EEC insurance firms must enjoy the same rights as Swiss firms; this must apply also to activities connected with insurance such as investments and equal treatment in the tax sphere, etc. (see Article 4 of the agreement).

2.2.2. In view of the financial security afforded by Switzerland, not only Swiss firms but above all Community firms could be induced to keep a large proportion of their assets (particularly the free assets forming the solvency margin) in Switzerland, thereby depriving the Member States of financial resources which at present benefit their national economies.

Furthermore, application of the agreement as proposed might have certain unfavourable effects on the levels of employment in the Community.

2.2.3. In addition, there is no doubt that the existence of cantonal monopolies which take away a substantial part of the fire insurance market from insurers poses a delicate problem in that Community firms are placed at a disadvantage. These monopolies, which cover almost the whole of Switzerland, thus create an imbalance which cannot be offset at the present time. Under the Swiss constitution these cantonal monopolies do not fall within the sphere of competence of the federal State, and it is inconceivable that the Community could secure an amendment of the Swiss constitution.

2.3. It must not be forgotten that Community Directives are subject to change. Any amendments and additions made in the future will directly affect agreements concluded with non-member countries. Any agreement must, therefore, contain adequate provisions for revision to take account of a new situation. Although a revision procedure is provided for in the present draft agreement (Article 38), a major problem still remains, particularly as regards the proposed second Directive on direct insurance other than life assurance, which amends the Directive of 1973 and regulates the freedom to provide services, but has still not been adopted by the Council. By way of example, one can mention the present system for checking the general and special terms of policies and rates.

2.4. If such an agreement is to operate satisfactorily for the contracting parties, it must be supported by effective collaboration between the supervisory authorities in the contracting countries.

Detailed rules for such collaboration should be set out in the agreement itself if the agreement is to be implemented properly and operate smoothly.

3. The Committee considers that until such time as a satisfactory solution is found for all these basic problems, ratification of the agreement would be premature.

Done at Brussels, 26 October 1983.

The Chairman
of the Economic and Social Committee
François CEYRAC

Opinion on the proposal for a Council Regulation on financial support for a multiannual transport infrastructure programme

The text referred to the Committee has not yet been published in the *Official Journal of the European Communities*.

A. LEGAL BASIS FOR THE OPINION

On 25 August 1983 the Council referred the abovementioned proposal to the Econo-

mic and Social Committee in accordance with Article 75 (1) (c) of the Treaty establishing the European Economic Community.

B. OPINION OF THE ECONOMIC AND SOCIAL COMMITTEE

The Economic and Social Committee prepared its opinion on the above matter at its 211th plenary session held in Brussels on 26 and 27 October 1983.

The full text of the opinion is as follows:

THE ECONOMIC AND SOCIAL COMMITTEE,

Having regard to Article 75 (1) (c) of the EEC Treaty,

Having regard to the decision taken by the Council on 25 August 1983 asking it for an opinion on the abovementioned draft Regulation,

Having regard to the decision taken by its chairman on 7 September 1983 instructing the Section for Transport and Communications to draw up an opinion on the matter,

Having regard to the opinion adopted by the above Section at its 152nd meeting held on 12 October 1983,

Having regard to the oral report made by the rapporteur, Mr Plank (Article 29 of the Rules of Procedure),

Having regard to the discussions at its 211th plenary session held on 26 and 27 October 1983 (meeting of 26 October 1983),

Having regard to its previous opinions on transport infrastructure, and in particular the opinions on the proposal for a Council Regulation concerning financial support for transport infrastructure projects of Community interest (1), the memorandum on the role of the Community in the development of transport infrastructure (2), the report on bottlenecks (3) and the proposal for a Council Regulation on the granting of limited financial support in the field of transport infrastructure (4),

Having regard to Council Regulation (EEC) No 3600/82 of 30 Decembre 1982 (5) on the granting of limited support in the field of transport infrastructure,

Having regard to its preliminary work in this field, and in particular its opinion on the communication from the Commission to the Council on a transport infrastructure experimental programme (6),

Whereas:

1. For years all the Community institutions, especially the Council, have repeatedly and forcefully stressed the importance of a Community infrastructure policy;

2. No Council meeting of Community transport ministers passes without this question appearing on the agenda. However, the matter is always put to one side again and the repeated commissioning of Commission studies and reports means that a lot of time is taken up which could have been spent more usefully;

3. Thus the expansion and modernization of transport infrastructures will in future be closely dependent on the political will of the Member States and the Council to give priority to the provision of funds for investment; such a development would be effectively reinforced by the introduction of new financing structures, and in particular the *creation* of an appropriate Community financial instrument *(Infrafonds);*

4. The Council has had before it since 1976 a proposal for a Council Regulation concerning financial support for transport infrastructure projects of Community interest (7) which was extended in 1980, by means of a supplementary proposal (8), to cover infrastructure projects of Community interest in non-EC countries. The Committee has issued opinions on both of these draft documents (9);

(1) OJ No C 56, 7. 3. 1977, p. 83 and OJ No C 300, 18. 11. 1980, p. 1.
(2) OJ No C 138, 9. 6. 1981, p. 61.
(3) OJ No C 138, 9. 6. 1981, p. 61.
(4) OJ No C 296, 12. 11. 1982, p. 5.
(5) OJ No L 376, 31. 12. 1982, p. 10.
(6) Opinion of 28 September 1983 (OJ No C 341, 19. 12. 1983).
(7) OJ No C 207, 2. 9. 1976, p. 9.
(8) OJ No C 89, 10. 4. 1980, p. 4.
(9) OJ No C 56, 1. 3. 1977, p. 83 and OJ No C 300, 18. 11. 1980, p. 1.

5. So far the Council has taken only two concrete decisions in this field, namely Decision No 78/174/EEC of 20 February 1978 instituting a consultation procedure and setting up a committee in the field of transport infrastructure (1) and Council Regulation (EEC) No 3600/82 of 30 December 1982 on the granting of limited support in the field of transport infrastructure (2), under which 10 million ECU from the 1982 Community budget was set aside for transport infrastructure projects for payment in 1983 (3);

6. A further 15 million ECU (commitment appropriations) have been set aside in the 1983 EC budget, 3 million ECU of which is scheduled for payment in 1983. The total commitment appropriations for 1982/83 amount to 25 million ECU, whereas the payment appropriations amount to 13 million ECU. The budgetary authorities lack the necessary legal instrument at Council level in this respect;

7. The aim of the present draft Regulation is to work out a method, subject to the provisions of the 1976 proposal (4), of enabling a close link to be established between the budgetary process and the process for granting financial aid;

8. The Commission considers that this could be achieved by submitting each year for authorization to the Council a list of projects suitable for aid, the list being proposed by the Commission after consulting the European Parliament. In the Commission's view the list should be drawn up in accordance with the objectives defined in Article 5 of the draft Regulation;

9. The Commission does not consider it to be feasible to apply the proposed procedure by 1983 and 1984. Notwithstanding Articles 4 to 8 (in respect of the 1983 financial year) and Articles 4 to 7 (1984 financial year) 'the Community shall grant financial support' to a number of concrete projects which have already been established,

HAS ADOPTED THE FOLLOWING OPINION

unanimously:

1. **General comments**

1.1. The Committee considers that the launching of a common transport infrastructure policy in the Community is overdue. If the Community is to operate as a single market and if there is to be a common transport market, transport networks must be coordinated, they must not restrict natural traffic flows and they must not allow bottlenecks to arise. To put it in another way, the design of the networks from the technical and economic angles, the transhipment capacity and the interchanges must be such as to ensure the smooth flow of local and long-distance traffic.

1.2. The Commission's efforts in this direction are thus once again emphatically welcomed and supported by the Committee. The latter is therefore wholly of the view that the Community interest in the creation of a European transport infrastructure which would help to improve transport links within the Community — including infrastructure projects on important main routes through non-member countries such as Austria, Yugoslavia and Switzerland — must be reflected in an appropriate financial contribution by the Community.

1.3. The Committee has consequently already expressed its support in the past for the establishment of a permanent instrument in the form of *Infrafonds*. Such funds would not, however, operate in the same way as the Regional Fund through the use of quotas but would be designed to operate in a more 'Community-spirited' way. Quota procedures and application of the 'fair return' principle should therefore play less of a role than solidarity with a view to achieving a higher degree of integration.

1.4. As regards the suitability of projects for Community aid the Committee recently set out, in its opinion on the communication from the Commission to the Council on a transport infrastructure experimental programme (5), a number of guidelines comprising 13 main and 23 subcriteria. The Committee has assessed the significance of the Commission's draft Regulation on the basis of these criteria and against the background of the points made in the preamble to the opinion. It would first of all

(1) OJ No L 54, 25. 2. 1978, p. 16.
(2) OJ No L 376, 31. 12. 1982, p. 10.
(3) OJ No L 19, 24. 1. 1983, p. 729 (1983 budget).
(4) OJ No C 207, 2. 9. 1976, p. 9.

(5) Committee opinion of 28 September 1983 (OJ No C 341, 19. 12. 1983).

support the Commission's recommendation to retain the 1976 proposal. Following on from this hitherto unsuccessful attempt to establish a permanent instrument and the establishment of two more successful 'annual instruments' (covering amounts of 10 and 15 million ECU), the Commission is now endeavouring, with the support of the Committee, to steer a middle course by proposing the establishment of a five-year programme making provision for commitment appropriations totalling 630 million ECU for the period up to the end of 1987.

2. **Specific comments**

2.1. The Committee welcomes this new initiative by the Commission and the proposals which it has put forward which, whilst they could undoubtedly be improved, may enable an important step to be made in the right direction. The Committee is especially pleased that a medium-term programme is being proposed. Only by substituting a longer-term solution for short-term measures covering a single year can a genuine, lasting contribution be made to Europe's transport infrastructure policy.

In the light of its medium-term experimental programme the Commission has concluded that:

— the objective set out in Article 5 of its proposal should be achieved by means of a five-year scheme,

— the objectives to be achieved over this period should be accurately defined,

— a special provision (Article 11) should be invoked with regard to the utilization of the funds from the 1983 budget,

— the funds from the 1984 budget should also be allocated in accordance with a special procedure.

2.2. Notwithstanding the 'special procedure', which the Committee will deal with in greater detail at a later stage, the Commission's draft Regulation clearly deserves praise for proposing at the present time the establishment of the instrument advocated by the Committee, namely an instrument having similar funding arrangements to a permanent fund. Such a device would finally provide EC transport infrastructure policy with an effective instrument.

2.3. In view of the relatively high level of Community participation in the overall financing of projects (up to 40 % and, in the case of projects receiving aid from other EC sources, total EC aid may not exceed 70 % of the cost of the project), the Committee wonders how the projects to be supported on an annual basis can be selected in such a way as to ensure that, even at the proposed maximum 40 % rate of support, the limited EC funds available produce a 'satisfactory' number of EC projects. The Committee also considers that a minimum level of EC aid should also be defined so as to make EC aid sufficiently attractive. In fixing the actual rate of intervention, consideration should be given to the extent to which eligibility criteria are met, particularly the 'Community interest' of the project in question. The actual possibility of meeting the remaining costs from other, e.g. national sources, should also be examined. Maximum intervention should not by any means be an automatic choice.

In setting the order of priority the Committee believes that account should be taken of the questionnaire appended to the Committee's opinion on the experimental programme.

3. **Specific comments on individual Articles**

3.1. *Article 1*

3.1.1. The Committee notes first of all that it is not completely clear from the Commission proposal which projects are generally worth supporting. Article 1 itself talks of 'transport infrastructure projects of Community interest referred to in Article 1 of Council Decision 78/174/EEC of 20 February 1978'.

3.1.2. According to Article 5 of the proposal, projects must — in order to be eligible — contribute 'towards the realization of the common transport policy, and in particular:

(a) the elimination of notorious bottlenecks within the Community;

(b) the improvement of rail transport on routes that are important for long-distance traffic, particularly combined transport;

(c) the improvement of traffic links between the outlying member countries and the rest of the Community by trunk routes, including those which involve transit through a non-member country;

(d) the improvement of transhipment facilities between intra-Community modes of transport, particularly for those Member States for which contacts with the rest of the Community are

influenced by the development of sea and air transport;

(e) the modernization of the inland waterway system'.

3.1.3. The Committee cannot yet see how the 'list' — which of course is bound to be long if drawn up in accordance with the above criteria — can be further shortened on the basis of objective criteria to the point where it is possible to grant a subsidy of up to 40 % for each remaining project.

3.1.4. The Committee also finds that the criteria laid down in Article 5 of the present proposal overlap with those laid down in Article 1 of the Decision of 20 February 1978. Article 1 of the above Decision states among other things that 'a project of Community interest is defined as any major project which is designed to:

— create new transport links,

— remove a bottleneck, or

— appreciably increase the capacity of existing transport links,

and which belongs to one of the following categories:

(a) projects concerning cross-frontier routes;

(b) projects of a Member State having a significant effect on traffic between Member States or with third countries;

(c) projects affecting a Community policy and in particular the regional policy;

(d) projects which make use of new transport technologies which could be used for long-distance inter-urban transport'.

The Commission should clarify this question of overlapping.

3.2. *Article 2*

No comments.

3.3. *Article 3*

3.3.1. The Committee is basically in agreement with the contents of Article 3 but would refer to the comments made under point 2.3 on whether the 70 % and 40 % intervention rates should be fully utilized in view of the limited funds of the Community.

3.4. *Article 4*

3.4.1. The Committee fully supports the new procedure proposed by the Commission, namely that the Commission, Parliament and Council should all be involved as budgetary authorities in drawing up the list of eligible projects.

3.4.2. The Committee finds it perfectly normal that the Transport Infrastructure Committee established by Decision 78/174/EEC will also be 'consulted' before the list is drawn up (Article 7).

3.4.3. The Committee nevertheless trusts that the Commission will find a suitable way of involving the socio-economic interest groups represented on the Committee in the preliminary consultative stage. In this connection the Committee would refer to point 2.2.4 of its opinion on the 'Experimental Programme' of 28 September 1983 which has already forcefully made this request.

3.5. *Article 5*

The Committee fully approves the aims listed under points (a) to (c). The projects to be given support must play a part in achieving these aims. The list appears to be carefully balanced bearing in mind general transport policy requirements and taking into consideration inter-modal coordination and the geographical location of the projects at the centre or periphery of the Community, including the need to cross non-member countries in transit. The list should nevertheless be brought in line with the other aims of the Commission (see also point 3.1).

3.6. *Article 6*

Article 6 (3) states that 'Member States shall provide the Commission with any further information they feel is necessary for assessing a project'. The Committee feels that as part of this procedure the Commission should refer to the list of criteria appended to the Committee's opinion on the 'Experimental Programme' of 28 September 1983. These criteria should, in the last analysis, also play a determining role in the selection of projects.

3.7. *Article 7*

No comments.

3.8. *Article 8*

Article 8 also leaves the Committee in the dark as to which criteria would actually be used by the Commission in 'taking decisions to grant financial support on the basis of the lists referred to in Article 4'.

3.9. *Articles 9 and 10*

No comments.

3.10. *Article 11*

3.10.1. Article 11 (1) provides scope for derogation from the normal procedure. The four infrastructure projects mentioned are to receive 'financial support' from the Community although neither the type of support nor the criteria for eligibility are specified. The four projects are as follows:

3.10.1.1. Modernization of the railway junction at Mulhouse North;

3.10.1.2. Wexford by-pass;

3.10.1.3. Construction of the Potaschbierg section of the Luxembourg-Trier motorway up to the German border;

3.10.1.4. Improvement of the road between Axios and Gallikos Bridge.

3.10.2. During the Committee's work additional information was provided by the Commission. This has enabled it to check that all the projects actually.

— eliminate obvious bottlenecks, and

— are of Community interest.

The selected projects complement or are a logical follow-up to the projects which received financial support in the 1982 financial year and are generally reasonably well balanced with regard to inter-modal distribution and geographical location.

The Committee all the same notes that these considerations undoubtedly hold good for a number of other projects which have not been earmarked for aid.

3.10.3. The Committee nevertheless notes that the 15 million ECU allocated in 1983 is nowhere near enough to reach the 40 % maximum subsidy rate for the four projects proposed by the Commission-projects which will cost a total of about 92 million ECU. Hence the method proposed by the Committee in point 2.3. Steps must nevertheless be taken to ensure that the overall financing of the projects earmarked for 1983 does not block the funds for 1984.

3.10.4. The Committee will therefore only take a stand on the projects earmarked for 1984 — and even more so subsequent years — on the basis of further information. This information should be supplied by the Commission immediately and if possible on the basis of the questionnaire in its opinion of 28 September 1983 (see point 3.6 above). The Committee would like such information to say what kind of support, and how much support, should be given to individual projects.

3.10.5. Article 11 (2) provides scope for derogations in 1984. But whereas in 1983 derogations are permitted from Articles 4 to 8, in 1984 they are only permitted from Articles 4 to 7. In other words it is the Commission that takes decisions on 'financial support' in 1984 (see Article 8), whereas it is clearly the Council that takes the decisions in 1983.

3.10.6. The Commission allocates 105 million ECU for the 1984 financial year as against 15 million ECU for 1983. The list of infrastructure projects for 1984 is accordingly more extensive, and particular attention has been focused once again on projects in Greece (Article 11 (2) (a)) even though such projects have not been linked to the criteria listed in Article 5.

3.10.7. This is not the case with projects listed under Article 11 (2) (b) where in every single case there is an explicit reference to individual criteria laid down in Article 5. As with Article 11 (2) (a), Article 11 (2) (c) makes no reference to criteria laid down in Article 5.

3.10.8. In a nutshell, Article 11 tends to suggest — no doubt for want of more accurate information — that the projects listed under Article 11 (1), Article 11 (2) (a) and Article 11 (2) (c) have been selected primarily on political grounds.

3.10.9. This does not seem to be the case with Article 11 (2) (b) where the reference on each occasion to two different criteria from Article 5 at least gives the impression that an effort has been made to find objective grounds for granting financial support.

3.11. *Article 12*

No comments.

3.12. *Financial record*

3.12.1. The financial record attached to the proposal shows that the Regulation is necessary because the funds for infrastructure projects of Community interest are classified as non-obligatory expenditure. Because the funds fall into this category 'the implementation of appropriations entered for significant new Community action shall require a basic Regulation'(1).

3.12.2. The Commission also expresses the view in its financial record that 'the progress in the examination of the problems linked with the development of a communication network of Community interest should enable the selection of a range of projects which, in the first place, could be eligible for financial support'.

4. **Conclusions**

In conclusion and subject to the foregoing remarks, the Committee is very favourably disposed towards the Commission proposal.

(1) OJ No C 194, 28. 7. 1982, p. 3 (Joint declaration by the European Parliament, the Council and the Commission on various measures to improve the budgetary procedure. Brussels, 30 June 1982).

Done at Brussels, 26 October 1983.

The Chairman
of the Economic and Social Committee
François CEYRAC

Opinion on the communication from the Commission to the Council entitled 'The new system for coking coal and coke for the iron and steel industry in the Community'

The text referred to the Committee has been published in *Official Journal of the European Communities* No C 132 of 19 May 1983, page 4.

A. LEGAL BASIS FOR THE OPINION

On 5 May 1983 the Council referred the abovementioned proposal to the Economic and Social Committee in accordance with Article 198 of the Treaty establishing the European Economic Community.

B. OPINION OF THE ECONOMIC AND SOCIAL COMMITTEE

The Economic and Social Committee prepared its opinion on the above matter at its 211th plenary session held in Brussels on 26 and 27 October 1983.

The full text of the opinion is as follows:

THE ECONOMIC AND SOCIAL COMMITTEE,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 198 thereof,

Having regard to the request made by the Council of the European Communities on 5 May 1983 for an opinion on the communication from the Commission to the Council entitled 'The new system for coking coal and coke for the iron and steel industry in the Community (1),

(1) OJ No C 132, 19. 5. 1983.