

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(92) 230 final  
Brussels, 11 June 1992

## COMMUNICATION FROM THE COMMISSION

concerning the creation of a European combined transport  
network and its operating conditions  
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### Proposal for a COUNCIL DECISION

concerning the establishment of a combined transport network  
in the Community  
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### Proposal for a COUNCIL DIRECTIVE

amending Directive 75/130/EEC on the establishment  
of common rules for certain types of combined  
carriage of goods between Member States  
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## THIRD REPORT

on the granting of aids for combined transport  
under Regulation (EEC) No 1107/70, as last  
amended by Regulation (EEC) No 1100/89  
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### Proposal for a COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 1107/70 on the granting of  
aids for transport by rail, road and inland waterway  
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(presented by the Commission)

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The challenge posed for the European transport system by the successful completion of the Single Market is clear. A good indicator of the growth of Community industries and the increase in welfare of Community citizens is the increasing demand for transport. Considerable efforts now need to be made by all parties concerned to ensure that transport plays its proper role in ensuring the unfettered progress of the Community and the satisfaction of the objectives established by the Maastricht Council. The new objectives set out in the modifications to the Treaty aim to meet the changed situation of the post 1992 Community. Of particular importance in the context of this Communication is the recognition of the importance of Trans-European networks which take into account the needs of the whole Community and allow for inter-operability and interconnection. This Communication sets out the specific role that the Commission believes should be given multi-modal transport in contributing to an effective Common transport policy post 1992.

The origin of the Communication is found in the Council Resolution of 30 October 1990. However, the latest estimates show that road transport now has the lion's share of the Community freight market. The Commission considers that this situation calls for the scope of its proposals to be broadened. Moreover, the Communication to the Council<sup>1</sup> of 14 October 1991 referring to a Community Strategy to limit CO<sub>2</sub> emissions and to improve energy efficiency, calls for transport policy measures aimed at a shift from road to rail and more specifically at combined transport. For these reasons it has been decided to use this opportunity to put forward proposals in a global multi-modal context that embrace the traditional concept of rail/road and also include the inland waterways and maritime modes.

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<sup>1</sup> SEC(91) 1744 final, 14.10.1991.

The analysis of the situation that is presented and the proposals attached draw heavily upon the work of a High Level Group of experts that have assisted the Commission. Although the Commission assumes responsibility for this Communication many of its ideas originated in the High Level Group whose overall contribution should not be underestimated: a full presentation of the work of the High Level Group is being made available to the Council and other interested parties in the form of a Commission working paper<sup>1</sup>. The Commission hopes that this Communication will establish the vital importance of a multi-modal approach for the success of the Common Transport policy: to that end an initial series of proposals are attached.

The objectives that the Communication seeks to establish are:

- to set in place the framework for a rail/road based combined transport system that will provide a wide coverage of the Community and divert a substantial tonnage from the Community's congested road network;
  
- to associate with this rail/road based system an inter-modal approach embracing waterways and maritime services that provide additional and complementary facilities and in the case of certain maritime links, notably to Greece, Ireland and the Iberian Peninsula, ensure that islands and other remote regions of the Community are adequately served.

This system should be designed to allow the passage of standardized European loading units (container, swap bodies etc.). The rail network proposed is in general harmony with the European network outlined in the UN/ECE agreement - the AGTC.

These objectives are set out in some detail in the Communication. Throughout the presentation emphasis is laid on the fact that the proposals are both making a major contribution to meeting the new objectives of the Community in relation to cohesion and the improvement of environmental standards and are cost effective. The Communication presents an integrated set of actions although they should also be seen in the context of the recent Green Paper on Transport and the Environment<sup>2</sup> and in the wider

1 SEC(91) 1086.

2 COM(92) 46.

framework of the forthcoming "White Paper" setting out a new orientation for the common transport policy as a whole. This new orientation is likely to place increased emphasis upon the possibilities that would be opened up by the encouragement of an inter-modal approach.

The following nine sections set out the analysis and conclusions that are reached. In the Annexes will be found a list of the rail projects identified as necessary to complete the network as well as three legislative proposals concerning the development of the system. The extent and coverage of the rail and inland waterway networks are given in maps presented in Annex 5.

## 2. THE POST 1992 SCENARIO

A characteristic of a growing economy is that the demand for transport grows at an even faster rate<sup>1</sup>. Although forecasts for transport are notoriously difficult to prepare the various studies undertaken by the Commission and other bodies point clearly to a central range of forecasts for the future growth of freight transport in the Community ranging between 30 and 40% by the end of the decade; certain estimates go well beyond these figures. This is due in part to the fact that growth leads to changes in industrial production and to the ability on the part of consumers to purchase a more varied and wider range of goods and services. This trend has been much strengthened in recent years by the fact that the Common Transport policy has had, after many years in the doldrums, an increasing success in removing barriers to efficient transport operations.

In road transport the removal of licences and other quota barriers will by 1993 allow the free movement of vehicles throughout the Community. By the same date the Council will also have reached agreement on the introduction of cabotage. These and many other measures imply that the price of road transport, the dominant mode of transport for intra-Community trade, has decreased and will continue to drop.

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<sup>1</sup> In the period 1985-1989 freight transport in the Community grew at an average of 4.8% p.a. whilst economic growth averaged 3.1% p.a.

Against the background of constant growth in demand it is clear that investment in the transport system has over a number of years failed to keep pace. The Commission has set out a number of proposals designed to widen the pool of resources open for transport, notably through granting financial aid to transport infrastructure projects. There are also other possibilities such as the declaration of European interest of a project and the concentration of financial instruments in its favour, that should also be considered. However, the efforts made to date have not brought about the full development of combined transport and do not allow for a multimodal approach, e.g. in the maritime sector. Moreover, it is evident that on its own a considerable increase in the rate of construction of new infrastructure facilities, even if it were possible, would not be an adequate solution to the transport problem overall. In order to reduce pollution and specially the emission of "greenhouse" gases, created particularly by road transport, and to reduce the need for capital investment much better use must be made of existing systems and in particular those that are environmentally friendly.

This is the scenario in which the inter-modal approach finds its true place. The essential objective of such an approach is to facilitate the development of transport chains that are built upon the best features of individual modes of transport. The Council and the Parliament have on numerous occasions indicated the importance attached to encouraging combined road/rail transport. The recent Council Directive 91/440/EEC<sup>1</sup> on railway policy particularly identified the importance of combined transport and provided for the establishment of new operators to service the international market with access to national infrastructure. However, this is the first occasion that attention has been concentrated upon the concept of an integrated system that attempts to ensure that the advantages of all modes are considered within the framework of a common approach.

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1 OJ No L 234, 24.8.91, p. 25.

3. THE CHALLENGE FOR THE COMMON TRANSPORT POLICY

The global approach to multimodal transport that is proposed in this Communication represents a major step towards the creation of a competitive and efficient freight transport sector in the Community. The Commission has no intention to "put the clock back" and reintroduce a policy for the direction of transport by quotas or other forms of regulation. Rather the aim is to give users the free choice between a wider range of options whilst ensuring that the total cost of operations, including so-called external costs, are reflected in the overall balance sheet. This implies that the Commission will continue to pursue actively a policy designed to ensure that the costs borne directly by each mode reflect the true costs it occasions for society. However, this objective will take some time to achieve and in the meantime in order to encourage the development of integrated systems some degree of public support, both financial and in other fields, should be provided whilst respecting the provisions of the Treaty on this matter.

4. THE OPTIONS FOR THE FUTURE

An efficient transport policy is essential for the success of the Community as a whole. The "logistic" element of production costs storage, processing and transport can be as high as 30% and of this transport represents an important element. In the case of peripheral regions the transport cost element in moving goods to central areas is naturally higher than in central regions. As inter-modal systems can offer lower costs over long distances they can play an important role in reducing the disadvantages which such regions suffer. The peripheral areas also lag behind central areas in terms of facilities and infrastructure. These entail heavy, long-term investment to bring them into line with those in the central areas. In the case of central regions of the Community the major problem concerns congestion and its indirect consequences upon the environment: here a transfer to less congested and more environmentally friendly modes can be important. In this situation an important factor that is likely to influence the development of Combined Transport will be the target set for the limit of a CO<sub>2</sub> and other "greenhouse" gases in order to stabilize these emissions in the year 2000 at 1990 levels. It is therefore possible

to see that a policy designed to stimulate inter-modal systems can be effective in meeting some of the central objectives of the Community. However, following the principle of subsidiarity , the question has to be posed as to whether Community action is necessary and justified?

The Commission considers that the reply to that question has to be an emphatic "Yes". Although it can be argued that intervention in the freight sector should be avoided and that free market principles will alone produce the desired results the Commission considers that important distortions have arisen in the market that cannot be easily or quickly remedied. For the road system, infrastructure investment decisions are the exclusive responsibility of the public authorities whereas the national railways are autonomous bodies planning and financing their own facilities. A further point is that there is good evidence to suggest that social or external costs of transport are generally important but their level varies considerably between modes of transport. For road and rail transport, this question has been addressed by consultants who reported that the external costs vary as shown in the table below:

TABLE 1

External costs in ECU (1985) per 1000 tkm  
(Freight Transport)

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	<u>Minimum</u>	<u>Maximum</u>
Motorways	2.91	4.23
National roads	7.97	10.10
Urban areas	9.53	12.03
Rail transport	0.46	0.50

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Source: Evaluation des coûts externes créés par les transports routiers et ferroviaires de marchandises (Mme Tefra - Octobre 1991)



In addition to the failure to adequately reflect the level of external costs, the current market situation in the field of road transport, which in practice dominates the whole inland-freight market, does not always appear to reflect the real long-term costs of the services provided. In practice on many markets the real rate of profitability appears to be below that necessary for long term viability; this is the result of the very rapid changes that the sector has been experiencing and the comparatively low-entry barriers that exist. Many haulage firms, particularly the very small, appear to survive on the basis of undervaluing the inputs of their owners and sometimes even failing to observe the various regulations on driving hours, speed limits etc. that are in force. In this market situation the economics of railway combined transport services are inevitably affected and are incapable of supporting a major investment programme covering the whole Community. If inter-modal services are to develop on a large scale it will therefore be necessary either:

- to re-adopt a "dirigistic" approach to freight transport and to direct certain types of traffic to rail, waterways or maritime;  
or
- to intervene in favour of inter-modal systems with the minimum of short-term assistance measures necessary to ensure future success in a free market.

The Commission considers that the latter possibility is the only sensible course to adopt and is convinced that the potential savings in social costs justify the level of assistance that will be called for. The approach that is recommended is to allow for financial support to be provided both from Community and national sources with a clearly defined but temporarily limited programme: more details are given in section 7.

This policy must also be developed in coherence with the principle of subsidiarity. When applied to the trans-European transport networks there are many aspects of this principle to be considered in the light of the extent of Community action.

The principal objectives of these networks are to ensure the efficiency of the internal market on an improved mobility for people and for goods and to reinforce economic and social cohesion.

In order to achieve these objectives Community action is needed:

- to see the global needs for the development of transport networks for the Community as a whole and furthermore in a multimodal perspective which ensures taking account of the capacities and of the problems inherent to each mode (realization of approved plans);
- the conditions of interconnection (to complete the missing links) and interoperability (to ensure notably the technical harmonization) of existing national networks in order to ensure their total efficiency at Community level;
- the development, in line with existing networks, the lack of which tends to insulate or to stop the development of a part of the Community territory (participation in the internal market);
- these measures must be realized at Community level, but Member States have to determine the details, the time for launching and the speed of producing the infrastructure required to develop the defined network. In fact, the indicative nature of the approved plans at Community level allows Member States the freedom to do so or not, their actions must follow the orientation they have accepted at Community level;
- the measure for encouraging Member States at the disposal of the Community must be able to contribute to reducing some constraints on a national level and to convince a Member State, if necessary, to carry out a project which lines in its field of competence, but which is in the general interest. It is with these objectives, in particular, that Community financing will support measures for promotion or incitation.

5. THE POTENTIAL FOR COMBINED RAIL/ROAD TRANSPORT

The traffic currently passing by combined road/rail systems has increased rapidly in the last five years but the total flow is still small (less than 4% of the total international road flows). The potential for combined transport has been assessed on the basis of establishing the total existing road traffic on the major routes in the Community. In examining the overall potential diversion from road it has to be recalled that the average distance transported for around 90% of the goods in the Community is under 200 kms. With the inevitable increase in costs of combined systems, due to the costs of transfers between modes, it is generally held that a distance of at least 600 kms is necessary to justify a combined system. However, the more efficient the combined operation is and the higher the costs of road movement the more attractive combined services become and the distance needed for combined transport is reduced. The work undertaken into a combined rail/road system indicates that it should be possible to double the existing traffic within five years and to triple the traffic in ten. To this estimate has to be added the potential to further transfer traffic to the waterways and maritime systems operating in conjunction with the railways or as principal carriers in their own right.

However, even a potential tripling of combined rail/road transport in ten years may appear to be a modest target and further efforts should be made to increase this figure in the light of forecast economic growth. In assessing this figure, it is interesting to note that many of the most successful combined transport routes identified in studies are wholly or partly paralleling stretches of the motorway system that are already overcrowded or are forecast to become so. A typical example is Marseille-Paris-Lille motorway which is very heavily used for both domestic and international business. The success of combined transport in abstracting a considerable number of vehicles from corridors such as this will materially contribute to the success of providing the Community with a road system adequate for the needs of all users. On such routes the nature of the traffic is such, long distance and heavy volumes, that a realistic objective for combined transport is to abstract up to a third of the long-distance flow.

6. THE INTER-MODAL CONCEPT - A LOGISTIC APPROACH TO TRANSPORT

The application of the inter-modal concept too will inevitably involve a re-think of the current planning process. In essence planning is currently modal in its nature and insufficient attention is given to a strategic analysis of the transport system as a whole. The development of trans-European networks presents the possibility of a re-think of this approach. A multimodal approach should start from an analysis of the characteristics of each mode and the difficulties that are currently experienced in realizing its potential. The possibility of greater vertical integration in combined transport, giving a higher quality of service, is already in prospect through the application of Directive 91/440/EEC which allows for the development of operators providing all stages of the service. The work already undertaken here in the framework of the High Level Group by the Commission has essentially concentrated upon the rail/road system and it is evident that further work needs to be undertaken on the maritime and inland waterway sectors. The Commission will shortly be presenting a communication on sea transport. In the rail/road context it is apparent that the road mode is:

- flexible.
- high quality
- easy to manage and operate.

Whereas the rail mode is:

- environmentally friendly,
- efficient for long distances,
- a better work situation,
- economic in the use of energy.

The rail system has virtually the opposite characteristics to the road, hence the interest of the combination of the two. One of the major factors in the past that has held up the development of the system can be attributed to the cost structure of the system; this is characterized by a very substantial portion of the costs being involved in the terminal transfers and the "before" and "after" trucking, e.g. on a typical 600-700 km trip by combined transport it is estimated that over 40% of the costs

are generated by the road trips and terminal operations. That this has occurred is partly due to the fact of the regulatory framework that has been in force. The Community has, from 1 January 1992, removed these regulatory obstacles but the problem of better organizing terminal operations remains a key issue for an integrated system. The application of logistic principles to goods movement has pointed out clearly the danger of optimizing individual operations without regard for the whole system; economies in one operation might lead to difficulties in another area and an overall increase in costs.

It is apparent that a similar process applied to freight movement as a whole will be capable of producing a more efficient transport system by bringing together the best parts of individual operations. However, this objective will only be achieved if there exists a legal and administrative structure which takes account of the total system benefits rather than the optimization of each mode. In concrete terms this means that the Community and the Member States have to recognize the value of integrated planning together with the development of instruments to ensure that the market produces the results that are desired.

#### 7. THE PROPOSALS

The proposals that are attached to this Communication concern essentially the rail, road and inland-waterway system. For maritime transport, after its inclusion in the framework, further work is necessary to undertake a comprehensive analysis of the situation and develop proposals. The current proposals cover the following:

- first, the establishment of a comprehensive system of combined rail, road, and inland-waterway services. This involves the definition of a network of routes and the measures need to provide services on those routes;
- second, the extension of the existing Community regulation allowing public incentives to investments in combined transport services;
- third, the extension of the definition currently used for combined transport to include maritime services. This being an essential first step towards a full inter-modal system.

A. THE COMMUNITY COMBINED RAIL/ROAD TRANSPORT SYSTEM

In attempting to devise a Community system the Commission has concentrated upon meeting three principal objectives:

- first, to widen the choice open to transport users whilst repeating the principle of free competition;
- second, to provide a wide coverage throughout the Community;
- third, to respect the need to ensure an adequate socio-economic rate of return from the investments.

Working on the basis of inputs from the community of European railways, consultants and with the assistance of the Member States the Commission has drawn up an outline of a network (Map 1) that it considers meets these objectives. The starting point for the development of the system was the identification of traffic flows by road that due to their volume or the distances that were involved appeared to offer the scope for efficient inter-modal operations. It was evident from the analysis that the direct commercial case for many of the routes was strong particularly when trans-Alpine traffic was concerned, but that these routes would not form a comprehensive network.

If the network as shown in Map 1 is to be created work will be necessary to enlarge the overhead line clearance on a number of routes. In addition, equipment will need to be provided particularly locomotives, wagons and in terminals. The community of European railways has provided estimates of the works needed on enlarging the loading gauge and in terminals. For the former the estimate for projects within the Community amount to approximately ECU 1.36 billion and the terminals ECU 330 million (1991 prices). These figures represent what has been assessed to be the international portion of the investment i.e. that part of the total that is needed exclusively for national traffic has been deducted. Investment in wagons, containers and locomotives could be provided by the operators with the exception noted below. In general, the nature of the works is such as to allow their completion within a three/four-year period. (A list of the works is shown as Annex 1). However, in the case of the projects involved

in the lines serving southern Italy and the Iberian peninsula the works are more extensive and the best medium-term solution may well be to use a fleet of specially adapted wagons to ensure that these regions are included in the network at the same date as the rest of the Community. The question of the different track gauge in the Iberian peninsula and the very restricted loading gauge in the UK will require further analysis and the use of special wagons clearly will be necessary for at least the medium-term future. Also in the case of Ireland and Greece and possibly other islands, there will be a need to make special provision for the inclusion of maritime infrastructure facilities into the transport chain. The optimum method to handle the inter-connection between maritime and rail transport should be the subject of further analysis. Investment in fixed equipment to serve the Member States not covered by the infrastructure programme in the first phase, because of the time scale or of the cost involved, may benefit from national or Community support. In view of the additional costs of special railway rolling stock for those Member States where standard stock cannot operate in the short/medium term, assistance, which could take the form of reduced interest rate loans, should be extended specifically for wagons used to provide the links to the main Community network. However, any such programme must be clearly seen as exceptional and limited in time in order not to put in jeopardy the principle of free competition between modes or between the operators in respect of the rules of the Treaty. In the future as combined transport services attract more traffic it will also be necessary to investigate ways to further increase rail capacity possibly by bringing into the network routes not currently used, for instance between Spain and Portugal or between Antwerp and the Ruhr.

To complete the basic network it therefore appears that the total investment required is of the order of ECU 2 billion. This figure would allow for a doubling of the existing traffic. However, if traffic is to be further increased it is likely that other works will be necessary to increase line capacity. Certain works have already been identified but it is difficult to make a comprehensive estimate until the final shape of the High Speed Train network has been fixed. As the construction on new sections of the High Speed Train system will release capacity on the existing network this will reduce the need for investment on the existing

system to create new capacity for combined transport. However, this issue can be further examined in connection with the evaluation of options concerning the High Speed Train system and it is in fact a further argument for such a system.

A draft Council Decision is attached to this Communication that proposes that the network shown in Map 1 be adopted as the outline for a Community network to be completed by the year 2005. The works would be undertaken in two phases, with the first phase involving the completion of works needed to open the majority of the network and the other routes being served by specially adapted wagons that can operate within the constraints imposed by the existing system: this first phase should be completed within five years from Council agreement. The second phase would involve the completion of the remaining works on the loading gauge to a minimum of that necessary to carry the maximum size containers and "swap bodies" standardized at the European level. This network, which falls within the newly created category of a "Trans-European Network", would be constructed by a joint effort between the railways, as the infrastructure operators in the sense of Directive 91/440/EEC, the Member States (as specifically allowed for by that Directive), and the Community in the framework of its transport infrastructure support and the new Cohesion Fund. In the case of the provision of Community support for equipment, with special reference to the wagons necessary on certain routes, means should be found to provide Community support that respect the objective of stimulating free competition.

In keeping with the theme of inter-modal transport the draft Decision also requests the Council to adopt the network of inland waterways that is shown on Map 2. This network has been prepared on the basis of an economic and technical analysis of the capacity of the existing waterways to offer an effective service for containers and swap bodies. At present the network is not extensive but possibilities exist to invest and expand the size. If the Council accepts that such a network will contribute to the creation of better facilities overall for the transport of freight projects to improve its capacity could also benefit from the provision of Community support. Projects to improve this network will be submitted to the Council in the framework of a forthcoming Communication regarding the overall development of the inland waterways.



B. OTHER INCENTIVES FOR THE DEVELOPMENT OF COMBINED TRANSPORT

Council Regulation (EEC) No 1107/70<sup>1</sup> provides the basis for public assistance to be granted to combined transport. This Regulation expires at the end of 1992 but will for two reasons need to be renewed in a modified form:

- first, to allow for the support of combined transport on trans-Alpine routes as decided by the Council in the transit agreements with Austria and Switzerland;
- second, to provide the basis for support for the Community network in general, including equipment.

The draft modification to the Regulation that is attached provides for its time limit to be extended to the date of completion of the first step of the Community network 1995 and the widening of its scope to allow for the provision of support for the provision of special equipment such as wagons.

C. WIDENING THE SCOPE OF THE DEFINITION OF COMBINED TRANSPORT TO COVER INTER-MODAL MOVEMENTS

As has been noted above the basic Community legal text covering combined transport (Directive 75/130/EEC) defines a combined movement in such a way that a movement involving a maritime element are excluded. Clearly, if multimodal movements are to be favoured they should not in future be subject to restrictions that detract from the objective of abstracting traffic from the road system. With this objective in mind it is proposed that Regulation (EEC) No 75/130 is reformulated in such a way as to widen the scope of combined transport to trips which a part of the journey is made by sea. However, at least initially it is proposed that the possibility to classify a movement as "combined transport" be subject to the limitation that the road section of a trip does not exceed 150 kms. This is in line with the treatment of combined inland waterways/road trips. Actually, some articles of the Directive refer to the crossing of borders. In the framework of the future internal market, the Commission will

<sup>1</sup> Regulation (EEC) No 1107/70 on the granting of aids for transport by rail, road and inland waterway; OJ No L 130, 15.6.1970, as last amended by Regulation (EEC) No 1100/89.

introduce before the end of 1992, a new proposal amending Directive 75/130/EEC to take into account all aspects of opening the borders and free movements.

8. INTEROPERABILITY: TECHNICAL AND OPERATIONAL MATTERS

If the combined transport system is to operate efficiently it is essential to ensure the interconnection and interoperability of the national networks: one of the important elements here is to provide for technical compatibility. Following an analysis of the entire system it is clear that there is a lack of coherence between the Regulations, the technical specifications and the standards relating to combined transport. In this light the Commission intends to proceed with the analysis of possible scenarios or the improvement of the actual situation and to propose a series of techno-economic studies leading to an action programme to develop Community technical standards. In parallel the Community, through projects in its telematics programme, is investigating the improvements that can be brought to the operations of combined transport by the use of advanced telecommunications and informatics technologies.

The flexibility and logistic efficiency of combined transport depend not only on the availability of fixed infrastructure, but also on the existence of advanced communications systems for the transmission and processing of information at all links in the transport system. This in turn is likely to require investment and management resources to ensure the compatibility not only of communications and IT hardware, but of software and management systems. The need to encourage private and public investment in logistics systems was referred to in the Commission's Communication "Towards a Single Market in Distribution" (COM(91) 41 dated 11 March 1991), and in August 1991 the Commission launched an initiative (Commerce 2000) in support of private sector investment in advanced information and logistics systems in the wholesale and retail trades. This initiative is of an experimental character, and expenditure, financed from the budget for the support of small and medium-sized enterprises, is at present limited to ECU 1.7 million. Work is now in hand on the further development of this initiative, and the Commission is giving thought to the "Commerce 2000" initiative. The proposal for a Council Decision has accordingly been drafted in such a way as not to limit investment strictly to the physical infrastructure, but to leave open the possibility of expenditure on communications systems, on software development, including the setting of standards for compatibility, and management training.

9. PILOT ACTIONS FOR COMBINED TRANSPORT (PACT)

If the quality of service offered by combined transport is to be improved all the various parties involved have to be encouraged to work together with the maximum of efficiency. The pilot actions for combined transport have as a goal to improve in a permanent way the quality of service by putting together all participants to the chain of combined transport. They are neither infrastructure investment programme nor research and development measures. The idea behind the pilot projects is therefore to devise operations which serve as a sort of test bed for new ideas and organizational methods. The aim for each of the operators involved would be to ensure that they provide the best and most cost-effective service possible. The role of the public authorities in these operations would be limited to initial assistance with the development of the project and support for a strictly limited period during its operation. If the project is successful it will be taken over on a commercial basis by the parties involved. The value to the public bodies would be the opportunity to generalize upon the results of the projects over the whole network and to test ideas for further development. The possible scope for pilot actions and indications of routes for detailed examinations are shown on Map 3.

The objectives for a demonstration project concern once again creating a test bed but this would be directed explicitly towards the possibility to examine in the light of practical experience the value of new equipment e.g. bi-modal vehicles. It might be possible to combine the objectives of pilot and demonstration projects but essentially the role of the Community and public bodies will be determined by a careful assessment, assisted by experts from the Member States, of the possibility of projects to offer general guidance for the development of the system. In the event that the Commission can identify projects these will be incorporated into a programme and submitted to the Council for approval.

10. OTHER POINTS

Links to Central and Eastern Europe

The success of a combined transport system in the Community opens up the possibility of extending combined operations to other countries. Such extensions offer two possible advantages:

- first, the provision of more traffic inside the Community;
- second, the rapid development of efficient and cost-effective services to neighbouring countries where facilities are currently poor.

A first series of discussion with non-member countries has taken place and it is already clear that combined transport has considerable potential. The Commission intends to continue work on this question and one possibility is to examine whether a pilot project to test the strength of the market and investigate the problems might be worth considering. Another issue would be to explore to what extent there is an interest to conclude an agreement with non-Member States concerning the conditions for combined transport rather similar to what was envisaged a few years ago to the EFTA countries but which has subsequently been superseded by the EEA Agreement.

Research and Technological Development

To ensure the success of combined transport progress in its technology will be essential. In the EC Framework Programme, particularly in the specific programme EURET, the Community has the means to sponsor projects that will enable the efficiency of the system to be developed in order to better complement with other modes of transport. Among the areas that should be considered are such matters as better information technology and research into transport technology in general, environmental research related to transport as well as information, demonstration projects and technical standards in the field.

Resources and efforts are also devoted to research and development in other Community programmes than EURET (in particular telematics and BRITE-EURAM) also applying to combined transport.

LIST OF INVESTMENT PROJECTS NECESSARY TO COMPLETE THE  
FIRST PHASE OF THE COMMUNITY RAIL/ROAD NETWORK

<u>INFRASTRUCTURE</u>	<u>TOTAL COST</u> million ecu	<u>INT. SHARE</u>
1. FRANKFURT-WURZBURG	8.5	4.3
2. BRUSSELS-LUXEMBOURG ANTWERPEN-AACHEN	10.3	8.2
3. PORT BOU-BARCELONA/VALENCIA MADRID	3.04	3.
4. MADRID-PORTUGAL	0.32	0.3
5. MADRID-ALMERIA/ALGECIRAS	0.5	0.5
6. MADRID-BURGOS	0.4	0.4
7. PORTUGAL-BURGOS	0.18	0.18
8. BURGOS-IRUN-HENDAYE BORDEAUX	277.3	276.3
9. LE HAVRE-PARIS	32.5	13
10. DIJON-MODANE	21.4	8.6
11. PARIS-STRASBOURG	16.10	6.4
12. KEHL-DIJON	12	4.8
13. NANCY-LYON-AVIGNON MARSEILLE-VENTIMILLE	9.26	3.7
14. PARIS-BORDEAUX-NARBONNE PORT BOU	6.6	2.6
15. AVIGNON-NARBONNE	0.4	0.2
16. PARIS-DIJON	4.7	1.9
17. AULNOYE-METZ	2.10	0.8
18. TARVISIO-UDINE-BOLOGNE	69.4	58.1
19. BRENNER ROUTE-BOLOGNE	456.6	406.8
20. UDINE-TRIESTE	20.0	18
21. BOLOGNE-ROME-NAPLES	277.3	102.1
22. ISELLE-TURIN	80.0	80
23. MILAN-BOLOGNE	188.7	94.3
24. MODANE-TURIN-MILAN	77.4	59.1
25. CHIASSO-MILAN	6.7	6.7
26. VENTIMILLE-GENES	40.0	40
27. VERONA-TRIESTE	31.30	15.7
28. LA SPEZIA-FIDENZA	20.7	4.1
29. LIVOURNE-FLORENCE	13.3	2.7
30. BOLOGNE-BRINDISI	161.0	53.7
Total investment costs	1 848.9	1 276.5

The above cost figures refer to 1989.

The total cost has been recalculated to 1991 prices using an inflator based on the construction cost index. It should be noted that the inflator is applied only to total costs and that variations are likely between Member States: for this reason the total is only indicative.

Total cost : ECU 1 970 million  
International share: ECU 1 360 million

Proposal for a  
COUNCIL DECISION

concerning the establishment of a combined transport  
network in the Community

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Article 75 and Article 84(2) thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Having regard to the opinion of the Parliament<sup>2</sup>,

Having regard to the opinion of the Economic and Social Committee<sup>3</sup>,

Whereas the development of a combined transport system in the Community  
would materially contribute to the success of the Single Market and the  
improved accessibility of peripheral regions;

Whereas it is necessary, to establish the Community combined transport  
network, to promote the interconnection and interoperability of national  
networks;

Whereas the greater use of combined transport would serve to reduce  
environmental pollution in general and the global warming created by the  
greenhouse gases and conserve the use of scarce energy resources;

Whereas a stabilization in the year 2000 at 1990 levels of the emission of  
CO<sub>2</sub> and other greenhouse gases is needed and will require a transport  
system with the lowest possible emissions;

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1 OJ No  
2 OJ No  
3 OJ No

Whereas the development of combined transport should be set in the wider context of the development of multi-modal transport that takes account of the possibilities offered by inland waterways and sea transport;

Whereas the guide plans of the transport infrastructure networks are of an indicative nature and may be changed, and aim at achieving a multi-modal transport system;

Whereas the economic situation of the combined transport sector is such as to justify a Community programme to ensure the establishment of a comprehensive network;

Whereas a network of rail and inland waterway routes adopted as the Community network should be brought into service by the year 2005 and should be designed to permit the passage of standard loading units authorized for the Community;

Whereas the creation of Community networks will require a series of works to be undertaken to ensure their rapid introduction and full market operation;

Whereas some of these works are particularly urgent and therefore require the launching as soon as possible of the first stage of the network, whilst continuing the work on the following phases;

Whereas the railway system in certain Member States cannot quickly accept standard rail wagons and financial assistance should be provided to ensure that appropriate rail wagons are provided to serve these States,

HAS ADOPTED THIS DECISION:

Article 1

1. The Community combined transport network shall consist of rail and inland waterway routes, together with their initial and final road haulage legs, of major importance in terms of long-distance freight transport and which provide connections to all Member States. The network shall consist of the railway routes that are shown in Map 1, and of the waterways shown in Map 2 annexed to this Decision. For certain regions of the Community, notably Greece, Ireland and the United Kingdom, facilities to provide the transfer between rail, road and sea transport shall be considered to be part of the network.
2. The projects listed under Article 2(1), and the inland waterway projects included in Article 2 of the Council Decision ..... of ..... [concerning the development of a European network of inland waterways]<sup>4</sup> should be given priority attention and shall be completed by the end of 1997 as far as possible.
3. The projects listed under Article 2(2) shall be completed by the end of 2005 as far as possible.

Article 2

1. Priority attention should be given to the completion of projects on the following railways axes designed to provide sufficient clearance for the range of containers and swap bodies compatible with Council Directive 85/3/EEC<sup>5</sup>:
  1. FRANKFURT-WURZBURG
  2. BRUSSELS-LUXEMBOURG  
ANTWERP-AACHEN
  3. PORT BOU-BARCELONA/VALENCIA
  4. MADRID-ALMERIA/ALGECIRAS
  5. LE HAVRE-PARIS

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4 OJ No

5 OJ No L 2, 3.1.1985, p. 14.



6. DIJON-MODANE
7. PARIS-STRASBOURG
8. KEHL-DIJON
9. NANCY-AVIGNON  
MARSEILLE-GENOVA
10. AVIGNON-NARBONNE
11. PARIS-DIJON
12. AULNOYE-METZ
13. TARVISIO-UDINE-BOLOGNA
14. BRENNER-AXIS-BOLOGNA
15. UDINE-TRIESTE
16. ISELLE-TURIN/MILAN-BOLOGNA
17. MODANE-TURIN-MILAN
18. CHIASSO-MILAN
19. VERONA-TRIESTE
20. LA SPEZIA-FIDENZA
21. LIVORNO-FIRENZE

2. In order to complete the network by the year 2005 at the latest further works need to be evaluated and projects undertaken on the following routes (shown on Map 3 annexed hereto):

1. LISBON-MADRID  
LISBON-BURGOS
2. MADRID-IRUN-FRANCE
3. BOLOGNA-BARI/BRINDISI-GREECE  
IGOUMENITSA-PATRAS-ATHENS-VOLOS-THESSALONIKI-NORTHERN BORDER  
IGOUMENITSA-VOLOS  
IGOUMENITSA-THESSALONIKI
4. BOLOGNA-NAPLES
5. ANTWERP-RUHR

Article 3

In addition to the projects referred to in Article 2(1) priority should also be given to the provision of fixed equipment including terminal installations and to appropriate railway rolling stock that will be needed to ensure the rapid development of combined transport links serving Greece, Ireland, Portugal, Spain and the United Kingdom.

Article 4

The guide plan for the network is of an indicative nature to promote measures by the Member States and, as appropriate, by the Community with the aim of realizing projects that are part of the network. This Decision does not involve any financial obligation from a Member State or from the Community.

Article 5

The Commission shall make a report to the Council every two years on the progress in completing the network. This report should in particular indicate the results of the analyses done by the Commission on including further links in the network.

Article 6

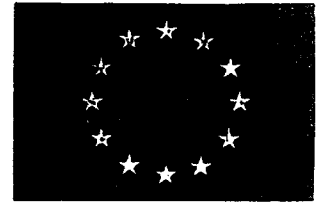
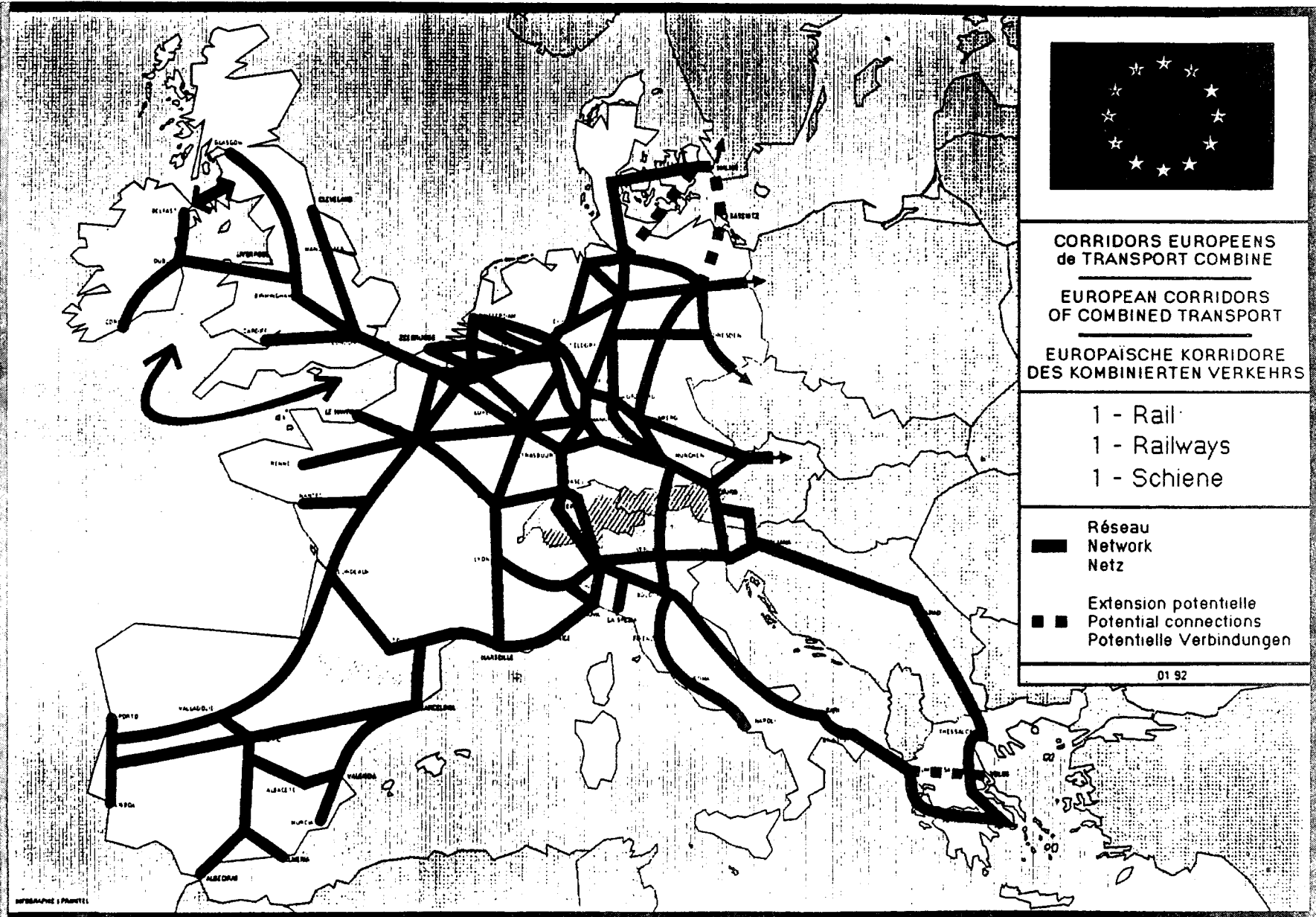
The Decision is addressed to the Member States.

Done at Brussels,

For the Council

The President

RESEAU EUROPEEN DE TRANSPORT COMBINE - EUROPEAN NETWORK OF COMBINED TRANSPORT - EUROPÄISCHES NETZ DES KOMBINIERTEN VERKEHRS



CORRIDORS EUROPEENS  
de TRANSPORT COMBINE

EUROPEAN CORRIDORS  
OF COMBINED TRANSPORT

EUROPÄISCHE KORRIDORE  
DES KOMBINIERTEN VERKEHRS

- 1 - Rail
- 1 - Railways
- 1 - Schiene

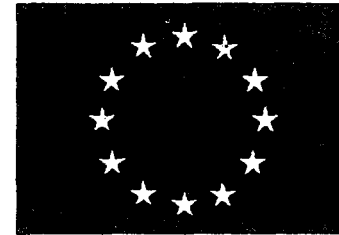
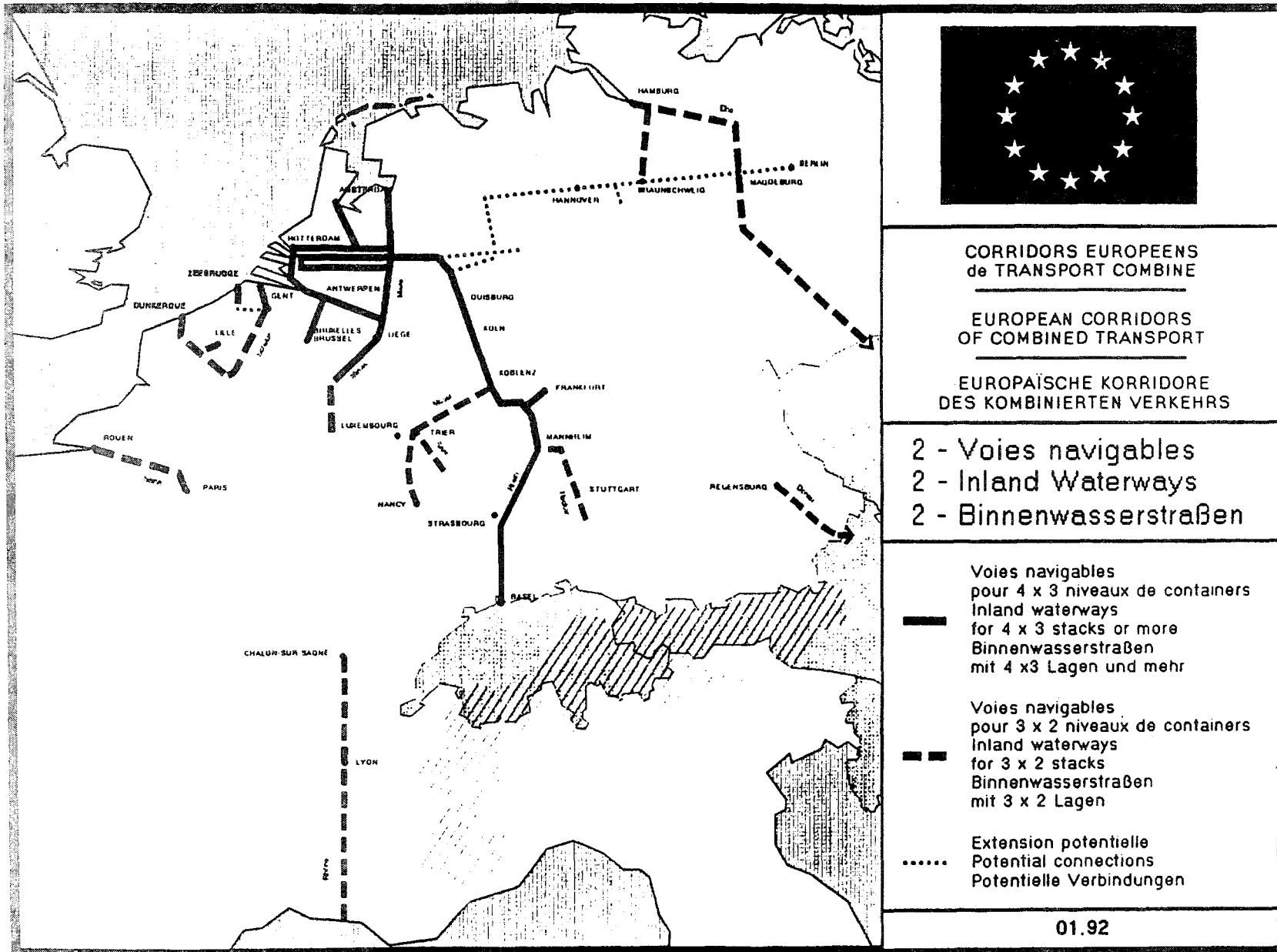
Réseau  
Network  
Netz

Extension potentielle  
Potential connections  
Potentielle Verbindungen

01 92

①

RESEAU EUROPEEN DE TRANSPORT COMBINE - EUROPEAN NETWORK OF COMBINED TRANSPORT - EUROPAISCHES NETZ DES KOMBINIERTEN VERKEHRS



CORRIDORS EUROPEENS  
de TRANSPORT COMBINE

EUROPEAN CORRIDORS  
OF COMBINED TRANSPORT

EUROPAISCHE KORRIDORE  
DES KOMBINIERTEN VERKEHRS

- 2 - Voies navigables
- 2 - Inland Waterways
- 2 - Binnenwasserstraßen

— Voies navigables  
pour 4 x 3 niveaux de containers  
Inland waterways  
for 4 x 3 stacks or more  
Binnenwasserstraßen  
mit 4 x 3 Lagen und mehr

— Voies navigables  
pour 3 x 2 niveaux de containers  
Inland waterways  
for 3 x 2 stacks  
Binnenwasserstraßen  
mit 3 x 2 Lagen

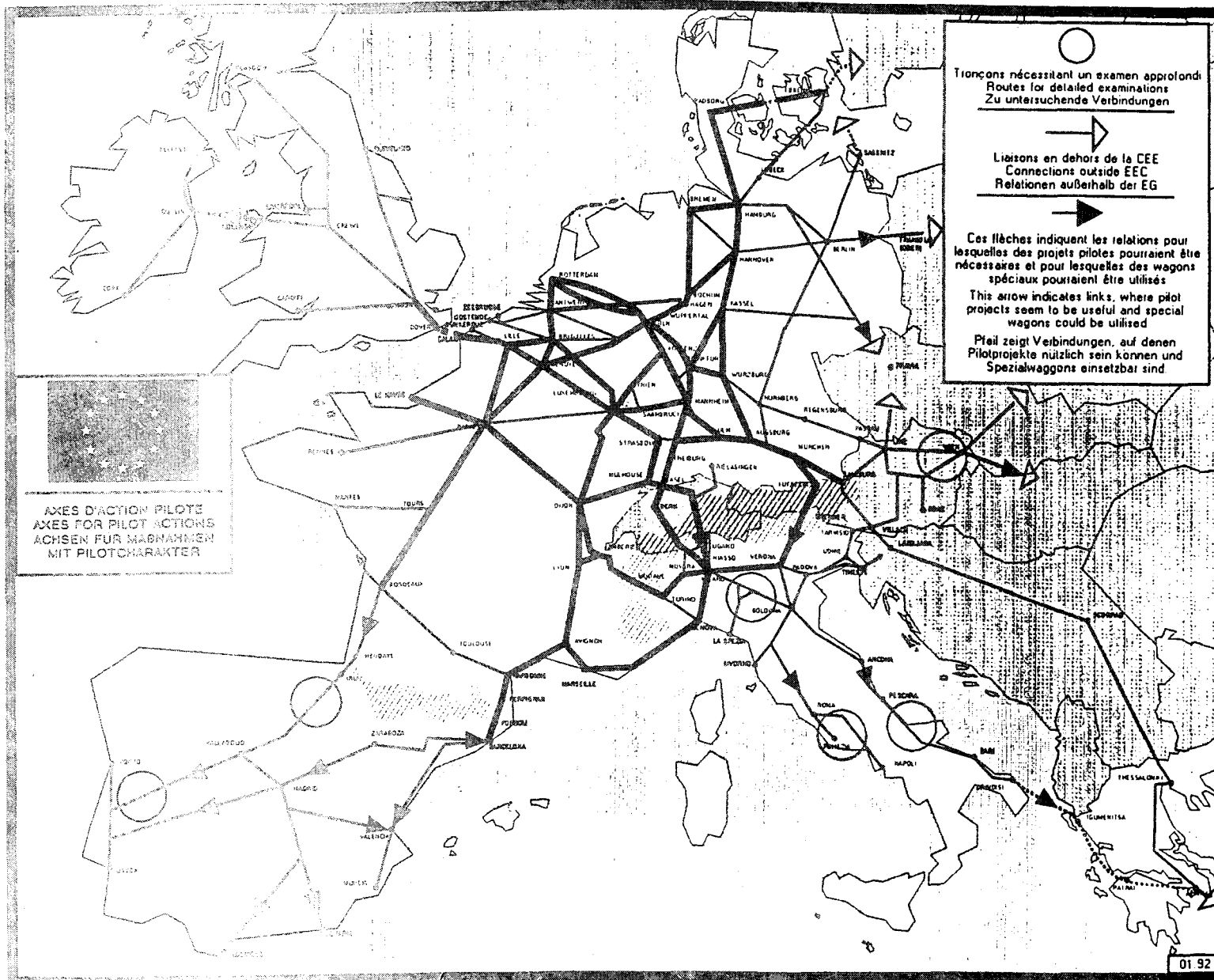
..... Extension potentielle  
Potential connections  
Potentielle Verbindungen

01.92

2

RESEAU EUROPEEN DE TRANSPORT COMBINE - EUROPEAN NETWORK OF COMBINED TRANSPORT - EUROPAISCHES NETZ DES KOMBINIERTEN VERKEHRS

3



EXPLANATORY MEMORANDUM

Overall aim

The proposal is designed to adapt Directive 75/130/EEC to reflect recent trends in the transport market. Combined transport, which started some twenty years ago, initially involved combined rail/road journeys for the most part but later took in inland waterways journeys too.

Owing to burgeoning demand and the internationalization of trade a sizeable portion of international traffic now includes operations of which one leg is by sea. It has therefore become necessary to widen the concept of combined transport in Community law to embrace sea journeys linked with another mode of transport.

The Commission's ultimate goal in this sector is to enhance the management of Community transport resources as advocated by the Council in its resolution of 30 October 1990 on the establishment of a European combined transport network. This entails among other things diverting traffic from increasingly saturated major roads to other transport modes or combinations of modes. To begin with at least, the same distance criterion (i.e. within a 150-km radius of the port) should apply to road haulage journeys linked with a sea journey as that applying to such journeys when linked to a journey by inland waterway.

Observations article by article

1. The new Article 1 is now given over entirely to definitions. The definition of combined transport includes all journeys part of which one leg is by sea. The article replaces the concept of "superstructure" with that of "swap body", the term most often used by the industry, and brings within the scope of combined transport those operations using chiefly rail to cross a natural obstacle where previously they were excluded.

2. The new Article 2 lays down the conditions applying to the road haulage leg of a combined transport operation so that the provisions of this Directive apply. These conditions remain as before but are extended to cover combined transport operations that include a sea journey.

3. The new Article 3 is the same as the old Article 2.

4. The new Article 4 is the same as the old Article 3 except that it includes sea journeys.

5. The new Article 5 adds sea journeys to the old Article 4 and extends the provisions (proof that a reservation has been made on a mode of transport other than road transport) to all facilities used in combined transport.

6. The new Article 6 is the same as the old Article 5.

7. The new Article 7 is the same as the old Article 6.

8. The old Article 7(1) becomes the new Article 8(1). The new Article 8(2) corresponds to the old Article 7(2) with two changes: "superstructure" is replaced by "swap body", and the kind of recommendations that the report required by this Directive may contain are spelled out.

9. The new Article 9 is the same as the old Article 8 but for the addition of the corresponding Spanish taxes to the list of taxes referred to in paragraph 3.

10. The new Article 10 is the same as the old Article 9 except that sea journeys are now included.

Proposal for a  
COUNCIL DIRECTIVE

amending Directive 75/130/EEC on the establishment  
of common rules for certain types of combined  
carriage of goods between Member States

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Article 75 and Article 84(2) thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Having regard to the opinion of the European Parliament<sup>2</sup>,

Having regard to the opinion of the Economic and Social Committee<sup>3</sup>,

Whereas the application of Council Directive 75/130/EEC<sup>4</sup>, as last amended  
by Directive 91/224/EEC<sup>5</sup>, has produced positive results;

Whereas the increasing problems relating to road congestion, the  
environment and road safety call, in the public interest, for the further  
development of combined transport as an alternative to road transport;

Whereas the volume of traffic will swell in the aftermath of the completion  
of the internal market; whereas the Community must do what is necessary to  
ensure optimum management of its transport resources in the interest of all  
citizens;

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1

2

3

4 OJ No L 48, 22.2.1975, p. 31.

5 OJ No L 103, 23.4.1991, p. 1.



Whereas sea transport is a key asset for any Community-wide inter-modal transport policy in that it has a role to play in achieving the Community's objectives in the field of combined transport;

Whereas a sea-transport operation continued by another mode of transport should therefore come under the heading of combined transport;

Whereas this measure should not entail any discrimination or different treatment as compared with other modes; whereas the limit on the road transport leg of a combined road/sea journey should therefore be akin to that already applying to the road transport leg of a combined road/inland waterway journey;

Whereas Directive 75/130/EEC should therefore be amended,

HAS ADOPTED THIS DIRECTIVE:

Article 1

Directive 75/130/EEC is hereby amended as follows:

1. Article 1 is replaced by the following:

"Article 1

- combined transport means the transport of goods between Member States where the tractor unit, lorry, trailer, semi-trailer with or without tractor, swap body or container (of 20 feet or more) use the road on one leg of the journey and rail or inland waterway or maritime services on the other leg, or use the railways on one leg and inland waterway or maritime services on the other,

- swap body means an enclosed load-bearing container that can be transported by road or rail and lifted from below."

2. Article 2 becomes Article 3.

3. The following new Article 2 is inserted:

"Article 2

This Directive shall apply to the types of combined transport defined in Article 1 where the initial or final road haulage leg of the journey takes place:

- between the point where the goods are loaded and the nearest suitable rail loading station for the initial leg, and between the point where the goods are unloaded and the nearest suitable rail unloading station for the final leg, or
- within a radius not exceeding 150 km as the crow flies from the inland waterway port of loading or unloading, or
- within a radius not exceeding 150 km as the crow flies from the sea port of loading or unloading."

4. Article 3 becomes Article 4 and is replaced by the following:

"Article 4

In the case of combined transport for hire or reward, a transport document which fulfils at least the requirements laid down in Article 6 of Council Regulation No 11\* of the Treaty establishing the European Economic Community, shall also specify the rail loading and unloading stations relating to the rail leg, or the inland waterway loading and unloading ports relating to the inland waterway leg, or the maritime loading and unloading ports relating to the maritime section of the journey. These details shall be recorded before the transport operation is carried out and shall be confirmed by means of a stamp affixed by the rail or port authorities in the stations or inland waterway or sea ports concerned when that part of the journey carried out by rail or inland waterway or by sea has been completed.

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\*OJ No 52, 16.8.1960, p. 1121/60."

5. Article 4 becomes Article 5 and is replaced by the following text:

"Article 5

1. When a frontier is crossed on the road journey before the rail journey or before the inland waterway journey or before the sea journey, Member States may require the operator to furnish an appropriate document proving that a reservation has been made for the transport by rail of the tractor unit, lorry, trailer, semi-trailer, swap body or container (of 20 feet or more) and for the transport by inland waterway or by sea of the tractor unit, lorry, trailer, semi-trailer or container (of 20 feet or more).

2. Member States may authorize the inspection authorities to require the rail, inland waterway or sea transport document to be produced on completion of the rail, inland waterway or sea leg of the combined transport journey".

6. Article 5 becomes Article 6.

7. Article 6 becomes Article 7.

8. Article 7(1) becomes Article 8(1).

9. Article 7(2) becomes Article 8(2) and is replaced by the following:

"2. In drawing up the report referred to in the first paragraph, the Commission shall be assisted by Member States' representatives in gathering the data required for that purpose.

The report shall analyse information and data relating in particular to:

- trade effected by combined transport;
- the number of vehicles, swap bodies and containers transported along the different routes;
- the tonnages transported;
- the services provided in tonnes per kilometer.

Where appropriate this report shall propose solutions which will help to improve this information and enhance the situation of combined transport."

10. Article 8 becomes Article 9.

11. The following indent is added to the new Article 9(3):

"- Spain:       - Licencia Fiscal  
                  - Impuesto Vehículos - tracción mecánica".

12. Article 9 becomes Article 10 and is replaced by the following:

"Article 10

Where a trailer or semi-trailer belonging to an undertaking engaged in own-account combined transport is hauled on a final leg by a tractor belonging to an undertaking engaged in transport for hire or reward, the transport operation so effected shall be exempt from presentation of the document provided for in Article 4, but another document shall be provided giving evidence of the journey covered by rail or by inland waterway or by sea."

13. The former Article 10 is deleted.

Article 2

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 1 January 1993. They shall immediately inform the Commission thereof.

When Member States adopt these provisions, these shall contain a reference to this Directive or shall be accompanied by such reference at the time of their official publication. The procedure for such reference shall be adopted by Member States.

2. Member States shall communicate to the Commission the main provisions of domestic law which they adopt in the field covered by this Directive.

Article 3

This Directive is addressed to the Member States.

Done at Brussels,

For the Council

The President

AID FOR COMBINED TRANSPORT

Introduction

This proposal is aimed at amending Council Regulation (EEC) No 1107/70<sup>1</sup>, as last amended by Regulation (EEC) No 1100/89<sup>2</sup>. It meshes with the Community's general policy on combined transport as set out in the Council resolution of 30 October 1990 on the establishment of a European combined transport network<sup>3</sup>. The Commission set up a group made up of Member States' representatives and the main professional bodies concerned. An interim report put together by Commission departments came out in June 1991<sup>4</sup>, and the final report appeared in April this year<sup>5</sup>. The conclusions reached and the measures to be adopted in the short term include the maintenance of current arrangements for granting aid towards investment in combined transport and the creation of a new type of aid for facilities specific to combined transport.

Pursuant to Regulation (EEC) No 1100/89 the Commission is required to report to the Council on the use made by Member States of the possibilities for granting aid towards combined transport offered by this Regulation. The third such report is attached.

Acting on a mandate from the Council the Commission has meanwhile negotiated agreements with Austria and Switzerland on Alpine transit traffic, one section of which deals with rail transport and combined transport. The support measures needed to boost combined transport include aid towards running costs. The draft agreements are in the process of being ratified.

1 OJ No L 130, 15.6.1970.

2 OJ L No 116, 28.4.1989.

3

4 SEC(91) 1086.

5

THIRD REPORT ON THE GRANTING OF AIDS  
FOR COMBINED TRANSPORT UNDER REGULATION (EEC) No 1107/70,  
AS LAST AMENDEDD BY REGULATION (EEC) No 1100/89

1. Introduction

Council Regulation (EEC) No 1100/89 of 27 April 1989<sup>1</sup> allows State aids under certain conditions for combined transport. In order to fulfil the obligation under Article 3, point 1(e) of this Regulation, which modifies the provisions on combined transport of Regulations (EEC) No 1107/70<sup>2</sup>, No 1473/75<sup>3</sup> and No 1658/82<sup>4</sup> on the granting of aids for transport by rail, road and inland waterway, the Commission has to make a progress report to the Council on its application.

In order to prepare this report the Member States were requested to provide information on the development of assistance to combined transport. This report has been prepared on the basis of information from all Member States.

A distinction has been made between:

- Investment in infrastructure, the fixed and moveable facilities necessary for transshipment, with special regard to
  - . the type of project;
  - . total costs of the investment;
  - . the amount of aid;
  - . the way the project has progressed.
  
- The operating costs of combined transport in so far as intra-Community transit traffic through the territory of third countries is involved (Regulation (EEC) No 1100/89).

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1 OJ No L 116, 28.4.1989.  
2 OJ No L 130, 15.6.1970, p. 1.  
3 OJ No L 152, 12.6.1975, p. 1.  
4 OJ No L 184, 29.6.1982, p. 1.

This latter point is particularly relevant to the transit-agreements about road- and rail-freight transport between the Community and Switzerland and Austria. Notably Article 8 (EEC/CH) and Article 10 (EEC/A) provide for State aid to support the trans-Alpine combined transport in the fields of infrastructure, fixed and moveable transshipment equipment, rolling stock and loading units concerning combined transport and also for operating costs not otherwise provided for.

2. Survey

Replies of the Member States concerning the application of Regulation (EEC) No 1100/89 can be divided into several categories:

(1) No application of the Regulation

- . because of the absence of combined transport (LUX);
- . no reason mentioned (GB, GR, IRL, P);
- . use of other legal basis for aid (B, D);

(2) Application only for investment costs (DK, E, F, NL);

(3) Application for investment and operating costs (I).

The limited use of the possibility to grant aid to the operating costs in Member States may have several reasons:

- (a) the difficulty of separating railway operating costs between combined transport and other transport modes on the rail;
- (b) the fear of supporting the "Rollende Landstraße" only on a short distance (trans Alpine) as a "shuttle" on a limited trans-Alpine track capacity, that might block the operation of more efficient long distance combined services using swop bodies and containers;
- (c) the fixed-time application of the Regulation (31 December 1992).



Figures in the answers given, have been converted in ECU to make them comparable. The rate of exchange at the following rates:

Member State	Rate of exchange <sup>5</sup>	See section
D (Germany)	0.4893541	3.2
DK (Denmark)	0.1262368	3.3
E (Spain)	0.0077773	3.4
F (France)	0.14363	3.5
I (Italy)	0.0906513	3.7
NL (Netherlands)	0.43459	3.8

3. Summary of answers given by the Member States

3.1 Belgium (B)

Belgium does not give aid under the terms of Regulation (EEC) No 1100/89.

Certain projects which can involve combined transport are part of an investment programme of the Belgian Railway Company (SNCB) under the category "Infrastructure des ports et zones industrielles", that is supported by the government.

Aid for operating costs is not provided.

<sup>5</sup> Source: Cours mensuel de l'écu valable du 1er au 29 février 1992, in infor écu No. 2/92, 5.2.1992.

### 3.2 Federal Republic of Germany (D)

State aid has been granted to promote combined transport, but not under the terms of Regulation (EEC) No 1100/89.

The Federal Administration has given to Deutsche Bundesbahn (DB) contributions to investment measures with the purpose of strengthening the capital resources of DB in the sense of Regulation (EEC) No 1473/75. That means concretely in the field of investment measures:

1989: DM 88 million (ECU 43 million)  
1990: DM 80 million (ECU 39.15 million)  
1991: DM 123 million (ECU 60.2 million).

### 3.3 Denmark (DK)

Under the terms of Regulation (EEC) No 1100/89<sup>6</sup>, the Danish Government supports investment measures of the Danish State Railways (DSB) in the fields of infrastructure, fixed and moveable material, in which DSB invested DK 53.4 million in 1991 (ECU 6.74 million)<sup>7</sup>.

For example, DK 9.1 million (ECU 1.15 million) were invested by DSB for a terminal in Jutland with an aid of DK 0.7 million (ECU 88.366) and in a terminal in the western part of Copenhagen DK 73.4 million (ECU 9.27 million) with a State aid of DK 29 million (ECU 3.66 million).

Investment in moveable material in 1991 was DK 23.7 million (ECU 3 million). This sum includes:

- for road vehicles: DK 2.5 million (ECU 0.32 million);
- for road vehicles and cranes: DK 4.4 million (ECU 0.56 million);
- for 30 railway wagons: DK 16 million (ECU 2.12 million).

No aid was granted for operating costs.

6 If nothing else is mentioned, Regulation (EEC) No 1100/89 is the basis of State aid without repeating it in each section.

7 Exchange rate see chapter 2.

3.4 Spain (E)

The Spanish Government gives global financial help<sup>8</sup> to its railway company (RENFE), from which RENFE has invested in infrastructure and equipment

1986: PTAS 4 million (ECU 31 109);  
1987: PTAS 6.641 million (ECU 51 600);  
1988: PTAS 7.138 million (ECU 55 515);  
1989: PTAS 7.128 million (ECU 55 437);  
1990: PTAS 4.320 million (ECU 33 598).

No State aid was paid for operating costs.

3.5 France (F)

Aid is granted only for investment in infrastructure and not for operating costs. It covers half of the infrastructure costs.

In 1991 in Avignon a FF 5 million project (ECU 718 150) has been completed to which State aid was ECU 359 075.

In Toulouse a FF 26 million project (ECU 3 734 380) has begun its work necessary, to which State aid will be ECU 1 867 190.

3.6 United Kingdom (GB), Greece (GR), Ireland (IRL), Luxembourg (Lux) and Portugal (P)

No aid has been granted in the United Kingdom, Greece, Ireland, Luxembourg and Portugal to promote combined transport.

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<sup>8</sup> The part of State aid concerning the total investment sum is not mentioned.

3.7 Italy (I)

On the basis of Regulation (EEC) No 1100/89 Italy has passed several national actions (e.g. Law No 240/90 of 4 August 1990) in the fields of:

- (a) infrastructure (terminals);
- (b) operation costs by hauliers working with combined transport that stipulate the conditions, under which State aid is granted.

Investment aid of about LIT 700 billion (ECU 456 million) and for the hauliers mentioned under (b) a sum of LIT 155 billion (ECU 101 million) is called for. The Commission is currently examining the acceptability of these latter aids.

3.8 Netherlands (NL)

The Netherlands is financing two important projects with 100% of the costs (excluding operating cost):

- (1) Rail-Service-Centre Maasvlakte with HFL 44 million  
(ECU 19.1 million)

1990: HFL 17 million (ECU 7.4 million)  
1991: HFL 12.5 million (ECU 5.4 million)  
1992: HFL 14.5 million (ECU 6.3 million)

- (2) Venlo Trade Port with HFL 7 million (ECU 3 million)

1990: HFL 1 million (ECU 0.4346 million)  
1991: HFL 4 million (ECU 1.74 million)  
1992: HFL 2 million (ECU 0.87 million).

4. Conclusions

Regulation (EEC) No 1100/89 ends on 31 December 1992 and a decision has to be made on its extension. In considering its position, the following points have to be taken into account:

1. Unequal conditions between the transport modes concerning competition continue to exist, especially in the field of taxation, infrastructure and social costs. These differences do not facilitate the development of combined transport.
2. Difficulties with transit traffic were the reason for agreements between the Community and Austria and Switzerland concerning the improvement of the trans-Alpine transport and the greater use of rail. These agreements allow for aids to support and develop combined transport. In order to provide a legal basis for Member States to grant these incentives, which are foreseen in the agreements, it is necessary to extend the validity of the Regulation.
3. In relation to the extension of combined transport notably beyond the central core of the Community into areas where little development has occurred and extension of the scope of the Regulation is recommended to cover mobile equipment particularly railway rolling stock.

EXPLANATORY MEMORANDUM

Overall aim

The proposal seeks to extend the current aid arrangements and adapt them to recent developments. The imbalance in the distribution of infrastructure costs between transport modes and the fact that external costs of the various modes of transport (notably safety and pollution) are not taken properly into account penalizes rail and inland waterway transport and, by extension, combined transport. All these factors, and the fact that combined transport is still a relative newcomer, put that mode at a serious disadvantage over the traditional modes even though its benefits to society at large have been highlighted in studies carried out for the Commission under the aegis of the high-level working party on combined transport and underscored by the Council in its resolution of 30 October last year.

So if we are to restore fair competition between the different modes and ensure optimum use of the Community's transport resources, aid should be granted for combined transport subject to certain conditions and for a limited period, i.e. until such time as the European transport system is used in the most appropriate manner.

However, this should not entail artificially propping up over a long period services which would not be economical in a properly functioning market. That being so, aid for combined transport should go towards infrastructure (including terminals), given the low contribution by the roads in financing their own infrastructure, and towards facilities specially designed for combined transport and used exclusively for that mode. In some parts of the Community the infrastructure work required to develop combined transport could not be carried out in a short time frame, if at all, so investment in specialized facilities presents a rapid alternative that will make in the short term for an integrated and cohesive combined transport network encompassing the whole Community.

Member States have scarcely availed themselves of the possibility under Regulation (EEC) No 1100/89 of granting aid for the running costs of combined transport routes crossing the territory of non-member countries. This measure did not turn out to be suitable except in the case of the two Alpine transit countries. Moreover, the support measures forming part of the transit agreements with Austria and Switzerland (see introduction), which are in the process of being ratified, provide scope for such aid. Accordingly, it is proposed that they be extended but that they be confined to services in transit through Austria and Switzerland and through the former republics of Yugoslavia given Greece's isolated position vis-à-vis the rest of the Community.

#### Observations article by article

The aim of the new subparagraph (e) to Article 3(1) is to maintain the existing arrangements for aid towards investment in infrastructure or in fixed and moveable facilities for transshipment, to extend the current arrangements to running costs but confine them to routes transiting Austria or Switzerland [or Yugoslavia] and to inaugurate new arrangements for aid towards facilities on condition that they are specifically designed for combined transport and are used exclusively for that mode of transport.

The new text also makes provision for a single report by the Commission on the application of those measures instead of the two required before (one on infrastructure aids and the other on aids for running costs). The nature of the contents of the report is also spelled out.

Finally, the new subparagraph sets a date (31 December 1995) for the end of the arrangements and a review by the Council.

Proposal for a  
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 1107/70 on the granting  
of aids for transport by rail, road and inland waterway

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Article 75 thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Having regard to the opinion of the European Parliament<sup>2</sup>,

Having regard to the opinion of the Economic and Social Committee<sup>3</sup>,

Whereas Council Regulation (EEC) No 1107/70<sup>4</sup>, as last amended by  
Regulation (EEC) No 1100/89<sup>5</sup>, provides that Member States may promote the  
development of combined transport by granting aid relating to investment in  
infrastructure and in the fixed and moveable facilities necessary for  
transshipment or to the running costs of an intra-Community combined  
transport service in transit across the territory of non-member countries;

Whereas the evolution of combined transport shows that for the Community as  
a whole the starting-up phase of this technology has not been completed  
yet, and whereas the aid arrangements should therefore be maintained for a  
further period;

Whereas the possibility of granting such aid for the operating costs of  
combined transport services crossing the territory of a non-member country  
is only warranted in the case of Austria, the Republics of the former  
Yugoslavia, and Switzerland;

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4 OJ No L 130, 15.6.1970, p. 1.

5 OJ No L 116, 28.4.1989, p. 24.



Whereas the need to achieve economic and social cohesion in the Community rapidly entails putting the emphasis on investment in rail and road facilities specific to combined transport, in particular where they present an alternative to infrastructure work that cannot be completed in the short term;

Whereas providing aid for road facilities specific to combined transport would be an effective way of encouraging small and medium-sized firms to avail themselves of combined transport services;

Whereas aid for equipment specific to combined transport would foster the development of new bimodal and transshipment technology;

Whereas during a limited start-up phase the possibility of granting aid should therefore be extended to investment in facilities specifically designed for combined transport, provided that they are used exclusively in combined transport;

Whereas the present aid arrangements should be maintained until 31 December 1995 and the Council should decide, under the conditions laid down in the Treaty, on the arrangements to be applied subsequently or, if necessary, on the conditions for terminating such aid;

Whereas Regulation (EEC) No 1107/70 should therefore be amended,

HAS ADOPTED THIS REGULATION:

Article 1

Point 1(e) of Article 3 of Regulation (EEC) No 1107/70 is hereby replaced by the following:

"(e) until 31 December 1995, where the aids are granted as a temporary measure and designed to facilitate the development of combined transport, such aids must relate to:

- investment in infrastructure, or

- investment in fixed and moveable facilities necessary for transshipment, or
- investment in transport equipment specifically designed for combined transport and used exclusively in combined transport, or
- other costs incurred in running combined transport services in transit across Austria, Switzerland or the former Republics of Yugoslavia.

The Commission shall present a progress report on those measures to the Council every two years giving details of where the aids went, their amount and their impact on combined transport. Member States shall supply the Commission with the information needed to compile the report. By 31 December 1995, and on a proposal from the Commission, the Council shall decide on the arrangements to be applied subsequently and, if necessary, on the conditions for terminating them."

Article 2

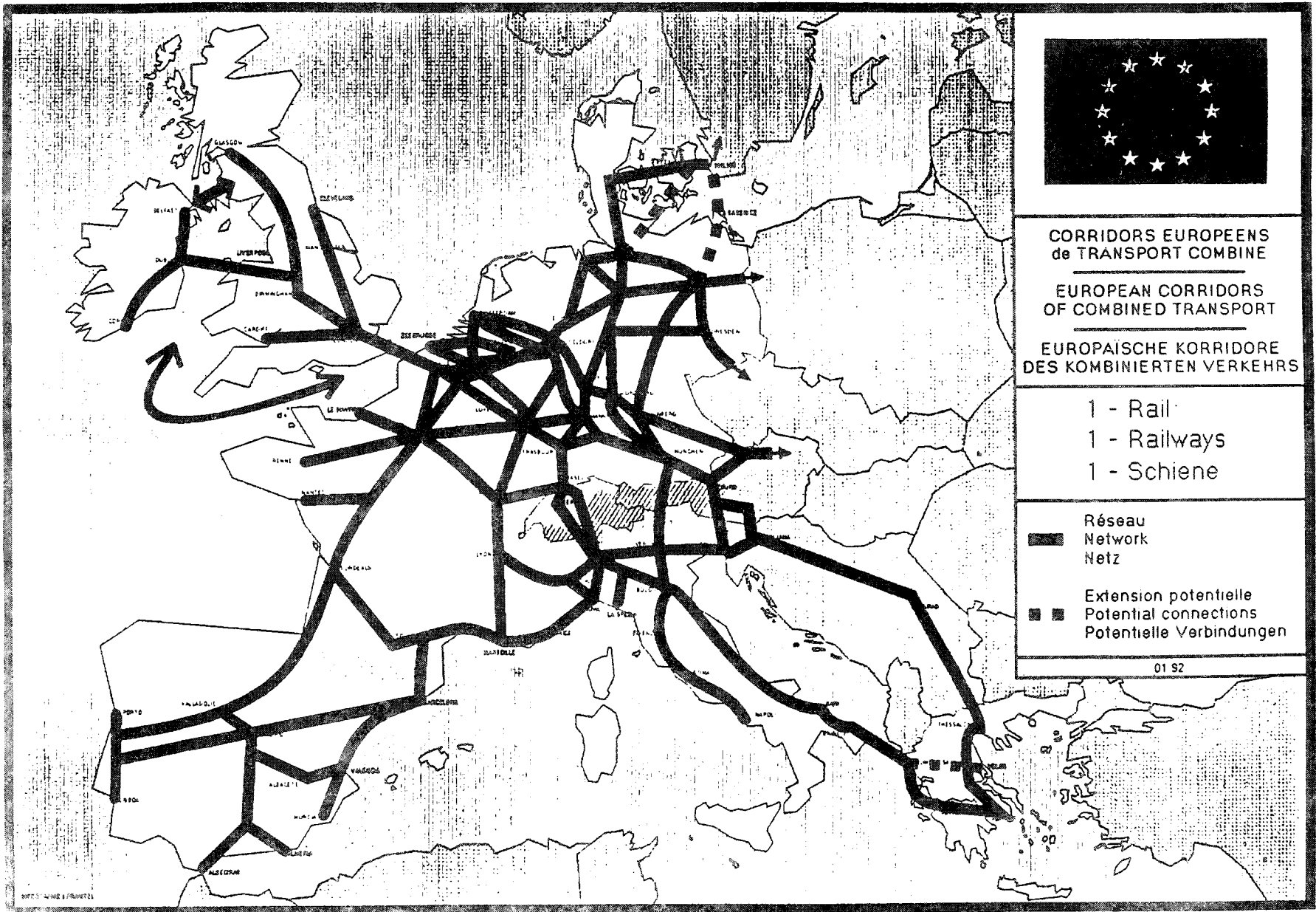
This Regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Communities.

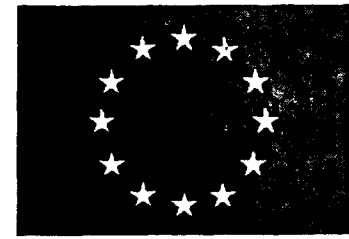
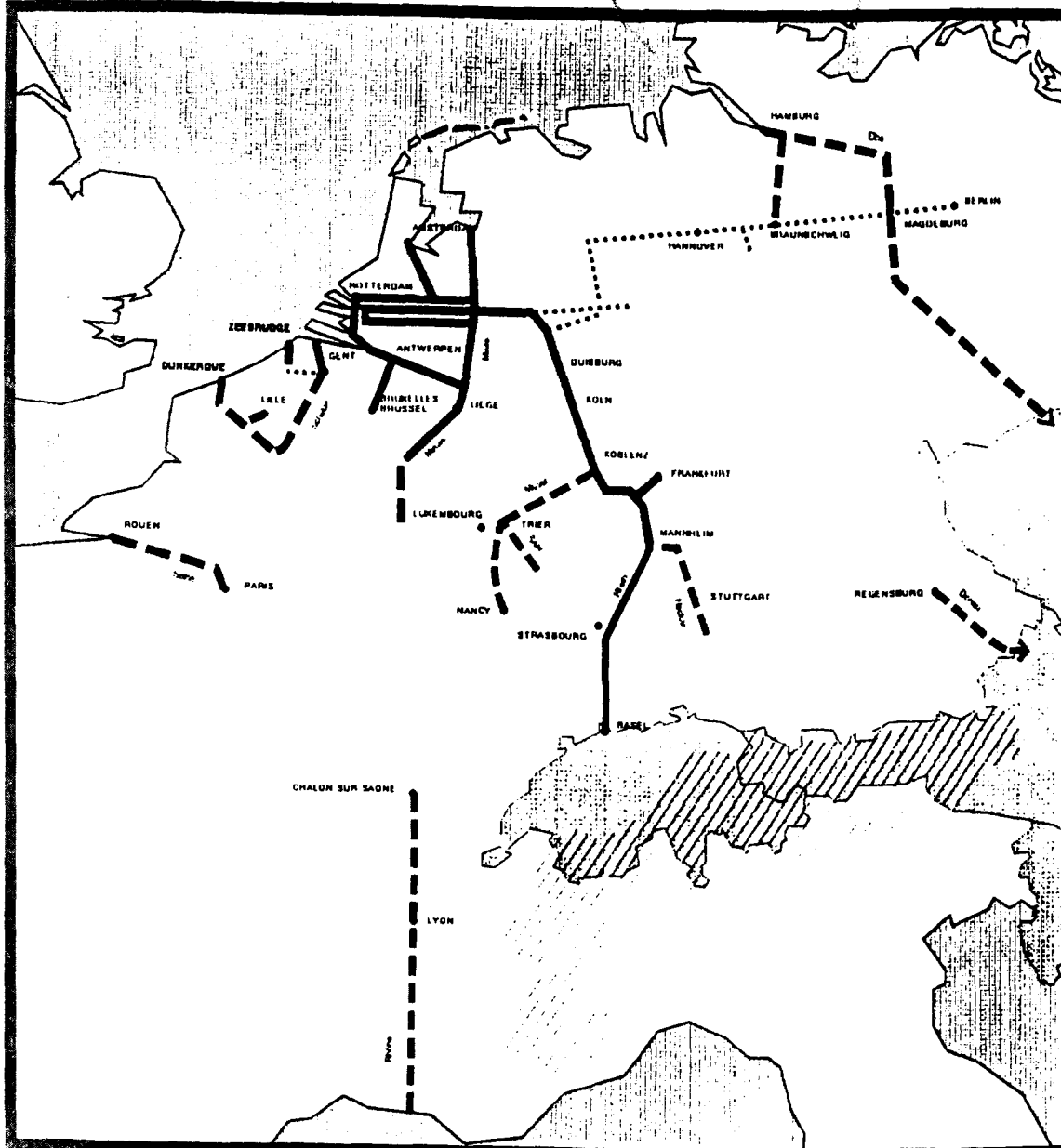
It shall apply from 1 January 1993.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council  
The President





CORRIDORS EUROPEENS  
de TRANSPORT COMBINE

EUROPEAN CORRIDORS  
OF COMBINED TRANSPORT

EUROPAISCHE KORRIDORE  
DES KOMBINIERTEN VERKEHRS

- 2 - Voies navigables
- 2 - Inland Waterways
- 2 - Binnenwasserstraßen

—  
Voies navigables  
pour 4 x 3 niveaux de containers  
Inland waterways  
for 4 x 3 stacks or more  
Binnenwasserstraßen  
mit 4 x 3 Lagen und mehr

- - -  
Voies navigables  
pour 3 x 2 niveaux de containers  
Inland waterways  
for 3 x 2 stacks  
Binnenwasserstraßen  
mit 3 x 2 Lagen

.....  
Extension potentielle  
Potential connections  
Potentielle Verbindungen

01.92