

EUROPEAN PARLIAMENT

Working Documents

1978 - 1979

12 March 1979

DOCUMENT 678/78

Report

drawn up on behalf of the Committee on Regional Policy, Regional Planning and
Transport

on the ~~difficulties~~ encountered at the Community's internal frontiers – the
transport of passengers and goods by road

Rapporteur: Mr Guillaume SCHYNS

By letter of 7 March 1978 the Committee on Regional Policy, Regional Planning and Transport requested authorization to draw up a report on the difficulties encountered at the Community's internal frontiers in the transport of passengers and goods by road.

Authorization was given by the President of the European Parliament in his letter of 16 March 1978. The Committee on Economic and Monetary Affairs was asked for its opinion.

On 19 April 1978 the Committee on Regional Policy, Regional Planning and Transport appoint Mr Schyns rapporteur.

It discussed the draft report at its meetings of 26 October 1978 and 22 February 1979 and unanimously approved the motion for a resolution and the explanatory statement on 22 February 1979.

Present: Lord Bruce of Donington, chairman; Mr Nyborg and Mr McDonald, vice-chairmen; Mr Schyns, rapporteur; Mr Albers, Mr Brugger, Mr Corrie, Mr Delmotte, Mr Jung, Mrs Kellett-Bowman, Mr Mascagni, Mr Noè and Mr Seefeld.

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

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

MOTION FOR A RESOLUTION

on the difficulties encountered at the Community's internal frontiers in the transport of passengers and goods by road

The European Parliament,

- having regard to the report of the Committee on Regional Policy, Regional Planning and Transport and the opinion of the Committee on Economic and Monetary Affairs (Doc. 678/78),
 - having regard to its earlier resolutions, particularly its resolution on the Community's regional policy as regards the regions at the Community's internal frontiers¹ and its resolution on the development of the customs union and the internal market²,
 - aware of the great symbolic importance attached to the elimination of barriers to transfrontier traffic in the Community,
 - aware also of the fact that delays at the Community's internal frontiers cause transport undertakings additional costs,
1. Deplores the fact that twenty years after the establishment of the European Community and two years after the creation of the customs union the transfrontier transport of passengers and goods in the Community is still badly hampered by a large number of frontier checks and formalities;
 2. Regrets that its efforts and proposals and those of the Commission aimed at simplifying frontier checks and formalities have still not had the desired effect and with few exceptions have not produced tangible results;
 3. Notes that most obstacles to transfrontier transport do not have their origins in transport provisions, but are the consequence of legislation of a technical, economic, monetary or fiscal nature;

¹ OJ No. C 293, 13.12.1976, p.37

² OJ No. C 108, 8.5.1978, p.29

4. Is convinced that most obstacles to transfrontier traffic which do have their origins in the transport sector could already have been eliminated if the Community had succeeded in implementing a genuine common transport policy;
5. Notes further that many of the difficulties now occurring at internal frontiers are the result of a lack of flexibility on the part of the national customs administrations and of concealed protectionism on the part of the national governments;
6. Feels that at both national and Community level every measure should be taken that may help to simplify frontier formalities and make frontier checks more flexible, in the expectation that they can be completely abolished;
7. Takes the view, therefore, that time-consuming and costly delays at the Community's internal frontiers can be avoided by
 - (a) providing for closer cooperation among the national customs and control authorities and between these authorities and the appropriate services of the Community, with priority given to the mutual recognition of certificates and checks;
 - (b) abolishing without delay frontier formalities and checks which have lost their raison d'être;
 - (c) abolishing without delay frontier checks which can equally well be carried out further inland in a Member State;
 - (d) replacing systematic checks by random checks in the fight against fraud, account to be taken in particular of existing infrastructures and the traffic density at frontier crossing points;
 - (e) adjusting the number of staff at frontier posts and the opening hours of frontier offices to the density of traffic;
 - (f) generally carrying out customs formalities applicable to intra-Community trade at customs offices specifically installed for this purpose at the place of departure;
 - (g) replacing frontier checks by other checking procedures such as the inspection of company accounts;
 - (h) largely standardizing customs forms and encouraging the use of forms intended for a number of different purposes;
8. Feels that identity checks at internal frontiers should be made only occasionally, for example as part of certain exceptional police or security operations, and that the introduction of a European passport would noticeably simplify such checks;

9. Takes the view that the following measures should be taken with regard to specific transport policy checks and formalities:
 - (a) the report on the use of a bilateral or multilateral transport authorization should be stamped not at the frontier but at the customs office at the place of destination;
 - (b) frontier checks on the registration certificates of motor vehicles and those made to ensure compliance with social legislation applicable to road transport should be abolished;
10. Points out that the greatest difficulties at present encountered in the transfrontier transport of passengers and goods by road are attributable to the differences in the legislation of the various Member States on the taxation of motor fuels and as a solution proposes that:
 - (a) the fuel in the normal tanks of commercial vehicles should be completely exempt from duty;
 - (b) a minimum number of litres of fuel carried in jerrycans should be duty- and tax-free in all Member States;
11. Calls for the immediate abolition of the road taxes levied on foreign buses and coaches;
12. Advocates, in the interests of the free movement of persons and in particular of the right to freedom of establishment, the early introduction of a European driving licence;
13. Considers it essential that the infrastructural facilities provided for customs purposes at frontiers be adapted to actual traffic requirements as soon as possible;
14. Regrets the many gaps that exist in the road network, above all in frontier areas, considers it essential that special efforts be made in this area;
15. Feels that the Community can make a useful contribution with regard to road construction both financially and in the sphere of coordination;
16. Requests the Commission to look into the best ways of providing Community aid for infrastructural projects in frontier regions;
17. Urges the Commission to continue its efforts to facilitate transfrontier passenger and goods transport with even greater zeal and feels that to this end its staff must be increased;

18. Requests its appropriate committee to follow this matter closely and if necessary to report to it on the subject;
19. Instructs its President to forward this resolution and the report of its committee to the Council and Commission and to the parliaments and governments of the Member States.

EXPLANATORY STATEMENTI. INTRODUCTION

1. It is distressing to find that twenty years after the establishment of the EEC and almost two years after the creation of a customs union, crossing the internal frontiers of the Community still causes the same, if not greater, difficulties. There is no denying that the citizens of the Community have no sympathy for the excessive number of frequently irksome and time-consuming frontier checks, which lead them to question their belief in the purpose and benefits of the process of European unification. As mayor of a village on the Belgian-German border your rapporteur is daily confronted with this depressing fact. Experience repeatedly shows that the national frontiers within the Community still form real barriers to the free movement of persons, services and goods, a goal solemnly laid down by the Treaty of Rome.

2. The aim of this own-initiative report, therefore, is to take stock of the various problems encountered when an internal frontier in the Community is crossed and to propose practical solutions to simplify frontier formalities and make frontier checks more flexible, with a view to their complete abolition, which it is hoped will be achieved as rapidly as possible.

3. Your rapporteur fully realizes that his intentions may appear ambitious since many problems in this field have a distinctly political complexion and are closely interrelated. He is also aware that most transport problems in frontier areas have their origins outside the transport sector in national and/or Community legislation governing another sphere. The vast majority of customs formalities to be completed and most checks carried out at frontiers have in fact little or nothing to do with transport regulations or traffic legislation: they are the result of technical, economic, monetary or fiscal provisions.

During an exchange of views on the advisability of drawing up an own-initiative report on this subject in committee on 1 March 1978 it became clear, however, that although the majority of these measures do not originate from the transport sector, they have adverse effects on this sector in particular. All the members of the Committee on Regional Policy, Regional Planning and Transport who spoke on this occasion therefore stressed the desirability of a report on the subject. In view of the important economic and fiscal implications your committee felt from the outset that the Committee on Economic and Monetary Affairs should state its opinion on those aspects of the problem which fall within its terms of reference. Your rapporteur naturally attaches considerable importance to this committee's opinion and

wishes to take this opportunity to recall the extremely useful work it has done in the past on the implementation of the customs union and the internal market. In this context he would refer in particular to Mr Nyborg's report (Doc. 557/77), which was debated and approved during the European Parliament's April 1978 part-session¹ and of which this report is in many ways an extension.

4. Mr Nyborg's is not, however, the only report to which reference will be made below. The Committee on Regional Policy, Regional Planning and Transport has also carried out pioneering work in this field in the shape of Mr Gerlach's own-initiative report on the Community's regional policy as regards the regions at the Community's internal frontiers (Doc. 355/76). Although Mr Gerlach's report summarizes and discusses specific transport problems in general terms, it outlines the frontier problem as a whole and furthermore suggests the establishment of 'Euro associations' with their own powers as a means of solving frontier problems. It goes without saying that the Gerlach report forms a welcome basis for the treatment of this complex material.

5. It is certainly no exaggeration to say that the difficulties encountered when frontiers are crossed are among the items which have concerned the European Parliament most frequently. The great interest shown by Members of the European Parliament in this problem is evident from the many written and oral questions on this subject that have been put to the Council and Commission and from the numerous debates to which an oral question, motion for a resolution or report has given rise.

6. To avoid pointless duplication and overlapping, your rapporteur feels it advisable to give a precise definition of the subject-matter of this report accurately. This would also seem inevitable in view of the extreme complexity of the subject and the high level of interdependence of the various factors involved.

7. This report deals exclusively with problems encountered in the transport of passengers and goods by road at the internal frontiers of the Community.

It follows from this that: (a) typically economic and monetary aspects and problems will be discussed only if they have implications for the transport of passengers and goods by hampering or preventing the smooth operation of this type of transport when frontiers are crossed;

(b) the difficulties arising in this connection in the railway, inland waterway, sea and air transport sectors will not be considered; in your rapporteur's view these problems must be

¹ Report by Mr Nyborg on behalf of the Committee on Economic and Monetary Affairs on the development of the customs union and the internal market (Doc.557/77), OJ No.

dealt with in a separate report;

(c) the problems encountered specifically at the external frontiers of the Community will not be discussed in this report.

8. Your rapporteur would point out that the problems and difficulties involved in closer cooperation at the Community's external frontiers will form the subject of an own-initiative report shortly to be submitted by Mr Brugger on behalf of the Committee on Regional Policy, Regional Planning and Transport. Your committee has also discussed at length the problems specifically connected with EEC transit traffic through Austria and Switzerland on the basis of the excellent own-initiative report drawn up by Mr Giraud (Doc. 500/75), prior to which Mr Noè had submitted an own-initiative report on the improvement of traffic infrastructures across the Alps (Doc. 85/73).

9. On 26 October 1978 the Committee on Regional Policy, Regional Planning and Transport approved the above limitations during a detailed exchange of views on a plan of work (PE 54.902 of 3 October 1978). At the same meeting a number of suggestions were made, all of which have been taken into account by your rapporteur in the drafting of his report. Your rapporteur has also taken up the request made by the chairman of the Committee on Regional Policy, Regional Planning and Transport, Lord Bruce of Donington, that present difficulties should be illustrated with practical examples to make clear the absurdity of certain frontier checks and customs formalities¹.

¹ To make for ease of reading, anecdotes and examples are given in footnote form.

II. DIFFICULTIES ENCOUNTERED WHEN INTERNAL FRONTIERS OF THE COMMUNITY ARE CROSSED AND POSSIBLE MEANS OF SIMPLIFYING CHECKS AND FORMALITIES

10. When the Treaty establishing the European Economic Community was signed, the most important objective was the achievement of a customs union. That high priority should be given to the removal of customs frontiers was due not only to economic and political considerations but also to the awareness of the great symbolic importance of this for the citizens of the Community.

Although this customs union between the nine Member States of the Community entered into force on 1 July 1977 - on paper at least - a homogeneous geographical area in which persons, goods and services can circulate without obstruction cannot yet be said to exist.

11. The customs union falls, of course, within the terms of reference of the Committee on Economic and Monetary Affairs and need not therefore be discussed in greater detail here, but it would undoubtedly be useful to refer briefly to its essential features.

In a customs union all tariff barriers between the member states are removed and a common external tariff established vis-à-vis non-member states. Thus since mid-1977 the Nine have in theory formed a single customs area and the imposition of customs duties or levies having the same effect on intra-Community trade have been prohibited. A customs union also implies that the national customs legislation of the member states is coordinated and that common customs legislation is created. But the introduction of Community customs law has not yet been completed.

12. The removal of barriers at the Community's internal frontiers also implies, however, the elimination of quantitative restrictions and non-tariff obstacles. Although quantitative import and export restrictions were abolished as long ago as early 1961 - at least as regards industrial products - this is far from being the case where non-tariff barriers are concerned. As the harmonization of national legislation must precede the abolition of this kind of barrier, it will obviously take some considerable time before this obstacle can be removed. Unfortunately the national governments have introduced numerous measures to protect their industries and efforts to have such measures withdrawn naturally meet with stiff resistance in many cases.

There is therefore little cause for hope to be found in the fact that customs duties form only the small, visible part of the iceberg, the whole remainder of which consists of non-tariff barriers to trade, as Mr Nyborg rightly puts it¹. It is clear that the fact that many procedures and

¹ Nyborg Report on the development of the customs union and the internal market, Doc. 557/77, p. 10

formalities are still almost exclusively national in character results in a proliferation of the administrative requirements to which the goods in intra-Community trade are subject'¹. The present application of in some cases nine national procedures that differ to a greater or lesser extent also give the lie in practice to the principle of the unity of the common customs tariff².

13. Apart from the many measures which come under the heading of disguised protectionism and which it is almost impossible to identify accurately, there are a number of legislative and administrative provisions having their origins in the protection of public safety, order and morality, human and animal health, the fight against fraud, etc.

Before examining the various categories of obstacles to transfrontier traffic more closely, your rapporteur, would like to complete these preliminary remarks on the customs union by pointing out that significant results have undeniably been achieved in this sphere, for example as regards the Community transport system, but this does nothing to change his view that progress towards a genuine integrated market is too slow and that there are still too many shortcomings, which obviously is a very serious hindrance to ease of movement across frontiers.'

14. People regularly travelling from one Member State to another are well aware that the national frontiers are more than mere administrative boundaries. For many the checks and formalities at frontier posts are a continuing source of frustration and annoyance. It is in fact difficult to escape the impression that frontier formalities and checks have become more involved and more numerous.

In this context it is significant that the number of customs officials has not noticeably decreased from the establishment of the European Community until the present and in certain countries, particularly Belgium, France and Italy, it has even increased³.

15. This phenomenon certainly cannot be explained away simply by referring to the growth in intra-Community trade and the increase in the intra-Community transport of tourists and those travelling for professional reasons. If the positive results of the entry into force of the customs union are borne in mind, it must be clear to everyone that this explanation is completely inadequate.

¹ Communication of the Commission to the Council and to the European Parliament on the state of the customs union of the European Economic Community, COM(77) 210 final of 13 June 1977, p. 10.

² See document by the Commission of the European Communities on the development of the customs union and of the internal market, SEC (78) 920 of 5 June 1978, p. 3.

³ In answer to a written question by Mr Yeats, No. 851/77, the Commission stated that in 1958 there had been 69,437 customs officials in the original Member States of the Community compared with 67,922 on 1 July 1977; OJ No. C 199, 21.8.1978, p. 7.

16. The real cause of this depressing development stems, in your rapporteur's view, from the fact that Community customs legislation has in many cases been added to national legislation rather than replacing it^{1, 2}. It is obvious that ensuring observance of Community legislation represents for national customs officials an additional burden, which unfortunately is not always offset by the abolition of superseded national customs practices. Both the Commission and Mr Nyborg, in his abovementioned report (Doc. 557/77), have pointed out that the national customs services, jealous of prerogatives and averse to innovation, all too frequently apply the simplified arrangements proposed by the Commission in different ways or in a half-hearted manner, where they apply them at all. The variations in the application of Community customs provisions by the national customs authorities is undoubtedly due partly to the fact that these provisions are usually contained in directives (which merely state the aim) rather than regulations, which are binding in every respect. If Community customs legislation is to be applied uniformly, it would therefore seem advisable for regulations to be enacted in future instead of directives. Only then will it be possible to prevent Community provisions from being applied in accordance with national procedures.

A. Obstacles to transfrontier traffic having their origin outside the transport sector

17. The question of obstacles to transfrontier traffic having their origins outside the transport sector does not, of course, fall within the terms of reference of the Committee on Regional Policy, Regional Planning and Transport. Your rapporteur nevertheless feels that this report cannot simply ignore these aspects, since they have a considerable effect on international transport. He will therefore confine himself in this chapter to the essentials, i.e. summarize the principal causes of obstruction and indicate the most effective solutions.

(1) General customs regulations and obligations

18. The various customs formalities to be completed cannot be discussed here; this subject is in any case of little relevance for the Committee on Regional Policy, Regional Planning and Transport, although it is interested in measures that can be taken to facilitate transport across frontiers and to prevent unnecessary interruptions in transport operations.

¹ Evidence of this is provided by the noticeable increase in the number of customs officials in the new Member States: on 1 January 1973 there were 28,741 such officials in Denmark, Ireland and the United Kingdom; by 1 July 1977 this figure had risen to 34,630. See written question by Mr Yeats, No. 851/77.

² The opening of customs offices inland has obviously played a part in the increase in the number of customs officials.

In this respect your rapporteur endorses the solutions proposed by the Commission, notably in its communications on the state of the customs union (Doc. COM(77) 210 final of 13 June 1977 and SEC(78) 920 of 5 June 1978), and the suggestions made by the Committee on Economic and Monetary Affairs in Mr Nyborg's basic report (Doc. 557/77).

19. Unnecessary delays at the internal frontier posts of the Community can be avoided by:

- (i) providing for closer cooperation among the national customs and control (e.g. health) authorities and between these authorities and the appropriate services of the Community;
- (ii) transferring, where possible, customs posts from the frontier to a point further inland¹;
- (iii) abolishing systematic and/or special frontier checks and increasing the number of random checks, and also providing for the mutual recognition of customs checks;
- (iv) immediately abolishing unnecessary checks²,
- (v) simplifying and standardizing essential customs forms and encouraging the use of forms intended for a number of different purposes;
- (vi) introducing Community legislation to simplify present customs formalities on the basis of regulations to ensure the uniform interpretation and application of these Community provisions^{3, 4};
- (vii) basing customs checks on company accounts as far as possible;
- (viii) generally completing customs formalities for the transport of goods at offices provided for this purpose at the place of departure;

¹ That this is feasible in practice is demonstrated by various frontier crossing points between Belgium and the Netherlands. On the Antwerp-Breda motorway, for example, the red light has been replaced by a speed restriction to remind drivers that they are crossing a frontier.

² Such as checks on green insurance cards

³ The organization of seminars for national customs officials by the the Commission to familiarize them with Community legislation should be encouraged.

⁴ See in this context the Simplification Programme adopted by the Commission on 25 February 1975, Doc. COM(75) 67 final.

(ix) providing for greater flexibility in the case of goods of a non-commercial nature;

(x) providing for a more flexible approach by the national customs authorities and officials¹ and adapting customs inspection to the density of traffic^{2, 3}

20. It should be pointed out that this list of specific and practicable solutions is not exhaustive. Certain solutions will be discussed in greater detail in this report in connection with one or other regulation affecting traffic at frontiers.

(2) Fiscal and monetary formalities and checks

21. A customs official's responsibilities include the collection of indirect taxes on imported goods. The collection of turnover taxes and excise duties, especially at peak hours or during the tourist season, is bound to create delays at frontier crossing points. But as long as VAT rates vary so considerably in the various Member States as they unfortunately do at present⁴, checks will have to be made and taxes collected at the frontier or inland if fraud, smuggling and shifts in patterns of trade are to be prevented⁵.

¹ All too frequently it is found that customs officials show exaggerated zeal and make a systematic check of documents even though this is in fact quite optional, a specific example being the type-approval certificates for motor vehicles. Needless to say, those crossing frontiers have no sympathy with such action, and the resulting waiting periods cause irritation.

² This implies that the number of staff at customs offices should vary throughout the day to meet actual requirements, that the offices should where necessary stay open longer and that opening times on both sides of the frontier should be the same.

³ A typical example of lack of consideration for the density of traffic is the Evrange-Frisange frontier post on the French-Luxembourg border on the road from Luxembourg to Thionville, where during the holiday season neither the facilities nor the number of customs officials normally present are such as to ensure the smooth flow of traffic, and delays frequently occur.

⁴ To illustrate this point, the VAT rates on passenger cars in the various Member States are: Belgium 25%, Denmark 18%, Germany 12% France 33%, Ireland 35%, Italy 18 or 35% depending on cylinder capacity, Luxembourg 10%, Netherlands 18%, United Kingdom 8%.

⁵ Members of the European Parliament travelling by car from Luxembourg to Brussels can see cigarettes being bought in admissible or inadmissible quantities at the petrol stations on the right side of the road in Martelange, which is Luxembourg territory. This is hardly surprising in view of the considerable difference in prices: a packet of one of the most popular Belgian brands of cigarette at present costs Bfrs 41 in Belgium as compared with Bfrs 31 in the Grand Duchy.

22. If this problem is to be solved, the principal requirement is that there should be a single VAT rate throughout the Community. As things stand, however, early harmonization of indirect taxes does not seem possible. Your rapporteur therefore feels that for the time being steps should be taken to minimize the delays at frontier posts caused by checks on or the collection of VAT and duties. The achievement of more effective cooperation among the various customs and tax authorities would seem one of the most suitable means. In addition, present procedures should be appreciably simplified.

23. In his report Mr Nyborg said that a temporary solution might be to concentrate the registration of movements of goods either in the exporting or the importing country¹. Pioneering work has already been done here in the Benelux countries, thus proving that the introduction of such a system is not a pipe-dream².

24. These measures must be accompanied by further efforts with regard to exemptions for those travelling from one Member State to another.

In a communication on the elimination of checks in intra-Community trade, the Commission states that it would be difficult to carry out checks on goods carried by persons travelling by road other than at the frontier and that the only way of eliminating such checks would therefore be the achievement of complete freedom³. Complete freedom from duties cannot, however, be achieved immediately, and the Council and Commission have opted for a gradual approach⁴. A directive adopted on 28 May 1969 exempted goods up to the value of 75 u.a. from taxes and duties at the internal frontiers. On 12 June 1972 this directive was amended, the intra-Community exemption being raised to 125 u.a.⁵.

¹ Report on the development of the customs union and the internal market (Doc. 557/77), p.28, point 4.5.2., second paragraph.

² Annex 4 to the Nyborg report reproduces an article on the abolition of VAT frontiers in the transport of goods within the Benelux Union, pp. 46-50.

³ Document of the Commission of the European Communities SEC(70) 283 final, p. 42.

⁴ In his Written Question No. 168/77 to the Commission Mr Seefeld referred to the following statement by the Commission: 'The various VAT rates in the Member States of the European Communities will not be approximated for several decades to come'; OJ No. C 107, 8.5.1978, p.4.

⁵ OJ No. L 133, 4.6.1969, p.6 and OJ No. L 139, 17.6.1972, p. 28, respectively.

On 31 December 1976 the Commission proposed that this sum should be increased by 75 u.a. After 18 months of discussions the Council decided on 19 December 1978 that it should be increased by 55 u.a., the present limit therefore being 180u.a.¹.

Progressive increases in exemptions for travellers will clearly help to ease checks and collection procedures at frontiers since there will then be less need for them.

25. Checks of a fiscal nature on motor vehicles and on fuels in the tanks of commercial vehicles (buses and lorries) will be discussed in a later chapter (see Section B, Chapter 2).

26. To protect their foreign currency reserves and as an internal monetary policy instrument, certain Member States, notably Italy and the United Kingdom, apply foreign currency restrictions. Checks to ensure that bans on the import and export of national currency above a given limit are being observed obviously hamper international travel. It is to be hoped that the introduction of the European Monetary System will bring about a rapid change in this situation and result in the abolition of preventive checks in the monetary field. Some countries of the Community still operate certain restrictive provisions regarding the import and export of gold. Alternative solutions must be sought as a matter of urgency so that travellers are no longer subject to such controls.

(3) Quality and health checks

27. The purpose of quality and health checks is to protect the consumer and the health of the public. They include checks on:

- the quality of industrial products (e.g. measuring instruments, the hall-marking of precious metals, etc.) and agricultural products (fruit and vegetables);
- medicines and pharmaceutical products;
- narcotics;
- veterinary provisions (vaccination certificates, health certificates);
- plant protection provisions;

¹ OJ No. L 366, 28.12.1978, p.28

28. Although considerable progress has been made in recent years with regard to checks on the quality of industrial products as technical barriers to intra-Community trade have largely been eliminated, a completely different situation unfortunately exists where agricultural products and health checks are concerned.

Transport operators have informed your rapporteur that health checks all too frequently result in long waiting periods at internal frontier posts in the Community. Long delays at the Italian border in particular are a regular occurrence. There are generally too few customs officials or inspectors specifically empowered to ensure compliance with certain health regulations, with the result that a competent official is not always present during the opening hours of a frontier office, which in turn means that the motor vehicle concerned is held up for an indefinite period.

Since the Court of Justice decided in its judgment of 15 December 1976 that charges may not be made for veterinary and health checks, the situation has become even worse, with the closure of various control services inland as a result of this judgment¹. This does not alter the fact that the Court's judgment is extremely important, not only because the Court regards fees for the inspection of products which cross frontiers as charges having an effect equivalent to customs duties, but also because it concludes that systematic inspections at frontiers of animals and meat intended for import for human consumption are no longer justified, which does not rule out occasional veterinary or public health inspections 'provided that they are not increased to such an extent as to constitute a disguised restriction on trade between Member States'².

29. To remedy this deficiency, the following measures should be given priority:

- mutual recognition of national controls and certificates to prevent the senseless repetition of controls;
- harmonization of the appropriate legislation and practices;
- adjustment of the competent customs staff to the requirements of transfrontier traffic; this applies both to the number of inspectors and to those actually available.

If internationally recognized health certificates were issued, formalities at the frontier could clearly be limited to their submission and inspection.

(4) Police checks

30. It might normally be expected that in the final phase of the economic integration progress, i.e. when the customs union and the internal market have been fully achieved, the only frontier checks remaining will concern public safety and morality.

¹ In his report (Doc. 557/77) Mr Nyborg says that veterinary and health checks can in extreme cases delay frontier crossings for up to 8 days (p. 22, p. 4.3.5).

² Judgment in Case 35/76: Simmenthal SpA v Italian Minister for Finance, Reports of Cases before the Court, 1976-9, pp. 1871-1897

Police checks include:

- (a) with regard to goods transport: checks on the import and export of weapons, ammunition and all types of military equipment, checks on drugs;
- (b) with regard to transfrontier passenger transport: checks of identity papers as part of the general fight against crime or in connection with a specific investigation (e.g. after a terrorist attack, kidnapping or hold-up).

31. Your rapporteur naturally cannot and will not advocate the abolition of this type of check, but he would like to make two remarks in this connection, the first regarding the frequency of such checks, the second regarding the manner in which they are made.

32. The general rule must be that systematic identity checks are avoided whenever possible, being limited to specific investigative activities. The introduction of a European passport would be welcome in this respect.

Although point 10 of the final communiqué of the Summit Conference of 9 and 10 December 1974 solemnly announces the introduction of a European passport, there is still no sign of this happening because of practical difficulties¹.

33. Since repeated complaints have been made recently by travellers about the unjustified behaviour of customs officials², your rapporteur feels it is high time that the recommendation issued on this subject by the Commission in 1968 was reviewed and given a different legal form. The Commission's recommendation of 21 June 1968 concerning the performance of customs checks on travellers crossing intra-Community frontiers refers to the relaxation and abolition of body checks and expressly states in paragraph 2 that only in special circumstances and provided that inhabitants of border areas are not concerned may checks on private cars and travellers be made³. This initiative is, of course, to be welcomed. But your rapporteur regrets that statutory

¹ At the moment there appear to be three definite and, in your rapporteurs' view, absurd difficulties: the languages to be used in the passport, the question of whether the words 'European Community' or the name of the Member State should take precedence on the cover and first page, and the question of the legal instrument to be used for creating the passport. See the answer to Mr W. Müller's Written Question No. 1086/77, OJ No. C 107, 8.5.1978, p.28.

The treatment of the European passport by the Council is marked by the general lack of political will, especially when it is remembered that, despite a solemn declaration at a summit conference, the discussions on the actual implementing procedures have been held up for months by disagreement on the colour of the cover of the passport (see *Le Monde*, 3.8.1978).

² See, for example, Mr Guerlin's Written Question No. 784/77, concerning a body check at the France-Luxembourg frontier in Longlaville, OJ No. C 98, 24.4.1978, p. 2.

³ OJ No. L. 167, 17.7.1968, p. 17.

Community provisions have not been introduced. He therefore urges the Commission to submit to the Council without delay a proposal for binding Community provisions relating to the limitation to exceptional cases and aimed at ensuring a responsible attitude on the part of customs officials. It is high time the customs services received precise instructions, and ones that are identical in the nine Member States.

B. Obstacles to transfrontier traffic created by transport regulations

34. That numerous transport regulations continue to represent a major obstacle to transfrontier passenger and goods transport is largely attributable to the lack of coherent Community transport policy. The Committee on Regional Policy, Regional Planning and Transport has on several occasions voiced its regret at the delay in the implementation of a Community transport policy and urged the Council and Commission to take the required steps. It has done so both in connection with a given transport problem, e.g. the allocation of road costs, the harmonization of the dimensions and weights of commercial vehicles, etc., and in its basic reports on the Community transport policy¹.

35. While the absence of a genuine Community transport policy has not led to a noticeable decrease in national frontier checks and formalities, the situation at the Community's internal frontiers has been further aggravated by the fact that the Community itself has adopted various provisions which create additional formalities and inspections at frontier posts. At the meeting of the Committee on Regional Policy, Regional Planning and Transport on 26 October 1978 a representative of the Commission openly admitted that this was the case.

36. Before discussing the various Community transport regulations involving frontier formalities and checks, your rapporteur would recall that the Community has made a positive contribution to facilitating the crossing of

¹ For example, the detailed report drawn up by Mr Mursch on the principles of the common transport policy and on the communication from the Commission to the Council on the development of the common transport policy (Doc. 215/74) and the recently adopted report by Mr Seefeld on the present state and progress of the common transport policy (Doc. 512/78).

frontiers by abolishing checks on green insurance cards on 15 May 1974¹. Car drivers will remember that the need to produce evidence of insurance often resulted in queues forming at frontier crossing points. The abolition of this check is also a clear illustration of the formalities that can be eliminated if there is sufficient political will.

A further useful achievement at Community level is the adoption of Regulation (EEC) No. 542/69 on Community transit², aimed at simplifying the formalities carried out when internal frontiers are crossed. This regulation and the 'T documents' for which it provides, enable transport operations to be effected without renewed customs formalities each time a frontier is crossed. Unfortunately, in practice transporters take insufficient advantage of the facilities offered by the regulation.

(1) Formalities and checks connected with general transport provisions

37. This heading concerns in particular formalities and/or checks at the Community's internal frontiers connected with national, bilateral and multi-lateral transport authorizations, registration certificates and the observance of Community social legislation.

- Authorizations for the transport of goods by road

38. In all the Member States an authorization is required for the transport of goods by road. The regulations on the issue of transport authorizations vary considerably from one Member State to another. An authorization is also required for the transport of goods in the territory of a country other than that in which the vehicle is registered. Traditionally such authorizations are issued within the framework of bilateral negotiations. For some years it has also been possible to obtain multilateral transport authorizations either at European Community level or at the level of the European Conference of Ministers of Transport (ECMT).

39. The whole situation with regard to international transport authorizations is extremely unsatisfactory. In practice, bilateral negotiations take the form of a tug-of-war over the number of authorizations one country is to receive for its transport undertakings from the other, the outcome depending on the former's current policy on transport³. Community and ECMT authorizations cover barely 5% of transfrontier goods transport within the Community.

¹ As the insurance companies are unable to agree on indemnity for motor vehicles bearing customs plates, the green card is still checked in the case of such vehicles.

² OJ No. L 77, 29.3.1969, p. 1

³ In the Federal Republic of Germany, for example, the tendency to limit the number of transport authorizations issued to foreign operators is growing as efforts are made to decrease the deficit of the national railway undertaking.

Without wishing to go into detail on a subject on which the parliamentary committee responsible for transport questions has already delivered opinions on nine occasions, your rapporteur nevertheless feels he should refer to the following. Your committee has constantly advocated the replacement of bilateral by Community authorizations and a systematic increase in the number of the latter because it takes the view that the existence of more Community authorizations than required will be tantamount to the liberalization of goods transport in the Community and all checks and formalities at frontiers will therefore become superfluous¹. The Council has, of course, thwarted a substantial increase in the Community quota, and it seems impossible that the goal referred to above will ever be achieved.

All in all, the transfrontier authorization system is from a Community point of view so unsatisfactory that the Commission has felt obliged to work out alternative solutions, for example a proposal establishing bilateral quotas on the basis of Community standards and the introduction of short-term Community authorizations².

40. With regard to national transport authorizations certain Member States, specifically France and the Federal Republic of Germany, continue to carry out checks on national transport documents at their borders. To prevent abuses, these documents should perhaps continue to be subject to checks, but they should not take place at the frontier, as international traffic is hampered by checks of documents which are required only in the home country.

41. Where bilateral and multilateral transport authorizations are concerned, the rubber stamp that must be obtained from the customs authorities at frontiers continues to create a problem. The stamping of the report on the use of a multilateral authorization is obviously a time-consuming formality. Your rapporteur therefore welcomes the fact that the Commission has taken steps to simplify this formality. Unfortunately, the Commission's endeavours have met with the resistance of the Federal German Government, which has rejected a compromise accepted by the other eight Member States in line with its policy of supporting rail transport³.

¹ For more details on the introduction, development and importance of the Community quota see Mr Albers' report, Doc. 321/78.

² Mr Albers has drawn up reports on both the Commission's proposals, on behalf of the Committee on Regional Policy, Regional Planning and Transport; see Doc. 604/78 and Doc. 605/78.

³ The Committee on Regional Policy, Regional Planning and Transport has always maintained that transport policy measures in favour of one transport sector must not be to the disadvantage of another; see, for example, Mr Albers' report on the Community quota for 1979 (Doc. 321/78), which supports the view of the German Industrial and Trade Association (DIHT) that a policy against roads is of no benefit to the railways.

42. The compromise consisted in requiring that on each journey authorizations be stamped only at the last frontier post or at the customs office at the inland destination. It is regrettable that this compromise, which in your rapporteur's opinion does not go far enough, cannot be put into practice because of the opposition of one Member State. A breakthrough is only possible in this situation if the Council drops its unanimity rule and a majority is sufficient for Community decisions to be taken, which your committee has always fervently advocated. The Committee on Regional Policy, Regional Planning and Transport urges the Commission to continue its efforts in this field and assures it that it can always count on the committee's support.

- Registration certificates

43. At present checks on the registration certificates of motor vehicles are infrequent. This does not prevent your rapporteur from feeling that such checks are quite superfluous at frontiers and should be completely abolished immediately. The question of the registration of motor vehicles by non-residents will be discussed in the next chapter.

- Social provisions in road transport

44. In 1969 the Council adopted Regulation No. 543/69 on the harmonization of certain social legislation relating to road transport, which was amended in 1972 and 1977¹. This regulation provides for the fixing of a maximum (uninterrupted) driving period and the maximum daily driving period as well as minimum rest periods for drivers of commercial vehicles, and specifically lorries and buses.

45. Road safety considerations alone make it difficult to contest the justification of a Community ruling of this kind, and it is therefore completely logical that checks should be made to ensure that statutory driving and rest periods are being observed. Your rapporteur does, however, object to the fact that such checks sometimes take place at the frontier, which results in unnecessary delays, especially at the German border. Your rapporteur feels that there is really no point in checking compliance with Community provisions at frontiers if this can be done elsewhere. Moreover, observance of social legislation can be checked at any time at the premises of the transport operator. Consequently, your rapporteur calls on the Commission to request the national authorities to put a stop to such checks at frontiers.

¹ OJ No. L 77, 29.3.1969, p. 49; OJ No. L 67, 20.3.1972, p. 1, and OJ No. L 334, 24.12.1977, p. 1

(2) Formalities and checks of a fiscal nature

46. Of all legislation that gives rise to formalities and checks at the Community's internal frontiers those of a fiscal nature affecting the transport of passengers and goods undoubtedly annoy transport operators most. Regulations at present governing fuel taxes are found to be particularly inconvenient, a conclusion drawn by your rapporteur from information provided by the road hauliers' associations.

47. Checks on fuels and the possible collection of taxes due naturally make for delays at frontier crossing points and additional costs for transporters. As the structure and amount of taxes payable in the nine Member States of the European Community vary considerably, discrimination and distortion of competition arise in practice.

48. The following discusses first the procedures at frontiers with regard to taxes on fuels and commercial vehicles and then taxes on the transport of passengers.

- Taxes on fuels

49. As has been said, the structure and amount of indirect taxes and excise duties on mineral oils vary substantially from one Member State of the Community to another.

The following table shows the duties, expressed in European units of account¹, and VAT rates levied on petrol and diesel oil in the nine countries of the Community on 1 July 1978²:

	<u>Petrol</u>			<u>Diesel oil</u>	
	<u>Duties</u>		<u>VAT</u>	<u>Duties</u>	<u>VAT</u>
	<u>regular</u>	<u>premium</u>	<u>%</u>		<u>%</u>
Belgium	0.189	0.189	16	0.070	16
FRG	0.171	0.171	12	0.160	12
Denmark	0.191	0.191	18	0.010	18
France	0.217	0.230	17.6	0.117	17.6
United Kingdom	0.098	0.098	12.5	0.114	8
Ireland	0.142	0.142	10	0.058	10
Italy	0.277	0.286	14	0.023	14
Luxembourg	0.140	0.140	5	0.036	5
Netherlands	0.174	0.174	18	0.067	18

¹ 1 EUA = 40.25 Bfrs, 2.57 DM, 6.93 Dkr, 5.65 FF, £0.67, £ Irl 0.67, 1065 Lit, 2.76 Fl

² Source: Commission's answer to Written Question No. 397/78 by Mr Ryan, OJ No. C 5, 8.1.1979

The difference between the highest duty on premium petrol (Italy at 0.286 EUA) and the lowest (United Kingdom at 0.098) is therefore 0.188 EUA per litre. The difference between the highest duty levied on diesel oil (Federal Republic at 0.160 EUA) and the lowest rate (Denmark at 0.010 EUA) is 0.150 EUA.

As regards the VAT rates applicable to petrol and diesel oil in the various EEC countries, the difference between the highest rate (Denmark and the Netherlands at 18%) and the lowest rate (Luxembourg at 5%) is 13%.

50. The above table and comments clearly demonstrate that national taxes on fuels within the European Community vary appreciably. It is therefore hardly surprising that certain national administrations have resorted to restrictive measures. These measures take the form of a limit on the number of litres of fuel that may be imported duty-free.

51. The obvious solution to this problem is, of course, fiscal harmonization, but at present we are still unfortunately far from achieving this objective. Accepting the reality of the situation, the Commission has attempted to implement transitional measures at Community level. These transitional measures have been inspired not only by the desire to eliminate checks and the collection of duties or taxes at frontiers, and the related financial burden for transport operators, but also and above all by the Commission's concern to prevent distortion of the conditions of competition between undertakings engaged in road transport.

52. Thus the Commission submitted in 1966 a first proposal aimed at exempting from duty the fuel contained in the normal tanks of commercial vehicles. The European Parliament delivered a favourable opinion on this proposal for a regulation (Doc. 101/66) on the basis of a report drawn up by Mr Jozeau-Marigné (Doc. 178/66). On 19 July 1968 the Council adopted a directive 'on the standardization of provisions regarding the duty-free admission of fuel contained in the fuel tanks of commercial motor vehicles'¹. Under this directive the maximum admissible quantity of duty-free fuel was limited to 50 litres.

A ruling of this kind is clearly inadequate if the objectives of eliminating distortion of competition and costly and time-consuming frontier formalities are to be achieved. At the prompting of Members of the European Parliament the Commission submitted to the Council in mid-1974 a new proposal aimed at doubling from 50 to 100 litres the maximum quantity of fuel that might be imported duty-free. On behalf of your committee Mr Scholten amended the Commission's proposal to enable the duty-free admission of all the fuel contained in the normal fuel tanks of commercial motor vehicles from 1 January 1976².

¹ Directive No. 68/297, OJ No. L 175, 23.7.1968, p. 15

² Scholten report, Doc. 344/74, p. 6

53. The 1974 proposal for a regulation, as amended by the European Parliament, was not considered by the Council¹, with the result that lorries, buses and coaches are still not allowed to carry more than 50 litres of fuel in their tanks when crossing a frontier in the Community.

54. Fortunately, the situation appears somewhat less bleak in practice, since most Member States in fact exempt from duty the fuel in the normal tank of a commercial vehicle whatever the quantity. In France, however, the 100-litre limit applies, while the Federal Republic of Germany allows no more than 50 litres in the case of lorries and 100 litres in the case of buses and coaches. In both countries tanks are subject to spot or even regular checks at frontiers, and at the West German border a 'Tankschein' must always be filled out.

55. Your rapporteur feels that everything should be done to exempt from taxes at least the contents of normal tanks as soon as possible. He calls on the Governments of France and the Federal Republic of Germany to take the necessary steps. The Commission is requested to submit to the Council without delay a proposal for the amendment of the 1968 regulation and in drawing up this proposal, to take account of the amendment tabled by your committee.

56. Although the petrol or diesel oil in the normal tanks of passenger cars crossing frontiers is duty-free, difficulties are encountered at frontiers because of differences in legislation on the duty-free import of petrol or diesel oil in reserve tanks or jerrycans.

At the committee's meeting on 26 October 1978 Mr Seefeld emphasized the anomaly of this situation, in that a car driver in West Germany, for example, is required to maintain a minimum reserve in his car, on which he is, however, liable to pay duty if he crosses the Belgian frontier.

On hearing of a case which actually occurred at the German-Belgian border, in which a citizen of the Federal Republic was required to pay DM 3.50 for five litres of petrol he was carrying in a jerrycan - in accordance with German law - your rapporteur wrote to the Belgian Minister of Finance. In his reply of 13 April 1978 Mr Geens said that under Belgian law no more than the capacity of the normal tank might be imported duty-free, i.e. the number of litres in the normal tank plus the number of litres in a jerrycan must not exceed the total number of litres that the normal tank can hold.

¹ In his report on the present state and progress of the common transport policy (Doc. 512/78) Mr Seefeld states that this proposal failed because the Commission had not taken into account the implications for competition between ports (p. 15, point 30, third paragraph).

57. The Belgian Minister of Finance adds in his letter that a Community ruling will be established in the near future making any fuel not in the normal tank subject to duty. Questioned on this by Mr Seefeld¹ during the sitting of 5 July 1978, the Commissioner responsible, Mr Davignon, gave a rather evasive answer, from which it was in no way clear whether or not such a ruling is imminent.

58. On 16 August 1978 the Commission then submitted to the Council a new proposal aimed at exempting the contents of reserve tanks from taxes and duties². The European Parliament - has not yet delivered an opinion on this proposal.

59. To make European integration more credible for the ordinary citizen and to stimulate travel within the Community, the Committee on Regional Policy, Regional Planning and Transport feels that such checks at the frontier should be abolished or at least restricted to cases where fraud is seriously suspected. In other words, even if the adoption of satisfactory Community legislation takes some time, a flexible attitude on the part of customs officials can remove many of the difficulties now encountered at frontiers.

- Motor vehicle taxes

60. Although the taxes levied on motor vehicles in the various EEC countries vary considerably, the differences do not create appreciable difficulties at frontier crossing points. Provision is usually made for tax exemption in bilateral agreements. This is not to say, however, that differing motor vehicle tax rates do not have an adverse effect on the competitive position of transport undertakings having their registered offices in one of the Community's Member States.

- Other taxes

61. Both the Fédération des Commerçants of the Grand Duchy of Luxembourg and the Federatie van de Belgische Autobus- en Autocarondernemers (FBAA) have complained in a letter to your rapporteur that the Italian customs authorities levy a road tax of about 250 Bfrs per day and vehicle on passenger transport operations.

Lorries originating from Ireland are also subject to a daily road tax in Belgium and the Netherlands. This tax is generally collected at the frontier.

1
Following this incident Mr W. Müller put a written question to the Commission; see OJ No. C 267, 10.11.1978, p. 2

2
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62. Public passenger transport is in theory exempt from VAT. Despite this Belgium, the Federal Republic of Germany and Italy levy VAT on the part of the journey that takes place on their territory¹.

63. Both the road tax and the VAT levied on passenger transport operations must be abolished as soon as possible. Both taxes have a discriminatory effect and thus disturb free competition. In addition, they result in unnecessary delays at frontiers.

64. A discussion on the fiscal problems connected with transfrontier traffic would be incomplete without a reference to the relationship between technical harmonization, a Community system of allocating road costs and fiscal harmonization. In his abovementioned report on the present state and progress of the common transport policy Mr Seefeld rightly states that a Community ruling on the maximum admissible dimensions and weights of commercial vehicles is an essential condition for the introduction of a Community system for the allocation of road costs to road users, which in its turn is indispensable if the taxes on commercial vehicles and mineral oils are to be harmonized.

It is, however, clear that there will be no fiscal harmonization at Community level in the near future² and that in the meantime all the useful transitional measures discussed above for simplifying frontier formalities must be taken.

(3) Checks of a technical nature

65. This heading covers checks on the technical equipment and parts and the dimensions and weights of commercial vehicles and on type approval and inspection certificates.

66. Your rapporteur welcomes the considerable progress that has been made in recent years towards the technical harmonization of vehicles and that this is almost complete³. As a result checks on the equipment and parts of motor vehicles at frontiers naturally cause little or no difficulty.

¹ According to the Luxembourg federation this tax amounts in Belgium, for example, to 6% of the price of the part of the journey over Belgian territory or a flat rate of 300 Bfrs. The VAT rate in West Germany is now about 4 Pf per kilometre/passenger, according to the letter of 20 November 1978 from the board of the Belgian federation.

² The press release published after the Council's meeting of 12 June 1978 states in this connection that the Council was not able to double the quantity of fuel exempt from duties (from 50 to 100 litres) because some delegations link this question with demands regarding the approximation of the tax rates Member States apply to fuel. The matter is still before the Council. See PE 54.187, p. 7.

³ The annex to the report drawn up by Mr Nyborg on behalf of your committee (Doc. 36/77) contains a list of all directives adopted by the Council concerning the approximation of Member States' legislation on the equipment and parts of vehicles.

67. As regards checks of inspection certificates, i.e. evidence that a motor vehicle has undergone a technical inspection in its own country and meets safety requirements, difficulties have never arisen at frontiers. When approving on 16 December 1976 the directive concerning the adjustment of Member States' legislation on the technical inspection of motor vehicles and trailers, the Council did not therefore feel inclined to take up the request that a special sticker should be provided for attachment to the front of vehicles that have passed the test.

68. It has not yet been possible to reach agreement at Community level on the dimensions and weights of commercial vehicles. It would be outside the scope of this report to discuss in detail this long and sorry saga. Suffice it to say that since the Commission put forward its first proposal in 1962 it has become one of the 'classics' on the agenda for meetings of the Council. The Commission recently submitted to the Council a new proposal for a directive on the weights and certain other features (excluding dimensions) of vehicles used for the transport of goods by road¹. Your committee will shortly be producing a report on this compromise proposal.

As mentioned above, harmonization of the weights of commercial vehicles is primarily of importance for the implementation of the uniform system for the allocation of road costs and a condition for the harmonization of taxes on motor vehicles and mineral oils.

69. Regular frontier checks to ensure observance of the legislation on maximum admissible weights appear to be made only by the West German and Italian customs authorities at present.

As this is a police check, it can be carried out anywhere, and there is consequently no reason why delays should be caused at frontier posts, particularly where there is high density of traffic or where inadequate infrastructural facilities exist.

70. To ensure compliance with the technical legislation on commercial vehicles, as contained in the Agreement on the International Carriage of Perishable Foodstuffs, known as the ATP², and the European Agreement Concerning the International Carriage of Dangerous Goods by Road, known as the ADR³, the trade feels that a special type approval certificate should be introduced. This would obviate the need for checks at frontiers. The Committee on Regional Policy, Regional Planning and Transport will, of course, lend its full support to this initiative.

¹ OJ No. C 16, 18.1.1979, p. 3

² This agreement, to which the European Community is party, entered into force on 21 November 1976.

³ The ADR entered into force in 1968; seven of the nine Member States have signed it.

(4) Checks aimed specifically at groups of travellers

71. A considerable improvement has been achieved in recent years with regard to frontier formalities and checks applicable to the transfrontier transport of passengers by bus and coach. The introduction of a standard form in which all the details of a given journey are entered¹ and which is printed in various languages² has made crossing a frontier noticeably simpler. The submission of the form to the customs authorities is not considered a serious obstacle by the trade, and many transport operators even find a form of this kind useful in the internal organization of their undertakings. The only suggestion that might be made in this connection is that it should be necessary simply to state the number of passengers rather than naming every one.

72. The only real difficulty appears to occur at the French border, where national documents are still required if a coach is merely crossing France to reach a third country. The French customs authorities should be persuaded to abandon these checks.

(5) Checks on drivers

73. Apart from checks on drivers' physical state for safety reasons, for example where drunkenness is suspected, frontier checks on drivers are in practice restricted to inspections of driving licences. Otherwise, drivers are seldom required to produce their driving licences at the Community's internal frontiers.

Although checks on driving licences are a rarity, your rapporteur is firmly convinced that the introduction of a European driving licence would result in such checks being completely abolished at frontiers. After all, a uniform driving licence, i.e. one issued to all EEC citizens under the same conditions, would help to prevent abuses and thus make checks at frontier crossing points superfluous³.

¹ The form contains information on the vehicle, the transport operator, the driver(s), the type of transport operation (return journey, outward journey with passengers and return journey without and vice-versa, etc.), the itinerary (daily stages, number of kilometres per day, frontier crossing points, etc.), a list of passengers, etc.

² Your rapporteur would point out that the language problem should not be underestimated. As mayor of a frontier village, he has found on several occasions that a vehicle has been held up at the border because some document was drawn up in a language which the customs officials did not understand, a request then being made to the village administration to provide a translation.

³ In this connection your rapporteur quoted the following examples at a meeting. A Belgian citizen had his Belgian driving licence withdrawn because he had caused an accident while drunk. He gave a fictitious address in the Federal Republic of Germany, completed the necessary formalities there to obtain a driving licence and used it to drive in Belgium. A Dutch citizen well over 80 wanted to settle in the village of which your rapporteur is mayor on condition that he was given a Belgian driving licence. He had been refused an extension of his driving licence in his own country because of his advanced age.

74. The European Parliament has repeatedly called for the introduction of a European licence not only because it would facilitate the crossing of frontiers, but also in the interests of freedom of establishment and improved road safety and not least because of its great symbolic importance for the citizens of the Community.

Harmonization of the relevant conditions and procedures for the issue of driving licences in the various Member States is, however, no easy task. Thus a report drawn up by your committee on the first proposal from the Commission for a directive relating to the harmonization of legislation on motor vehicle driving licences (Doc. 161/72) was referred back to the committee during the plenary sitting of 9 May 1973 despite the lengthy discussion that had taken place in committee. After the European Parliament had approved the Herbert report (Doc. 45/74) in April 1974, the Commission amended the proposed directive at the end of 1975. On this amended proposal, which did not in fact touch on the crux of the matter, Mr Herbert drew up on behalf of your committee a new report (Doc. 206/76), which was approved during the plenary sitting of 17 September 1976. At its meeting of 20 and 21 December 1977 the Council agreed in principle that a Community driving licence should be introduced. However, at its last meeting, on 23 November 1978, the Council decided, following a suggestion from the British delegation, to instruct the Permanent Representatives Committee to look into the possibility of adopting a directive confined initially to passenger cars and motorcycles¹.

This brief review clearly shows that the introduction of a Community driving licence is anything but simple, but your rapporteur cannot escape the impression that the search for a satisfactory solution is being impeded by a distinct lack of political will.

¹ Press release on the Council's meeting, PE 56.319, p. 7

C. Obstacles caused by inadequate facilities at frontier crossing points and the unsuitable organization of customs services

75. Although some aspects of this question have been touched on in previous chapters, your rapporteur feels that the various problems now occurring in this context should be enumerated and discussed in a separate chapter.

(1) Inadequate facilities

76. Many frontier posts form real bottlenecks because facilities no longer meet the requirements of present-day traffic. Frequently there is no space for parking, with the result that commercial vehicles undergoing a thorough check completely block the crossing. In some cases customs formalities are completed and checks made on commercial vehicles by the roadside and drivers of passenger cars are left to pick their way, as in a slalom, between the lorries temporarily unable to move to left and right. In other cases the special parking areas provided for customs purposes can no longer cope with the rapid growth in road transport of the last few years¹.

In all these cases action must be taken as a matter of urgency. What use is there, after all, in eliminating certain checks and simplifying certain formalities if inadequate facilities mean completely justifiable checks continue to bring all traffic to a standstill.

77. On the question of the unsatisfactory structural development of certain frontier posts, your rapporteur would like to make three suggestions:

(a) he feels it would be useful to look into the possibility at Community level of designing a model frontier station, which through large-scale rationalization and the public's familiarity with it would facilitate the crossing of frontiers; (b) every effort should be made to house the customs authorities of both the countries concerned in the same building so as to avoid the repetition of formalities and checks; (c) special lanes should be reserved for commercial vehicles travelling under the Community transit system so that they are not delayed by vehicles which do need to be checked.

78. The discussion of the infrastructural question cannot be concluded without a reference to the great deal of road construction that remains to be done in frontier areas, where there are often substantial shortcomings

¹ An example of how it can be done is given by the construction of brand-new, modern and functional facilities for the loading and unloading of goods in Padborg on the German-Danish border, which was inspected by a delegation from your committee during a visit to this frontier area in April 1975.

in the road network, with traffic running parallel to the frontier, as Mr Gerlach rightly pointed out in his own-initiative report on the Community's regional policy as regards the regions at the Community's internal frontiers (Doc. 355/76). From the review of internal frontier regions annexed to the Gerlach report it is clear that this is true of the Ems-Dollard area and the Euroegio on the German-Dutch border, the Namur-Ardenne area on the Belgian-French border, the Lower Rhine-North Baden area on the French-German border...and this by no means completes the list. Mr Seefeld also says in his report on the present state and progress of the common transport policy (Doc. 512/78) that 'the Community's aim in the matter of infrastructure policy should be not so much to concentrate on the major through-routes as to close the gaps that exist at Community frontiers, both major ...and minor (regional and local links at frontiers)^{1, 2}.

79. To solve this problem, Mr Gerlach urges that 'the local boards must be given a say in the activities of road-building authorities, in order to ensure cooperation on both sides of the border'³. This is an area in which the European Community can make a positive contribution through the involvement of the European Regional Development Fund in the financing of certain transport infrastructural projects in frontier regions.

Article 5(1)(d) of the Council regulation establishing the European Regional Development Fund in fact stipulates that in the granting of assistance from the ERDF special account should be taken of 'whether the investment falls within a frontier area, that is to say, within adjacent regions of separate Member States'⁴.

Hitherto, however, no Community aid has been granted pursuant to Article 5(1)(d), but the ERDF has nevertheless subsidized certain road links, which has benefited transfrontier traffic in, for example, the Dutch province of Limburg. Your rapporteur therefore feels that the national authorities of two adjacent countries should submit to the Commission a joint application for aid from the ERDF for projected transport links on their common frontier.

¹ Doc. 512/78, p.18, point 41

² This does not, of course, mean that the gaps in the European motorway network should not be filled as a matter of urgency, especially where links to frontiers are concerned.

³ Doc. 355/76, p.27, point 48

⁴ Regulation No. 724/75 of 18 March 1975, OJ No. L 73, 21.3.1975, p.3

80. It is also to be hoped that in the near future funds can be made available for infrastructural projects in the frontier regions under the Community's transport policy. The proposal for a regulation concerning aid to projects of Community interest in the field of transport infrastructure, listing projects likely to be financed by the Community (in Article 1), refers to: 'cross-frontier projects which are not sufficiently viable to pass the threshold, based on available resources, where a Member State would be willing to intervene'¹.

The European Parliament, acting on the basis of the reports drawn up by Mr Nyborg on behalf of your committee (Docs 377/76 and 185/77), approved this proposal. The matter is now being discussed by the Council. At its last meeting, on 23 November 1978, the Council emphasized 'the importance it attached to a rapid advancement of work on the matter'². Your committee naturally shares the Council's view.

81. In the field of transport infrastructure a very important step in the right direction was taken last year with the adoption of the Council decision instituting a consultation procedure and setting up a committee in the field of transport infrastructure³. This decision requires the Member States to notify the Commission of projects of Community interest prior to their implementation, particularly where they concern cross-frontier routes. This arrangement and the setting up of a committee composed of representatives of the Member States and chaired by a Commission representative will help to ensure greater coordination of national transport routes than has unfortunately been the case hitherto. Under the former Community consultation procedure dating back to 1966⁴ not only was genuine coordination of national plans and programmes impossible, the Commission was also unable in many cases to obtain information at the proper time⁵, let alone intervene to any purpose.

¹ Doc. 244/76, p.24

² Council press release, PE 56.319, p.12. On this occasion the Council requested the Commission to draw up a report on the bottlenecks in transport infrastructures, the various possible modes of finance and the criteria for evaluating projects of Community interest.

³ Decision No. 78/174 of 20 February 1978, OJ No. L 54, 25.2.1978, p.16

⁴ Council decision of 28 February 1966, OJ No. 42, 8.3.1966

⁵ In his basic report on the common transport policy (Doc. 512/78) Mr Seefeld cites the Channel Tunnel as an example. In this specific case the Commission, like everyone else, only learnt of the British Government's decision to abandon the project from the newspapers, despite the provisions of the Community consultation procedure.

With this decision and the regulation on aid to projects of Community interest the foundations will be laid for a coherent Community infra-structural policy, from which the frontier areas will unquestionably derive benefit and advantage.

(2) Inadequate organization of customs services

82. Anyone regularly crossing a frontier between two Member States of the Community - especially drivers of commercial vehicles, who are confronted with many difficulties of which other drivers are not even aware - inevitably wonders about the manner in which checks are often carried out at frontiers. A systematic check suddenly begins and everyone crossing the frontier is required to produce identity papers and open his suitcase, until just as suddenly and without any apparent reason all checking is discontinued and drivers can proceed without trouble as before¹. If such action is attributable to an exceptional situation², everyone will sympathize, provided the check is thorough³. This is just one example of the many cases for which the citizen of the Community naturally has no understanding and which strengthen his view that action is all too frequently taken arbitrarily.

Apart from certain checks which do indeed bear witness to a certain arbitrariness, there are others which have lost their *raison d'être* or are completely superfluous. It is in any case clear that there is something wrong with the operation of the customs services and that there is undeniably a regrettable lack of organization.

83. Throughout this report reference has repeatedly been made to certain anomalies with regard to the organization of the customs services, but your rapporteur now intends to confine himself to making a number of practical recommendations for the wide-ranging rationalization of frontier procedures, principally aimed at ensuring a smooth flow of traffic at frontiers⁴.

¹ In many cases this 'work to rule' is probably due to the chance appearance of an inspector or senior customs official.

² For example as part of a large scale search after a kidnapping, as took place last year after the abduction of Mr Hans-Martin Schleier.

³ A quick glance into a suitcase can hardly be regarded as a thorough check.

⁴ These recommendations naturally follow on from the various suggestions made in point 19.

84. First and foremost it is essential that the appropriate national authorities give their customs personnel precise instructions so that at frontiers

- (i) greater flexibility is generally demonstrated;
- (ii) checks and formalities which have lost their raison d'être may be abolished without delay;
- (iii) checks that can equally well be carried out further inland may be eliminated forthwith;
- (iv) systematic checks are avoided¹;
- (v) account may be taken in the case of random checks both of the density of traffic and of the available customs infrastructure or facilities.

85. The national authorities should also ensure that

- (i) staffing at frontier posts is adjusted to traffic requirements, in particular to take account of fluctuations in traffic density (seasonal variances, peak hours) without serious difficulty;
- (ii) delays do not occur due to the absence of special inspectors who are alone empowered to carry out certain checks, e.g. health and plant protection checks;
- (iii) the opening hours of customs offices are aligned with the volume of traffic, which implies that certain frontier posts should remain open day and night if the density of traffic requires;
- (iv) alternative checking procedures are established to replace frontier checks (e.g. inspections of company accounts);
- (v) formalities can be simplified and unnecessary checks avoided by providing the public and above all transport operators with adequate information.

86. In addition, every effort must be made to create as soon as possible the conditions for effective cooperation among the various national customs administrations and all other national authorities in any way involved in

¹ For example, passport controls where there is no indication of a serious offence or misdemeanour.

frontier checks and formalities.

The object of this is

- (i) to prevent senseless repetition through the mutual recognition of checks, forms and formalities¹;
- (ii) to coordinate the opening hours of customs offices on the two sides of a frontier.

87. With regard to the latter suggestion (harmonization of the opening hours of customs offices) it should be pointed out that the introduction of summer time in some countries has complicated the situation at the Community's internal frontiers. Your rapporteur therefore feels he should go into this subject briefly at this point.

When it is remembered that in 1976 two different summer times (compared with Greenwich Mean Time) applied in four of the nine Member States for three different periods, it is not difficult to imagine the confusion at frontiers in that year. In his report on the Commission's proposal for a directive on summer time arrangements (Doc. 559/75) Mr Seefeld, speaking on behalf of your committee, regretted 'the intention of certain Member States to introduce summer time ...with complete disregard to circumstances in other states and especially for cross-frontier passenger and goods traffic'². This proposal for a directive aimed at fixing three uniform periods of summer time for the years 1977, 1978 and 1979. As the Council was unable to agree on the proposal early enough, nothing came of it. In 1977 the Benelux countries did introduce summer time which began and ended on the same date as French summer time, thus eliminating the difficulties in respect of four Member States³.

¹ To illustrate this point, Le Monde printed an article on 21 June 1978 on the congestion at the Mont Blanc Tunnel. In 1973 the French and Italian customs authorities concluded an agreement under which customs formalities were to be completed in two customs offices specifically installed for this purpose (in Cluses and Aosta). Despite the agreement Italian customs officials regularly make checks at the entrance to the tunnel, with the result that queues form. This led last winter to the complete loss by a French transport operator with four vehicles of a total of 17 days.

² Doc. 559/75, p.5, paragraph 1 of the motion for a resolution

³ During a debate in Strasbourg Mr Emile Muller illustrated the difficulties connected with summer time by referring to the international airport of Basle-Mulhouse: 'When your plane leaves at 7.10 a.m. in Switzerland it leaves at 8.10 a.m. in France, and the two countries are only 100 metres apart' (sitting of 11 October 1978).

88. Despite all the European Parliament's efforts¹ the Council has still taken no action on the Commission's proposal of February 1976. At its meeting of 12 June 1978 it merely 'noted that the conditions did not yet exist for an early decision on the introduction of a uniform summer time for the whole of the Community in 1979'² and at its last meeting, on 23 November 1978, this question was not discussed at all. Mr von Dohnanyi, President-in-Office of the Council, did, however, state during the plenary sitting of 11 October 1978 that 'there is still a chance that we (the Council) shall be able to reach a decision before 1 April 1979'³.

89. Even leaving aside other problems connected with summer time (such as those arising for frontier commuters and international railway timetables), it is essential that summer time be harmonized at Community level and that the obstacles resulting from summer time be finally eliminated in 1980 in the interests of ease of movement for road hauliers across frontiers.

90. Before making any suggestions regarding the role of the Community institutions in this area, your rapporteur would like to put forward two recommendations: he would urge road hauliers to take the greatest possible advantage of existing facilities, especially those available under the Community transit arrangement, and he would request customs agents and forwarding agents to establish offices where goods can easily be cleared.

91. Serious thought should also be given to how the Commission can make a constructive contribution to achieving more efficient organization of customs services in general and closer cooperation among the various national customs and other control bodies in particular.

92. Your rapporteur would warn against a misinterpretation of the above recommendation. The implication is in no way that the Commission has not done constructive work in the past - on the contrary: this report welcomes many of the steps it has taken in widely differing areas. The Committee on Regional Policy, Regional Planning and Transport fully realizes that the impossible cannot be expected of the Commission with its present staff complement. In Mr Seefeld's report on the present state and progress of the common transport policy your committee stressed the need for an increase in the staff of the Commission's Directorate-General VII - Transport⁴.

¹ See, for example, the debate that took place during the plenary sitting of 14 September 1977 in connection with the oral question put by Mr Seefeld on behalf of your committee (Doc. 263/77), the debate of 11 October 1978 that followed the oral question put by Mr Müller-Hermann, Mr Klepsch, Mr Pisoni, Mr Noè and Mr Santer (Docs 281 and 282/78) and the motion for a resolution tabled by Mr Müller-Hermann (Doc. 375/78).

² See the Council press release, PE 54.187, p.2

³ Report of proceedings from 9-13 October 1978, p.138

⁴ Doc. 512/78, pp. 7, 57 and 58.

The understaffing of this directorate-general also has a restraining effect on improvements in transfrontier traffic, only one official being responsible for transport problems in frontier areas and this subject being only one of the many with which he has to deal in the transport sector¹.

93. Nevertheless, it is essential that the Commission should not only be very closely involved in the implementation of improvements in customs procedures and practices, but that it should also direct these efforts.

94. In this context reference should be made to a suggestion put forward by the Committee on Economic and Monetary Affairs that a control body should be set up to investigate difficulties connected with intra-Community trade. This body should be composed of representatives of the Commission and the Member States and also act as a kind of 'complaints office'².

The Committee on Regional Policy, Regional Planning and Transport welcomes and endorses this suggestion because it realizes that the reaction of the Community's citizens would be extremely positive and that a body of this kind would, of course, have a preventive effect.

95. In the expectation that such a project can be implemented, the committee calls on the Commission to continue its efforts to facilitate transfrontier traffic with the same, if not greater, zeal.

CONCLUSIONS

96. The Committee on Regional Policy, Regional Planning and Transport is convinced that the crossing of internal Community frontiers still raises many difficulties which should have been removed long since and has in this report proposed a number of practical and, in its view, perfectly feasible ways of simplifying frontier checks and formalities. It is fully aware that not everything can be done immediately or simultaneously and thus advocates a pragmatic approach, with frontier checks and formalities that have lost their raison d'être being abolished straightaway and the remainder eliminated gradually.

¹ Your rapporteur has heard that this official is able to spend an average of only 5 to 10% of his time on the subject here under discussion.

² See Nyborg report, Doc. 557/77, p.37, point 4.10.4, second paragraph

The committee warns of the dangers inherent in an 'all or nothing' policy, under which all aspects are interrelated and in practice nothing is done.

97. Your rapporteur and the members of the Committee on Regional Policy, Regional Planning and Transport feel that at both national and Community level everything should be done to facilitate the flow of traffic across the Community's internal frontiers and avoid costly interruptions in transport operations.

98. In addition, such action must be aimed at the earliest possible creation of a genuine common customs area and of an EEC that really resembles a single country, in which the frontier barriers can be removed.

The psychological dimension of such a policy, i.e. of consistent and vigorous efforts to eliminate frontier barriers, can hardly be overestimated. Each citizen of the Community is himself able to see as he crosses a frontier just what progress has in practice been made towards European unification. There is no denying that in this sphere a great deal remains to be done and that all concerned, particularly the national governments and customs authorities, must show far greater willingness in this respect. Your rapporteur also feels that the Commission can play a constructive part in this area and that it is one of the European Parliament's tasks to keep a close watch on this question and, where necessary, formulate recommendations.

99. Your rapporteur originally intended to discuss specific transport problems facing inhabitants of frontier areas in this report. At the committee's meeting of 22 February 1979, however, most members felt it was extremely important that this document should be submitted before the first directly elected European Parliament sat. Your rapporteur nevertheless believes that considerable attention should be paid to this question, and above all the problems faced by persons living in one Member State and working in another. He would therefore request the appropriate committees of the directly elected Parliament to make a thorough study of the subject and to draw up a report.

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

Letter from the chairman of the Committee to Lord Bruce of Donington
chairman of the Committee on Regional Policy, Regional Planning and
Transport

23 March 1979

Dear Lord Bruce,

At its meeting on 22 March the Committee on Economic and Monetary Affairs discussed your committee's draft report on the difficulties encountered at the Community's internal frontiers in the transport of passengers and goods by road and on specific transport problems facing inhabitants of frontier areas.

Unhampered passenger and goods transport within the Community goes hand in hand with the achievement of customs union. The difficulties which are still experienced in transfrontier passenger and goods transport are an undesirable but inevitable result of the fact that customs union has still not been fully achieved. It is this particular aspect of your report which constitutes the main concern of the Committee on Economic and Monetary Affairs, which has always followed closely, within the scope of its terms of reference, the development of the customs union.

The Committee on Economic and Monetary Affairs itself recently produced a comprehensive report on the development of the customs union and the internal market (doc. 557/77), which was approved by Parliament at its April 1978 part-session. Your committee's draft report merely raises a number of the points already made in our report, which is only to be expected since the root of the problem, as I pointed out above, lies in the functioning of the customs union. Paragraph 3 of your committee's draft report recognizes that "most obstacles to transfrontier transport do not have their origins in transport provisions, but are the consequence of legislation of a technical, economic, monetary or fiscal nature". It is only by simplifying, harmonizing or abolishing this legislation, thereby improving the functioning of the customs union, that the difficulties in transfrontier transport can be overcome.

Thus most of your committee's report inevitably consists of a summary of possible measures to improve the functioning of the customs union, which represent merely a repetition of certain points already dealt with in detail in the report of the Committee on Economic and Monetary Affairs (doc. 557/77).

The Committee on Economic and Monetary Affairs therefore sees no need to comment on the subject itself since it has nothing further to add to its own report (doc. 557/77). It regrets that Parliament, which debated the subject at length only recently, should be made to consider a report on the same subject by another committee which purports to deal only with a limited aspect of the question but in fact discusses the whole problem again.

Please regard this letter as the opinion of the Committee on Economic and Monetary Affairs.

(sgd) Edgard PISANI
Chairman

Present: Mr Pisani, Chairman; Mr Ellis, rapporteur; Lord Ardwick, Mr Lange,
Mr Nyborg, Mr Ripamonti, Mr Spénale, Mr Starke, Mr Vernaschi

