

**Opinion of the Committee of the Regions on 'Mobility in geographically and demographically challenged regions'**

(2014/C 415/05)

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## I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

### *Introduction*

1. underlines the importance of geographically and demographically challenged EU regions, including those outlined in Articles 174 and 349 TFEU, which today face increasing difficulties when providing transport locally;
2. notes that such regions, termed 'challenged regions' in this opinion, include: border regions; mountainous regions; island regions; sparsely populated regions (including northernmost regions) (Article 174 TFEU); the nine outermost regions (Article 349 TFEU); and any other EU region facing similar challenges. In addition, there are regions with highly dispersed populations;
3. considers that challenges in relation to public transport in such regions can include: the increased costs and funding required for the provision of services, demographic change: depopulation, a remaining ageing population and population dispersion; and fluctuating consumer demand for public transport services. Economic decline is also evident in some of these regions; also, in the case of the outermost regions, remoteness, isolation and extreme dependency on effective transport system is evident;
4. considers that mobility, the ability to move easily from one location to another, is above all a right connected with the free movement of persons enshrined in the Treaties and a prerequisite for the quality of life of individuals in such regions as they seek to access essential public services (such as education, health and social services), commute to their place of work or seek employment opportunities, pursue leisure activities, visit relatives, purchase goods and services, or exercise their freedom to travel further afield;
5. underlines that the maritime and road and rail public transportation systems which meet these basic mobility needs are, in many cases, owned or managed by local, regional and national authorities. There are also a significant number of local and regional authorities who own or part own regional airports;
6. notes that Article 174 TFEU states that 'particular attention' must be paid to certain regions, and that Article 349 TFEU states that outermost regions must benefit from 'specific measures' in EU and national policy making. Whilst the regulations for ESIF for 2014-20 take some account of challenged regions, the current provisions in the EU's policies in other areas affecting transport should be better exploited in order to reflect the Treaty commitments;
7. considers that one reason for this is likely to be that Article 174 TFEU does not specify the size of the 'region' concerned. Some governments interpret this article at the NUTS2 level, whilst Commission research work and other stakeholders have suggested NUTS3 as appropriate. The CoR believes that, in the context of promoting mobility (rather than for ESIF purposes), it is appropriate to take challenged regions of all sizes into consideration, including those at NUTS3 level and below;

***Transport and regional development in challenged regions***

8. notes that challenged regions fulfil essential tasks for the balanced development of the EU notably through access to raw materials, agriculture, fisheries, environmental protection, tourism, cross-border relations and leisure opportunities. Improved transport links both within these regions and with the rest of the EU should therefore be an essential component of both the EU's Cohesion Policy and the EU's mobility policies, not only for passengers but also for freight. Promoting greater economic growth in challenged regions would contribute to the effective functioning of the internal market and the territorial cohesion of the Union as a whole;

9. considers it necessary to analyse the impact of these regions' mobility challenges on the progress of the economic and territorial development models of these regions and, therefore, on current and future employment. The remoteness and isolation of some of these regions mean that their markets are small and unattractive and therefore incapable of generating sufficient jobs. In turn, the labour mobility difficulties suffered by people living in these regions confine them to their geographical area, increasing unemployment rates;

10. welcomes therefore the inclusion in the ESIF 2014-20 programme of a specific thematic objective on 'sustainable transport' and the several other thematic objectives which can be used to help promote mobility;

11. similarly welcomes the possibility to modulate the ESIF cofinancing rates to take account of areas with 'severe and permanent natural or demographic handicaps' (Article 121 Common Provisions Regulation) and the possibility under ERDF to grant a 'specific additional allocation' to outermost and northernmost regions and exempt them from the thematic concentration requirement (Articles 10 to 12 ERDF Regulation);

12. underlines the importance of ESIF in promoting sustainable mobility in all European regions. Regrets, however, that although the regulations allow it in all the regions, financing of Thematic Objective 7 'promoting sustainable transport and removing bottlenecks in key network infrastructures' could be made difficult in the most prosperous regions by the European Commission taking a restrictive view of the matter during bilateral negotiations on future operational programmes;

13. calls therefore, on the Member States and ESIF management authorities to address the pressing mobility needs of all challenged regions and factor these in when defining partnership agreements and operational programmes for implementing ESIF;

14. believes other EU funds, European Investment Bank funding, and private sector financing could also play a stronger supporting role. The CoR underlines the importance of monitoring the inclusion of the territorial dimension in the ESIF (and their alignment by means of the Common Strategic Framework), and also the importance of monitoring the territorial impacts of thematic funds such as the Connecting Europe Facility (CEF) and the associated TEN-T programme, and Horizon 2020 and the associated CIVITAS programme. The programmes financed by these funds do not prioritise mobility in challenged regions and therefore the onus is on all levels of government to bring these different funds together in a more coordinated and innovative fashion on the ground;

15. notes the EU's commitment, for example, to use TEN-T funding to promote the 'accessibility and connectivity of all regions of the Union, including remote, outermost, insular, peripheral and mountainous regions, as well as sparsely populated areas' (Article 4 Regulation 1315/2013);

16. observes however that 95 % of TEN-T monies, as funded by the Connecting Europe Facility (CEF), are spent exclusively on the core network. This strengthens the core of Europe and its dense network of major cities. Additional specific actions should also be undertaken to ensure the positive effects of TEN-T improvements also benefit local connectivity in challenged regions in order to facilitate their access to the main national and European corridors;

17. stresses the need therefore to fund interconnections between the TEN-T core and comprehensive network, and between the comprehensive network and local transportation links in challenged regions. Furthermore, the budget for the CEF should be increased as part of the mid-term review of the multi-annual financial framework in order to fund cross-border interconnections and bottlenecks within the TEN-T core network. This will help integrate all European regions into a sustainable and effective European transport system for passengers and freight. Given that tackling disparities in development is an aim of the TEN-T programme, the needs of regions that are challenged in terms of implementing their economic and territorial development models should also be borne in mind as part of the review of the TEN-T maps scheduled for 2016/17;

18. notes that Horizon 2020 and the associated CIVITAS programme for clean transport focuses on advanced vehicle technology in order to make transport more resource-efficient. Such goals are very worthy as they also contribute to improving public transport in challenged regions where the cost effectiveness of vehicles is the key concern;

19. underlines that new approaches to funding transport in challenged regions are therefore needed. This could include offering citizens personal transport budgets, such as 'mobility cheques' as have been successfully developed in some Member States, tax exemptions for transport providers, or cooperative arrangements allowing different transport operators to share vehicles;

20. believes that new approaches to funding also need to be supported by new tools. Intelligent transport systems (ITS) and improved ICT could be used to replace timetable- and route-based public transport with on-demand transport such as 'on-call' buses, collective taxis, or car sharing. The use of on-demand transport makes it possible to provide more efficient and competitive public road transport at a lower cost since services are carried out in response to actual demand. Shared transportation systems, mixing schoolchildren with the public for example, have also worked well in some remote regions, as has the promotion of walking and cycling. Such systems generate savings, reduce dependencies on car use and cut emissions;

21. notes that such solutions could be supported by facilitating measures such as integrated e-ticketing or smartcards across modes, inter-compatible e-payment standards; integrated timetabling for those legs of a journey which are not 'on demand'; or the use of smartphone applications to provide new information and payment possibilities to citizens;

22. notes that it is important to ensure that such new mobility solutions are well publicised as well as affordable, accessible and acceptable to users. The active participation of users (actual and potential) in the definition of their needs can help to ensure success;

23. emphasises that local and regional authorities will be the key driving force behind many of these innovations;

24. stresses however that such mobility projects should only benefit from funding when they are part of a sound mobility policy covering the area concerned and can be justified by sound estimates of potential demand;

### **Ports and airports**

25. wishes to underline the important role ports and airports, and their connections with their hinterland and inland areas, can also play in promoting the development of challenged regions and in connecting citizens with larger urban centres. For island communities and outermost regions for example such connections are the only possible means of transport and are essential to their very survival and for enabling them to connect, both to their respective countries and to the rest of the EU. Ports and airports in challenged regions therefore merit special consideration in the EU's rules: in public procurement and concessions rules (including the use of public service obligations) and in the EU's state aid rules governing ports, aviation, and Services of General Economic Interest;

26. recalls that under the Treaties (Protocol 26) Member States have a wide margin of discretion in defining public service obligations and Services of General Economic Interest as closely as possible to the needs of the user, and that the European Commission can only intervene in the case of 'manifest error';

27. points also to a lack of information in a single source on the public service obligations in place for transport providers across the EU. Greater transparency here could address market failures and foster increased competition between operators in challenged regions;

28. welcomes the European Commission's recent guidelines on state aid for aviation which foresee certain flexibilities allowing the granting of aid for airport investments and operation, as well as start-up aid for airlines in remote and poorly accessible regions. Such airports often have to be able to cope with high seasonal demand, even if during other periods of the year they have spare capacity;

29. regrets, however, the restriction imposed by the ERDF for the financing period 2014-20, in which financing of airport infrastructure is, in most cases, prohibited in practice;

30. underlines the importance of a robust, transparent, and fully-enforced passenger rights regime covering all modes of public transport but also multi-modal journeys. In the case of multi-leg journeys by air or rail, combined interline ticketing agreements should be further encouraged. They are beneficial to airline passengers from remote regions in terms of both simplicity and price. The compensation costs borne by regional feeder airlines or providers of local rail routes for missed onward interconnections at hub airports or major train stations must however not be so disproportionate so as to prevent the increased use of such agreements;

### **Governance**

31. believes more can be done to ensure that a holistic, multi-modal, sustainable and coordinated approach to mobility challenges in these regions is adopted by policy makers. In line with the principle of subsidiarity, answers must be found primarily at local and regional level, with EU supporting actions only where they add value;

32. underlines that bureaucracy must be kept to an absolute minimum in any new actions proposed by the European Commission;

33. notes that decentralised governance models which devolve transport powers and the associated funding to the sub-national level have proved effective in a range of Member States;

34. recognises furthermore that mobility in challenged regions should not only be a matter of developing transport infrastructure and services. Mobility projects must form an integral part of development planning for the challenged region as a whole. Any new commercial, industrial or residential sites which are poorly connected for example could require a developer contribution towards the cost of new public transport services;

35. stresses the important role of local mobility planning, and that any local mobility plans should not be limited to urban areas but extended to, or at least developed in conjunction with, neighbouring areas, including rural areas, as part of a wider place-based development strategy. This will ensure that transport systems in more populated areas also work to the benefit of remote areas. Such transport plans should take into account not only the short itineraries necessary to satisfy immediate needs locally, but also longer itineraries which would connect challenged regions with larger urban centres;

36. highlights particularly the case of cross-border public transport in Europe which often faces particular challenges. These include differences between Member States in: environmental requirements; electrical power supply; safety standards, training of personnel, and also legal differences or lack of agreement on funding by the competent authorities. New governance models, the use of a common legal framework, such as a European Group of Territorial Cooperation (EGTC), cooperation agreements, or the creation of a joint cross-border transport authority could help to address these challenges, for instance by granting concessions that facilitate mobility between cross-border areas, provided they can be delivered with a minimum of bureaucracy;

### **Legislative and territorial impact assessments**

37. calls on the European Commission, when undertaking legislative impact assessments in the field of mobility, to pay specific attention to the impact of EU mobility policies and programmes on challenged regions;

38. also calls on the European Commission to adopt territorial impact assessments, as proposed by the Committee of the Regions, which would give the opportunity to take account of the territorial impact of the EU's mobility policies in challenged regions. Demographic issues such as an ageing population, depopulation, population dispersion and 'brain drain' should also be taken into account;

***An EU Green Paper on mobility in challenged regions***

39. believes the provision of transport services in regions at risk is not yet perceived as a European challenge. The EU's regulatory focus is on ensuring minimal market distortion rather than creating a legal framework which proactively supports the development of mobility solutions in challenged regions;

40. calls therefore on the new European Commission to publish a Green Paper on the issue, in order that the topic can be fully debated by stakeholders and the EU institutions, and that appropriate responses can be developed. The aim should be that mobility issues in challenged regions are better recognised and addressed in the full range of the EU's policies and programmes, thus increasing access to mobility and reducing the risk of depopulation;

41. believes, more specifically, that the Green Paper should: launch a debate; assess progress to date, outlining the current legal framework and relevant policy initiatives; analyse the particular strengths and weaknesses of geographically and demographically challenged regions in terms of mobility and their contribution to territorial cohesion as a whole; analyse the disconnect between Treaty commitments and EU practices when developing passenger and freight transport policies affecting challenged regions; determine the impact of all of the above on the economy and employment in these regions; it should also promote better coordination between mobility funding sources, programmes and policies; stimulate research and innovation and develop pilot projects; and explore options for the future including what measures or incentives might be appropriate and at what level of governance;

42. emphasises that in developing the Green Paper particular attention must be paid to where non-legislative actions such as a strategy, action plan, recommendations, guidelines, or the sharing of best practice could add value to national and sub-national initiatives;

43. calls on the Commission to raise awareness about mobility in challenged regions via a specific event such as the annual Mobility Week.

Brussels, 8 October 2014

*The President  
of the Committee of the Regions*

Michel LEBRUN

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