

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 745 final

Brussels, 4 December 1981

Proposal for a

Decision of the Representatives of the Governments of the Member States of the European Coal and Steel Community, meeting in Council, authorizing the Commission to open negotiations with Yugoslavia concerning the conclusion of an agreement on the establishment of through international railway tariffs for the carriage of coal and steel in transit through the territory of Yugoslavia

(submitted to the Council by the Commission)

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EXPLANATORY MEMORANDUM

1. The Agreement between the representatives of the Governments of the Member States of the ECSC, meeting in Council, of 21 March 1955 (1) on the establishment of through international railway tariffs on the carriage of coal and steel by rail, concluded in implementation of Article 70 of the ECSC Treaty and section 10 (2) and (3), point 2 of the Agreement on the transitional provisions under the ECSC Treaty, covers the extension of these through tariffs to traffic passing in transit through the territory of third countries.
2. On 16 July 1955, in implementation of Article 15 of the Agreement of 21 March 1955, the Representatives of the Governments of the Member States of the ECSC, meeting in Council, adopted a document entitled "Instructions for the conduct of negotiations with third countries" and authorized the High Authority to enter into negotiations with, firstly, Switzerland and later, Austria.

The Council specified that these instructions were "valid for any negotiations with third states on traffic passing in transit through their territory". However, it was stated "that the matter should be laid before the Council prior to any negotiations with other third states concerning carriage operations in transit."
3. These negotiations gave rise to two agreements : one dated 28 July 1956 with Switzerland (2) and the other of 26 July 1957 with Austria (3), both of which are still in force.
4. Following the accession of Greece to the Community, the through international railway tariffs established pursuant to the Agreement of 21 March 1955 referred to above, were extended on 1 January 1981 to cover carriage operations between Greece and the other Member States of the Community and vice versa.
- 4.1. With regard to traffic passing in transit through Austria, the agreement specifically mentioning the traffic links with Italy will be adapted to the new situation by a second additional protocol to this agreement. The ECSC/Switzerland agreement requires no specific adaptation.

(1) O.J. of the ECSC No. 9, 19 April 1955
(2) O.J. of the ECSC No. 17, 29 May 1957
(3) O.J. of the ECSC No. 6, 20 February 1958

- 4.2. Nevertheless, in practical terms the Austrian and Swiss railways have agreed that from 1 January 1981 the routes and transit sections concerned in the carriage of ECSC goods to and from Greece shall be included in the railway tariffs.
- 4.3. In the absence of a government-level arrangement with Yugoslavia and of a commercial agreement with the Yugoslav railways covering transit through Yugoslavia, ECSC tariff No. 9001 does not mention the cost of transit through Yugoslavia, nor is the relative length of the transit journey through this country taken into account in calculating the carriage rate in accordance with the formula contained in this tariff.
5. In this context the problem of transit through Yugoslavia arises both politically and legally in terms similar to those applying to Switzerland in 1956 and Austria in 1957. In the current trading situation with Greece via Yugoslavia, however, the economic aspect does not have the same importance, but the situation could change in step with integration, which will thus be eased by the creation of a railway tariff union including a significant transit section through Yugoslavia which is in the commercial interests of all of the railway companies concerned by these tariffs. This being the case the negotiation with Yugoslavia of an agreement similar to those already in force seems to be necessary in order to promote the expansion of ECSC rail traffic with Greece. Inter alia, an agreement of this type would enable the difficulties resulting from inadequate cooperation between the railways concerned to be overcome.
6. The negotiation directives annexed to the appended proposal for a decision incorporate in simplified form the instructions given to the High Authority for the conduct of negotiations with third countries in 1955, while taking account of changes in the tariff situation since that date.

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Proposal for a

Decision of the Representatives of the Governments of the
Member States of the European Coal and Steel Community,
meeting in Council, authorizing the Commission to open negotiations
with Yugoslavia

concerning the conclusion of an agreement on the establish-
ment of through international railway tariffs for the carriage
of coal and steel in transit through the territory of Yugoslavia

THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES OF THE
EUROPEAN COAL AND STEEL COMMUNITY, MEETING IN COUNCIL,

Having regard to the Treaty establishing the European Coal and Steel Community,
and in particular Article 70 thereof,

Having regard to Article 10 of the Convention on the transitional provisions drawn
up in accordance with Article 85 of the Treaty,

Having regard to the Agreement of 21 March 1955 on the establishment of
through international railway tariffs, and in particular Article 15 thereof ;

In agreement with the Commission,

Whereas the accession of Greece to the said Agree-
ment requires the establishment of through international railway tariffs
between Greece and the other Member States ;

Whereas the carriage operations in question are in certain cases performed
in transit through the territory of Switzerland, Austria and Yugoslavia ;

Whereas transit through Switzerland and Austria is covered by two agreements
concluded on 28 July 1956 and 26 July 1957 respectively ;

Whereas the conclusion of an agreement on transit through Yugoslavia similar
to the two agreements referred to above would be appropriate ;

Whereas negotiations should therefore be opened with Yugoslavia ;

HAVE DECIDED AS FOLLOWS :

Sole Article

The Commission is hereby authorized to enter into negotiations with Yugoslavia for the purpose of concluding an agreement between the Government of the Federal Socialist Republic of Yugoslavia, on the one hand, and the Governments of the Member States of the European Coal and Steel Community and the Commission of the European Communities, on the other hand, on the establishment of through international tariffs for the carriage of coal and steel passing in transit through Yugoslav territory.

In conducting these negotiations the Commission will be guided by the directives annexed hereto.

Done at Brussels,

The President

DIRECTIVES ON THE CONDUCT OF NEGOTIATIONS

1. General principle

The establishment of through international tariffs for transit through non-member States requires the laying down by the Governments of rules on:

- the rates and conditions to be applied by the railways in the Member States,
- the rates and conditions to be applied by the Yugoslav railways.

It is recognized that there is a link between these two points and that the solution to be sought must guarantee a reasonable balance between the interests of the parties to the agreement.

2. Commitments to be entered into by the Governments of the Member States

The Governments of the Member States shall instruct their railways to calculate their participation as follows :

- a) The terminal charges at the transit points with the third states shall be reduced under conditions identical to those in Title III of the Agreement of 21 March 1955 ;
- b) The distance charges and the coefficients of degressivity corresponding to the total distance, non-member States included, shall be calculated under conditions identical to those in Title IV of the Agreement of 21 March 1955.

3. Commitments to be entered into by Yugoslavia

Yugoslavia shall undertake to ensure that the Yugoslav Railways (J.Z.) observe the following principles :

- Acceptance of the ban on discriminatory practices applying to rates and conditions of carriage of all types based on the country of origin or destination of the products, in respect of traffic in coal and steel between the Member States of the Community using Yugoslav railway lines in transit ;

- Making transit journeys available at a reasonable rate as compared with the carriage rates applied to comparable operations subject to national rates ;

- Acceptance by the J.Z. of the principle of cooperation with Community railways in order jointly to find just solutions for the ECSC carriage operations at issue in the interests of all of the railways involved.