## Freight transport system: improving the environmental performance, programme Marco Polo PACT

2002/0038(COD) - 25/04/2003 - Council position

The Council shares Parliament's concerns regarding the increasing road congestion and in general the environmental impact of the transport system. The Council therefore welcomes the objective of establishing a programme to promote intermodality by supporting commercial actions transferring freight from the roads to short sea shipping, rail and inland waterway transport. The Council attaches great importance to the European dimension of the programme. It therefore supports the principle whereby the programme is open to all candidate countries and the EFTA and EEA Member States and the possibility that it can involve the territory of a close third country, as defined in the common position. Further highlighting this aspect, the common position underlines that co-operation between undertakings established in different countries, in order to form a consortium submitting a project for an action, should be encouraged. The Council is of the opinion that the programme should be administrated with flexibility in order to meet its objectives, and that the quality of the projects should be the primary criterion for the granting of Community financial assistance. For this reason, it considers that the minimum thresholds should be set at a level that does not exclude efficient projects at a smaller scale or projects presented by smaller enterprises. Similarly, the common position allows for the minimum thresholds to be administrated with a view to avoiding that an over-rigid definition of eligible actions discourages valuable projects or excludes them from funding. In the same way, the Council believes that it should be possible to fund the development of existing services, provided that this entails benefits which are equal to the starting up of new services in terms of additional modal shift and environmental advantages. Furthermore, the Council expects the actions eligible for funding to lead to effects that are substantial (in the case of modal shift actions) and measurable (in the case of modal shift and catalyst actions). As regards the overall financial framework for the programme, the Council deems it appropriate that the budget period should not go beyond the 2002-2006 period considered by the general financial perspectives. The proposed five-year budget period (2003-2007) has therefore been modified, and the overall financial reference amount adapted consequently. Concerning the basis for the calculation of the amount of financial assistance to be granted to modal shift actions, the Council is of the view that there is no reason to refer explicitly to the notion of savings of external costs, particularly since a commonly accepted method for internalising these costs is not yet available. Instead, the common position refers to an indicative amount, initially set by the Commission, of EUR 1,- for each shift of 500 tonnes-kilometres of road freight. However, the Council believes that adjustments to the indicative amount of financial assistance could in the future be suggested on the basis of a regular evaluation of the development of external costs differentials and possible future work on the methods to internalise external costs. Also, in view of ensuring the necessary flexibility in the administration of the programme, the common position emphasises that this indicative amount could be adjusted in accordance with the quality and the environmental merits of each project presented. The Council agrees that the programme should be seen as a market-driven instrument and believes that the granting of subsidies should not entail any risk of distortion of competition to an extent which damages the common interest. Therefore, in addition to the general reference to the relevant markets, the common position specifically states that there should be no distortion of competition between alternative modes of transport to road transport or within each mode. The common position also stipulates that the possible granting of State aid to actions receiving financial assistance under the programme shall be compatible with the Community's general rules on State aid and lie within the limits established for each category of action. Also, in case an action involves services provided by third parties which do not form part of the consortium concerned, a provision has been introduced to ensure that the applicant proves that the service provider has been selected through a transparent, objective and non-discriminatory procedure. The Council deems it appropriate to include

ancillary infrastructure expenditure in the expenditure eligible for financial assistance. However, in order to safeguard the programmes fundamental objectives, the common position establishes that such expenditure must remain marginal and must be needed to achieve the aims of the action. Finally, as regards the procedures for the committee to assist the Commission in the administration of the project, the Council is of the view that the variety of tasks to be carried out by the Committee could best be performed in compliance with the management procedure laid down in the rules concerning the exercise of implementing powers conferred on the Commission.