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Report

drawn up on behalf of the Committee on Economic
and Monetary Affairs

on a more rational transport organization

Rapporteur: Mr A. CAROSSINO

On 17 December 1981 the motion for a resolution (Doc. 1-893/81) by Mr K.-H. Hoffmann and others on a more rational transport organization was referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Transport and the Committee on Energy and Research for an opinion.

At its meeting of 30 March 1982 the Committee on Economic and Monetary Affairs appointed Mr Carossino rapporteur.

The committee considered the draft report at its meeting of 30 November and 1 December 1982 and adopted it by 14 votes to 1 with 4 abstentions.

The following took part in the vote: Mr J. P. Moreau, chairman; Mr Carossino, rapporteur; Mr von Bismarck, Mr Bonaccini, Mr Caborn, Mr De Gucht, Mrs Desouches, Mr I. Friedrich, Mr Giavazzi, Mr De Goede, Mr Herman, Mr Leonardi, Mr Moreland (deputizing for Miss Forster), Mr Purvis (deputizing for Mr de Ferranti), Sir Brandon Rhys Williams, Mr Rogalla (deputizing for Mr Mihr), Mr Van Rompuy, Mr Welsh and Mr von Wogau.

The opinion of the Committee on Transport is attached, while the Committee on Energy and Research confirmed in its letter of 1 February 1982 that it would not draw up an opinion and was forwarding the document in question to Mr Gallagher, the rapporteur on the motion for a resolution which is the subject of Doc. 1-32/81.

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The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on a more rational transport organization

The European Parliament,

- having regard to the motion for a resolution by Mr K.-H. Hoffmann and others (Doc. 1-893/81),
- having regard to the report of the Committee on Economic and Monetary Affairs and the opinion of the Committee on Transport (Doc. 1-967/82),
 - a. considering that, in a world of increasing competition, the competitiveness of the productive sector in Europe is dependent in part on efficiency in the transport sector and a closely-knit communications network;
 1. Stresses that freedom in the transport sector is a fundamental objective of the Community and draws attention to the relationship which exists between an increased degree of competition within that sector (in its dual role as an 'industrial sector' and a 'service') and greater energy savings. Calls to mind in this respect its own resolution on ways and means of effecting energy savings in the transport sector¹ and calls on the Commission to take practical action on the initiatives contained in that resolution;

¹ OJ No. C 287 of 9.11.1981

2. Regrets that the Council in its recommendation of 28 July 1982 concerning the encouragement of investment in the rational use of energy¹ did not take action on the proposals of the European Parliament contained in its resolution of 14 May 1982², and that it did not provide for any measures in the transport sector;
3. Emphasizes that, given the fact that the excise duties levied on mineral oils have a significant bearing on the cost of the product, the alignment of the structures of these duties within the various Member States would undoubtedly be an important step towards better conditions of competition;
4. Appreciates that the harmonization of excise duties on mineral oils, which should be viewed in the context of the attempts to remove fiscal barriers, is a very delicate matter because of the effect on tax revenue in the Member States, as well as on their room for manoeuvre in economic policy;
5. Is nonetheless convinced of the need for Community action on this matter, to be introduced progressively, providing for, in an initial phase, the harmonization of the scope and structure of excise duties, and, at a later stage, of the rates of duty;
6. Therefore calls on the Council of Ministers to adopt as soon as possible the Commission proposal of 9 August 1973³ on the harmonization of the structure of excise duties, and asks the Commission to present further proposals aimed at harmonizing the rates of excise duties on mineral oils. Considers it useful in this respect that the Commission should also bear in mind the need to maintain taxes on oil products at a level which will encourage both energy savings and investment in alternative energy sources;

¹ OJ No. L 247 of 23.8.1982

² OJ No. C 149 of 14.6.1982

³ OJ No. C 92/36 of 31.10.1973

7. Draws attention to the fact that the harmonization of excise duties is one of the measures necessary for bringing about Economic and Monetary Union, and, with this in mind, stresses once again that the harmonization of all excise duties constitutes a single problem requiring action by the Community institutions;
8. Believes that, in order to understand fully the main features of the taxation of oil products and their implications, it is also necessary to take into account the existence of other tax measures (e.g. road tax, purchase tax on vehicles, etc.) which are reflected more or less directly in the tax burden, and the fact that energy consumption varies widely from one country to the next as a result of the various political approaches or simply under the effect of comparative advantages;
9. Reaffirms that, until full fiscal harmonization is achieved, it is essential for the competent national authorities, the Council and the Commission to do all within their power to prevent the flow of traffic across the frontiers of the Community from being further ~~impeded by~~ checks and the levying of duties on the fuel contained in the normal fuel tanks of buses and lorries and in cans carried in private cars;
10. Is convinced that there are considerable obstacles to free competition in the transport sector, arising not only from the different systems of taxation, but also from the variations in national provisions, which for their part result in additional costs for the operators in the sector, a total lack of clarity in the situation and a degree of uncertainty;
11. Draws particular attention to the fact that the harmonization of the weights and dimensions of road vehicles used for the carriage of goods is necessary to ensure greater stability and clarity in the markets and an improvement in the conditions of competition; in this context calls on the Council of Ministers to adopt as soon as possible the Commission proposal on this subject¹;
12. Points out that the dilatory nature of the Council's deliberations has compelled Parliament to institute proceedings against the Council for failure to act in the transport sector;
13. Instructs its President to forward this resolution to the Commission and the Council.

¹ OJ No. C 16 of 18.1.1979

EXPLANATORY STATEMENTI. INTRODUCTION

1. The degree of efficiency in the transport sector (considered in the light of its dual role, both industrial - production of means of transport and creation of new demand - and as a service linking producers and consumers) influences the level of exploitation of primary resources and determines the nature and level of a country's export potential.

Europe's position in a world of increasing competition is in fact also dependent on the efficiency of its transport sector and the existence of a closely-knit communications network.

2. In this present phase of economic activity, and given the objectives of the Treaty of Rome, a rationalization of the sector in question will take the form of practical measures aimed at producing positive results relating to:
 - energy savings
 - the establishment of a system which will guarantee that competition is not distorted.

II. THE ENERGY FACTOR

3. As a result of successive crises since 1973, the European Community's energy supplies have become scarce and expensive.

There is also the risk of severe disruption to trade and to the activity of the transport sector.

The Community, like other importing countries, does not have great scope for controlling the price of imported energy sources or the levels of production (and hence of supply).

This means that at times of political tension there is a danger of serious shortages of energy, with all their economic implications.

In addition, imports of crude oil weigh heavily on the balances of payments of the Member States. It should be added that it has not so far been possible to obtain fuel substitutes in sufficient quantities to significantly reduce consumption of the oil products needed in the transport sector, and that no substantial progress in this field can be anticipated in the short term.

4. In 1980, the transport sector accounted for around one quarter of the Community total for final energy consumption and approximately 45% of that for final oil consumption.

The necessity of achieving substantial energy savings in the transport sector has often been proclaimed by the European Parliament, which in a recent resolution¹ called for a reduction of 20-30% in oil consumption in this sector within the next ten years.

5. To make energy savings possible, measures are required which, while ensuring fair competition both within each mode of transport and among the various modes of transport, will on the one hand encourage greater efficiency (to achieve energy savings) and, on the other, by organizing the transport system in a more rational way, limit the use of those means of transport which consume more energy. In fact, even if, as has been stated above, there are no substitutes for oil in the short and medium term, recent studies show that price elasticity of demand is generally greater than has previously been supposed (around -0.2 - -0.4 in the short term and between -0.4 and -0.9 in the long term².)

It is therefore necessary to devote some space to a consideration of the problems surrounding the taxation of oil products, while reference should be made to the Albers report (Doc. 1-249/81) for all other measures concerning the infrastructure and education.

¹ OJ NO. C 287 of 9.11.1981

² COM(81) 511, p. 10

III. TAXATION OF OIL PRODUCTS AND EFFECTS ON COMPETITION

6. Oil products are liable to both specific taxes (excise duties) and value added tax, which is levied on the total made up of the excise duties and the tax-free price.

In this report, attention will be focused on excise duties rather than VAT, which was in any case already covered in the sixth Council Directive of 17 May 1977.

7. All the Member States collect excise duties on mineral oils and these, because of the relatively high rates, have a significant bearing on the cost of the product. In all cases, the bulk of the tax charge falls on fuels. While these account for only about 40% of final consumption of mineral oils in the various Member States, they nevertheless supply 80-85% of the revenue accruing from the excise duty. Indeed, although high duties were originally imposed on mineral oils in order to provide a large and regular source of tax revenue (given the considerable potential yield of taxation of mineral oils used as fuel in vehicles), the increase in taxes levied on fuels was at a later stage justified by the need to cover the costs of the road transport infrastructure, to protect the environment and, obviously, to save energy.
8. The different patterns of energy consumption and the diversity in taxation schemes lead to wide disparities in the effects of oil price. increases on production costs, causing distortions to competition in terms of prices. Moreover, such differences often fail to allow for the effects on consumption patterns and to that extent aggravate the differences in competitiveness among the various European undertakings.

9. Considerable disparities in the method of applying the excise duties - within the various Member States - exist in the field of exemptions and reductions in duties for certain specific users. A record of all such exemptions and reductions has been compiled and tabulated in the document 'Exemptions and reductions in excise duties and VAT granted to certain consumers of oil products' (SEC(81) 1314 of 31.8.1981).

Each of the abovementioned schemes should, however, be subjected to thorough scrutiny with regard to the criteria and grounds which originally occasioned it, as well as to the effects of certain exemptions, refunds or reductions. Particular attention should be devoted on the one hand to consumption in river transport, public transport and to self-sufficiency, for which preferential treatment may seem justified from the energy point of view; and on the other, to the frequent cases of discrimination which arise when different classifications are applied to similar products, depending on whether they are of domestic origin or imported.

VI. NEED FOR A HARMONIZATION OF EXCISE DUTIES ON MINERAL OILS

10. The considerations advanced up to this point clearly show the relationship which exists between an increased degree of competition in the transport sector (in its abovementioned dual nature as an 'industrial sector' and a 'service') and greater energy savings.

Moreover, given the significant bearing which excise duties have on the cost of the product, better conditions of competition can certainly be obtained by harmonizing these duties within the various Member States.

The procedure for harmonizing the duties on mineral oils must in addition take account of the fact that appreciably different market structures exist for the various oil products.

11. With regard to fuels (which take up the bulk of the tax on mineral oils and are directly reflected in the cost of transport), the harmonization procedure, if it is to achieve the

desired objectives (savings in energy and the institution of arrangements which will guarantee that competition is not distorted) must take into account the repercussions and effects on the economy.

12. Generally speaking, the harmonization of excise duties has always been viewed in the context of the removal of all fiscal barriers. Such a procedure is especially problematic because of its far-reaching implications for tax revenue and room for manoeuvre in economic policy in the Member States. However, other considerations must be taken into account.

Tax revenue

It has already been pointed out that revenue from duties on mineral oils derives almost exclusively from fuel used in road transport and it is highly probable that the basic rates of these duties are influenced by two factors which ought to encourage convergence.

The first of these relates to the production costs for fuels which are very similar throughout the Community, a tendency which is set to become more marked with the constant increase in the price of crude oil as against transport and refining costs.

The second factor is the need to save oil.

Room for manoeuvre in economic policy

The harmonization of the duties in question would have to be brought into effect gradually. The Commission, in its proposal for a directive on this subject¹ suggests that the harmonization of structures should precede the harmonization of rates, so that the number of fiscal instruments at the disposal of national authorities is not reduced at a stroke.

It should also be added that, while the modification of the rates of excise duties is current practice in some Member States, others resort to this far less frequently, since sudden and over-frequent variations in the rates can have negative repercussions on industries which produce goods liable to excise duties.

¹ OJ No. C 92/36 of 31.10.1973

Furthermore, and still on the subject of rates, it is difficult at national level (although no Community constraints apply) to pursue consistently the objective of securing revenue for the state by means of politically coherent rate increases.

13. One would thus be led to conclude that the constraints which Community regulations would allegedly impose on the Member States may be considered as an argument in favour of, rather than against, the adoption of such regulations. In the absence of a coherent policy within the Member States for increasing the rates of excise duties, in periods of inflation these duties are levied on a tax basis which is gradually eroded since national authorities cannot even manage to bring them in line with inflation.
14. Nevertheless, in order to obtain a true picture of the main features of the taxation of oil products and of their consequences, it is also necessary to take account of the existence of other tax measures (e.g. road tax, purchase tax on vehicles, etc.), which all go more or less directly towards determining the tax burden, as well as of the fact that energy consumption varies appreciably from one country to the next, owing to the different political choices or simply under the effect of comparative advantages.

V. NEED TO HARMONIZE TECHNICAL PROVISIONS

15. There are sizeable obstacles in the way of free competition in the transport sector, which derive not only from the different systems of taxation, but also from the variations in national provisions, which represent a serious obstacle to the activities of undertakings utilizing motor transport vehicles which operate not only in a national, but also in an international, and, more especially, in an intra-Community context.

The harmonization of the weight and dimensions of vehicles used in road transport would in fact bring about greater stability and clarity in the markets and an improvement in the conditions for competition. Nor should it be forgotten that a rational use of the various modes of transport with the aim of reducing oil consumption and saving energy depends on the elaboration of a global approach on a Community level, which would encompass road, rail and water transport.

For more details, see the Carossino report (Doc. 1-865/80).

16. Further consideration, still with the aim of achieving energy savings, should be given to the problem of eliminating bottlenecks from Europe's infrastructural network¹. This would make an invaluable contribution towards facilitating, for the benefit of the economy and of tourists, transportation, both within the Community and between the Community and other countries.

It is appropriate to emphasize here that it is vital for the competent national authorities, the Council and the Commission to make every effort to prevent the flow of traffic crossing the frontiers of the Community from being further impeded by checks and the levying of duties on the fuel contained in the normal fuel tanks of buses and lorries, or in cans carried in private cars.

The problem of infrastructures is indeed of very great importance in the operation of the Common Market, as transport costs are a significant cost factor for all industrial companies, for agricultural enterprises, as well as for many suppliers of services.

On the more specific question of who is to pay for infrastructure costs, Community regulations on such costs would undoubtedly abolish discrimination in the charging of the costs to the industrial and agricultural productive sectors (as well as, of course, to all services which involve transportation).

VI. CONCLUSIONS

17. Community action on the harmonization of taxes has been called for by the Commission on a number of occasions over these last years (COM(75) 391 fin.; COM(77) 338 fin.; COM(80) 139 fin.; COM(81) 511 fin.).

More particularly, with regard to excise duties on mineral oils, the Commission presented on 9 August 1973² a proposal for a Directive for

¹ See the Commission report on bottlenecks and possible modes of finance (COM(80) 323 fin.)

² OJ NO. C 92/36 of 31.10.1973.

harmonizing the structure of these duties, on which Parliament has expressed a favourable opinion¹.

This proposal for a directive is still under consideration by the Council of Ministers.

18. The absence at Community level of harmonization of duty on fuels causes, as has already been stated, both distortions to competition and wastage of energy in the transport sector.

Community action on this matter is therefore essential; this should be introduced progressively over a period of time and take the following form:

- harmonization of the field of application and the structure of excise duties;
- harmonization of the rates of duties.

To this end, the Council of Ministers must firstly adopt as soon as possible the Commission proposal of 9 August 1973, while the Commission must then present further proposals aimed at harmonizing the rates of excise duties. In this last case, the Commission should bear in mind, among other things, the need to maintain taxes on the consumption of energy products at a level which will encourage both energy savings and investment in the sector of alternative sources.

19. Moreover, since the harmonization of excise duties forms part of the measures necessary for the achievement of Economic and Monetary Union, it is appropriate to take the opportunity of emphasizing once more that the problem of the harmonization of all excise duties constitutes one single issue, and therefore to call on the responsible Community bodies to take the necessary action.
20. Furthermore, a rationalization of the transport sector, aimed at avoiding the wastage of energy and distortions

¹ OJ NO. C 32/9 of 11.2.1975

of competition among the various modes of transport in the Member Countries can be fully achieved by taking action to reduce and eliminate the divergencies existing in the transport legislation of individual countries.

Divergence of this kind results in additional costs for operators in this sector, a complete lack of clarity in the situation and a degree of uncertainty.

21. More especially, the harmonization of the weight and dimensions of vehicles used in road transport would bring about greater stability and clarity in the markets, as well as an improvement in the conditions of competition.

The Council of Ministers is therefore asked to adopt the Commission proposal on this matter as soon as possible¹.

22. It should finally be noted that Community regulations on infrastructure costs would be of particular value.

¹ OJ No. C 16 of 18.1.1979.

Motion for a resolution (Doc. 1-893/81) tabled by Mr K.-H. HOFFMANN, Mr VERGEER, Mr DE KEERSMAEKER, Mr HELMS, Mr VAN AERSSSEN, Mr JANSSEN VAN RAAY, Mr JONKER, Mr HERMAN, Mr RINSCHÉ, Mr MERTENS, Mr MAJONICA, Mr WEDEKIND, Mr KATZER, Mr VERROKEN, Mr KLEPSCH, Mr LÜCKER, Mr BAUDIS and Mr K. SCHÖN on behalf of the Group of the European People's Party (Christian-Democratic Group)
pursuant to Rule 47 of the Rules of Procedure
on a more rational transport organization

The European Parliament.

- having regard to paragraph 2(b) of the conclusions of the Council of Energy Ministers of 3 March 1981 'Energy objectives for 1990',
 - having regard to the reports on the energy objectives of the Community for 1990 (Doc. 1-704/79) and on the new lines of action by the European Community in the field of energy saving (Doc. 1-816/79), and to the own-initiative report by the Committee on Transport on ways and means of effecting energy savings in the transport sector (Doc. 1-249/81),
1. Deplores the recent increase by some Member States of the tax on mineral oil, which was obviously not coordinated at Community level and has resulted in distortions of competition as between different modes of transport in the Member States and is detrimental to the common transport market;
 2. Regrets that, in the absence of harmonization of fuel taxes in the Community, the introduction of a rational organization of transport covering all modes of transport is thwarted by fuel price differences in the Member States, thus giving rise to continuing energy wastage in the Community transport sector;
 3. Calls on the Commission, in view of the different costs borne by the different modes of transport in the individual Member States, to submit to the Council at the earliest possible opportunity proposals for the unification of fuel prices and other important cost factors in the European Community;
 4. Instructs its President to forward this motion for a resolution to the Council and Commission.

OPINION OF THE COMMITTEE ON TRANSPORT

Draftsman: Mr ALBERS

On 27 May 1982 the Committee on Transport appointed Mr Albers draftsman.

It considered the draft opinion at its meeting of 19 October 1982 and adopted it unanimously.

The following took part in the vote; Mr Seefeld, chairman; Dame Shelagh Roberts and Mr Kaloyannis, vice-chairmen; Mr Albers, draftsman; Mrs von Alemann, Mr Buttafuoco, Mr Cardia, Mr Gabert, Lord Harmor-Nicholls, Mr K.-H. Hoffmann, Mr Junot, Mr Klinkenborg, Mr Lagakos, Mr Moorhouse and Mr Tolman (deputizing for Mr Vandewiele).

I. INTRODUCTION

1. At the plenary sitting of 17 December 1981 the motion for a resolution tabled by Mr K.-H. Hoffmann and 17 co-signatories on behalf of the Group of the European People's Party on a more rational transport organization was referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Transport for its opinion only.

At the meeting of the Committee on Transport of 29 January 1982 an objection was raised to this referral and, on the same day, Mr Seefeld sent a letter to the President, Mr Dankert, requesting that the terms of reference be amended accordingly. On 30 April 1982 the committee was informed that the existing terms of reference were being maintained since the issues covered by the motion for a resolution were essentially of an economic nature.

The Committee on Transport totally disagrees with this decision and regrets this development.

2. The main issues covered by the motion for a resolution are:

- (i) energy savings in the transport sector (first and second recitals and paragraph 2) and
- (ii) taxes and duties on motor fuels (paragraphs 1, 2 and 3).

This opinion therefore expands on these two issues, which are important for the implementation of a coherent and rational Community transport policy, on the basis of the relevant reports and opinions already produced by the Committee on Transport of the European Parliament.

II. ENERGY SAVINGS IN THE FIELD OF TRANSPORT

3. Two years ago, in conjunction with a public hearing held on 27 and 28 November 1980 in Brussels, and attended by members of 15 representative organizations¹, the Committee on Transport discussed in depth the increasingly urgent need for substantial reductions in oil consumption in the transport sector.

¹ See verbatim report of this hearing, PE 69.952

The conclusions reached at this hearing are reflected in the own-initiative report drawn up by the draftsman of the present opinion on behalf of the Committee on Transport on ways and means of effecting energy savings in the transport sector (Doc. 1-249/81). The motion for a resolution in that report was adopted by the Plenary Assembly on 15 October 1981¹.

4. In that motion for a resolution, the Commission was urged to draw up proposals for Community measures (for example, to specify maximum consumption figures for road vehicles, encourage the use of energy-saving vehicles and combined transport schemes etc.), or to take action in specific areas (for example the formulation of an emergency plan to deal with a serious energy crisis, the drafting of a memorandum on energy saving in the transport sector, etc.).

5. The Commission stated that it was prepared to give serious consideration to the recommendations and that specific proposals could be expected fairly soon.

6. Since the question of energy savings in the transport sector has been examined and discussed in depth by the Committee on Transport, and its conclusions and recommendations have lost none of their relevance, it is sufficient, in this context, to refer to the relevant report and resolution.

III. TAXES AND DUTIES ON MOTOR FUELS

7. The authors of the motion for a resolution under consideration regret the absence of harmonization of fuel taxes and duties in the Community since this is proving detrimental to:

¹OJ No. C 287, 9.11.1981, p.66

- (i) competition between the various modes of transport in the different Member States,
- (ii) the common transport market as it now stands, and
- (iii) energy consumption in the Community transport sector.

8. It cannot be denied that the frequently large differences in the duties levied greatly distort competition between the different modes of transport in the Member States, and thus exert an adverse effect on intra-Community transport.

9. The wide discrepancies in taxation on motor fuels in the various Member States of the Community is illustrated by the table below, which gives the average retail price and the tax on fuels per thousand litres expressed in dollars¹ as at 15.8.1982;

	<u>Premium grade petrol</u>		<u>regular grade petrol</u>		<u>diesel</u>	
	<u>Retail price</u>	<u>tax</u>	<u>retail price</u>	<u>tax</u>	<u>retail price</u>	<u>tax</u>
B	645.89	341.01	623.05	336.45	469.36	182.13
Dk	716.86	385.94	707.43	384.30	409.63	114.94
D	567.69	267.73	537.36	264.24	515.53	234.74
Gr	615.17	213.32	537.58	183.62	-	-
F	642.90	337.32	598.71	316.06	488.95	200.54
IRL	725.81	364.05	719.53	367.26	611.88	274.34
I	795.87	493.09	760.34	487.17	376.62	89.19
L	548.28	225.54	529.59	223.88	370.50	91.79
NL	643.71	311.40	623.53	308.16	428.18	137.68
UK	643.82	348.18	631.24	346.48	600.81	303.63

¹ Source - Commission of the European Communities.

Exchange rate: 1 dollar (as at 15.8.1981) = Bfrs 48.15, D.Kr 8.7640, DM 2.5195
Dr 71.20, FF 7.0150, £IRL 0.7320, Lit 1,467.25, FL 2.7745, £ 0.5882.

10. With a view to securing fair competition between all Community transport undertakings the Committee on Transport of the European Parliament has repeatedly called for a harmonization of VAT and duties on motor fuels.

Thus the basic report drawn up by Mr Mursch on the development of the Common Transport Policy (Doc. 215/74) specifically states that the harmonization of motor fuel taxes is essential, while the report drawn up by Mr Seefeld on the present state and progress of the common transport policy (Doc. 512/78) also emphasizes the desirability of a Community system of levies on mineral oils for transport.

In his report on the Common Transport Policy (Doc. 1-996/81) Mr Carossino also emphasizes the importance of equal competition conditions and the harmonization of cost factors in international transport.

11. Harmonization of fuel taxes is also important with a view to speeding up transfrontier transport formalities within the Community.

In his own-initiative report on the difficulties encountered at the Community's internal frontiers in the transport of passengers and goods by road (Doc. 678/78), Mr Schyns refers to a number of specific problems for which, unfortunately, no Community solution has been found and which relate to governmental restrictions on the number of litres of fuel which may be admitted free of duty.

12. Such restrictive measures by individual Member States are causing not only distortions of competition between transport undertakings but also burdensome controls and the possible levy of extra duties at the border.