

EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 1-204/84

Report

drawn up on behalf of the Committee on Transport
on the proposals from the Commission of the
European Communities to the Council (COM(84) 171
final - Doc. 1-130/84)

for

- I. a directive amending Directive 83/181/EEC
determining the scope of Article 14(1)(d) of
Directive 77/388/EEC as regards exemption from
value added tax on the final importation of
certain goods

- II. a directive amending Directive 68/297/EEC
on the standardization of provisions regarding
the duty-free admission of fuel contained in the
fuel tanks of commercial motor vehicles

Rapporteur: Mr M. VANDEWIELE

By letter of 30 March 1984, the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the proposals from the Commission of the European Communities to the Council for:

- I. a directive amending Directive 83/181/EEC determining the scope of Article 14(1)(d) of Directive 77/388/EEC as regards exemption from value added tax on the final importation of certain goods;
- II. a directive amending Directive 68/297/EEC on the standardization of provisions regarding the duty-free admission of fuel contained in the fuel tanks of commercial motor vehicles.

The President of the European Parliament referred these proposals to the Committee on Transport as the committee responsible and to the Committee on Economic and Monetary Affairs for an opinion.

At its meeting of 24 April 1984, the Committee on Transport appointed Mr Vandewiele rapporteur.

The committee considered the Commission's proposals and the draft report at its meeting of 24/25 April 1984 and decided to recommend to Parliament that it approve the Commission's proposals without amendment.

The committee then unanimously adopted the motion for a resolution as a whole.

The following took part in the vote: Mr Seefeld, chairman; Mr Carossino and Mr Kaloyannis, vice-chairmen; Mr Vandewiele, rapporteur; Mr Albers, Mr Baudis, Mr Buttafuoco, Mr Chanterie (deputizing for Mr O'Donnell), Mr K.-H. Hoffmann, Mr Klinkenberg, Mr Moreland (deputizing for Mr Moorhouse), Mrs Pruvot (deputizing for Mrs von Alemann) and Mrs Scamaroni.

The opinion of the Committee on Economic and Monetary Affairs is attached.

The report was tabled on 27 April 1984.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

C O N T E N T S

	<u>Page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	8
 Opinion of the Committee on Economic and Monetary Affairs	 14

A

The Committee on Transport hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposals from the Commission of the European Communities to the Council for

- I. a directive amending Directive 83/181/EEC determining the scope of Article 14(1)(d) of Directive 77/388/EEC as regards exemption from value added tax on the final importation of certain goods
- II. a directive amending Directive 68/297/EEC on the standardization of provisions regarding the duty-free admission of fuel contained in the fuel tanks of commercial motor vehicles

The European Parliament,

- having regard to the proposals from the Commission to the Council (COM(84) 171 final),
- having been consulted by the Council (Doc. 1-130/84),
- having regard to the report of the Committee on Transport and the opinion of the Committee on Economic and Monetary Affairs (Doc. 1-204/84),
- having regard to the result of the vote on the Commission's proposals,
 - A. having regard to its numerous initiatives, reports and resolutions on the promotion of unhampered cross-frontier transport within the Community and on the establishment of the internal market,
 - B. having regard in particular to its own-initiative report (Doc. 678/78) and resolution on the difficulties encountered at the Community's internal frontiers in the transport of passengers and goods by road and to the recommendations contained therein with regard to resolving these problems¹,

¹OJ No. C 140, 5.6.1979, p. 166

- C. having regard to the recent blockades and incidents at several frontier crossings, which resulted in serious disruption of international traffic and enormous damage to the economy,
- D. having particular regard, in connection with these events, to its Resolution of 16 March 1984 on obstacles at the frontiers - freedom of movement for traffic in the Community¹,
- E. whereas the Community must make greater efforts, pursuant to Article 99 of the EEC Treaty, to achieve early harmonization of VAT rates and excise duties on motor-vehicle fuel, with a view to eliminating distortion of competition and avoiding the resulting changes in the flow of traffic movement,
1. Is firmly convinced that the proposed measure to exempt from duty all fuel contained in the normal fuel tanks of commercial motor vehicles would, in practice, help to provide considerably more flexibility in the cross-frontier conveyance of goods and persons within the Community;
 2. Recalls that, in proposing an amendment (for precisely this reason), it advocated just such an arrangement in 1974², to which neither the Commission nor the Council has, however, paid any regard;
 3. Recalls also that the Council considered the proposal in question, which had been submitted by the Commission in 1974³, for nine years before reaching agreement on 28 March 1983, but was only prepared to increase the amount of duty-free fuel from 50 to 200 litres⁴;
 4. Shares the Commission's view that such an arrangement would in practice mean that frontier checks on the contents of fuel tanks of buses, coaches and lorries would continue, as would the collection at frontier crossings of VAT and excise duties on any surplus amounts, which would run counter to the actual aim of the directive: to make it easier to cross frontiers;

¹OJ No. C 104, 16.4.1984

²OJ No. C 155, 9.12.1974, p. 77

³OJ No. C 104, 13.9.1974, p. 96

⁴OJ No. L 91, 9.4.1983, p. 28

5. Believes, in addition, that the revenue from collecting such levies at frontiers would probably be considerably less than the extra cost of the controls and the attendant delays;
6. Welcomes, with regard to the Community's external frontiers, the greater flexibility represented by amendment of Articles 83 and 84 of Directive 83/181/EEC of 28 March 1983¹;
7. Approves, therefore, the Commission's proposals without amendment;
8. Considers, however, that, in order to avoid any change in traffic flows and in order to eliminate distortions of competition, Community efforts to harmonize VAT and excise duties on motor-vehicle fuel should be speeded up;
9. Urges the Council nevertheless to adopt the proposed directives without delay;
10. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposals as voted by Parliament and the corresponding resolution.

¹OJ No. L 105, 23.4.1983, p. 54

EXPLANATORY STATEMENT

1. The primary aim of the Commission's proposals is to facilitate cross-frontier transport within the Community by granting exemption from VAT and excise duties in respect of all fuel contained in the normal fuel tanks of commercial motor vehicles crossing an internal Community frontier.

2. With these proposals, the Commission is finally complying with the wishes Parliament expressed 10 years ago: in 1974, Parliament adopted the following amendment in its report on this subject drawn up by Mr SCHOLTEN on behalf of the then Committee on Regional Policy and Transport:

'The Commission takes the appropriate measures to enable duty-free admission of all the fuel contained in the normal fuel tanks of commercial motor vehicles by 1 January 1976.'¹

3. The Commission did not accept this amendment, which was tabled pursuant to paragraph two of Article 149 of the EEC Treaty.

4. The Council took nine years to adopt the directive proposed by the Commission on 19 July 1974².

Not until 28 March 1983 was the Council able to lay down that, with effect from 1 July 1984 at the latest, Member States were to admit duty-free a quantity of 200 litres of motor fuel³.

¹SCHOLTEN report (Doc. 344/74) (OJ No. C 155, 9.12.1974, p. 77)

²OJ No. C 104, 13.9.1974, p. 96

³OJ No. L 91, 9.4.1983, p. 28

5. This quantity corresponds to the minimum quantity advocated by the Commission in 1966 in its first proposal on this subject¹ and endorsed by Parliament in the same year².

However, in 1968, in its Directive 68/297/EEC, the Council reduced this quantity to one-quarter of the former level, or 50 litres³.

6. Parliament has constantly sought the abolition of formalities and controls at the Community's internal frontiers, which are a waste of both time and money; and although it has repeatedly called for motor fuel to be exempted from duty⁴, only after serious incidents had occurred was the Commission prepared to accept Parliament's 1974 amendment.

7. Despite the recent road transport blockades and the enormous losses to the economy, and to transport undertakings in particular, the Council was still unable to reach agreement on such provisions at its meeting of 22 March 1984⁵.

8. The Committee on Transport is fully aware that the rates of VAT and excise duty levied on diesel oil vary widely from one Member State to another, though these disparities have diminished in recent years. Below is a table listing the retail prices of, and the level of tax levied on, diesel oil in the Member States of the Community in ECU per 100 litres as of 16 March 1984⁶.

¹OJ No. 185, 17.10.1966, p. 3191

²Report by Mr JOZEAU-MARIGNE drawn up on behalf of the Committee on Transport (Doc. 178/66)

³OJ No. L 175, 23.7.1968, p. 16 (Art. 3)

⁴Cf., inter alia, the SCHYNS report on the difficulties encountered at the Community's internal frontiers in the transport of passengers and goods by road (Doc. 678/78) (OJ No. C 140, 5.6.1979, p. 166)

⁵Cf., Council press release (Transport) 5907/84 (Presse 55)

⁶Source: Commission of the European Communities

	Retail price	Tax	Tax as % of retail price	Retail price index FF = 100	Tax index FF = 100
IRL	77.37	35.64	46.1	140	170
GB	66.77	34.10	51.1	121	163
D	58.22	26.75	45.9	106	128
F	55.07	20.90	38.0	100	100
B	54.75	22.34	40.8	99	107
DK	49.08	13.26	27.0	89	63
NL	47.27	14.85	31.4	86	71
L	46.42	10.30	22.2	84	49
I	45.00	13.95	31.0	82	66
GR	34.86	-	-	63	-

9. The Committee on Transport appreciates that wholesale exemption could lead to distortion of competition between transport undertakings in the Member States, which, in turn, could lead to a shift in traffic flow, with all the repercussions that this would entail for ports in certain Member States, particularly in the Federal Republic of Germany.

The committee therefore considers it highly desirable that harmonization of the fiscal provisions relating to motor-vehicle fuel should be effected with all speed pursuant to Article 99 of the EEC Treaty.

10. However, the Committee on Transport takes the view that, for the following reasons, priority must be given to providing for the smooth and rapid passage of vehicles at frontier crossings within the Community.

Maintaining the 200-litre rule would involve additional frontier checks and, where appropriate, the levying of tax on surplus amounts of fuel at frontier posts. This is completely at variance with the aim of the directive itself: to make it easier to cross frontiers within the Community.

In addition, according to the explanatory memorandum accompanying the Commission's proposal, the extra costs such a levy would generate at frontiers would almost equal, if not completely cancel out, any revenue from it.

11. The maximum content of a normal fuel tank on a large lorry is 580 litres¹, the average being between 115 and 400 litres². At first sight, this may appear a considerable quantity. However, the indirect cost of checks and formalities (vehicle out of action because of delay at frontier, drivers' and border officials' earnings, inter alia) would probably be much higher than any revenue such a levy might raise. What is more, the maximum and average content of fuel tanks on buses and coaches is considerably smaller, a factor that also needs to be taken into account.

12. The Committee on Transport stresses that this measure must be seen as forming part of the set of Community measures, both those adopted by the Council last year and on 22 March 1984 and those under consideration for adoption at forthcoming meetings, intended to facilitate cross-frontier transport in the Community.

13. The committee therefore approves the proposal to amend Article 3 of Directive 68/298/EEC as per the Commission document.

14. Naturally, therefore, the relevant articles of Directive 83/181/EEC of 28 March 1983 must likewise be amended as follows:

¹ Mercedes 1933 S and 1938 S. Only the Renault R 360 T has a dual standard tank (2 x 325 litres).

² E.g.: - Ford, Mercedes, Renault and Volvo vehicles of approx 12 t have tanks of 115, 130, 120 and 130 litres respectively
- Ford vehicles of approx 20 t : 185 litres
- Volvo vehicles of 24.5 t : 400 litres

Article 83

Member States may limit application of the exemption in respect of fuel contained in the standard tanks of commercial motor vehicles to 200 litres per vehicle per journey.

Member States may limit application of the exemption in respect of the fuel contained in the standard tanks of commercial motor vehicles coming from third countries to 200 litres per vehicle per journey.

Article 84

Member States may limit the amount of fuel exempt on admission in the case of:

Member States may limit the amount of fuel exempt on admission in the case of:

- (a) commercial motor vehicles engaged in international transport
- from third countries to their frontier zone, to a maximum depth of 25 km as the crow flies
 - from another Member State to their frontier zone, to a maximum depth of 15 km as the crow flies,

- (a) commercial motor vehicles engaged in international transport from third countries to their frontier zone, to a maximum depth of 25 km as the crow flies, where such transport consists of journeys made by persons residing in that zone;

where such transport consists of journeys made by persons residing in that zone;¹

15. This would permit greater flexibility at the Community's external frontiers, too, with regard to international passenger and goods transport.

¹OJ No. L 105, 23.4.1983, p. 54

16. The Committee on Transport urges the Council to adopt both directives as soon as possible.

17. In concluding, the Committee on Transport urges the competent authorities in the Member States to issue their relevant services with the necessary instructions to obviate the need for frontier checks on commercial motor vehicles to ascertain whether they are equipped with additional fuel tanks. If necessary, such checks might be made at more suitable locations away from border areas.

O P I N I O N

of the Committee on Economic and Monetary Affairs

Draftsman: Mr J. MOREAU

On 22 March 1984, the Committee on Economic and Monetary Affairs appointed Mr Jacques MOREAU draftsman of the opinion.

At its meeting of 25 and 26 April 1984, the committee considered the draft opinion, which it adopted unanimously on 26 April 1984.

Present: Mr MOREAU, chairman and draftsman; Mr von BISMARCK, Mr MARCHESIN (deputizing for Mrs DESOUCHES), Mr MORELAND (deputizing for Mrs FORSTER), Mr ROGALLA (deputizing for Mr SCHINZEL), Mr SEAL (deputizing for Mr CABORN), Mr WAGNER, Mr WEDEKIND (deputizing for Mr FRIEDRICH), Mr WELSH and Mr von WOGAU.

This opinion was tabled on 27 April 1984.

The Committee on Economic and Monetary Affairs:

1. Emphasizes that the Commission proposals come under the heading of the implementation of the internal market and therefore fall principally within the terms of reference of the Committee on Economic and Monetary Affairs;
2. Approves the proposals for directives within the context of its resolution of 9 April 1984 on the need to implement the internal market.

