Opinion of the Economic and Social Committee on the 'Proposal for a Regulation of the European Parliament and of the Council concerning the granting of aid for the coordination of transport by rail, road and inland waterway' (2001/C 123/07)

On 15 September 2000 the Council decided to consult the Economic and Social Committee, under Article 71 of the Treaty establishing the European Community, on the above-mentioned proposal.

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 7 December 2000. The rapporteur was Mr Kielman.

At its 375th plenary session of 24 and 25 January 2001 (meeting of 24 January 2001) the Economic and Social Committee adopted the following opinion by 77 votes in favour, with one abstention.

1. The Commission proposal

1.1. Thirty years ago, on 15 June 1970, the Council adopted Regulation (EEC) No 1107/70 on the granting of aids for transport by rail, road and inland waterway. The purpose of that regulation was to specify what amounted to 'coordination' within the meaning of Article 73 of the EC Treaty so as to make clear the boundaries between an exception (usually administration of the rail sector in particular) and the general rules.

1.2. Since then the different sectors have become liberalised, at varying speeds and to varying extents. Regulation (EEC) No 1107/70 has been amended in a somewhat piecemeal fashion, but, in the interests of simplicity and greater clarity, the time has now come to replace it with a new regulation.

The proposed regulation therefore envisages a comprehensive exception for aid for the operation and/or development of transport infrastructure which benefits infrastructure managers and, in the freight sector, aid for the benefit of users who are thereby compensated for the unpaid costs of competing modes.

1.3. The specific market access legislation required under Article 71 of the EC Treaty has delayed liberalisation in land transport. Full transport market liberalisation is thus still to be achieved.

1.4. The dates for full liberalisation are as follows: international road haulage: 1 July 1998; road passenger transport: 1 June 1996; inland waterway transport: 1 January 2000; and combined transport: 1 July 1993. Rail liberalisation is pressing ahead, with the discussion now focusing on the railway infrastructure package.

2. General comments

2.1. Aid granted by a Member State which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods is incompatible with the common market and thus prohibited under the EC Treaty, insofar as this aid affects trade between Member States.

2.2. State financing of infrastructure open to all potential users and managed by the State does normally not fall under the EC Treaty since no advantage is conferred on a single undertaking. An example is transport infrastructure financing in the Member States. Thus, the construction and management of transport infrastructure fall outside the scope of the proposed regulation.

2.3. A specific State aid approach is necessary in transport because of the need for State intervention to maintain transport services which serve town and country planning purposes and also have to meet social and environmental concerns.

2.4. Under Article 73 of the EU Treaty, the coordination of transport and compensation for the provision of public services are considered aid-worthy.
2.5. In fact, the concept of aid within the meaning of the proposed regulation refers to the need for State intervention arising (i) in the absence of competitive markets or (ii) in the presence of market difficulties such as negative externalities or public goods.

2.6. The Commission states that the notion of external costs is not yet defined in Community law, but evidently feels that non-allocation of these costs results in market difficulties.

2.7. The EC Treaty also grants an aid exemption for the financing of public services. In this connection, public service obligations are deemed to be obligations which a transport undertaking would not assume if it were considering only its commercial interests. Council Regulation (EEC) No 1191/69 of 26 June 1969 establishes criteria for fixing the amount of State compensation permitted in rail, road and inland waterway transport when such public service obligations are imposed.

2.8. Under Article 87(3)c and drawing on Article 73 of the EC Treaty, the European Commission may authorise State aid to foster the development of certain economic activities where the aid does not adversely affect trading conditions to an extent contrary to the common interest. With a view to promoting investment by transport enterprises in intermodal transport, the discussions on the abolition of the 'de minimis' rule in respect of transport enterprises should be speeded up. This rule lays down the threshold figure below which measures taken by the public authorities are not regarded as 'state aid'.

2.9. The proposed regulation relates to the coordination of rail, road and inland waterway transport. It does not cover maritime transport facilities, but does take in transhipment between land transport modes, regardless of the location of the corresponding transhipment facilities. All transhipment involving maritime transport, even in combination with land transport modes, falls outside the regulation's scope.

2.10. To date, legal exceptions for State aid have existed under Council Regulation (EEC) No 1107/70 only for direct investments in inland waterway and combined transport terminals. These were, however, specific exceptions which are not conducive to an integrated approach to land transport infrastructure.

The Commission considers that these specific exceptions must be replaced by a general infrastructure exception.

2.11. In its opinion on the Commission White Paper Fair Payment for Infrastructure Use: A phased approach to a proposed regulation refers to the need for State intervention arising (i) in the absence of competitive markets or (ii) in the presence of market difficulties such as negative externalities or public goods.

2.12. The reality is, however, that Member States still recover infrastructure costs for the various land transport modes in different ways and to different degrees. Furthermore, there is not yet any Community legislation which harmonises methods for calculating infrastructure access charges within or across land transport modes.

2.13. The Committee feels that the Commission should concentrate on establishing the internal and external costs of each transport mode instead of focusing in advance on State aid to compensate for the unpaid costs of competing transport modes.

2.14. Furthermore, the Committee believes that the procedure for obtaining State aid involves complicated, laborious reporting to the Commission. This considerably exacerbates the administrative burden, as does the whole of the planned notification and information procedure.

2.15. Of course, the modal shift which the Commission wishes to bring about must certainly be examined in the light of its social and economic consequences.

2.16. The Committee feels that the Commission is moving in the opposite direction. The Commission's justification for the proposed regulation is that rail liberalisation is not complete and no harmonised charging mechanism has yet been established to compensate for the unpaid costs of transport modes.

2.17. The Committee thus feels that a logical move would first of all be to liberalise the railways to the same degree as other land transport modes and, as set out in point 2.12 above, to work out clear criteria for allocating costs to transport modes, instead of a complicated, time-consuming and debatable aid mechanism as proposed in the draft regulation.

3. Conclusion

3.1. The Committee considers that this proposal for a regulation is premature.

3.2. It is desirable first of all to secure the same degree of liberalisation across the various transport modes in order ensure that each mode is treated equally.

3.3. Moreover, in the light of the Committee opinion on the transport white paper, the Commission should first map out the relative proportion of the various internal and external cost elements before putting forward a proposal for a regulation which bases aid for a specific transport mode on the unpaid costs of competing modes.

3.4. The Committee feels that the social and economic consequences of the proposal have not been addressed.

3.5. In conclusion, the Committee is convinced that adoption of this draft will result in the introduction of an extremely complicated and bureaucratic system of checks.


The President
of the Economic and Social Committee
Göke FRERICHS

Opinion of the Economic and Social Committee on 'eEurope 2002 — An information society for all — Draft Action Plan'

(2001/C 123/08)

On 29 May 2000, the Commission decided to consult the Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on 'eEurope 2002 — An Information society for all — Draft Action Plan'.

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 9 January 2001. The rapporteur was Mr Koryfidis.

At its 378th plenary session held on 24 and 25 January 2001 (meeting of 24 January) the Economic and Social Committee adopted the following opinion by 80 votes to three, with one abstention.

1. Introduction

1.1. The European Commission launched its 'eEurope — An Information Society for all' (1) initiative in December 1999 (2).

1.2. It was motivated 'by the growing realisation that the application of digital technologies has become the key factor for growth and employment', the evidence that 'a ‘new economy’ or e-economy is emerging (3), mainly driven by the Internet (4), and the fact that ‘in spite of Europe’s lead in certain digital technologies, e.g. mobile communications and digital TV, the uptake of computers and the Internet in Europe remains comparatively low’ (5).

(2) The progress of the initiative is presented in the appendix (point 1).
(3) For the term ‘new economy’ and for more general information on the subject, please see: http://europa.eu.int/comm/information_society/europe/documentation/progrep/pr_annex2_en.htm.