


# Procedure file

Basic information		
INI - Own-initiative procedure	<a href="#">1995/2102(INI)</a>	Procedure completed
Transport: public services and state aid		
Subject 2.60.03 State aids and interventions 3.20 Transport policy in general		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<span>TRAN</span> Transport and Tourism		23/05/1995
		PSE <a href="#">CASTRICUM Frits</a>	

Key events			
13/06/1995	Committee referral announced in Parliament		
19/12/1996	Vote in committee		Summary
19/12/1996	Committee report tabled for plenary	<a href="#">A4-0419/1996</a>	
15/01/1997	Debate in Parliament		Summary
17/01/1997	Decision by Parliament	T4-0020/1997	Summary
17/01/1997	End of procedure in Parliament		
03/02/1997	Final act published in Official Journal		

Technical information	
Procedure reference	1995/2102(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	TRAN/4/06693

Documentation gateway					
Committee report tabled for plenary, single reading		<a href="#">A4-0419/1996</a> <a href="#">OJ C 033 03.02.1997, p. 0023</a>	19/12/1996	EP	

Text adopted by Parliament, single reading		T4-0020/1997 <a href="#">OJ C 033 03.02.1997, p. 0112-0127</a>	17/01/1997	EP	Summary
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## Transport: public services and state aid

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The Transport Committee unanimously approved the draft resolution on public transport and State aid. In his report, Mr Frits CASTRICUM (PSE, N) began by examining the three essential roles of public transport, namely the social role - which relates to the user's non-absolute right to mobility - , the economic role and finally the 'environmental' role. On this basis he went on to define as public any collective transport system which is accessible, for a payment, to each citizen and which is organised according to a pre-established timetable and in a regular network where connections can be made; this meant that charter flights, for example, would be excluded from the 'public transport' category. The rapporteur then went on to discuss the efficiency and profitability of public transport services and his diagnosis of the current situation lead him to acknowledge the demands of public transport companies for greater autonomy, something which did not necessarily signify their privatisation, together with the establishment of a competitive system (for example, by public tendering arrangements for the local and regional rail and road transport sectors). Finally, Mr Castricum examined the conditions and procedures for granting aid to public transport services, concluding in the draft resolution that aid should be subordinate to proper financial allowances, that it should not be used to cover up for business losses and that it should not discriminate between different transport providers, but be as transparent as possible. The draft resolution also advocates that a new article, devoted specifically to public services, should be included in the Treaty revised by the IGC. ?

## Transport: public services and state aid

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The rapporteur, Mr Castricum (PSE, NL), was in favour of including in the Treaty a commitment to reinforce the public aspect of the transport service. As regards the issue of subsidies, he made a distinction between new networks and the costs of modernising and operating existing networks. The Commission, in his opinion, should comprehensively assess the situation throughout the EU and decide, on a case-by-case basis, whether additional rules should be laid down at EU level to regulate the market, particularly in the cross-border regions. Commissioner Kinnock did not agree with the idea of including a specific article on the public service in the Treaty. Instead of a new legal basis, he advocated inserting in Article 3 of the Treaty a reference to the promotion of services of general interest, as proposed by the Commission in its ad hoc communication. This reference would also cover the area of transport. As for financing this type of service, Commissioner Kinnock stressed that the relevant decision should be made by the competent authorities at national level. However, the Commission should establish a reference legal framework valid for the whole EU and should regulate the issue of subsidies according to the principles of transparency and proportionality, thus avoiding any sort of state aid being used to cover losses caused by inefficient management of the public service.

## Transport: public services and state aid

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In adopting the report by Mr Frits CASTRICUM (PSE, NL) on public services and State aid to transport, the European Parliament recalled the right of the consumer to efficient and affordable transport services. It held the view that the right to mobility was fundamental and that public transport could help solve the traffic problems (congestion and environmental impact). Believing that a completely liberalised public transport system did not offer any guarantee as to the preservation of an integrated network, Parliament recalled that the maintenance of such an infrastructure was the responsibility of national governments. Insofar as an improvement in the efficiency of public transport services is achieved by rationalisation of the companies concerned, State aid may be desirable in order to reduce the social impact of these restructuring measures. While recognizing that the responsibilities of public services may cover the provision of extensive transport networks, particularly in outlying and rural areas, Parliament nevertheless thought it necessary that a distinction be drawn between public service infrastructures and operations, and that the State could assume responsibility for the construction and maintenance of such infrastructures. ?