

European Communities

EUROPEAN PARLIAMENT

447.2

Working Documents

1976 - 1977

11 October 1976

DOCUMENT 350/76

Report

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

on the proposal from the Commission of the European Communities to the
Council (Doc. 324/75/VIII) for a regulation concerning a system for monitoring
the markets for the carriage of goods by rail, road and inland waterways between
the Member States

Rapporteur: Mr K. MITTERDORFER

PE 45.611/fin.

By letter of 21 October 1975 the President of the Council of the European Communities consulted the European Parliament, pursuant to Article 75 of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a directive on the establishment of common rules for certain types of carriage of goods by road between Member States.

The President of the European Parliament referred this proposal to the Committee on Regional Policy and Transport (its former title) as the committee responsible and to the Committee on Economic and Monetary Affairs for its opinion.

The Committee on Regional Policy and Transport appointed Mr Mitterdorfer rapporteur on 10 December 1975.

The Committee on Regional Policy, Regional Planning and Transport considered this proposal at its meeting of 30 September/1 October 1976.

At the same meeting it unanimously adopted the motion for a resolution and explanatory statement.

Present: Mr Evans, chairman; Mr Nyborg and Mr Meintz, vice-chairmen; Mr Mitterdorfer, rapporteur; Mr Albers, Mr De Clerq, Mr Delmotte, Mr Ellis, Mr Giraud, Mrs Kellett-Bowman, Mr Mursch and Mr Noè.

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

C O N T E N T S

	<u>Page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	7
Opinion of the Committee on Economic and Monetary Affairs	15

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

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation concerning a system for monitoring the markets for the carriage of goods by rail, road and inland waterway between the Member States

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council¹,
 - having been consulted by the Council, pursuant to Article 75 of the EEC Treaty (Doc. 324/75),
 - having regard to the report by the Committee on Regional Policy, Regional Planning and Transport and the opinion of the Committee on Economic and Monetary Affairs (Doc. 350/76),
1. Notes with satisfaction that the Commission of the European Communities has submitted a series of proposals designed to provide the impetus for a practical definition of the regulations required to implement the principles formulated in the communication submitted to the Council in 1973 on the development of a common transport policy;
 2. Regrets, however, that the Council of Ministers was unable to go more thoroughly into this communication and feels that failure to make further progress will undermine confidence in the sectors concerned, whose co-operation is essential for the reforms deriving from the implementation of the common policy;
 3. Urges that everything be done to ensure that the Council of Ministers undertakes a constructive review of the entire situation and thus succeeds in maintaining a proper balance between the decisions required on individual measures;
 4. Considers that priority should be given to setting up machinery for monitoring the markets, without which any analysis of the overall situation may well present a distorted picture both at the level of the individual operators and at the level of national and Community public authorities;

¹ OJ No. C 1, 5.1.1976, p. 28.

5. Approves, therefore, this proposal for machinery to monitor the markets, but reserves the right to submit the problems dealt with in this report to closer study at a later stage when it is asked for its opinion on the implementing regulations;
6. Takes the view that the system for monitoring the markets must be given an important part to play in determining possible future crisis situations;
7. Invites the Member States to take action to enable the Commission of the European Communities to obtain such information and statistical data as is necessary, to be collected and compiled in accordance with accepted criteria and within fixed time limits.

EXPLANATORY STATEMENTINTRODUCTION

1. The proposed regulation forms part of a set of proposals submitted last October by the Commission of the European Communities to the Council and forwarded to Parliament for its opinion (Doc. 324/75).

This set of measures includes proposals on:

- the liberalization of all quota and authorization systems for certain types of carriage of goods by road between Member States, particularly on short hauls and on own account (rapporteur: Mr Giraud) (Part I);
- access to the occupation of carrier of goods by waterway (rapporteur: Mr De Clercq) (Part III);
- mutual recognition of the diplomas, certificates and other evidence of formal qualifications of carriers of goods and passengers by road and inland waterway (rapporteur: Mr Albers) (Part IV);
- the establishment of a Community system of fixing rates for international rail transport (rapporteur: Mr Mursch) (Part V);
- establishment of a system of reference tariffs for the carriage of goods by road (rapporteur: Mr Schwabe) (Part VII);
- the establishment of a system for monitoring the markets for the carriage of goods by rail, road and inland waterway between the Member States (rapporteur: Mr Mitterdorfer) (Part VIII).

2. Doc. 324/75 also contained two other proposals:

- on the extension of the system of bracket tariffs at present in force for the carriage of goods (Part VI);
- on the extension and increase of the Community quota of authorizations for freight transport between Member States (Part II).

These two proposals were dealt with by urgent procedure at the end of 1975 (reports by Mr Schwabe and Mr Giraud), since it was essential that the Council should take a decision by the end of 1975.

The Council of Ministers did, in fact, consider the proposals at its meeting of 10 - 11 December 1975, but while it approved the extension for 1976 of the bracket tariff, it did not approve an increase in the quota for road freight transport, confining itself to renewing the quota already fixed for 1975.

3. It should also be pointed out that the Commission submitted to the Council and forwarded to Parliament proposals on the establishment of a system of reference tariffs for the carriage of goods by inland waterway (Doc. 472/75 - rapporteur: Mr Albers) as well as proposals for social provisions in the inland waterway sector (Doc. 281/75 - rapporteur: Mr Osborn). In addition, the Commission has recently submitted a proposal for a regulation concluding the agreement establishing a European laying-up fund for inland waterway vessels (COM(76) 410 final).

4. It is clear from this survey of the various proposals submitted by the Commission to the Council and to Parliament that the Commission is seeking to introduce a new series of measures implementing the transport policy.

It is common knowledge that the Council of Ministers has delayed its consideration of the communication submitted by the Commission in November 1973 on an overall development of the common transport policy; despite this the Commission is now putting forward practical proposals on the basis of the general principles set out in that communication.

5. In its introduction to Doc. 324/75, the Commission explains briefly the basic concepts underlying the various measures and defines the free-market principles to be applied to the transport sector. These may be summarized as follows:

- (a) the transport undertakings must be given a free hand in the management of their own affairs, which means freedom of choice in regard to investments and freedom to fix the price for their services;
- (b) the undertakings must cover the costs of their transport activities from their own earnings;
- (c) the intervention of the public authorities must be progressively reduced to the point where it is brought into play only in the case of serious and persistent disturbances on the transport market or in order to ensure services that are in the public interest, where there is no private sector to provide these services;
- (d) the bodies representing the operators and the workers must collaborate within the framework of consultative organs;
- (e) a permanent system must be set up for monitoring the transport markets in order to provide both the public authorities and private undertakings with the information they need in order to take their decisions.

Towards the end of its introductory statement the Commission points out that, in its opinion, it is essential to restore 'a balance between, on the one hand, the first proposed measures in the transport rates and capacity sector and, on the other, the state of harmonization of the conditions of competition' (the so-called balance between liberalization and harmonization).

It will be recalled that the problem of harmonization was dealt with by the Commission in its proposals on the harmonization of the conditions of competition both at the fiscal as well as at the technical and social level, and in this context we might mention the perennial problem, still unresolved, of the weights and dimensions of vehicles.

6. Among the various elements that must combine to establish the necessary balance, there is the question of infrastructures and this raises two kinds of problems:

1. the problem already studied by the Commission in its 1968 proposal on allocating the costs of infrastructure use;
2. the need for an overall view at Community level and to improve the present situation where national projects are simply forwarded to the Commission for information.

In a bid to find answers to the second type of problem the Commission forwarded to the Council last July a proposal for a decision instituting a consultation procedure and creating a committee in the field of transport infrastructure and a proposal for a regulation concerning aid to projects of Community interest in the field of transport infrastructure (Doc. 244/76).

7. In its 'Report on the present situation of the goods transport markets in the Community' (COM(75) 491 final), forwarded for information together with the proposals under consideration, the Commission attempted to present an overall picture and related national and Community legislation to the economic situation in general and to the situation of the transport sector in particular.

From the information given in this Commission document, the following basic facts can be established:

- (a) in the period up to 1973 there was a considerable increase in traffic, even though it is difficult to assess accurately because of a lack of detailed statistical information;
- (b) the distribution of traffic among the four means of surface transport underwent considerable change (the railways' share fell, the inland waterways' share remained constant while the share of road and pipeline transport increased considerably);

(c) the increase in transport rates varied according to the means of transport (lower than consumer price increases in the case of the railways, the same in the case of the inland waterways and different for road transport, though it is impossible to give precise details because statistics are lacking).

8. It is obvious, however, that the facts highlighted in this rapid survey of the situation cannot be extrapolated and used as a guide to forecasts for the future.

Rather should it be realized that the detrimental effects of the economic crisis that set in after 1973 were strongly felt in the transport sector. So much so that excess capacity may be said to be one of the most disturbing problems for the market situation. From this point of view precise significance attaches to the proposal for a monitoring system for the transport markets, and it may be argued that a clearly operating system of this kind is a necessary condition for the decisions to be taken in this sector, if intervention by the public authorities is to be cost-effective and if there is to be an overall approach to the entire transport system as well as a proper relationship between the various means of transport.

9. In the light of the above, the Committee on Regional Policy, Regional Planning and Transport has arrived at the following preliminary conclusions:

- (a) this series of proposals is a positive contribution by the Commission to the development of the common policy, notwithstanding the Council of Ministers' shirking of and delay in taking a decision on the 1973 'Communication' (report by Mr Mursch) laying down the principles and general objectives of a transport policy for the future;
- (b) this set of measures is a quiet step in the right direction and reaffirms certain principles enunciated in the 1973 Communication;
- (c) at the same time, however, these measures need to be critically assessed as a whole, taking into consideration:
 - the general economic situation, with particular reference to the crisis that has been with us for some time and has not yet been overcome;
 - the present situation with regard to economic integration and inter-penetration in the Community;
 - the balance needed within the common transport policy between liberalization and harmonization.

10. With this in mind the Committee on Regional Policy, Regional Planning and Transport, at its meeting of 16 March 1976, instructed Mr Mursch to make a preliminary report on the introductory communication from the Commission on the first part of Doc. 324/75 setting out the general aspects of the policy to be implemented.

In his report (Doc. 349/76) Mr Mursch considered the communication and concluded by stressing the need for a balanced implementation of the common transport policy. He again expressed his concern that, failing a formal commitment from the Council of Ministers on the principles, the objectives, the timetable and the practical arrangements for the implementation of an overall policy in the transport sector, it will not be possible to restore confidence in the realization of a common transport policy. He added that this confidence was needed if those concerned are to be asked to make the sacrifices that will undoubtedly accompany the implementation of the far-reaching reforms which the common transport policy will entail in most countries.

He concludes - and the Committee on Regional Policy, Regional Planning and Transport supports him in this - by calling on the Council of Ministers to approve all the Commission proposals by means of which parallel progress can be made in the various areas of the common transport policy. But he is convinced that the Council must at the same time issue a policy statement which will assure the public that parallel progress will effectively take place¹.

11. With this in mind, the committee is inclined to believe that any further Council decisions will have to be preceded by a full-scale review of the situation and that the sectors concerned will need to have much more accurate and realistic data at their disposal before they can make a proper assessment of the market situation as a whole. We are therefore convinced of the wisdom of the Commission's proposal to establish a system for monitoring the markets. In the introduction to its 'Report on the present situation of the goods transport markets in the Community' submitted in October 1975, the Commission noted that 'in drawing up this analysis serious difficulties were encountered, owing especially to the lack of resources and more particularly the inability to monitor the markets in the enlarged Community. However, the complementary consultations with professional and socio-economic interests did not produce the information expected'².

In principle, therefore, the proposal meets a precise need and deserves support. Detailed consideration of the proposal may, however, reveal certain lacunae on which we shall submit our comments, so that the Commission can amend the proposal accordingly or at least bear them in mind when drawing up the implementing regulations.

¹ See Doc. 349/76 - point 3 of the resolution

² See COM(75) 491 final of 1.10.1975, p.2

Consideration of the proposal

12. As we have said in our introductory remarks, the series of proposals that have been submitted are intended by the Commission to prepare the practical machinery needed to implement the programme outlined in its 1973 Communication on the development of a common transport policy.

Looking ahead to the final stage of the common policy set out in its communication, the Commission has provided for a transitional period during which appropriate adjustments can be made, paving the way for the transition to the definitive system.

In the transitional period the Community rules will apply only to carriage between the Member States and preventative interventions by the public authorities will be gradually phased out, disappearing altogether in the final stage of market organization.

13. It is proposed that a permanent Community system be set up for monitoring the transport markets (road, inland waterways, rail) for the purpose of providing carriers and public authorities with the objective information they need to assess the situation and its foreseeable trends and thus helping them to make valid decisions for this sector.

This system involves the establishment of two consultative bodies, the first consisting of representatives of professional carriers, providers of services ancillary to transport and users and the second consisting of representatives of the Member States. This committee would operate within the framework of the Commission's activities and could, either at the Commission's request or on their own initiative, deliver opinions on all problems related to the operation of the markets in the international goods transport sector.

The system for monitoring the markets is based on data and statistical information relating to the market situation, on forecasting market trends and on freight rate 'indicators', the rate of use of transport capacity, the number of transport undertakings ceasing operations or becoming bankrupt and the number of unemployed persons.

The results of this market observation will be published in an annual report on the situation in the transport markets and market trends, as well as on forecasting trends in the market situation for the next five years. These forecasts may be reviewed annually.

14. Still looking only at the broad outlines of the proposal, the following point should be made. While designed to serve the purpose of market organization and the establishment of a balanced relationship between supply and demand, the monitoring system can provide no more than the information and the basic data for appropriate decisions both by the transport undertakings and by the public authorities and it is therefore surprising to find it stated in

Article 1(1) that the system for monitoring the markets is established in order to 'ensure' that the markets function smoothly. The committee feels that there is nothing in this proposal specifying how or through what channels decisions can be taken on the preventive or corrective measures that would be needed if the situation showed signs of becoming unbalanced or deteriorating. In this connection, however, two suggestions of a general nature may be made. It will be essential to give the market monitoring system an important part to play in determining the existence of a crisis situation. It will also be essential that comparable reference data on the situation in the various Member States should be made available to the Community monitoring system.

Specific comments

15. After examining the various articles of the proposal one by one, your committee found that a number of points needed to be brought to the Commission's attention, so that it may take them into consideration either in the form of amendments to the proposal itself, pursuant to Article 149, second paragraph, of the EEC Treaty, or in the form of new proposals to supplement the present ones, or of implementing provisions.

16. These points may be set out as follows:

- I. Without wishing to go into the technical details of how Articles 2 and 4 could be put into effect, it is essential that the Member States should provide the Community with reliable, uniformly presented information and statistical data within the same time limits. With this end in view it will be essential to lay down rules governing the relations between the interested parties in order to ensure that the data are collected and that there is a proper flow of information, even though it is clearly understood that undertakings will not be bound to divulge information covered by commercial secrecy. Criteria for assessing the markets, with particular reference to disturbances, threats of crisis or actual crises (Community, national, general, sectoral, etc.) must also be laid down in an implementing regulation.
- II. With regard to Article 3 on short- and medium-term forecasts, mention should be made of the difficulty in distinguishing between national and international transport (transport between Member States), since the forecasts refer exclusively to the latter.
- III. Your committee wonders at this point why Article 5 provides for a limited distribution of the reports, and indeed it feels that these texts should be distributed as widely as possible, since they could be of great value, especially to carriers.

IV. Finally, with regard to Article 6 on the establishment of two consultative committees your committee observes that it will be the Commission's task to compile and interpret the information provided by the monitoring system and wonders whether it is intended that these committees should eventually discuss the information collected.

In saying this your committee does not wish to put any brake on participation by representatives of the professional organizations, the users or the Member States; on the contrary, it feels that their participation and collaboration can be a useful back-up to the Commission's work. Your committee notes, however, that the Commission proposals on the practical arrangements for the operation of these committees have yet to be drawn up, and it therefore reserves the right to comment at greater length on this matter at a later date when the proposals are being considered by the European Parliament.

17. In general terms your committee recommends a favourable opinion on the proposal, subject to the reservation that it will have more to say at a later date on these problems when they are being studied and assessed in detail on the basis of the practical proposals to be submitted by the Commission of the European Communities.

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

Letter from the chairman of the Committee on Economic and Monetary Affairs to Mr J. Evans, chairman of the Committee on Regional Policy, Regional Planning and Transport

24 June 1976

Dear Mr Chairman,

At its meeting of 24 June 1976, the Committee on Economic and Monetary Affairs considered the second group of proposals¹ contained in the series of eight proposals on the operation of the markets in surface goods transport within the Community (Doc. 324/75).

In the main, these proposals are designed to facilitate the progressive introduction of a common goods transport market based on a market economy.

Aware that the common transport policy can make a decisive contribution to the economic integration of the Community, the Committee on Economic and Monetary Affairs approved these initial progressive measures contemplated by the Commission as regards the establishment of through tariffs in international goods transport by rail and reference tariffs in international goods transport by road. It also recognized the need to set up a system for the observation of these markets at Community level.

However, the committee stressed that there is little point in envisaging a transport market organized as closely as possible on the principles of the market economy unless effective and parallel progress is made in coordinating infrastructure investments and the allocation of costs for the use of infrastructures and, in general, harmonizing the conditions of competition in the social, technical and fiscal fields.

With these reservations, the committee unanimously approved the proposals submitted to it.

Please accept this letter as the committee's opinion on the proposals mentioned above (Doc. 324/75).

(sgd) Arie van der HEK

Present: Mr van der Hek, chairman, Mr Achenbach, Mr Albertsen, Lord Ardwick, Mr Artzinger, Mr De Broglie, Mr Cifarelli, Mr Coustè, Mr Dykes, Mr Guldberg, Mr Lange, Mr Mitchell (deputizing for Lord Gordon Walker), Mr Mitterdorfer, Mr Normanton, Mr Nyborg.

¹ Doc. 324/75 (I-V-VII and VIII).

