

**INFORMATION****T R A N S P O R T**

Common transport policy - aims and outline

55/74

The EEC transport policy is founded on the Treaty of Rome. It must therefore be seen in terms of this Treaty which set up the Common Market and laid down, as its essential feature, the formation of a customs union which could be progressively broadened to become a full economic union. One of the specific aims of the Treaty is the free circulation of persons and services between the member countries; and among the instruments of this is a common transport policy.

The Commission of the European Communities has been seeking to set up such a policy. In the initial period, despite imperfections of competition arising from "special aspects" inherent in the transport industry itself, its work has been angled on a transport policy conformable to these objectives, based on the economy of the market and thus operating essentially at the level of transport undertakings.

The main requirements were :

- adaptation of the transport system to the needs of the customs union, eliminating any cause of distortion which might falsify competition inside the Common Market ;
- transport integration on a Community basis as a constituent part of the economic union, applying the principle of freedom to offer services and the right of establishment.

The ministerial Council of the European Communities has never laid down a general scheme for the transport policy, but its specific decisions have been in line with the general objectives noted above, as applied with an even balance to the three modes of surface transport. They are angled on fair competition between different

modes of transport and between different transport undertakings, and on the organisation of capacity, access to the profession, price formation, the application of the rules of competition and other factors in an organised market. This promotes the progressive liberation of cross-frontier trade in transport facilities.

In the years which have passed, work on these lines by the various organs of the European Community has led to the adoption of a number of regulations in the general framework of paragraph 2 above and aimed towards the targets defined. As yet, however, they do not amount to a complete and unified system.

There are still, indeed, a number of limitations and disparities in intra-Community transport; but there has been a considerable and continuous growth in transport movements. Between 1963 and 1970, for example, there was a 42 % rise in the total volume of goods traffic inside the Six-nation (i.e. unenlarged) Community.

In parallel there was a very considerable increase in passenger transport. The essential factor in this was the expansion in the number of private cars. In the Nine-nation Community (i.e. including the three recent adhesions) both the number of private cars and the number of passenger-kilometers travelled have approximately doubled in the same seven-year period.

The Community is, however, faced with a number of problems arising from this transport expansion.

In the first place national legislations still contain inequalities in the treatment of different modes of transport and transport undertakings. With the intensification of transport there is a risk that these may be accentuated.

Secondly, recent tendencies throw some doubt on the continuation of the growth in its recent pattern. The bigger traffic brings congestion, which progressively cramps the effect of growth; and the resources of nature tend to become less easily available. Increasingly humanity stands in need of environmental protection; increasingly the safety requirements bring additions to the cost.

This makes it the more necessary that the system be fully integrated on the Community scale. The present state of things will increasingly necessitate measures being

taken by the responsible authorities; and so long as these are taken in isolation by national authorities, there will be a risk of increased divergences between them, so that transport systems fall back into water-tight national compartments.

Moreover the enlargement of the Community at the beginning of 1973, so that it now has nine members instead of six, has added a new dimension. Community action must be concerned both with the changes in the internal flow of traffic and in the means of transport used, and also with the traffic with outside countries.

With this in view, the EEC Commission submitted a memorandum to Council on October 25, 1973. In this it indicated the main lines of action needing to be taken to broaden and complete the Community's common transport policy.

The document emphasises two primary targets :

- the progressive setting up of a Community transport régime, calculated to satisfy the needs and requirements of the economic union at the least possible cost to society;
- the common transport policy must contribute to securing the objectives laid down by the meeting of heads of State or government of the member States at their meeting in Paris in October 1972. This meeting called for the formation of an economic and monetary union, improved living conditions, action to remedy regional disparities, special care for non-material possessions and values and protection of the environment.

Thus the common transport policy, while serving its specific ends, must be worked out with close heed to other Community policies. It must act as an essential factor in the development and improvement of the whole territory of the Community, more especially with regard to regional policy and protection of the environment.

It is in this framework that the policy can best serve the interests alike of the transport user, the transport undertaker and the transport worker.

In the opinion of the Commission, the enlarged objectives of the common transport policy necessitate new machinery for forecasting future developments, and preparing for decision on the various alternatives arising.

The principal instrument should be a Community procedure for comparing the national infrastructure programmes and coordinating the projects of Community interest with the guidelines of an overall policy. In this context it will be necessary to take account of the requirements of regional policy, environmental protection and the energy position. Special attention must also be paid to the fact that the different modes and techniques of transport are complementary, and to securing their cooperation so that the Community may have the benefit of new transport techniques.

In order to secure the best use of available resources it will also be necessary to introduce a system for charging the cost of using the infrastructures based on the marginal social cost, but subject to the necessities of budget balancing. Such a system will help in decongesting urban areas and in protecting the milieu. Its application, however, does not rule out other measures, such as public intervention in favour of collective transport facilities.

Coupled with the progress of the Community policy of fair competition, this will provide a framework in which the transport market can function freely. This implies, inter alia, the free circulation of services, elimination or easing of frontier formalities and the right of establishment. Corrective instruments will have to be provided, especially in regard to transport capacity, to allow of intervention in the event of crisis or serious imbalance between the supply of transport facilities and the demand for them.

With a view to the gradual setting up of the system envisaged, the Commission has submitted proposals to Council for a long-term work programme and an action programme for the years 1974-76.

The Council of Ministers devoted part of its meeting, on November 22, 1973, to consideration of the system proposed by the Commission, and held an initial discussion of the lines of approach. It agreed to undertake a full examination of the problems raised.