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Report

drawn up on behalf of the Committee on Transport

**on the Memorandum of the Commission on the role of the Community
in the development of transport infrastructure**

Rapporteur: Mr J. KLINKENBORG

On 7 November 1979 the Commission submitted to the Council a Memorandum on the role of the Community in the development of transport infrastructure (COM(79) 550 final).

By letter of 20 December 1979 the Committee on Transport requested authorization from the President to draw up a report on this Memorandum. By letter of 5 February 1980 the President informed the committee that the enlarged Bureau had granted authorization at its meeting of 17 January 1980 and asked the Committee on Regional Policy and Regional Planning for its opinion.

The following motions for resolutions were also referred to the Committee on Transport:

- by Mr Lima on the motorway links between Brussels, Strasbourg and Luxembourg (Doc. 1-583/79),
- by Mr Cottrell and others on a fixed link between Northern Ireland and Scotland (Doc. 1-687/79),
- by Mr Petronio and others on the Milan-Adriatic waterway (Doc. 1-797/79),
- by Mr Carossino and others on the inclusion of ports and airports amongst the infrastructures which may be financed by the Community (Doc. 1-53/80),
- Sir Fred Catherwood and others on the improvement of transport infrastructure from the Midlands of the UK to other parts of the Community through the East Coast ports of the UK (Doc. 1-299/80).

The committee decided not to draw up special reports on these, but to incorporate its views on these motions for resolutions in its report on the Commission memorandum.

On 28 February 1980 the committee appointed Mr Klinkenborg rapporteur.

The Committee on Transport considered the Memorandum at its meeting of 25 September and 28 October 1980 and adopted the motion for a resolution and the explanatory statement with one abstention at its meeting of 29 October 1980.

Present: Mr Seefeld, chairman; Miss Roberts, vice-chairman;
Mr Klinkenborg, rapporteur; Mr Albers, Mr Buttafuoco,
Mr Cottrell, Mr Gabert, Mr Gendebien, Lord Harmar-Nicholls,
Mr Moreland, Mr Travaglini and Mr Turner (deputizing for
Mr Moorhouse).

The opinion of the Committee on Regional Policy and Regional Planning is attached.

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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 the Memorandum of the Commission on the role of the Community in the development of transport infrastructure

The European Parliament

- having regard to the Memorandum of the Commission of the European Communities (COM(79) 550 final),
 - having regard to the motions for resolutions, by
 - Mr Lima (Doc. 1-583/79)
 - Mr Cottrell and others (Doc. 1-687/79),
 - Mr Petronio and others (Doc. 1-797/79),
 - Mr Carossino and others (Doc. 1-53/80) and
 - Sir Fred Catherwood and others (Doc. 1-229/80),
 - having regard to the reports drawn up by Mr Nyborg (Doc. 377/76 and Doc. 185/77) and Mr Buttafuoco (Doc. 1-218/80) on behalf of the Committee on Transport and the resolutions adopted following these reports¹.
 - having regard to the report of the Committee on Transport and the opinion of the Committee for Regional Policy and Regional Planning (Doc. 1-601/80),
1. Generally approves the approach to a common policy in the field of transport infrastructure developed by the Commission in its memorandum;
 2. Stresses the prime importance of a well-run transport system for the integration of all regions of the Community and the competitiveness of the European continent in the world economy and thus for the prosperity of its entire population;
 3. Emphasizes that an outward-looking Community must take particular care to ensure that its communications with all third countries via its frontiers and ports are unimpeded;
 4. Stresses that it is in the Community's interest, and is also one of its tasks, to take suitable steps to ensure that, when solutions are sought to transport infrastructure problems with a European dimension, the rationalization and improvement measures implemented or agreed by the Member States as part of national policy are incorporated in Community policy;

¹ OJ C 293/76, C 183/77, C 197/80

5. Regards a common policy in the field of transport infrastructure and the elimination of traffic bottlenecks as an important element of Community policy, since transport infrastructure has a strong bearing on issues connected with competition;
6. Stresses the need for an overall common infrastructure policy covering all modes of transport, which would permit the capacity of each mode to be increased in a manner consonant with the rules of competition; considers that measures to save energy - and also to protect the environment - should be a priority objective of a common transport policy and to this end calls for an increase in public and private investment to enable a large proportion of freight to be transported by rail and boat;
7. Calls on the Commission, together with the Committee on Transport Infrastructure, to propose guidelines on procedures for the selection of important Community transport links;
8. Calls on the Council to adopt the proposed regulation on support for transport infrastructure projects of Community interest;
9. Requests that all modes of transport, including sea and air transport, in particular ports and airports, be given a place in Community planning and financing schemes to develop transport infrastructures;
10. Calls for coordination between measures to rationalize the transport network and regional policy measures in the development of the transport infrastructure; all plans should provide for close coordination between the European Regional Development Fund and the resources requested for transport infrastructure and also with the other Community financial instruments, especially the European Investment Bank;
11. Calls on the Commission to report by 20 February 1981, pursuant to Article 6 of the Council decision of 20 February 1978 instituting a consultation procedure and setting up a committee in the field of transport infrastructure, on the information it has received in accordance with that decision;
12. Points out that joint planning and a common financial instrument in the field of transport infrastructure could also benefit and facilitate other Community economic projects, particularly in the fields of energy policy, regional policy, environmental protection, industrial policy, employment policy, etc.;

13. Calls on the Commission to draw up a list of priorities for European projects covering the following categories:
- (1) Main transport links in the Community
 - (2) Local border crossings at the internal frontiers of the Community
 - (3) Transit routes between Member States through third countries
 - (4) Main transport links by land to third countries
 - (5) Main air and sea links to third countries
 - (6) Internal Community projects with considerable importance for Community regional policy
 - (7) Regional links to third countries at the external frontiers.

The Commission should work out a method guaranteeing uniform assessment for each individual project.

14. Points out that budget appropriations for infrastructure projects represent an investment, whereas at present the bulk of the expenditure under the Community budget relates to consumption;
15. Calls on the Council and the Commission of the Community to take account of the detailed suggestions put forward in the explanatory statement to this motion for a resolution in their further planning for a common policy in the field of transport infrastructure;
16. Calls on the Commission to study in detail the projects put forward in the abovementioned motions for resolutions;
17. Instructs its President to forward this resolution and the report to the Council and the Commission and to the Transport Committees of the national parliaments.

EXPLANATORY STATEMENT

1. As the issue of infrastructure investments in the transport sector is a matter of supreme importance not only for the common transport policy and Community policy as a whole, but also involves a high level of spending and may therefore raise major problems of financing, the committee wishes to preface this explanatory statement with an introduction outlining a number of basic considerations:

Introduction: Importance of transport infrastructure

1. The economic importance of transport and transport infrastructure
2. Point 2 of the Commission Memorandum of 7 November 1979 on the role of the Community in the development of transport infrastructure, to which this report refers, contains various statistics indicating the importance of transport for the economy as a whole. In addition to these statistics on gross national product and total capital investment, a few figures may also be given on employment¹ to further underline the purely quantitative importance of the transport sector. In the Member States of the Community in the 70s, approximately 6% of the roughly 100 million people gainfully employed, or 6 million people, were employed in the transport sector.
3. All these figures refer solely to the transport sector proper and do not include the ancillary industries such as vehicle building, road construction, etc. If the industries working directly for the transport sector were included the figures would clearly be much higher.
4. The functional importance of the transport sector is far greater than is shown by a purely quantitative presentation.

Therefore it cannot be overstressed that an efficient modern transport system is an essential requirement of a modern industrial state.

¹ Eurostat: 'Statistical Year Book, Transport, Communications, Tourism' 1978

2. The political importance of transport and transport infrastructure

5. Following the creation of the European Coal and Steel Community the next step should really have been to set up a European transport community. This was already perceived quite clearly in the early 1950's, as shown in the 'Bonnet Plan' of the Council of Europe¹. Unfortunately political developments took a different direction. Transport policy caused problems even in the ECSC Treaty. During the negotiations on the EEC Treaty, transport once again proved one of the thorniest problems and since the creation of the EEC, progress towards a common transport policy has lagged far behind other areas.

The idea of communications is to bring people together, facilitate trade and so help achieve the main aim of the Common Market.

¹Council of Europe Consultative Assembly, Third Ordinary Session: 'European Transport Authority. Report of the Special Committee of Transport', 5 May 1951, Doc. AS (3) 11

6. It is therefore necessary in the interests both of private individuals and of general trade by means of a decision of principle by the Council of Ministers to eliminate the deficiencies in Europe's transport infrastructure such as waiting times at borders.

Chapter I: The need for a common infrastructure policy in the transport sector

7. The committee welcomes the fact that the Commission Memorandum of 14 November 1979 on the role of the Community in the development of transport infrastructure provides a basis for a wide-ranging discussion of this issue and wholeheartedly supports the general tenor of this Memorandum.

8. In the past the committee has also welcomed specific proposals by the Commission:

The proposal for an improved consultation procedure was dealt with in two reports by Mr Nyborg (Doc. 377/76 and 185/77) and supported by two resolutions (OJ C 293/76 and C 183/77).

This procedure has since been introduced by the Council of Ministers (OJ L 54/78).

9. In the same reports and resolutions, the proposal for a regulation concerning aid to projects of Community interest in the field of transport infrastructure was adopted by Parliament and forwarded at the same time to the Council of Ministers (on 5 July 1976, i.e. four years ago!). The extension of this proposal to non-member countries was recently dealt with in the report by Mr Buttafuoco (Doc. 1-218/80) and subsequently received the support of the whole House (OJ C 197/80). The Council has, however, still reached no decision on a financial instrument.

10. Looking back over Community infrastructure policy in its development since 1958 it will be noted that as long ago as 1960 there was a Commission recommendation (Doc. VII/COM (60) 76 final, supplemented by Doc. VII/COM (61) 116 final) on which, however, no action whatsoever was taken. It was not published in the Official Journal.

On 28 February 1966 a consultation procedure was adopted (OJ No. 42, 8.3.1966) which never worked properly. The Member States only reported to the Community on infrastructure projects once a firm decision had been taken and the Community was no longer able to make any changes.

11. The new consultation procedure of 1978 (see above) has improved the situation considerably, introducing a new era. At the same time, the infrastructure policy is still lopsided. While the Community can hold discussions and seek to promote Community interests by persuasion, there is still no financing instrument which would allow the Community to provide incentives to take account of Community interests. This must be blamed on the indecision of the Council which has not yet taken a decision on the Commission's proposal, submitted in 1976.
12. There exists a range of Community financial instruments for transport infrastructure investments, viz the European Regional Development Fund (ERDF), the European Investment Bank (EIB), the Ortoli facility and loans with interest rebates under the EMS. While all these instruments may be deployed for transport infrastructure, this can only be done on the basis of the relevant regulations and terms of reference. They cannot be used fully or at least only in a supportive capacity, to implement a European policy for the systematic expansion of a European transport network.

- The ERDF may only be deployed in regions which the national governments have established as development areas. Regional policy, however, is only one aspect of transport infrastructure policy.
 - The European Investment Bank is only able to conduct transactions which are profitable in the sense in which this term is normally understood in banking. It has done this extremely successfully: the most spectacular of the projects which it has supported is the bridge over the Bosphorus in Istanbul. But the EIB has also helped to complete the Brussels-Paris motorway and to electrify important sections of the German railway system.
 - The Ortole facility and EMS loans at preferential rates can also be used for transport infrastructures, but only in Italy and Ireland in the case of the EMS, plus presumably the United Kingdom if it were to join the system.
13. Allowance must obviously be made for all these financial instruments if a common transport infrastructure policy is to be introduced. Their planning needs to be coordinated. With an instrument which is specifically designed for transport policy the Community will be able more effectively to influence the structure of the transport network. Without such an instrument the Community's European transport infrastructure policy will remain a headless beast.

Chapter II: Criteria for a European policy

1. What justifies the use of Community resources?

14. Given the tight budgetary situation, however, the armours of financial instruments available for the development of the transport infrastructure should not be used to provide Community finance inconsiderately for dormant national projects.

15. The Committee on Transport would suggest placing the issue of gaps in the transport network at the Community's internal frontiers as a European dimension in the forefront of discussion. It was gratifying to see that in its Memorandum the Commission examined the problems associated with this issue for the first time and no longer confined its attention to main lines of communication. Under point 18 of the Memorandum the Commission clearly states that three problems must be overcome in relation to border areas:
- firstly, the internal coordination of routes at borders and between carriers
 - secondly, the relationship to third countries,
 - thirdly, problems associated with transit traffic.
16. Obviously the Committee on Transport has also devoted its attention to long-distance traffic within the Community. Nevertheless it should be remembered that the major international transport issues are also dealt with by other bodies, such as the Council of Europe, the European Conference of Ministers of Transport (ECMT) and the United Nations Economic Commission for Europe (ECE) in Geneva. When planning major transport routes, the Community must work in close collaboration with these organizations.
17. The Committee on Transport attaches great importance to transport links with non-member countries. It is obviously in the interest of the Community that this should also be reflected in its transport infrastructure.
18. Transit countries are of special importance for the Community policy. For the Community, this means Switzerland and Austria with Yugoslavia as a further transit country after the accession of Greece on 1 January 1981.
19. As far as traffic with third countries is concerned, those countries with which the Community has land borders are of course particularly important. At the present time this includes Spain which should be associated in all discussions at as early a stage as possible. Once the anticipated accession of Spain and Portugal to the Community has taken place, the Community's direct neighbours, apart from the transit countries, will be East Germany, Czechoslovakia, Albania, Bulgaria and Turkey. Sweden and Norway should also be included in this group of countries since, although they are not connected by land, ferry connections exist.

20. The Committee on Transport does not wish to let this observation pass without reaffirming previous opinion (contained in the reports by Mr Nyborg) that air and sea transport infrastructure, particularly ports and airports, should be brought within the sphere of Community action¹ and, contrary to what the Commission states in point 25 of the Memorandum, ports and airports should not be treated as aspects to be taken into account but also as possible beneficiaries of financial support. The Commission has informed the Committee on Transports that under the draft regulation of 5 July 1979 ports and airports can be covered without any modification to the text.

21. The Community dimension in transport links comes to the fore in cases where one or more neighbouring states may be much more interested in transport links which have hitherto not existed than the state on whose territory they would have to be constructed, or it may be that all the Member States are interested in a link without any of them being interested in completing its own section as long as others do not complete theirs. In such cases it is the Commission's job to put the Community case strongly and it is more likely to be successful if the Community's contribution takes the form of financial cooperation.

2. Criteria for the European dimension and cost/benefit analyses

22. The Commission is currently seeking to establish criteria with which to assess and quantify the European dimension of transport infrastructure projects (see Annex II of the Memorandum). This is a special form of cost/benefit analysis. Nowadays such analyses are carried out almost everywhere before investment is made in any major transport infrastructure project.

23. The Committee on Transport warns against too perfectionist an approach. Cost/benefit analyses are always subject to a great many assumptions, presuppositions and projections which cast doubt on the validity of their findings. While it would be irresponsible to make no attempt to quantify every single calculable factor, it would be wrong to hope that a computer fed on cost/benefit analyses will disgorge a ready-made list of European priorities. Ultimately, a political decision will have to be taken on the basis of all the facts.

¹ See in this context the motion for a resolution tabled by Mr Carossino and others (Doc. 1-53/80) in Annex 4

3. List of priorities for European infrastructure projects

24. The Committee on Transport calls upon the Commission to draw up a list of priorities for European projects covering the following categories:
- (1) Main transport links in the Community
 - (2) Local border crossings at the internal frontiers of the Community
 - (3) Transit routes between Member States through third countries
 - (4) Main transport links by land to third countries
 - (5) Main air and sea links to third countries
 - (6) Internal Community projects with considerable importance for Community regional policy
 - (7) Regional links to third countries at the external frontiers.

The Commission should work out a method guaranteeing uniform assessment for each individual project.

25. In determining priorities the Commission should group together different measures. The varying rate of progress in planning work will in any case lead to projects being staggered to some extent.
26. In the annex, the Committee on Transport lists a number of motions for resolutions which have been tabled in the European Parliament. This list of projects is, however, by no means exhaustive, but simply gives examples. It will be the task of the Commission to submit a more complete list to Parliament. The projects put forward in the attached motions for resolutions and in earlier parliamentary questions and resolutions should be taken into account by the Commission when it draws up this list of priorities (see Annexes I-VI).

Chapter III: The role of infrastructure policy in the common transport policy of the European Community

27. In point 14 of its Memorandum, the Commission refers to the relationships between infrastructure policy and other areas of transport policy. This is presumably motivated by the consideration that there is little point in linking the new proposal for a transport infrastructure policy with the still distant goals of the transport policy.

The Committee on Transport, however, takes the view that strong arguments in favour of the common transport infrastructure policy can be derived from the total context of transport policy measures, which cannot be ignored in any decision on funding on the scale required for the transport infrastructure policy. The Committee on Transport by no means wishes to complicate negotiations in the Council of Ministers, but its decisions should be taken in full knowledge of all the related factors involved. For this reason we include below comments on such factors.

1. Incorporation of infrastructure financing in the common transport policy.

28. The Treaty of Rome does not mention transport infrastructure. Logically, however the term 'common transport policy' in Articles 3 e) and 74 must also include infrastructure policy.
29. The decisions on transport infrastructure policy taken by the public authorities are of fundamental importance for the competitive position of the various modes of transport. The scope for each mode of transport is limited geographically by the extent of the transport network and is largely determined by its carrying capacity, speed, safety, etc. Restrictions on market access for undertakings and licensing policy for vehicles represent no more than the fine-tuning of capacity policy in the transport sector.
30. Decisions on the routes made available to any individual form of transport should not be taken without reference to their effects on other modes of transport. This raises the problem of modal coordination which will be dealt with in greater detail below. At this point we wish once more to stress the need to include sea and air transport in Community policy and for this to be done not only as part of the studies of the role of other modes of transport, as mentioned in point 25 of the Commission Memorandum, but in such a way that Community subsidies can also be made available to these forms of transport. In points 16 and 17 of the Memorandum, the Commission itself (unintentionally?) cites two examples from the air transport sector.
31. In addition to modal coordination and capacity policy, transport infrastructure policy is very closely linked with the following areas of transport policy:
- recovery of infrastructure costs
 - technical harmonization
 - traffic safety.

2. Modal coordination

32. In modern industrial society the various forms of transport are not mutually exclusive but are interdependent and should complement each other.

33. The public authorities must recognize this inter-relationship in transport infrastructure policy. They have the power and the duty to influence developments and, by means of a specific programme, for instance, to promote one mode of transport or another according to their basic policy decision.
34. In some countries of the Community, attempts have already begun to cancel road-building programmes and to develop special investment projects for local public rail transport.

It should be noted however, that some trends can no longer be reversed. Where, for example, settlement areas have expanded outwards on the basis of private-car ownership it is extremely difficult to divert travellers back to public transport, because the volume of traffic will not be sufficiently dense to permit adequate services. It would only be possible to return to publicly-operated forms of local transport by reverting to a system of dense residential building along the major lines of communication.

35. Environmental and energy considerations dictate that priority should be accorded to the promotion of combined transport using two or more modes of transport. While the expansion of combined forms of transport will require heavy investment, in the medium term it does however offer an alternative to the transport system in use at present. The promotion of combined forms of transport cannot be a substitute for a rational coordination policy. Even when everything that can be done has been done to to extend combined forms of transport there is still a need to develop proposals for regulating the relationship of the various modes of transport to each other.
36. In previous reports by the European Parliament and the Commission the view adopted has been that transport policy should as far as possible be neutral in relation to competition between the various modes of transport. The principle ceases to apply where it produces undesirable effects in terms of overall policy.
37. The Committee on Transport concurs with the view that too many bulky and heavy goods are currently carried by road and that transport policy should seek to return part of this traffic to rail and waterways. Certain energy policy arguments also favour this view. If certain bulky and heavy goods continue to be carried by road despite the energy crisis and traffic congestion, then the reasons must lie in the organization of transport.

38. A modern transport infrastructure policy must make use of technical progress in the various modes of transport but not attempt to stand in its way.

3. The system for recovering the infrastructure costs

39. In its memorandum the Commission does not go far enough into the question of recovering construction costs although the connection between infrastructure planning and recovery of costs is obvious. A proposal on the payment of infrastructure costs has been before the Council of Ministers since 1971 (COM(71) 268 final, OJ No. C 62/71).
40. The Committee on Transport has repeatedly expressed the view and fully agrees with the Commission that the Community could play a major role in rationalizing the economy of the Member States if it succeeded in introducing a system of charging for these transport infrastructures as part of a common transport policy.
41. There is a close logical and practical connection which cannot be ignored between route planning, route financing, route construction and maintenance on the one hand and the recovery of costs on the other.
42. According to the Commission proposals costs should be recovered via road vehicle tax and mineral oil tax. The revenue from both taxes would then accrue to the Member States as a resource to be used specifically for financing a transport infrastructure policy.
43. Any consideration of a way of financing the Community transport infrastructure programme other than through the budgetary contributions of the Member States from value-added tax, would have to start with mineral oil taxation.
44. The Committee on Transport would repeat that with a few exceptions such as tunnels and bridges it is against any form of financing which would result in new obstacles to transport whether at borders or specific control points such as motorway access roads.

4. Technical harmonization

45. The technical harmonization in the transport sector sought by the Community is closely linked to transport infrastructure policy. Only once we know what type of vehicles will be used can we say what type of infrastructure must be built.
46. The extension of the railway infrastructure would be desirable and there is support for it as a policy but it will require greater technical harmonization.
47. In the road transport sector the major problem of technical harmonization remains unsolved, namely that of the dimensions and permitted weights for road vehicles. The proposals (Doc. COM(62) 244 final = Supply Bulletin 11/62, partly amended by Doc. COM(728) final = OJ C 16/79) were submitted to the Council of Ministers in 1962. The failure of the Council of Ministers to reach a decision has had many harmful consequences for the motor industry, road and bridge building, road/rail competition, capacity and licensing policy in road traffic, pricing policy and social provisions for long-distance drivers.

5. Road Safety

48. Community transport infrastructure policy has a major role to play in relation to road safety. Road safety is not solely a matter of driver behaviour, traffic regulations and the technical specifications of vehicles, but depends to an equal extent on the technical characteristics of the infrastructure. Road drainage, the angle of bends, the camber on bends etc., which are subject to different technical norms in the various countries and to which foreigners cannot properly adapt their driving behaviour may all represent dangers.

Chapter IV: The role of transport infrastructure policy as part of the Community's policies as a whole

1. Energy policy

49. The need to save energy represents the main challenge of our time. The relationship between transport infrastructure policy and energy policy is of particular topical interest. It is not necessary to go into the energy problem in detail in this report as the Committee on Transport is currently preparing an own-initiative report on the question of energy savings in transport.

50. The Commission is in the process of framing a common energy policy for which the need is growing steadily more urgent and in which transport policy will have an important role to play.

2. Environmental protection

51. A greater awareness of the environment in many sections of the population is having a growing influence on transport policy and in particular transport infrastructure policy. This trend has already led to difficulties for the further development of transport policy in general and the planning and implementation of specific projects.
52. The Committee on Transport welcomes the fact that greater attention is being given to the environmental aspects of transport policy than was hitherto the case. In particular it wishes to point out that in many cases the legislation which gave those affected the right to make their views known as part of the various planning procedures had remained a dead letter owing to a lack of interest among those concerned. If the result of the ecological movement is that this interest is now greater and participation by the public is more active then it is more than what was originally intended, even if many planning procedures become more difficult in consequence.
53. In its environmental programme, the Community can do a great deal to improve the quality of life if, among other things, ~~it harmonizes~~ norms for noise and emission levels in relation to transport infrastructure.
54. Environmental protection in the transport sector must at all events begin at the infrastructure planning stage; the Community transport infrastructure programme can play a part in this.

3. Regional policy

55. A European regional policy worthy of the name requires a consistent transport infrastructure policy. In this connection the Committee on Transport welcomes and supports the opinion of the Committee on Regional Policy and Regional Planning. It is however important to point out that regional policy must not simply consist of improvements to transport infrastructure in the regions. If employment is not created at the same time, improved transport links may even lead to depopulation of a region.
- By the same token, infrastructure policy has repercussions which go far beyond regional aspects and affect the overall economic productivity of the Member States.

56. Improved communications between regions of the Community situated near to frontiers represent a major regional aspect of the Community's transport infrastructure programme, and one of its essential tasks. The Commission makes clear and unequivocal reference to this issue in point 18 of its Memorandum. It is extremely important to stress, as the Commission does, that two different objectives need to be achieved along the Community's internal frontiers.

4. Relations with third countries

57. The Community is an open community which cannot seal itself off from world trade. Any notions of economic self-sufficiency must therefore always be rejected. This means that transport infrastructure policy must also be geared to relations with third countries.

58. It has already been stressed that the Community's transport infrastructure policy must extend to ports and airports and sea and air traffic infrastructures in general. The Commission wishes to take account of sea and air transport only in its planning. The committee advocates that these also be included in the aid programme.

59. Even though transport within the Community and transit traffic via third countries need to be given priority, at least in the initial phase, relations with third countries should not be ignored.

5. Technological research

60. In point 17 of its Memorandum, the Commission refers to the relationship between transport infrastructure policy and Community policy on technology, research and the promotion of advanced technologies. The Committee on Transport supports the comments made by the Commission. It is likely that in the future, problems in the construction of transport infrastructure will, as in the past, throw up challenges to technological research which will lead to discoveries and developments which are more generally applicable.

61. As part of its transport infrastructure programme, the Community can seek to stimulate developments in this field.

Chapter V: Financing

62. There are a range of options for financing the community transport infrastructure programme.
The Commission proposes that the programme be drawn up annually and included in the Community budget as part of the normal budgetary procedure with the same contribution scale as the normal budget: own resources, proportion of value-added tax, financial contributions of the Member States.
63. The Committee on Transport regards the Commission's proposal to draw up certain specific proposals on an annual basis and to include these in the normal budget as acceptable and feasible.
64. A further possibility which might be considered would be to set up a fund along the lines of the ERDF (European Regional Development Fund) to which funds at a level determined as part of the budgetary procedure would be allocated on an annual basis and would then be available to the Commission for its planning.
65. As mentioned earlier, it would be a step towards developing a cost recovery system for transport infrastructures if, in combination with the creation of a fund or the proposal for incorporation in the normal budget, a certain percentage of the taxes on mineral oil for vehicles were transferred to the Community each year and earmarked for measures under the transport infrastructure programme.
66. The Commission has informed the Committee on Transport that it does not intend at present to propose a specifically earmarked levy for the infrastructure programme and that it hopes to receive the necessary funds from the Community's share of value-added tax.

67. If the Community succeeds in drawing up a common infrastructure programme of this kind and eliminating obvious gaps and distortions in the EEC transport network, it will make an appreciable contribution to rationalizing our continent's economy; it would, in the words of the preamble to the EEC Treaty, provide a closer union among the peoples of Europe. It would ensure tangible and perceptible progress for its citizens.
68. The Committee on Transport also wishes to point out that aid to infrastructure projects represents an investment, while the bulk of Community expenditure on agriculture is related to consumption. Transport projects are an investment for the future.
69. In this spirit the Committee on Transport asks the motion for a resolution and the explanatory statement be adopted.

MOTION FOR A RESOLUTION (DOCUMENT 1-583/79)

tabled by Mr LIMA

pursuant to Rule 25 of the Rules of Procedure

on the motorway link between Brussels, Strasbourg
and Luxembourg

The European Parliament,

- wishing to ensure smooth and rapid communications between the
various places of work of the Assembly and its committees,

1. Calls upon the governments of France, Belgium and Luxembourg to give
priority to the completion without delay of the motorway link between
Brussels, Strasbourg and Luxembourg,
2. Instructs its President to forward this resolution to the Council,
the Commission and to the Governments of France, Belgium and
Luxembourg.

MOTION FOR A RESOLUTION (DOCUMENT 1-687/79)

Tabled by Mr. COTTRELL, Mr. John David Taylor and Mr. HUTTON
pursuant to Rule 25 of the Rules of Procedure
on a fixed link between Northern Ireland and Scotland

The European Parliament,

- Mindful of the need to establish permanent fixed links between the major island economies of the Community and the mainland of Continental Europe,
- Observing the progress towards the establishment of a Community common transport infrastructure policy,
- Stating that major transport improvements are ideal for promotion by the Community,
- Desiring to supplement the proposals for a fixed link between the United Kingdom and France,
- Regretting that no formal proposals have yet been made with regard to improving links across the Irish Sea,
- Considers that for geographical and technical reasons a permanent fixed link may be possible beneath the sea from Scotland to Northern Ireland,
- Considers that such a link would confer major economic benefits upon the Community,

therefore calls upon the Commission to institute a study of the feasibility of a fixed link between Northern Ireland and Scotland similar to that commenced with regard to the proposals for permanent links between the United Kingdom and France.

MOTION FOR A RESOLUTION (DOCUMENT 1-797/79)

Tabled by Mr PETRONIO, Mr ALMIRANTE, Mr ROMUALDI and Mr BUTTAFUOCO pursuant to Rule 25 of the Rules of Procedure

on the Milan-Adriatic waterway

The European Parliament,

- considering in particular the fact that the forthcoming opening to traffic of the Frejus and Gothard tunnels will involve serious problems for Lombardy, which has no ferry terminal facilities and whose motorway network is unable to absorb the considerable increase in heavy traffic,
 - realizing therefore the need to provide a transport infrastructure offering rapid and energy-saving links between the northern European region and the Adriatic and the Mediterranean,
 - having regard to the fact that a viable project already exists, has already been partly implemented and must be completed before it becomes obsolete, to provide a waterway link between Milan, Cremona, the Po and the Adriatic,
 - believing that this project should be completed as soon as possible since it would constitute an axis of navigation which could provide a vital contribution to the infrastructure of the European transport network,
 - believing furthermore that attention should be drawn to,
 - (a) the rapid growth in the use of oil products in the road transport sector
 - (b) estimates of further increases in demand
 - (c) the fact that diesel fuel will become a 'critical product' in the coming years.
 - noting
 - (a) that wherever waterways are used great savings in fuel are achieved: in Italy in particular internal waterways use approximately 66% less energy than road transport,
 - (b) that the greater cost of storage is recouped by the lower cost of transport within the total transfer cost: the cost by waterway being approximately 40% cheaper than by road,
 - (c) that the overall energy savings in internal waterway transport total approximately 63%.
 - believing therefore that attention should be given as a matter of priority to achieving savings in the consumption of oil products in transport by setting up a new system of intervention in major European public works aimed at bringing about the desired integration of transport infrastructures;
1. Requests the Commission and the Council to consider the benefits of the 'Milan-Adriatic' canal, which would reduce transport costs, guarantee a system with a high traffic capacity and integrate internal waterways with inshore shipping thus alleviating the shipbuilding crisis;
 2. Requests the Commission to study the possibility of continuing the financing of the works already begun by recourse to the new community instrument (NCI), also referred to as the 'Ortoli facility' and possibly through finance from the European Investment Bank (EIB);
 3. Instructs its President to forward this resolution to the Council and Commission of the European Communities.

MOTION FOR A RESOLUTION (DOCUMENT 1-53/80)

tabled by Mr CAROSSINO, Mr CARDIA, Mr FANTI, Mr CERAVOLO, Mr DE PASQUALE, Mr GOUTHIER and Mr SPINELLI

pursuant to Rule 25 of the Rules of Procedure

on the amending of the proposals concerning aid to projects of Community interest in the field of transport infrastructure. Inclusion of ports and airports amongst the infrastructures which may be financed by the Community

The European Parliament,

I. Noting that:

- (a) eight years after the adoption by Parliament of a resolution on a European Community policy on ports, no significant progress has been made by the Community on a common policy on port transport despite the demonstrable need to make good this serious omission,
- (b) the otherwise praiseworthy memorandum from the Commission on the contributions of the European Communities to the development of air transport services does not envisage any support measures for airport structures,
- (c) one of the reasons for the difficulties encountered with the step-by-step policy pursued by the Community's institutions in the transport sector has been the failure to adopt a coherent system of principles and guidelines which might provide a basis for individual proposals on transport policy and by which such proposals could be judged,
- (d) one of the factors helping further to aggravate these difficulties has been a restrictive interpretation of the Treaty of Rome, and particularly Article 84 thereof, which has led the Commission and the Council to favour measures carried out under a common policy on rail, road and waterway transport and to neglect measures regarding seaports and air transport,
- (e) this course of action should be corrected by rounding off the Community transport policy so that it can promote the coordination, integration and development of the Community's transport network;

II. Whereas:

- (a) the nine-point priority list for air transport approved by the Council in June 1978 provides a programme of action for the Community,
- (b) the Commission's memorandum of 3 August 1979 (COM(79) 311 final) on the contribution of the European Communities to the development of air transport services has further assisted the work of defining in a more complete and detailed way the measures on which future decisions in this field will have to be taken,

- (c) action in the field of transport infrastructure must henceforth be given a prominent position in the development of the common transport policy,
- (d) the Council is examining a proposal from the Commission for a regulation on support for transport projects of Community interest which is intended to give the Community a specific instrument for financial intervention in the infrastructures sector,
- (e) Parliament in its resolution of 4.7.1977 emphasized that the concept of 'transport infrastructure' should clearly include airports and seaports,
- (f) in addition the recent memorandum from the Commission¹ states that particular importance should be given to the development of ports which fulfil an essential function in Community transport,
- (g) the inclusion of seaports amongst the infrastructures which may be financed by the Community is necessary inter alia in order to prevent a distortion of competition in favour of the larger ports situated at the confluences of large river systems which would receive aid and other seaports such as those of the northern Tyrrhenian and northern Adriatic which would not receive any assistance from the Community;

1. Deplores:

- (a) the behaviour of the Council which, when approving the consultation procedure and the creation of a committee for transport infrastructure, did not give consideration to Parliament's opinion which favoured the inclusion of ports and airports amongst transport infrastructures,
- (b) the Council's failure to adopt the regulation concerning aid to projects of Community interest in the field of transport infrastructure which is necessary if the expression of intentions is to be translated into concrete Community action to build a Community transport system,

¹ Memorandum COM(79) 550 final on the role of the Community in the development of transport infrastructure.

- (c) the continuing serious underestimation of the present and future needs of trade between Community countries and between Europe and the rest of the world when formulating a proposal for an active policy on ports,
 - (d) the passivity of the Commission in its failure to present any proposal for a policy on ports in spite of the fact that the report on the actual situation of seaports drawn up by the Ports Working Party shows the important role played by ports which, together with sea transport, have a key function in the economic development of Europe and the safeguarding of its prosperity;
2. Invites the Commission to present a proposal for a Community policy on ports;
 3. Requests the Council to adopt the proposals concerning aid to projects of Community interest in the field of transport infrastructure and to bring ports and airports within the list of infrastructures which may benefit from Community financing;
 4. Instructs its President to forward this resolution to the Council and Commission of the European Communities.

MOTION FOR A RESOLUTION (DOCUMENT 1-299/80)

Tabled by Sir Fred CATHERWOOD, Mr MORELAND, Mr SCOTT-HOPKINS, Mr MOORHOUSE, Mr TURNER, Miss FORSTER, Mr HOWELL, Sir Henry PLUMB, Mr SPENCER, Mr SIMMONDS, Mr BATTERSBY, Mr FORTH, Mr John Mark TAYLOR, Mr DE COURCY LING, Mr NEWTON DUNN, Mr TUCKMAN, Mr SIMPSON, Mr COTTRELL, Mr CURRY, Mr PROUT, and Mr BEAZLEY

pursuant to Rule 25 of the Rules of Procedure
on the improvement of transport infrastructure from the Midlands of the United Kingdom to other parts of the Community through the East Coast ports of the United Kingdom

the European Parliament.

- noting the Commission's interest in improving transport infrastructure which is of Community interest;
 - stressing the need for improved communications across the Community;
 - noting the difficulties in transporting goods to and from the industrial Midlands of the United Kingdom to the rest of the Community due to poor communications between the Midlands and United Kingdom East Coast ports;
 - noting the urgent need for the East Coast ports to maintain very substantial growth to meet the increasing traffic and the need for financial support in meeting this need;
 - noting Council approval in principle in the 1980 budget for expenditure on transport infrastructure.
1. Request the Council to approve, as a matter of urgency, the appropriate financial regulation to enable expenditure on transport infrastructure to be made;
 2. Requests the Commission to provide financial support for the improvement of the communications between the Midlands and East Coast ports of the United Kingdom and for the development of the ports to carry the increased trade.

A. List of major infrastructure projects advocated in written questions from the European Parliament (since 1970):

Cronin	No. 1415/79 OJ C 86/80 Cross-border connections between the north and south of Ireland
Giumarra	No. 1266/79 OJ C 80/80 Permanent links between Sicily and the Continent
Schwartzenberg	No. 1250/79 OJ C 86/80 Motorway connections from Luxembourg to Arlon, Trier and Thionville
Albers	No. 1242/79 OJ C 74/80 Nuisance caused by goods traffic in frontier villages
Key	No. 1197/79 OJ C 80/80 Regional airports in the Highlands and Islands
Adam	No. 1134/79 OJ C 74/80 Electrification of railways
De Keersmaeker	No. 1121/79 OJ C 86/80 Aachen-Montzen railway Reopening of Antwerp-Mönchengladbach line
Loo	No. 837/79 OJ C 66/80 Rhine-Rhone canal
Taylor	No. 539/79 OJ C 316/79 Ulster airport rail link
Taylor	No. 500/79 OJ C 288/79 A 75 trunk road in Scotland
Calewaert	No. 5/79 OJ C 267/79 Reopening of the Antwerp-Mönchengladbach railway line the 'Iron Rhine'
Kavanagh	No. 1051/78 OJ C 154/79 Royal Canal and Grand Canal in Ireland
Ewing	No. 881/78 OJ C 79/79 Roads in Scotland
Inchauspé	No. 836/78 OJ C 33/79 Rhine-Rhone canal
Bettiza	No. 807/78 OJ C 68/79 Port of Trieste

Brosnan	No. 795/78 OJ C 45/79 Railway gauges in Ireland
Luster	No. 751/78 OJ C 33/79 Telephone services in Belgium
Seefeld	No. 716/78 OJ C 57/79 Transit routes through Austria
Brosnan	No. 710/78 OJ C 60/79 Infrastructure in less-developed areas, in particular Ireland
Cot	No. 632/78 OJ C 297/78 No. 631/78 OJ C 150/79 Access roads to the Fréjus road tunnel
Albers	No. 629/78 OJ C 32/79 Brussels-Luxembourg road
Pisani	No. 523/78 OJ C 293/78 European methane terminal
Notenboom	No. 520/78 OJ C 287/78 E roads in Europe
McDonald	No. 471/78 OJ C 251/78 Ports in the Republic of Ireland
Berkhouwer	No. 339/78 OJ C 227/78 Channel tunnel
Seefeld	No. 310/78 OJ C 199/78 Channel tunnel
Seefeld	No. 250/78 OJ C 188/78 Channel tunnel
Durieux	No. 119/78 OJ C 175/78 Channel tunnel
Seefeld	No. 615/77 OJ C 56/78 Motorways in Austria
Cousté	No. 813/76 OJ C 94/77 Rhine-Rhone canal
Cousté	No. 156/76 Oj C 167/76 Rhine-Rhone canal
Seefeld	No. 604/75 OJ C 49/76 Ports in ACP countries

Ansart	No. 389/75 OJ C 292/75 Construction of the Scheldt links
Nyborg	No. 331/75 OJ C 285/75 Motorway Thionville-Luxembourg
Giraud	No. 192/74 OJ C 113/74 Geneva-Brussels rapid link (Europol)
Couste	No. 612/73 OJ C 39/74 Introduction of right-hand drive in all countries
Bourges	No. 553/73 OJ C 22/74 Links between the Community's places of work
Seefeld	No. 331/73 OJ C 12/74 Introduction of right-hand drive in all countries
Couste	No. 213/71 OJ C 101/71 Channel tunnel
Oele	No. 426/70 OJ C 22/71 Channel tunnel

B. List of major transport infrastructure projects advocated in reports and resolutions of the European Parliament :

Petronio	Motion for a resolution Doc. 797/80 Milan-Adriatic canal
Catherwood et al.	Motion for a resolution Doc. 1-299/80 Transport infrastructure from the Midlands of the United Kingdom to other parts of the Community through the East Coast ports of the United Kingdom.
Boyes et al.	Motion for a resolution Doc. 1-242/80 on the proposed Channel tunnel
Carossino et al.	Motion for a resolution Doc. 1-53/80 Ports and airports
Berkhouwer	Motion for a resolution Doc. 1-48/80 on the construction of a Channel tunnel
Cottrell et al.	Motion for a resolution Doc. 1-687/79 Fixed link between Northern Ireland and Scotland
Lima	Motion for a resolution Doc. 1-583/79 Motorway link between Brussels, Strasbourg and Luxembourg
Berkhouwer et al.	Motion for a resolution Doc. 7/76 Channel tunnel
Nyborg	Reports Doc. 377/76 and 185/77 Resolutions OJ C 293/76 and C 183/77 Channel tunnel Low-level rail tunnel under the Alps Resolution OJ C 60/75 Channel tunnel
Hill	Report Doc. 319/74 Resolution OJ C 5/75 Permanent links across certain sea straits (Channel, Denmark, Straits of Messina)
Giraud	Report Doc. 500/75 Resolution OJ C 100/76 Transit routes through Austria and Switzerland
Noè	Report Doc. 85/73 Resolution OJ C 49/73 Traffic infrastructures through the alps

Müller-Hermann Report Doc. 90/60
Resolution OJ 16.12.1960
Traffic routes (proposed by the Commission)

Seifriz Report Doc. 7/65
Resolution OJ 12.4.65
Infrastructure investments (proposed by the
Commission)

Seifriz Report Doc. 140/67
Resolution OJ 18.12.1967
Ports

Seefeld Report Doc. 10/72
Resolution OJ C 46/72
Ports

C. List of major transport infrastructure projects advocated in oral questions from the European Parliament:

Desmond	15.9.1980 Cork airport
O'Leary	10.3.1980 Port of Dublin
Cronin	11.2.1980 Tunnel under the Lee estuary at Blackrock Castle, Cork
Kavanagh	14.1.1980 Belfast-Dublin-Wexford-Rosslare road
Brookes	15.11.1979 Road network in North Wales
Flanagan	24.10.1979 Irish ports
Cottrell	23.10.1979 Channel Tunnel
Seefeld	24.9.1979 Transit routes in the Alps
Brown	15.6.1978 Channel Tunnel
Osborn	15.12.1977 Sheffield-South Yorkshire canal
Cousté	15.11.1977 Rhine-Rhône canal
Cousté et al	10.10.1977 Wide inland waterways in Europe
Berkhouwer	8.2.1977 Channel Tunnel
Dunwoody	12.1.1977 Channel Tunnel
Osborn	7.4.1976 Channel Tunnel

Berkhouwer

10.3.1976

Channel Tunnel

Dalyell

11.2.1976

Channel Tunnel

Hill

17.2.1975

Channel Tunnel

OPINION OF THE COMMITTEE ON REGIONAL POLICY

AND REGIONAL PLANNING

Draftsman: Mr W.J. GRIFFITHS

On 22 February 1980, the Committee on Regional Policy and Regional Planning appointed Mr GRIFFITHS draftsman.

The committee examined the draft opinion at its meetings of 21 March, 4 June, 23 September and 21 October 1980 and adopted it unanimously at its meeting of 21 October 1980.

Present: Mr DE PASQUALE, chairman; Mr von der VRING (deputizing for the draftsman); Mrs BOOT, Mr BROK, Mr CARDIA, Mr HARRIS, Mr HUME, Mr JOSSELIN, Mr PULETTI and Mr J.D. TAYLOR.

I. Introduction

1. Transport is clearly of major importance to both the Community and Member States. Not only does it contribute substantially to gross national product and represent massive public and private investment, it also has been a major influence on economic and social development and shapes our pattern of living today.
2. To its credit the Commission has recognised the importance of transport, both in the market policy and structural policy sectors; it is also clear that the previous piecemeal approach was inadequate. The efforts made by the Commission and supported by the European Parliament, to bring transport policy out of its state of stagnation, have, however, met with very limited success.
3. The memorandum now presented by the Commission (COM(79) 550) sets out 'to put forward its views in order to stimulate thought and discussion among all interested groups'. If this objective is somewhat limited it must be recalled that Council has yet to adopt a regulation concerning aid to projects of Community interest in the field of transport infrastructure. In 1976 the Commission proposed such a regulation and an improved consultation through the setting up of a Transport Committee; the latter proposal only was adopted early in 1978. This opinion therefore summarises the Regional Committee's discussion and conclusions on the Commission's approach to a very broad topic.

II. General Considerations

4. What then are the transport needs of the Community's problem regions? A cursory glance at the map indicates that those problem regions, those receiving aid from the ERDF, tend to lie at the periphery - the Mezzogiorno, Scotland, and S.W. France are but three examples. The importance of transport to regions is therefore self-evident, and the Commission's proposal is welcome as one which deals with the broad question of regional planning as well as with regional policy; there can be no true overall policy for regions without a transport policy. However, the projected routes shown on the maps contrast with this conclusion, since little account seems to have been taken of the need to develop transport facilities in the peripheral regions.
5. Nevertheless, the Community's problem regions are far from identical and their individual transport requirements differ correspondingly. Roughly speaking, they fall into two main categories:
 - those that are less-developed, being heavily reliant on agriculture and having little industry, and suffering persistent underemployment and net emigration; and

- those that are in decline, usually overly dependent on one or two traditional industries, such as steel or textiles, facing long-term difficulties. These areas are sometimes located towards the Community periphery, but not necessarily so: for example, Wallonia and N.W. France.

In addition, there are the special difficulties faced by frontier regions and by over-developed or congested areas.

6. For areas in decline, improving links with the outside can be of great benefit, for a number of reasons. Firstly, the 'export' of goods from existing local industry is made cheaper, improving the latter's chances of survival or expansion. Secondly, it is easier to attract new industry, and industrial concentrations - even declining ones - provide the necessary network of manpower and services. Regional investment incentives of course recognise this; declining areas can be helped by such schemes as long as they do not suffer transport disadvantages. Hence the desirability of adequate inter-regional connections.

7. Declining areas usually already have adequate local transport infrastructures, although these often need new investment. In many cases, however, under-developed regions have only minimal local networks. These are of course vital, and the provision of even simple links in remote areas can reverse a trend to depopulation. A large proportion of ERDF spending and EIB loans is thus devoted to improving local infrastructure.

8. It is important for the less-developed regions, particularly those on the periphery of the Community, to improve and develop their links with other regions. Such an improvement, however, would be of little significance if not accompanied by a general policy of development to reduce imbalances.

9. The development of frontier regions is hampered by the border amputating part of the economic hinterland. Links across internal Community borders may well figure strongly in any programme, to the benefit of these regions. In paragraph 18 of its paper, the Commission recognises that infrastructure policy in frontier regions must have a local as well as major-route dimension. Yet elsewhere a distinction is drawn between local network needs (to be dealt with at regional level) and the major-route emphasis of the present pro-

posals. As your draftsman suggests in paragraph 8 above, this interaction of local and major networks is necessary for balanced development in other regions as well as frontier ones.

10. The problems of congested or over-developed regions have not received much attention at Community level, and at national level tend to be dealt with by planning barriers and disincentives. Transport shortcomings are associated with urban congestion and the Commission is right to leave these to local decision except, of course, where they cause bottlenecks of Community interest.

a) Objectives

11. Significant as transport policy is generally, its effects can be yet more important for particular geographical regions. It is essential that the policy adopted is not narrowly sectorial but takes account of overall politico-economic factors. Transport infrastructure and transport policy are not ends in themselves, but means to ends.

12. What your draftsman finds lacking in the Commission's paper is a clear statement of what those ends are. Certainly, paragraphs 36 and 37 deal with objectives, but they concern the collection of information and the development of techniques - in other words, the mechanics of a policy rather than strategic goals, and the same is true of other aspects of the 'action programme'. Paragraph 30 is surely right when it says 'the major tasks await definition and realisation':

13. The specific sectoral aims of transport policy and regional policy should not be confused, even if they bear heavily on one another. But implicit in COM(79) 550 is the belief that an infrastructure programme will assist the development of the Community without giving much idea of where the Commission sees the balance lying between, say, the promotion of trade and balanced regional development: the programme could on the one hand be very oriented towards promoting regional development; on the other, towards removing bottlenecks hindering trade - a process in the main which is liable to increase industrial concentration and possibly be to the disadvantage of already-struggling regions. The choice between these objectives needs to be spelled out, and it is this committee's view that the Community will be best served in the long term by a policy which emphasises regional development.

14. In view of the magnitude and importance of the proposed tunnel under the Channel, the project ought to be the subject of an analysis to determine its regional impact.

15. To this end, the objectives of the infrastructure programme should be spelled out more clearly, and it is the opinion of the committee that any programme objectives must make more specific and more adequate reference to promoting regional development.

16. The Commission envisages projects falling within four categories:

- removal of bottlenecks;
- cross-frontier links;
- those of inadequate national significance, but important in view of specific Community objectives; and
- technical standardisation and complementarity.

The regional benefits of cross-frontier links have already been mentioned. Other projects of specifically regional benefit are liable to be included, if at all, under those justified by Community interest. COM(79) 550 recognises the vagueness of this definition.

b) Community interest and cost benefit analysis

17. At the risk of over-compressing the fair and interesting discussion of how to define and measure 'Community interest' contained in Annex II of COM (79) 550, it would seem to arise when projects not justifiable from a purely national point of view provide enough extra benefits outside national boundaries to become worthwhile overall. Cross-border links are an obvious example.

18. The Commission is right to draw a distinction between direct and indirect benefits, and to the difficulties of assessing the latter. Cost-benefit analysis, properly applied, is a useful aid. It forces the planner to list carefully the positive and negative impacts of an investment. Trying to quantify those impacts reveals shortcomings, however. It is not a neutral technocratic tool, but has to make assumptions as to valuing a managing-director's time relative to a worker's, for example. Similarly, for long-term projects - such as those under discussion here - the choice of an appropriate discount rate causes very serious problems.

19. In addition, cost-benefit analysis often leads to overconcentration on those effects which are measurable; many of the benefits of regional policy

cannot, however, be predicted or measured with accuracy. Too much reliance on cost-benefit analysis is liable to undervalue the regional effects of projects and this Committee amended Article 4 of the draft regulation on aid to transport infrastructure projects from requiring a "cost-benefit study" to "a cost-benefit study including regional, social and environmental implications". The Budget Committee similarly raised doubts about such studies; the results must be treated with caution. (See NYBORG report PE Doc. 185/77).

c) Projects

20. It would not, in your draftsman's view, be a productive exercise to compile at this stage a list of projects we individually favour for one reason or another; concrete proposals have yet to come forward. Some general comments are in order, however.

21. Clearly there must be the fullest consultation and cooperation with Member States, but Community policy should not be merely the sum of Member States' policies. The stress the Commission itself places in COM(79)550 on the need for eligible projects to have a Community interest over and above national benefit implies a substantial measure of interdependence. The operating principles of a transport infrastructure programme ought to be akin to those of the ERDF non-quota section, rather than the quota one.

22. Nevertheless, the list of indicative projects the Commission includes in COM(79)550 bears examination, despite the flurry of caveats that accompany it. The list is divided into five sub-headings:-

- international links between major centres;
- links with peripheral regions;
- links affected by the entry of new Member States;
- links overcoming natural obstacles; and
- "missing" links between existing networks.

Your draftsman has made various criticisms in the paragraphs above of the Commission's general approach and lack of explicitness. It must therefore be recorded that projects dealing with peripheral regions and with enlargement are most welcome from a regional policy point of view.

It must be emphasised again, however, that regions will only benefit if there is an overall package of measures designed to meet their needs.

The Committee recognises the role which investment in infrastructure can play in alleviating the effects of other Community transport policies particularly on peripheral regions.

23. Apart from Greenland and the French overseas Departments, the three main priority areas of the Commission's "Guidelines on Regional Policy" are the Mezzogiorno, Ireland and Northern Ireland. Projects in these regions feature strongly under the "links with peripheral regions" heading. Similarly, the first proposals relating to the ERDF's non-quota section places greatest emphasis on the problems arising from enlargement, and one of the sub-headings covers expressly such projects.

24. The one type of disadvantaged region not explicitly dealt with involves those in decline, and heavily reliant on industries such as steel or ship-building. Certainly some of these regions already have adequate links, but others would benefit from projects mentioned under the various sub-headings. But no systematic attempt seems to have been made to ensure that their needs are met. The Commission should consider these and include proposals where appropriate.

25. In paragraphs 13 and 15 above, your draftsman stressed the need for any infrastructure programme to make a real contribution to regional development, and not merely pay lip-service to the problem. That a reasonable number of projects relevant to the needs of disadvantaged regions are included in the list is no guarantee that an adequate proportion of any available funding will be devoted to them. Consideration will be given to this in the next section.

d) Financing the programme

26. The Commission proposes a new "financial instrument" for transport infrastructure projects, although it appears that no special fund will be set up. Rather, projects for which assistance has been requested and which have been accepted by the Commission will be mentioned in an annex to the budget. Any expenditure will be non-obligatory, and will come out of the Communities' own resources.

27. Such an arrangement does of course provide a desirable degree of flexibility, and avoids formal quotas, etc. The risk your draftsman sees is that the proposals will foster an over-sectorial approach. This has been commented on above; transport is not an end in itself, but a means to an end.

28. The limitations of existing instruments are put forward as justifying the need for a new financial instrument. These arguments do not appear to carry a great deal of force. For example, the "special criteria" of existing instruments (such as economic growth) provide precisely the policy objectives missing from the Commission's memorandum.

29. The ERDF grants and EMS rebates are subject to geographical limits, of course, and unfnding the transport infrastructure programme should certainly not cut into the already inadequate ERDF. But the EIB and NCI would seem to be eminently suitable instruments for effecting an infrastructure programme, and further consideration should be given to:-

- increasing the working capital of each, perhaps with a tranche earmarked for the transport infrastructure programme; and
- granting interest rate rebates for projects falling within the transport infrastructure programme.

The envisaged level of spending is not mentioned. If, however, total investment in Community-interest transport projects is expected to be roughly 1500 MEUA a year (see Annex IV of COM(79)550), then 20% Community funding would involve 300 MEUA a year. Used as interest rate rebate on EIB or NCI loans, 300 MEUA would eliminate interest payments on the whole programme.

30. The danger of an infrastructure programme which ignores regional problems has already been mentioned. The question is how to ensure a balance in the spending programme. To divide the funding into regional and non-regional sections would probably raise more difficulties than it would solve, but there may be scope for introducing some "linkage" between transport infrastructure spending and the ERDF. This, however, would require careful consideration.

31. It is possible that private capital will be involved in funding some transport infrastructure projects of Community interest. Although the Community will continue to work through Member States, the presence of such funding should not be a barrier to a Community contribution.

III. Other points and conclusions

32. The transport policy is of vital importance to the objective of regional development and regional balance. In the recent resolution on the national programmes, Parliament reaffirmed its belief that all the common policies must make a decisive contribution to the attainment of this objective. This opinion has been couched in deliberately general terms. Some more specific comments are however in order:

- a) Air and sea traffic received inadequate attention in COM(79)550, although it is recognised that air transport is the subject of a separate initiative. Ports are likely to play a particular role with regard to enlargement and future energy supplies, and their development has a substantial regional effect. The Committee is disappointed that disagreement elsewhere means that the memorandum is incomplete in this regard.

- b) Non-infrastructure aspects of transport policy can have significant regional effects and the framing and introduction of social and tariff regulations ought to make due allowance for that, for example the introduction of an appropriate sliding scale of road, rail and air tariffs, in conformity with the principle of making transport to, from and in less-favoured peripheral regions less expensive. Particular reference is made in this respect to the express obligation imposed on the Community by Article 80(2) of the EEC Treaty.
- c) Transport is energy-dependent, and relies particularly on oil as a concentrated energy source which can be carried. With the looming uncertainty over both the supply of oil and its price, the essential feature of any transport policy must be flexibility. As the oil outlook grows more uncertain every day it could be argued that energy-saving transport infrastructure projects, particularly with a beneficial regional impact, should be given a high priority.
- d) Development of new technologies (such as transport pipelines) and improving the economy of operation of existing methods might well be considered under "projects which facilitate the standardisation of equipment and the synchronisation of work on the Community communications network".
- e) The Committee is disappointed that the very important role of ferries, particularly in peripheral areas has not been dealt with in the Commission memorandum.
- f) Finally, the committee recommends that the maps annexed to the Commission memorandum should be replaced with other up-to-date maps that take account of the changes that have occurred in the meantime. The committee notes the declaration of the Commission that the maps do not constitute programmes.

33. Any proposal for a transport infrastructure project carrying the concept of "Community interest" needs to be assessed critically for its impact upon any region or regions of the Community. In particular, additional attention needs to be paid to the "Community interest" aspect of transport infrastructure as it affects regions of industrial decline.

In view of the high priority that the Council, the Commission and the Parliament give to overcoming the ever-growing problem of regional imbalances then the more precise development of a Community role in transport infrastructure should place a heavy emphasis on dealing with this problem.

