

SCIENTIFIC PAPERS
OF THE UNIVERSITY OF PARDUBICE
Series B
The Jan Perner Transport Faculty
2 (1996)

**FINANCING OF THE CZECH TRANSPORT AS A KEY PROBLEM
OF FURTHER APPROPRIATE LEVEL OF TRANSPORT
SERVICES**

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Katedra managementu, marketingu a logistiky

The time period necessary to prepare printed version of a topic for this conference is very long, described problems have been very hot and actually negotiated, all the data that I should use for my assertions should be in time of the conference oldfashioned. Therefore I only could try to orient the paper to the framework of possible theoretical solutions, with supplementary arguments in a oral form on this conference..

The heritage of the old system of the central command economy in the fields of transport infrastructure is rather bad: there is a large density of networks constructed during the last centuries, with some parts finished before the Second world war in a very advanced manner. But because of the priority of the development of capital intensive heavy industries to services during the period of central command economy there was no money enough for transport especially, with regards to cover the maintenance and operation costs of heavy used constructions, very often because of the preferency given to the personal costs in general. Consequently there is a large backlog in maintenance, the great part of networks needs rehabilitation.

There are not clear figures for the railway network. But the experts of the World Bank in their study "Highway rehabilitation and maintenance in Central and Eastern Europe: a survey" (June 1991) estimated that the maintenance backlog of the sector of highways in ČSFR was about 100 billions Kčs. Because of raised prices of construction works (influenced both of changes in the system of prices, inflation and higher costs of delayed maintenance) there is possible to suppose, that the need for money for these activities is in Czech Republic now even higher - about 200 billions Kč.

The backlog in railways could be about one third to one half of the previous estimated amount in relation to the network, that would be under operation in the nearest future.

A general solution, more and more popular all over the world, is to internize external costs, that means to transfer all costs, that will now charged the general taxpayers, in the amounts of costs of transport and therefore prices of transport for all users of the transport services according to their participation in costs.

There are two or three great items of external costs, that should be transfered from the general taxation to direct charging of users of transport services: costs of transport infrastructure, costs of environmental protection (pollution, noise, vibration and others), and social costs (for example caused by accidents).

It is necessary to accent, that there is no clear consensus about the level of environmental costs connected with modes and types of transport. There are only rough estimations on the level of present knowledge, but nobody is sure, in what degree the future recognition of environmental thresholds could influenced the limits of such costs.

These principles do not apply for the public services obligations, with financial burdens, that could not be covered by the incomes from the direct consumers. The problem of full payments of transport costs has been only one part of the set of problems connected with the harmonisation of inputs in transport as a part of effort toward the fair competitive millieau.

For a long time there was a theory of state budget with not too much earmarked titles because of greater flexibility in all necessary transfers of funds in the framework of possible largest budget chapters without the consent of parliament, otherwise in a democratic system it has been always connected with long and difficult negotiations. (It was naturally balanced by the parolls of the necessary budget transparency).

The transport system of the Czech Republic would naturally copy the future development of the paneuropean transport system, developed with the predominant influence of the transport policy of the European Union. The transport

policy of EU has gradually got universal european features. Moreover there is an obligation issued from the European Association Agreement EU - Czech republic, that is now in the process of final approval of the rest of parliaments of the member states of EU. Another important feature there is a large share of international traffic, that should be obviously governed by this system. Under these circumstances there could be the only one way, how to try to solve all the problems of future development of the Czech transport system:

- to solve the problems of only sustainable growth of traffic. Having regard especially to the environmental problems transport is no more an activity, that should be subsidised. Therefore it is necessary to include all till now known external costs in the costs of transport services and following this way in the prices of transport services - with the exception of public services obligations as defined in the relevant directives of EC;
- in the specific Czech situation there is necessary to improve some parts of railways' infrastructure using temporary state subsidies (besides permanent payments for burdens from the private services obligations). It is very important to harmonise the state subsidies with the concept of no discrimination - heavy subsidies from the state budget with the exception of public services obligations, that could practically be without participation of foreign carriers, would mean, that the Czech citizen as a taxpayer should pay even the costs of the transport consequences of unified Europe. Let us hope, that the separation of at least accounts of management of transport infrastructure and transport operations shall hinder the previous misuse of even earmarked funding.
- At the very beginning there must be the harmonisation of the system of covering external costs. Main problem is - as all around in Europe - to charge in an adequate way the heavy road transport with the total share of costs for rehabilitation (even with backlogs from the past), operation and maintenance of highways, traffic control etc. and having regard to our knowledge even a part of environmental costs. (Naturally with the internisation of external environmental and social costs in all modes of transport). Only under such conditions could railways survive as an entrepreneurial entity. And such political solution could be acceptable only after fulfilling the condition of full transparency and direct alignment of taxes and payments of the adequate expenditures (costs in question). The acceptable exception should be connected with only inland waterways transport, with such unfavourable navigable conditions in comparison with f.e. Rhine, that could not compete with railways' lock trains, but as a possible reserved capacity for the transeuropean transport of the next century.

- There is possible - in favour of more environmental friendly oriented transport
 - to introduce some reductions in taxation of mineral oils and their products used in urban mass transport, railways, and inland waterways' transport.- in accordance with the legal framework of EC.
- To cover in general all costs of transport, there is necessary to minimise the demand for new investments in favour of rehabilitation, not to overrun the projected increase of capacities, (but with no obstacles to raise the capacities in time of necessary needs), not to invest for future demands in the period of critical lack of funding especially in transport, to follow the upgrading step by step.
- In case of covering all costs connected with the development of the transport infrastructure there are some special conditions, that could constraint the will of bank capital to take part in this financing. In the past system of central command economy the state was in fact a huge entrepreneur - therefore it financed only the investments with the highest rate of return. In the free market economy there is another position of the state and its budget: it should participate in financing only socially based projects with no interest of private or banking funding (for example because of very low financial rate of return). There is a large contrary again: in past it should be funded by the state because of high rate of economic return, now it should be funded because of great benefits for the society, that could not be charged to their direct consumers.

Another contraversion could be the difference in the probability of full funding: in the past - because of lack of money in the state budget (it is the typical situation for all systems !) it was necessary to ask for more money than that would be necessary for the most modest alternative - everybody was sure, that the demand for money will be more than doubled or tripled in comparison with the supply and it was a necessity to ask for more because of expected follow heavy cuts, that would. The highest probability had the solution with possibly largest economic rate of return, with no regards to the financial returns, because there were no loans in fact and therefore it was not necessary to count with the financial rate of return on the level of enterprises. One of subsidiary criterion was the comparison of the project proposal with the highest world level (partially because of so called "socialist world market", with very often no goods and services enough to saturate the market). But some technologies in transport convenient for the territory of the Czech Republic and therefore there is necessary to calculate in broader consequences not now, but "just-in time". In this stage there is necessary to minimize the demands with a priority to the year 2000-2005 to diminish the backlog, keeping the conditions for further development in the future.

Resumé

FINANCOVÁNÍ ČESKÉ DOPRAVY ZE ZÁKLADNÍHO PROBLÉMU PRO BUDOUCÍ OBLAST DOPRAVNÍ OBSLUŽNOSTI

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Hustota dopravní sítě České republiky je vysoká, ale kvalita je nízká. Existuje několik metodologických problémů, které se musí změnit (prognózy budoucí poptávky, nezbytné kapacity atd.). V článku jsou ve více detailních formách některé problémy diskutovány.

Summary

FINANCING OF THE CZECH TRANSPORT AS A KEY PROBLEM OF FURTHER APPROPRIATE LEVEL OF TRANSPORT SERVICES

Antonín PELTRÁM, Květoslava KOŘÍNKOVÁ

The density of the Czech transport infrastructure is rather high, but mainly because of bad maintenance with low quality. There are some methodological problems, partially as a heritage of the previous techniques, that is necessary to change (forecasting of future demands, necessary capacities etc.). Some of them are described with more details.

Zusammenfassung

DIE FINANZIERUNG DES TSCHECHISCHEN VERKEHRS AUS EINEM GRUNDPROBLEM FÜR ZUKUNFTIGES NIVEAU DER VERKEHRSLEISTUNGEN

Antonín PELTRÁM, Květoslava KOŘÍNKOVÁ

Die Dichte des Verkehrsnetze der Tschechischen Republik ist hoch, aber die Qualität ist niedrig.

Es sind hier einige methodologische Probleme, die man ändern muss, (Die Prognosen von zukünftiger Nachfrage, die notwendige Kapazität usw.). Einige Probleme sind in mehr detaillierten Formen diskutiert.