



## CONTEMPORARY ASPECTS OF EUROPEAN TRANSPORT POLICY

*Grzegorz Zajac, Ph.D.*

University of Information Technology and Management in Rzeszow, Poland

### **Abstract:**

*The origin of the common transport policy was in 1957. Currently the Treaty on the Functioning of the European Union (TFEU) of 2007 signed in Lisbon is legally binding concerning the common transport policy of the EU. The dynamic pace of the implementation of the common transport policy the EU was commenced from the beginning of the 1990s' of the last century. The recognition of the importance and the role of transport for the EU as a whole by the Member States has created opportunities for the development of this branch of the economy, which for almost thirty years of the European integration was being marginalized. In contemporary rules about the common transport policy most barriers to its functioning throughout the continent were eliminated. For the EU the Trans-European Transport Networks (TEN-T) importance stems also from the fact that it should contribute to the achievement of greater economic and spatial cohesion of the European Union. The task of the TEN-T network is to increase the technical standardization of individual national networks, improvement of transport infrastructures, access facilitation to infrastructure and fostering better connections between national networks and transport modes. Today we can say without hesitation, that there has been huge progress in the implementation of the common transport policy in the EU. Codification and harmonization of laws at EU level contributes to the development of specific sectors of transport and strengthens European identity in the world.*

### **Keywords:**

European Transport Policy; Transport Modes; White Paper; TEN-T; Trans-European Transport Network

### **1. Introduction:**

Transport is an extremely complex sector, in comparison with other service sectors. Basically it is a multiproduct industry, producing differentiated services (both for freight and passengers) by means of different infrastructures (M. Ponti, 2013). One of the primary objectives of the European Union is the establishment of a single transport market and its continuous and sustainable development. It must be pointed out that White Papers issued by the European Commission play an important role in setting directions in the field of transport policy. The last White Paper was released in 2011. It contains the objectives and strategy of EU transport policy to 2050. An important element of the contemporary dimension of the common transport policy of the EU is the trans-European transport network (TEN-T). Its task is to facilitate the access to infrastructure, increasing technical standardisation of individual national networks, improve transport infrastructures and fostering better links between national networks and transport modes.

The purpose of this paper is to show the origins and evolution of transport policy of the European Union and its modern countenance. It is going to be discussed the most important legislative documents concerning individual modes of transport. An important element will be to analyze the modern challenges and threats as well.

### **2. General Comments on Transport Policy**

Transport (Lat. *transportare* - move, carry) is accompanied the human kind from the beginning, since the migrations of people and trade had been developed in antiquity.

The appropriate development of transport in the country is the result of specific economic policy. One of the important elements of the economy of each country is the smooth functioning of transport. Therefore, transport policy plays a significant role in the development of each State.

Transport policy is part of an overall state economic policy, governs the whole matters connected with the various modes of transport, with specific measures and objectives of development that are not limited to the administrative borders of the country. These features are necessary for the existence of a transport policy.

The transport is divided into many branches: land transport (railway, car), inland waterways transport, maritime transport and air transport. The State must conduct such a policy, which will cover branches used on its territory. For example, there is no need to conduct a railway transport policy in a State, where no railways can be found (the Holy See). The State should coordinate the development and operation of transport within individual branches.

In General, the goal of transport policy should be the growth and development of different branches of the transport infrastructures, ensure all service providers equal terms and conditions and fair competition and its functioning based on respect and protection of the environment. Such rules covering the above mentioned aspects are necessary to ensure the technical safety of the rolling stock and the highest level of provided services, in compliance with international standards.

In case of international institutions they can conduct a common transport policy when it becomes the subject of interest of its bodies and when they will issue a variety of decisions in this field (J. Burniewicz, 1991). After World War II, many international and regional organizations were established dealing with issues related to the transport. Nevertheless, conducting a common policy in this area at transnational level was announced in the Treaty on the Functioning of the European Union (TFEU) in 1957, formerly named as Treaty establishing the European Economic Community (TEEC).

### **3. European Union Policy And Origin Of Common Transportation Policy**

The European Union has its roots in the institutionalization of the process of European integration, which was launched at the beginning of the 1950s. of the last century in Western Europe. The turning point for the development of the transport policy was the creation of the former European Economic Community under the Treaty establishing the European Economic Community (EEC), signed in Rome on March, 25<sup>th</sup>, 1957.

By signing the Treaty establishing the EEC in 1957, it was obvious that relevant provisions for the integration of the transport policy of the Member States must be included, at least for two reasons. First, a great importance was paid to this sector of the economy. Some realized that in long-term it contributes to an increase in the standard of living of the society. Second, the creators of the Treaty were aware that transport enables the functioning of the common market, in particular the free movement of goods and people (W. Januszkiewicz, E. Synowiec, 2004). In has been enshrined in the Treaty of Rome the creation alongside the common agricultural policy, the common commercial policy, the common rules in the field of competition, also the common transport policy.

The term "common policy" means that the European Union can autonomously act in issuing regulations or decisions without having to rely on the harmonization of the national legal systems of the Member States (C. Jung, 1998). However, it is not clearly stated what it would involve, and how it should be shaped. Therefore, it was concluded in the Treaty of Rome the provisions relating to the common transport policy with moderate reservations. The lack of definition when establishing the EEC was due to the nature of the legal provisions underlying the establishment of the community. There was no agreement and political good will to create and transfer to this body, common to all Member States, the powers of the transport policy. Transport markets were strongly controlled by the national authorities and subject to national legal regulations. State authority treated the individual modes of transport, especially aviation, as its national property, which cannot get rid of. In each State there was an individual approach to transport policy.

The provisions of the common transport policy were first modified in 1992, when it was the European Economic Community was transformed into the European Community and the European Union was created on the basis of the Treaty of Maastricht. Further changes to the EC TREATY on the common transport policy were made in the Amsterdam Treaty of 1997 and the Treaty of Nice 2001. Currently the Treaty on the Functioning of the European Union (TFEU) as a modified version of the former EC Treaty of 13 December 2007, signed in Lisbon is legally binding, commonly known as the Treaty of Lisbon (the Treaty entered into force on December 1, 2009.).

#### 4. The Goals And Objectives Of Common Transport Policy

The European Union powers are set out in the Treaty on the Functioning of the European Union (TFEU), in accordance with article 7: *The Union shall ensure consistency between its policies and activities, taking all of its objectives into account and in accordance with the principle of conferral of powers.* Transport in the light of article 4 (2) (a) (g) of the Treaty is a shared competence between the Union and the Member States. However, the detailed provisions of the Treaty in this respect, leave no doubt that it is the common transport policy.

**Note: Title VI: Transport; Article 90 TFEU: The objectives of the Treaties shall, in matters governed by this title, be pursued within the framework of a common transport policy.**

The dynamic pace of the implementation of the common transport policy the EU was commenced from the beginning of the 1990s of the last century. The recognition of the importance and the role of transport for the EU as a whole by the Member States has created opportunities for the development of this branch of the economy, which for almost thirty years of the European integration was being marginalized. In contemporary rules about the common transport policy most barriers to its functioning throughout the continent were eliminated. The issue of a large number of legislative acts in different areas, i.e. opening air markets, liberalizing railway and maritime transport, harmonization of aspects of safety, passenger protection, environmental protection and others, results in the actual implementation of the objectives of the common transport policy, initiated in the 1950s.

The provision of article 90 of the TREATY as a general disposition is a clear signal that the transport issue is one of the focus subjects of one of the common policies of the European Union. It has been laid down in the Treaty of Lisbon, the powers of the Union and the Member States in the creation of regulations in this field.

Another article 91 refers to the conditions and the measures to implement by *the European Parliament and the Council shall, acting in accordance with the ordinary legislative procedure, and after consulting the Economic and Social Committee and the Committee of the Regions* in order to implement the common transport policy. These measures are the following:

- a) Common rules applicable to international transport to or from the territory of a Member State or passing across the territory of one or more Member States,
- b) The conditions under which non-resident carriers may operate transport services within a Member State (i.e. the cabotage),
- c) Measures to improve transport safety
- d) Any other appropriate provisions.

When introducing these measures by appropriate authorities, the Treaty require to take into account the situation, where their application might seriously affect the standard of living and level of employment in certain regions, as well as on the functioning of the transport infrastructure.

Article 92 states that, *until the provisions referred to in Article 91(1) have been laid down, no Member State may, unless the Council has unanimously adopted a measure granting a derogation, make the various provisions governing the subject on 1 January 1958 or, for acceding States, the date of their accession less favourable in their direct or indirect effect on carriers of other Member States as compared with carriers who are nationals of that State.* This article concerns the free completion protection. All carriers should be treated without discrimination and rules should be clear to all branches of transport.

Article 93 provides for public aid to the transport. In General, any form of public aid, in accordance with article 107 (1) of the TFEU, is incompatible with the internal market and should not be applied. However, article 93 provides for an exception, which reads as follows: *Aids shall be compatible with the Treaties if they meet the needs of coordination of transport or if they represent reimbursement for the discharge of certain obligations inherent in the concept of a public service.* In such case, the public aid should be compatible with article 107 (2) and (3). Many forms of transport activities, in fact, bring loss and must be financed from the State budget or local-government budget, which is why they are considered as public services, or security-related issues.

In a subsequent article 94 *any measures taken within the framework of the Treaties in respect of transport rates and conditions shall take account of the economic circumstances of carriers.*

Article 95 (1) contains the prohibition of discrimination of carriers operating in the European Union: *1. In the case of transport within the Union, discrimination which takes the form of carriers charging different rates and imposing different conditions for the carriage of the same goods over the same transport links on grounds of the country of origin or of destination of the goods in question shall be prohibited.* Therefore, in accordance with the provision set forth in paragraph 2 of this Article, *the Council shall, on a proposal from the Commission and after consulting the European Parliament and the Economic and Social Committee, lay down rules for implementing the provisions of paragraph 1.* In order to control the proper implementation of the above mentioned rules, under the paragraph 4, *the Commission shall investigate any cases of discrimination falling within paragraph 1 and, after consulting any Member State concerned, shall take the necessary decisions within the framework of the rules laid down in accordance with the provisions of paragraph 3.*

In article 96 prohibited imposing by the Member State rates and conditions containing any element of support or protection of one or more companies or individual industries, unless it is authorized by the Commission. This prohibition shall not apply to competition tariffs. Each element of prohibition may be waived by the Commission, which takes all necessary action to examine the rates and conditions and the effects of such rates and conditions on competition between the different modes of transport. After this, the Commission shall take appropriate decision.

Article 97 provides that *charges or dues in respect of the crossing of frontiers which are charged by a carrier in addition to the transport rates shall not exceed a reasonable level after taking the costs actually incurred thereby into account.* Member States are obliged to progressively reduce these costs. In this case, the Commission has significant powers, as it has the right to make recommendations to the Member States on these issues. This is to ensure reasonable prices for transport services and consumer protection in all of the corners of the EU.

Next article 98 refers only to Germany. Such a special treatment of the Federal Republic of Germany is due to the fact that the eastern lands joined in 1990 with the western lands and their economic situation is much worse. Therefore, the Federal Republic of Germany may take any measures to compensate the economic disadvantages caused by the Division of that State. However, the reservation has been made, that after the expiry of five years from the entry into force of the Lisbon Treaty (i.e. after December 1, 2014) the Council, on a proposal from the Commission, may decide to repeal this provision. Until now, this provision was not repealed.

In accordance with article 99 an Advisory Committee consisting of experts designated by the governments of Member States shall be attached to the Commission. The Commission, whenever it considers it desirable, shall consult the Committee on transport matters, without prejudice to the competence of other advisory bodies, for example. Economic And Social Committee. In order to implement this provision, the Directorate-General for Transport was established within the Commission organizational structure.

A special attention should be paid to the provisions of article 100. Apart from the statement in paragraph that *the provisions of this title shall apply to transport by rail, road and inland waterway*, special focus is on the provisions of paragraph 2, according to which *the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, may lay down appropriate provisions for sea and air transport. They shall act after consulting the Economic and Social Committee and the Committee of the Regions.* Under those provisions, the position of the European Parliament in rule-making of air law has been strengthened and it was also established the obligation of consultations of the proposed rules with advisory bodies, such as Economic and Social Committee and Committee of Regions, which wasn't previously specified. The previous rules of the Treaty of Nice gave the Council exclusive competence to create the European air and maritime law, and the harmonization of these laws, acting by a qualified majority. It is clear that these two branches of transport do not remain outside of the scope of application of the provisions of the Treaty. The Court of Justice of the European Union gave in a 1974 ruling, according to which the provisions of articles 90-99 (previously articles 70-79) apply also to maritime and air transport (Case, 1974).

## 5. Stages of Development of The Common Transport Policy

Transport policy is based on equal treatment by the Member States of any transport modes as well as carriers, registered in another Member State.

Implementation of the objectives of the common transport policy has stalled at a standstill until the mid-1980s. of the last century, despite many solutions to overcome this “crisis” which aimed at commencing the works on creation of a harmonized dimension. For the Member States of the former EEC it was important the economic integration and common agricultural policy. The issue of the transport policy was marginalised. Since January 1, 1958, in transport policy, the focus was on removing internal barriers at borders between Member States that blocked off the free movement of people and goods.

Despite many initiatives have been proposed every few years, not much have been done in this regard. Until the mid 80. of the last century only a few legal acts were introduced concerning transport. The reasons lie not only in the system of decision-making bodies of the EEC, but also the lack of clearly defined competences of these bodies. It turned out an extremely strong commitment of Member States to shape their own transport policies and their reluctance to transfer those powers to the institutions of the former Community.

A very symbolic year was 1992 for the European Union and for the development of common transport policy. From that time the process of liberalization of transport began as well as the beginning of implementation of rules in common transport policy of the European Union.

The European Union has introduced its plans towards common transport policy in White Books. Until now, there have been three editions: 1992, 2001 and 2011.

### 5.1. White Paper: 1992

Development plans were set out in the White Paper published by the Commission on 2 December 1992, under the title “The Future Development of the Common Transport Policy – A Global Approach to the Construction of a Community Framework for Sustainable Mobility”. It was the first White Paper on transport, which showed the state of the transport system in the newly established European Union and perspectives for its development. The main task, which was set up in the White Paper was the immediate opening of the transport market as fast as possible and autonomy of its development from economic growth. Another goal was to link, also, the needs of the environmental movement.

The White Paper of 1992 by far stressed the importance of road transport, in particular railway transport, and also sea transport. It was about a combination of different transport modes. One of the most important projects to be implemented in the 1990's were *Trans-European Transport Networks* – TENs. This initiative didn't come up first in the White Book, since the Treaty of Maastricht of 1992 contained special provisions in this regard.

The concept of the construction of the trans-European transport network has encountered some difficulties, mainly with funds. Already at the European Council meeting in Essen in December 1994, there were selected fourteen priority projects to be implemented in the framework of the TEN-T's. In the White Paper on Transport of 2001 there have been submitted seven projects, which created a total of twenty-one. In July 1996 the European Parliament and the Council adopted the guidelines for the development of TENs for 2010, which relate both to the infrastructure, traffic management systems and navigation systems.

It should be noted that in the mid-1990s. it was taken into account the fact that the European Union will expand in due time to the East, and therefore, it was necessary to take into account the inclusion in the trans-European transport network also Member States of the region. Therefore, the process TINA (*Transport Infrastructure Needs Assessment*) has been initiated in 1996. The programme of development of transport network until 2025 has been prepared within the framework of this process taking into account the countries of Middle and Eastern Europe. The premise of the TINA process were arrangements of the Transport Conference II in Crete (1994). It was decided to

create a network of ten multi-modal transport corridors to improve infrastructure investments in the Central and Eastern Europe<sup>1</sup>. TINA network consists of ok. 18. km of roads, more than 20,000. km of railway tracks, 38 airports, 13 sea ports and 49 river ports. The cost of the creation of these networks (or building new missing sections of roads or railway lines) in the period up to 2015 was estimated at 90 bln EUR.

The realization of the objectives contained in the White Paper of 1992 proceeded differently in different sectors. Generally, we can positively assess the progress of liberalization of individual transport sectors as well as the growth of Union's legislative acts leading to harmonization of different rules and standards in Member States. The goals set up in 1992 have been generally achieved, except for the railway sector. Taking into account the air transport it was a significant change, while there was a huge advancement in opening of the market to the free competition by liberalizing this sector of air carriers and airports. It resulted in the vast and dynamic growth of air services and introduction of new low cost carriers who entered the market and gained the market previously designed and governed by traditional carriers. Other forms of success in the implementation of common transport policy rules were the release of consumer prices, combined with higher service quality and a wider range of choice.

To serious difficulties in the development of the common transport policy include the following:

- Uneven growth of different means of transport,
- Congestion on the main roads, railway routes and airports as a result of the imbalance between different modes of transport,
- Harmful environmental and health factors and a large number of traffic accidents.

## 5.2. White Paper: 2001

The elimination of a variety of barriers, as well as shortcomings in the development of the legal framework relating to the common transport policy was described in the second White Paper on Transport, which was published almost ten years later, in 2001, entitled "European transport policy for 2010: time to decide".

An important element, in the context of the implementation of the common transport policy by the European Union, were the relevant provisions of the "Lisbon strategy" adopted by the European Council in March 2000 in Lisbon. It was the ten-year socio-economic programme, which was to make the EU "the most competitive and dynamic economy in the world". In regards of transport policy the main focus was put on air and railway transport. In the field of air transport, the priority was the creation of *Single European Sky* (SES) which was of great importance for the whole Europe and the whole aviation, and an issue of slot allocation at European airports. Special legislative package was introduced in 2004 in this regard, which is often called as the „fourth” liberalization package in aviation. Later, there were two modifications of it: in 2009 (often referred to as SES II) and in 2013 (as SES II plus).

It can be also positively assessed the implementation of legislation in regards of slot allocation, which led to an effective airports' capacity, since the growth in air services led to the „congestion” being more and more unbearable. The Commission proposed further liberalization of air transport in other fields. Taking into account the railway transport, two legislative packages were introduced: one was about to safeguard railway undertakings providing cargo services the greater availability of infrastructure and determining security requirements at railways. The second includes acts to speed up the opening of the market in rail freight, the creation of a European Railway Agency (ERA) and an increase of safety standards (M. Pudlak, 2004).

First of all, it has been analyzed the current state of implementation of goals set in 1992. Huge delays have been noticed in the creation of the trans-European transport networks. There have been proposed solutions involving, i.a., on a better combination of inland waterway routes with rail and sea shipping by sea and river ports, improve passenger transport thanks to the cooperation of airports with high speed railways, and implementation of the intelligent transport systems which will allow to manage network traffic. It has been also announced an extension of

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<sup>1</sup> *Transport corridor* is a series of transport routes of international importance, in which there are at least two different transport routes with specific technical parameters and with correctly deployed transport interchange.

the above actions to integrate TEN-T's with European transport corridors that run in most of the Member States, as adopted in 2004. It has been also planned to incorporate sea shipping and inland waterway transport into the transport system of the Union, and their combination would provide competition for road transport (W. Rydzkowski, 2003).

In the White Paper of 2001 there was included many valuable guidelines, which were supposed to assist and stimulate the development of the common transport policy. The new issue was paying an attention to the fact, that all modes of transport need to be treated equally. So far, in fact, there was a practice of promoting of certain sectors, notably railway and road transport. Currently, the main stress is put on the sustainable development of all branches.

However, in comparison with previous development of the common transport policy projects submitted from time to time by the European Commission, a lot of attention for the first time was put on air transport in the White Paper of 2001. This sector was recognized highly significant to the economy and a major source of revenue for companies associated with him.

Despite this, all types of transport are treated equally. You can see this in two aspects. First, the effective competition has been planned to be introduced. In road transport it was announced to strengthen the quality of the implementation of the relevant legal provisions and strengthening of the system of inspections and penalties. It was also planned to modernize and revive the railway transport by optimizing the use of infrastructure and modernization of rolling stock. In case of air transport it was announced the fight against the problem of "air congestion", to analyze airports' capacity and their rational use, paying greater attention to protecting the environment and maintaining the proper level of security.

Second, different means of transport have been connected. It is about the solutions such as:

- a) Providing sea – inland waterway – railways transport connections,
- b) The launch of the Marco Polo programme designed to help inter-modal transport operators in starting your own business,
- c) The creation of a favourable technical conditions, e.g. by standardizing containers.

Moreover, In the White Paper of 2001 it was also mentioned about eliminating. "bottlenecks" in Europe. These were different communication barriers that hamper the development of different transport modes. They remained even though the European Union has adopted an ambitious policy on the trans-European network. In this regard, it was planned to implement large infrastructure projects (i.e. completing the Alpine routes, the strengthening of safety in tunnels) and to take steps towards the creation of a multimodal corridors.

A focus has been put on the rights of passengers. It was diagnosed the causes of hazards on the roads, many dramatic situations occurring at airports related to denied boarding, or a cancellation of flights in last minute and it was announced to strengthen the protection of the rights of passengers. Another element is also to enhance the safety of travelling.

The EU's external relations was an extremely important issue. It was considered that the wider Europe with Eastern European States which were previously under the Soviet political influence must be strengthened in the world arena. To this end it is necessary to speak with a single voice on behalf of the EU as a whole in the different international organizations. Signature and entry into force of the Treaty on the functioning of the European Union in 2009, fills this goal. The white paper also strongly emphasized the role of the single aviation policy and the interaction of the Member States in relations with third countries. It was stipulated in 2001 the take-over of greater responsibility by the council and the Commission for this particular sector and making greater harmonization of rules, which was done in practice in the subsequent years, both in terms of functional and institutional.

### 5.3. White Paper: 2011

Over the last years it can be noted the progressive implementation of the various programmes and the relevant legislation in the implementation of the common transport policy. Another important message and a plan for the future was the White Paper on transport of 2011 (White Paper on Transport, 2011).

Key elements raised in the White Paper are the following:

- a) The issue of sustainable transport system in Europe,
- b) The development of multimodal transport networks,
- c) Environmental performance of transport and reducing greenhouse gas emissions,
- d) The application of innovation and technology in the development of transport.

The White Paper provides a vision of a sustainable and resource efficient transport to 2050 with intermediate objectives to 2030. The focus is on the challenges facing transport in Europe in future.

The latest White Paper of 2011 is different from the previous ones. It doesn't focus on the achievements of aviation policy, but it presents deepening cooperation to build a single system of aviation law in Europe, by emphasizing issues such as: the increase in the mobility of passengers, intermodality of transport sectors (air transport linked to railway transport), new technologies of air traffic management, and environmental issues. It was well assessed the idea of implementation of innovative programs of air traffic management (SESAR) that will bring greater capacity at airports, or to reduce the cost of operation of national air navigation centres. Far-reaching strategic objectives have been introduced to implement before 2050. A huge improvement, dynamic changes that have occurred in harmonization of aviation rules in Europe will require continuous monitoring and improvement in those areas where there are deficiencies or if the provisions are not effective.

## 6. Perspectives and Future of Common Transport Policy

The European Commission introduced a comprehensive strategy of the transport development in 2011 in the next White Paper.

Its purpose is to create a competitive and mobile transport system, which is based on the increased independence of the European Union from imported raw materials used in transport, as well as raising the level of his pro-environmental attitude. The perspective of the European single transport area provides for removal of major barriers to the most important areas of operation of transport through:

- The launch of the base network transport corridors, which operate on the basis of the competitiveness of the different modes of transport (TEN-T network),
- Not less than 30% of the carriage of goods by road for a distance of over 300 km should be moved to the other means of transport by the year 2030, and more than 50% by 2050,
- The combination of all airports' network which are of special interest to the railway network by 2050 (P. Witkowski, 2002).

### 6.1. Road Transport

The most notable and most common transport service is car transport. When we talk about its role and place in relation to other modes of transport, we have to take into account the size of working time and carriage during the period of at least couple of years (K. Bentkowska-Senator, 2007). In terms of weight carried of goods, car transport is numerous and very significant in the foreign trade. Areas of the continents shall designate a natural space of its application. Taking into account the organizational and economic factors for this particular mode of transport, the most reasonable services are for medium and close distance.

The popularity of road transport takes inter alia the following factors:

- Spacious and wide network of roads,
- Very favourable adjustment of the road network to the location of the cities and production centers,
- Adjusting modes of transport to almost all types of products,

- Operating speed which is fast and effective,
- Short time the carriage due to direct supply (M. Fertsch, 2006).

The number of companies engaged in transport services in European countries shall be assessed on the tens of thousands or more. Road transport is a business for a total of over 500 thousand companies operating in the European Union. Huge competition and diversity in the field of services provided by road transport undertakings cause a slight level of fixed charges and own expenditures.

The European Union has established common road transport market in the following areas:

- a) Rules governing access to the profession and to the market (Regulation (EC) No 1071/2009 of the European Parliament and of the Council of 21 October 2009 establishing common rules concerning the conditions to be complied with to pursue the occupation of road transport operator and repealing Council Directive 96/26/EC). According to the Regulation, operators must fulfill four criteria to access the profession: good repute, financial standing, professional competence, and effective and stable establishment,
- b) Minimal standards for working time, driving time and rest periods (including enforcement and the use of tachograph devices) for professional road transport (Directive 2002/15/EC of the European Parliament and of the Council of 11 March 2002 on the organization of the working time of persons performing mobile road transport activities; Regulation (EC) No 561/2006 of the European Parliament and of the Council of 15 March 2006 on the harmonization of certain social legislation relating to road transport),
- c) Minimum annual vehicle taxes for heavy goods vehicles (above 12 tonnes) - Directive 2006/38/EC of the European Parliament and of the Council of 17 May 2006 amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures,
- d) Common rules for tolls and user charges for heavy goods vehicles.
- e) Harmonization of the maximum weights and dimensions of road vehicles. In order to avoid roads, bridges and tunnels, special rules concerning buses and coaches have been established (Directive (EU) 2015/719 of the European Parliament and of the Council of 29 April 2015 amending Council Directive 96/53/EC laying down for certain road vehicles circulating within the European Union the maximum authorized dimensions in national and international traffic and the maximum authorized weights in international traffic).

## 6.2. Railway Transport

Until recently, in Europe, it was believed that rail transport serves as a public service, therefore its services should be a common good, and what that supposed to be as cheap and available. State monopolistic railway undertakings as a result showed deficits forcing the State to transfer sometimes huge sums on their restructuring from central budgets. This involved a fairly low rates for services and a very high and fixed costs. In the European Union the key issues was to separate the transport carriage from linear and point infrastructure, which reflected in the organization of rail transport. The adoption of such a model has allowed for the introduction of solutions that rely on the functioning of one company, seeking budgetary resources, responsible for the construction, use and maintenance of point and linear infrastructure, paying for the use of infrastructure, the introduction of competition in the field of providing transport services by rail undertakings, that operate commercially.

The European Union has significantly improved the implementation of common rail policy in recent years. There are three main issues in this regard:

- (1) Opening of the rail transport market to competition,
- (2) Improving the interoperability and safety of national networks and
- (3) Developing rail transport infrastructure

There has been three railway packages liberalizing rail transport. The first package was introduced in 2001. The main principles introduced in this package (three Directives) were:

- a) Fair, equal and non-discriminatory access for all train operators licensed in the EU,

- b) The granting of licences, allocation of infrastructure capacity and charging of infrastructure fees must be equal to all train operators registered in the EU,
- c) Freeways open to cabotage,
- d) Freight terminals open for fair, equal and non-discriminatory access to all train, road haulage and waterway operators.

The second liberalization package was developed in 2004. It was further liberalization of rail freight services by fully opening this market to competition as from 1 January 2007. Additionally, it was introduced the establishment of the European Railway Agency situated in Valenciennes (France) under Regulation 881/2004, which was later amended by Regulation No 1335/2008 of 2008.

The third liberalization package was introduced in 2007. It introduced open access rights for international rail passenger services including cabotage from 2010. The third railway package introduced a European driver licence allowing train drivers to circulate on the entire European network as from 2011). The drivers will have to meet basic requirements concerning their educational level, age, physical and mental health, specific knowledge and practical training of driving skills. What's more, this package strengthened the rail passengers' rights under Regulation (EC) No 1371/2007 of the European Parliament and of the Council of 23 October 2007 on rail passengers' rights and obligations (OJ, 2007).

However, the European Commission introduced in 2013 the fourth package, which is still under the process of public consultations.

### 6.3. Inland Waterways Transport

The European system of international waterways is composed of two subsystems – Western-European and South-European. To the Western subsystem the Rhine river connects together a network of waterways of France, Germany, Switzerland and the Netherlands. The Rhine river until the Basel is available for vessels with a capacity of 2000 tons, and from sea to Duisburg – 3 000 tonnes (S. Koziarski, 2005). In contrast, the Danube creates the backbone of the Southern subsystem connecting Austria, Germany, Hungary, Slovakia, Romania, Yugoslavia, Bulgaria and Ukraine. It is available for the barge of deadweight from 1500-2000 tonnes. These subsystems are connected by the Rhine-Main-Danube Canal with a length of 590 km to form one system. (J. Neider, 2002).

The advantages of inland waterway transport can be a large load capacity of barges and a small impact on the environment. The disadvantages are: low operating speed, the high cost of building and maintaining of artificial linear infrastructure, the navigability of the rivers, the risk of damage to goods that are prone to moisture. There is a large number of shipping companies in inland waterways transport. About 90% of the rolling stock-river barges is owned by the individual owners (P. Witkowski, 2002).

Concerning the inland waterways transport we have the legally binding so-called Integrated European Action Programme for Inland Waterways (referred to as NAIADES. Currently, the modified version NAIADES II which was introduced on September 10, 2013 by the European Commission to strengthen inland waterways transport (Communication from The Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2013). In 2013 it has been introduced a new programme, PLATINA, which is to support the NAIADES II initiative. The programme runs until 2020 and is to be implemented by the European Commission, the Member States and the industry itself. It has received about € 2 million of funding from the Commission ([http://ec.europa.eu/transport/modes/inland/promotion/index\\_en.htm](http://ec.europa.eu/transport/modes/inland/promotion/index_en.htm), 2015).

Inland waterways transport is an alternative for other modes of transport, especially for road and rail transport. It is ecologically friendly in terms of both energy consumption and noise and gas emissions.

#### 6.4. Air Transport

The EU's commitment in the harmonization of the provisions is due to its active role on the international scale in a number of areas, including the participation and creation of European standards. European aviation law is alongside the international rules a separate legal system, although it is an important supplement and compatibility with the regime of the Chicago Convention. An important feature of European aviation law created by the European Union is the fact that the Member States, to which it applies, have limited ability to create national regulations. European legislation is very wide in this regard and regulates all aspects of aviation activity.

European Union's aviation law covers the following issues:

- a) Internal market rules (economic aspects of air carriers and airports activity, the role of a State in market regulation concerning public aid, air navigation),
- b) Air traffic management (including the creation and implementation of Single European Sky),
- c) Air passengers protection (including passengers with reduced mobility, disabled people),
- d) Safety and security (including "black list" of dangerous air carriers, protection against unlawful interference and illegal acts aiming at aviation),
- e) Environmental protection (issue of aircraft noise and dangerous gas emissions), and
- f) External relations with third countries and international multilateral and bilateral cooperation (concluding horizontal and global agreements).

The challenges facing the air transport are related to the implementation of the initiative of the Single European sky (SES) and the solution of the problem of the "air congestion". The priority issue is the air carrier's safety and in this regard the "black list" of dangerous airlines was introduced (European Parliament and of the Council, 2005). All carriers outside Europe which do not meet basic European safety requirements are on the list. In 2015 there are almost 300 air carriers all over the world, the majority of them are from Africa and Eastern Asia. Currently, the air traffic market within the European Union is now totally liberalized. There is a complete freedom of conducting air services. Air carriers registered in one Member State may perform operations in/to the other without special permission (only after notification) in accordance with Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the European Union (OJ L 293, 31.10.2008, pp. 3—20). Are carriers registered in Europe (the EU and EEA countries, and Switzerland) must have equal treatment in every State they operate. Airports gained freedom in competition among themselves and their activity is based on free market rules with some exceptions concerning public service obligation.

#### 6.5. Maritime Transport

Seaports are multi-functional and very complex transport points. Sea ports, taking into account foreign trade transaction can be divided into the following:

- Trade and transport seaports that are fully prepared to handle the goods; there is a distinction among them due to the categories of goods e.g.: Gas Terminals, Oil Terminals, universal terminals,
- Fishing ports, which are designed to handle fishing and having necessary accessories for this kind of product (P. Witkowski, 2002).

In maritime transport, the following regulations, inter alia, apply:

- Council Regulation (EEC) No 4055/86 of 22 December 1986 applying the principle of freedom to provide services to maritime transport between Member States and between Member States and third countries, (The Regulation gives shipping companies registered in Member States of the EU the right to carry passengers or goods by sea between any port of a Member State and any port or off-shore installation of another Member State or of a non-EU country. Any national restrictions which reserved the carriage of goods to vessels flying the national flag are removed by this Regulation) (OJ L,1986) ,
- Council Regulation (EEC) No 4057/86 of 22 December 1986 on unfair pricing practices in maritime transport (This Regulation enables the EU to protect shipowners in Member States from unfair pricing practices on the part of non-EU ship-owners. The Regulation gives the definition of the injury that can be taken into consideration, e.g. a reduction in the ship-owners market share or profits or in employment. It allows compensatory duties to be imposed on foreign ship-owners), (OJ L,1986)

- Council Regulation (EEC) No 4058/86 of 22 December 1986 concerning coordinated action to safeguard free access to cargoes in ocean trades (This Regulation applies when action by a non-EU country or by its agents restricts free access to the transport of liner cargoes, bulk cargoes or other cargoes by shipping companies of Member States or by ships registered in a Member State), (OJ L,1986)
- Directive 2010/65/EU of the European Parliament and of The Council of 20 October 2010 on reporting formalities for ships arriving in and/or departing from ports of the Member States and repealing Directive 2002/6/EC (The purpose of this Directive is to simplify and harmonize the administrative procedures applied to maritime transport by making the electronic transmission of information standard and by rationalizing reporting formalities) (European Parliament and of the Council, 2010).

## 7. The Importance and Development of The European Transport Networks

In the face of increasing economic integration of the European continent the concept of creation and the expansion of the trans-European transport networks (TEN-T), which merge transport systems of Member States of the European Union in one efficient and coherent pan-European system is gaining steadily in importance (E. Kawecka-Wyrzykowska ,2004).

For the EU economy the TEN-T importance stems also from the fact that it should contribute to the achievement of greater economic and spatial cohesion of the European Union.

Taking into account the above mentioned facts, the implementation of Trans-European Transport Networks were the priority issues for the EU in the beginning of the 1990. It is expressed in the inclusion into the TFEU new provisions in this regard titled “Trans-European Transport Networks”. The European Union was given the competences and instruments to conduct the policy in this in accordance with the Treaty provision (E. Kawecka-Wyrzykowska, 2004). In order to achieve the goals of the establishment of trans-European Networks, the European Union shall, in accordance with article 171 (1) of the TFEU:

- a) Establish a series of guidelines covering the objectives, priorities and broad lines of measures envisaged in the sphere of trans-European networks; these guidelines shall identify projects of common interest
- b) Implement any measures that may prove necessary to ensure the interoperability of the networks, in particular in the field of technical standardization
- c) Support projects of common interest supported by Member States, which are identified in the framework of the guidelines referred to in the first indent, particularly through feasibility studies, loan guarantees or interest-rate subsidies; the Union may also contribute, through the Cohesion Fund set up pursuant to Article 177, to the financing of specific projects in Member States in the area of transport infrastructure

The task of the TEN-T network is to increase the technical standardization of individual national networks, improvement of transport infrastructures, access facilitation to infrastructure and fostering better connections between national networks and transport modes. The greatest emphasis is put on the need to connect peripheral and island regions with the central regions of the Union.

The key for the development of TEN-T was a decision of the European Parliament and of the Council No 1692/1996 of 23 July 1996 on the EU's guidelines for the development of the trans-European transport network (European Parliament and of the Council, 1996). It will consist of rail network, road network, seaport network, airport network, waterways and combined transport network. It is stated in the Green Paper of 2009, that the comprehensive network comprises altogether: 95 700 km of road links, 106 000 km of railway links (including 32 000 km of high-speed links), 13 000 km of inland waterways, 411 airports and 404 sea ports (TEN-T, 2009).

The European Commission has assigned a budget of the Union for the period 2007-2013 for the financing of TEN-T projects amounting to 8 billion EUR, more than 1 billion EUR per year. This amount is similar in the 2014-2020 financial perspective.

One of the most important priority task is the expansion of the intelligent transport system. As regards intelligent transport systems, TEN-T policy has helped in particular to prepare Galileo and the Single European Sky Air Traffic Management Research (SESAR) – major European projects which, once operational, are expected to make the use of transport infrastructure far more efficient.

In order to ensure proper coordination of the work and the sharing and use of resources, as well as finalize an investment within the time limits, it has been established since January, 1<sup>st</sup>, 2014, Innovation & Networks Executive Agency (INEA). It is a successor of the former Trans-European Transport Network Executive Agency (TEN-T EA), which was created by the European Commission in 2006 to manage the technical and financial implementation of its TEN-T programme. The INEA main objective is to implement the following EU programmes:

- a) Connecting Europe Facility - a key instrument of the EU to promote growth, jobs and competitiveness through targeted infrastructure investment at European level. It is divided into three sections: CEF Transport, CEF Energy, and CEF Telecom,
- b) Horizon 2020 – it is a research programme in the area of ecology and innovation. It consists of two parts: “Smart green and integrated transport”, and “Secure, clean and efficient energy”. It is expected that INEA will manage a budget of up to €34.1 billion for the new 2014-2020 Programmes
- c) Legacy programmes – continuing the implementation of Marco Polo programme and TEN-T.

The European Commission presented in October 2011, a new concept of the TEN-T network, which includes two layers:

- The core network – to be created by 2030
- The comprehensive network – to be created by 2050.

The new core network will remove bottlenecks, upgrade infrastructure and streamline cross border transport operations for passengers and businesses throughout the EU. It will improve connections between different modes of transport and contribute to the EU's climate change objectives. Comprehensive network will ensure the availability to all regions and will cover the whole of the European Union. These two levels of the EU's transport network will include all modes of transport. In plans for the years 2014-2020 it has been assumed the focus of EU funding for core network, promoting the intelligent networks, completing missing trans-border connections and eliminating bottlenecks. It is estimated that the cost of implementing the first financing phase for the core network for 2014 will cost 250 billion. The core network is to be completed by 2030. (Connecting Europe, 2011):

## Conclusion

Transport is closely linked to the functioning of the economic development of the region. It was one of the first areas covered by the common policy of the European Union and is the basis for the European integration process. The Union has always sought to create a single European transport area on the principles of fair competition. Transport is an important element of the functioning of the fundamental principles enshrined in the Treaty on the functioning of the European Union, i.e. the freedom of movement of persons, goods and services constitute the basis of the internal market of the Union.

In the original version of the Treaty on the functioning of the European Union of 1957 (referred to as the Treaty establishing the European Economic Community) the provisions for the implementation of the common transport policy have been contained. Decades of inactivity of Community bodies were due to the lack of political will of Member States to liberalize the transport sector. It was a very difficult task for the States to harmonize the rules, that was associated with a reduction in the impact on the shape of their own country's transport policy. During the "cold war" a strong State control was in pursuit of an economic activity, which severely restricted the development abilities of most transport companies. Numerous plans and initiatives published since the 1960s. up to 1980. of the last century included ambitious plans for harmonization of the provisions and pointed to the benefits of the implementation of the common transport policy. However, there was a strong barrier on the side of Member States, who accepted the existing fragmentation of transport systems.

The creation of the European Union in 1992 and the new challenges after the collapse of the cold war system has significantly speeded up the development of the common transport policy.

In the Treaty of Lisbon of 2007 there have been important institutional and organizational changes and it has been agreed a clear division of competences between the Union and the Member States. The common transport policy is now shared competence between the Union and its Member States, which is clearly expressed in article 4 (2) of the TFEU.

The aims and goals of the EU transport policy look sound and consistent (opening up the European market via better transport infrastructure and services) even overcoming strong resistance of vested interests and national egoisms (M. Ponti, 2013). Although, there are still a lot to change and to improve in all sectors of European transport.

Today we can say without hesitation, that there has been huge progress in the implementation of the common transport policy in the EU. Codification and harmonization of laws at EU level contributes to the development of specific sectors of transport and strengthens European identity in the world. The liberalization process of transport markets in Europe should be assessed positively, which strengthens the competitiveness of undertakings and increase quality of service.

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