

European Communities

EUROPEAN PARLIAMENT

Working Documents

1974-1975

29 March 1974

DOCUMENT 19/74

Report

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

for

I. a REPORT

from the Commission of the European Communities to the Council

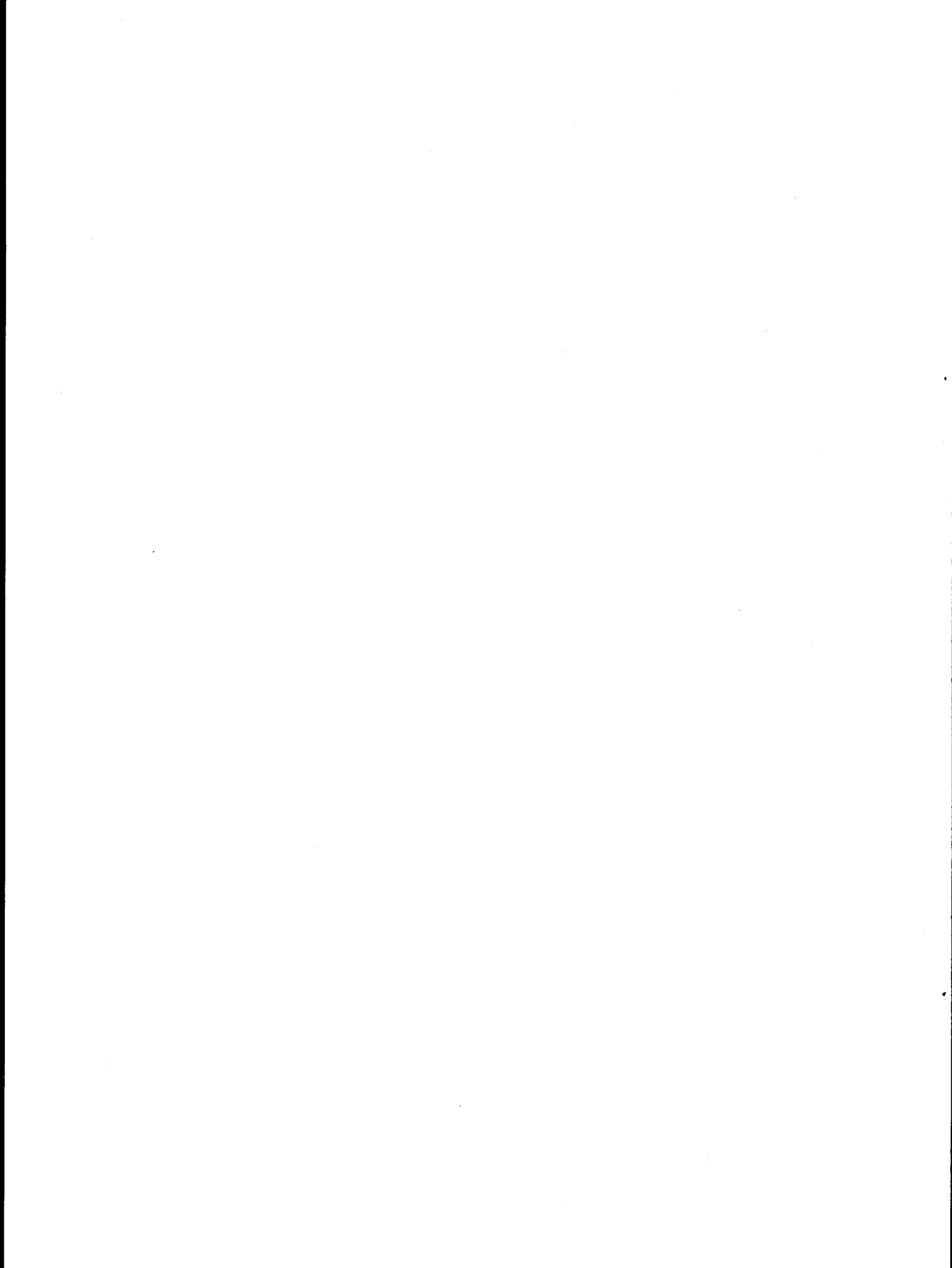
on the work done in connection with the difficulties encountered in the operation of Council Regulation (EEC) No. 1174/68 of 30 July 1968 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States

II. a PROPOSAL

from the Commission of the European Communities to the Council

for a regulation amending Regulation (EEC) No. 1174/68 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States (Doc. 301/73)

Rapporteur : Mr Wolfgang SCHWABE



By letter of 18 December 1973, the President of the Council of the European Communities requested the European Parliament to deliver an opinion on :

- I. a report from the Commission to the Council on the work done in connection with the difficulties encountered in the operation of Council Regulation (EEC) No. 1174/68 of 30 July 1968 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States,
- II. a proposal for a Council Regulation amending Regulation (EEC) No. 1174/68.

On 7 January 1974, the President of the European Parliament referred this report and proposal to the Committee on Regional Policy and Transport as the committee responsible.

The Committee on Regional Policy and Transport appointed Mr SCHWABE rapporteur on 5 February 1974. The Committee considered the report and proposal at its meetings of 19 February 1974 and 19/20 March 1974.

At its meeting of 19 March 1974, the Committee unanimously adopted with one abstention the motion for a resolution and the explanatory statement.

The following were present: Mr Hill, Chairman; Mr Schwabe, rapporteur; Mr Ariosto, Mr Bangemann (deputizing for Mr Johnston); Mr Berthoin, Mr Bourdelles, Mr Colin, Mr Gerlach, Mr Giraud, Mr Herbert, Mr Kavanagh, the Earl of Mansfield, Mr Mursch, Mr Nyborg, Mr Pêtre, Mr Pounder, Mr Rosati (deputizing for Mr Mitterdorfer), Mr Scholten, Mr Thornley (deputizing for Mr Seefeld).

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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 :

- I. a report from the Commission to the Council on work done in connection with the difficulties encountered in the operation of Council Regulation (EEC) No. 1174/68 of 30 July 1968 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States,
- II. a proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 1174/68 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States.

The European Parliament,

- having regard to the report and proposal from the Commission of the European Communities to the Council;¹
 - having been consulted by the Council (Doc. 301/73);
 - having regard to the report of the Committee on Regional Policy and Transport (Doc. 19/74);
1. Notes that in the opinion of the Commission the bracket tariff system for the carriage of goods by road between Member States has still not been in existence long enough for definitive conclusions to be drawn which could lead to the setting up of permanent proposals in this field;
 2. Asks the Commission to submit proposals for a definitive system as soon as possible;
 3. Considers that the amendments proposed by the Commission to Regulation (EEC) No. 1174/68 will lead to a more efficient operation of its provisions;

¹ COM(73) 2020 final and OJ No. C 8, 31 January 1974, p. 27

4. Urges the Commission to present, as soon as possible, its report to the Council on the checking procedures and the organization and operation of the supervisory machinery in relation to tariff rules for the carriage of goods by road;
5. Invites the Commission to adopt the following amendment, pursuant to Article 149 of the Treaty establishing the EEC;
6. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities.

Proposal for a Council Regulation amending Regulation (EEC) No. 1174/68 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States²

Preamble and recitals unchanged

Article 1

Regulation (EEC) No. 1174/68 is amended as follows :

1. The text of point (ii) of the second sub-paragraph of Article 5(1) is replaced by the following :
"where the special contract provides for transport rates below the lower limit of the relevant tariff bracket, such contract shall be in respect either of not less than 500 metric tons or of not less than 250,000 metric ton/kilometres, to be carried or worked within a three-month period".

2. The following paragraph is added to Article 5 :
"9. Member States shall send to the Commission of the European Communities, at the request of the latter, a copy of each special contract and the supporting evidence relating thereto, together with any other information which the Commission considers necessary or relevant for the purpose of checking compliance with the present tariff arrangements."

3. In Article 8(2) the words "route or routes concerned" are replaced by the words "the geographical area covered by the contract" and the words "rates agreed" are replaced by the words "rates per metric ton or per metric ton/kilometre".

Article 1

Regulation (EEC) No. 1174/68 is amended as follows :

1. unchanged

2. unchanged

3. In Article 8(2) after the words "route or routes concerned" insert "; for special contracts covering a wide territorial field the publication of the route may be replaced by the publication of the geographical areas or the administrative

¹ For full text see OJ No. C 8 of 31.1.1974, p. 27

² Regulation (EEC) 1174/68 was amended by Regulation (EEC) No. 293/70

TEXT PROPOSED BY THE COMMISSION OF
THE EUROPEAN COMMUNITIES

AMENDED TEXT

boundaries of departure and destination in which the routes concerned are situated" and the words "rates agreed" are replaced by the words "rates per metric ton or per metric ton/kilometre".

4. The second and third sub-paragraphs of Article 8(2) are deleted.

5. The second sentence of the first sub-paragraph of Article 11(4) is deleted.

6. Article 16 is amended by the addition of a sub-paragraph (e) as follows:

"(e) to the carriage of live animals."

5. unchanged

6. unchanged

Article 2 unchanged

EXPLANATORY STATEMENT

1. Regulation (EEC) No. 1174/68 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States was originally intended to expire on 31 December 1971 though provision was made for its extension for a further year if the Council failed to decide by that date on the system to be applied subsequently. In view of the delayed implementation of the tariff system proposed under Regulation (EEC) No. 1174/68 and the consequential lack of experience gained from the introduction of the system, the life of the Regulation was extended by Regulation (EEC) No. 2826/72 until 31 December 1974 with a similar provision for extension for one year.

2. Recognizing that disturbances in the transport market might make it necessary to allow for special contracts to be concluded which departed from the upper or lower limits of the tariff bracket, provision was made in Article 5 of the original Regulation for the conclusion of special contracts where certain conditions were fulfilled:

- circumstances must exist which were not taken into account at the time when the tariffs were fixed, as, in particular, where a special contract is made in response to the requirements of competition or where it is entered into for a certain period,
- the tonnage to be carried under any such contract within any three month period must not be less than 500 metric tons,
- special contracts must in all cases be such as to maintain or increase the carrier's trading terms.¹

3. The proposed Regulation is designed to amend certain provisions of Regulation (EEC) 1174/68 which relate to special contracts. To the minimum of 500 metric tons to be carried within a three month period the Commission propose to add an alternative minimum of 250,000 metric ton/kilometres to be carried or worked over the same period. The Committee note the Commission's view, that, given a system of special contracts, which is in itself intended to render the bracket tariff system more flexible and responsive to market conditions, the requirement of 500 metric tons may not fully meet transport requirements, particularly where long-distance transport is concerned. The Committee have

¹ Regulation (EEC) No. 293/70 extended these conditions by allowing special contracts where there were special technical features or where carriage of goods had to be effected at a speed significantly slower than normal or where particularly rapid delivery of the goods was required.

carefully considered whether this provision could lead to an undesirable enlargement of special contracts but are satisfied that the amendment proposed by the Commission is necessary in the **context** of the enlarged Community.

4. The second proposal, which the Committee endorse, is for a simplification of the arrangements for the publication of special contracts. The Commission point out that experience has shown that the original arrangements were over-complicated and failed to provide the intended information. Under the proposed new system monthly returns of special contracts will no longer be required but the Commission will be able to request from Member States copies of special contracts together with any relevant information it may require.

5. A further proposal designed for greater flexibility is that the obligation under Article 8(2) to publish particulars of the 'route or routes concerned' among other particulars relating to special contracts should be altered to 'geographical area covered by the contract'. Obviously it may not always be practical, or indeed necessary, to specify the precise route and the Committee agree that the proposed new requirement is less limiting, but they feel that it is not sufficiently precise and have therefore suggested another form of wording.

6. The final change proposed by the Commission is to add to the list of exemptions to which the parent Regulation does not apply set out in Article 16 thereof a new category, the carriage of live animals. As the Commission points out in the Explanatory Statement this is a very specialized branch of the carriage of goods where 'practically every operation is a special case requiring individual attention'. Bearing in mind the comparative economic unimportance of the carriage of live animals in relation to international road haulage, the Committee agree that it is desirable that it should be exempted from the Regulation.

7. The full arguments in support of the proposed amendments are set out in the Commission's report to the Council which it was asked to make at the 222nd Session of the Council on 18 and 19 December 1972. In addition to the points which the Commission considered and which resulted in the proposed amendments to the principal Regulation, the Commission considered a number of other matters :

(a) Should special contracts be of a 'bilateral' or a 'multilateral' character? The Commission felt that there was no need here to make any amendment since the 'bilateral' nature of special contracts could be implied from the 'bilateral' character of the tariff system established

by the Regulation; at the same time there could be justification for 'multilateral' special contracts in special cases.

Essentially this is a matter to be determined by the enforcement authorities.

- (b) Special contracts concluded by forwarding agents. In this field too the Commission felt that there was no need to change the Regulation to exclude forwarding agents from concluding special contracts by permitting only the real consignor to fulfil the necessary conditions. The Committee agree that not only market, but also legal considerations are such that forwarding agents should be able to continue to conclude such contracts.
- (c) Competition as a circumstance justifying the conclusion of special contracts. It is the main principle behind the present Regulation that bracket tariffs should prevent damaging competition between road transport undertakings. The Committee accept the Commission's view that normal competition is a circumstance that will have been taken into account when the tariff rates were fixed and that competition in the sense of Article 5(1) (a) of the Regulation as amended by Regulation (EEC) 293/70 must relate to external competition from other modes of transport or from own account carriers. No modification of this Article would seem necessary.
- (d) Meaning of 'Such as to maintain or increase trading returns'. This was one of the three original conditions permitting special contracts and it has been suggested either that this expression should be more precisely defined or, alternatively, that it should be expressed in figures in the tariffs. The Committee accept the Commission's reasons for not accepting these proposals since special contracts by their very nature are not intended to have limits put on the amounts by which tariff rates may be reduced. The justification for special contracts is that they enable individual requirements to be set according to special circumstances and such circumstances should not be defined by specific limits.

8. The Commission has also considered :

- (a) Provision in tariffs for discounts for quantity;
- (b) Tariffs for the services of forwarding agents and other ancillary services;
- (c) Provisions relating to combined 'roll on/roll off' transport.

The Committee agree with the Commission that no specific amendment is required in these fields all of which are in fact provided for by the original Regulation or by the Regulation as amended by subsequent Regulations. They note with satisfaction, however, that the Commission will work towards the progressive alignment of charges for forwarding agents or other ancillary services whenever the fixing or revision of tariffs is being negotiated bilaterally.

9. Finally, the Committee note that the Commission has undertaken, as a matter of priority, a study of Member States' enforcement arrangements for the tariff rules. In view of the delays to which the implementation of the rules has been subjected in the past the Committee hope that such a report will be made as soon as possible.