COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 562 final
Brussels, 9 September 1982

Proposal for a COUNCIL REGULATION

amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States and Regulation (EEC) No 2964/79

(submitted to the Council by the Commission)

COM(82) 562 final

I. INTRODUCTION

- 1. Council Regulation (EEC) No 3164/76 of 16 December 1976 ¹ lays down that the Council, acting on a proposal from the Commission, shall decide by 30 November of each year on any increase in the Community quota and on the allocation to the Member States of the resulting additional authorizations.
- 2. As to the substance of this proposal, the Commission is still convinced that the regulation of access to international road haulage markets should take account of the principle of the free movement of goods within the common market enshrined in the Treaty. This principle also means that the provision of transport services should fulfil economic requirements and be profitable, effective and rationally organized. The Community's task is therefore to establish a system which optimizes the allocation of resources, increases productivity and minimizes cost.
- 3. The proposals which the Commission has made in the past have been founded on this principle. Successive adjustments to the Community quota since its inception have brought the number of authorizations from its original 1 200 to 4 038 in 1982. Nevertheless, the impact of the Community quota system on trade is still modest in that it accounts for only about 5 % of all road haulage between Member States.

In recent years, however, the proposals drawn up by the Commission under Article 3 2 of Regulation (EEC) No 3164/76 have met with opposition from certain Member States and led to disagreements within the Council which were resolved only by political compromise.

There has also been disagreement within the European Parliament and the Economic and Social Committee over both the increase in the quota and its distribution among the Member States.

¹ OJ L 357, 29.12.1976, p. 1.

This Article states that "the Council, acting on a proposal from the Commission, shall decide, by 30 November of each year, on any increase in the Community quota and on the allocation to the Member States of the extra authorizations resulting therefrom".

4. The Commission has already attempted — in its proposal ¹ to adjust the 1982 quota — to evolve a method which would provide guidance in calculating the increase and allocation of the quota and fairly reflect the wishes of all the interested parties; but in view of the short time available to the Council, Parliament and the Economic and Social Committee it has not been possible to reach a decision in principle on these criteria.

Formulation of general criteria

- 5. The Commission believes that a full examination should be undertaken as soon as possible of the problems of adjusting and allocating the Community quota if annual wrangling over the Council decisions is to be avoided.
 - To do this, the Commission considers that a distinction is necessary between a
 - (a) the formulation of definitive criteria to provide a basis for adjusting the size of the Community quota and apportioning it among the Member States; and
 - (b) the annual decisions which the Council, acting on a proposal from the Commission, is required where necessary to take on the basis of the above criteria.
- 6. What is ultimately required is the establishment of a Community method which as with bilateral quotas can be used to identify the broadlines of, and basic criteria for, the Commission's proposals and the Council's discussions on the annual adjustment of the quota. The specific aims of this method are to:
 - (a) select those economic indicators which should be used in deciding the overall level of the quota;
 - (b) provide for the possibility of introducing special Community authorization quotas for specific segments of the transport market;
 - (c) define the relationship between the Community quota and bilateral quotas;

¹ com (81) 520 final.

(d) lay down the procedures for taking into account the level of capacity utilization by other modes of transport.

Once the framework of general and definitive criteria has been established, it can be supplemented by the statistics which form the basis for ad hoc decisions to increase the quota.

7. In view of the complexity of the questions to be tackled and the need to arbitrate between differing concepts, considerable time is required to formulate and implement a measure of this kind, particularly in regard to the preparation of the Commission proposal, the consultation of the European Parliament and the Economic and Social Committee and the final Council decisions.

It is nevertheless the Commission's intention to place a proposal before the Council at the beginning of 1983 on the determination of a definitive method which will provide the basis for the Council's annual decisions on the Community quota.

8. Increase in the Community quota for 1983

Pending this proposal, the Commission recommends an interim arrangement for 1983 alone modelled on its previous proposal. Accordingly, and not withstanding any future method, the additional authorizations to be granted in 1983 will be based on the forecasts of road haulage activity between the Member States for that year. The distribution of these additional authorizations would be on the usual 50/50 basis (50 % allocated on a linear basis in accordance with the original distribution and 50 % depending on the use made by each Member State of the authorizations). Additional authorizations will also be allocated, as before, to take account of the remoteness of some Member States.

9. Calculation of the number of additional authorizations for 1983

Initial estimates drawn up in May 1982 for 1983 under the market observation system point to an increase of 4.3 % in the tonnage carried by road hauliers between Member States.

This brings the number of authorizations for 1983 to 4 212, an increase of 174.

10. Distribution

The distribution of the quota for 1982 is as follows:

| Belgium : | 10.7 | % | of | the | total | number | of | ${\it authorizations}$ |
|------------------|------|---|----|-----|-------|--------|----|------------------------|
| Denmark: | 7.6 | % | | | *** | | | 11 |
| Germany : | 18.0 | % | | | " | | | 11 |
| Greece : | 2.2 | % | | | 11 | | | " |
| France : | 16.2 | % | | | " | | | *1 |
| Ireland: | 2.2 | % | | | • | | | " |
| Italy: | 14.0 | % | | | 11 | | | " |
| Luxemburg : | 2.8 | % | | | " | | | " |
| Netherlands: | 15.5 | % | | | " | | | " |
| United Kingdom : | 10.8 | % | | | 11 | | | • |
| | | | | | | | | |
| | 100 | % | | | | | | |

The use made (in tonne-km) by each Member State in 1981 was as follows:

| | | % of the total |
|----------------|---------------------------|----------------|
| Belgium | 711 686 x 1 000 t.km, i.e | 10.7 % |
| Denmark | 854 411 " | 12.9 % |
| Germany | 1 412 813 " | 21.3 % |
| Greece | 79 580 ¹ " | 1.2 % |
| France | 837 767 " | 12.7 % |
| Ireland | 83 687 " | 1.3 % |
| Italy | 1 102 315 " | 16.7 % |
| Luxemburg | 137 672 " | 2.1 % |
| Netherland | 978 453 " | 14.8 % |
| United Kingdom | 416 948 " | 6.3 % |

The allocation of additional authorizations on a 50/50 basis, i.e. based on the present distribution and on licence use, is therefore as follows:

Belgium 19

 $^{^{1}}$ Estimate obtained by quadrupling the figures for the fourth quarter.

| Denmark | 18 |
|----------------|------------|
| Germany | 34 |
| Greece | 3 |
| France | 2 5 |
| Ireland | 3 |
| Italy | 27 |
| Luxemburg | 4 |
| Netherlands | 26 |
| United Kingdom | 15 |

11. Allowance for the peripheral location of certain Member States

11.1 In order to offset the disadvantages of the Member States which are on the periphery of the Community and/or separated by a stretch of sea, it is proposed to increase the amount of work performed in terms of tonne-km by the product of the following operation:

60 X average delay due to the sea crossing X tonnage carried (60 representing the average speed of the vehicles if they had not been immobilized).

It should be noted that this calculation method can be used only for those countries for which sufficient statistical information about delays is available, i.e. Denmark and the United Kingdom.

Consequently, the different method described below has been used in the case of Ireland and Greece.

The results of the calculations are as follows:

| Member State | Average delay | Tonnage in 1981 | 60 X average delay X tonnage (in '000 tonne-im) |
|----------------|---------------|-----------------|---|
| Denmark | 1.5 hours 1 | 839 562 | 75 561 |
| United Kingdom | 5 hours 2 | 397 001 | 119 100 |

Notes:

- (1) Traffic from Zealand is estimated to represent 50 % of all Danish traffic with a delay of three hours.
- (2) Traffic via Dover and Folkestone is assumed to represent 60 % of all UK traffic and via other ports 40 %. The delays used for calculation purposes are three and eight hours respectively.

Allowing for this, in addition to the performance taken into consideration for the initial distribution, the following additional authorizations may be allocated:

Denmark 1 United Kingdom 2

11.2 In order to take account of the special situation of Greece and Ireland and in view of the decision taken by the Council in 1981, when adjusting the Community quota, to offset the remoteness of these two countries by granting them additional authorizations, it is proposed that the number of new authorizations initially allocated to these two countries should, as a temporary measure, be tripled. Greece and Ireland will therefore receive nine additional authorizations.

12. Table summarizing the authorizations within the Community quota for 1983

| Member State | Number of authorizations in 1982 | Additional authorizations for 1983 (overall cal-culation) | Additional authorizations for the peri- pheral Member States | Total for 1983 |
|----------------|--|---|--|-------------------|
| Belgium | 434 | 19 | | 453 |
| Denmark | 3 05 | 18 | 1 | 324 |
| Germany | 727 | 34 | | 761 |
| Greece | 88 | 3 | 6 | 97 |
| France | 656 | 25 | | 681 |
| Ireland | 88 | 3 | 6 | 97 |
| Italy | 567 | 27 | | 594 |
| Luxemburg | 111 | 4 | | 115 |
| Netherlands | 626 | 26 | | 652 |
| United Kingdom | 436 | 15 | 2 | 453 |
| Total | 4 038 | . 174 | 15 | 4 227 |

13. <u>Definitive introduction of short-term authorizations</u>

For a trial period, Council Regulation (EEC) No 2964/79 of 20 December 1979 allowed each Member State to apply each year to have a maximum of 10 % of its Community authorizations converted into short-term Community authorizations valid for 30 days. One Community authorization may be converted into 12 short-term Community authorizations.

As the trial period ends on 31 December 1982, an assessment should be made of this experiment.

Seven Member States have made use of this option and the number of shortterm authorizations issued has steadily increased since 1980:

| | 1980 | 1981 | 1982 | |
|-----------------------|-------|-------|-------|--|
| Number of short-term | | | | |
| authorizations issued | 1 284 | 1 884 | 2 136 | |
| Equivalent number of | | | | |
| full authorizations | | , | | |
| (for reference) | (107) | (157) | (178) | |

In 1982, the average percentage of conversions requested was 7.2 % for the countries which made use of this option.

The Commission considers that short-time authorizations have improved the working of the Community quota system and the results give grounds for thinking that this opinion is shared by most of the Governments and road hauliers:

It is therefore proposed that the provisions adopted by Regulation (EEC) No 2964/79 be made applicable indefinitely.

¹ OJ No L 336, 29.12.1979, p. 12.

PROPOSAL FOR A COUNCIL REGULATION

amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States and Regulation (EEC) No 2964/79

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 75 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament 1 ,

Having regard to the Opinion of the Economic and Social Committee 2 ,

Whereas the adoption of a common transport policy involves, inter alia, laying down common rules for the carriage of goods by road between Member States; whereas such rules should be drawn up in such a way as to help establish a common transport market;

Whereas the system of Community authorizations for the carriage of goods by road between Member States promotes the establishment of such a common transport market by ensuring the freedom to provide international road haulage services throughout the Community and the gradual abolition of restrictions on the admission of non-residents to the international transport market by allowing carriers from all Member States to have equal access to the market regardless of nationality;

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Whereas the quota provided for in Council Regulation (EEC) No $3164/76^{-1}$, as last amended by Regulation (EEC) No $663/82^{2}$, must be adjusted at regular intervals;

Whereas such adjustment should take account of the need for the carriage of goods between Member States and the need to promote Community integration and should attempt to balance transport supply and demand; whereas it is therefore appropriate to take account of the results of the transport market observation system set up by the Commission;

Whereas widespread use has been made by the Member States of the option available under Council Regulation (SEC) No $2964/79^{-3}$ of requesting the conversion of a percentage of their authorizations into short-term authorizations; whereas that Regulation should consequently apply indefinitely,

HAS ADOPTED THIS REGULATION :

¹ OJ No L 357, 29.12.1976, p. 1.

² OJ L 78, 24.3.1982, p. 2.

³ OJ L 336, 29.12.1979, p. 12.

Article 1

In Article 3 of Regulation (EEC) No 3164/76, paragraphs 1 and 2 are hereby replaced by the following :

- "1. The Community quota shall comprise 4 227 authorizations.
- "2. The number of Community authorizations allocated to each Member State shall be as follows:

| Belgium | 453 |
|----------------|-----|
| Denmark | 324 |
| Germany (FR) | 761 |
| Greece | 97 |
| France | 681 |
| Ireland | 97 |
| Italy | 594 |
| Luxemburg | 115 |
| Netherlands | 652 |
| United Kingdom | 453 |

Article 2

The second paragraph of Article 2 of Regulation (EEC) No 2964/79 is hereby deleted.

Article 3

This Regulation shall enter into force on 1 January 1983.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President