TRANSPORT AND ENLARGEMENT
(CZECH REPUBLIC, ESTONIA, HUNGARY, POLAND, SLOVENIA)
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INTRODUCTION

1. Origin and aims of the paper

This working paper, which forms part of the 1999 research programme of the European Parliament’s Directorate General for Research, was commissioned by the Committee on Transport and Tourism. It has been drawn up by the DG for Research in order to form a documentary basis for the Committee’s next work on the subject of transport, which in the accession negotiations has not so far received the attention warranted by its economic importance. Even in current work on enlargement, references to the sector in the numerous documents and declarations published or issued to date are scarce.

Doubtless there are other subjects, particularly in this enlargement towards the east of the continent, that are more crucial in political terms, such as security, or in financial terms, such as the economic and social cohesion of the applicant countries or the ever-present agricultural question. Nevertheless, the transport sector, with its implications for infrastructure, development and also safety, is bound to affect as a whole a country’s participation in the European Union.

2. The paper’s structure

This working paper deals with two topics: first, the common transport policy as defined by Title V of the Treaty, and second, the state of infrastructure and therefore, broadly speaking, the policy of trans-European networks established by Title XV of the Treaty:

- the **acquis communautaire** raises sensitive issues concerning the adaptation of the applicant countries’ legislation and also, in some sectors, the need to phase in access by undertakings from new Member States to the market of the current Members, when the latter have overcapacity problems; one of the most problematic aspects in this area is the adaptation of the applicant countries’ transport undertakings systems, which are mainly rail, to the liberalisation process, as difficulties are being encountered even within the fifteen current Member States;

- the **infrastructure needs** of the new Member States in order to integrate their transport systems with those of the current Member States in such a way as to avoid fluctuations in efficiency which would end up affecting the European transport system as a whole;

An introductory chapter places transport in context within the pre-accession strategy by setting out the Community objectives during this phase.
I - THE OVERALL ACCESSION STRATEGY

1. From the association agreements to the White Paper on accession

The association agreements entered into with the various countries’ that are now applicants for membership were a necessary precursor to the enlargement strategy, which was defined as of 1997. These agreements take account of the prospect of accession and centre around political dialogue, the reciprocal and progressive opening-up of the Community internal markets and the contracting country’s, the approximation of laws and economic cooperation. The agreements are bilateral and thus concern relations between the Community and each of the contracting parties to the agreements, but not relations between these various parties.

Some provisions in the agreements specifically concern transport. As a rule air transport, river transport and coastal transport are excluded from the right of establishment which is generally reciprocally recognised. As far as freedom to supply services in the transport sector is concerned, the principle of unrestricted access to the market and traffic on a commercial basis is confirmed for international maritime operations, without prejudice to the rights and obligations arising from the United Nations Code of Conduct for Liner Conferences as applicable to the contracting parties, and with the mutual obligation not to introduce cargo-sharing clauses into bilateral agreements with third countries. According to the association agreements, ‘all unilateral measures, administrative, technical and other obstacles which could have restrictive or discriminatory effects on the free supply of services in international maritime transport’ are also to be abolished. For air and overland transport further bilateral agreements are envisaged, aimed at the progressive liberalisation of transport in accordance with the reciprocal commercial needs of the contracting parties, in particular as regards the conditions for mutual access to the air transport market. At the same time, each associated country undertakes to adapt progressively ‘its legislation including administrative, technical and other rules to that of the Community legislation existing at any time in the field of air and ground transport insofar as it serves liberalisation purposes and mutual access to markets of the Parties and facilitates the movement of passengers and of goods’.

With regard to economic cooperation in the transport sector, some objectives based on the common transport policy are set: restructuring and modernising the transport network, improving the flow of passengers and goods and of access to the transport market by eliminating administrative, technical and other obstacles, facilitating road, rail and river transport between the Community and the associated country, together with combined transport, and laying down operational rules similar to those in force in the Community. For this purpose provision is made in most cases for economic, legal and technical training programmes, and technical assistance and advice, as well as exchanges of information and measures for developing the associated country’s infrastructure.

Finally, with regard to the approximation of laws, which is probably the chapter most relevant to accession, the associated countries have undertaken to endeavour to ensure that their ‘future legislation shall be compatible with that of the Community’ with particular reference to certain sectors, including transport, while the Community has undertaken to provide the technical assistance necessary. It should be

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2 The agreements referred to here are those entered into in the 1990s, which take into account the prospect of accession. Of the six agreements mentioned in the previous note, only that with Cyprus is excluded, since it has specific characteristics as an island, particularly in the realm of transport.

3 As will be seen in the next chapter, in the road transport sector discriminatory measures of a fiscal nature remain.
emphasised that the associated countries’ undertakings do not apply to the adaptation of their existing legislation, but to the compatibility of their future legislation: in other words, preventing a widening of the gap between the legislation of the associated countries and that of the Community. In fact the prospect of accession has had the result that, in this context, steps have been taken towards a convergence in legislation.

2. The White Paper’s accession strategy

In 1995 the Commission submitted a detailed White Paper on the accession of the CEECs, setting out comprehensively aspects and problems of every common policy, but restricting itself to the transposition by the applicant countries of those Community rules ‘which directly affect the free movement of goods, services, persons or capital’. The White Paper does not take into consideration the ‘legislation which only indirectly affects the operation of the Internal Market by, for example, affecting the competitive situation of firms’.

This exclusion of the competition rules could poses some problems for the transport sector, since its product is a service, and by definition a mobile one, creating distortions between the undertakings of Community countries and of applicant countries with the same rights of access to the market. Inland waterway and road transport is already susceptible to competition from East European countries.

On the operational level, the White Paper sets concrete objectives for transposition which are based on Community legislation in force in 1995. They are divided into three phases, and for each of them a lengthy annex sets out, for each policy (and, for the transport sector, for each means of transport) specific key measures. Stage I key measures are selected using one of the following criteria: they provide the overall reference framework for other Community legislation, they address fundamental principles or provide for basic procedures or they are a pre-condition for the effective functioning of the internal market in the sector. Since no timetable has been laid down, the stages might more correctly be described as levels of priority.

In its opinions on the applications for membership, the Commission has summarised the objectives of Community transport policy as three improvements: in the quality of the transport system, in the functioning of the internal market and in transport links with third countries.

Finally, it should be emphasised that the key measures were selected without taking into account how much the applicant countries had already achieved. Nevertheless, the association agreements form an important frame of reference for the work of transposition, thanks to the work carried out in the joint sub-committees.

Work in the Joint Sub-Committees on Transport has focused on the approximation of legislation in all transport modes with the aim of restructuring the transport sector so as to establish an integrated and balanced multimodal transport system. Approximation of legislation is also a central element in the current negotiations on market access in inland waterways and it will play a major role in the future road and air transport negotiations. Indeed the Central European Countries undertook, under the Association of the associated countries of Central and Eastern Europe for integration into the Internal market of the Union (COM(95)163 and COM(95) 163-2).

5 COM(95) 163, point 13. Passages in italics are quotations from the text

6 Ibidem, point 3.17-3.18.

7 In July 1997 the Commission delivered its opinion on each of the applications for membership that had been received. They were all drafted with the same structure, the general parts are identical and they only differ from each other on specific issues. They are issued in the form of COM documents numbered from 2001 to 2010.
Agreements, to adapt their legislation with the Community acquis in so far as it serves to assure a coordinated development and progressive liberalisation of transport between the Parties.\(^8\)

3. The enhanced strategy

Two years after the White Paper, the Commission document *Agenda 2000 — For a stronger and wider Union*\(^9\) considered the financial implications of enlargement in a comprehensive fashion and, within this context, the difficulties in transposing the *acquis communautaire* and the support measures necessary for this prerequisite to membership. On the basis of this document the Luxembourg European Council approved an *enhanced pre-accession strategy*, with the aim of enabling all the applicant countries to be able to adapt to the *acquis communautaire* even before accession. In practical terms this strategy, which supplements the agreements entered into with each applicant country, consists of integrating all forms of assistance and familiarising the applicant countries with Community policies and procedures by allowing them to participate straight away in some Community programmes.

*Agenda 2000* sets out the contents of this strategy:

- **Institution-building**, that is, reinforcing the institutional and administrative capacity of the applicant countries, as an essential prerequisite for the effective operation of public services required by Community policies;

- The **Accession Partnerships**, that is, arrangements between the EU and the applicant countries in which the EU undertakes to mobilise all the available resources to prepare the applicant countries for membership and those countries make precise commitments relating to approximation and, with particular reference to the subject under examination, undertake to adopt a *national programme for transposing the Community acquis within a precise timetable, focusing on the priority areas identified in each opinion*;

- The **financial resources** which represent the main commitment undertaken by the EU in the context of the partnership and which will be examined in more detail later.

These components, particularly the Partnership and the financing, constitute a development in the integration policies set out by the association agreements.

4. The Accession Partnership and the relevant Community legislation

The partnership is the framework for the accession strategy, being both the instrument which integrates the various forms of assistance to applicant countries and at the same time the foundation for the transposition of Community legislation by them. The work done in the context of the association agreements and their committees has been used to create the partnership, and on this basis the *national programmes for transposing the acquis communautaire* have been drawn up. The programmes, drafted by the applicant countries together with the Commission, formalise priorities and give a timetable for the adoption of legislation. The Commission reports regularly to the Council on the transposition of Community legislation.

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\(^8\) COM(95) 163-2, p. 170 of the English version.

\(^9\) COM(97) 2000 final.
The partnership has been the subject of legal measures, starting with the 1989 Regulation concerning economic aid to certain countries of Central and Eastern Europe", which makes provision for Community participation in projects or cooperation measures in some economic sectors, not expressly including transport, but which may concern the transport sector through measures on energy, training and protection of the environment. ‘They should be aimed in particular at the private sector’. It should be pointed out that following a recent amendment, the regulation provides that

‘For applicant countries with accession partnerships with the European Union, finding under the PHARE programme shall focus on the main priorities for the adoption of the acquis communautaire, i.e. building up the administrative and institutional capacities of the applicant States and investment, except for the type of investments financed in accordance with Regulations (EC) No 1267/1999 and (EC) No 1268/1999’.1

The regulations which directly or indirectly concern transport are the 1998 regulation on assistance to the applicant States in the framework of the pre-accession strategy, and in particular on the establishment of Accession Partnerships12 and, in 1999, the regulation on coordinating aid to the applicant countries in the framework of the pre-accession strategy,13 and the regulation establishing an instrument for structural policies for pre-accession14, aimed particularly at the development and improvement of infrastructure.

The 1998 regulation lays down the contents of the partnerships. Their framework includes:

‘the priorities, as defined in the analysis of the situation in each State, on which preparations for accession must concentrate in view of the political and economic criteria and the obligations incumbent upon a Member State of the European Union as defined by the European Council;’

‘the financial resources for assisting each applicant State to implement the priorities identified during the pre-accession period’.15

This regulation does not, therefore, provide financial aid, but sets out the other Community sources which may be available to help the applicant countries in the partnership.

The 1999 regulation on coordinating aid, which was called for by the General Affairs Council of 16 December 1997 in order to ‘ensure consistent use of the three pre-accession instruments advocated by the Commission’ refers to the 1989 regulation and the two 1999 regulations concerning, respectively, the transport and environment sector and the agricultural sector. The consistency of the three instruments is ensured by an advisory committee which monitors the use of the three provisions mentioned above in order to avoid the overlapping of investment, both with respect to EIB assistance and other Community aid measures.

Finally, the regulation on structural policies for pre-accession establishes a financial intervention instrument, known as ISPA, which ‘shall contribute to the objectives laid down in the Accession

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1 Council Regulation (EEC) No 3906/89 of 18 December 1989, OJ L 375, 23.12.1989, p. 11. This regulation was initially aimed only at Poland and Hungary, but has been amended several times. Specifically, the title given in the text is that introduced by Council Regulation (EEC) No 2698/90 of 17 September 1990, OJ L 257, 21.9.1990, p. 1, which extended its application to all the CEEC.

11 Art. 3(3), inserted by Art. 4(2) of Regulation 3266/99, cited in note 13 below.


15 Art. 7 of Regulation 622/98.
Partnership for each beneficiary country and to corresponding national programmes for the improvement of the environment and of transport infrastructure networks". As far as transport is concerned in particular, the regulation’s basic principles stem from the urgent need, emphasised by Agenda 2000, to strengthen and modernise infrastructure and complete links with the European Union area in order to prevent congestion problems which could have effects within the 15 current Member States. From the applicant countries’ viewpoint, the development of transport infrastructure also promotes development. The report accompanying the proposal for a regulation takes this principle as its basis and gives this summary of its role in the transport sector:

"[financing] transport infrastructure measures which promote sustainable mobility, and in particular those that constitute projects of common interest based on the criteria of Council Decision 1692/97 and which enable the beneficiary countries to comply with the objectives of the Accession Partnerships. This will include inter-connection and interoperability of national networks as well as with the trans-European networks (TENS) together with access to such networks."

5. **The Accession Partnership and aid in transposing the acquis communautaire**

One of the forms of assistance is TAIEX, a programme created in 1995 with the aim of assisting third countries to translate the acquis communautaire, which has now become a cooperation instrument in the pre-accession stage by extending its objectives to giving information and advice on the whole acquis, with particular reference to the environment and transport. In this new role it provides the applicant countries with experts for targeted training programmes and the transfer of administrative capacity through the use of workshops and training on the various aspects of the internal market. Twinning arrangements are another form of assistance provided by TAIEX, through which an applicant country’s authorities dealing with a specific subject are put into contact with officials from a Member State with experience in the same area. However, transport is not included in the priority areas for these activities. A third aspect of TAIEX is the reform of the civil service, which makes use of SIGMA, a programme jointly developed by the Community and the OECD to make available to the CEECs the experience of the countries which are members of the two sponsoring organisations in the field of central administration management methods. Through training and advice, the usual tools, SIGMA’s aim is to provide the countries that receive them with the necessary capabilities in legislative drafting and in the management of financial and physical resources, together with the relevant checks.

6. **Transport and the pre-accession strategy**

As regards the transport sector in particular, Agenda 2000 does not change the general scheme of priorities established by the White Paper, but emphasises the high level of investment needed to adapt the transport infrastructure to the anticipated increase in traffic flow, the need to amend applicant countries’ legislation to comply with Community laws in technical and safety areas, and the need for specific measures to promote rail transport. However, there is no specific reference to the policy of liberalising the rail system, which is a particularly sensitive issue, given the political and economic system from which the applicant countries derive.

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16 Art.1 of Regulation 1267/99.

17 This is the decision on the ‘Community guidelines for the development of the trans-European transport network’, which is a codecision procedure. Therefore, the words ‘and European Parliament’ should be inserted in the text of the report quoted above.

18 COM(98) 138, p. 5.

19 Technical Assistance Information Exchange Office
The infrastructure issue concerns not only investment, which in any case implies private sector participation being considered in areas which are among the least wealthy in the enlarged Community, but also a reorientation in the infrastructure axes both of the applicant countries and of the Member States, in turn implying a comprehensive revision of transport forecasts at a continental level.

Thanks to this enhanced strategy some progress can already be seen in the transposition of the *acquis communautaire* on transport, as stated by the Commission in its *regular reports on progress towards accession* addressed to each State, only the first series of which has so far been published, in December 1998. The transposition objectives fixed by the 1995 White Paper are set out below, although it should be borne in mind that the Community legislative framework has developed since the White Paper’s publication.

### 7. Road transport and the White Paper on accession

The approximation provisions in each stage are divided into four categories: *access to the market*, technology and safety, *fiscal harmonisation* and social harmonisation. The *first stage* is made up of a set of measures which comprise the general framework of Community legislation, but take into account the starting point of the applicant countries’ government departments. These measures roughly correspond to the stage reached by Community legislation at the end of the 1980s and can be categorised as follows:

- **access to the market**: the objective is to adapt the applicant countries’ legislation as regards access to the occupation of road passenger and road haulage transport operator, and hence to harmonise the relevant requirements relating to the professional and financial capabilities of transport operators at the Community level;

- **technology and safety**: *roadworthiness tests* of commercial vehicles, leaving the inspection of other vehicles for the second stage and restricting harmonisation, including that for commercial vehicles, to the essential rules[^20], *weight and dimensions*, but only the weight of vehicles with a gross weight of 3.5 tonnes, *tachograph* and *tyre tread depth*;

- **fiscal harmonisation**: includes charges for the use of infrastructure by commercial vehicles[^21], for which the CEECs will have to create suitable administrative structures;

- **social harmonisation**: in tandem with the introduction of the tachograph, already mentioned in the context of technical and safety measures, the social objective is the transposition of the legislation on drivers’ driving and rest periods.

The *second stage* comprises the following measures:

- **access to the market**: elimination of the financial measures which in practice give an advantage to national transport operators, and thus State aid in particular, and public service obligations;

- **technology and safety**: as well as the completion of approximation of roadworthiness tests and weights and dimensions, the start of which is provided for in the first stage, the Community rules on

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[^20]: Obligatory nature and frequency of inspection, the items subject to inspection, mutual recognition of compliance testing, braking systems and limits on exhaust emissions.

[^21]: There have been considerable changes in this area since the White Paper, as a result of the very recent Directive 99/62/EC of 17 June 1999, on the *charging of heavy goods vehicles for the use of certain infrastructures*, OJ L 187, 20.7.1999, p. 42 - 50.
Driving licences, transport of dangerous goods, speed limitation devices and safety belts should be transposed;

- **fiscal harmonisation**: reversing the order followed by the Community in this field, the rules on accounting for expenditure on infrastructure have been placed after the rules on infrastructure charges because of the need to introduce a suitable accounting system;

- **social harmonisation**: harmonising the rules on the minimum level of training for drivers.

The second stage concludes the harmonisation of the second, third and fourth categories of legislation and the **third stage** is devoted to the transposition of rules on coastal shipping and international passenger transport services.

8. **Rail transport and the White Paper on accession**

Even within the Community this is the mode of transport which has been liberalised the least because of the very public, national and monopolistic dimension developed by the rail companies in the last century which is only now, with great difficulty, on the point of being overcome. These difficulties are found, to a greater degree, in the applicant countries which are emerging from political and economic systems in which the model followed by western European rail companies was the rule in all sectors of the economy.

In addition to this problem with the system, which could be described as the **burden of the past**, there are two other main difficulties. The Community legislation liberalising this mode of transport is not yet consolidated, but is still being developed, and for this reason transposition of the **acquis communautaire** by the applicant countries is likely to be incomplete even once the objectives set by the White Paper have been achieved. The second main difficulty is the technical underdevelopment of the rail infrastructure and the fact that it is not sufficiently large for the increased traffic arising from association and accession. This physical situation is likely to slow down the transposition of legislation, subjecting the rail systems of the applicant countries to a double stress: the changeover from a monopolistic, public regime to a liberalised system, in some cases together with privatisation, and the drive to modernise and extend the infrastructure. The attendant risk is twofold: first, the internal capacity of the rail system to absorb the changes, and second the possible loss of public allegiance as a result of the inevitable difficulties which will occur in the service during the changeover to the Community model.

On the basis of Community arrangements in 1995, the White Paper lays down **two stages** for rail transport. In the first stage the principle of the separation of infrastructure accounts and service operation accounts, and the principle of access to infrastructure, will have to be adopted; in the second stage the rules on rail undertakings, the allocating of infrastructure capacity and the charging of infrastructure fees will have to be transposed.

9. **Inland navigation and the White Paper on accession**

Poland, the Czech Republic and Hungary are the only three applicant countries with whom negotiations are in progress for which the transposition of the **acquis communautaire** for this mode of transport is relevant. Their navigable waterways are linked to those of the Community. The Czech Republic and Hungary form part of the Commission for the Danube and bilateral agreements are being negotiated between all three countries and the Community to replace previous bilateral agreements with some Member States.

Here, too, the transposing of the **acquis communautaire** is divided into **two stages**, the first including access to the occupation of transport operator and the recognition of relevant diplomas and certificates and the second including the technical requirements for vessels.
10. Maritime transport and the White Paper on accession

The White Paper’s particular philosophy of restricting itself to indicating the measures needed for the transposing of the *acquis communautaire* relevant to the creation of the internal market means that only one measure is given for the planned *first stage*: the liberalisation of maritime transport services between Member States and between Member States and third countries, achieved by a 1986 *maritime package*.

Even if one accepts the White Paper’s approach, this objective seems too limited and inadequate for an effective implementation of the internal market, since the problems of competition with the fleets of third countries are so significant that the whole of the maritime package of legislation, which constitutes an indissoluble whole, should be transposed. In the interest of completeness, this should also include the subsequent regulation on applying the principle of freedom to provide services to maritime transport within Member States (maritime *cabotage*)\(^{23}\).

The problems of safety and of protection of the marine environment are dealt with over two stages, the *first* of which concerns the main provisions (dangerous goods, landing rights for twin hull oil tankers, the training of seafarers and the *conversion to Community legislation* of the international laws), as well as the rules on inspection bodies. The application of this *acquis communautaire* requires the adaptation of national maritime administrations. The *second stage* lays down two objectives which reinforce the main provisions: the rules on transfers from one register to another and those on radio-navigation\(^{24}\).

11. Air transport and the White Paper on accession

Air transport is probably the means of transport where the creation of the single market and liberalisation, which in the Community is closely linked to the former, have had the greatest effects. There have been consequences for prices, for passengers and for company structures, with the increase in types of association between companies inside and outside the Community. Nowadays Community air transport operators may open any intra-Community scheduled line whatsoever on a completely equal footing with other Community transport operators of other nationalities and the Community is trying to bring the bilateral agreements between the Community States and third countries to the same stage, while two draft regulations on competition on international routes are being examined\(^{25}\). The Community has also passed specific measures in the sector on passenger protection and the safeguarding of competition.

One of the passenger protection measures is the important regulation on air carriers’ civil liability concerning *air carrier liability in the event of accidents*\(^{26}\), which applies to Community air carriers in respect of death or injury to passengers on one of their flights, leaving the Warsaw Convention to govern damage to objects and delays, together with the regulation which establishes common rules for a denied-
boarding compensation system in scheduled air transport", which concerns the thorny problem of overbooking and which is currently being amended. The legislation on computerised reservation systems is aimed simultaneously at consumer protection and safeguarding competition, and has been so effective that, following a recent amendment, it has created a genuine distinct economic sector as a result of airlines no longer participating in booking systems. The airlines had entered this sector in order to achieve greater competitiveness in their own sector.

The White Paper divides the adoption of the acquis communautaire into two stages. In the first the objectives given are adaptation to Community laws with regard to licensing of air carriers (which implies a strengthening of the finances of airlines in the applicant countries), certification procedures for aircraft and maintenance organisations, computerised reservation systems, allocation of landing and take-off slots at airports, noise emissions and air control. In the second stage the basic objectives laid down are those of liberalisation of the internal market and passenger protection.

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II - TRANPOSITION OF THE ACQUIS COMMUNAUTAIRE IN THE FIELD OF TRANSPORT

1. General points

For each applicant country dealt with in this study, this chapter presents the general characteristics of its transport market and the current state of progress in transposing Community law with particular reference to rail, which of all the modes of transport is the one where Community legislation on liberalisation still needs to be completed and where the problems of economic and structural reorganisation of the service are greatest. The information has been taken from the European Commission documents cited in the notes, from certain studies that have been carried out for the European Parliament (Directorate General for Research) by institutes and consultancy companies from the relevant countries, together with a recent study on liberalisation of the rail sector36.

As will be seen, the national transport situations at the time of application for membership, as described in the Community documents, show points common to almost all the applicant countries. They all have international transport legislation which is very similar to that of the Community, because of the numerous conventions on the subject entered into at a continental level, particularly within the framework of the United Nations Economic Commission for Europe. The chief problems are in the internal road transport sector, especially access to the market, safety and vehicle testing, a problem which is particularly awkward because of the age of a significant portion of the vehicles in the applicant countries.

With regard to rail transport, Community documents emphasise the need to transpose the directive on the separation of the accounts for transport services and infrastructure, and the 1995 directives concerning the licensing of rail enterprises and access to the network. In fact, a detailed examination of the state of the rail sector in the applicant countries does not reveal any great differences as compared with some Member States’ state of progress in liberalisation, whereas it is probably the issue of out-dated and old rolling stock that will create problems.

With regard to air transport, it should be noted that negotiations are underway for the creation of a European Common Aviation Area (ECAA), and the existing bilateral agreements with the applicant countries should be absorbed into this framework.

A problem shared by all the applicant countries is that of the public administration. In none of the countries has it reached a satisfactory level, nor are any improvements even being made in any of them, which is not only detrimental to the pre-accession strategy but also raises doubts as to the applicant countries’ capacities to enjoy the benefits of belonging to the EU, once the accession process has been completed. In the following national sections, data on the transport sector taken from the regular reports will be provided.

2. Problems specific to road transport

Two closely linked problems which relate to goods transport by road, a common feature of all the applicant countries, should, however, be mentioned in more detail. Community carriers repeatedly draw the attention of the Member States and the institutions to these problems. The first concerns the oppressive and in some cases discriminatory way in which the CEECs apply the principle of internalisation of external costs and the second is the waiting times at frontiers because of delays in carrying out the various

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procedures, both in connection with customs and other requirements to which a vehicle is subject, including procedures for the collection of taxes and duties.

The **IRU**, the international road transport union, has on several occasions deplored the fact that its members are confronted with an enormous quantity of taxes and charges, which vary from country to country and which give rise to a particularly chaotic situation in the CEECs. According to research by the IRU on ten CEECs, including those dealt with in this paper, the charges of various kinds, from fuel tax to tolls to the administrative duties imposed in certain countries such as Hungary\(^{31}\), amount to at least 12 in each country and in some, such as the Czech Republic, the rates vary according to the vehicle’s country of origin, which discriminates against foreign transport operators.

As a result the IRU calls on the relevant governments to abandon the levying of transit and local taxes, to avoid discrimination of any kind, to establish reasonable rates and to harmonise the tax rules by approximating them to Community rules\(^{32}\).

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\(^{31}\) Some examples of these heavy duties are: the ‘tax on sanitary services’, ‘tax on the administration of the area from the frontier crossing point’ or the ‘duty on inspection of radioactive substances’, etc.

3. Current situation and pre-accession

This country has 10.3 million inhabitants and its per capita GDP is approximately 55% of the Community’s. It is at the crossroads of north-south and east-west communication routes. The Czech Republic is crossed by two TEN multimodal corridors: corridor IV: (Dresden) - Decin - Brno - Breclav - (Vienna), length 454 km, construction begun in 1993, operation commencing in 2000; (Nurnberg) - Cheb - Prague, operation commencing in 2007; corridor VI: (Katowice) - Ostrava - Breclav (Vienna), operation commencing in 2003.

Since the adoption of a market-based economic system, rail and river transport have lost market share, while the rapid increase in private road vehicles has caused a net drop in collective passenger road transport; air transport is expanding. However, transport has in general suffered a regression. The decrease in transport volumes in the 1990-92 period was greater than the decrease in GDP. This shows that companies’ transport needs have changed and that higher efficiency is now required. In the next period a high correlation may be expected between GDP and transport volume growth. Road transport has taken a slightly increased market share. A decrease in railway market share is expected next, and the main target of transport policy is to reduce this decrease. The major growth in car transport in recent years will continue. A permanent supply of good public transport must be a government priority.

In its Opinion on the Czech Republic’s application for membership of the European Union33, in the section on transport the European Commission starts with the finding that in the international transport sector the country applies rules similar to those of the Community for all modes of transport except road haulage and rail, and therefore sets the extension of Community rules to these two modes of transport as the primary objective to be achieved in the pre-accession stage.

The assessment of national transport is more cautious, particularly in the case of national road transport, where the opening up to cabotage after accession could have a considerable impact. On this issue particular emphasis is placed on vehicle roadworthiness testing and road taxation.

4. The government’s programme

In June 1998, the Czech government approved an action programme for a new national transport policy, and in August 1998 it submitted a document outlining a summary of the policy to the Chamber of Deputies for approval34:

The Government will carry out a transformation of Czech Railways respecting the separation of the books of the railway infrastructure and actual railway services. It will provide simultaneously for a partnership between the public and private sectors in the development field - private capital will allow the substitution of otherwise unavailable public funds.

The Government shall devote care to the enhancement of the safety of traffic and adequate availability of services, and to the environmental aspects of transport.

To provide for the above-mentioned objectives, the Government, extending the scope of earlier adopted general measures for the implementation of the resolution of the CR Government on transport policy, will:

33 COM(97) 2009.

submit draft legislation on the establishment of a CR Transport Fund in follow up to the phased introduction of full payment of charges for use of the transport route (with special accent on road transport) and of other elements of harmonisation of the taxation system with the EU. It will also provide for the improvement of the situation in the basic availability of transport to which everyone is entitled as a part of his/her social and civic rights. A prerequisite for the utilization of assistance offered by the European Union is the creation of a local state fund;

complete the conditions for the participation of public budgets in developing territorial transport availability in accordance with principles adopted by the EU;

draft, on the basis of the adopted transport policy, a long-term strategy for the development of railway, road, water, air and integrated transport, including relevant legislation and economic and other tools for its enforcement;

devote attention to compliance with technical parameters of vehicles, their permissible loading, and to measures against excessive dominance of supply of transport capacity over demand.

.....To provide for the attainment of the listed tasks the Government will present to the Parliament of the CR a draft amendment of the law on railways, on the transformation of Czech Railways, an amendment of the law on terrestrial communications, of the law on integrated transportation systems, of the law on telecommunications and of the law on postal services. It will provide for the supplementation of all currently adopted laws applying to transport and communications necessary for the elimination of variance with EU legislation that would be an obstacle to the drawing of EU grants for programmes and projects in support of the national programme of preparation for accession to the EU. Finally, it will also be necessary to provide for the compensation of cost and environmental load to which the CR will be exposed due to the transport consequences of European integration'.

5. Progress

The Commission gives an update on the current situation: as far as road transport is concerned, the requirement of financial adequacy has been introduced for transport operators and will enter into force from 2000, and further provisions on vehicle inspection will also be needed; as far as the rail sector is concerned, while the measures to support the Czech Railways have been approved, the acquis communautaire still has to be transposed. No progress has been made in the air sector. On an operational level, reform of the public administration has not been carried out. Within the Ministry of Transport the European department only has four officials and in more general terms there is a lack of staff versed in European affairs and harmonisation of legislation.

For its part, the European Parliament does not deal specifically with transport issues in its resolution of 15 April 1999 on the Commission’s report, but in paragraphs 2 and 3 it makes the following statements on the speed of the Czech Republic’s adoption of the acquis communautaire:

'2. Notes that the Czech Republic satisfies the fundamental spirit of the ‘Copenhagen criteria’ on accession but stresses that the timing of Czech accession to the EU will depend primarily on the rapidity with which the Czech Republic resumes the momentum required to ensure adoption of the acquis and the strengthening of related enforcement and implementation structures, which are conditions for early accession to the EU;

3. Welcomes the measures undertaken by the Czech Government following the Regular Report of the European Commission of 17 November 1998 which evaluated the progress in the preparations by the

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35 Regular report from the Commission on Czech Republic’s progress towards accession (COM(98) 708).

36 The text had not yet been published at the time of writing this paragraph.
Czech Republic for the accession to the EU; and notes that the Czech Republic has confirmed that it took seriously the analysis of the European Commission and is therefore endeavouring to speed up the dynamics of its preparation for accession;’

6. **Railways**

Passenger transport has to face serious competition from the cheaper private road transport companies. Since 1991 a growing number of Eurocity trains have started operating to and via the Czech Republic, but since CD does not have suitable rolling stock for such trains it has had to hire it, at considerable cost, from other companies. On domestic routes with good prospects attempts have been made to increase market share by introducing sophisticated rolling stock, while services on branch lines have been rationalised.

In the goods transport sector the decline seems to have stabilised at 1995 levels and CD is trying to improve the service. In contrast, there has been a growth in combined transport, but further expansion is hampered by local network capacity restrictions, and funds for improving the network and electrification are limited.

In an attempt to tackle the investment shortfall and the low level of State subsidies and in order to make the company more competitive with other modes of transport, the government has adopted a policy designed to attract private capital investment and as a result some of the company’s operations have been privatised: these include maintenance, intermodal transport, catering, sleeping-cars and electrification.

In its *Regular report* the Commission emphasises that the majority of Community legislation still remains to be adopted and that the rail system has to be restructured, but in 1994 CD lost its monopoly and now has a high degree of independence from the State, having taken on responsibility, on behalf of the State, for infrastructure management. The accounts for transport services and for infrastructure have been separated and some private carriers have been authorised to provide services on parts of the network which had been closed or which were uneconomical. The Rail Agency, a division of the Ministry of Transport, regulates access to the network. Originally there were plans to privatise a third of the network but, following union protests, the objective has been cut to no more than a fifth by the end of the century.

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37 This section is based on NEA. ‘The present situation regarding liberalisation of the rail sector in the Member States of the EU and in the applicant countries’. PE (DG IV) Working Paper TRAN 107 1999, p.31.

38 CD is the Czech rail company created by the division of the former federal company after the secession of Slovakia.

39 A company in the Škoda group runs two trains a day on the CD network around Pilsen using its own rolling stock and traction units. CMDS, a joint venture by Škoda and some mining companies, plans to cover about 30% of coal transport operations and to enter the passenger transport sector in the future.
ESTONIA

7. Current situation and pre-accession

This is the only one of the applicant countries to have been part of the USSR and of the three Baltic states it has made the most progress in the accession process. It is also the only applicant country in the continent which is not adjacent to the Community. It has a population of 1.5 million and a per capita GDP which is 23% of the EU’s.

In the transport sector Estonia’s strength is its Baltic ports which, being virtually ice-free year-round, enable it to be an effective transit route between north-west Europe and Russia. Political relations in the area have, however, meant that this potential is not fully used. Estonia is also included in corridor I as planned by the Pan-European Conference in Crete: Tallinn-Riga-Kaunas-Warsaw.

In recent years, the international transport of goods and passengers (including transit) has increased considerably, and the same can be said of the service volumes of ports and airports. The number of passengers on international shipping lines increased nearly 20% in 1996 and 11% in 1997, and on airlines 17.4% and 16% respectively.

The number of private cars has been increasing rapidly (in 1993 there were 317,600 cars in Estonia, and in 1997 the number was 511,000, average annual growth thus being 8%), at the same time the capacity of public transport has decreased (35%), especially in local rail transport (within four years, the number of train passengers has decreased 67%).

According to the Board of Statistics, the consumption of car fuel in Estonia has increased over 20% when compared to 1996. At the same time, public transport capacity was constantly decreasing up to 1996. From 1997 onwards, a moderate increase (~4.3%) can be noted, although insignificant on the background of considerable growth of private transport.

Cargo transport (including transit) in its turn shows a constant tendency of increase. On the North - South direction (Via Baltica) road transport is the dominating transport mode for freight (the general transport volume of Rail Baltica has indeed increased ca 1/3 this year when compared to last year’s volumes, and also exceeded the not too significant 1 million tons limit). On the East B West direction (Tallinn-Narva, Tallinn-Tartu-Petseri), the railway transport is the dominating mode due to excessive volumes of transit transport.

The Main Trends of Transport Policy approved by the Government of the Republic of Estonia, include the following tasks for the achievement of their objectives of ensuring sustainability, security and environment protection: guaranteeing systematic state support to the maintenance and development of transport infrastructure, promotion of international co-operation and development of the priority transport corridors, State support to the development of public transport and enhancement of its competitiveness when compared to individual/private transport, improvement of traffic safety and reduction of transport’s harmful impact on the environment.

Estonian transport policy, as well as the Estonian National Environment Action Plan (NEAP), has the reduction of air pollution by means of enhancing the competitive ability of public transport as one of its central objectives. For this purpose, allocation of financial support is provided both in the Public Transport

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40 This section is mainly based on an unpublished study carried out by the Connectus Company (Tallinn) for the European Parliament - DG IV.

41 The calculations are based on the unofficial data 1997 of Board of Statistics - *Energiobilans*, 1996.
Development Plan and the Environment protection action plan (NEAP) in order to guarantee the annual growth of competitiveness and volumes of public transport.

In its Opinion on Estonia’s application for membership of the European Union the Commission gives a positive assessment concerning the closeness of the country’s laws to those of the EU for most modes of transport and especially for international inland waterway transport and combined transport. In road passenger transport only the rules on access to the profession still have to be transposed quickly, while for road haulage transport the areas awaiting transposition are weights and dimensions, access to the occupation of road haulage operator and roadworthiness tests.

As regards maritime transport the need to adapt Estonian legislation to Community norms in the field of safety is important, and for air transport Estonia is expected to be in line with all or more Community laws by 1999.

8. Progress

According to the Regular report on Estonia’s progress, this country has made notable progress in transposing the acquis communautaire in the transport sector. Specifically, as regards road transport the adoption of Community legislation on the subjects indicated by the Opinion on accession as priorities has been completed: access to the profession, roadworthiness tests and weights and dimensions. In the rail sector financial transparency has been ensured and the State company has been reconstituted as a joint stock company.

Estonian legislation on maritime transport, which was brought in to replace Soviet legislation, is largely based on Community laws and, in particular, rules for entering ships in the ship register and on ship ownership have been established, and a port and maritime safety law has also been approved, but there is still much to be done to achieve an adequate level of safety in the Estonian fleet.

In the field of air transport work has begun on drafting a law on aviation which includes the relevant Community legislation, while the legislation on investigations of accidents and denied-boarding compensation has been transposed.

On the administrative level Estonia’s weak points seem to be safety checks on ships, as is shown by the safety deficiencies found in its ships during checks carried out in the EU’s entry ports. Less serious problems can also be seen in the administration of the air transport sector.

9. Railways

In Estonia rail transport is run by several undertakings, the biggest of which is the state-owned Eesti Raudtee (EVR), founded in 1992 after independence. Right from the start this company was intended to be a commercial and competitive undertaking. The majority of freight transport operations consists of cross-border traffic to and from Russia in competition with other undertakings: these operations produce profits, which, together with State aid, partly offset passenger transport losses.

The Law on Railways entered into force in 1995 and now governs this mode of transport. The Commercial Code of the same year governs rail undertakings. Under these provisions EVR became a public limited

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42 COM(97) 2006.
43 COM(98) 705
44 This section is based on NEA ‘The present situation regarding liberalisation of the rail sector in the Member States of the EU and in the applicant countries’, PE (DG IV) Working Paper Transport series TRAN 107, 1999, p.13.

26 PE 168.650
company and Edelarudtee (South Western Railways) was set up. The Commercial Code guarantees their independence. These two companies manage the whole of the country’s infrastructure and authorise other undertakings to operate train services: up to March 1999 24 rail licences had been issued.

The Law on Railways was amended on 23 February 1999 and the new provisions, which are in line with the three relevant Community directives, will enter into force this year. They govern, inter alia, the separation of accounts for infrastructure and for transport services, access to the network and agreements on international traffic, infrastructure charges, State investment in construction projects and infrastructure maintenance, safety rules and public service agreements for passenger transport.
10. **Current situation and pre-accession**

Hungary has a population of 10 million and its per capita GDP is 40% of the Community’s. With a dense transport network, centred around Budapest, the country is crossed by three trans-European corridors and traffic is expanding both because of the increase in trade links with the EU and because of the Balkan situation, which has shifted traffic towards Hungary.

Within the country there are pronounced regional variations in development and the beneficial effects of accession will be felt above all in the central regions, which are the most prosperous. In Hungary, as in the other CEECs, the rise in traffic and in private vehicle use has increased road transport share to the detriment of other transport modes, especially rail; air transport is also increasing. One phenomenon which has been pointed out is the displacement of traffic from the motorways to other main roads because of the high motorway tolls.\(^{45}\)

In its *Opinion on Hungary’s application for membership of the European Union*\(^{46}\) the Commission reiterates the remarks already made concerning other applicant countries, namely that national legislation on international transport is mainly in line with the Community’s. On the other hand it has reservations with regard to national transport, especially road transport, particularly on access to the market, social and safety laws and vehicle testing, and here too the parallel with other applicant countries should be emphasised.

With regard to rail transport the emphasis is on charging for the use of infrastructure, public services and the separation of accounts. Nothing of significance is said about air or river transport.

11. **Progress**

The *Regular report on Hungary’s progress*\(^{47}\) emphasises continuity in the transposing of Community legislation on transport, although it is not clear on what basis. In fact, as far as road transport is concerned, the rules on access to the profession, vehicle testing and driving licences have been transposed, although in the case of the latter, not completely, and action still remains to be taken on important sections of Community legislation, such as those on technical requirements for vehicles, road safety and access to the Hungarian road transport market. For other modes of transport, instead of indicating what has been done the document states what still remains to be done: the transposition of Community legislation on inland waterways, which is important because of the position occupied by Hungary along the route of the Danube, and the transposition of legislation on air and rail transport, particularly concerning access to the network.

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\(^{45}\) This point is made in an unpublished study by the Kolekcedestudomanyi Intézet Reszvenyarsasag (Budapest) for the European Parliament – Directorate General for Research.

\(^{46}\) COM(97)2001.

\(^{47}\) COM(98)700.
12. **Railways**

After a major slump in the volume of goods transported by rail in tandem with the changeover to a market economy, market share stabilised from 1995.

The national rail company is Magiar Allamvasutak Rt (MAV), now a joint stock company wholly owned by the State, which runs the entire infrastructure and the majority of the train services, but the regional lines have been transferred to the relevant local authorities. There is also another independent rail company, GySEV/RoeEF, which operates on some domestic sections and on international routes (goods and passengers) to Austria, and also runs a container service to Rotterdam. The directive on the separation of accounts for infrastructure and transport services has been transposed, partly in view of a separation of the two areas in MAV’s internal structure.

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48 This section is based on NEA, ‘The present situation regarding liberalisation of the rail sector in the Member States of the EU and in the applicant countries’, PE (DG IV) Working Paper Transport series TRAN 107, 1999, p. 19.
13. Current situation and pre-accession

With a population of 38 million, Poland is the largest of the applicant countries by area, by population and by size of the economy, although its per capita GDP is only 31% of the Community’s. The length of its borders with Germany makes it an obligatory transit route between the Community’s biggest industrial country and the Sarmatian plain. Over the current decade traffic has increased considerably.

Poland is thus strategically important at an economic level and its transport system already has legislation covering international transport which is similar to Community legislation, whereas adaptation of Polish laws on internal road transport is crucial. In fact, the accession of this country will bring about an increase in goods and passenger road transport much greater than the rise caused by trade with the EU, and free cabotage makes it an absolute necessity for Community law in this field to be transposed in the interests of Polish transport undertakings and their competitiveness. This development should benefit transport undertakings from Silesia and eastern and western Poland with at least 20 vehicles (in other words, firms from the border regions), while those based in central Poland are not likely to benefit from it.

The transposition of Community legislation in the goods sector of national road transport is in fact the main requirement set out by the Opinion on Poland’s application for membership of the European Union”. The opinion also asks for close attention to be paid to the proper application of Community rail law, but it does not mention any particular problems in the transposition of Community air transport law and does not mention any difficulties concerning maritime transport.

14. Road transport

Considering the haulage volume and the amount of used fleet, road transport has become at present the principle mode of transport in relations between Poland and EU. It results from the growing significance of the foreign trade with the EU. In 1996 it constituted 66.2% of the export value and 63.9% of the import, respectively, in particular, trade exchange with the closest Western neighbour, Germany (34.4% of export value and 24.7% of import value). The changes in the trade structure favouring to highly manufactured goods additionally contribute for strengthening of the role of road transport at the cost of rail and inland waterways transport.

Likewise, the passenger transport (both private and public) has become a basic means of mobility between Poland and EU. The share of buses exploited for hire and reward and for own account, both in regular, irregular and shuttle services is substantial and considered as one of the biggest in the framework of 25 EU+CEC countries. Only in 1996 buses carried ca. 1.5 million persons for mean distance 11.15 km in the range of hire and reward services in EU-Poland relation. However, the bus services are significantly lower than the number of travels from Poland to the EU by private cars amounting to ca. 17.8 million persons in 1996.

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49 This section is mainly based on a unpublished study carried out by the University of Gdansk for the European Parliament – Directorate General for Research.

50 COM(97) 2002.


The Polish market of car transport is characterised by one of the bigger number of firms registered in this sector in Europe. According to GUS (Central Statistical Office) data the number of firms declaring transport activities exceeded 82.3 thousand in 1993 alone. And the estimated number of firms really engaged in transport activities amounts to ca. 55.6 thousand. The share of road transport companies amounts to 99.9% while the share of firms in remaining modes of transport amounts to only 0.1% of the total number of firms. The small private family based firms are predominant employing up to 5 persons and using up to 3 vehicles.

The number and structure of the enterprises realising road services between Poland and the EU can be established on the basis of the number of licenses for international services. The overwhelming majority of the these firms (over 90%) realises their services both to the EU and the rest of the countries. The percentage of firms providing only with services to CEC and former Soviet Union countries is insignificant. Approximately 6 350 firms realises currently (in 1996) the car transport services between Poland and the EU (including freight and passengers). Out of these about 5 100 firms use 1-3 vehicles, 1 000 firms use 4-10 vehicles, 230 firms use 11-50 vehicles and as few as 8 firms have more than 50 vehicles. An average road transport firm engaged in international services between Poland and EU use 3.1 vehicle in 1996.

It is interesting that Polish firms are trying to purchase and use ecological vehicles which results from the fact that they tend to obtain limited licenses for international services. In the years 1995-96 out of 2888 new licenses 2 346 (81%) of them were awarded for vehicles meeting the EURO-1 standards, which means that in this very period Polish carriers invested about EUR 500 million to ecological fleet. In 1996 with almost 20 000 existing licenses over 4 500 licenses fell to ecological vehicles (24% of total licensed fleet) which were intensely used and their annual mileage was above 120 thousand km. The remaining 76% of the non-ecological fleet being used in international services are characterised by a considerably lower annual mileage below 50 000 km. The ecological fleet is on average 3-4 years old, the remaining fleet is more than 7-8 years old.

In bus transport in 1996 the services were realised for 404 regular lines with 25 countries, including 11 EU member states (excluding Finland, Ireland, Luxembourg and Portugal). The biggest number of lines existed between Poland and Germany (115) considering close neighbourhood between the countries and strong economic and social links between them. A substantial number of bus lines between Poland and the United Kingdom (26) are serviced by British carriers.

In 1996 in bus services ca. 880 vehicles owned by 152 enterprises were used (average of buses 6-8 years). On average, a single enterprise used 5-6 buses and serviced 2-3 lines. According to the analyses of the Polish Ministry of Transport and carrier organisations, the most efficiently functioning enterprises own over 5 licensed buses as regards the quality of services, security of passenger service and the freight services.

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56 Monitoring firm wykonujacych miedzynarodowy transport drogowy (pod kierunkiem J. Burnewicza), University of Gdansk, Sopot, p. 58.
The ownership structure in Polish road transport is dominated by the private sector. In the total road transport including national, international, for hire and reward and for own account, private ownership amounted to 73.8% of total number of trucks and 61% of total tonnage in 1994. In the range of services for hire and reward, the private sector realised 90.1% of the total number of tonnes and tonnes-km in 1996. In international road services the share of the private sector is likely to be higher and exceeds 80% of the number of the fleet, 65% of its tonnage and 92% of the volume of haulage. It is characteristic for Poland that the majority of enterprises own their fleet (ca. 80%), while leasing and tenancy is of a limited nature (ca. 20%).

The haulage distribution for road cargo of Polish foreign trade was dominated by Polish carriers in the years 1995 and 1996. They realised 69% of export and 72% of import haulage in 1995, while in 1996 77% in export and 72% in import respectively. The growth of share in export, to 77% for 1996, is temporary and its decrease can be expected in the years to come up to as much as 65 - 70% along with a growth of production and export in enterprises under modernisation. This growth will result from a flow of foreign capital. The proportion of a distribution in realisation to particular countries varies year after year, especially in the case when trade turnover is inconsiderable. More substantial shifts in haulage distribution as well as in the relation with the biggest partners.

There is a lack of statistical data on the distribution of freight receipts for service execution of motor carriers. The approximate data indicate the fact that cargo transported by foreign carriers belongs to highly manufactured goods than it is the case with Polish carriers. It means that the distribution of freight receipts between both groups of workers is more balanced than the distribution of freight volume in tonnes.

A high share of Polish carriers in road transport of Polish foreign trade cargo to some extent results from the fact that in most cases haulage operations are performed by companies whose owners are EU citizens. They have registered their transport activity on Polish territory in order to take advantage of cheaper workforce and lower fiscal liabilities. The share of companies with exclusively Polish capital in the haulage is considerably lower and does not exceed probably 60 %. Freight businesses in Poland dominated by foreign capital are interested in directing Polish haulage orders to transport companies established by the same capital.

The integration of Poland with the EU will result in a growth of car transport significance as regards the flow of cargo and passenger volume between Poland and the EU member states. The growth is likely to be faster than the growth the volume of trade exchange. In recent years the growth rate of Polish export volume to the EU has decreased, and the growth rate of the Polish import from the EU has increased. It is due to structural changes in trade exchange: in export raw material goods and intermediate products to a greater extent are being substituted by highly processed goods, while import covers more and more volume of investment goods, which is connected with an intensified flow to Poland of foreign capital.

In the estimation of car transport and forwarding enterprises in Poland, obtained thanks to a survey made in 199657, the integration of Poland into the EU will mean a possibility for the development of a car haulage market. Big firms employing more than 100 people and using over 20 vehicles show the biggest optimum. In addition, an even greater optimism is shown by firms from Silesia and from Eastern and Western Poland, while firms from Central Poland are considered the most pessimist. A bigger optimism is noted in the joint-ventures, while there is some pessimism in joint stock companies.

15. Transposition of Community legislation on road transport

Unlike the national haulage market left entirely free on the part of enterprises, committed only to register their activity, the Polish market of the international for hire haulage since 1991 has been submitted to legal regulations approximating the solutions accepted by the EU. They consist of the regulations on enterprise

57 H.Brdulak, Rynek miedzynarodowych przewozow..., op.cit., p. 12-73.
functioning and competition integrity, regulation on accessibility to transport markets and regulations on technical and ecological norms as well as haulage safety and fiscal regulations.

There is a lack of normalisation concerning social matters in road transport and principles of financing the development of its infrastructure. Within the years 1995 - 1997 some projects of legal acts were worked out, they will bridge the gap and bring the Polish transport law closer to the one existing in the EU.

The act of 26 July 1991 on the international road transport execution and a draft of its alteration agreed-upon at a parliamentary commission of 1997 is in Poland an effect of the EU guidelines 74/561/EEC, 74/562/EEC and 89/438/EEC. The act in force and the draft of its alteration refers to both domestic and foreign economic enterprises which execute the international road haulage for hire and reward of freight and passengers. The act along with its draft also refers to domestic enterprises performing international haulage for their own account. The draft of this act alteration specifies its realisation for vehicles with load capacity over 1 500 kg and over 5 persons; it defines kinds of bus haulage (regular, shuttle, and occasional); it defines the terms of combined haulage, and it determines kinds of documents which a driver of the vehicle should be provided with by an economic unit.

The act in force has put into effect requirement of licence possession and has determined terms for its acquiring (among other things: the EU requirements for good reputation and minimal financial warranty, i.e. EUR 3 000 / vehicle or EUR 150 /1 ton of load capacity). The draft of the new act maintains a requirement of a licence possession, exempting from this the operations within the framework of international combined transport and enlarging terms of its acquiring. This enlargement refers to possession of a driver's qualification certificate for performing international haulage. It provides for contingencies to limit the number of licences for a calendar year by the Minister of Transport and Maritime Economy. In accordance with the valid act and the draft of its alteration, a domestic economic unit possessing a licence is obliged to obtain a foreign permission for cargo haulage within the framework of a limit existing for a given year, except for combined transport. The alteration draft specifies the requirement for obtaining the permission to execute regular, shuttle and occasional international bus haulage starting a validity period of permissions (5 years and 1 year). There is a contingency to grant permissions for international economic enterprises made by the Minister of Transport and Maritime Economy for executing car cabotage haulage on the territory of the Republic of Poland. The haulage is to be on the basis of reciprocity with the country of the unit's origin. The alteration draft determines the manner of fixing charges for granting concessions and international permissions. They will be decided by the Minister of Transport and Maritime Economy in consultation with the Minister of Finance.

The project of the act on the national passenger haulage for hire and reward by car vehicles enlarges a scope of regulations concerning car transport execution in Poland to national bus, taxi, and service vehicles for hire and reward. The original purpose to introduce a licence requirement has been detested from, instead grants for undetermined permissions are expected. The subject of the permission are regular haulage on particular lines as well as irregular haulage on a specific area. In regular haulage the permissions can be granted to enterprises possessing at least one vehicle at their disposal, possessing proved qualifications, clean records with respect to criminal charges and possessing the capital of minimum EUR 3 000 / vehicle or EUR 150 / 1 seat.

The project provides that the permission can be expired, in the case of its termination, among other things. As regards the hire and reward taxi haulage, permissions will be granted to the area of a single commune or a few communes. The above permissions will be able to be obtained by the economic enterprises having at their disposal a technically efficient car vehicle and a driver with clean record to any criminal charges meeting the requirements specified in the road code.

As a result of the act, the Road Code passed by the Lower House of the Polish Parliament on 20 June 1997 the package of EU instructions on technical standards for car vehicles, their official certifications, registration books issuing, and technical surveying took legal steps in Poland.

There are no regulations in Poland adequate to the EU Council's instructions on standard work time for heavy goods vehicles and on an applying a registering device (tachograph) in these vehicles. The Polish
Work Code refers to these problems indirectly, these are no regulations, however, which specifically refer to the following instructions No. 3820/85/EEC and 3821/85/EEC.

Polish firms of the international road transport, apart from direct taxes (income and property), are obliged to remit indirect taxes included in fuel engine price (excise and VAT) and in transport services price (VAT). Moreover, the taxes are extended to a taxon means of transport, duty on import of means of transport, registration charges, charges for granting international haulage licence, and charges for obtaining an international permission. In 1997 the retail price for diesel fuel in Poland was charged with taxes by average 53.1%.

The Polish tax on means of transport (high-tonnage trucks) in 1995 approximated the taxes in the Mediterranean Countries (it was higher than in France). There exists a project to include this tax into a motor fuel price which would be a different solution than that existing in the EU and it would lead to an income reduction of communal budgets. The most vital differences divided Poland and the EU as regards infrastructure charges in use (vignette, hump sum charge, charges on tall roads and motorways). Applying higher charges and fines for contravening weight per axle by foreign vehicles rather than by Polish ones within the EU territory is impossible due to the low standard of Polish roads.

The condition of highway engineering also justifies an application of extra charges for using Polish roads by foreign high-tonnage vehicles. The charges are an equivalent of fees remitted by Polish economic enterprises applying for two things; first a licence for hire and reward international road transport, and secondly for single international permissions. A new draft of the act of 1997 on terms for the international road transport execution in Poland covers provisions on the charges remitted from national and international economic enterprises in the way it does not discriminate against the latter.

In the regular report on Poland’s progress one of the achievements referred to is the abolition of some financial charges that had been imposed on Community transport operators. Among the challenges to be faced in the future, the report mentions the difficulties caused by the heavier load limits required by Community law. A further problem is the lack of administrative efficiency which, together with the postponement of the establishment of a safety inspectorate until 2000, has dramatic effects on the high number of road accidents, many of which are fatal.

16. Inland waterways: the current situation

Inland waterways transport in Poland which does not have favourable natural conditions of development, records a substantial material and exploitation regress in the 90’s. It is the result of a shift of demand for faster and more elastic means of transport which are better adjusted to the requirements of market economy and competition.

Cancelling subsidies for inland waterway haulage resulted in radical breaking of passenger haulage in the early 90’s. They decreased from 6.5 million passengers in 1985 to 3.8 million passengers in 1990 and 0.6 to 0.7 million passengers in the years 1991-96. In practice international inland waterway haulage did not occur in passenger traffic.

In the range of freight traffic, inland waterways transport did not play a significant role in the post-war period, carrying less than 1% of the number of total haulage. Since the mid 80’s substantial changes have taken place in dynamism in the haulage. The general level decreased to 60-65% of the level from 1985. Domestic haulage decreased slightly (by ca. 5-6 million tonnes annually) while international haulage increased slightly (by ca. 3.3-3.5 million tonnes annually).

As regards freight inland waterways transport of Polish foreign trade, Polish carriers have always executed a major part of the haulage, yet in the 90’s the predominance tended to decrease. If in the 80’s Polish carriers

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58 COM(98) 701.
carriers worked out ca. 80-82% of the total haulage, then in 1996 they made only 57.5% of the total haulage. Particularly, in 1988 Polish inland vessels carried 72.1% of the total haulage of Polish foreign trade to and from Germany, while German vessels carried 26.1% of the total haulage and the vessels of the third countries carried 1.8% of the total haulage.

On the basis of the French data base SITRAM gathered by OEST, it was possible to establish that in the trade exchange between Poland and France an absolute carriers’ domination of third countries occurred in inland waterway haulage, including 95.1% of the total haulage and 99.7% in the import from France to Poland. It is interesting to note a high share of French carriers in inland water export from France to Poland, amounting to 53.3% (13.4 thousand tonnes) which suggests that even the poor conditions of Polish inland waterways does not deter French operators.

Polish inland waterway transport possess favourable costs and price conditions in order to compete on the European market. It is evident from the fact that in recent years freight transport was of an increasing trend with the EU member states despite of a decrease in domestic haulage. Another evidence of its good competitiveness standing is carrying out cabotage in Germany and the Benelux to a great extent while those countries charge Polish carriers permanently for dumping practices. Cabotage haulage of Polish inland waterway transport increased from 213 thousand tonnes in 1970 to 1062 thousand tonnes in 1980 and broke not until the EU introduced an additional protocol no 2 to the Mannheim Convention; they decreased to 30-40 thousand tonnes in 1995-96.

A process of decrease of the number of firms in this branch does not accompany a decrease of the volume of inland waterway haulage in Poland. On the contrary, due to structural changes and privatisation the number of enterprises is being increased.

Before the introduction of the transformation of the Polish economy, inland waterway transport in Poland was carried by 7 transport enterprises. Both ownership and structural changes having been carried out in 1991-96, the inland waterway haulage is being by 24 joint stock companies or limited liability companies.

Some of the river ports being elements of state-owned infrastructure e.g. Zeran and Praga near Warsaw, is being transferred to local authorities. Part of them will be exploited by shipowners and some of them will remain as the property of industrial enterprises. In particular, the port of Plock has been been transformed into Remontowa Stocznia Rzeczna (River Repair Shipyard). Dutch capital was interested in purchasing a river port of Zegluga Bydgoska S.A. at Krzyz in 1997. Currently, transhipments in ports on the Oder river are being carried in 7 out of 30 ports existing before the Second World War which included Gliwice, Kozle, Wroclaw, Popowice, Glogow, Nowa Sol and Kostrzyn. The waterways alone remain the state's property because of the multi functional character.

In order to improve the navigation on the Oder river, in 1995 the Development program of the Oder river waterway by the year 2005 was elaborated in the Ministry of Transport and Maritime Economy. The program assumes adjustment of the waterway to the international parameters. Its realisation will improve navigation on the Oder river in the relations with the EU member states. In the government document Transport policy of 1995 the modernisation of the Oder river waterway was included in a list of priority investments, which will be realised before the year 2005. The modernised Oder river waterway will be able to increase the role of the Szczecin - Swinoujscie ports.

The disastrous results of the flood on the Oder river-basin in July 1997 realised a necessity of its complex modernisation. It lies in interest of both Poland and Germany as well as the Czech Republic. The Oder river which is a physical and formal border between the EU and Central and Eastern Europe, should stop being a communication barrier.

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59 Joint meeting of CEEC Transport Ministers and the Transport Council (9th October 1997). J. Burnewicz and M. Bak, Polish problems. Expertise of the University of Gdansk for Ministry of Transport and Maritime Economy in Poland.
60 EUROSTAT 1988, Seria 7C - Inland waterways, p. 86.
17. Transposition of Community legislation on road transport

The rules concerning functioning of the inland waterway transport in Poland are being gradually adjusted to regulations and directives. An equivalent of the guideline of the Council no 87/540/EEC on access to the occupation of carrier of goods by waterway in national and international transport and on the mutual recognition of diplomas, certificates and other evidence of formal qualifications for this occupation is the Polish Act on inland navigation of 1950. This Act does not correspond to the EU regulations. Therefore, in 1996 a draft of a new act on inland navigation was begun in 1996.

An equivalent of the directive of the Council no 82/714/EEC laying down technical requirements for inland waterway vessels are regulations on classification and construction of the Polski Rejestr Statkow (Polish Ship Registry) of the years 1987 and 1994. These regulations are consistent with the mentioned directive in 80%.

An equivalent of the directive of the Council no 96/50/EC on the harmonization of the conditions for obtaining national boatmaster’s certificates for the carriage of goods and passengers by inland waterway in the Community is the Polish regulation of the Minister of Transport and Maritime Economy of 1962 on professional qualification of crews on inland vessels.

In 1995 the Regulation of the Minister of Transport and Maritime Economy on inland navigation on the Oder, Western Oder and Nysa Luzycka rivers was put into force. The regulation is of a vital importance for establishing technical conditions of the navigation on inland waterways on the border area between Poland and Germany. The following parameters were fixed: • dimensions of vessels and push-tows on the particular stretches of the rivers Oder and Oder West, • depth of the lane-routes, • sets of trains of barges, • vessels speed, • conditions of vessels stops, • signs of high water, • conditions of navigation at freezing time and during the night, • requirements on radio-telephone communication, • questions fishing.

18. Railways

New legal acts on rail transport, passed in Poland in the years 1995 - 1997 paved the way for complete institution of the following EU instructions: 91/440/EEC, 95/18/EEC and 95/19/EEC. The instructions aimed at submitting the PKP railways to the market economy and competitiveness rules. In principle, the obstacles on the way to entering rail market on the part of new economic entities disappeared.

The PKP enterprise remains for the time being a managing enterprise of the existing rail network in Poland. There are legal conditions for an emergence of other economic entities entitled for managing of rail lines. An enterprise which will commit itself for obtaining legal title resulting from the ownership, perpetual use, management, limited ownership. Moreover, an aspiring enterprise will make a commitment of recognisance relation for rail line operation satisfying technical conditions and requirements that will guarantee traffic safety and environmental protection defined in separate regulations. In what manner the entities will obtain a legal title for rail line use (e.g. they will construct it on their own or they repurchase it from the PKP enterprise), their initiative will be a decisive factor.

Possible rendering of the PKP rail lines to other enterprises will be occurring on the basis defined in the PKP restructuring strategy. However, there is a lack of concrete agreements in the scope of manner and forms of rail lines dispatch in the present shape of the PKP restructuring programme.

This is seen as a cohesive reform programme that includes major transformation processes in the following areas: economy and finance, employment and wages, legislation, investment and modernisation, ownership transformation, organisational structures. The second stage of PKP restructuring that was initiated on 1 July 1996 is to transform the current strongly centralised railway company into a decentralized firm that is managed according to sectors and departments. The given structures will operate autonomously according to commercial rules in implementation of joint strategic objectives identified in realization of the company’s mission. The main body of the new PKP is to be composed of the following
four sectors that are directly linked to the process concerning people and cargo transportation: passenger transport sector; freight transport sector; sector of infrastructure; sector of traction and back-up workshop facilities.

Sectors and auxiliary departments will be run according to their own budgets constituting component parts of the company's budget. At the current stage an all-important task appears thus to be elaboration and implementation of a new economic and financial system that would facilitate autonomous operation of separated PKP structural units. The mentioned system will also facilitate accounting separation of operating activities and those linked to management of line infrastructure what is actually sought by the EEC Directive 91/440. Employing establishments will be organised at individual sectors and departments, meant to be eventually managed by directorates of sectors and departments, subordinated to the Management of PKP.

It should be also added that the PKP who are now making themselves ready to radical changes and who want to score success in the future must see the processes as a set of tasks that together create the value and quality of product in the eyes of customer. So far, individual operations carried out by individual departments of the PKP adding up to a final product at regional directorates, result in a situation where said tasks have to be “glued together” and thus generate additional costs. In the province of organizational and structural changes the experience gained through a pilot project being implemented now by the Eastern Regional Directorate of PKP will be utilized.

19. Maritime transport

Poland's integration with the EU and the growth of the share of the EU member states in Polish trade exchange results in a decrease of the role of maritime transport in Polish foreign trade. It is due to a greater competitiveness of direct inland haulage (e.g. between Poland and Germany).

An additional factor to the decrease of the maritime transport is weakening of the competitiveness of Polish shipowners on the world's navigation market. The effect of the decrease is lowering of the number of units in the Polish maritime fleet, number of haulage and volume of haulage exported and imported by Polish vessels.

The most noticeable is a regress of Polish maritime carriers in Polish foreign trade: decrease from 65.6% in 1985 to 16% in 1996. The regress has to some extent been compensated by the increase of volume of foreign goods transported on Polish vessels (cross-trade, transit).

The first years of the systematic transformation in Poland have not been easy for shipping. Legal, financial, fiscal, and credit regulations and decisions of the government (or lack of them) make a situation of state-owned enterprises very difficult. A recession in the world's economy and unfavourable trends in shipping multiply it. A decrease in the Polish foreign trade turnover makes the Polish fleet seek employment by providing shipping services between foreign ports. A struggle for maintaining a volume of the fleet, lowering costs and acquiring loads lasts.

A gradually worsening competitive position of Polish shipping firms in serviced markets and in the Polish freight market is a result of the age of vessels. The average age of a ship in 1995 in Polish Baltic Shipping (PZB) is 22 years, in the Polish Ocean Lines (PLO) -16,5 years, in Polish Maritime Shipping (PZM) - 15,4 years. Besides, stiff competition of foreign carriers, offering "open registers" and "bis registers", affected

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the Polish freight market. It was accompanied by a significant increase in national costs of shipping being a derivative from a restrictive fiscal policy towards shipping activities.\textsuperscript{62}

Difficulties in maritime economy resulted not only from growth of domestic costs but also from significant reduction of either domestic and Central-East European countries’ demand. Beside those factors, a financial standing of Polish maritime economy was determined by a considerable increase of production means’ prices on domestic market, as well as a high interest on credits in Polish banks - in respect to financial possibilities of particular organs - which made it impossible to enjoy credits for investments and development needs. A high cost of credit interest in the relation to financial standing of enterprises did not induce to invest but rather set back any investment processes. It was evidently felt in enterprises engaged in maritime economy. Investment in such enterprises is highly capital intensive and faces high risk - especially during a depression period in the world economy and on an unstable domestic market. Financial standing of many enterprises, which did not ensure a credit capacity, was a factor which evidently made it difficult to establish a co-operation between those companies and the banks. Beside that fact, while enjoying credits of relatively high interests, a majority of enterprises engaged in shipping cannot transfer the credit costs to their clients thus having to bear them all themselves. As a consequence, it reduces efficiency and competitiveness of those enterprises.\textsuperscript{63}

An essential factor improving the economy’s effects on maritime economy enterprises consists in the necessity of privatisation. However, this process keeps going relatively slowly as it faces various kinds of barriers. First of all, it is restrained by the size of enterprises, by significant value of their assets, high capital-intensive production and investments, and a serious risk of effective utilisation of such assets which depends largely on the situation on the world market. The privatisation processes in maritime economy are also delayed due to poor financial standing of those enterprises - and such a situation make national capital being not particularly interested in privatisation - just as the foreign investors.\textsuperscript{64}

At the beginning of the system changes, three state-owned enterprises in Poland were involved in shipping. This was a continuation of the situation, which finally was established by 1976: Polish Ocean Lines (PLO), Polish Sea Navigation (PZM), Polish Baltic Shipping (PZB). In 1970, by way of an administrative decision, a new range of operations of both ship operators (PLO, PZM) was established. The Polish Ocean Lines became exclusively a liner operator, taking over all passengers and cargo liner services. The Polish Sea Navigation took over all tramping services, including tanker operations.

The new division of operations was accompanied by an exchange of vessels between the two ship operators, so that the fleet operated by each of them would fit the range of realised tasks. After a few years the Polish Ocean Lines also started some ferry lines. A new shipping company was established in 1976 - Polish Baltic Shipping with head offices at Kolobrzeg. The new company took over from the Polish Sea Navigation operation of small tramps sailing on short sea routes to Baltic Sea and North Sea ports, and from the Polish Ocean Lines some of the ferry lines. Polish Baltic Shipping also became the owner of the port at Kolobrzeg. From the legal point of view, all three ship operators were state-owned enterprises.\textsuperscript{65}

In 1982 two shipping companies were formed: Zeglug Polska S.A (Polish Shipping S.A.) and Polskie Towarzystwo Zeglugowe S.A. (Polish Shipping Society S.A.). Based on an administrative decision, they purchased from the Polish Ocean Lines and the Polish Sea Navigation most of their fleet. However, these two companies did not carry out own shipping activities, and chartered the purchased ships to the operators from which they bought them. The two companies started to play a more important role after 1990 - in the new organisational structure of the merchant fleet.

\textsuperscript{62} J. Kujawa, ‘Chances for regaining the Polish fleet importance in servicing foreign trade goods’, (Szanse przywrócenia znaczenia floty polskiej w obsiadze ładunków handlu zagranicznego). in Gazeta Transportowa, nr. 261996, p. 23 (in Polish).
\textsuperscript{63} J. Zurek, ‘Maritime economy in the transition period of Polish economy’, in Maritime Transport, op.cit.
\textsuperscript{64} Ibidem, p. 19.
\textsuperscript{65} K. Dobrowolski, ‘Reform of the governmental economical centre and processes of restructurisation and privatisation of shipping companies in Poland’, in Maritime Transport, op.cit, p. 27-28.
One of the most important Acts for the process of reforming the economical system was the Act on privatisation of state-owned enterprises, which was passed by the Sejm on 13 July 1990. That Act established two methods of privatising the enterprises: the indirect method (called the capital privatisation), and the direct method (called liquidation).

Judging the rate of the ownership transformation in the Polish maritime shipping firms one has to admit that it is relatively slow. Out of three shipping companies: the Polish Ocean Lines (PLO), the Polish Maritime Shipping (PZM) and the Polish Baltic Shipping (PZB) only the last one was transformed into sole shareholder company of the State, the remaining ones still function as state-owned firms. Polish shipowners of shipping companies, however, do not have equal chances in competing for foreign loads. It comes, first of all, from legal regulations in the country. It particularly concerns rules efficaciously blocking tonnage investments of our ship-owners - imposing taxes on income from used ships’ sales intended for buying new units, collecting duties from ships built or bought abroad and registered under the Polish flag. Besides expensive domestic credits and a lack of governmental credit guarantees for building ships for the Polish fleet abroad cause mortgaging vessels on a benefit of foreign banks and reflagging.

A very important external factor influencing development of Polish maritime economy consists in a relatively poor growth in world seaborne trade - which is out of all relations with respect to possible carrying capacity resulting from the present state in the world transport fleet. Moreover, this high over-supply in tonnage is additionally increased by modern technique and technology, along with highly efficient organisation. The above situation causes sharp competitions for cargo, and has a significant impact on scale and range of ship's production. An access to highly paid cargo is more and more difficult thus forcing ship-owners and shipyards to modernise their tonnage to become highly efficient and competitive. In such a situation a race in the field of technique, quality and organisation is very accelerated. In Poland, from year to year, especially from the second half of the seventies, a drop in investments in maritime economy has been noticed. A depression in the eighties had intensified that situation, leading to serious depreciation of assets in maritime economy and to increasing development disproportion. Finally, an evident reduction of Polish maritime economy's competitiveness was observed on the international market. Efficiency and effectiveness of that branch also declined. Thus the maritime economy, based on international market, exists in a disorderly state of internal economy.

Poland carries out a liberal policy with regard to access to the market, there are no administrative loads booking for the national fleet (this does not concern strategic and governmental loads). Opening Polish ports to foreign flag ships and freedom of carrier choice are secured. Also, as far as prices are concerned, the policy of Poland follows the Community rules because the world market prices are a basis for Polish ship-owners’ settlements. An unresolved question of rates' estimation criteria that are considered dishonest by the Community, is still a problem, however the criteria are not precise and they can hurt Polish ship-owners’ interests. Obligatory directing Polish foreign trade loads to the Polish ship-owners, previously imposed by administrative means, and also a practice of offering preferential freight rates for Polish partners were eliminated. It has to be underlined that Poland has, since the beginning of the economic transformation period, become one of the more liberal countries as far as the policy and practices (particularly shipping) are concerned. It also concerns letting in foreign bodies into the Polish transportation market. Certainly the period of advanced liberalism was necessary to make domestic firms more active in their competition activities. However at present particular regulatory actions should be taken by the state. Even the countries regarded as liberal as far as their economic policy is concerned recognise the need to support their domestic ship-owners using instruments protecting them to a certain extent from foreign competition or enhancing their competitiveness in the international market.

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66 J. Zurek, 'Maritime economy...', op. cit., p. 16-17.
67 Bilateral agreements of Poland and some of the European Community countries (France, Greece, Holland, Portugal, Italy) are not a barrier in a free access to the markets for third country carriers.
20. Combined transport

One of the opportunities of Polish railways to regain the market position both in Poland and in international haulage is joining the development of combined haulage, along with promoting such things as: fast direct international links between junction points of European importance and development of services of the type: just in time, just in place.

Combined haulage in rail transport kept developing very dynamically in Poland in the years 1992 - 1996: average annual growth amounted to 33.1%, Container haulage in national links (the growth by 342%) were of the greater dynamism than those in international links (the growth by 157%). In 1996 they reached a volume of 572 thousand tons in national links and 749 thousand tons in international links respectively.

During the period mentioned the volume of combined transport was up though its share remains still below 0.7% of the total volume. In addition to earlier combined transport offers a regular shuttle train was launched between Holland and Poland (Almelo-Gadki). These are transports of containers, swap bodies and trailers. Also the transport of containers was developed in relations from Gdynia to new stations, using regular trains (complete train sets). These are the stations in Wroclaw and Tarnow who followed the path of Lodz, Sosnowiec and Warsaw to secure on intermodal connection to Gdynia in a "door-to-door" container road transport. This transport offer functions resulting from cooperation between PKP and Spedcont forwarding company and the Port of Gdynia S.A. part one. Also a new container transport offer was arranged on the route between Austria and Poland, called Service Sobieski. The route Berlin-Brzesc is assured by a container train with the nice name Eastern Wind (Ost Wind). That constitutes a joint project implemented by PKP, DB AG, BC, RZD as well as INTERCONTAINER and TRANSRAIL.

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70 PKP, Annual report 1996, p. 22.
21. **Current situation and pre-accession**

This is the only one of the applicant countries to have been part of Yugoslavia. It was the richest federal state within Yugoslavia and, with its 2 million inhabitants and a per capita GDP of 59% of the Community’s, it has the same status among those countries that are now candidates for membership. In geographical terms it constitutes a hinge between the east-west axis, linking the Po Valley to Hungary and the Sarmatian plain, and the north-south axis which links Germany and Austria to Greece across the troubled region of the Balkans. **Trans-European corridor V** passes through Slovene territory: Trieste - Koper - Postojna - Ljubljana - Budapest - Uzgorod - Lviv.

The goods transport decreases and increases were influenced partly by the integration of road carriers in goods transport in the territory of Slovenia. A great impact on the volume of railways goods transport is caused by the operation at conditions of Slovenian Railways, for the past strong State regulations were used to solve the complicated economic situation of the then Slovenian Railways.

In 1991 the changed political circumstances caused a drastic decrease in goods transport on both the railways, where the volume of goods transported decreased almost by half, and roads, where the decrease was slightly smaller thanks to a better flexibility of road carriers in adapting to the changes. Now the roads goods transport increases, while the railways stagnated. Within the overall railway transport structure it was inland transport which decreased mostly, while the international transport compensated for the fall in the national market. Transit represents the greatest portion of the international railway transport. Most of the data on rail transport are very similar within various sources. In the case of road transport the statistics differ substantially.

Passenger transport volumes depend on a great number of factors; the most important of them are socio-economic factors which affect the population mobility rate. For Slovenia, a great dispersion of settlements is characteristic, which generates passenger transport demands.

The crisis circumstances in the former Yugoslavia have caused the reduction of all international flows. At the same time international traffic flows have been re-routed. The second reason for the reduction were the structural changes inside Slovenia after 1991, when the volume of passenger transport for hire or reward was reduced by half; similar tendencies have been noticed in passenger transport on own account.

In the last few years Slovenia has recorded an extraordinarily rapid increase in motorisation. In 1993, Slovenia had a motorisation rate of 318 cars for 1 000 inhabitants. This corresponds with the level of Germany in the year 1977. In many countries, the development of the car stock is closely related to the growth of per capita income. In Slovenia and also in the Eastern part of Germany and several Eastern European countries, an increase in car stock was observed that was nearly independent from GDP and per capita income. This rapid increase in demand can be explained by a suppressed demand for private cars in the past. We will assume that up to 2015 Slovenia will show the same interrelation between per capita income and car stock as Germany.

As public transport demand in Slovenia is expected to decline with growing motorisation, the vehicle stock of buses will decrease in the forecast period as shown in table. With the growing economy and transport demand the truck fleet will also increase. The forecast is based on truck stock development in Western European countries and the relation between truck fleet, GDP and employment development in these countries.

The **Opinion on Slovenia’s application for membership of the European Union** notes that Slovene law relating to international transport is close to Community law for all modes of transport, but mentions the

\[71 \text{COM}(97)2010.\]
difficulties resulting from the absence of legislation on State-owned companies, which hinders transparency. The financing of the rail sector is similarly not very transparent. Other weak points are market access and tax in the road haulage sector. Despite these problems the Commission is optimistic about the complete transposition of Community law within the next few years.

22. Progress

Although the Regular report on Slovenia’s progress criticizes the transposition of the acquis communautaire in general, it declares the results achieved by Slovenia in the transport sector to be satisfactory overall. As regards road transport, goods transport has been liberalised and a start has been made on transposing Community provisions on infrastructure charges, while the government has adopted a policy resolution on traffic management and road safety.

Consistent progress has been made on the transposition of Community legislation on environmental matters and the safety of maritime transport and the International Safety Management Code has been made applicable to vessels flying the Slovene flag. The port State principle has also been applied, but in contrast there are still gaps in the provisions on access.

Further efforts are needed, on the other hand, to transpose Community legislation on air transport.

In its Resolution of 15 April 1999 on the Report, the European Parliament did not adopt a specific position on the transposition of Community transport legislation, but in paragraph 1 made the following general observation: ‘regrets that little progress has been made in integrating the acquis communautaire, a fact that has prompted the Commission to express criticism which has, in the main, been accepted by the Slovene authorities”.

23. Railways

Slovenske Zelenice (SZ) is the national rail company, created by the splitting-up of the Yugoslav rail company upon secession. Directive 91/440/EEC on rail transport and on the separation of accounts for transport services and infrastructure has been transposed, but much is still to be done concerning the rest of rail legislation and on restructuring the rail system. This mode of transport has lost market share because of the war in the Balkans, and the somewhat obsolete rolling stock is an obstacle to regaining it.

The Slovenian Railways’ own stock of vehicles which is about 20 years old on average; is obsolete in technical terms. At present, the Slovenian Railways’ vehicle stock consists of 363 type electrical locomotives, which are universal and of vital importance, and 342 type electrical locomotives, which are less usable due to too small power installed. Diesel locomotives are used on non-electrified lines. The main problem concerning the locomotives is their maintenance, because spare parts necessary for these are very expensive and have to be imported.

The Sz motor train sets perform the majority of their suburban and intercity transport, however, their technical conditions and comfort are not satisfactory.

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72 COM(98) 709.
**Passenger coaches:** The technical conditions of the coaches used for transport are satisfactory, however, they do not meet the objectives set for transport quality. Half of the coaches in use are four-axle, two-axle coaches will be excluded from circulation in the future.

**Freight wagons:** The number of freight wagons is high enough, but the Slovenian Railways use only a third of all the wagons inventoried, for their structure.
1. Trans-European nature of the European Union's transport network

The 1990s saw the start of the European Union's involvement in infrastructure policy, first of all as an objective pursued through other activities and then as a responsibility conferred directly upon it with the entry into force of the Maastricht Treaty.

Community infrastructure policy was conceived in such a way as to avoid a lack of overall coordination limiting the effectiveness of actions. This objective is to be pursued by means of the trans-European networks, which constitute an integrated approach to the communications systems of the EU Member States and, in a wider perspective, of the continent as a whole. The term communications systems is used advisedly, since trans-European networks involve all systems involving flows, energy transmission, telecommunications and transport, the latter being the specific subject of this document.

The market dimension and the process of political integration in Europe mean that an integrated approach is necessary. History shows us, in fact, that each politico-economic system uses a communications system which serves its requirements. In Europe, for example, the transport network has been designed to serve the internal needs of states, with highly dense transport links within national boundaries and traffic with other states tending to be channelled through border crossing-points, the number of which is relatively limited compared with national routes and which are more constrained than the latter by geographical factors.

The structure of national transport networks, then, means that European traffic passes through connected national subsystems rather than through a proper European system operating as a function of the single market, while the increase in international trade has led to an increase in bottlenecks at frontier crossing-points, thereby highlighting the limitations of this situation.

It is precisely in the transport sector, where the shortcomings of the communications system are most evident, that the concept of trans-European networks is being developed as an instrument for market integration and economic and social cohesion, since a more integrated transport system can help ensure that the peripheral, remote or less-developed regions can be fully integrated into European economic life. The aim of this policy is not to redesign the European transport system in such a way as to organize it into a uniform whole, but instead to achieve interconnecting national subsystems which, for obvious reasons related to economics and the internal operability of the system, remain the 'carrying axles' of traffic. A more modern concept of transport links together the interconnection and interoperability of various modes of transport.

Historically speaking, the concept of a trans-European network, which was first set out by the UN Economic Commission for Europe, was endorsed at Community level in the 1989 Commission communication entitled 'Towards trans-European networks', following which the European Council, meeting in Strasbourg in December 1989, instructed the Commission to draw up a programme of work for the four areas of trans-European networks which were under discussion at the time, namely, transport, telecommunications, energy and training.

The Commission's work was to culminate the following year, in December 1990, in a communication entitled 'Towards Trans-European Networks - for a Community Action Programme', but financial problems and the complexity of the decision-making process meant that it was not followed up. However, the trans-European network concept was endorsed in the wording of the Maastricht Treaty, of which it forms an important policy, although the application of this policy to training was lost during the transition to the 'constitutional' level, probably because the concept of network is now associated primarily with infrastructure.
Another characteristic aspect of the networks, which is particularly interesting here, is that they are trans-
European and not merely trans-Community. The networks are thus conceived as continental and although the Community guidelines for the development of the trans-European transport network\(^73\) restricted themselves to Community territory only, this was mainly for reasons of a financial nature.

With enlargement, the EU territory will extend to include areas of the continent which are out of step with the Union’s richest region, the so-called blue banana, and whose infrastructure is not adapted to the size or intensity of single market traffic in terms of extent, capacity or technology. For this reason, the problem is that of improving infrastructure there to the levels of infrastructure in the current members of the EU, particularly in view of the fact that four of the five applicant countries are adjacent to especially prosperous regions of the current EU, and constitute transit zones to the Sarmatian plain. This implies implementing two of the improvements indicated by the Commission in its opinions on applications for membership: improving the transport system and connections with third countries\(^74\).

2. Corridors

In the perspective of a developing Community policy on trans-European infrastructure, in March 1994 the Pan-European Transport Conference was held in Crete. Representatives from every country in the continent participated and all the infrastructure needed to link the EU and the CEECs was detailed. A series of corridors was set out, each one representing a strategic route, necessitating a series of interconnected items of infrastructure. There have been subsequent versions but these have not changed the approach taken in Crete. The latest version is the resolution of the Third Pan-European Transport Conference in Helsinki in 1997, according to which the corridors are as follows\(^75\):

I. road corridor, **Via Baltica**, and rail corridor, **Rail Baltica**, covering links between the so-called Baltic republics, the Russian oblast (autonomous region) of Kaliningrad\(^76\) and Poland, where the corridor will link up to those connecting Poland to Germany; the main road route connects Tallinn - Riga - Kaunas - Warsaw, while corridor IA will connect Kaliningrad (Russia) to Gdansk; the structure of the rail corridor is more or less the same; it involves 1 730 km of railway, 1 630 of road, 5 airports and two ports at a total estimated cost of EUR 6 140 m;

II. multimodal corridor along the route **Berlin - Warsaw - Minsk - Moscow - Nizny Novgorod**\(^77\) which will allow a rail connection with the trans-Siberian railway and a waterway connection with the whole of the Russian network and in particular the Volga, and thus to the Caspian Sea and, thanks to the canal between the Volga and the Don, to the Sea of Azov and the Black Sea; it comprises 2 500 km of rail network, 2 300 of road network, two harbour structures (maritime and inland waterway) in Russia and four airports at a total cost of EUR 4 618 million;

III. multimodal corridor along the route **Dresden - Wroclaw - Katowice - Lviv - Kiev** with a road branch starting from Berlin which joins the main route at Krzywa; this corridor connects large areas of Germany and Poland to Ukraine and comprises 1 650 km of railtrack and 1 700 of road, as well as four airports, at a total cost of EUR 4 680 m;


\(^74\) See Chapter 1, section 2 of this paper, and especially note 7.

\(^75\) The information in the text is taken from TINA, *Status of the Pan-European transport corridors and transport areas*, Vienna 1998; the cost estimates refer to a period ending in 2015.

\(^76\) This is the Russian enclave between Lithuania and Poland, which was at one time Eastern Prussia.

\(^77\) The Helsinki Pan-European Conference decided on the continuation to Nizny Novgorod.
IV. multimodal corridor along the route Dresden - Prague (where a branch goes towards Vienna) - Bratislava - Győr - Budapest - Arad (Romania), where it divides into two, a northern section towards Bucharest - Constanta (Black Sea) and a southern section towards Cruiova - Sofia (Bulgaria) where it divides again towards Thessaloniki (Greece) and towards Istanbul; this corridor will constitute the keystone of communications between Germany and the Balkans and comprises 4,440 km of railway, 3,740 km of road, 14 airports and 10 maritime and inland harbours at a total estimated cost of EUR 16,620 m;

V. multimodal corridor along the route Venice - Trieste - Postojna - Ljubljana - Budapest - Uzgorod - Lviv with a connection to the port of Koper, a connection to Corridor IV (Bratislava) and another from Budapest to the Croatian ports; this corridor links the Po Valley with the Balkans and comprises 3,270 km of railway, 2,850 km of road, five airports and a maritime port, at a total cost of EUR 9,980 m;

VI. multimodal corridor along the route Gdynia - Gdansk - Katowice - Zilina; at Gdansk one branch goes off towards Warsaw while a road-only branch connects it to Corridor II and a rail-only branch to Corridor IV; this corridor will promote overland connections for the Polish ports and comprises 1,800 km of rail, 1,880 km of road, one airport and one port at a total cost of EUR 12,555 m;

VII. inland waterway corridor along the course of the Danube comprising infrastructure, operating systems and a fleet at a total cost of EUR 183 million;

VIII. multimodal corridor along the route Durres - Tirana - Skopje - Sofia - Plovdiv - Burgas - Varna; this forms a communication system within the Balkans between Albania and the Black Sea and comprises 1,270 km of railway and 960 km of road, together with two airports and two ports, at a total cost of EUR 1,950 million;

IX. multimodal corridor with many divisions, with an initial section Helsinki - St Petersburg, where it divides into two branches, one towards Moscow and the other towards Pskov, the two meeting at Kiev - Ljubasevku - Chisinau (Moldova) - Bucharest - Dimitrovgrad (Bulgaria) - Alexandroupolis (Greece) with a branch which leads from Ljubasevka to Odessa; from St Petersburg two connections branch off, one towards Kaliningrad and the other towards Klaipeda (Lithuania), subsequently joining at Kaunas, from where the corridor continues via Vilnius - Minsk - Kiev and joins up with corridor II; this is the longest pan-European corridor, joining the Sarmatian plain to the Baltic and to the Mediterranean; it comprises 6,500 km of railway and 5,820 km of road, three airports and two ports, at a total cost of EUR 4,345 m;

X. multimodal corridor along the route Salzburg - Ljubliana - Zagreb - Belgrade - Skopje - Thessaloniki with secondary branches Graz - Zagreb, Budapest - Belgrade, Nis (Yugoslavia) - Sofia (connection with corridor IV) and Veles (FYROM) - Florina (Greece, connection with the Via Egnatia); this corridor was introduced by the Helsinki Conference and connects the Balkan region with the Alpine region, Germany and the Mediterranean; it comprises 2,360 km of railway and 21,50 km of road at a total cost of EUR 1,100 m.

The first seven corridors concern the countries dealt with in this working paper and three cities act as pivots between two corridors: Warsaw (I and II) with a fundamental role along the east-west axes running through northern Germany, Katowice (II; and VI) with a role of switching traffic coming from or going to Germany, the Baltic or Ukraine and, finally, Budapest (IV and V) which switches east-west traffic between the two streams of the Alps, the Balkans and Ukraine.

With regard to coordination between these corridors and the Community guidelines for the development of the trans-European transport network, as already mentioned, the guidelines did not adopt the Christophersen Group’s proposals for extending the transport network outside the Community. Nonetheless, they do display an awareness of the continental dimension of the transport network, which is
referred to in several items, although in general terms. Thus it is confirmed that one of the network's objectives is:

'h) to be capable of being connected to the networks of the European Free Trade Association (EFTA) States, the countries of Central and Eastern Europe and the Mediterranean countries, while at the same time promoting interoperability and access to these networks, insofar as this proves to be in the Community's interest.\footnote{Decision 1692/96/EC, \textit{op. cit.}, Art. 2.}

However, \textit{Promotion by the Community of projects of common interest and network interconnection and interoperability in order to ensure the compatibility of third-country networks with the trans-European transport network shall be determined on a case-by-case basis in accordance with the appropriate procedures in the Treaty.\footnote{Decision 1692/96/EC, \textit{op. cit.}, Art. 6.}}

The legal and financial frame of reference for the extension of the trans-European transport network is thus to be found not in the provisions laid down for the trans-European network as such, but in the association agreements between the European Union and the applicant countries and in the instruments specifically laid down for the pre-accession stage\footnote{See Chapter 1, section 4 of this \textit{working paper}.}, as well as in banking instruments, especially the EIB.
CZECH REPUBLIC

3. General overview

The Czech Republic belongs to the most advanced countries in terms of transport network density. It is 0.7 km/km² in road network, including local roads it is 1.44 km/km², in railway network it is 0.12 km/km². There are also 303 km of water ways, 73 airports including 10 international and 96 city areas with city public transport operation.

Construction of capacity roads was targeted to the international links (border crossings, motorway D5, R52). High increasing of the inland traffic intensity indicates necessity of changing priorities (Prague circle, second link from Bohemia to Moravia). Increase of the road transport is higher than expected, but corresponding capacity of infrastructure is not increasing in the same way.

In the last period there was stopped investment activity in water transport. At the same time water transport has its own importance in an international transport.

Extent of the maintenance of the road and railway network was at the same level and therefore the necessary network quality was not ensured.

Decreasing of transport volume in years 1990 - 1992 was higher than GDP decrease. It shows a shift in transport needs of companies towards higher effectivity. In the next period it is possible to expect a high correlation between GDP and transport volume growth. Road transport has taken a slightly increased mode share. A decrease of railway share is expected next and a main target of the transport policy is to reduce this decrease. The growth of car transport of recent years will continue. Permanent offer of good public transport must be a government priority.

The Czech government adopted several decisions supporting transport infrastructure development:
- government resolution 631/95 that updated Motorway development until the year 2005;
- access of the Czech Republic to European agreements AGC, AGR and AGTC approval;
- support of modernisation and financing of I. and II. railway corridors - resolutions 659/94 and 185/96;
- support programme for development of water ways - resolution 635/96 and access to European agreement AGN;
- government resolution 176/95 that guarantees loans for enlarging of the Prague airport.

The Czech Republic is involved in two TEN multimodal corridors:
- corridor IV: (Dresden) - Decin - Brno - Breclav - (Wien), length 454 km, start of construction in 1993, operation opening in 2000; (Nurnberg) - Cheb - Praha, operation opening in 2007;
- corridor VI: (Katowice) - Ostrava - Breclav (Wien), operation opening in 2003.

4. Road, railways and intermodal transport

Corridor IV involves the construction of the motorways D5 and D8, widening D1 and Praha circle R1; corridor VI involves the construction of motorways D1 and D 47 and the the dual carriageways R 48 and R 52. The construction of these infrastructures is a part of a greater network programme which intends to give to the Czech Republic the roads standard of the Europe.

The Railways transport is also involved in the two TEN intermodal corridors, which have been described in par.1. For the Railways the main problem is not the construction of news lines, but the modernisation of the existing infrastructure and to increase the average speed of trains.
A main development plan in the intermodal transport is to implement European Agreement AGTC for intermodal corridors, including intermodal technology like ACTS rolling stock and containers. There are no actual infrastructural plans for intermodal transport.

The "Programme for support of water transport development to year 2005" provides for great pains to improve navigable conditions at the river Labe mainly: navigability of Labe river from Chvaletice to Pardubice city and improving conditions in the section Ustí nad Labem - border crossing with Germany. In the long term the infrastructures for water transport concern the navigability of lower Morava river: preparing of Ratibor reservoir in the Polish area, which could connect Ostrava region to the European waterways system and the construction of a channel Odra - Dunaj, i.e. navigability from the Baltic Sea to Black Sea.

5. Air transport

Now there are 4 international airports operated by state organization: Prague - Ruzyne, Karlovy Vary - Olsova Vrata, Brno - Turany and Ostrava - Mosnov.

In the period 1998-1999 3 regional airports - Karlovy Vary, Brno and Ostrava- will be sold. It is suggested a great participation of certain cities and business groups which will guarantee operational and future development.
ESTONIA

6. General Overview

Estonian transport infrastructure is characterised by a quantitatively well-developed road and rail network, comparable to the networks of the Nordic Countries both in length and in density. There are more than 100 harbours on the Estonian coast. Of those, 32 perform merchant shipping operations.

In organising the maintenance and planning the development of transport infrastructure (roads, railways, air corridors, ports, airports) the application of the “user pays” principle has been one of the main objectives. In other words, those using the roads and owning the vehicles are the ones to cover all society’s expenses on making the traffic process possible, including the cost of road maintenance, traffic management and monitoring, guaranteeing of traffic safety and environment protection. And yet, so far the needs for infrastructure investments have been greater than the available allocations from the State budget or foreign loans or foreign assistance. In order to find solutions to the problem, negotiations are under way for obtaining favourable loans from international banks and, besides PHARE programmes, additional assistance has been requested from the European Union.

Tallinn, and also the vicinity of the capital, where Estonia’s largest ice-free deep-water ports and passenger and freight terminals of road and rail transport and the international airport are situated, constitute the most important international transport junction. This is where all major rail and road, sea and air routes converge.

As of 1.1.1998 the data of the transport infrastructures are the following:

**Railway**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length of public railway lines, km</td>
<td>1018.0</td>
</tr>
<tr>
<td>incl. double track, km</td>
<td>103.0</td>
</tr>
<tr>
<td>incl. electrified lines, km</td>
<td>132.0</td>
</tr>
<tr>
<td>Density of public rail network km/1000 km²</td>
<td>24.6</td>
</tr>
</tbody>
</table>

**Roads**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total length of public roads, km</td>
<td>43 825</td>
</tr>
<tr>
<td>incl. length of public main roads, km</td>
<td>16 437</td>
</tr>
<tr>
<td>of which surfaced, km</td>
<td>8 343</td>
</tr>
<tr>
<td>Total density of road network km²</td>
<td>1 034</td>
</tr>
<tr>
<td>of which density of public main roads, km²</td>
<td>354</td>
</tr>
</tbody>
</table>

**Waterways**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>At sea, km</td>
<td>1 640</td>
</tr>
<tr>
<td>On inland waterways</td>
<td>520</td>
</tr>
</tbody>
</table>

As for road and rail network, the main deficiencies are insufficient capitalisation and the small proportion of high-speed motorways. The technical facilities and equipment of roads are outdated. Due to the rapid increase of the number of cars, the capacity of several streets in Tallinn and several other bigger cities has been exhausted, and therefore it is impossible to avoid traffic jams (the proportion of congestion costs in indirect transport expenses has increased). Traffic management needs both technological and organisational improvement, especially from the viewpoint of ensuring traffic safety.
7. **Investments in infrastructure**

In 1996, 729.9 million EEK was invested in the management and development of infrastructure from the State budget.

In 1997, the allocations from the state budget, including investments and management costs for the maintenance and development of the state-administered infrastructure and traffic management and ensuring traffic security were 916.4 million EEK (increase in comparison with last year 21%), of which investments constituted 261.6 million EEK.

In 1998, the respective allocations from State budget were 972.4 million EEK (increase +6,1% when compared to 1997) of which investments constituted 320.0 million EEK (+22,6%).

Despite the absolute increase of allocations in 1997 and in 1998, the insufficient financing of transport infrastructure, especially roads and railways continued to be one of the major problems of the period.

The insufficient financing of transport infrastructure continues to be a problem; and long-term loans from the World Bank, the EBRD (European Bank for Reconstruction and Development), the EIB (European Investment Bank), and foreign assistance under the PHARE program and from the Swedish governmental aid organisation SIDA have been used for filling the gaps.

To a certain extent, the loan obtained from the World Bank for the renovation of road surfaces (134.8 million EEK) has improved the situation; repayment of the loan from the State budget was started in 1996.

In addition, several other loans have been applied for and obtained from the international financing institutions.

The major development projects and their sources of financing are the following:

- **PHARE (Pologne Hongrie Assistance et Redressement Economique)**
  - Technical study for the maintenance and upgrading of rail tracks on the Tapa-Tartu-Kliima and Tartu-Valga routes,
  - Feasibility study of the Narva and Kliima railway border stations,
  - Technical assistance to the Estonian Road Administration for drawing up the traffic safety programme,
  - Consulting of the Estonian aviation sector in the matters of flight control services development.

- **WB (World Bank)**
  - 7,5 MUSD for the modernisation of trains of State Enterprise Estonian Railways
  - 12 MUSD for the reconstruction repairs of Public main roads

- **EIB (European Investment Bank)**
  - EUR 20 million for the modernisation of the Estonian flight control (building of the new flight control centre, construction of new radio beacons at Võhma, Jhvi and Kardla, etc.) in 1994 B 1997.
  - EUR 16 million for the reconstruction of the Jhvi-Narva section of the Tallinn-Narva railway (the branch connecting Trans-European transport Corridors No I and IX).

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81 From 1995, investments were calculated as a separate line of the State budget.
In addition to specific projects listed above, the construction of high-speed motorway between Tallinn and Tartu and the repairs of the Riisipere-Haapsalu railway section are planned.

According to information gathered from municipal administrations, the total sum of allocations to road maintenance and traffic management from local budgets was 357.0 million EEK, which means a decrease of 17% when compared to last year. In 1998, 335.7 million EEK (-6%) was allocated for the same purposes.

According to the Ministry of Finance, rural administrations spent 45.8 million EEK on the maintenance of county roads in 1997.

<table>
<thead>
<tr>
<th>Tab. 1 State budget expenditure for transport infrastructure in the years 1993-1998 in million EEK</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Actual</td>
</tr>
<tr>
<td>Total expenditure on infrastructure and traffic (incl. Management costs):</td>
</tr>
<tr>
<td>Of which investments:</td>
</tr>
<tr>
<td>Of which expenses on different road types:</td>
</tr>
<tr>
<td>1) Total for the maintenance of State roads and for the Road Administration</td>
</tr>
<tr>
<td>Of which investments</td>
</tr>
<tr>
<td>2) Total for State railways maintenance</td>
</tr>
<tr>
<td>Of which investments</td>
</tr>
<tr>
<td>3) Total for the maintenance of waterways. Maritime Board and Maritime Communication Centre</td>
</tr>
<tr>
<td>Of which investments</td>
</tr>
<tr>
<td>Of that for the maintenance of ferry ports</td>
</tr>
<tr>
<td>4) Total for airways maintenance, flight control and Board of Aviation</td>
</tr>
<tr>
<td>Of which investments</td>
</tr>
<tr>
<td>Of that for the repair of runways</td>
</tr>
</tbody>
</table>

There are no statistical data on the allocations of municipalities or county administrations to road maintenance.
8. **New construction works necessary for further development**

According to Transport Infrastructure Needs Assessment Central and Eastern Europe (TINA), the Estonian transport sector will need altogether more than EUR 520 million for upgrading the proposed future Trans-European Networks (TEN) components to standards similar to the ones of the European Union. The key problem of this process is the scarcity of national resources. Thus, the development of a high-standard transport system will not only rely on the investments from public (state and local) budgets, but also on the availability of credits from International Financial Institutions and European Union assistance.

**The roads infrastructure**

According to TINA the Estonian main roads infrastructure will need more than EUR 200 million for upgrading to TEN standards in the coming years. It is somewhat less than in other Baltic countries. Yet, according to the Traffic Scenarios for TINA countries, the future growth in traffic volumes is in Estonia’s case even more vitally dependent on whether the infrastructure will be upgraded or not than in the case of Latvia or Lithuania.

**Via Baltica (Estonian section of 193 km)**

Via Baltica is an internationally important project. During the past five years some EUR 25 million have been spent on the upgrading of the Estonian section. About EUR 1 million of that has been PHARE assistance (in 1997). A major project has been a multi-level intersection in Tallinn, which removed one of the most important bottlenecks. The cost of works on it totalled about EUR 13 million (municipal financing) and was completed in 1997.

According to the Public Investments Programme, Estonia aims to allocate altogether more than EUR 13 million (a new bridge and bypasses of Kernu, Are and Pärnu) of national budgetary resources for the advancement of Via Baltica route.

Yet, most of the works for developing the section should not be done on the route, but in Tallinn. There is a need for building a Tallinn Northern highway (total cost about EUR 11 million) and for reconstruction of Vabaduse Boulevard (entrance to Via Baltica from the city, total cost about EUR 12 million). These costs will be covered by allocations from public budget and loans. Assistance from the European Union will be applied for as well, as the sections will form a part of TEN when Estonia is going to accede to the Union.

**Tallinn-Tartu-Luhamaa highway (293 km):** The section was included in TINA Road Network as an additional component due to its central importance for the Estonian main road infrastructure. It is classified as public main road as it connects the two biggest Estonian cities and the following section runs to the border with Latvia and Russia. Thus, the road has a central importance for both transit and domestic transport. Also, the contrast between the increasing traffic volumes and the road condition is more remarkable than in case of other Estonian roads. Currently only 21 km out of 293 km there has four lanes in two directions. Prognoses for further increase in the traffic volumes indicate that there is a need for a four-lane road on the whole Tallinn-Tartu section (nearly 190 km). The alignment of the new road will be decided already before the end of 1998. In the last few years EUR 6.4 million have been allocated from the state budget to the section. The latest development has been an opening of a 3.5-km section in August this year that cost about EUR 1.3 million. In 1999 a construction of a new EUR 3 million bridge will be completed. According to TINA the road will need altogether EUR 102 million for upgrading.

**Tallinn-Narva highway (211 km):** The upgrading of Tallinn-Narva highway would yield three important benefits:

- Growth of traffic safety, speed and comfort in a road connecting the capital city with Russian border and with the country’s third largest city located in an important industrial region;
- Development of transit trade. The road is a part of European East-West link and one of the most important transit routes through Estonia;
- Growth of foreign investments, especially in the somewhat underdeveloped region of Northeast Estonia.
In the last few years EUR 3.5 million of state budget resources have been allocated to the works on the highway. In the coming years it is intended to spend some EUR 61 million. The sources will include state financing and loans; assistance of the European Union will also be applied for.

First, the ongoing project of introducing a 2+2 motorway for the whole first 78 km of the road, will be concluded by building the missing sections. Secondly, bypasses to the cities on the route will be built, including a bypass of Narva with a new bridge over Narva River to Russia.

Valga-Tartu-Mustvee-Jõhvi (208 km)
This road was included in TINA Road Network as an additional component. This is an initial part of the proposed Via Hanseatica. A definite plan for upgrading the existing road needs to be drawn up in the future.

The rail infrastructure

According to TINA the Estonian rail infrastructure will need some EUR 248 million for upgrading. It is less than is needed in Latvia and Lithuania (more than EUR 900 million). Yet, as it is the case with roads, the need for upgrading is somewhat more urgent than in the other Baltic States. According to TINA Traffic Scenarios the number of trains per day will actually decrease (at least until 2015) if the infrastructure remains unchanged.

Tallinn-Tapa-Narva (210 km)
Tallinn-Narva railway is the most important Estonian transit route. During the past few years EUR 12 million of state budgetary resources and more than EUR 33 million of other funds have been allocated to the reconstruction of the line. The reconstruction takes place in two stages. The first 70 km are to be concluded in 1999 with a total cost at about EUR 40 million. In total EUR 5 million of the rehabilitation have been financed by PHARE. The reconstruction of a second, 52-km stage will cost about EUR 21 million. Besides, a junction (in Tapa) and a station (in Narva) on the railway line will be modernised in the future to meet the increasing volume of transport.

Other Railway Lines
In coming years it is planned to rehabilitate Tapa-Tartu-Petseri sections (total cost EUR 29 million), Tartu-Valga section (more than EUR 28 million) and Tallinn-Paldiski section (about EUR 21 million). The latter is important for creating more possibilities for using the Ports of Paldiski. Also, a border station near Petseri (Russia) will be built (about EUR 21 million), because today the border formalities should be carried out in Tartu where the requirements for border control cannot be met.

The ports
As the roads and railways are important for the international and transit traffic, the ports are for the most part initial or terminal nodes on these routes. The Port of Tallinn is included in the TINA Backbone network. Cost for upgrading is estimated EUR 38 million. This will include the establishing of a container terminal. The traffic volumes through the ports are increasing steadily and thus setting higher and higher requirements for the inland connections to the East and to the South.

As the transport sector as a whole plays an important role in the economic and social sphere of Estonia (nearly 8% of the population able to work is employed in this sector), the intensified development of the sector would have a positive impact both on new jobs and the development of the infrastructure of certain areas. On the Estonian scale, the development of the transport sector has been regular, considering the normal developments both within the sector and in relation to other sectors.
9. **General overview**

An increasing amount of traffic crosses this country both because of the rise in commercial links with the European Union and because of the situation in the Balkans, which has displaced traffic towards it. Three trans-European corridors cross Hungary, Nos IV, V and VII, together with a secondary branch of corridor X; they are described in the second section of this chapter.

The state of the infrastructure is not very good, both because of the current difficult economic situation and because of delays by the previous political regime in the infrastructure sector. The new regime has claimed that the public authorities will pay more attention to this area, and the general situation has improved, thanks to a privatisation programme, the restructuring of public administration and the influx of private investment, although the shortage of private capital is still a problem with serious consequences for the network’s capacity and the completing of some of its sections. The negative effects are felt in the economy, geographical balance and the quality of transport.

10. **Network problems**

More specifically, the **rail network** has problems to do with gauge variation, lack of electrification and the way the system pivots radially on Budapest, causing overloading of the line sections inside the capital. Also, the advanced age of the infrastructure makes it impossible for trains to go faster than $40/60 \text{ km/h}$ on $20\%$ of the main lines.

In spite of its development in the 1970s the density of the **road network** is $320 \text{ km}/1000 \text{ km}^2$, markedly below the $557 \text{ km}/1000 \text{ km}^2$ average of the European countries which belong to the ECMT (European Conference of Ministers of Transport). Confronted with increasing traffic, the network is therefore saturated and there has also been a considerable drop in quality because of financial restrictions that reduced maintenance of the road network in the 1990s. The results are traffic jams and an increase in energy consumption, with discharges into the environment and an increase in the number of accidents. Another problem is that there are not many bridges over the Danube.

11. **Priority projects**

Hungary’s decision to apply for membership of the EU has prompted the Budapest authorities to take the initiative to make a renewed commitment to the infrastructure sector and to allocate a large portion of available funds to it.

As regards **rail infrastructure**, the main objective is to increase the operating speed towards high speed levels and, on non-high speed lines, to a velocity of at least $100 \text{ km/h}$. There are two priority projects in the rail sector: the Budapest - Hegyeshalom (Austrian border) line and the Budapest - Kelebia (Yugoslav border) line.

The first will be 178 km long and will make it possible to travel from the Hungarian capital to the Austrian capital in two hours, on trains travelling at $160 \text{ km/h}$, and work for the project includes modernisation of the superstructure and electricity supply, telecommunications and safety systems. The second will make a speed of between 160 and 200 km/h possible and will include track-doubling in addition to the work already mentioned for the first project.

In the light of the preceding section, it is clear that **road infrastructure** requires enormous intervention to bring it up to the level of the other European countries, both Member States and applicant countries, with
whose transport systems the Hungarian system will have to compete. The Hungarian government’s priority in this area is the development of a motorway network, for which five projects are planned:

- construction of the Gyongos-Polgar section of the M3 motorway towards the Ukraine border, in order to serve the industrial region of the north of Hungary and the eastern region, the Hungarian Plain, which is the least developed area of the country; construction work is expected to be completed in 2003;

- extension of the M5 motorway from Budapest to the border with Yugoslavia within the scope of pan-European corridor IV (north-south) towards Bulgaria and Turkey, via Yugoslavia, which will also make a link with the east-west motorway axis possible;

- extension and widening of the M7 motorway from Balatonligya to the border with Slovenia, a series of three sub-projects within corridor IV whose completion is planned for 2003 and which include the construction of a second carriageway and the adjustment of some junctions;

- extension of the M1 Gyor - Hegyeshalom motorway to the Austrian border. This forms part of corridor VII (Danube) and is joined by a fork to another motorway which leads to the Slovak border;

- construction of the M6 motorway ring road around Budapest which will interconnect the motorways which converge on the capital and which includes a bridge over the Danube.
12. General overview

The geographical position of Poland makes it a transit point for traffic between the EU and all the countries of northern and eastern Europe. This crucial role is underlined by the fact that four of the pan-European corridors envisaged by the Crete Conference run across it: I, II, III and VI; they are described in the second section of this chapter.

An efficient transport network thus has an importance which stretches beyond the boundaries of the country, with implications for increased traffic, which began to be seen about ten years ago and has gradually speeded up as a result of political events in the country, the opening-up towards the west and the prospect of membership of the EU.

There has been a steady growth in the flows of passenger traffic between Poland and other countries since 1985 depending on the political changes undergoing in the country. The number of inbound traffic has been growing at a very fast rate: 18 million people visited Poland in 1990, and the number increased up to 87 million in 1996 (the increase by 352%). It is worth noticing that in the first nine months of 1997 the number of trips to Poland amounted to ca. 88 million and the number of Polish citizens trips abroad – ca. 40 million.

The flows of both inbound and outbound traffic can be divided into four groups of countries: EU, the former Soviet Union, Central Europe and the rest of the countries. At present, tourists from the neighbouring countries that has been visiting Poland constitute the majority. It is estimated at the same time that 80% of the people from the Czech Republic and Slovakia as well as 60% from Germany arrived in Poland without using any accommodation, therefore they do not conform with the definition of a foreign tourist. Within the years 1990-96 the number of Polish tourists going abroad increased from 22.1 to 44.7 million people (by 65%) thus to a far less extent than the number of foreigners visiting Poland (in the years 1993-96 the number increased from 31 to 44.7 million). It is worth pointing out the data for 1991 when the number of outbound tourism amounted to 20,8 million i.e. it dropped by 6.3% as compared with the previous year.

A choice of modes of transport by tourists crossing Polish borders is also worth noticing: in the years 1991-96 road transport, especially private motorization, predominate. Among the remaining modes of transport railways are distinguishable (ca. 5%); also the growth in significance of air transport has been noticed recently.

Cross-border traffic shows a decided and growing predominance of road transport out of total border crossings which occurred within the period of time 1991-95. Air crossings are considered to be of a great consequence. Maritime transport contributes to a slight extent and inland waterway transport is of marginal importance.

In the international freight traffic, the main role is played by rail transport. Over the period 1991-96, the various modes of transport underwent differing tendencies. In the case of road traffic, there was a constant increase in freight transport. In rail transport, following a sudden slump, cargo volumes are gradually increasing. Shipments by water, both by maritime and inland waterways transport stayed on a almost unchanged level. The predominance of two branches, rail and maritime transport, is remarkable. Concerning these branches, data on export and import is similar and amount to 38-39% of all modes of...
transport. The differences can be observed in the range of road transport which haulage is ca. 18% of total export volume and ca. 23% of total import volume, respectively.

Taking into consideration export directions in 1996 a decided predominance of the EU may be noted (64%). Ca. 14% of the total export is headed to the Central European countries and over 10% to the former Soviet Union republics. It should be stressed, however, that Germany generates more than half of these flows. Volume of exported goods to Ukraine and the Czech Republic is four times lower while a considerably lower share is gained by the rest of the countries.

As regards road transport a very high share of the export to the EU (ca. 70% in export and 60% in import, respectively) is typical. Within the import the preponderance of the EU is substantial, yet the share is not so big as in export and amounts to about 37%. On the other hand the former Soviet Union republics reach a significant share (approximately 30%). 10% of the imported volume comes from the CEE countries. The share of non-European countries (American in particular) is twice as much as in export and amount to about 23%. A substantial concentration of import volume from the three countries: Ukraine, Russia and Germany (over 4.5 million tonnes from each of the countries) takes place. 37% of the total import comes from these countries.

13. Construction projects – road infrastructure

The Warsaw government is aware of the increased needs of national and international traffic and in 1993 approved an important plan for the development of road infrastructure, which forms the framework for a national infrastructure policy for the next two decades. In the perspective of 2010 the plan covers four motorways and a major highway, amounting in total to 2,600 km at a total estimated cost of EUR 7.8 billion. The development plan’s projects, integrated into the pan-European corridors, are:

- A1 (Helsinki) – Gdansk – Lodz – Katowice – Gorzyce (Zilina), section of corridor VI;
- A2 (Berlin) – Swiecko – Poznan – Lodz – Warsaw – Terespol (Minsk, Moscow), section of corridor II;
- A4 (Dresden) – Zgorzelec – Wroclaw – Katowice – Krakow – Przemysl (Kiev), section of corridor III;
- A12 (Berlin) Olszyna – Krzywa (Legnica), section of corridor III;
- Major highway Warsaw – Suwaiki – Szyplisky (Kaunas – Riga – Tallinn), section of corridor I.

The programme also includes two other motorways which might be introduced into the trans-European network: A3 (Stettino – Lubawka – Czech border) and AS (Lodz – Wroclaw – Bolkow – Lubawka).

14. Construction projects – rail infrastructure

The Polish rail network comprises 35,000 km of line, of which 23,000 km is of normal gauge with a density, for normal gauge lines, of 7.2 km per 1,000 km. The level of development is high and a dense network of stations and a good level of electrification that corresponds to the IUR (International Union of Railways) norms support it. The Polish lines which are internationally important, in other words those in the AGC agreement and some additional lines, are 5,000 km long in total. The basic requirement in the field of rail infrastructure is modernisation to allow an increase in speed and an improvement in the quality of service, thus making rail transport competitive with road and air.

The international Polish lines laid down by the AGC agreement, and modernisation and development work connected with them planned or being carried out before 2010, are as follows:
15. Construction projects - infrastructure for inland navigation

In order to improve the navigation on the Oder River, the Development program of the Oder River waterway by the year 2005 was elaborated in the Ministry of Transport and Maritime Economy. The program assumes adjustment of the waterway to the international parameters. Its realisation will improve navigation on the Oder river in the relations with the EU member states. In the governmental document A Transport policy of 1995 the modernisation of the Oder River waterway was included to priority investments, which will be realised before the year 2005. The modernised Oder River waterway will be able to increase the role of the Szczecin - Swinoujscie ports.

The disastrous results of the flood on the Oder river-basin in July 1997 realised a necessity of its complex modernisation. It lies in the interest of both Poland and Germany as well as the Czech Republic. The Oder river which is a physical and formal border between the EU and Central and Eastern Europe, should stop being a communication barrier.

16. Construction projects – ports and airports

In the port sector there are plans to modernise the ports of Gdansk, Gdynia and Szczecin, especially the multimodal terminals.

As far as the airports are concerned, Gdansk, Cracow, Poznan, Katowice, Rzeszow, Szczecin, Koszalin and Bydgoszcz airports will be modernised, but the main project will be the construction of a new terminal at Warsaw-Opocie, which will remain the most important airport in the Polish system.

17. Conclusions

This enormous construction programme designed to reshape the Polish transport system requires more funding than is available from the national economic system and foreign capital will have to cover approximately half the amount needed, that is approximately EUR 500/600 m per annum from now up to 2010.
18. The current situation

In geographical terms Slovenia constitutes a hinge between the east-west axis which links the Po Valley to Hungary and the Sarmatian plain and the north-south axis which links Germany and Austria to Greece across the troubled region of the Balkans. Corridors V and X pass through Slovene territory; they are described in the second section of this chapter.

The Slovenian transport system comprises some 15,000 km of roads, 1,200 km of rail routes, including 330 km of double track and 520 km of electrified lines, one main port at Koper on the Adriatic coast and two principal airport being at Ljubljana. The transport system hinges essentially around two main corridors: East - West and North - South, the development of the latter being temporarily suspended by political events in the rest of former Yugoslavia.

In 1993 the Slovenian road network had an extension of 14,733 km total length. Approximately 10% of the total network are motorways and major roads. The length of motorways increase more than 200% since 1980, the length of major roads increased by about 25%, due to reclassification of the real network.

The Slovenian railway had a total length of 1,201 km in 1993. Since 1980 it was extended by 143 km. About 28% of the network has a double traction and 42% is electrified. In the framework of the railway infrastructure three combined transport terminals were dealt with, too. These were terminals in Ljubljana, Maribor and in the port of Koper.

The port of Koper is the youngest port in the northern Adriatic Sea. It has managed to develop into an important international port. The first concepts on the construction of a Slovenian port in the Koper bay were shaped in 1952, while in 1954 an overall idea was completed, the Luka Koper (Port of Koper) enterprise was established in 1957.

Nowadays, the port of Koper is a modern harbour performing reloading services on a European level. The total area of the Port of Koper in a wider sense comprises 464 ha. Whereof the custom - free zone comprises 340 ha. The port of Koper is divided into 3 basins: the first basin is dedicated to the general cargo, container and RO-RO terminals, closed warehouses for general cargo, timber terminal and bulk cargo terminal; the second basin comprises a quay-berth of the Petrol Company used for crude oil and oil derivatives, a berth for cereals and vegetable oils with storage and reservoir capacities. In the hinterland, along the third basin there is a terminal for bulk cargo.

The Airport Ljubljana Brnik in its present location was inaugurated in 1963. Its area of 550 ha is situated in the Ljubljana basin, under the south-eastern slopes of the Alps. It is the capital city airport of the Republic of Slovenia and due to its favourable geographical position (it is situated almost exactly in the middle of the country) plays an important role in the Slovenian transport system. It is at a distance of 26 km from Ljubljana. The two neighbouring countries, Austria in the North and Italy in the west are relatively near, but to reach them, it is necessary to cross an area of numerous 2000m high mountains.

In a radius of 130 km Slovenia is linked with the following airports: Trieste (Italy), Klagenfurt and Graz (Austria ), Zagreb and Pula ( Croatia ), Maribor and Portoro ( Slovenia). The Ljubljana airport runway is 3,000 m long and 60 m wide, in 1991 and 1992 the runway was completely resurfaced with self-draining composite and requires no further treatment for at least 10 years. The airport is equipped with lighting and radio-navigational system for precision approach CAT II, Is has been also furnished with PAR radar and a

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85 This section is mainly based on CEMT, Transport infrastructure..op. cit., Paris 1998, pp. 379- 386, and an unpublished study carried out by T&T of Gorizia (I) for the European Parliament – Directorate General for Research.
lighting Category III. The passenger terminal has been completely renovated and rearranged into the International Flight Terminal.

19. Infrastructure projects

The development of the Slovene transport system is necessary for reasons of two distinct types: economic reasons linked to the development of commercial trade and membership of the European Union, and geographical reasons arising from the way the population lives in small settlements which need a dense communications network. Following independence, the Slovene government has adopted a development strategy mainly focused on infrastructure for overland and combined transport.

For road transport, projects mainly concern the main roads and motorways. Projects planned include the construction of 358 km of motorway along the east-west axis and 113 km along the north-south axis. For rail transport, the priority projects are connected with signalling and rail telecommunications systems improvements, track-doubling for some existing lines and the construction of new lines, including the Trieste-Ljubljana-Zidani Most (Budapest-Lviv-Kiev) line, which forms part of TEN corridor V. According to forecasts construction of this line will not begin before 2005.
NOTE ON SOURCES

1. European Community sources

The legislative acts of the various Community institutions are usually available in all the Community languages. The most important document is the Treaty on European Union, various editions of which exist: for this working paper the edition published by EUROPEP was used: European Union, Selected instruments taken from the Treaties, Book I, Luxembourg, 1993.

The Official Journals of the European Community contain regulations, proposals for regulations and resolutions of the European Parliament. Notes in the text give the references to each act cited.

Of the documents published by the European Commission, the following have already been cited and commented on in the text:

- the White Paper Preparation of the associated countries of Central and Eastern Europe for integration into the internal market of the Union (COM(95) 163 and COM(95) 163-2), the second volume of which gives a detailed explanation of the various sectors of the internal market insofar as is relevant to the extension of the market to the applicant countries;

- the document Agenda 2000 – For a stronger and wider Union (COM(97) 2000 final);

- the opinions of the Commission, submitted in July 1997, on each of the applications for membership received (COM(97) 2001-2010);

- the regular reports on progress towards accession on each country, of which to date the first series has been published, in December 1998 (COM(98) 700, 701, 705, 708, 709, 710 and other connected documents).

In recent years, the European Parliament’s Directorate General for Research has published some working papers on transport and infrastructure relevant to the issues dealt with here. The references are as follows:

- The financing of trans-European transport networks, Working paper Transport Series, E4, 1997 (available in IT, DE, EN, FR) which, examining within a broader context the events which have led to the defining of the European policy of trans-European transport networks and the characteristics of individual priority projects, studies aspects connected with the participation of the private sector in the construction and management of infrastructure. This angle makes it important for the current working paper.

- The present situation regarding liberalisation of the rail sector in the Member States of the EU and in the applicant countries, Working Document Transport Series, TRAN 107, 1999 (available in NL, EN), which for each of the countries referred to in the title describes progress made in the process of liberalising the rail sector.

86 EUROPEP here, and elsewhere, refers to the Office for Official Publications of the European Communities.
Between 1997 and 1999 the Directorate General for Research commissioned a series of studies on the transport sector in each of the applicant countries dealt with in this working paper. These studies were not published, but information from them is included in this paper and indicated in the notes.

The **Enlargement** task force, set up at the Directorate General for Research, has produced a series of documents and briefings on specific aspects of enlargement and on each of the applicant countries. This large collection of documents can be found at the [http://www.europarl.eu.int/enlargement/en/default.htm](http://www.europarl.eu.int/enlargement/en/default.htm) site in almost all Community languages. Among the task force’s publications particular mention should be made of the **White Paper on Enlargement of the European Union** in three volumes, which includes documents from the Community institutions, the Member States and the applicant countries, together with speeches from their government representatives. This White Paper should be referred to for a complete catalogue of the European Parliament’s resolutions concerning enlargement, while those mentioned in this paper are detailed in footnotes.

2. **Other documentary sources**

On issues specifically to do with infrastructure the following document was consulted:

- **ECMT**, *Transport infrastructure in ECMT countries - profiles and prospects (Monographs)*, Paris 1998, pp. 417, also available in French; as the title indicates, this is a collection of 30 sections on 30 European countries giving thorough explanations of the current situation and infrastructure projects and placing the subject in the context of the current state and problems of the national transport sector.

Some internet sites of special interest are also given here. The sites of the governments of the applicant countries are mainly given, even though they rarely contain information on the specific topic dealt with in this working paper:

- Estonia: Ministry of Transport site: [http://www.tsm.ee](http://www.tsm.ee): at the time of writing the English language version did not seem to be accessible;

- Czech Republic: the Czech Government’s site ([http://www.vlada.cz](http://www.vlada.cz)) contains, also in English, the Government Statement of August 1998, from which the sections on transport and enlargement were cited in the second chapter of this paper;

- Poland: the sites of the Presidency of the Republic ([http://www.prezydent.pl](http://www.prezydent.pl)), the Ministry of Foreign Affairs ([http://www.msz.gov.pl](http://www.msz.gov.pl)) and the Diet ([http://www.sejm.gov.pl](http://www.sejm.gov.pl)) do not deal with the subject of this working paper; no site was found for the Ministry of Transport;

- Slovenia: the Ministry of Transport site: ([http://www.sigov.si/mpz/slo.html](http://www.sigov.si/mpz/slo.html)), also in English, contains a search engine through which documents on Slovene transport policy can be found.

The railway sites of the CER - Community European Railways ([http://www.cer.be](http://www.cer.be)) and the IUR - International Union of Railways ([http://www.uic.asso.fr/uk/index.html](http://www.uic.asso.fr/uk/index.html)) should also be noted. Although

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87 In particular, briefing No 44, *Transport policy and the enlargement of the European Union*, should be noted. At the time of writing it is available in DE, ES, FR and IT.

88 The European Conference of Ministers of Transport (ECMT) is a body at the OECD comprising representatives from 36 European countries with the tasks both of promoting the completion of an integrated system of European transport and of forming a bridge between the EU and the other European countries.
they do not contain documents specifically on enlargement in the rail transport sector, they state the views of undertakings in the sector on Community policies (the first site in particular) and the stage of progress in the technical adaptation of the networks (the second site).

Although the IRU - International Road Union (http://www.iru.org) is the organisation for transport undertakings at a world level, it is particularly active in Europe and its site contains important information on the operation and problems of road transport, which are also useful with regard to the specific subject dealt with here. It also contains information on specific views about road transport problems connected with enlargement.
The following titles have been published in the transport series

W 1  The Community's external relations in the field of transport (January 1992 - EN/FR/DE)
W 3  Transport - Setting up an Infrastructure Fund - new financial perspective in the wake of Maastricht proposal for a CO2/Energy Tax (September 1992 - EN/FR)
W 5  The future of inland waterways transport in Europe (December 1993 - EN/FR/DE/ES/NL)
W 6  The international dimension of the Common Transport Policy of the European Union (March 1994 - EN/FR/ES)
W 7  The financing of Trans-European transport networks (October 1994 - EN/FR/DE/IT)
W 8  The Internal Market and the Common Transport Policy (December 1994 - EN/FR/DE/IT)
W 9  A European policy for land and air transport of dangerous goods (February 1995 - EN)
W 10  Economic and technical aspects of high-speed rail transport (September 1995 - EN/FR/IT)
W 11  The transport of live animals (July 1995 - EN/FR/DE/IT/NL, Summary - all Community languages)
W 12  The protection of tourists (November 1995 - EN/FR/IT/ES)
W 13  Public service transport obligations (April 1996 - EN/FR/ES)
W 14  The Common Maritime Policy (September 1996 - EN/FR/DE/IT)
W 15  National aid in the transport sector (October 1996 - EN/FR/DE, Summary - all Community languages)
E 1  European sea port policy (July 1993 - EN/TR, Summary - all Community languages)
E 2 Social aspects of transport policy
(September 1994 - EN/FR/DE)

E 3 Carriage of dangerous goods and pollutants by sea - The safety aspects
(September 1994 - EN/FR/DE/IT)

E 4 The financing of Trans-European transport networks
(January 1997 - EN/FR/ES/IT)

TRAN 100 Fiscal measures in the transport sector
(January 1998 - DE/EN/FR/IT, Summary - all Community languages)

TRAN 101 Social consequences of deregulation and liberalisation in the transport sector
of the EU
(January 1998 - DE/EN/FR, Summary - all Community languages)

TRAN 102 Logistics systems in combined transport
(January 1998 - EN/FR, Summary - all Community languages)

TRAN 103 The European Community and road safety
(May 1998 - DE/EN/FR/IT, Summary - all Community languages)

TRAN 104 Transport in the arctic region
(April 1998 - DE/EN/FI/SV, Summary - all Community languages)

TRAN 105 The rights of airline passengers
(November 1998 - DE/EN/FR/IT, Summary - all Community languages)

TRAN 106 European Sea Port Policy
(April 1999 - EN/FR/IT)

TRAN 107 The present situation regarding liberalisation of the rail sector in the Member
States of the EU and in the applicant countries
(July 1999 - EN/NL)