Opinion of the European Economic and Social Committee on ‘preparing transport infrastructure for the future: planning and neighbouring countries - sustainable mobility - financing’

(2004/C 108/05)

On 17 July 2003 the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an opinion on: preparing transport infrastructure for the future: planning and neighbouring countries – sustainable mobility – financing.

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 24 November 2003. The rapporteurs were Mrs Alleweldt, Mr Levaux and Mr Ribbe.

At its 405th plenary session on 28 and 29 January (meeting of 28 January), the European Economic and Social Committee adopted the following opinion by 107 votes to two, with three abstentions.

Foreword

On 8 April 2003, in a letter from Mr Umberto Vattani, Ambassador and Permanent Representative of Italy to the European Union, the Council asked the European Economic and Social Committee to draw up an exploratory opinion on the Revision of the list of Trans-European Network (TEN) projects up to 2004.

At the July plenary session, the Italian Minister for European Affairs, Mr Buttiglione, on behalf of the Council presidency, enlarged upon this request, explaining that it was one of the priorities of the Italian presidency to give new impetus to European transport infrastructure policy. He also expressed the hope that trans-European transport networks would not only facilitate the transport of goods, but would also strengthen ties between the communities along their routes.

Meeting in Rome on 4 September 2003 at the invitation of the Italian Economic and Labour Council (CNEL) and in the presence of Mr Buttiglione, the European Economic and Social Committee’s Section for Transport, Energy, Infrastructure and the Information Society adopted its exploratory opinion and a joint resolution with Commission V of the CNEL on large-scale infrastructure projects and networks, emphasising that

— the development of trans-European transport networks is essential for economic and social cohesion in the new Europe; and

— coherent and sustainable development of European mobility must be guaranteed so as to permit the balanced growth of the continent’s economic and social fabric.

Speaking on behalf of the Italian presidency, Mr Buttiglione also wished to see the EESC more closely involved in European policy in this area. The TEN section was therefore given the task of drawing up an own-initiative opinion on Preparing transport infrastructure for the future: planning and neighbouring countries – sustainable mobility – financing. Owing to the complexity of the topic, it was decided to appoint three rapporteurs (1), each dealing with one of the three aspects with reference to ongoing work on the growth initiative and the work of the Van Miert group. The EESC’s work on the subject is constantly evolving and this opinion, which is to be submitted before the end of the Italian presidency at its final meeting in early December, constitutes its current position.

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1. Planning and neighbourhood policy – linking the trans-European networks to the Helsinki pan-European corridors

1.1 One of the priorities of the Italian presidency has been to give new impetus to European transport infrastructure policy. Although Germany and France went on to point out that the priority of this growth initiative for Europe could not be transport infrastructure alone, but should also include energy networks, telecommunications and R&D, the focus on transport infrastructure is entirely warranted. A review of implementation of trans-European transport networks (TEN-T) over the last ten years makes for very sobering reading. Nevertheless, the European Commission responded in October with a communication of its own taking appropriate account of the broader approach and attempting to convert it into a strategy for increasing employment (2).

(1) Mrs Alleweldt: Planning and neighbouring countries
Mr Ribbe: Sustainable mobility
Mr Levaux: Financing

1.2 Faced with the forthcoming enlargement of the EU and the changes to Europe’s geostrategic situation, the forecasts for transport trends as a whole and for individual modes, the increasing sensitivity about the environmental impact and the poor prospects for growth in the EU with their implications for employment, the question must be whether we can meet the challenges if we do not make a clear move towards a joint European initiative on transport infrastructure development. This cannot involve simply perpetuating old solutions; we must have the courage to develop new instruments.

1.3 On 4 September 2003 in Rome, the EESC’s TEN section adopted a joint resolution with Commission V of the Italian Economic and Labour Council (CNEIL) on large-scale infrastructure projects and networks. Together they stressed the urgency of developing the pan-European transport corridors in southern and eastern Europe, thereby improving the conditions for managing transport trends in the Mediterranean region, which, as pointed out in the ‘Naples Charter’, will take on a new economic, social and strategic role following EU enlargement. The network of existing corridors must be supplemented with important links, such as the Adriatic link between corridors V and VIII. At the same time, care must be taken to ensure balance in addressing the interests of all regions, including depressed areas in the current Member States and Northern Europe. The development of this pan-European network requires more technical and organisational support, as well as financial backing.

1.4 Ten years after the first ground-breaking moves to develop the TEN-T, the European Commission appointed a group of experts headed by Karel van Miert to carry out a review (1). It has emerged that not only is implementation of planned projects way behind the deadlines set, but also total public investment in transport has dwindled from 1.8% of GDP in 1980 to 1% of GDP in the nineties. On 1 October 2003, the European Commission then submitted a proposal to adapt the guidelines for the trans-European transport network to the situation post-enlargement (2). The aim is to create a coherent network between new and old Member States and to speed up implementation of priority projects. The EESC wishes to make a further contribution to these revamped TEN-T with the following comments.

1.5 Trans-European transport routes are an essential prerequisite for economic and social cohesion in the enlarged EU and beyond. The new and old EU neighbours must become partners in this project, which embraces the whole European continent and extends beyond.

1.6 The three Pan-European Transport Conferences in Prague (1991), Crete (1994) and Helsinki (1997) (3) both paved the way for a network of trunk routes (corridors) and saw agreement on transport policy objectives integrating principles of energy, environment, social and economic policy so as to create fair and balanced competition conditions. This principle of transport policy cooperation beyond the EU will also be needed in future and the European Commission should take account of it and support it in its work.

1.7 Infrastructure projects with European implications only fulfil their function if they respond to economic, political and social interests. This requires more than just cooperation between transport ministers; it requires the involvement of business associations, transport companies, trade unions, and environmental and consumer organisations working across borders. And EU accession alone is not enough to achieve this. Rather, the reality of TEN implementation shows that the impetus for implementing ‘European’ transport routes can only be sustained by a socially-rooted appreciation of ‘Europe’ and a consensus which takes account of economic and social realities. The EESC proposes applying the experience gained with the corridor concept to the TEN-T so as to utilise this potential.

1.8 This implies the following concrete requirements for the revision of the TEN guidelines, which includes further work in the corridors:

1.8.1 TEN trunk routes and corridors must bind the internal market together, reinforcing economic and social relations with neighbouring countries. First and foremost, they must provide optimum connections between economic centres and must also be assessed on those criteria. This has rarely been done to date, if at all, and not in a very clear way. In some cases, individual scientific studies are cited as evidence, but controversial findings and opinions are rarely mentioned. A realistic picture only emerges when the opinions and experience of associations are added to the equation. To date, this recourse has been much understudied by the Commission.

1.8.2 The intermodality of TENs and corridors must be ensured, which requires comprehensible quality criteria. Each trunk route/each corridor will have to develop and implement this in its own way, so it is important to introduce a requirement for intermodality blueprints and action plans.

(2) COM(2003) 564 final of 1.10.2003
1.8.3 The environmentally friendly use of inland waterways (cf. also 2.3.8) should be emphasised to a greater extent; this also involves ports, promoting the inland waterway corridor VII (6), the Danube, links to rail routes and appropriate technical and social regulations governing cross-border inland waterways transport.

1.8.4 Enough is still not being done to promote short sea shipping and its appropriate integration into the planning of TENs and corridors. The greater prominence given to shipping links in the new Commission proposal is therefore very welcome. For these transport services and their promotion in particular, it is once again important to maintain safety standards and social conditions. Environmental implications should also be borne in mind in the case of busy shipping links (e.g. in the approaches to the Baltic) and coastal transport.

1.8.5 Ambitious, but feasible objectives must be defined for developing rail transport, with particular attention to cross-border cooperation projects and connections to seaports. The implementation of these should also be evaluated. With new toll arrangements for roads under discussion (7), it is essential to create alternatives. There are good examples of major rail transport cooperation initiatives in corridors IV (8) and X (9).

1.8.6 We need growing investment for the acquisition and development of transport infrastructure and improved EU funding, as well as a stricter obligation to keep to ‘European’ project planning. At the same time, budget resources are limited and care must be taken to ensure balanced development overall. This means that developing existing infrastructure should be given precedence over new building projects and investment in the main transport routes must not be at the expense of regional and local transport facilities to too great an extent. Overall an assessment should be made of how effectively regional transport networks are linked in along the TENs/corridors.

1.8.7 The success of TENs/corridors depends on environmental, safety and consumer protection concerns being seen to be addressed. Transport, safety and sustainability are inextricably linked. For this reason, social concerns must be given equal importance – not just those relating to transport employees – in addition to economic necessities. This also involves organising road transport in an environmentally friendly way and promoting public transport. These qualitative criteria, such as service quality, safety, environmental impact, and the working conditions and skills of transport workers, should be appended to the TEN guidelines as originally intended. This requires the creation of viable assessment mechanisms, such as a specific TEN/corridor environmental report or similar.

1.8.8 When integrating the corridors into the TEN guidelines, positive elements of cooperation in the corridors should be carried over and preserved. Corridors will continue to function as conduits to neighbouring countries and continents beyond the territory of the EU. After enlargement there must be no winding down of the remaining corridors; there must be serious and geographically far-reaching cooperation opportunities. Careful thought must be given to the repercussions of decisions taken now concerning the TENs in the EU on the cooperation which has grown up in the corridors.

The Commission’s new proposal to appoint individual coordinators to promote priority TEN projects is worth highlighting as it shows the Commission is drawing on experience in the corridors in a commendable way. The intention to conduct joint cross-border planning procedures and environmental impact assessments is also a step in the right direction. Up-to-date reviews of progress are essential, so the proposed annual reports are also a positive step. The monitoring function laid down in the 1997 Helsinki Declaration has never been fulfilled, although individual reports, such as that by the ECMT, the regular status reports from the corridor steering committees or the 1999 TINA report were available. The coordinators should also work towards realising the above-mentioned political objectives, and in this sense, the remit described in the new Article 17a provides a good basis, especially for promoting dialogue between operators, users, regional and local authorities and the representatives of civil society with a view to the optimum use of infrastructure and possible obstacles (9). The EESC calls on the Commission to draw on its experience and support in terms of consulting socio-economic interest groups, creating transparency and holding hearings and dialogue conferences. This was also endorsed in an exchange of correspondence between the TEN section and Commissioner Loyola de Palacio in Spring 2003 and could now be put into effect.

2. Transport infrastructure with reference to sustainable development

2.1 Introduction

2.1.1 Mobility is an indispensable benefit of our modern world. A wide range of leisure activities and the desire to travel, as well as the world of work, which demands ever greater flexibility, have made us into a society which sets great store by mobility. For many, mobility is synonymous with freedom, which is supposed to be as unrestricted as possible, both literally and figuratively.
2.1.2 Mobility is also a crucial and fundamental prerequisite for the functioning of major sectors of our economy. Investment in new transport routes, and the maintenance and modernisation of existing ones, helps to boost the economy and to create jobs.

2.1.3 But being mobile does not mean necessarily having to travel long distances. High transport performance is by no means synonymous with high mobility in the positive sense. On the contrary, excessive transport performance levels are at their limit: traffic jams on our roads are turning mobility into paralysis. To solve this problem, there are frequent calls for transport infrastructure to be expanded further. At the same time, ‘disconnected’ regions are to be opened up so as to provide a prospect of economic development in outlying areas too.

2.1.4 Yet it has not escaped the EESC’s notice that there is an ever-growing chorus of critical voices. For transport undoubtedly has its downsides, affecting both man and nature:

— Accidents, health hazards from noise and air pollution, damage to the landscape and the consumption of natural resources result in so-called ‘external costs’, which amount to an annual figure of some 530 billion euro in the EU (incl. Norway and Switzerland); this is equivalent to nearly 8 % of these countries’ GDP.

— The countryside is torn apart, natural habitats destroyed, wildlife migration routes disrupted.

— People in Europe are suffering with the increase in traffic and its impact on the environment. A survey by the European Commission shows that three of the seven most frequently mentioned forms of environmental pollution are mainly caused by transport: noise, destruction of the countryside and air pollution. Not surprisingly, car traffic tops the poll as far and away the worst offender.

2.1.5 Critics of transport policy to date are increasingly asking at what point the process of opening up a country with roads and other transport infrastructure can be considered to be either at an optimum level or complete. There is also uniform criticism of the fact that the economy is often faltering and unemployment high in regions which are well served by transport, giving many critics increasing cause to question the often cited causal link between transport infrastructure and economic development.

2.1.6 It is clear to the EESC that, when assessing development plans for European infrastructure, a fine distinction must be made between the purely investment phase (building as such) and the subsequent impact caused by operating or using the infrastructure. This involves not only the environmental and social implications, but also the knock-on effects on existing national or regional transport infrastructure. The Maastricht Treaty states that trans-European networks are intended to reinforce the economic and social cohesion of the European Union. However, there are an increasing number of empirical studies which attest to the fact that, contrary to the goals of the Treaty, while the development of TENs does improve links between Europe’s economic centres, thereby enhancing Europe’s global competitiveness, the existing disparities in accessibility and economic potential between central and peripheral regions of Europe are exacerbated by giving priority to centre-to-centre links.

2.2 Transport infrastructure and sustainable development

2.2.1 The European Commission gives a very precise outline of the apparent problem on its website: ‘Open frontiers and affordable transport have given Europeans unprecedented levels of personal mobility. Goods are shipped rapidly and efficiently from factory to customer, often in different countries. The European Union has contributed by opening national markets to competition and by removing physical and technical barriers to free movement. But today’s transport patterns and growth rates are unsustainable’ (12).

2.2.2 In the sustainability strategy decided on by the European Commission in Gothenburg in 2001, it is rightly explained that ‘The Common Transport Policy should tackle rising levels of congestion and pollution and encourage use of more environmentally-friendly means of transport’. The Commission announced that it would ‘give priority to infrastructure investment for public transport and for railways ...’. The EESC has endorsed the goals of the Gothenburg strategy in a number of opinions (13).

2.2.3 Transport is thus of great importance not only for current economic policy. The decisions taken as part of the growth initiative should not be evaluated only on short-term criteria. The EU’s transport policy must certainly be one of the key areas of action in future as part of the EU’s sustainability and climate protection policy, and as the Commission describes, changes are needed for this to be possible. For example, transport currently contributes to climate change, accounting for 28 % of greenhouse gases, with road transport alone responsible for 84 % of this total. If nothing is done to reverse the trend of traffic growth, CO2 emissions are expected to rise by 50 % to 1.113 billion tonnes between 1990 and 2010 (1990: 739 million tonnes).

(12) Source: http://europa.eu.int/pol/trans/index_en.htm
2.2.4 The cause of the environmental and social problems is the sharp increase in road and air transport while less environmentally harmful transport modes are losing out (13). Transport infrastructure policy has contributed to this trend. According to Eurostat, the length of the motorway network in the EU grew by more than 25% between 1990 and 1999 while the rail network contracted by 4% over the same period (14).

2.2.5 The EESC points out that under virtually all environmental headings (energy and land use, emissions etc.) rail has proven to be the most environmentally friendly mode of transport ahead of inland waterways navigation, while private cars and planes (for passenger transport) and lorries (for goods transport) have the worst environmental performance by far. Further details are given in the appendix to this opinion.

2.2.6 During the deliberations involved in drawing up this opinion, there was some discussion of the impact on jobs arising from the building of different transport modes. Studies from Germany, some of quite long standing, indicate that investment in railways has a more positive effect on jobs than road building measures. The EESC recommends that the Commission have separate studies drawn up on this question, along the lines of those on external costs, to provide objective evidence for the debate.

2.2.7 In many cases, large-scale projects have triggered public protest and it has not been possible to carry out some projects at all, or at least not within the planned timeframe. In the EESC’s view, this experience must now be borne in mind, especially with the growth initiative and EU enlargement and the resulting increase in transport links. The Commission statements quoted in 2.2.1 must at last be acted upon so that the same negative impact on man and environment does not recur in the accession countries. The EU could make a decisive contribution towards preserving the still high, but now rapidly falling proportion of transport carried by environmentally friendly means in those countries.

2.2.8 The aim of European transport infrastructure policy must not only be to help achieve the target of reducing CO2 emissions by 50% by 2030. Rather, it must make a positive contribution in all sectors of sustainability (economic, environmental and social), which add up to sustainable mobility.

2.2.9 In the EESC’s view, ‘sustainable mobility’ should be understood to mean mobility which

— consumes no more energy in the long term than is produced through regeneration;
— fully preserves the capacity of the natural environment to function and regenerate (and therefore which does not pollute, either through emissions or the removal of resources, in the production, use or disposal of vehicles and infrastructure);
— does not lessen the quality of life of present and future generations;
— is accessible to all.

2.2.10 The EESC associates the following sustainability objectives with a new, durable transport policy.

2.2.11 In the economic field, investment should be used to help create jobs, improve regional net value added, develop an all-round efficient transport system and establish financial sustainability.

2.2.12 In the social field, investment also takes care of the protection of physical integrity, including effective noise reduction. The working conditions of transport workers should be improved and investment conform to the principle of social justice (epitomised in ‘mobility for all’). Towns and cities must be designed for people, not for traffic, and account taken of the mobility needs of all those who live in rural areas (and not just car owners).

2.2.13 In the environmental field, investment decisions are already made on the basis of the EU’s climate protection objectives. Land use must be reduced; the protection of nature, cultural landscapes and the areas people use for recreation is of greater concern than ever. The reduction of harmful substances and lower resource consumption are becoming an integral part of infrastructure policy.

2.3 Specific comments

2.3.1 The EESC is well aware that, in accordance with the subsidiarity principle, transport policy falls largely within the decision-making and funding remit of the Member States. However, every year, billions are paid out of the EU budget specifically for transport infrastructure development via the Structural Funds (including the Cohesion Fund). These funds should be deployed in accordance with the principles of sustainability.

2.3.2 Transport policy must become an integral part of a spatial development policy aimed at minimising the generation of new, additional traffic and managing existing traffic with the most environmentally friendly transport modes possible.

(13) The EESC has several times mentioned regional bus transport as being an important pillar of sustainable transport policy. However, since this opinion is primarily concerned with European transport infrastructure, no specific views are given on promoting bus transport; a separate EU bus infrastructure policy is inconceivable for the EESC.
2.3.3 This also means that particular attention should be paid to the fact that developing European transport infrastructure (TENs/TINA) may have direct and indirect repercussions on national and regional infrastructure. The EESC points to the danger that, with the budgetary situation in the Member States and accession countries, concentrating investment on TEN or TINA projects may result in regional and local infrastructure being neglected. The EESC has pointed out in other opinions that countries like Poland or Hungary currently spend well below 1% of their GDP on maintaining and rebuilding their whole transport infrastructure; but the implementation of TINA projects by 2015 as scheduled requires annual investment of the order of some 1.5% of GDP in the corridors alone. The EESC calls on the Commission, Member States and accession countries not to ignore the regional economic problems which may arise from this.

2.3.4 The EESC welcomes the fact that links with local transport infrastructure now also come in for support in the context of TEN-T planning, but doubts that the high-speed maglev link between Munich airport and Munich city centre, which has been selected for such support, can be seen as a suitable project.

2.3.5 The EESC therefore expects the EU to deploy funds in a considerably more strategic manner in future. Precedence for co-funding should be given to projects which comply with the following principles:

— The principle of traffic reduction: As has already happened with energy consumption, economic development must be disassociated from transport growth. The aim should be to reduce the amount of traffic while preserving mobility. This means halting the trend towards ever greater distances in passenger and freight transport by means of a consistent transport, land-use and economic policy: this can be achieved by means of a ‘short journey policy’, e.g. between home, work or shops, attractive living environments, avoiding pointless journeys across Europe and reinforcing regional economic networks (1) etc. In order to implement this principle, it will be important to internalise external costs – as has frequently been called for by the EU (see below).

— The principle of mode shifting. The aim here is to reduce the dominance of private motor car transport and road-borne goods transport. This can only be achieved if an attractive alternative is provided. The key component of such an alternative is rail transport, closely networked with all other mobility providers in the environmental alliance (public transport operators, cycle ranks, mobility centres, car sharing, taxis, logistic service providers etc.), an important task also being to provide attractive bus services, especially in regions where rail transport is not viable because of low population density. The necessary expansion of the environmental alliance requires targeted investment to modernise infrastructure, vehicles and new communication and information technologies, thus opening up excellent prospects for innovative small and medium-sized enterprises in particular.

— The principle of a ‘campaign for a new culture of mobility’: Any measure is fruitless unless a new conception of mobility finds acceptance. There is a need in the EU to campaign for a new culture of mobility and the infrastructure projects co-financed by the EU should serve as models.

2.3.6 The guidelines for trans-European networks (TENs and TINA) should thus be revised (cf. point 1.8) and improved to comply with the principles of a transport infrastructure policy which is sustainable both in environmental and financial terms.

2.3.7 The EESC is pleased to note in this respect that rail links predominate in the selection of new priority TEN projects. But, here again (as with all new building projects), the principle applies that appropriate options should be sought which gain greater acceptance from the public, thereby also preventing stalled investment.

2.3.8 One example of a potentially imminent conflict as a result of development standards proposed as part of TEN revision without taking account of national circumstances is the development of the Danube between Straubing and Vilshofen. Care must be taken to prevent the compromise hammered out at national level between the federal government and environmentalists to improve navigation conditions while taking account of conservation issues, which also guarantees compliance with the FFH directive, being scuppered because of the requirement for a year-round draught of 2.5 metres.

2.3.9 We can no longer afford to set different transport modes against each other in sometimes cut-throat competition through parallel investment. This means managing the economically and ecologically limited financial resources according to the EESC’s sustainability criteria (cf. 2.2.9 to 2.2.13) and putting them to optimum use. What is needed in future are integrated global transport concepts derived from a sustainable policy of land use and urban planning. Implementing an integrated global transport plan means not just planning infrastructure projects, but also first examining alternative forms of spatial and transport development, including large-scale options. Innovation information and communication technologies are needed for these.

2.3.10 This also means that a balanced relationship between transport modes must be established following careful consideration of detailed impact assessments. Preference should be given to rail or water-borne transport where possible, particularly over long distances.

(1) Promoting traffic-reducing regional economic networks plays a role here. For example, creating a limited number of centrally located, large-scale abattoirs (often with EU funds) has led to an enormous increase in traffic (including the controversial transport of animals) while wiping out regional jobs. If all the external costs incurred were incorporated into the costing of slaughtering operations, their ‘economic viability’ would look quite different.
2.3.11 The EESC would like to stress that a new, sustainable transport policy of this order requires a huge investment programme and will therefore help to kick-start the economy. But changes are needed in the pattern of investment: less large-scale new building projects, more tailored development programmes, more renovation work (e.g. to make the railways more attractive).

2.3.12 As far as TENs are concerned, this means that the available financial resources should be concentrated primarily on the rehabilitation, modernisation and maintenance of the rail and road networks, as well as ecologically acceptable parts of the waterways network. The EESC assumes that existing TEN and TINA projects will also be reviewed to ensure they meet the standards and requirements outlined in this opinion. Needless to say, all new building projects must also be in line with the EU’s sustainability objectives.

2.3.13 In the case of environmentally friendly modes (rail and some inland waterways), there is considerable reserve capacity available which could be put to use in the short term by means of technical and organisational measures, particularly on the railways. The ‘railways of the future’ must win back lost ground and be an attractive mobility provider. This should be one of the priority areas for EU investment.

2.3.14 In the case of investment in the construction of waterways which involve interference with the natural flows of rivers and river estuaries, a new approach is needed; the floods of recent years have demonstrated that the greatest care is needed in such cases. If inland waterways navigation is to be developed further as an environmentally friendly mode of transport, the principle must apply that ships are adapted to rivers and not rivers to outsized ships.

2.3.15 With all new building plans it must be borne in mind that satisfying man’s desire for mobility can come into conflict with that of wild (migratory) animals. Few people realise that animals need ‘highways’ and ‘rest stops’ in all sectors of sustainability (economic, environmental and social) just as drivers do. For instance, the planned Via Baltica will cut across important migration routes for wolves and lynx, ruining a unique opportunity to facilitate a natural resettlement in Western Europe. In other words, the environmental impact assessments of detailed plans should involve a far more complex analysis than is the case today and allowance made for the relevant extra costs, e.g. wildlife overpasses.

2.3.16 In future, EU resources should only be used for projects which the EU can convincingly demonstrate contribute to the objective of creating a sustainable system of mobility. A sustainable system of mobility requires appropriate framework conditions, which the EESC has discussed in a number of opinions. These include:

— True pricing in transport: A key element of sustainable transport policy is the creation of economic incentives for transport users. Enforcing true pricing, i.e. the internalisation of external costs (530 billion euro per year in the EU), is crucial for successful traffic reduction, transference to the environmental alliance and the further development of maximum efficiency vehicle technology and its market penetration. Instruments such as universal, performance-related heavy goods traffic charges for lorries, the gradual alignment and increase of taxes on mineral oils, a reorganisation and wider range of taxes on motor vehicles based on their emission levels – and taking account of the noise criterion – and the alignment of taxation on shipping and air transport with that on road and rail could be appropriate for ensuring the optimum use and full utilization of existing transport infrastructure and the progressive and accurate incorporation of external costs. The EESC feels it is high time to stop merely talking about the internalisation of external costs and to actually implement it in earnest. The Commission should draw up concrete proposals as soon as possible for discussion with the Member States and civil society.

— Fair competition: Undesirable environmental and social developments must also be prevented by observing, enforcing and, if necessary, tightening up existing rules and prohibitions such as driving and rest times for HGV drivers, speed restrictions, and safety and noise regulations. Competition conditions must be harmonised at a high environmental and social level as a prerequisite for liberalisation of transport markets. This is particularly true in the case of goods traffic and public passenger transport.

3. Financing

3.1 Introduction

3.1.1 The free movement of people and goods within the European area, which is the prime condition for fostering exchanges, can only be guaranteed if there are suitable, effective and reliable means of transport available.

3.1.2 Initially, the development of the networks focused mainly on roads. Subsequently, a policy which was more economical in the use energy resources, combined with increased consideration for the environment, necessitated the search for alternative forms of transport. Today there is a clear desire to shift the predicted increase in road haulage over the coming decades to other modes of transport (rail, inland waterways and sea routes etc.). At the same time, the development of collective passenger transport by bus or coach should be encouraged.

3.1.3 More recently, enlargement of the European area, with the transition in 2004 from 15 to 25 Member States, and subsequently to 27, makes it necessary to interconnect the networks and to develop them in the countries joining the EU.
3.1.4 The intentions, prospects and constraints are well-known and shared. Over the last two decades they have given rise to ambitious European-scale projects submitted by the Commission in the form of master plans and White Papers, followed by some concrete projects which constitute the beginnings of a European web of efficient transport networks.

3.1.5 Against this background, it could be said that the action initiated with these master plans in conjunction with objectives reiterated in the White Papers is sufficient. The deadlines set are reasonable and, depending on the case, extend as far as 2010, 2020 or beyond, incorporating as they do new constraints and developments as they emerge. Pragmatism, adaptability and flexibility are the qualities needed to succeed provided that these objectives are met within the scheduled timeframes. Unfortunately this is not the case, as deadlines are very often put back.

3.2 Reasons for the failure to fulfil aspirations or commitments in the field of transport infrastructure

3.2.1 Although global decisions are taken at the level of the European master plans, the subsidiarity principle leaves implementation on the ground to the initiative of each Member State, as well as the bulk of the financing (except for infrastructure supported by the Structural and Cohesion Funds).

3.2.2 Thus, for every European government, long-term ambitions are conditional upon electoral commitments to be realised within a short term of office (four to seven years, depending on the case). Unfortunately, budget resources are redeployed every year.

3.2.3 Under these conditions, the implementation of formative and continuous European transport networks remains largely impossible to manage despite the good intentions of political decision-makers and the EU's financial incentives.

3.3 How can the situation be improved?

3.3.1 In order to improve the current situation, it is necessary to examine the conditions under which transport infrastructure is currently implemented as regards financing.

3.3.2 When any state builds European network infrastructure on its territory, the EU gives it a very limited financial contribution, i.e. 10% of the total investment cost in the case of subsidies granted under the Transport heading of the EU budget. This contribution, which is made up of subsidies direct from the EU budget, is insufficient to allow an immediate and irreversible commitment to the actual work. Only projects receiving Structural or Cohesion Fund support are subsidised to a higher level (30 to 50%).

3.3.3 Increasing the EU's contribution to TEN projects to 30 to 50% in the form of subsidies, or even very long-term loans, assumes that the EU has sufficient resources at its disposal. But the EU budget must not grow unchecked because:

- enlargement will necessitate a whole range of expenditure;
- resources are allocated to these projects over the long term and must be permanent.

3.3.4 In the light of these criteria, the EESC has examined a number of proposed financing solutions and will present its various proposals thereafter.

3.4 The financing of European transport network projects

3.4.1 Raising a European loan (1993 Commission proposal)

3.4.1.1 In its White Paper on European transport policy for 2010 (16), the Commission tackled the question of funding head-on in the section entitled 'The headache of funding', pointing out that it 'raised the alarm' as early as 1993, suggesting that the EU be authorised to raise a loan, a suggestion rejected by the Council. The Commission has since asked for the proportion of Community funding to be raised from 10 to 30% so as to provide a greater incentive for the Member States and a degree of leverage. But 30% is a maximum rate applicable to certain priority and cross-border projects, and to date the Council has still not ratified the list of TEN-T projects eligible for this more attractive rate.

3.4.1.2 Against this background, for TEN or TEN-T projects where the proportion of trans-European traffic is greater than the proportion of national traffic, the Community contribution to the project under consideration should be higher so as to act as an incentive and, above all, fair (cf. the examples of the Brenner tunnel in Austria and the high-speed line between Lyon and Turin in France and Italy). The EESC feels that raising the level of subsidy from 10 to 30% for such projects is unfair on the countries concerned, provides insufficient incentive and will only go part way towards removing the obstacles cited by those countries.

3.4.2 The Public-Private Partnership including Concessions

3.4.2.1 In the same White Paper, the Commission proposed developing 'public-private partnerships' to implement projects. The EESC gave its view on this subject in its opinion on the Revision of the list of trans-European network (TEN) projects for 2004 (17):

'As regards the public-private partnership (PPP), the Committee agrees with the Commission’s analysis of the limits of entirely private funding of large-scale infrastructures. However, mixed financing cannot provide the sole solution, insofar as private investors quite legitimately require certain guarantees and profitability from their investments. As a consequence, costs go up. Moreover, other aspects should be taken into consideration:

(17) OJ C 10, 14.1.2004
— every priority TEN-T project involving several European countries should be carried out by setting up a “European company” legal structure, so as to secure the transparency necessary for the financial arrangements for the project;

— a PPP can only reasonably be set up where there is a balance between the financial input from the public and private sectors. It would be hard to imagine a PPP where the private sector had only a very small input. It is therefore not realistic to envisage the private sector contributing the necessary funding for carrying out the majority of projects;

— limits must be set so as to avoid the unforeseen consequences of a gradual abandonment of the sovereign power traditionally held by Member States or public authorities in matters pertaining to spatial planning and major public infrastructures.

As far as the funding of transport infrastructures is concerned, while PPPs represent an interesting option for certain specific cases, they in no way constitute a panacea.

3.4.2.2 To avoid having to finance road infrastructure from their own budgets, some countries have resorted to a financial arrangement whereby the state concerned pays a private concession-holder the sum of the ‘virtual’ tolls paid by vehicles using the route. This innovative form of funding allows the necessary loans to be raised within the private sector. Although the cost is slightly higher, the work is carried out more promptly.

3.4.3 Cofinancing arrangements and coordination thereof

3.4.3.1 On 23 April 2003 the Commission also submitted a Communication entitled ‘Developing the trans-European transport network: Innovative funding solutions: Interoperability of electronic toll collection systems’ (19). In the above-mentioned opinion, the EESC endorses the Commission’s approach pointing out that improving coordination of public funding will facilitate optimum use of resources and prevent delays, but will not create a new source of funding.

3.4.3.2 The creation of a European transport infrastructure agency would facilitate the better coordination, optimisation and flexibility of regional, national and Community public funding for every project while ensuring that the criteria of sustainable mobility are respected. As a result, the financial resources available for transport should be put to better use in the long run.

3.4.4 The interoperability of toll systems

3.4.4.1 On the interoperability of electronic toll systems, the Committee wonders what the technical objectives presented by the Commission as part of a communication seeking to establish innovative funding solutions for the development of trans-European transport networks actually are (20). Existing and future electronic toll systems are a service provided for users to facilitate toll payment and to keep traffic flowing, but they are by no means a new source of funding for TEN-Ts. They merely offer a better tool for collecting tolls.

3.4.4.2 However, unlike the tolls paid to a route concession-holder which are mentioned in the concession contract, the introduction of an automatic tonne/km toll only for heavy goods vehicles on certain motorways which are currently free (in Germany) will indeed bring in new funds. But since the Commission has not adopted a position on the allocation of these new funds, it will probably be the case that, in accordance with the subsidiarity principle and the budget deficit criteria laid down in Maastricht, each state or region (owning the road for which the toll is charged) will use the proceeds to improve its network (road widening, maintenance). Therefore it cannot be considered to be an innovative form of funding for the new rail, road or waterway links planned in the TEN-Ts.

3.4.5 Creating a ‘major works fund’ fed by EU budget surpluses

3.4.5.1 The Committee noted the proposal by the European Commissioner for regional policy and institutional reform, Michel Barnier, stating that the EU budget, which often showed a surplus, represented 1% of Community GDP and could provide European economies with some room for manoeuvre, for example by means of a ‘major works fund’ set aside during buoyant periods and used for priority investments in less favourable times. The Commissioner also called for greater flexibility in the use of funds, particularly the Structural Funds, so that they could be redirected.

3.4.5.2 As regards the financing of such a fund, the Committee obviously favours the Commissioner’s proposal to use part of the EU’s budget surplus, systematically allocating it to a ‘major works fund’. However, although this surplus could serve as a back-up allowing a more effective approach to the issues involved in implementing European transport networks, the bulk of funding for these should come from permanent resources not dependent on the underuse of the EU budget in certain years.

3.4.5.3 The Committee feels that the transport heading of the EU budget at only €700 million per year (2000/2006) is woefully inadequate to achieve the objectives laid down and confirmed by numerous European summits and should be greatly increased.

3.4.5.4 Lastly, the Committee is pleased to see the principle of creating a ‘dedicated fund’ fed by proceeds not initially budgeted for being proposed by the Commissioner responsible for institutional reform, which proves the feasibility of such a project, thereafter making it dependent only on the political will of the Member States.


(20) OJ C 32, 14.1.2004
3.4.6 Creating a European fund dedicated to transport infrastructure

3.4.6.1 Recently, the Committee pointed out that the implementation of European transport infrastructure is a matter of crucial importance for the EU. The EESC feels that the very future of the EU is at stake and that the moment in history has come to take the decisions which will ensure that future generations have effective means of interaction. The methods used up till now, especially for funding infrastructure, are proving to be ineffective and inadequate, depending on the project, and are the cause of delays which will soon be impossible to make up in the face of international competition. It is therefore essential to put in place a truly innovative funding mechanism which is unaffected by national political and economic fluctuations.

3.4.6.2 The Committee points out that it proposed the creation of such a fund three times in 2003 (20), the features of which would be:

- a European fund dedicated to priority TEN-T projects;
- permanent revenue from ‘one cent’ on every litre of fuel (petrol, diesel, LPG) consumed in the EU-25 for all road transport of goods and persons (public or private);
- collected by the Member States and paid in full every year into the dedicated fund in the EU budget, i.e. about €3,000 million from the 300 million tonnes of fuel consumed;
- management of funds entrusted to the European Investment Bank to spend on the priority TEN-Ts proposed by the Commission and adopted by the Parliament and Council:
  - very long-term loans (30-50 years);
  - interest rate subsidies for the loans;
  - provision of financial guarantees for PPPs;
  - on behalf of the EU, granting of subsidies of 10 to 50% of the work according to the type of project (natural obstacles, trans-European character etc.).

3.4.6.3 This European transport infrastructure fund would thus be drawn from a solidarity levy of one cent per litre on all fuels consumed on EU roads by all private, public or commercial vehicles carrying cargo or passengers.

3.4.6.4 The obvious advantages of such a levy would be:

- as an ongoing financing resource over 20 years;
- to meet the annual requirement of three to four billion euro, the sum needed to finance the TEN-T according to the Van Miert group of experts;
- its simplicity, as all Member States have a system of fuel tax collection in place.

Nevertheless, there could be strong objections to the principle of such a tax. The EESC will therefore examine this means of financing TEN-T projects in more detail, and calls on the Commission to carry out a concrete and exhaustive study on this subject.


The President
of the European Economic and Social Committee
Roger BRIESCH