

# European Communities

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EUROPEAN PARLIAMENT

## Working Documents

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### Report

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

on the Proposal from the Commission of the European Communities to the Council (Doc. 276/72) for a regulation supplementing Council Regulation (EEC) No. 1192/69 of 26 June 1969, on common rules for the normalization of the accounts of railway undertakings

Rapporteur: Mr W. SCHWABE

PE 32.708/fin.



By letter of 24 January 1973 , and pursuant to Article 75 of the EEC Treaty, the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation supplementing Council Regulation (EEC) No. 1192/69 of 26 June 1969 on common rules for the normalization of the accounts of railway undertakings.

On 31 January 1973, the President of the European Parliament referred this proposal to the Committee on Regional Policy and Transport.

On 2 March 1973, the Committee on Regional Policy and Transport appointed Mr SCHWABE rapporteur. It discussed this proposal at its meeting of 3 April 1973 and unanimously adopted the following motion for a resolution together with explanatory statement.

The following were present: Mr James Hill, Chairman; Mr Kollwelter and Mr Seefeld, Vice-Chairmen; Mr Schwabe, rapporteur; Mr Bertrand (deputizing for Mr van der Gun), Lord Brecon, Mr Eisma, Mr Herbert, Mr Johnston, Mr Lucius, Mr Mursch, Mr Pêtre, Mr Pounder.

C O N T E N T S

	<u>Page</u>
A. Motion for a Resolution	5
B. Explanatory Statement	6

The Committee on Regional Policy 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 supplementing Council Regulation (EEC) No. 1192/69 of 26 June 1969 on common rules for the normalization of the accounts of railway undertakings

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council, (COM(72) 1517 fin.),
  - having been consulted by the Council pursuant to Article 75 of the EEC Treaty (Doc. 276/72).
  - having regard to the report of the Committee on Regional Policy and Transport (Doc. 23/73 );
1. Considers that since Regulation No.1192/69<sup>1</sup> failed to bring certain railway undertakings within its scope, it had allowed to continue or even created a number of distortions of competition;
  2. Approves, therefore, the proposal from the Commission aimed at harmonizing more closely the conditions of competition by extending the scope of the said regulation;
  3. Instructs its President to forward this resolution and the committee's report to the Council and Commission of the European Communities.

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1. OJ No. L 156, 28 June 1969, p.8

EXPLANATORY STATEMENT

1. Pursuant to its decision of 13 May 1965 on the harmonization of certain provisions affecting competition in transport,<sup>1</sup> the Council issued on 26 June 1969 Regulation (EEC) No. 1192/69<sup>2</sup> on 'common rules for the normalization of the accounts of railway undertakings'.
2. The European Parliament approved this regulation on 29 November 1968<sup>3</sup> in a report drawn up by Mr Faller on behalf of the Transport Committee.<sup>4</sup>

The rapporteur pointed out that the term 'normalization of the accounts' could lead to confusion, since it seems to refer to the standardization of accounting methods.

In fact, as used in the regulation, it refers to the elimination of distortions of competition.

The aim was to bring out the benefits derived by and the financial burdens imposed on railway undertakings as a result of provisions laid down by law, regulation or administrative action. Accounts presented in that form make it possible to determine what the position of railway undertakings would be if they could operate under 'normal' conditions, and thus to approximate the conditions of competition of railways to those of other forms of transport by financial compensation in respect of financial burdens or benefits.

3. According to Article 2(3) of Regulation (EEC) No. 1192/69, the normalization of accounts within the meaning of this regulation shall not apply to public service obligations imposed by Member States and covered by another regulation, Regulation (EEC) No. 1191/69, whose scope is larger since it covers not only rail transport but also transport by road and inland waterway.

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1. Decision No. 271/65, OJ 88, 24 May 1965
2. OJ No. L 156, 28 June 1969, p.8.
3. OJ No. C 135, 14 December 1968.
4. Doc. 150 of 18 November 1968.

4. Article 3(1) of Regulation (EEC) No. 1192/69 limits the application of this regulation to national railway undertakings.

However, Article 3(2) provides for the possible extension of the regulation to cover other railway undertakings.

5. This proposal for a regulation concerns these other railway undertakings. It is based on the principle that comparable situations should be subject to similar procedures.

Railway undertakings whose position is comparable to those already covered by Regulation No. 1192/69 are subject to the provisions of the said regulation. By and large, the application of the first regulation has therefore merely been extended.

6. This extension applies to railway undertakings other than national undertakings, which have a network connected to national networks or which are in direct competition with national railway undertakings already subject to Regulation No. 1191/69.

Article 1 of the proposal for a regulation presents, for this purpose, a new version of Article 3 of Regulation No. 1192/69, in which this extension of application is to be found.

Article 2 comprises an adjustment of the timetable laid down in the first regulation for the new undertakings with which this regulation is concerned

7. The Committee on Regional Policy and Transport approves this closer harmonization of the conditions of competition.

In fact, Regulation No. 1192/69, by failing to bring within its scope certain railway undertakings, allowed to continue or even created certain distortions of competition which it is now intended to eliminate.

