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INTERIM REPORT

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

on the free movement of goods

Rapporteur: Mr K. NYBORG

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1.2.1
English Edition

At its meeting of 28-29 April 1977 the Committee on Economic and Monetary Affairs decided, as the committee responsible in respect of the customs union and the domestic market, to submit an interim report on the free movement of goods, with particular reference to the matters raised in Oral Question No. 0-4/77 (Doc. 27/77) and the Commission's reply to it.

At its meeting of 1 April 1977 Mr NYBORG was appointed rapporteur for the customs union and the domestic market.

The Committee on Economic and Monetary Affairs considered the draft interim report at its meeting of 23-24 May 1977 and adopted the motion for a resolution unanimously.

Present: Mr Glinne, chairman; Mr Notenboom, Mr Leonardi, vice-chairmen; Mr Nyborg, rapporteur; Mr Cousté, Mr Guldborg, Lord Bruce of Donington, Mr Van der Hek, Mr Lange, Mr Van der Mei, Mr Müller-Hermann, Mr K. Nielsen, Mr Normanton, Mr Prescott, Mr Seefeld (deputizing for Mr Carpentier), and Mr Zeyer.

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

MOTION FOR A RESOLUTION

on the free movement of goods

The European Parliament,

- having regard to the Oral Question of 19 April 1977 to the Commission of the European Communities on the free movement of goods (Doc. 27/77),
 - having regard to the reasoning behind this oral question and the Commission's reply,¹⁾
 - having regard to the report of the Committee on Economic and Monetary Affairs (Doc. 132/77);
1. Notes with concern that administrative barriers at internal frontiers in the Community are imperilling the progress towards integration which has been achieved, as well as hampering further realization of the free movement of goods - by rail and road - in the Common Market;
 2. Considers that a series of bilateral administrative agreements between individual Member States concerning the transport of goods jeopardizes the proper operation of the Common Market and is against the spirit of the Treaty. Asks the Commission to examine thoroughly the reasons put forward by individual Member States for administrative measures to see whether they are compatible with the provisions of the EEC Treaty and to submit on this basis proposals for common solutions to the Council;
 3. Calls upon the Commission to place more emphasis on meeting its obligation under the Treaty to produce conditions similar to a national market and criticizes in this context the fact that the Commission has not so far given Parliament adequate information on the difficulties being experienced with some Member States in obtaining solutions in accordance with the Treaties;
 4. Requests that the Commission present a report in the near future on the outcome of the contacts mentioned in its reply with the Governments concerned between the end of 1976 and April 1977;
 5. Points out the enormous additional costs because the transport of goods is delayed at frontiers, that large sections of European industry have to bear and stresses that, in periods of high inflation, it must be

¹ OJ No. C 216/77, Debate of the European Parliament

a priority of economic policy to eliminate precisely this kind of burden;

6. Regrets greatly the fact that the internal market is undergoing major difficulties of this kind partly because there is a lack of will on the part of the Council and of the Governments to implement a common transport policy;
7. Instructs its President to forward this resolution and the report of its committee to the national parliaments and to the Council and Commission of the European Communities.

EXPLANATORY STATEMENT

1. At its meeting of 17-18 March 1977, the Committee on Economic and Monetary Affairs adopted an Oral Question without debate (Doc. 27/77) to the Commission, on the free movement of goods.

2. Introducing this question in Parliament on 19 April 1977, Mr NOTENBOOM, vice-chairman of the Committee on Economic and Monetary Affairs, stated that the aim was to draw attention to the difficulties quota systems were causing to road haulage, particularly in view of the free movement of goods provided for under the EEC treaty. The question was directly inspired by the difficulties which beset hauliers operating between the northern part of the Common Market and Italy last winter. Lorries had to wait for up to three days in the queue at the Brenner pass; the resulting increase in costs is estimated to be of the order of DM 1.5 million.

The significance of the Brenner Pass can be seen from the fact that 60/70% of goods carried between Germany and Italy take this route. In 1975, 3 million tonnes of goods were carried in a northerly direction and a good 2½ million tonnes went south. In consequence, up to 2,000 lorries cross the Brenner Pass daily.

This queueing, which can mean waiting up to three days to cross the frontier, is therefore a substantial barrier to the free movement of goods. The increased costs and administrative difficulties involved in crossing the frontier have thus, to a certain degree, taken the place of the customs duties which existed before the Common Market was established and therefore constitute a distortion of trade. Specific examples can be quoted of how unforeseen additional expenses involved in lorry transport over the Brenner Pass are making it unprofitable for undertakings in northern Italy to import goods which are on offer on favourable terms North of the Alps.

Particularly at those frontier crossing points where the climate itself can create substantial difficulties for road haulage, the customs authorities should actively help to make crossing the frontier as painless as possible and not make things worse by maintaining over-zealous administrative procedures.

3. It transpired from the Commission's reply that the Community system for the transport of goods by road which was introduced in 1962, only covers about 15% of the total goods carried by road. All other road transport operations are covered by bilateral agreements.

The Member States justify the bilateral quota systems for road transport on the following grounds:

- protection of the railways;
- protection of their own transport operators in the absence of adequate harmonization of conditions of competition;
- road safety;
- protection of the environment;
- the energy crisis.

4. From its reply it appears that the Commission itself does not regard this kind of bilateral quota arrangement as an ideal means of obtaining a satisfactory balance between supply and demand in road transport. However, the Commission does not regard it as politically or economically feasible simply to abolish this system. It therefore intends, during a transitional period, to try to make the bilateral quotas more flexible and to introduce economic criteria on a Community basis.

At the same time the Commission avoided giving a direct answer to the question whether the rules for goods transport by road between the Federal Republic of Germany and Italy were compatible with the principles of the EEC Treaty, especially those relating to the free movement of goods. The Committee on Economic and Monetary Affairs recommends that the Commission consider carefully whether the reasons put forward by the Member States (see paragraph 3 above) are compatible with the EEC Treaty.

5. In its question the Committee on Economic and Monetary Affairs also stressed that not only the customs authorities but also other authorities, for example the traffic police, may hamper trans-frontier goods transport by road over the Brenner Pass or even bring it to a standstill. The Commission did not reply to this, but pointed out that at the end of 1976 Commission officials inspected Italian frontier crossing points in order to obtain an on-the-spot impression of the problems involved. The Commission's conclusions were discussed with the Italian Government on 18-19 April 1977. However, in its answer the Commission said nothing of the nature of these conclusions, and the Committee on Economic and Monetary Affairs therefore calls on the Commission to report on the outcome of its contacts with the Italian Government and the Italian authorities.

6. The reason why the Committee on Economic and Monetary Affairs has decided to table a motion for a resolution in the European Parliament is that the Commission's answer failed to convince the Committee that it was trying as hard as it should to alleviate these hindrances to the free movement of goods. The European Parliament should therefore call on the Commission to be more active in its efforts to meet its obligation under the EEC Treaty to create conditions similar to a national market within the Common Market.

The Committee on Economic and Monetary Affairs is convinced that, for the people and the business world to regard the Community as an everyday reality, it is vital that the domestic market should operate as intended. This is also one of the areas where Members of the European Parliament, by virtue of their contacts with national parliaments and government authorities, can make an active contribution to the abolition of regulations and administrative provisions stemming from the rigid separation between national markets which existed before the establishment of the Community. In fact, many of the difficulties at the frontier crossing points, both for goods and travellers, may be traced back to the fact that the administrative structure of the customs authorities and the rules under which they work have not been properly adapted to the establishment of the Common Market.

