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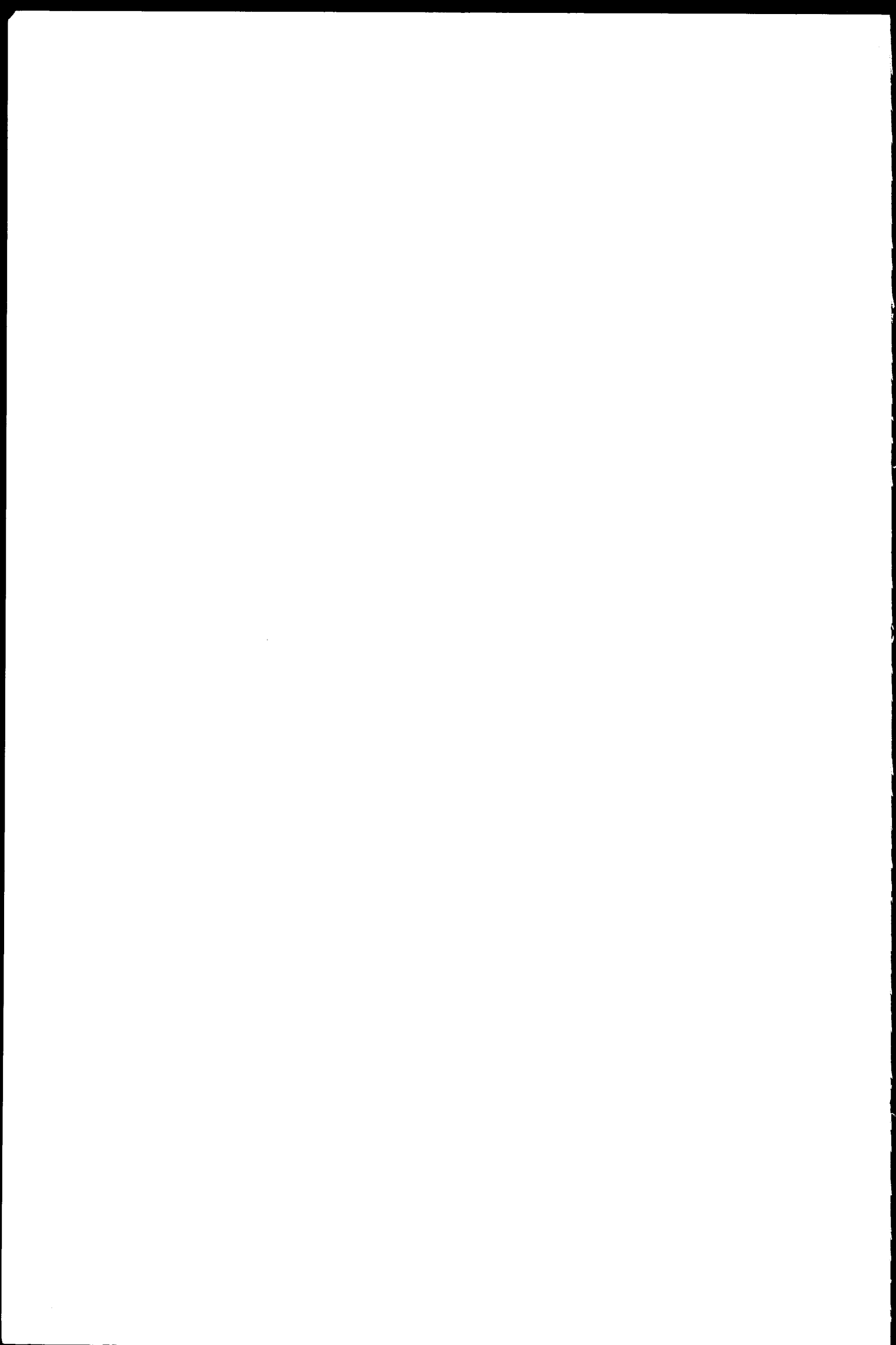
Report

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. 120/74) for a regulation extending and modifying Regulation (EEC) no. 2829/72 of the Council, of 28 December 1972, regarding the Community quota for the carriage of goods by road between Member States

Rapporteur: Mr P. GIRAUD

PE 37.138/fin.



By letter of 29 May 1974 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 75 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation extending and modifying Regulation (EEC) No. 2829/72 of the Council, of 28 December 1972, regarding the Community quota for the carriage of goods by road between Member States (Doc. 120/74).

On 6 June 1974 the President of the European Parliament referred this proposal to the Committee on Regional Policy and Transport.

The committee appointed Mr Giraud rapporteur on 5 June 1974. It considered this proposal at its meeting of 19 June 1974.

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

The following were present: Mr James Hill, chairman; Mr Kollwelter, vice-chairman; Mr Seefeld, vice-chairman; Mr Giraud, rapporteur; Mr Eisma, Mr Gerlach, Mr Mursch, Mr Nyborg, Mr Pounder, Mr Schwabe.

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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 the proposal from the Commission of the European Communities to the Council for a regulation extending and modifying Regulation (EEC) 2829/72 of the Council, of 28 December 1972, regarding the Community quota for the carriage of goods by road between 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 Treaty establishing the EEC (Doc. 120/74),
- having regard to the report of the Committee on Regional Policy and Transport (Doc. 157/74),

1. Notes that the Commission proposes to extend until 31 December 1976 the Community quota system laid down by Council Regulation (EEC) No. 2829 of 28 December 1972²;

2. Also notes that the Commission has retained the 1974 criteria for fixing the number of Community authorizations and their allocation to the Member States in 1975 and 1976;

3. Finds it unacceptable that the Council has not yet taken a decision on the Commission's proposal, approved by the European Parliament³, for an increase in the quotas of the new Member States in view of the likely implications of the enlargement of the Community, and demands an immediate decision.

4. Considers that if a Member State can provide statistics on the actual use made of Community authorizations, showing cause for exceeding the quota, this Member State should be able to request an increase in its quota.

¹ OJ No. C 68, 12.6.1974, p.6

² OJ No. L 298, 31.12.1972, p.16

³ Doc. 18/73, Doc. 81/73 and OJ No. 49, 28.6.1973, p.7

5. Welcomes the Commission's new approach, announced in this proposal and in its 'Communication to the Council on the development of the common transport policy'¹ whereby it undertakes to devise an overall strategy in this sector and hence integrate the Community quota system into the wider context of the required measures governing transport capacity;

6. Draws attention to the importance of transport capacity and requests the Commission to proceed without delay with a thorough survey of all the problems raised by transport capacity regulations;

7. Urges the Commission to propose a series of coherent measures early enough for the European Parliament to deliver its opinion and the Council to adopt a satisfactory regulation before the expiry of the 1972 regulation, extended by two years by this proposal for a regulation;

8. Approves the Commission's proposal;

9. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities.

¹ Doc. 226/73 - COM (73) 1725 final, 24.10.1973

EXPLANATORY STATEMENT

1. The main purpose of introducing a Community tariff quota for the carriage of goods by road within the European Community is to gain permanent control over the development of transport capacity and to gear it effectively to demand.

2. On 10 May 1963, the Commission submitted its first proposal for a regulation on the establishment and operation of a Community quota, one of the main objectives of which was the progressive phasing out of bilateral quotas.

This Commission proposal was well received by the European Parliament which adopted a resolution in 1964 on the basis of the report by Mr BECH (Doc. 43/64).

3. In its Regulation No. 1018/68¹ of 19 July 1968, on the establishment of a Community quota for the carriage of goods by road between Member States, the Council simply laid down a Community quota for a three-year period - from 1 January 1969 to 31 December 1971 - on a trial basis, the Community authorizations supplementing the bilateral authorizations, which were not to be reduced in number.

4. Under Article 7 of the 1968 Regulation, the Commission was to submit proposals to the Council for subsequent arrangements, taking into account experience gained and the development of the common transport policy. Since the Commission's proposals were not submitted early enough, Council Regulation No. 1018/68 remained in force until 31 December 1972.

5. It was not until 17 May 1972 that the Commission submitted a new proposal to the Council for a regulation on the control of road haulage capacity for the carriage of goods between the Member States (COM (72) 508 final - Doc. 62/72).

This proposal was dealt with in an interim report (Doc. 156/72) and a final report (Doc. 220/72). The motion for a resolution contained in the latter was adopted by the European Parliament during its December 1972 part-session.

¹ OJ No. L 175, 23.7.1968, p.13

6. On 28 December 1972 the Council adopted Regulation No. 2829/72¹ which, though basically an extension of the previous regulation provides for an annual increase of 15% in the number of Community authorizations and establishes the quotas for the new Member States for 1973 and 1974.

7. In pursuance of Article 4 (3) of this Regulation, the Commission proposed, on 13 March 1973, (Doc. 18/73), to allocate to the new Member States a higher number of Community authorizations.

In drawing up the basic quotas for the new Member States the Commission took two criteria: international road traffic in 1970 and total traffic (including all forms of land transport and sea transport) in 1969. To allow for the likely implications of the enlargement of the Community, the Commission advocated a 30% increase in the quotas and an across-the-board 15% increase for all the Member States.

For 1974, the Commission proposed that the across-the-board increase for all the Member States should be raised by 5% in the case of the new Member States in order to take into account the faster growth in their trade likely to follow the enlargement of the Community.

The European Parliament, meeting in Strasbourg, approved the Commission's proposal by adopting on 4 June 1973 a motion for a resolution based on a report by Mr GIRAUD (Doc. 81/73). The Council has still not taken a decision on this matter.

8. The proposal for a regulation now under consideration seeks to establish the Community quota for the years 1975 and 1976. In fixing the overall number of Community authorizations and the allocation of the Community quota to the Member States, the Commission took the same criteria as it used to determine the Community quota for 1974; hence the Commission proposes :

- for the original Member States an annual increase of 15% based on the 1974 quotas;
- for the new Member States, an annual increase of 20%, again on the basis of the 1974 quotas.

¹ OJ No. L 298, 31.12.1972, p.16

9. The general development of the Community quota is as follows :*

Member State	1969-1972	1973*	1974*	1975	1976
Belgium	161	191	221	254	287
Denmark	-	68	77	169	197
Germany	286	321	356	409	463
France	286	313	341	392	443
Ireland	-	23	26	50	59
Italy	194	230	266	306	346
Luxembourg	33	45	58	67	75
Netherlands	240	279	318	366	413
United Kingdom	-	114	129	272	318
Community quota	1200	1584	1792	2285	2601

10. In its motion for a resolution (Doc. 81/73), adopted on 4 June 1973, your committee insisted that the definitive system should enter into force on 1 January 1975 and after that date bilateral quotas should be phased out and replaced by Community quotas.

The Commission proposal under consideration extends for a further two years the provisional, experimental system introduced by the 1968 regulation and extended by the 1972 regulation - no more than a fairly small percentage of overall intra-Community trade is covered by the Community quota which continues to subsist alongside bilateral quotas.

11. While initially sharing your committee's views on the date for introducing a definitive system, the Commission justified its change of mind by referring to its 'Communication to the Council on the development of the common transport policy' (COM (73) 1725 final) of 24 October 1973 (Doc. 226/73).

Its intention is to use this communication to give fresh impetus to the development of the common transport policy by abandoning the practice of periodically adopting partial, limited and isolated measures.

In its proposal, the Commission specifies: 'that comprehensive proposals should be drawn up in this connection, covering the various aspects of the common organization of the transport market, in particular access to the market, transport prices and conditions and rules of competition'.

* The proposed modifications for the new Member States, on which the Council has not yet taken a decision, are as follows:

	<u>1973</u>	<u>1974</u>
Denmark	120	141
Ireland	36	42
United Kingdom	193	227

12. Your committee, anxious to encourage the achievement of a coherent Community transport policy, welcomes this new approach on the part of the Commission.

All too often, your committee has had to criticise the lack of an overall view in this matter.

13. Since the Community quota is simply one aspect of the highly complex problem of capacity policy, it would seem preferable to include this matter in the full range of measures required to prevent imbalance in the transport market.

14. The solution advocated by your committee involves two stages : a transition period with a systematic increase in the Community quota going hand in hand with the reduction in bilateral quotas, and a final stage involving the complete elimination of bilateral quotas.

This final stage would offer two major advantages. Firstly, the Community quota could be increased to the point where the total number of Community authorizations exceeded demand, which means that the Community would, ipso facto, create a situation of free competition; secondly, in a crisis situation, the responsible authorities could reduce the overall number of Community authorizations and so effectively counteract cut-throat competition without the need for unilateral or bilateral measures.

15. Proposals of this sort clearly require a perfect knowledge of the situation and market developments in the transport sector and are vitally dependent on thorough research.

16. Your committee therefore agrees with the Commission that the current arrangements should be extended until the end of 1976, but on condition that the Commission proceeds forthwith with an in-depth survey of all the factors liable to upset the balance of supply and demand in the transport sector.

17. In addition, your committee hopes that the Commission will, in good time - in other words, early enough for the European Parliament to deliver an opinion and the Council to take a decision on the definitive arrangements before 31 December 1976 - put forward satisfactory proposals for a body of consistent measures designed to eliminate all distortion of competition in the transport sector.