

EUROPEAN PARLIAMENT

Working Documents

1981 - 1982

8 March 1982

DOCUMENT 1-1076/81

REPORT

drawn up on behalf of the Committee on Transport

on the proposal from the Commission of the
European Communities to the Council (Doc. 1-634/81)
for a regulation amending Regulation (EEC)
No. 3164/76 on the Community quota for the
carriage of goods by road between Member States

Rapporteur : Mr K. NYBORG

By letter of 16 October 1981 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 amending Regulation (EEC) No. 3164/76 on the Community quota for the carriage of goods by road between Member States.

The President of the European Parliament referred this proposal to the Committee on Transport.

On 25 November 1981 the Committee on Transport appointed Mr NYBORG rapporteur.

At its meeting of 25 February 1982 the committee considered this proposal and adopted the motion for a resolution and explanatory statement by 17 votes to 1 with one abstention.

The following took part in the vote: Mr Seefeld, chairman; Dame Shelagh Roberts, Mr Carossino and Mr Kaloyannis, vice-chairmen; Mr Nyborg, rapporteur; Mr Arndt (deputizing for Mr Albers), Mr Buttafuoco, Mr Cottrell, Mr Gabert, Mr Gatto (deputizing for Mr Ripa di Meana), Lord Harmar-Nicholls, Mr Hoffmann, Mr Janssen van Raay (deputizing for Mr Baudis), Mr Junot, Mr Klinkenborg, Mr Lagakos, Mr M. Martin, Mr Modiano, Mr Moorhouse, Mr Moreland (deputizing for Mr Marshall), Mr K. Nikolaou (deputizing for Mr Key), Mr O'Donnell and Mr Vandewiele.

C O N T E N T S

	<u>Page</u>
A. Motion for a resolution	5
B. Explanatory statement	6

A

The Committee on 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 amending Regulation (EEC) No. 3164/76 on 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 Council,¹
- having been consulted by the Council pursuant to Article 75 of the EEC Treaty (Doc. 1-634/81),
- having regard to the report by the Committee on Transport (Doc. 1-1076/81),

1. Regrets the fact that the carriage of goods by road between Member States covered by Community authorizations represents only 5% of the total volume of this transport;
2. Reaffirms that a substantial increase in the Community quota, together with a reduction in the number of bilateral authorizations and in conjunction with a series of social, technical and fiscal harmonization measures could contribute to a common transport policy;
3. Takes note of the new method proposed by the Commission for the calculation and distribution of the extra Community quota and notes that the method is not sufficiently transparent and needs to be refined;
4. Calls on the Commission to take steps to ensure that the European Parliament is consulted in good time;
5. Regrets that, at its meeting of 15 December 1981, the Council of Ministers of Transport expressed a favourable opinion on an increase limited to 5% of the Community quota for eight Member States;
6. Considers, in view of the fact that the Community quota affects less than 1% of total road haulage in the Community, that the time taken by the Council in discussing the quota far exceeds its importance and recommends that the quota be fixed for a period of more than one year.

¹ OJ No. C 269, 21.10.81, p.4

EXPLANATORY STATEMENTI - Introduction

1. This document is the fifteenth report by the Parliament committee responsible for transport on the regulation of capacity and the system of Community authorizations in respect of the carriage of goods between Member States¹.
2. Your rapporteur would like to begin by reminding you that, by granting in its Regulation (EEC) N° 305/81 of 20 January 1981, the same number of Community authorizations for 1981 as for 1980, the Council once again completely failed to take account of Parliament's opinion.
3. The text proposed by the Commission for 1982 is fundamentally different from those submitted by it in previous years, notably in respect of the method employed for the calculation and distribution of the extra Community quota.
4. As a result of the method used, the document is of a highly technical nature and requires careful consideration on our part.
5. Consequently, your rapporteur intends to examine the Commission's proposal both with respect to the number of Community authorizations proposed for 1982 and to the method adopted by the Commission for determining this number.

¹ See the reports by Mr BECH (Doc. 43/64), Mr RIEDEL (Doc. 69/69), Mr GIRAUD (Docs. 56/72, 220/72, 81/73, 157/74, 350/75 and 380/77), Mr ALBERS (Docs. 321/78, 604/78, 605/78 and 1-381/79) and Mr MORELAND (Docs. 555/80 and 950/80).

II - Remarks on the number of Community authorizations proposed by the Commission for 1982

6. Ever since 1964, the European Parliament has laid down a policy on the fixing of the Community quota. The previous reports on the subject¹ give a clear overall picture of the different stages by which this policy evolved.
7. It should be remembered, however, that the fundamental objective of establishing a system of Community authorizations is the liberalization of the carriage of goods by road (and hence, the attainment of a common transport market) by regulating its capacity, improving the use of vehicles and abolishing discrimination according to nationality.

In one of his previous reports on behalf of the committee Mr GIRAUD defined the solution advocated by Parliament for achieving this aim as follows:

During a transitional period a gradual increase in the Community quota must go hand in hand with a systematic reduction in the number of bilateral authorizations; during a final stage, following the complete elimination of bilateral authorizations, the Community quota could be increased to a point where the total number of authorizations would exceed demand, thereby creating a situation of free competition².

8. This final phase desired by Parliament is far from realization. The number of Community authorizations is increasing only slowly and the Commission's proposals no longer make any suggestion whatsoever of a parallel and progressive reduction in bilateral authorizations. It can only be noted that, in its decision of 20 December 1979, the Council laid down a number of criteria - and very general ones at that - for determining the bilateral quotas.
9. Before passing on to a specific examination of the Commission's proposals for 1982, it is useful to observe how the number of Community authorizations has developed over the years:

¹See the reports by Mr ALBERS (Doc. 381/79) and Mr MORELAND (Doc. 555/80)

²GIRAUD report (Doc. 380/77, p. 8)

Developments for the period 1969-1981

Member State	1969-1972	1973	1974	1975-1977	1978	1979	1980	1981
Belgium	161	191	221	265	318	348	413	413
Denmark	-	68	141	169	203	229	286	286
Germany	286	321	356	427	512	567	689	689
Greece	-	-	-	-	-	-	-	76
France	286	313	341	409	491	533	627	627
Ireland	-	23	42	50	60	65	76	76
Italy	194	230	266	319	383	432	539	539
Luxembourg	33	45	58	70	84	91	106	106
Netherlands	240	279	318	382	458	502	597	597
United Kingdom	-	114	227	272	326	355	418	418
Community quota	1200	1584	1970	2363	2835	3122	3751	3827

This table clearly shows the low level of increases in the Community quota, which in fact represents only 5% of the total volume of the carriage of goods by road.

10. For 1982 the Commission is proposing 720 additional Community authorizations (this figure does not include Greece). This represents an increase of slightly less than 20% in relation to 1980 (the Community quota was not raised in 1981). The Commission's previous proposals were 25% for 1981 and 20% for 1980.
11. It is quite apparent that the proposed increase in the Community quota for 1982 is inadequate as a step towards a genuine common transport policy. It could usefully be accompanied by a corresponding reduction in the number of bilateral authorizations and a package of social, technical and fiscal measures to create the conditions for genuine competition in the transport market.
12. The distribution by country of the proposed increase is as follows:

Development from 1981 to 1982

Member State	1981	Commission proposal for 1982	<u>Difference in number</u>	<u>% Difference</u>
Belgium	413	515	+ 102	+ 24.6
Denmark	286	373	+ 87	+ 30.4
Germany	689	814	+ 125	+ 18.1
Greece	76	116	+ 40	+ 52.6
France	627	724	+ 97	+ 15.5
Ireland	76	116	+ 40	+ 52.6
Italy	539	624	+ 85	+ 15.7
Luxembourg	106	138	+ 32	+ 30.2
Netherlands	597	696	+ 99	+ 16.5
United Kingdom	418	471	+ 53	+ 12.6
TOTAL	3827	4587	+ 760	+ 19.8

The average increase is 20%.

In the case of Ireland and Greece an effort has been made to grant a more substantial increase in the Community quota in an attempt to enable these countries to recover from a particularly disadvantaged initial situation.

III - Remarks on the method proposed by the Commission for the calculation and distribution of the Community quota for 1982

13. In the proposals for the Community quota previously submitted by the Commission, the method of calculating and distributing the quota appeared arbitrary in its simplicity and the Committee on Transport called on the Commission on several occasions to provide it with the necessary information for a more objective calculation and distribution of the Community quota between countries.
14. In the proposal under consideration here, the Commission has made a radical change, applying for the first time a highly technical method which purports to be rational.

15. The following criteria were taken into account in calculating the number of extra Community authorizations to be placed on the market:
- the foreseeable trend in demand for 1982 (overall and breakdown by mode of transport);
 - the use made of the road capacity available for the carriage of goods by road between Member States;
 - the trend in freight rates on traffic links between Member States.

The extra capacity to be placed on the market in order to assure the carriage of the volume of traffic created by the increase in demand is calculated by subtracting the tonnage of the traffic not concerned by the Community quota.

However, only 50% of this extra volume is to be carried under Community authorizations. This is a questionable position. In the interests of expanding the Community quota, it would have seemed more logical to take the view that all further increases in capacity should be carried under Community authorizations.

16. The number of extra Community authorizations is calculated on the basis of the use made of Community authorizations.
17. Purely on a point of form, it should be noted that there is a mathematical error in the Commission's division of the figures: the correct total should be 725 and not 720 authorizations.
18. The distribution of the extra Community quota is also based on numerous calculations incorporating both:
- share of trade
 - use of Community authorizations adjusted to take account of difficulties of access to the economic centres of the Community.

These two criteria are then mixed in a proportion of 60% for the first and 40% for the second.

19. The Commission provides two justifications for its use of this method:
- it is unrealistic to envisage centralizing applications for Community authorizations at European level and then having them distributed by a single authority using a classification based on objective criteria;
 - the criterion of linear increase is of a political nature and has no economic justification.

- 20 Without wishing to contest the merits of the criteria used, it must be said that the degree of complexity involved makes it impossible to assess the validity of the calculations.
21. Although the Commission has made an appreciable effort in proposing a method for making the calculation and distribution of the Community quota more objective, your rapporteur considers that this method needs to be studied in depth and refined so as to take account of all its possible implications for future years.

CONCLUSIONS

22. Your rapporteur is struck by the absence in the document under consideration of any reference to a policy of replacing bilateral authorizations by Community authorizations.
- 23 The Committee on Transport regrets the limited scope of the proposed increase in the Community quota in the absence of proposals for the harmonization of conditions of competition between the various modes of transport.
24. While appreciating the Commission's efforts to devise a method for the calculation and distribution of the Community quota, your rapporteur notes that the highly technical nature of the proposal makes it impossible to assess the validity of the calculations and proposes that the Commission further refine and clarify its method in its next proposal.

