

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 1133 final

Brussels, 19 July 1974

Amendments

to the proposal for a Decision on the establishment of
a common system of charging for the use of transport
infrastructure

(Presented by the Commission to the Council under the second
paragraph of Article 149, of the eec Treaty)

COM(74) 1133 final

EXPLANATORY MEMORANDUM

In the agreement of 22 June 1965 on the organization of the transport market the Council included among measures for approximating the conditions governing the operation of the various markets the adoption of a common solution to the problems of charging for the use of transport infrastructure. In order to attain this objective the Commission presented to the Council on 29 March 1971 a proposal for a decision on the introduction of a common system of charging for the use of transport infrastructure¹.

This decision defines the general principles of the system chosen, which is based on charging for the marginal social cost while at the same time requiring revenue to cover expenditure; only by this method is it possible to ensure the best use of infrastructures and at the same time to obtain sufficient revenue to finance all the expenditure incurred by the creation and operation of these infrastructures. In this way a foundation will be created for later measures designed to implement the policy chosen for the three modes of transport, the content and structure of which are set out in the memorandum from the Commission to the Council on charging for the use of infrastructure.

The European Parliament expressed its Opinion on this proposal at its meeting on 16 November 1973², and the Economic and Social Committee on 28 September 1972³.

After examining carefully the comments made in these Opinions, the Commission has decided to act upon some of them and for this purpose to amend, in accordance with Article 149, paragraph 2 of the Treaty, the initial proposal for a decision.

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¹OJ No C 62, 22 June 1971, p. 15.

²OJ No C 108, 10 December 1973, p. 67.

³OJ No C 123, 27 November 1972, p. 11.

These amendments relate mainly to the following matters:

Recital 1

The limitation of the proposed measure to railway, road and inland navigation infrastructures has been considered advisable having regard to the fact that the Council has not yet decided on the basis of Article 84(2) to apply the rules of a common transport policy to sea and air traffic. The European Parliament desires, however, the introduction of a Recital 1(a) laying down that the structure of the system of charges must be devised with a view to its later application to other forms of transport, so that their inclusion therein will not necessitate any major amendments.

Recital 3

The European Parliament proposes that to the notion of "best use of existing infrastructures", which in its Opinion is too concise, there be added a supplementary notion, namely, the promotion of a distribution of transport between the various means and infrastructures which will be advantageous to the economy as a whole.

The second aim, which is to make users bear the total expenditure necessary to ensure the creation and operation of the means of communication, is supplemented by a definition of the goal pursued, which is to ensure a volume of investment in transport infrastructure advantageous to the economy as a whole.

Article 2, paragraph 1

As with the first Recital, the European Parliament proposes adding to the phrase "to promote the best possible use of the infrastructures" a form of words which sets out more clearly the aim pursued by the proposal for a decision.

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Article 2, paragraph 2

This paragraph provides that the Council is to adopt rules for calculating the marginal social costs and the equalizing charges. Since these rules are essential to ensure the fair operation of the whole of the system, the European Parliament asks to be consulted before they are fixed. Although the Economic and Social Committee has not made a request to this effect, it is proposed to consult it also in the same conditions.

Article 5

This article states that if the system of charging for the use of infrastructure is to function satisfactorily, independent operating bodies must be set up, provided with all the necessary powers to ensure that infrastructure is managed in conformity with the objectives and principles of the aforesaid system, and that each of these bodies be responsible for setting its charges on the basis of the cost and use of the infrastructure under its control. The European Parliament requests that an addition be made to the wording of this article in order to ensure that the principles of marginal social cost and balanced budgets are applied to these particular cases too.

Article 6, paragraph 1

Paragraph 1 of this Article defines the means by which the system of charging for the use of infrastructure is to be implemented. It provides that charges for the use of inland waterways be limited to navigation dues. The European Parliament requests that the possibility of imposing taxes on ships be also left open.

Article 7, paragraph 1

This Article states that in view of its complexity, the large number of implementing measures required and the wide-ranging economic and financial effects, a system of charging for the use of infrastructure can be established only by stages. The Commission considers that the problems arising here are

far greater for inland waterways than for roads, and has therefore allowed an additional period of five years for completing the establishment of a charging system in this sector. The European Parliament considers that the provision of two different transition periods for these two modes of transport will be liable to create certain distortions of competition both between the two modes of transport and between them and the railways. As competition does in fact exist between these three modes of transport on certain links, there is a risk of seriously complicating the calculation of compensating grants envisaged for the railways in paragraph 4 of this article, and even of handicapping road transport, for which no compensating grant is proposed. Parliament therefore proposes a single transition period of 15 years for both the modes of transport.

Article 7, paragraph 4

This paragraph makes provision for the payment of compensating grants to railways during the period of establishment of the charging system, in order to offset the handicap which they will suffer as long as their road and waterway competitors are not bearing the whole burden of the infrastructure costs attributable to them. The European Parliament proposes to supplement this paragraph in order to ensure that these compensating grants are deducted from the subsidies which various Member States grant to railways.

Other amendments of an editorial character have also been made to the proposal for a decision in question.

Amendment to the proposal for a decision
on the introduction of a common system of charging
for the use of transport infrastructure

The proposal for a decision of the Council presented by the Commission on 29 March 1971 is amended as follows:

- by an amendment to the first recital and the introduction of a new recital after the first recital,
- by an amendment to the third recital,
- by an amendment to Article 1,
- by an amendment to Article 2(1), ~~sub-paragraph 1~~
- by an amendment to Article 2(2),
- by an amendment to Article 5,
- by two amendments to Article 6(1), first and second indents,
- by an amendment to Article 7(1), ~~sub-paragraph 1~~
- by an amendment to Article 7(4),
- and also by certain purely editorial amendments.

These amendments are indicated in the attached document

Original text

Amended text

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty estab-
lishing the European Economic
Community and in particular its
Article 75;

No change

Having regard to the proposal from
the Commission;

Having regard to the Opinion of the
European Parliament;

Having regard to the Opinion of the
Economic and Social Committee;

Whereas the introduction of a common
transport policy entails the estab-
lishment of a common system of
charging for the use of infrastructure;
whereas such a system must apply to
rail, road and inland waterway infra-
structure in such a way as to ensure
fair conditions of competition in
transport;

Whereas the introduction of a common
transport policy entails the establish-
ment of a common system of charging
for the use of infrastructure;
whereas such a system must apply
initially to rail, road and inland
waterway infrastructure in such a way
as to ensure fair conditions of
competition in transport;

Whereas this system must be established
in such a way as in due course to take
in the other modes of transport, or in
such a way that its principles may be
capable of application to these other
modes of transport, regard being had
to their specific features;

Original text

Amended text

Whereas the introduction of a system of charging for the use of infrastructure requires a large number of measures, which can be adopted and implemented only by stages; whereas, however, in order to facilitate the preparation of implementing measures and to promote coordination of national policies, the guidelines and general principles for such a system should be laid down now;

Whereas the system of charging must satisfy the dual aim of promoting the best use of existing infrastructure and of ensuring that all expenditure necessary for the construction and operation of the lines of communication is borne by the users thereof; whereas this objective will be attained if the charges for various categories of traffic are fixed according to the relevant marginal social cost, with the addition, where necessary, of an amount sufficient to ensure that the total expenditure in respect of the infrastructure in question is covered by the revenue from the use thereof;

Whereas in order to ensure that existing capacity is put to optimum

No change

Whereas the system of charging must satisfy the dual aim of promoting a distribution of transport among the various modes and infrastructures which will be advantageous to the economy as a whole, and of ensuring that all expenditure necessary for the construction and operation of the infrastructures is borne by the users thereof, thus ensuring a volume of investment in transport infrastructure which will be advantageous to the economy as a whole; whereas this dual aim will be attained if the charges for the various categories of traffic are fixed according to the relevant marginal social cost, with the addition where necessary of an amount ("equalizing charge") sufficient to ensure that the total expenditure in respect of the infrastructure in question is covered by the revenue from the use thereof;

Whereas in order to ensure that existing capacity is put to optimum

Original text

Amended text

use, it is desirable that as far as possible the charges applicable to the various categories of traffic be adjusted to take account of variations in the marginal social costs relating to those categories;

use, it is desirable that as far as possible the charges applicable to the various categories of traffic be adjusted to take account of (two words ~~deleted~~) the marginal social costs relating to those categories;

Whereas the means should be defined whereby the system of charging for the use of road and inland waterway infrastructure is to be implemented; whereas, as regards private cars, the possibility of imposing an additional charge should be allowed for, the level of such charge to be fixed having regard, in addition to budgetary requirements, to various social and other considerations;

No change

Whereas it is necessary to fix now the duration of the period during which the common system of charging for the use of road and inland waterway infrastructure is to be gradually established, account being taken of the effect of the proposed measures on competition between modes of transport; whereas, however, provision should be made to enable the programme and timetable to be drawn up by the Council for this purpose to be amended as necessary in accordance with the results obtained;

No change

Whereas, in order to create fair conditions of competition between modes of transport as from the period while the common system is being established, Whereas, in order to create fair conditions of competition between modes of transport during the period while the common system is being established,

Original text

Amended text

it is necessary to make provision for payment of compensating grants to railway undertakings where the expenditure on road and inland waterway infrastructure is not borne in full by the users of that infrastructure;	it is necessary to make provision for payment of compensating grants during this period to railway undertakings where the expenditure on road and inland waterway infrastructure is not borne in full by the users of that infrastructure;
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Whereas the possibility cannot be excluded of serious economic and social difficulties occurring in particular sectors of the economy of a Member State following implementation of the system of charging for the use of infrastructure; whereas it is necessary to provide for temporary derogations from the common provisions to deal with such difficulties and to define the procedure for authorizing such derogations;

No change

Original text

Amended text

HAS ADOPTED THIS DECISION:

HAS ADOPTED THIS DECISION:

Article 1

Article 1

There shall be introduced within the Community, in the manner and within the time limits laid down in this Decision, a common system of charging for the use of infrastructure for the purposes of transport by rail, road and inland waterway.

There shall be introduced within the Community, in the manner and within the time limits laid down in this Decision, a common system of charging for the use of infrastructure for the purposes of transport by rail, road and inland waterway.

This system shall be so designed as to be capable of being extended, in due course to the other modes of transport.

Article 2

Article 2

1. The aim of such a system of charging shall be to promote the best possible use of infrastructure, while generating sufficient revenue to cover all expenditure on such infrastructure attributable to its transport function.

1. The aim of such a system of charging shall be to generate sufficient revenue to cover all expenditure arising from the use of infrastructure and attributable to the transport function thereof.

At the same time, the system of charging must promote an even distribution of traffic between the various infrastructures and a volume of investment in transport infrastructure advantageous to the economy as a whole.

To this end, the charges applicable to the various categories of traffic must be equal to the marginal social cost of the use of infrastructure by those categories. Should the revenue produced by such charges be less than

To this end, the charges applicable to the various categories of traffic must be equal to the marginal social cost of the use of infrastructure by those categories. Should the revenue produced by such charges be less than the total

Original text

Amended text

the corresponding expenditure, there shall be added to the marginal social cost an equalizing charge, the amount of which shall be such as to ensure that the said expenditure is covered.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall lay down rules for calculating the marginal social costs and the equalizing charges.

~~expenditure on the~~ infrastructures concerned, there shall be added to the marginal social cost an equalizing charge, the amount of which shall be such as to ensure that the said expenditure is covered.

2. The Council, acting by a qualified majority on a proposal from the Commission, ~~and after the Parliament and the Economic and Social Committee have been consulted,~~ shall lay down rules for calculating marginal social costs and equalizing charges.

Article 3

Article 3

The expenditure within the meaning of Article 2(1) to be covered over a specified period by the revenue arising during that period shall comprise the following expenditure incurred during that period:

- investment expenditure (expenditure in respect of construction, reconstruction and replacements of installations);
- current expenditure (expenditure on the maintenance and operation of such installations and on administrative services).

Where investment expenditure is financed by borrowing, the revenue raised by charging must, over a specified period, be equal to the sum of the following two items:

No change

Where investment expenditure is financed partly or wholly by borrowing, the revenue raised by charging must, over a specified period, be equal to the sum of the following two items:

Original text

Amended text

- expenditure incurred during the period in question not covered by borrowing;
- repayments and interest charges attributable to the period in question in respect of loans contracted earlier to finance investment expenditure.
- No change

Article 4

Article 4

The scale of charges for the use of infrastructure shall differentiate to the utmost between categories of traffic having different ~~marginal social costs~~. Within each category of traffic separate charges shall be applied wherever this is justified by variations of time and place in the use of infrastructure and is possible, having regard to the cost of collection, with the means available.

No change

Article 5

Article 5

Separate charges for the use of infrastructure shall be fixed in respect of engineering works, routes or networks operated as separate entities.

Separate charges for the use of infrastructure shall be fixed in respect of engineering works, routes or networks operated as separate entities.

These charges shall be based on the principles laid down in Articles 2, 3 and 4.

Original text

Amended text

1. The system of charging for the use of infrastructure shall be implemented by the following means:

- in respect of roads, by means of vehicle taxes, fuel taxes and measures for direct charging;
- in respect of waterways, by means of navigation dues.

2. The use of vehicle taxes and fuel taxes as means of charging for the use of infrastructure shall not prevent the imposition, in particular to meet taxation requirements, of additional charges on ownership of private vehicles or on consumption of fuel used by such vehicles.

1. The system of charging for the use of infrastructure shall be implemented by the following means:

- for the use of roads, by means of vehicle taxes, fuel taxes and measures for direct charging;
- for the use of inland waterways, by means of navigation dues, and where appropriate, taxes on vessels.

No change.

Article 7

Article 7

1. The system of charging for the use of infrastructure shall be established by stages. Subject to any extensions authorized by the Council under paragraph 3 hereof, establishment of the system shall be completed by not later than 31 December 1981 in respect of roads and by 31 December 1986 in respect of waterways.

1. The system of charging for the use of infrastructure shall be established by stages. Subject to any extensions decided by the Council under paragraph 3 hereof, establishment of the system shall be completed not later than fifteen years after the entry into force of the present Decision.

Original text

Amended text

The timetable of the stages and the measures to be taken during each of these shall be laid down by the Council on a proposal from the Commission.

No change

2. If during the period of establishment of the charging system the application of measures prescribed for any stage gives rise to serious economic or social difficulties in any sector of the economy, the Commission may, at the request of a Member State and after consulting the other Member States, authorize, for a limited period, derogations from these measures. Disturbances caused by such derogations to the establishment of the system must be kept to a minimum, and the derogations must not go beyond what is strictly essential to remedy the difficulties found to have arisen.

No change

3. Before the end of each stage the Commission shall present to the Council a report on the results of the measures applied during that stage. In particular, the report shall record any derogations granted under paragraph 2 and shall if necessary be accompanied by proposals to extend the duration of the stage in question or to amend the measures to be implemented during the following stage.

3. In good time before the end of each stage, the Commission shall present to the Council a report on the results ~~observable~~ at the time ~~when the report is prepared of~~ the measures applied during that stage. In particular, the report shall record any derogations granted under paragraph 2 and shall if necessary include proposals to extend the duration of the stage in question or to amend the measures to be implemented during the following stage.

Original text

4. During the period of establishment of the charging system, compensating grants calculated in accordance with common rules to be laid down by the Council on a proposal from the Commission shall be paid to the railway undertakings in order to offset the fact that the expenditure on road and waterway infrastructure is not borne in full by the users thereof.

Amended text

4. During the period of establishment of the charging system, compensating grants calculated in accordance with common rules to be laid down by the Council on a proposal from the Commission shall be paid to the railway undertakings in order to offset the fact that expenditure on road and waterway infrastructure is not borne in full by the users thereof. These compensating grants shall be deducted from the public subsidies granted in the Member States.

Article 8

This Decision is addressed to the Member States.

Article 8

No change