

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE
7005/88 (Presse 94)

1252nd Council meeting

- Transport -

Luxembourg, 20 and 21 June 1988

President: Mr Jürgen WARNKE
Federal Minister for Transport
of the Federal Republic of Germany

- 2 -

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Jean-Luc DEHAENE Deputy Prime Minister and Minister for Transport and Institutional Reforms

Denmark:

Mr Hans-Peter CLAUSEN Minister for Transport and Communications

Germany:

Mr Jürgen WARNKE Federal Minister for Transport

Mr Wilhelm KNITTEL State Secretary,
Federal Ministry of Transport

Greece:

Mr Costas BADOUVAS Minister for Transport and Communications

Spain:

Mr Abel Ramon CABALLERO ALVAREZ Minister for Transport, Tourism and Communications

France:

Mr Louis MERMAZ Minister for Transport

Mr Louis LE PENSEC Minister for the Sea

Mr Georges SARRE State Secretary attached to the Minister for Transport, with responsibility for Road Transport and Waterways

- 3 -

Ireland:

Mr John WILSON Minister for Tourism and Transport

Mr Brendan DALY Minister for the Marine

Italy:

Mr Giorgio SANTUZ Minister for Transport

Luxembourg:

Mr Marcel SCHLECHTER Minister for Transport, Minister for
Public Works and Minister for Energy

Netherlands:

Mr N. SMIT-KROES Minister for Transport and Public Works

Portugal:

Mr OLIVEIRA MARTINS Minister for Public Works, Transport and
Communications

Mr Carlos COSTA State Secretary, Inland Transport

United Kingdom:

Mr Paul CHANNON Minister for Transport

o

o o

For the Commission:

Mr Stanley CLINTON DAVIS Member

SHIPPING

Following an introductory statement by Mr CLINTON DAVIS on the worrying situation of Member States' shipping, the Council held a detailed discussion on the measures required to maintain and develop a competitive and efficient shipping sector in the Community. In this connection it noted the Commission's intention of submitting a communication on the matter within the next few weeks and appropriate proposals by the end of the year.

The Council instructed the Permanent Representatives Committee to begin examining the Commission communication and proposals as soon as they were received.

The Council also instructed the Committee to resume at the same time its examination of the proposal on the application of the principles of freedom to provide services in shipping within the Member States (cabotage).

STRUCTURAL IMPROVEMENTS IN INLAND WATERWAY TRANSPORT

Following an exposé by Mr CLINTON DAVIES introducing the Commission proposal for a Regulation forwarded to the Council on 19 May relating to structural improvements in inland waterway transport, the Council held a preliminary exchange of views on the proposal, during which it became clear that a number of directly concerned Member States considered it important and urgent that appropriate measures be adopted.

At the end of the discussion the Council instructed the Permanent Representatives Committee to examine the Commission proposal forthwith so as to enable the Council to take a final decision, if possible by the end of 1988.

- 5 -

LIBERALIZATION OF ROAD HAULAGE

The Council adopted an important Regulation on access to the market for the carriage of goods by road between Member States.

In this field the Council intends to achieve by 1 January 1993 a market free of all quantitative restrictions and to take the necessary implementing measures.

The new Regulation provides that:

- on 1 January 1993, Community quotas, bilateral quotas between Member States and quotas for transit traffic to and from non-member countries will be abolished for Community hauliers;
- from that date, access to the market for transfrontier carriage of goods by road within the Community will be governed by a system of Community licences issued on the basis of qualitative criteria.

In the meantime the Regulation provides inter alia that:

For 1988 the total number of Community authorizations allocated to the Member States as a whole in the context of the Community quota is set at 17 153.

The number of Community authorizations allocated to each Member State is set as follows:

Belgium	:	1 488
Denmark	:	1 444
Germany	:	2 374
Greece	:	658

Spain	:	1 543
France	:	2 018
Ireland	:	671
Italy	:	2 022
Luxembourg	:	693
Netherlands	:	2 104
Portugal	:	873
United Kingdom:		1 265

For 1989 the total number of authorizations allocated to the Member States as a whole in the context of the Community quota is set at 24 021.

The number of authorizations allocated to each Member State is set as follows:

Belgium	:	2 084
Denmark	:	2 022
Germany	:	3 324
Greece	:	922
Spain	:	2 161
France	:	2 826
Ireland	:	940
Italy	:	2 831
Luxembourg	:	971
Netherlands	:	2 946
Portugal	:	1 223
United Kingdom:		1 771

The Council will decide by 31 March 1990 at the latest, acting on a Commission proposal, to be submitted by 31 December 1989, on an increase in the Community quota from 1990 and on the measures to be taken in the event of a crisis. The proposal must be accompanied by a report on the effects of previous increases including the allocation of the Community quota.

- 7 -

In addition, before 31 March 1990 the Council will decide, on a Commission proposal to be submitted before 31 December 1989, on the arrangements to apply to transport between Member States in transit through third countries, without discriminating between hauliers from the various Member States.

Should the growth in road haulage capacity between Member States subject to a Community or bilateral quota prove to be insufficient in relation to the growth in demand for haulage, the Commission will decide on an appropriate increase in the Community quota, over and above the annual increase.

The Commission's decision will become enforceable two months after its notification to the Member States unless any Member State has meanwhile referred the matter to the Council. In such a case the Council will take a decision by a qualified majority within three months. If the Council fails to take a decision, the Commission's decision will remain enforceable.

Moreover, the volume of the bilateral quotas which remain applicable during the transitional period must, from 1 July 1988 until their scheduled abolition, be adapted to the requirements of trade and traffic, including transit.

-

SOCIAL LEGISLATION IN THE FIELD OF ROAD TRANSPORT - HARMONIZATION OF CONTROLS

Pending the Opinion of the European Parliament, the Council reached broad consensus on the proposal for a Directive on the introduction of standard checking procedures for the implementation of certain social legislation relating to road transport.

These procedures are directed towards organizing standard, efficient checks by Member States relating in particular to compliance with the provisions on driving time and rest time and overtime arrangements, etc.

ROADWORTHINESS TESTS FOR MOTOR VEHICLES

The Council examined certain extensions proposed by the Commission to the 1977 provisions on the approximation of the Member States' laws relating to roadworthiness tests for motor vehicles and their trailers.

The 1977 Directive introduced periodic roadworthiness tests for certain categories of vehicles, such as buses and coaches, heavy goods vehicles, trailers and semi-trailers weighing more than 3,5 tonnes, taxis and ambulances.

The Commission proposal was aimed at extending that Community legislation also to private cars and light goods vehicles and at harmonizing it where national tests already existed.

At this meeting the Council reached broad agreement on extending roadworthiness tests to light goods vehicles weighing less than 3,5 tonnes, with minimum inspection standards both as regards the frequency of testing - after 4 years for new cars and thereafter every two years - and the technical points to be covered.

Entry into force of the Community provisions is scheduled for 1 January 1993 for Member States which already apply roadworthiness tests for such vehicles, and 1 January 1995 for the others; these dates take into account the time required to set up the administrative and technical machinery for carrying out the tests in those Member States where such a system does not yet exist.

As regards the extension of Community roadworthiness tests to private cars, the Council agreed to continue its work with a view to reaching a decision as soon as possible.

WEIGHTS AND DIMENSIONS OF ROAD VEHICLES

The Council examined a number of additions and amendments proposed by the Commission to the Directive on the weights and dimensions and certain other characteristics of commercial road vehicles.

As regards the standards for weights and dimensions applicable to (rigid) 2 and 3-axle motor vehicles used for passenger transport (buses and coaches), the Council:

- agreed in principle on:

= the following maximum dimensions:

Height: 4m; width: 2,50m; length: 12m; external and internal radius of the turning circle: 12,50m and 5,30m respectively;

= the maximum weight per axle of twin-axles as a function of the wheelbase: where the wheelbase is less than 1 metre: 11,5 tonnes, and where it is equal to or greater than 1 metre but less than 1,3m: 16 tonnes.

- reached a broad convergence of views on fixing the weight per driving axle at 11,5 tonnes.

Furthermore, the Council agreed to continue its work on the other aspects of the Commission proposal with a view to reaching agreement as soon as possible. It instructed the Permanent Representatives Committee to press ahead with its examination of the problems still outstanding.

CHARGING OF TRANSPORT INFRASTRUCTURE COSTS

The Council held an exchange of views on the problems arising from the Directive on the charging of transport infrastructure costs to heavy goods vehicles.

This proposal is directed at the adoption of a first series of measures concerning the adjustment of national systems of taxes on the use of goods vehicles in order to facilitate the subsequent adoption of a definitive system.

The Council noted the Commission's intention of submitting to it by 30 September 1988 additional background information on its proposal and in particular on the application of the principle of territoriality as the basis for such charging.

At the end of the discussion the President recorded the Council's will to define by the end of 1988 the position of the Transport Ministers on the matter with a view to its submission to the ECOFIN Council, which has responsibility for tax harmonization.

COMMUNITY RAILWAY POLICY - CONCLUSIONS OF THE PRESIDENCY

1. Further to its conclusions of 15 and 16 December 1986, the Council continues to believe that railways should be put in a position to:

- make full use of the advantages offered by their respective systems;
- make an appropriate contribution towards the control of future transport developments in Europe;
- avoid transport bottlenecks through market-based division of labour between carriers.

2. The Council further believes compliance with the following principles to be essential:

- railways should step up mutual co-operation in all areas with a view to submitting uniform joint offers on the future Internal Market. In so doing, they will free themselves from any way of thinking or acting based on their own networks;

- Member States will encourage such co-operation. They will eliminate any obstacles still remaining at frontiers.

3. The Council requests that the Commission, if possible by the end of 1988:

- identify in a report those obstacles still standing in the way of a common internal market for the railways, in particular as regards cross-frontier co-operation between railways and length of stops at frontiers, and suggest ways of eliminating them. To this end, Member States and railways will provide any assistance required;

- further elaborate its 1984 proposals concerning financial relations between railways and states in the light of the Council's decision of 15 and 16 December 1986. This applies in particular to transparent cost accounting by the railways. Consideration will also be given to whether equality of opportunity between road and rail can be improved if Member States, by means of route accounts and network use charges, enable national railway undertakings and railway undertakings of neighbouring and third countries to carry out transport by rail against payment; to this end, railways should be required to keep route accounts broken down by section. Charges should be the same for all users.

ADMISSION TO THE OCCUPATION OF ROAD HAULAGE OPERATOR IN NATIONAL AND INTERNATIONAL
TRANSPORT OPERATIONS - CONCLUSIONS OF THE COUNCIL

On 30 June 1986 the Council adopted conclusions whereby the organization of the free market would include a system of Community licences to be granted on the basis of exclusively qualitative criteria.

The Council notes with satisfaction that on 10 March 1988 the Commission submitted relevant proposals to amend Directives 74/561/EEC (admission to the occupation of road haulage operator) and 74/562/EEC (admission to the occupation of road passenger transport operator).

The Council notes that the basic principles of good repute, financial standing and professional competence should be complied with and uniformly applied in the Community.

The Council also notes that the criteria for admission to the occupation of road transport operator need to be further specified.

With a view to the completion of the common organization of the road transport market by the end of 1992, the Council instructs the Permanent Representatives Committee to expedite its discussions on the Commission proposals of 10 March 1988 amending Directives 74/561/EEC, 74/562/EEC and 77/796/EEC so that the planned regulations can be adopted in good time before the expiry of the transitional stage.

AIDS GRANTED FOR TRANSPORT BY RAIL, ROAD AND INLAND WATERWAY - COMBINED TRANSPORT OPERATIONS

After discussing the problems arising with regard to aids granted for transport by rail, road and inland waterway as regards combined transport operations, the Council instructed the Permanent Representatives Committee to expedite its proceedings on the matter so as to enable the Council to reach a conclusion as soon as possible.

FIXING OF RATES FOR THE CARRIAGE OF GOODS BY ROAD BETWEEN MEMBER STATES

The Council adopted a Regulation extending the arrangements in force since December 1983 for fixing the rates for the carriage of goods and deferring until 31 December 1988 the date on which the Council has to decide on the tariff arrangements to be introduced on expiry of the present arrangements.

NEGOTIATIONS WITH AUSTRIA, SWITZERLAND AND YUGOSLAVIA ON TRANSPORT - CONCLUSIONS
OF THE COUNCIL

1. The Council recalls that the aims of the negotiations are
 - to solve the problems encountered by Community traffic passing through Austria, Switzerland and Yugoslavia with a view also to the attainment of the Internal Market and
 - hence to set up transit arrangements in accordance with the requirements of the Internal Market.

2. The exploratory phase of these negotiations has demonstrated that any agreement with Austria, Switzerland and Yugoslavia on transit traffic must include the following elements:
 - access on a reciprocal basis to each others' territories;
 - a better flow of intra-Community transit traffic so that, as far as possible, advantage may be taken of the shortest available transit routes;

- 17 -

- the guarantee of a satisfactory solution for Community transit by road, taking into account not only the demands of international trade but also considerations of road safety and environmental protection;
 - the improvement of railway co-operation and of combined transport so that the user has as wide and as free a choice as possible.
3. The Council invites the three third countries concerned to negotiate on the obstacles to transit traffic and to co-operate with the Community in the interests of international trade.
 4. The Council undertakes to adopt, as soon as possible, negotiating directives for the continuance of the negotiations on the basis of proposals to be submitted by the Commission before 30 September 1988 and, in any event, to do so before 31 December 1988. It wants the Commission to complete the negotiations by 31 December 1989.
 5. In the interim and with a view to accelerating progress, the Council invites the Commission to continue the work already begun by virtue of the negotiating directives adopted for the first phase and, in doing so, to take account of its conclusions above.
 6. The Council invites all the Member States, and in particular those States bordering the transit countries, to co-operate in finding solutions to the intra-Community transit problem.

MISCELLANEOUS DECISIONSStatutes of a Joint Undertaking

The Council formally adopted the Decision approving amendments to the statutes (articles of association) of the "Kernkraftwerk RWE-Bayernwerk GmbH" (KRB).

Relations with the Mediterranean countries

The Council authorized the Commission to negotiate agreements in the form of exchanges of letters with certain Mediterranean partner countries:

- preserved fruit salads: Israel, Algeria, Morocco, Tunisia;
- tomato concentrate: Algeria;
- untreated olive oil: Algeria, Morocco, Turkey.

The fight against cancer

The Council and the Representatives of the Governments of the Member States, meeting within the Council, formally adopted the Decision adopting a 1988-1989 plan of action for an information and public awareness campaign in the context of the "Europe against cancer" programme (see press release 6520/88 Presse 74 of 31 May 1988).

- II -

Appointment

The Council appointed, on a proposal from the Spanish Permanent Representation, Mr Fernando PANIZO ARCOS a member of the Economic and Social Committee in place of Mrs Isabel MARTIN CASTELLA, who has resigned, for the remainder of the latter's term of office, i.e. until 20 September 1990.

Luxembourg, 20 June 1988

BIO (88) 211 AUX BUREAUX NATIONAUX
CC: AUX MEMBRES DU SERVICE PORTE-PAROLE

433

PREPARATION TRANSPORT COUNCIL - 20/21 JUNE 1988 (M.F. BERENDT)

Ministers begin their two day meeting in Luxembourg with a general exchange of views on maritime transport. The main elements of a package were agreed in December 1986 and came into effect on July 1 1987, but decisions still have to be taken on access to the market in cabotage, which would allow operators from one member country to offer their services on coastal traffic in other Community states. Liberalisation is resisted by Member States in the south of the Community who are reluctant to grant access, for example on island ferry services, to non-national shipping lines.

In parallel with progress on cabotage, the Council will consider ways of protecting the ocean-going fleet of the Community, which has seen the number of vessels fall from 11,000 in 1980 to 7,000 today.

The main issue for the Council is road transport, where there is now some hope of a break-through which would overcome the Presidency's reserve on the automatic abolition of quota restrictions on lorry traffic as from 1993. There have been extensive discussions between Brussels and Bonn since the abortive March Council and a compromise formula may emerge which does not make liberalisation conditional on decisions on harmonising conditions of competition.

Progress is being made on the package of measures proposed by the Commission for road transport, all of which will be discussed. These are:

- more consistent implementation of the social regulations, laying down working and rest hours for drivers of heavy vehicles;
- Community rules for road-worthiness testing for vehicles;
- weights and dimensions of lorries and buses ;
- the Commission proposals on vehicle taxation (an exchange of views only);
- price-fixing mechanisms in road transport
- qualifications required for newcomers to the road haulage industry;
- aid for combined transport;

The Commission will report on the state of transit negotiations with Yugoslavia, Switzerland and Austria.

Regards,

C.D. EHLERMANN

Luxembourg, 20 June 1988

BIO (88) 211 (suite 1) AUX BUREAUX NATIONAUX
CC: AUX MEMBRES DU SERVICE PORTE-PAROLE

TRANSPORT COUNCIL - 20/21 June 1988 (M.F. BERENDT)

The decline of the Community's merchant shipping fleet was underlined by Commissioner Stanley Clinton Davis, who said that the Commission would be sending a Communication to the Council on positive measures to assist the fleet before the end of July and would be making specific proposals under the Delors Commission.

Mr. Clinton Davis said that the world supply of shipping was still 20 per cent above demand. This would tend to lead to a shrinking of the fleet, but in fact the Community's fleet was declining four times as fast as the world fleet. In the first seven years of the eighties, world capacity in the dry bulk sector grew by 16 per cent, whereas Community capacity was down by 13 per cent. The EEC fleet had 36 per cent of the container market; by 1987 it was down to 28 per cent. The fleet was getting outdated; two-thirds of the Community's ships were more than 10 years old, a worse structure than the OECD average, COMECON or developing countries. Labour productivity was declining.

The aims of policy should be :

- to make the most of Community law in combating protectionist policies in shipping;
- to create a modern, technologically advanced fleet;
- to reduce operating costs.

Among the possible measures to be taken would be for Member States to take responsibility for social security payments for seafarers, to change income tax arrangements and to help crew to return home at the end of voyages. Changes in company taxation would also help. State aids to shipping would also need to be looked at.

Ministers all supported the need for action. For some there was a close link between progress on supporting the Community fleet and on cabotage (Italy and Portugal). For France it was premature to talk of cabotage liberalisation while third countries could exploit it. Belgium, Denmark, Ireland and the UK saw no link between the two aspects although the UK Minister stressed that progress on cabotage could include special derogations and transitional periods.

The Greek government is asked to give the shipping dossier some new impetus during its presidency.

Regards,

M.F. Berendt

Luxembourg. 20 June 1988

BIO (88) 211 suite 2 AUX BUREAUX NATIONAUX
CC: AUX MEMBRES DU SERVICE PORTE-PAROLE

TRANSPORT COUNCIL 20/21 June 1988 (M.F. BERENDT)

Ministers this afternoon reached agreement on a text governing access to the road transport market from January 1 1993. The regulation will be finalised at a working group this evening with a view to formal adoption on Tuesday June 21.

The text, which was welcomed by all delegations including the Commission, specifies :

- Community quotas, bilateral quotas and quotas for transit traffic shall be abolished on January 1 1993 for Community hauliers;
- from this date access to the market for trans-frontier road haulage will be governed by a system of Community licences issued on the basis of qualitative criteria;
- the Council will adopt by qualified majority any necessary measures to implement the above decision, as proposed by the Commission, this decision to be taken by June 30 1991.

For 1988 and 1989 there will be a 40 per cent annual increase in Community quotas. The Council will decide on a proposal from the Commission what the quotas should be for 1990 and on measures to be taken in the event of a crisis. The Commission will decide on an appropriate further increase in the Community quota if the growth in road haulage capacity is not sufficient to meet the demands for haulage.

Welcoming the Council of Ministers' agreement on access to the Community road haulage market, Commissioner Stanley Clinton Davis said:

"Today's decision lays the foundations for a real European Community in road transport. It will mean that from the beginning of 1993 the complex web of bilateral and discriminatory quota agreements between the Member States will disappear, to be replaced by genuine European policy.

A more rational road haulage industry will be free to develop, serving the peripheral parts of the Community better and making possible a much more efficient use of vehicle capacity.

We don't wish to see unbridled deregulation in this sector. Criteria will be laid down to ensure that haulage companies are professionally sound, that drivers respect the regulations governing the norms of work and rest which are so important for road safety, and that lorries are properly maintained and run.

The Council's decision gives the European road haulage industry time to plan for the moment in five years time when the single market for road haulage service will be created."

Regards,

M.F. Berendt

Luxembourg, 21 June 1988

NOTE BIO (88)211 SUITE 3 AUX BUREAUX NATIONAUX
CC: AUX MEMBRES DU SERVICE PORTE-PAROLE

TRANSPORT COUNCIL - 20/21 JUNE 1988 (M.F. BERENDT)

The Council formally adopted the Community regulation on access to the road transport market, following yesterday's central decisions of principle.

Other decisions were few. Ministers adopted the proposal to extend until the end of 1989 the provisions which allow Member States to set tariff rates in road transport - a measure applied in trade within Germany and across its frontiers. There was also a general agreement on rules for implementing the drivers' hours regulations more effectively, subject to waiting reserves by Denmark and Italy, a parliamentary reserve by the UK and receipt of an opinion from the European Parliament.

(Although a number of Member States referred to)

There was some discussion of the Commission proposals for taxing lorries on a Community basis, where Presidency conclusions were tabled. The interests of the finance ministers in these proposals, there was no opposition to further negotiations on the issue and a wide level of support, at least for the general principles put forward by the Commission. Belgium, Denmark, Netherlands and Spain expressed the greatest reservations. The Council will ask the finance ministers to give their views by the end of 1989.

Agreement was reached, subject to waiting reserves by France and Denmark, on a Community directive on roadworthiness testing for light goods vehicles. Opposition to rules on testing of private cars from Denmark, Italy and Ireland led to this being dropped, although the Commission maintains its own proposals on the table. The directive requires testing for vehicles of less than 3.5 tonnes when they are four years old, followed by further tests at two-yearly intervals. Some Member States already apply more frequent or earlier testing rules - which will continue - but some modifications may be needed - such as testing of exhaust standards - with the directive's introduction.

Mr. Clinton Davis gave an interim report on the discussions with Austria, Switzerland and Yugoslavia on transit questions. These are only exploratory talks. A final report will be made by the end of September, after which the Commission will request a full negotiating mandate from the Council.

Council referred various points to COREPER:

- weights and dimensions of vehicles
- access to the road haulage profession
- aids for inland transport
- inland waterway transport

Regards,

Michael BERENDT