound policy to provide the funds for this purpose from the tax on mineral oils;
  3. Stresses that the plan to use the tax on mineral oils as a means of saving energy and increasing budgetary funds will be more acceptable to the taxpayers concerned if at least part of these funds is earmarked for infrastructure projects which are of direct benefit to these taxpayers;
  4. Points out that, in its proposals for a common system of payment for the use of transport infrastructure, the Commission had already proposed earmarking fuel tax and road vehicle tax in this way;
  5. Regards the solution to the problem of recovering infrastructure costs as one of the basic components of any rational transport policy and especially of any conceivable common transport policy for the Community;
  6. Requests the Council, therefore, to expedite the work required for the adoption of the Commission's proposals;

7. Asks the Council and the Commission, however, in anticipation of the adoption of the system of payment for the use of transport infrastructure, to include a 'European centime' from the fuel tax of the Member States in the Community budget and earmark it for the promotion of European transport infrastructure projects;
8. Is aware that the earmarking of funds contravenes previously accepted principles of financial policy, but points out nonetheless that, partly because of the huge cost of financing the railways deficit, transport policy raises such serious financial problems that the only hope for the future is to try new, unconventional methods such as the system of payment for the use of infrastructure and the earmarking of transport taxes;
9. Instructs its President to forward this resolution to the Council and the Commission and to the transport committees of the parliaments of the Member States.

OPINION OF THE COMMITTEE ON TRANSPORT

Draftsman: Mr Horst SEEFELD

On 30 March 1981 Mr Klinkenborg, Mr Key, Mr Albers, Mr Gabert and Mr Seefeld tabled a motion for a resolution pursuant to Rule 25 of the Rules of Procedure on financing the common transport infrastructure policy from the tax on mineral oils. The motion was distributed as Doc. 1-80/81 and on 6 April 1981 referred to the Committee on Budgets as the committee responsible. By letter of 20 July 1981 the President of the European Parliament authorized the Committee on Transport to deliver an opinion on this motion for a resolution in accordance with its request of 14 July 1981.

On 2 October 1981 the Committee on Transport appointed Mr Seefeld draftsman.

The Committee on Transport considered the motion for a resolution and this opinion at its meeting of 1 and 2 October 1981 and adopted the opinion by a majority vote on 27 October 1981.

Present: Mr Seefeld, chairman; Dame Shelagh Roberts and Mr Carossino, vice-chairmen; Mr Albers, Mrs von Alemann, Mr Arendt (deputizing for Mr Gabert), Mr Cottrell, Mr Gendebien, Mr Helms (deputizing for Mr Baudis), Mr Hoffmann, Mr Janssen van Raay, Mr Junot, Mr Key, Mr Klinkenborg, Mr Martin, Mr Moreland, Mr Nikolaou (deputizing for Mr Ripa di Meana) and Mr Travaglini.

1. The Committee on Transport recommends the Committee on Budgets and the European Parliament to adopt the motion for a resolution without amendment. The reasons are set out below.
2. Following the report by the Committee on Transport on the Commission's memorandum (COM(79) 550 final) on the role of the Community in the development of transport infrastructure (Doc. 1-601/80), the European Parliament adopted a resolution recognizing the need for a common transport infrastructure policy (OJ No.C 144, 15.6.1981).
3. Transport infrastructures require relatively high investment. Even if the aim of European Community policy is no more than to fill in the gaps that the Member States leave at their borders and along important Community through-routes, it makes no sense to put forward proposals without at the same time suggesting how they should be paid for.
4. In the present budgetary situation of the Community and the Member States it is probably better not to burden discussion of the one per cent ceiling on VAT with the additional problem of how to finance transport infrastructures. Therefore a new source of finance should be found for the transport infrastructure policy.
5. The Committee on Transport would wish in conclusion to draw attention once more to the fact that Community funds for transport infrastructure policy are not, as in many other areas of Community policy, used to redistribute income and to guide the development of the market, but rather represent a highly productive form of expenditure. The removal of bottlenecks in the transport system saves energy and money and is capable of creating new and cost-effective transport routes thus increasing trade to the common benefit of all.
6. Should the Community budget show a surplus in the near future, it could be used to finance the transport infrastructure policy.
7. The Committee on Transport therefore recommends the adoption of the motion for a resolution.

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

Letter from the chairman, Mr J. MOREAU, to Mr E. LANGE, chairman of the Committee  
On Budgets

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By letter of 25 May 1981 the President of the European Parliament requested the Committee on Economic and Monetary Affairs to deliver an opinion for the Committee on Budgets on the motion for a resolution tabled by Mr KLINKENBORG and others on financing the common transport infrastructure policy from the tax on mineral oils (Doc. 1-80/81).

The Committee on Economic and Monetary Affairs agrees with the authors of the motion that the elimination of transport bottlenecks would be a constructive measure which would save energy, bring down other costs and reduce the amount of time wasted in connection with the movement of goods and persons within the Common Market.

Whether it is appropriate to earmark financial resources for this purpose is another matter, however. While views differ widely on this in the Member States, the committee considers that this is a practice to which recourse should not be had more than is strictly necessary in the Community's budget.

The proposal could affect both the revenue and the expenditure sides of the Community budget.

As far as revenue is concerned, the Committee on Economic and Monetary Affairs considers it more important to find a solution to the problem of the Community's own resources in general than to devote one's energies to getting part of the Member States' taxes on oil transferred to the Community.

With regard to Community expenditure, it should be noted that transport is only one of several policies which, in the view of the Committee on Economic and Monetary Affairs, deserves to be given greater priority in the Community's budget<sup>1</sup>. The committee has not, however, defined its position on the precise degree of priority to be given to transport policy in general or to the elimination of transport bottlenecks in particular.

The Committee on Economic and Monetary Affairs has no objection to the content of paragraph 1 of the motion for a resolution in which the European Parliament calls on the Commission to investigate the matter, but it does have reservations about the rest of the motion. For the committee to adopt a more definite attitude on this question, quite a thorough debate would first be necessary - something for which, because of the other work it has in hand and the deadlines imposed by the Committee on Budgets, the committee does not consider it can afford time at the present moment. It may be that the Committee on Economic and Monetary Affairs will be more disposed to define its position on this matter at a later date, once the general question of the Community's expenditure has been clarified.

I would ask you to consider this letter, which was adopted unanimously at the meeting of the Committee on Economic and Monetary Affairs of 1 October 1981<sup>2</sup>, as the committee's opinion on the motion for a resolution in question.

Yours sincerely

(sgd) Jacques MOREAU

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<sup>1</sup> Report on the restructuring of economic and monetary policies in connection with the Council decision of 30 May 1980. Rapporteur: Mr GIAVAZZI (Doc. 1-256/81)

<sup>2</sup> Present: Mr Moreau, chairman; Mr de Ferranti, vice-chairman; Mr Beazley, Mr Bonaccini, Mrs Desouches, Mr Herman, Mr Nyborg, Mr Purvis, Mr Schinzel and Mr Walter