

## COUNCIL DECISION

of 13 May 1965

implementing Article 4 of Council Decision No 64/389/EEC of 22 June 1964 on the organization of a survey of infrastructure costs in respect of transport by rail, road and inland waterway

(65/270/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Decision No 64/389/EEC<sup>1</sup> of 22 June 1964 on the organization of a survey of infrastructure costs in respect of transport by rail, road and inland waterway, and in particular Article 4 thereof;

Having regard to the proposal from the Commission;

Whereas the Council is required under Decision No 64/389/EEC to determine the scope of the survey of infrastructure costs and the methods for determining and allocating those costs;

Whereas the choice that is made from among the various possible methods in this field is likely to predetermine the choice of the system of charging for the use of infrastructure to be established subsequently under the common transport policy; whereas, in order not to prejudice the issue, as much data as possible should be collected, so that the consequences of applying the various possible solutions may be assessed;

Whereas it is, however, at present impossible to collect such data for all infrastructure; whereas, for practical reasons, an overall return must be limited to actual expenditure; whereas certain infrastructures of secondary importance may without giving rise to difficulty be excluded from the scope of such a return ;

Whereas the best method to adopt in order to obtain the necessary additional data is to carry out studies of special topics, selected by reference to technical and economic criteria; whereas the studies must be

organized in such a way as to identify the problems involved in applying the principal possible solutions as regards the allocation of costs and the system of charging for the use of infrastructure;

Whereas, in order to ensure that these studies are carried out by Member States in as uniform a manner as possible, the Commission should conduct a preliminary pilot study;

Whereas, in order to ensure that the tasks arising from this Decision are efficiently performed, a committee of Government experts should assist the Commission,

HAS ADOPTED THIS DECISION:

*Article 1*

For the purpose of collecting data to serve as a basis for the establishment under the common transport policy of a system of charging for the use of infrastructure, but without predetermining the choice of system, which must ensure equality of conditions of competition in transport, the Member States and the Commission shall carry out the tasks specified in this Decision.

The Commission shall be responsible for the technical coordination of the work to be carried out by the Member States.

*Article 2*

1. Member States shall draw up returns of all expenditure in respect of infrastructure for the year 1966, irrespective of how that expenditure is financed.

They shall, as far as possible, set out this expenditure in accordance with the schemes of classification contained in Annex 1, showing separately expenditure under the following heads:

<sup>1</sup> OJ No 102, 29.6.1964, p. 1598/64.

- (a) new construction and extension;
- (b) reconstruction and renewals;
- (c) maintenance;
- (d) operation and administration.

2. Returns in respect of the heads of expenditure set out in paragraph 1 shall be prepared for all infrastructure coming within the field of survey as defined in Annex 2. A separate return shall be prepared for each category of infrastructure listed in that Annex.

3. By way of derogation from paragraph 1, the expenditure relating to road infrastructure for which municipal authorities are responsible shall be set out in an overall return.

For the Netherlands, infrastructure for which the *Waterschappen* are responsible shall be similarly treated.

4. Member States shall before 31 December 1967 forward to the Commission their returns of expenditure prepared in accordance with the above provisions.

They shall attach to such returns all relevant comments and shall in particular draw the Commission's attention to any expenditure of an exceptional nature.

#### Article 3

In preparation for the studies referred to in Article 4, the Commission shall conduct a pilot study designed to show in detail how the various methods set out in Annex 3 would operate.

This pilot study shall be completed before 30 June 1966. Member States shall provide the Commission with all information requested by it for the purposes of this study.

#### Article 4

1. Member States shall carry out individual studies with the object of identifying the problems involved in applying the methods set out in Annex 3; such studies shall be designed to provide *inter alia* information relevant to the purposes of Article 2 (b) and (c) of Decision No 64/389/EEC.

The subjects of the studies shall be as follows:

- (a) in regard to railways:
  - in Belgium, Germany, France, Italy and the Netherlands
    - (i) a link between two cities or economic regions,

- (ii) an infrastructure network within a limited geographical area;
  - in Luxembourg, either of the above:

(b) in regard to roads:

- in Belgium, Germany, France, Italy and the Netherlands
  - (i) a link between two cities or economic regions,
  - (ii) an infrastructure network within a limited geographical area,
  - (iii) an urban area;
- in Luxembourg, either (i) or (ii);

(c) in regard to waterways:

- in Belgium, Germany, France and the Netherlands, two waterways or sections of waterway;
- in Italy, one waterway or section of waterway.

2. In order to cover as wide a range of cases as possible, Member States shall, in selecting cases for study as provided in paragraph 1 and in apportioning the studies among themselves by joint agreement, take the following criteria into consideration:

- technical features of infrastructure,
- degree of utilization of capacity,
- composition of traffic,
- trends in pattern of traffic,
- functions of infrastructure,
- economic character of area concerned,
- competitive position of infrastructure.

3. The Commission, acting on the basis of the results of the pilot study referred to in Article 3 of this Decision, may propose to the Council amendments to paragraph 1 of this Article in time for the Council to be able to reach a decision before 31 December 1966.

4. Member States shall send their studies to the Commission before 31 December 1967.

The studies shall be attached to the report referred to in Article 7 of Decision No 64/389/EEC, which shall include a summary of the conclusions to be drawn from all the work carried out pursuant to this Decision, both as regards the establishment of a system of charging for the use of infrastructure and as regards the allocation of infrastructure costs.

#### Article 5

A committee of Government experts shall assist the Commission in all work carried out in pursuance of this Decision and in particular:

- in the coordination of the tasks to be carried out by the Member States,
- in the organization and conduct of the pilot study referred to in Article 3,
- in the comparison and evaluation of the results of the survey,
- in the preparation of the report and study provided for in Article 7 of Decision No 64/389/EEC.

*Article 6*

This Decision is addressed to the Member States.

Done at Brussels, 13 May 1965.

*For the Council*

*The President*

M. COUVE de MURVILLE

Annexes 1 and 2 to this Decision have been omitted since they consist of detailed instructions for the provision of information under Article 2 of the Decision, which relates only to the year 1966.

ANNEX 3

**List of methods referred to in Article 3(1)**

1. *Economic tolls system*

An economic tolls system is an infrastructure pricing system based on the charging of a toll equal to the marginal cost of use, where infrastructure is not used to full capacity, and of a toll plus a saturation surcharge designed to adjust demand to capacity, where the infrastructure is used to full capacity.

2. *Balanced budget system*

A balanced budget system is an infrastructure pricing system under which charges are so fixed that over a given reference period revenue equals expenditure. Under this system, charges are equal to the economic toll plus such surcharge as may be appropriate.

3. *Development cost system*

Under this system charges for the use of infrastructure are based on a comparison of the notion of long-term marginal cost with an analysis of demand.

4. *Total (full economic) cost system*

Total (full economic) cost consists of the total expenditure required to produce the item concerned. Included in this cost is the cost of capital, expressed in the form of depreciation and interest charges. Depreciation is primarily based on the estimated economic life and residual value of the items concerned. The calculation is made in such a way that the difference between the initial value and the estimated residual value is written off over the course of the life of the item. It is revised in the event of any major change in relation to the initial estimates or in the value of the item.

Calculation of the total (full economic) cost of infrastructure does not of itself amount to fixing charges for the use of infrastructure; the actual charges fixed will depend among other things on the conditions of demand. The calculation does, however, provide an essential item of basic data for the fixing of charges.

Where transport infrastructure is required to achieve a balanced budget, this can be done by having the total (full economic) cost borne entirely by the users.