

# COMMISSION OF THE EUROPEAN COMMUNITIES

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COM(81) 520 final

TSRUDG  
Brussels, 22 September 1981

Proposal for a  
COUNCIL REGULATION (EEC)

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

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(submitted to the Council by the Commission)

COM(81) 520 final



EXPLANATORY MEMORANDUM

I. INTRODUCTION

1. Council Regulation No 3164/76 of 16 December 1976<sup>1</sup> stipulates 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.
  
2. The proposal which the Commission is submitting to the Council in order to adjust the Community quota for 1982 is intended to permit a change of this type; this proposal takes into account:
  - (a) the outcome of discussions within the Community's Institutions concerning the change in the quota for 1981 which did not lead to a Council decision accepting the increase proposed by the Commission;
  - (b) the analysis of the general economic situation, the current situation in the transport market, the short-term forecast of transport demand trends and the consultation, by the Commission of socio-economic circles and government experts.
  
3. From all this, the Commission concluded that, in view of various factors such as the economic situation in general and the situation of the transport market in particular, the extent to which the conditions of competition are harmonized, trade requirements and the productivity of the road haulage system, the change in the Community quota should be seen in a sufficiently wide and balanced context.

From this viewpoint, the Community quota should be able

- (a) to help ensure some balance between transport supply and demand by avoiding the creation of excess capacity which generally causes cut-throat competition, and

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<sup>1</sup> OJ L 357 of 29 December 1976, p. 1.

- (b) to promote Community integration in the freight transport sector by gradually dismantling the restrictions on the freedom to offer transport services between the Member States.

## II. THE COMMUNITY QUOTA AND ADJUSTMENT OF SUPPLY TO DEMAND IN THE TRANSPORT SECTOR

4. For the Community quota to help achieve the aim of aligning supply with demand in the transport sector, the capacity put on the market for the international carriage of goods by road under Community authorizations must not purely and simply supplement that already authorized by bilateral agreements, but must form part of a broader context enabling the two systems to be linked.
5. The Commission is also aware of the fact that the aim of aligning supply with demand in the transport sector should not be conceived by artificially isolating the road transport sector but should be placed in the wider context of the whole surface transport market. This should make it possible to take into account the extent to which existing transport capacity is used and the physical potential scope of each mode of transport for satisfying both quantitatively and qualitatively, its potential transport demand in a competitive market guaranteeing the user a free choice.
6. As stated in greater detail below, to adjust the Community road transport quota for 1982, the Commission has taken as its basis the forecasts of the trend in overall demand for the carriage of goods and its foreseeable distribution among the modes of transport.

In view of the findings of statistics on the use of Community authorizations and the business surveys conducted among road hauliers as part of the monitoring of the transport market, the Commission is convinced that road haulage will not be able to satisfy the transport demand placed on it unless it obtains an increase in both bilateral and multilateral transport authorizations within the limits set out below.

7. The Commission is unable to give any opinion on the ability of the other modes of surface transport to absorb the additional volume of demand which may arise in 1982 as it does not have sufficient information since only part of the market observation system is operative.

In the coming years, the Commission plans to supplement its market analysis for the annual adjustment of the Community quota by examining the rate of use of the capacity offered by inland waterways and the railways and the possible effects of this situation on the distribution of demand among the various modes; it will take into account the type of goods to be carried and whether alternatives can be found for this traffic.

### III. THE COMMUNITY QUOTA AS AN INSTRUMENT FOR PROMOTING COMMUNITY INTEGRATION AND IMPROVING PRODUCTIVITY

8. Within the limits of the quota currently in force, the Community authorizations are a means of abolishing, at least in part, the restrictions which still apply to non-resident hauliers in conducting international transport operations between Member States other than that in which the vehicle is registered.

Through the Community authorizations, the hauliers have equal access to the carriage of goods between Member States, regardless of nationality.

The Community quota is therefore a powerful integrating factor and its importance must be underlined.

At the economic level, as the Community authorization enables the holder's vehicles to travel freely throughout Community territory, it promotes multilateral transport operations and improves the operational flexibility and productivity of the vehicles used.

The Community authorization thus has undeniable advantages compared with bilateral authorizations, as regards both consistency with the principles of the Treaty of Rome and the rational and efficient organization of the international carriage of goods.

9. At present, the Community quota covers some 5% of the total volume of goods carried by road.

In view of the advantages referred to above, the Commission considers that this rate should be stepped up and that the Community quota should be substantially increased.

The Commission therefore feels that in 1982 at least 50% of the volume of traffic generated by the foreseeable increase in demand for road haulage should be reserved for the Community quota.

If this allocation were accepted by the Council, the Member States would have to take account of this situation when adjusting the quotas continuing to be assigned under bilateral negotiations in accordance with the criteria laid down in the Council Decision of 20 December 1979.

#### IV. THE DATA USED FOR CALCULATING THE COMMUNITY QUOTA FOR 1982

Bearing in mind the criteria referred to in the previous section, the volume of the additional Community quota for 1982 has been calculated according to the following information at the Commission's disposal:

(a) The foreseeable trend in total demand in 1982 and breakdown by mode of surface transport

The first forecasts drawn up for 1982 as part of the market observation system applied by the IFO Institute, Munich, show an increase of around 9 million tonnes of goods to be carried on intra-Community links by all modes.

The increase for each mode is as follows:

Road: 4 million tonnes

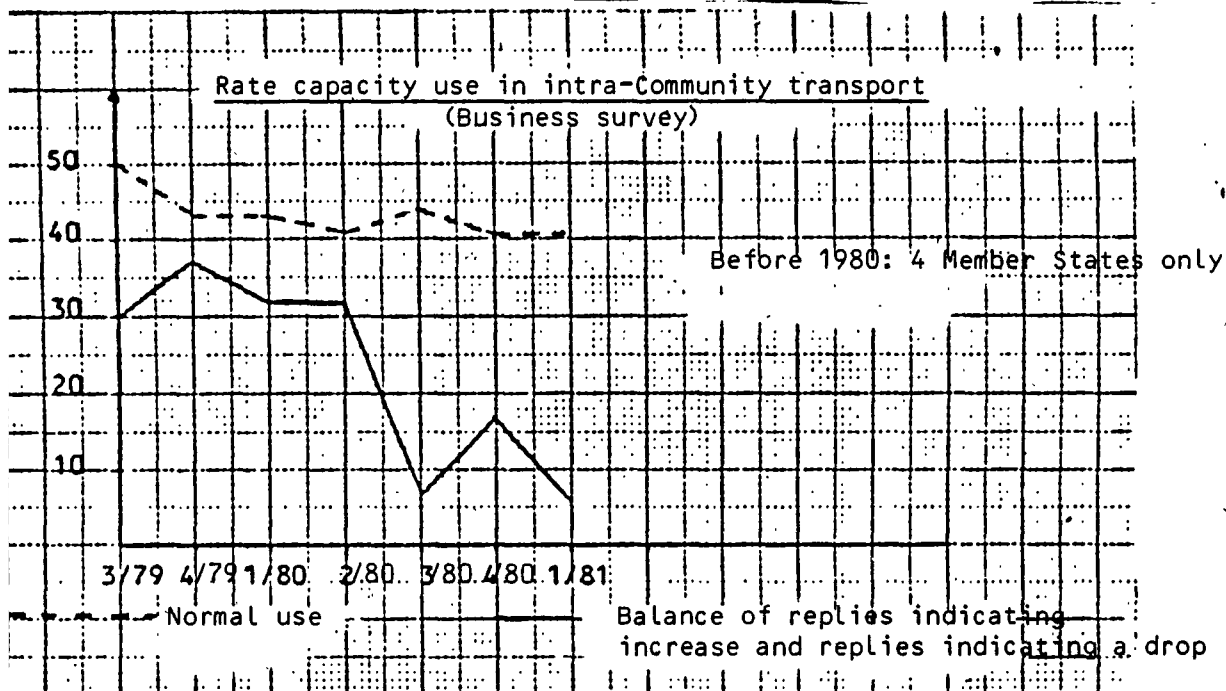
Rail: 1 million tonnes

Inland waterways: 4 million tonnes.

It is assumed that this new tonnage will primarily be of interest to professional road hauliers. It is clear that part of this total will be accounted for by own account transport; however, this proportion will be used for purely adjustment purposes, which will take place ex post.

(b) The use made of the capacity available for the transport of goods by road between Member States, according to the latest figures

The business enquiries made of international road hauliers under the market observation system indicate that, overall, the extent to which capacity is used is considered satisfactory. There were more replies indicating that more of the capacity is used than in the past than there were replies indicating a drop in the rate of use. Similarly, the number of replies in which it was considered that the rate of use of capacity is normal was relatively stable (see graph below). In 1980, when growth was mediocre - particularly compared with 1979 - there was a drop in the balance between positive and negative replies although it is still not possible to talk of excess capacity.



(c) Trend in freight rates on traffic links between the Member States

The reports of the Road Haulage Tariffs Committee contain information on the rates for the carriage of goods by road between Member States conducted on the basis of the system of compulsory tariffs. This system is in force between the six original Member States. The rates should be situated within a 23% bracket. Rates outside this bracket are tolerated if agreed to under special contracts meeting specific conditions.

It has been established that there is an increasing tendency for the rates to fall within the bracket and that the number of special contracts is decreasing. It may therefore be assumed that, under the pressure of costs, the rates in a large number of special contracts have come within the tariff bracket. On several links, the rates are close to the bracket ceiling.

As in the previous point, it may be concluded that the price trend does not indicate that the market is being invaded by excess capacity which could have an adverse effect on rates.

(d) Calculating how much extra capacity to put on the market to ensure that the extra traffic resulting from an increase in demand is carried

(i) To calculate how much new capacity has to be put on the market, the volume of traffic not subject to Community quotas first has to be deducted from the forecast increase.

. In practice, as a first approximation, we must deduct the increased volume of category NST 6 goods (sand and gravel) carried under quota - i.e. 1 million t or some 25% of traffic. Most of this category of goods is carried over very short distances on either side of a border.

. The volume of goods carried by professional road hauliers under the first directive, but excluding category NST 6 goods, should also be deducted. But the data so far available indicate that the tonnage involved is insignificant in proportion to the market as a whole and to other sources of error affecting this estimate.

The total volume that might be affected by Community authorizations in 1982 therefore comes to about 3 million t.



(ii) This extra volume will be carried mainly under Community and/or bilateral authorizations. In view of the respective advantages of these two types of authorization and the various national positions on the subject, we consider that half the extra volume should be carried under bilateral, and half under Community authorizations, giving + 1,5 million t to be carried under the latter.

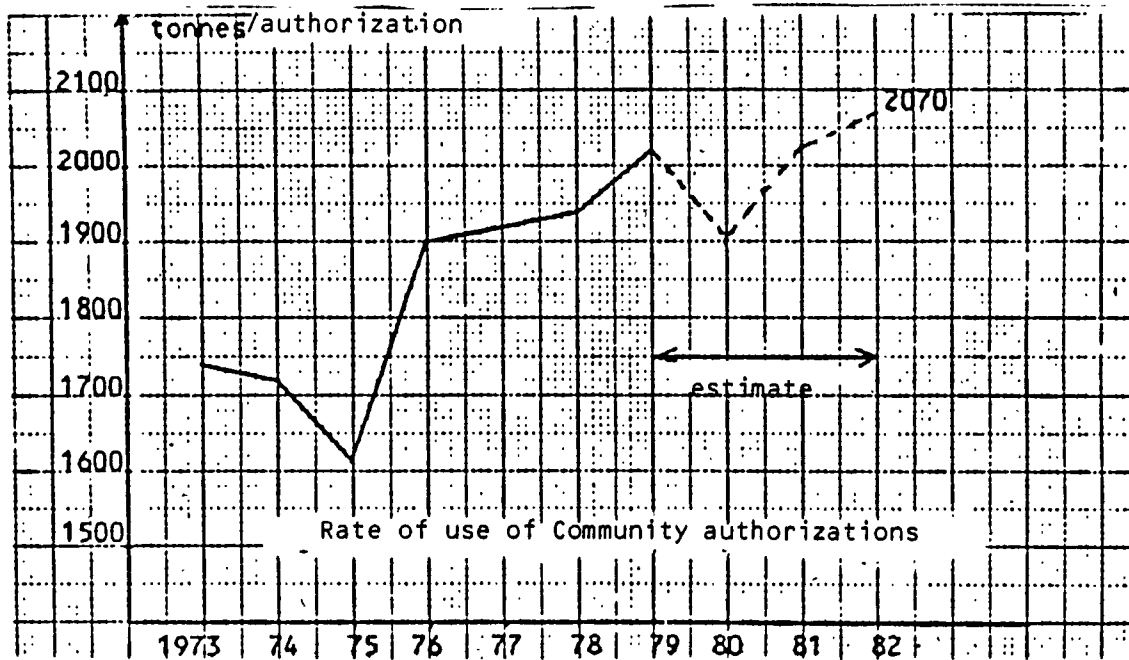
(e) Calculating the number of additional Community authorizations required to cover the foreseeable increase in demand

This depends on the extent to which Community authorizations have been used in the past.

A trend analysis of the data on the rate of use of Community authorizations indicates that the rate for 1981 will be some 2 100 t/authorization.

However, the incomplete figures available for 1980 indicate that there was a drop between 1979 and 1980 (approximately 1 900 t/authorization in 1980).

The simple trend analysis must therefore be corrected; it must be assumed that the rate of use in 1981 will not exceed the 1979 level (i.e. + 2 020 t/authorization). This suggests that the rate for 1982 will be about 2 070 t/authorization).



The number of authorizations to be added to the Community quota in 1982 will therefore be :

$$\frac{1\ 500\ 000\ t}{2\ 070\ t} = 720$$

V. DISTRIBUTING THE EXTRA COMMUNITY QUOTA BETWEEN MEMBER STATES

10. The experience of recent years has shown that it is very difficult to find criteria for distributing the Community quota which meet with the unanimous agreement of all the Member States and which are not contested at the economic level.

Indeed, the establishment of distribution criteria based on the nationality of the haulier is in itself open to criticism if it is borne in mind that the authorization allows the holder to conduct transport operations throughout the Community and not only from the country in which the vehicle is registered. The most appropriate solution could have been to centralize the applications and have the distribution made by a single authority using a classification based on objective criteria (utilization of the authorization, average profitability of transport operations, etc.).

However, there appears to be no possibility of achieving this at present, if only because the conditions of competition between road hauliers have not yet been fully harmonized.

11. The Commission thus supports the view that the system of distributing the Community quota between Member States should be maintained, at least for the time being. For the same reasons of convenience, the Commission also embraces the principle that the distribution of the current quota (1981) should not be revised so as not to jeopardize the political compromises which were painstakingly achieved. The examination of the distribution criteria should therefore deal only with the extra authorizations for 1982.
12. In its investigations, the Commission rejected a linear increase as it feels that this is of a political nature and has no economic justification; it thus tried to find less arbitrary criteria.

The Commission is therefore of the opinion that the first factor to be considered could be the idea of establishing a ratio between the number of extra authorizations to be allocated to each Member State and the breakdown of transport demand on the various traffic links between Member

States (taking account of the volume of transport demand for experts in each Member State).

13. The second factor to be considered, in the Commission's view, is the average use made by each Member State of the Community authorizations allocated to it. A factor of this type, which would have a corrective effect on the above criterion, is indeed likely to reflect the use of capacity covered by Community authorizations and the ratio between it and transport demand: a very high coefficient of utilization could then be considered as indicative a scarcity of supply and an urgent need for extra authorizations as compared with road hauliers in a Member State with a lower rate of utilization.

However, this factor must be corrected to cater for the geographical conditions in certain Member States where road hauliers are handicapped by the need to overcome natural obstacles such as sea or the Alps.

Assuming that this handicap is reflected in practice by a lower number of transport operations, the Commission considered weighting the tonnes/km per authorization by a distance coefficient which takes account of each Member State's geographical position in relation to its partners and restores the condition of parity with its competitors. The Commission has also accepted that, in the temporary absence of any statistics concerning Greece, this Member State will receive the same number of extra licences as Ireland, a country whose situation is comparable to that of Greece.

The application of these criteria in practice leads to the following calculations:

(a) Share of trade

Each Member State's share of trade has been calculated from the tonnage exported to the other Community countries, with the exception of Greece, in 1979. The structure of exports is stable in time and it may be assumed that it is very much like the structure for 1982.

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Tonnage exported by road to other Community countries except Greece<sup>1</sup>

Germany	40 397 000 tonnes	
Belgium	34 223 000	"
Luxembourg	1 304 000	"
Netherlands	31 953 000	"
France	32 419 000	"
Italy	10 544 000	"
United Kingdom	7 488 000	"
Ireland	865 000	"
Denmark	3 975 000	"

Taking the trade share coefficient as the proportion of total exports accounted for by the exports of each Member State, this coefficient works out as follows :

Germany	0,247
Belgium	0,210
Luxembourg	0,008
Netherlands	0,196
France	0,199
Italy	0,065
United Kingdom	0,046
Ireland	0,005
Denmark	0,024

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(b) Use of authorizations

(i) The use of Community authorizations in tonne-kilometres<sup>2</sup> is as follows:

Germany	1 991 tkm/authorization	
Belgium	1 540	" "
Luxembourg	1 103	" "
Netherlands	1 576	" "
France	1 410	" "
Italy	2 216	" "
United Kingdom	1 281	" "
Ireland	1 201	" "
Denmark	2 785	" "

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<sup>1</sup> Source : Data by IFO, Munich covering all categories of goods. The distribution between Belgium and Luxembourg was based on SOEC data available for 1977.

<sup>2</sup> Source : Statistics on the Community quota.

(ii) These figures are adjusted to take into account the disadvantages suffered by some Member States as regards access to the economic centres of the Community. The access difficulties are measured by the average travelling time between a country's main cities and Frankfurt.

The following cities have been selected :

Germany	: Stuttgart, München, Hamburg, Hannover, Köln
Belgium	: Bruxelles, Antwerpen
Luxembourg	: Luxembourg
Netherlands	: Amsterdam, Rotterdam, Den Haag
France	: Paris, Lille, Lyon, Bordeaux, Marseille, Nantes, Strasbourg
Italy	: Milano, Torino, Genova, Firenze, Bologna, Roma, Napoli, Palermo
United Kingdom	: London, Birmingham, Leeds, Liverpool, Newcastle, Glasgow, Belfast
Ireland	: Dublin, Cork
Denmark	: København, Aarhus

The average time taken for a road vehicle to travel from each country to the centre of the Community is as follows: <sup>1</sup>

Germany	: 4.8 hours, i.e. 4.2% of total access time
Belgium	: 5.7 hours, i.e. 5 % "
Luxembourg	: 4.1 hours, i.e. 3.6% "
Netherlands	: 7 hours, i.e. 6.2% "
France	: 11 hours, i.e. 9.7% "
Italy	: 17.9 hours, i.e. 15.7% "
United Kingdom	: 20.3 hours, i.e. 17.9% "
Ireland	: 29.8 hours, i.e. 26.2% "
Denmark	: 13.1 hours, i.e. 11.5% "

If the average use of each country's licences in t/km is adjusted to take account of access difficulties in the following way (see point 13 above) :

Adjusted use = recorded use (1 + % of total access time)

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<sup>1</sup> According to the study conducted by the Batelle Institute in December 1979 at the request of the Directorate-General for Transport: "Beurteilungskriterien und Verkehrslenkungsmassnahmen für die Verkehrswege von gemeinschaftlicher Bedeutung in der EG" - not published.  
The corrections obtained are fully comparable with those which could be made on the basis of the study conducted by the NEI Institute in March 1977 at the request of the Directorate-General for Regional Policy: "Quantification of the Markets and Transport variables" (study not yet published).

then the figures of use applied will be :

Germany	:	2 074 t/km per authorization, i.e. 12.4% of total use
Belgium	:	1 617 " " " 9.7% "
Luxembourg	:	1 142 " " " 6.8% "
Netherlands	:	1 673 " " " 10 % "
France	:	1 546 " " " 9.2% "
Italy	:	2 564 " " " 15.3% "
United Kingdom	:	1 510 " " " 9.1% "
Ireland	:	1 515 " " " 9 % "
Denmark	:	3 105 " " " 18.5% "

(c) Distribution of new authorizations

The distribution is made by taking into account each country's share of trade and the corrected figure for use of licences and incorporating a distance criterion :

Allocation of new licences: total number of licences x

(0.6 x % of a country's use rate compared with total use

+ 0.4 x % of total exports accounted for by that country),

i.e.:

Number of new licences

Germany	:	125
Belgium	:	102
Luxembourg	:	32
Netherlands	:	99
France	:	97
Italy	:	85
United Kingdom	:	53
Ireland	:	40
Denmark	:	87

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If Greece is given as many new licences as Ireland, the Member States will have the following number of licences in 1982 :

Germany	:	814	licences
Belgium	:	515	"
Luxembourg	:	138	"
Netherlands	:	696	"
France	:	724	"
Italy	:	624	"
United Kingdom	:	471	"
Ireland	:	116	"
Denmark	:	373	"
Greece	:	116	"

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

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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 introduction of a common transport policy entails inter alia the establishment of common rules for the carriage of goods by road between Member States ; whereas these rules must be drawn up so as to help bring about a common transport market ;

Whereas the system of Community authorizations for the carriage of goods by road between Member States promotes the establishment of a common transport market of this type<sup>by</sup> ensuring the free provision of services for the international carriage of goods by road throughout the Community and the gradual abolition of restrictions on the admission of non-residents to the international road haulage market by allowing road haulage operators from all Member States to have equal access regardless of nationality ;

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(1)OJ

(2)OJ



Whereas the quota provided for in Council Regulation (EEC) No. 3164/76 (1),

as last amended by Regulation (EEC) No. 305/81 (2),  
must be adjusted every year ;

Whereas an adjustment of this type should take account of road haulage requirements between Member States and the need to promote Community integration and should attempt to achieve a certain balance between supply and demand in the transport sector ; whereas it <sup>therefore</sup> appears appropriate to take account of the results of the transport market observation system established by the Commission,

HAS ADOPTED THIS REGULATION :

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(1) OJ L 357 of 29.12.1976, p. 1

(2) OJ L 34 of 6.2.1981, p. 1

Article 1

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

- "1. The Community quota shall consist of 4.587 authorizations.
2. The number of Community authorizations allocated to each Member State shall be as follows :

Belgium	:	515
Denmark	:	373
Germany	:	814
Greece	:	116
France	:	724
Ireland	:	116
Italy	:	624
Luxembourg	:	138
Netherlands	:	696
United Kingdom	:	471 "

Article 2

This Regulation shall enter into force on 1 January 1982.

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

Done at Brussels,

For the Council  
The President