

23 April 1999

A4-0236/99

REPORT

on the Communication from the Commission on Cohesion and
Transport (COM(98)0806 - C4 -0058/99)

Committee on Regional Policy

Rapporteur: Mr. Peter Crampton

(Delegation of the power of decision - Rule 52 of the Rules of Procedure)

PE 225.044/fin.

CONTENTS

	Page
Procedural page	3
A. MOTION FOR A RESOLUTION	4
B. EXPLANATORY STATEMENT	8

PROCEDURAL PAGE

By letter of 14 January 1999, the Commission forwarded to Parliament the communication on Cohesion and Transport (COM(98)0806 - C4-0058/99).

At the sitting of 12 February 1999, the President of Parliament announced that the Conference of Presidents had referred this communication to the Committee on Regional Policy as the committee responsible, with the power of decision pursuant to Rule 52 of the Rules of Procedure, and to the Committee on Transport and Tourism for its opinion.

At its meeting of 18 November 1998, the Committee on Regional Policy appointed Mr. Peter Crampton rapporteur.

It considered the draft report at its meetings of 23 February 1999, 25 March 1999 and 22 April 1999.

At the last meeting it adopted the motion for a resolution unanimously.

The following were present for the vote: Arias Cañete, chairman; Napoletano, vice-chairman; Crampton, rapporteur; Azzolini, Klaß, Otila, Varela, Girão Pereira, Vallvé, Karamanou, Myller, Walter, Ephremidis, De Lassus, Rack (for Todini), Miller (for Lage) and Rapkay (for McCarthy).

On 17 February 1999, the Committee on Transport and Tourism decided not to deliver an opinion.

The report was tabled on 23 April 1999.

A
MOTION FOR A RESOLUTION

Resolution on the communication from the Commission on Cohesion and Transport (COM(98)0806 - C4-0058/99)

The European Parliament,

- having regard to the communication from the Commission on Cohesion and Transport (COM(98)0806 - C4-0058/99),
 - having regard to European Spatial Development Perspective¹,
 - having regard to its earlier resolutions and reports on transport policy,
 - having regard to the proceedings of the Third Pan-European Transport Conference in Helsinki,
 - having delegated the power of decision, pursuant to Rule 52 of its Rules of Procedure, to the Committee on Regional Policy,
 - having regard to the report of the Committee on Regional Policy (A4-0236/99),
- A. Whereas Article 158 of the EC Treaty (ex-Article 130a TEC) sets as a priority objective the harmonious development of the Union and stipulates that this should be achieved by means of actions of all kinds leading to the strengthening of economic and social cohesion and, in particular, reducing disparities between the levels of development of the various regions and the backwardness of the less-favoured regions or islands;
- B. Whereas Article 154(2) of the EC Treaty (ex-Article 129b(2) TEC) establishes as a priority for Community action the setting up of links between island, landlocked and peripheral regions of the Community and the central regions, and whereas the importance which the Treaty attaches to cohesion means that priority should be given to trans-European network projects in the Structural Fund eligible areas; Whereas this Article underlines the regional planning function of the networks and their essential contribution to efforts to combat regional disparities;
- C. Whereas transport and transport infrastructure are among the key aspects of regional planning and therefore have a direct impact on regional disparities; Whereas it is necessary to take account of the contribution of transport services to cohesion;

¹ European spatial development perspective - first official draft. Presented at the informal meeting of Ministers responsible for spatial planning of the Member States of the European Union. Noordwijk, The Netherlands, 9-10 June 1997.

- D. Whereas the demand for transport services has increased in recent years and whereas the demand for transportation of goods as well as people, is likely to increase further in the future;
 - E. Whereas the citizens of Europe have the right to mobility, whether they live in town centres or in the suburbs, in rural, island or peripheral areas, or whether they enjoy normal or reduced mobility;
 - F. Whereas transport costs play an important role in the ability of the European Union to compete in international trade, given the fact that these costs can rise to an important percentage of the product value;
 - G. Whereas, if there is to be sustainable mobility, the pressure on road transport in the European Union must be eased by rail and sea transport; Whereas the European Parliament has consistently sought to promote public transport, particularly by rail and by sea, in preference to road transport;
1. Welcomes the long-awaited Commission communication, while stressing its failure to provide sufficient detail as regards coordination measures between transport and cohesion policies;
 2. Considers that there is a clear obligation for the Community to link the less prosperous regions to more central and economically stronger regions to achieve a more harmonious development and reduce regional disparities; Emphasises the importance of interlinking trans-European networks with the regional and local networks, including those in rural areas, to ensure that the integrated system is of maximum benefit to citizens;
 3. Calls on the Commission further to take account of the specific issue of transport in rural, sparsely-populated, remote and island areas where the scattered population raises particular social and regional problems;
 4. Calls on the Commission to ensure that in all legislative follow-up measures in respect of the White Paper on a 'transport infrastructure charging framework' specific account is taken of the particular situation of peripheral and rural regions of the European Union so as to prevent these regions being disadvantaged when charges are levied;
 5. Stresses the potential role of the Structural Funds, especially the ERDF, in improving urban transport and network interconnection;
 6. Reminds of the priority to be given to transport projects especially in the Structural Funds' eligible regions, designed to bring together peripheral and core regions of the European Union, and, in particular, for integrated transport systems to be developed for regions which are lagging behind, in particular peripheral and island regions;
 7. Calls on the Commission, in setting up a more integrated Europe-wide transport system for the transport of persons and freight, also to consider novel combinations

of transport within the framework of intermodal transport, for example, in the case of coastal and island regions, a sea-air combination;

8. Recalls that the largest sources of Community funding for transport policy and the trans-European networks are the Structural Funds and the Cohesion Fund; Considers it essential to ensure the closest possible coordination between transport and infrastructure policy and the structural policies;
9. Calls on the Commission to ensure the coordination of all Community activities, especially TEN networks, the Structural Funds and the Cohesion Fund, the EIF and the EIB, affecting the transport sector, as part of an ambitious regional planning policy as set out in the ESDP;
10. Considers that the fragmentation of the European transport system into national networks and the consequent diversity of quality, technical specifications, systems and operating conditions, with particular regard to rail infrastructure, are an additional difficulty for the development of freight transport;
11. Believes that any Community seaport and related infrastructure policy will at all events have to take account of the size of ports and their investment situation, and of their degree of remoteness from the major centres of communications and development on European territory; in the light of Article 154 of the EC Treaty (ex-Article 129b of the TEC) and Article 158 of the EC Treaty (ex-Article 130a of the TEC) and Declaration No. 30 annexed thereto, considers it vital also to include ports within the TEN;
12. Considers that shipping could fulfil an important role in the future transport scheme of the European Union and notes that short sea shipping should be integrated to the other modes of transport;
13. Reminds the Commission and the Member States that the attractiveness of inland water transport, which is an environmentally-friendly form of transport, can also be increased by specific measures in EU assisted areas; stresses that this is particularly so where the efficiency of the modal change is enhanced by adapting inland ports or modernising transshipment terminals;
14. Stresses that public transport has a central role to play with regard to the right to day-to-day mobility for citizens who cannot afford their own cars;
15. Proposes that the current limit of 25% on Objective 2 funding for public transport should be lifted;

16. Is surprised by the fact that the Communication only briefly mentions bicycle as a means of transport; Considers that in town planning, the needs of pedestrians and cyclists must be taken into account;
17. Considers, in the framework of services of general interest, for priority to be given to measures to ensure accessibility between the peripheral and core regions by means of specific measures in the field of public transport policy;
18. Emphasises that cuts in public services lead inevitably to the depopulation of peripheral areas and affect particularly vulnerable sectors of the population such as, for example, children and pensioners, and that care should therefore be taken to maintain public transport services which are less profitable from a purely economic point of view but have a high socio-economic value;
19. Points out also that there are geographical barriers within the European Union, such as mountain ranges, which make transport between neighbouring regions difficult, and that special attention should therefore be paid to these problems;
20. Considers that transport policy should take into account the special needs of border regions; Welcomes the promotion of interregional and cross-border projects;
21. Considers that the linking of the applicant countries to the European Union must be carried out with the necessary coherence with the Community's transport policy; Welcomes the introduction of pre-accession structural aid and the reorientation of the Phare programme with a view to the forthcoming enlargement, with greater emphasis being placed on infrastructure investment in the Central and Eastern European countries;
22. Is convinced that improving pan-European transport links between the European Union and the neighbouring areas, including the former Soviet states and the Mediterranean countries, is of utmost importance for the future relations; Regrets that neither Tacis nor the Meda programmes are at present allowed to support major infrastructure investment; Calls for transport infrastructure improvements to be regarded as eligible funding when consideration is given, in the future, to the revision of Tacis and Meda;
23. Instructs its President to forward this resolution to the Commission, the Council and the Member States.

B.

EXPLANATORY STATEMENT

1. Introduction

Transport is one of the key players in efforts to reduce regional and social disparities in the European Union and in the strengthening of its economic and social cohesion. The transport sector is ideally suited to a Europe-wide approach. The European Union has an important role to play in setting the framework of policy and law at European level and in promoting partnership and co-operation between Member States and the Community. The transport sector contributes about 6% to the GDP of the European Community and plays a crucial role in the functioning of the common market. Transport demand has experienced virtually uninterrupted growth since the 1970's, running parallel to growth in GDP, i.e., around 2.6% in real terms. Transport services in the European Union employ approximately 6 million people.

The main objective of the Commission Communication on Cohesion and Transport is to consider ways in which the community structural policies and the Common Transport Policy can promote a more balanced and sustainable regional development. In the Communication, special emphasis is put on ways to improve the situation of peripheral or less developed regions and disadvantaged social groups.

Trans-European transport networks serve important Community objectives such as completion of the single market, promotion of economic growth and reinforcement of economic and social cohesion. Different transport sectors, i.e. road, rail, inland waterways, sea and air, have developed differently as a result of different policies pursued by the national, regional and local institutions and authorities and their inconsistent attitudes to competition between different modes of transport. This has led to unbalanced cost and price structures, responsibility regulations, safety and environmental standards. Moreover, at present not all transport networks are completely interoperable, which affects railways particularly. The networks are far from homogenous and include many 'missing links', bottlenecks and insufficient modernisation. These are to be found especially in border areas, less-developed regions and in third countries which serve as transit points.

The Commission's Communication on Cohesion and Transport is a welcome attempt to deal with a seemingly intractable problem: how to reconcile sustainable economic development in the Union with environmental concerns and, at the same time, ensure that the benefits of the single market (and the next enlargement) are as evenly spread as possible. The dangers of uneven development are apparent when one considers, for example, the likelihood that the high speed train network will lead to a concentration of resources and flow which could endanger service provision to regions as a whole and could lead to the de-industrialisation which the Communication mentions.

The transport networks should cover the whole territory of the Community, interlinking the major conurbations and regions of the Community, facilitating access in general, and linking island, peripheral and landlocked regions to the central regions. Moreover, the ambitious nature of the Commission's Communication is made stark, when one considers the extremely patchwork nature of the Union's transport provision from different railways gauges and signalling systems to a multiplicity of air services which are managed by 52 air traffic control centres (with 20 different

operating systems and 70 computer programming languages. In addition, there are, of course, a variety of "missing links" in the provision of rail, road and waterways.

The objective of the community transport policy is to promote efficient and sustainable transport systems that meet the needs of both people and business. There is a clear, long-term link, between levels of economic development and transport systems. The Commission suggests, in its Communication, ways in which the two policy fields can be combined to make a more effective contribution. There is a need for greater coordination of the transport and cohesion policies.

According to the Commission, the focus in coordinating the transport and cohesion policies should be on the following objectives:

- improving regional development prospects, competitiveness and employment;
- contributing to balanced development in the EU;
- creating conditions favourable to the integration of new Member States;
- promoting sustainable mobility;
- ensuring the availability of transport services to everybody.

2. Cohesion and transport

Transport has a potentially critical effect on economic and social cohesion. Differences in infrastructure can contribute significantly to variations in regional competitiveness. The economically better-off regions in the EU tend to be better endowed with transport infrastructure than lagging regions. It is true that strengthening transport infrastructures in the EU is essential for growth and employment. Investment in transport infrastructure, contributes to employment, in both the long-run and the short run. The short-run effects of the employment arising during the construction phase, have helped the transport sector to attract public investment. Investment in transport alone will not lead to a narrowing of regional development disparities or contribute significantly to regional growth. Transport should not be considered in isolation of regional needs. In addition, priorities have to be set between the various modes of transport, in accordance, with the overall objective of promoting sustainable mobility all over the European Union.

The Communication's emphasis on the provision of public transport services is to be welcomed. The combined squeeze of environmental pressure, and congestion, will necessitate more public transport services (of a "capillary" rather than an "arterial" nature) and a recognition that market forces cannot provide solutions. It is in this regard, that your rapporteur would propose an ending of the current limit of 25% on Objective 2 funding for public transport. Given the administrative level at which such public transport projects are carried out, and the demand for such projects, it seems clear that subsidiarity could not only be respected but "seen to work on the ground" if the Commission did lift the 25% cap.

The network policies of the EU seek to remove the national bias in the provision of key infrastructure and to improve coherence and efficiency of transport, telecommunications and energy supply. Common Transport Policy has been oriented primarily towards liberalisation and increasing integration, through the harmonisation of fiscal, social and technical conditions.

3. The reduction of interregional disparities and the role of transport

Many of the less-developed areas in the European Union are peripheral, remote, mountainous, coastal or island regions. Without a transport system that is efficient (from the point of view of users and the environment), accessible and competitive, the European Union, as a whole, will be unable to pursue its social and economic development in a harmonious manner. It will be impossible to achieve greater solidarity and economic and social cohesion.

Differences in infrastructure are recognised as contributing significantly to variations in regional competitiveness. The economically stronger regions in the EU, with high levels of GDP per head, are generally better endowed with both types of capital than lagging regions.

Over the 1994 to 1999 programming period investment on basic infrastructure in Objective 1 regions from the Structural Funds and the Cohesion Fund, increased to 45 billion ECU or 41% of the total spent. In addition, the European Investment Bank provides some 25 bn ECU in loans for investment in basic infrastructure in Objective 1 regions from 1989 to 1999.

During the programming period 1994-1999, in Objective 1 regions, over 70% of the ERDF financing in the field of transport goes to roads and highways, around 16% to railways, 3% to airports and only 5% to ports. Of some 50% of the Cohesion Fund financing that is available to transport, some 69% is used on roads and motorways, 23% on railways, some 4% on airports and 3% on ports.

3.1. Roads

Most of the passenger and freight traffic in the EU still goes by road. In 1996, nearly 75% of freight movements (measured in terms of tonne-kilometres) and more than 85% of passenger movements (measured in passenger-kilometres) were made by road.

In 1970, less than 50% of total goods transport was by road. In the case of passengers, roads were already the major means of travel in 1970. The importance of buses has declined from accounting for 12% of passenger transport in 1970 to just 8% now.

The less developed parts of the Union tend to have a less extensive road network than other parts. Given its land area and population,

an exception to this tendency is Ireland, where the road network is twice as extensive as is generally in the EU. Most of the roads in Ireland, are of relatively low standard.

The overall extent of the road network, relative to area and population, does not differ significantly between regions within Member States. Motorways, however, tend to be concentrated in the more central areas with higher levels of activity.

The Communication's emphasis upon environmental concerns is laudable but the commitments for transport projects still show that a very high priority is attached to roads (at the expense of ports, for example). The priority given to road transport through the main Community financial instruments for the TETN, the Structural Funds and the Cohesion Fund should be reversed.

3.2. Rail

For rail transport, there is less variation in the extent of provision than for roads, though the differences between Member States and regions remain significant. Shifting passengers from road to rail remains a priority.

Reform of the railways across Europe is essential if rail is to deliver seamless and sustainable trans-European services capable of serving the needs of the Single market.

3.3. Sea ports and maritime infrastructure

The ESDP (Noordwijk, June 1997), makes it clear that the basic geography of the EU means that "75% of the EU may be classified as having coastal characteristics". Ports handle more than 90% of the Union's trade with third countries and approximately 30% of intra-Community traffic, as well as 200 million passengers per year. Thus, ports are a vital link in the supply chain to and from the trading partners and must be integrated with wider transport networks. In addition, inland waterway and maritime transport (short-sea shipping and sea transport) are relatively environmentally friendly transport sectors.

Maritime transport is perhaps one of the most effective instruments in providing services to peripheral, coastal and less populated areas, which are very often also less prosperous regions, with means of access to economic growth centres or axes thereof. The further development of EU ports could also have the effect of encouraging economic regeneration in the port areas. Because of their history and geographical peripherality, sea transport has a potentially central role in the cohesion countries.

The Communication's emphasis upon the role of ports in the promotion of a more balanced and sustainable development of the Union's territory is to be welcomed, especially in relation to the enhancement of transport system integration and intermodality. A full integration of ports in the trans-European transport networks (TETN) is to be welcomed, as this would form the basis for creation of a comprehensive European multi-modal network.

This is why your Rapporteur would like to see the Commission give extremely serious consideration to the introduction of a concept of "public freight service" (similar to EU provisions applicable to air and sea passenger traffic). Such a move on the part of the Commission, particularly if applied to combined transport modes, would go some way towards preventing the effects of liberalisation and competition from further adding to the disadvantages already suffered by remote and peripheral areas.

4. Regional accessibility and cohesion

The basic premise of intermodal transport is that the various components (infrastructures, means of transport, market organisation and information systems) at national and Community level should be linked up in such a way as to form a system. There has to be an optimum combination of the most appropriate modes of transport for each stage of the journey. Users should, of course, be free to choose their mode of transport. However, the real costs of each mode of transport must effectively be taken into account to prevent a distortion of competition arising between them.

Allowing for the differences between the various countries, it can be said that, at present, the various components of the system are "disconnected" and that uniform, harmonised planning is

made very difficult by the fact that decision-making centres are highly fragmented. Some problems can and must be solved at national level, but the European Union can provide guidance and support.

Efficient and sustainable transport systems play a key role in regional development. Structural policies and the CTP complement one another and therefore promote a more balanced and sustainable development of the Union's territory, particularly by improving accessibility and the situation of weaker regions and disadvantaged social groups.

Sustainable mobility means that the Commission's reference to "limiting environmental impacts" by a modal shift to more environmentally-friendly forms of transport" must be backed up by a shift in investment resources towards maritime, and rail transport.

4.1. Coordination between financial instruments - the Union's Structural and Cohesion Funds and the EIB

According to the Commission's calculations the contribution from the Structural Funds and the Cohesion Fund greatly exceeds that from the budget heading specifically concerned with trans-European networks. It is important to ensure the coordination of all Community activities, especially TEN networks, the Structural Funds and the Cohesion Fund, the EIF and the EIB, affecting the transport sector.

4.2. Spatial planning at European level

The draft European Spatial Development Perspective (ESDP) tries to establish a framework for an integrated spatial policy in Europe. An examination will be needed of the Common Transport Policy's role in relation to the evolving European Spatial Development Perspective. A consensus between the Member States in the latter context would make a valuable contribution to the realisation of sustainable mobility while, on the other hand, the Community will have to ensure that measures taken within the Common Transport policy support the balanced territorial development which the ESDP is seeking to achieve.

It is crucial that Member States make rapid progress on a European spatial development perspective (ESDP): the current lack of integration between land use planning and transport development in many Member States is a serious impediment to Europe-wide solutions to the more balanced and sustainable development of the Union's territory.

5. Challenges ahead - a longer term perspective

An attempt has to be made to meet the challenges for transport and cohesion policies in the first years of the next century. The fact that the Central and Eastern European applicant countries are at present obviously lagging behind as far as modern, efficient transport infrastructure is concerned could significantly reduce the expected economic benefits of the accession. To improve the existing road and rail links with the CEECs, it is estimated that between EUR 50 and 90bn will have to be spent over the next fifteen years - not counting the new trans-European projects. The European Union's borders, apart from those with the countries of central and eastern Europe, include long frontiers with Norway and Russia; in addition, the EU completely encircles Switzerland and faces eight countries on the other side of the Mediterranean.

5.1. Competitiveness and employment - maximising the effectiveness of the Community's contribution

It is often considered that liberalisation serves the creation of efficient, cost-effective and user-friendly transport services. The social consequences of the liberalisation measures vary from transport sector to transport sector. Nevertheless, some effects apply to all sectors: employment stability has decreased, wages are falling and social security is, to some extent, deteriorating.

By the inclusion of a reference to the importance of services of general economic interest 'in promoting social and territorial cohesion' in the Amsterdam Treaty, the Union recognised that market forces alone are not always sufficient.

5.2. Implementing the TEN - linking up the Union

The transport problems in peripheral and isolated regions and islands need to be taken into account. The Committee on Regional Policy has frequently stressed the importance it attaches to trans-European networks as a regional planning instrument and, in particular, as a way of reducing regional imbalances. The trans-European transport networks should help to ensure that the internal market becomes fully operational and that greater social and economic cohesion is achieved.

The Treaty establishes a clear priority on which Community action should be based: namely, the development of links connecting island, landlocked and peripheral regions to the central areas of the Community. In the White paper on growth, competitiveness and employment, the trans-European networks are portrayed as a favoured means of improving competitiveness and creating jobs, and also achieving economic cohesion and carrying out regional planning.

5.3. Promoting accessible, sustainable transport services

Transport must be cost-effective, environment-friendly, safe and sustainable for the future. The various transport modes must not only compete but also complement each other. Apart from the role of transport in production and distribution, public passenger transport is very important for low income groups and women. The promotion of public passenger transport has also become more important.

6. Concluding remarks

Your rapporteur finds unacceptable that the communication on transport and cohesion came out so late (over a year later than it was first announced!). The communication not only came too late, it lacks depth, is not very analytical, does not contain a sufficiently critical assessment to carry out a full evaluation of the current situation and last, but not least, it does not propose concrete actions nor a real strategy for the future. Nevertheless, the Communication gives an overview of the actions in the field.