



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 27.01.1999
COM(1999) 35 final

99/0022 (SYN)

**Proposal for a
COUNCIL REGULATION (EC)
on the distribution of permits for heavy goods vehicles travelling in Switzerland**

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Introduction

A political Agreement has been reached between Switzerland and the European Community for a system of rules on the transport of goods and passengers by rail and road. Article 8 of this Agreement grants for a transitional period a quantity of permits for EU hauliers enabling them to operate vehicles and vehicle combinations at weights in excess of 28 tonnes on Swiss territory (to be known as "full-weight permits"). These permits, therefore, allow Community hauliers to operate vehicles that meet Community weight limits before Switzerland fully aligns itself with these standards in the year 2005.

For the year 2000 there will be a total of 250 000 full-weight permits for EU-registered lorries. For 2001 and 2002 the total will increase to 300 000. A second increase will occur for 2003 and 2004 when the total will be 400 000 full-weight permits.

Permits in the year 2000 will allow lorries to circulate on Swiss territory at weights of over 28 tonnes, whilst permits for the years 2001 to 2004 will allow lorries of over 34 tonnes (always with a maximum weight of 40 tonnes).

In addition, Article 40 of the Agreement grants for a transitional period a quantity of permits for EU hauliers enabling them to transit Switzerland at a reduced infrastructure charge, provided they are empty or are carrying certain specified loads. These shall be known as "empty permits".

The quantity of empty permits is fixed at 220 000 per year for 2000 to 2004. The infrastructure charge for a lorry transiting Switzerland with such a permit shall be CHF 40 in 2000, increasing by CHF 10 per year to a level of CHF 80 in 2004.

The purpose, therefore, of this proposal for a Council Regulation is to lay down tables of distribution across Member States for the abovementioned permits.

2. Methodology for calculating the distribution of full weight permits

- (a) The Commission proposes that the permits be allocated to Member States on the basis of their shares in the two principal transport flows that these permits can be used for: bilateral traffic with Switzerland and transit traffic through Switzerland. However, given that the attribution of a very small number of permits would create undue problems of fair distribution within a Member State, and after consultation in this regard with administrations of the Member States, it is proposed that all Member States receive a minimum number of 1 500 full-weight permits per year.
- (b) It was agreed, in principle, in the Council that bilateral traffic and transit traffic should be given equal weight with regard to the allocation criteria. Thus, it is proposed that the remaining permits shall be divided equally according to the current needs for bilateral traffic and transit traffic.

The existing 28-tonne weight limit in Switzerland leads to additional costs for Community hauliers compared with a situation where vehicles meeting the Community weight limit could be used. In bilateral traffic, these costs arise from the use of more vehicles to service transport flows and/or transshipment at the border to ensure that vehicles entering Switzerland respect the 28-tonne weight limit. In transit traffic, the weight limit leads to a significant diversion of traffic through Austria and France avoiding Switzerland, allowing the operation of 40-tonne vehicles, albeit at the penalty.

The Commission considers that the share out of the quotas across Member States - both for the bilateral and transit traffic - should be based on the shares of Member States hauliers in the total costs to the Community of the 28-tonne weight limit. Put differently, every Member State should benefit from the same percentage reduction in its costs.

The calculation of these shares requires detailed information - for example on the nationality of the hauliers servicing different transport flows and on the (detour) distances driven by these hauliers - which currently is not fully available. The approach proposed, therefore, uses available statistics to approximate these shares. However, it is also proposed that a detailed counting exercise be carried out in the year 2000 and that the Commission will come forward with a proposal to the Committee established by the decision to modify the allocation should the results of the counting exercise differ strongly from the share out proposed in this allocation. This would be the case if a recalculation of the distribution on the basis of the results of this counting exercise would lead to differences with the proposed distributions in Annexes I and II that exceed 5% or 500 permits for any Member State.

Bilateral traffic

- (c) In the absence of detailed information on the distribution of bilateral journeys to/from Switzerland by nationality of vehicle, it is assumed this distribution is identical to the distribution of trade. For the same reason (the absence of detailed statistics) no weighting is proposed as regards the length of bilateral journeys undertaken on Swiss territory.

This leads to the following table, based on current statistics from Eurostat (for 1997) as regards the distribution of bilateral trade (in million tonnes) between the Member States and Switzerland:

TABLE 1

Member State	Proportion of trade	Share of permits in 2000 (50% of total minus the allocated minimum)
Belgium	2.98%	3 386
Denmark	0.69%	780
Germany	34.26%	38 975
Greece	0.16%	182
Spain	1.82%	2 072
France	28.43%	32 343
Ireland	0.23%	263
Italy	15.29%	17 388
Luxembourg	0.16%	178
Netherlands	3.40%	3 864
Austria	6.93%	7 888
Portugal	0.01%	10
Finland	1.17%	1 335
Sweden	1.31%	1 493
United Kingdom	3.16%	3 593

It should be noted that Table 1 comprises of the Eurostat statistics for both trade by road and trade by sea between the respective Member State and Switzerland. This is because road journeys that have incorporated a leg by ferry (e.g. to or from the UK) are included in the statistics as trade by sea.

Transit traffic

- (d) As regards transit, the additional cost to trans-Alpine traffic per Member State because it is diverted is considered to be the best basis for distributing permits. Those costs can be approximated by additional driving resulting from diversion.

The Commission is therefore of the view that, in the absence of more accurate statistics, the total estimated diverted mileage per nationality is the best distribution criterion. To this end, the Commission has used data from the Swiss study "*Alpenquerender Güterverkehr 1994; Ergebnisse der Erhebung aus Strasse und Schiene*" showing Alpine traffic flows and which indicates the origin and destination by region. For each trans-Alpine traffic flow between two regions the number of vehicles and the average diversion (if any) in kilometres is calculated. Traffic is considered to be diverted if it does not take the shortest route between two regions (after correction for a sum of 60 km representing frontier formalities and relatively poor traffic conditions should the vehicle have transited Switzerland). The total number of diverted vehicles for that traffic flow is then multiplied by the diverted distance to give total estimated diverted mileage per traffic flow.

It should be noted that in this calculation no account is given to the effect of toll and infrastructure charges, either in Switzerland or the Member States.

The nationality of vehicles making the diverted mileage must be estimated for each traffic flow. Unfortunately, there are no statistics showing the nationality of vehicles according to their origin or destination. Therefore, the provisional assumption is that for each traffic flow between two regions only vehicles from the two regions (i.e. of those nationalities) are used.

Furthermore, only diverted trans-Alpine transit traffic to or from Italy is considered. The reason is that this traffic is by far the most significantly affected by the possibilities of transit through Switzerland.

Table 2 shows the trans-Alpine traffic flows to/from Italy:

TABLE 2

Traffic flows	Number of vehicles	Total deviated vehicle kms
B-I	16 269	16 791 405
Dk-I	8 353	914 397
D-I	184 749	68 614 381
Ell-I	no significant trans-Alpine traffic	
E-I	no significant trans-Alpine traffic	
F-I	35 316	6 656 584
Irl-I	4 984	0
L-I	16 501	2 383 017
NL-I	139 970	20 214 284
A-I	no significant trans-Alpine traffic	
P-I	no significant trans-Alpine traffic	
Fin-I	904	98 962
S-I	1 863	203 889
UK-I	81 400	0

Traffic flows between Italy and Greece, Spain, Portugal and Austria are not significant since they totally avoid the need to make trans-Alpine journeys. Similarly, the statistics for France relate to trade between northern France and Italy.

Deviated vehicle kms for traffic flows between Italy and the UK and Ireland have no value since the deviated value per journey averages less than 60 km and so after correction is zero.

Finally, as one of the regions for the trans-Alpine traffic is always in Italy the distribution between Italian and non-Italian vehicles for each traffic flow has to be estimated. It is estimated that 28% of all deviated mileage is made by Italian-registered vehicles. This estimation is based on available statistics for the Brenner and Mt Blanc Alpine crossings, which show that 28% of the vehicles are of Italian nationality.

On the basis of the above calculations, we get the following table for a distribution related to current diverted trans-Alpine transit traffic:

TABLE 3

	Share of deviated km
B	10.43%
DK	0.57%
D	2.63%
F	4.14%
I	28.00%
LUX	1.48%
NL	12.56%
S	0.13%
FIN	0.06%
All other Member States	0.00%

Clearly this omits non-trans-Alpine traffic through Switzerland. Whilst this traffic flow is not significant it must nonetheless be considered. To allow for the possibility of non-trans-Alpine traffic through Switzerland each Member State shall thus be allocated a minimum allocation of 200 permits.

Combining this with Table 3 gives:

TABLE 4

	Share of deviated kms	Distribution in 2000 based on share of deviated kms	Minimum allocation	Total in 2000
B	10.43%	11 723	0	11 723
DK	0.57%	638	0	638
D	42.63%	47 904	0	47 904
GR	0.00%	0	200	200
E	0.00%	0	200	200
F	4.14%	4 647	0	4 647
IRL	0.00%	0	200	200
I	28.00%	31 461	0	31 461
LUX	1.48%	1 664	0	1 664
NL	12.56%	14 113	0	14 113
A	0.00%	0	200	200
FIN	0.06%	69	200	200
S	0.13%	142	200	200
P	0.00%	0	200	200
UK	0.00%	0	200	200
TOTAL				113 750

(e) Combining Tables 1 and 4 gives the following table, which is the basis for Annex I:

TABLE 5

	Basis quota	Bilateral	Transit	TOTAL	%
B	1 500	3 386	11 723	16 609	6.64%
DK	1 500	780	638	2 919	0.62%
D	1 500	38 974	47 904	88 378	38.19%
GR	1 500	182	200	1 882	0.17%
E	1 500	2 072	200	3 772	1.00%
F	1 500	32 343	4 647	38 490	16.26%
IRL	1 500	263	200	1 963	0.20%
I	1 500	17 388	31 461	50 349	21.47%
LUX	1 500	178	1 664	3 342	0.81%
NL	1 500	3 864	14 113	19 477	7.90%
A	1 500	7 888	200	9 588	3.55%
P	1 500	10	200	1 710	0.09%
FIN	1 500	1 335	200	3 035	0.67%
S	1 500	1 493	200	3 193	0.74%
UK	1 500	3 593	200	5 293	1.67%
TOTAL	22 500	113 750	113 750	250 000	100.00%

3. Methodology for calculating the distribution of empty permits

Empty permits shall entitle empty or lightly loaded vehicles transiting Switzerland to lower infrastructure charges. Currently, there is a low charge for empty or lightly loaded vehicles to transit Switzerland, implying that there is no diversion of this type of traffic to Austria and France. Therefore, for the distribution of these permits only the current distribution of transit journeys through Switzerland by nationality of haulier shall be taken into consideration, as follows:

Member State	Proportion of total transit journeys through Switzerland
Belgium	6.69%
Denmark	1.25%
Germany	28.54%
Greece	2.80%
Spain	0.72%
France	4.87%
Ireland	0.09%
Italy	38.84%
Luxembourg	1.00%
Netherlands	10.44%
Austria	0.80%
Portugal	0.12%
Finland	0.38%
Sweden	0.25%
United Kingdom	3.21%

Source: 1994 Trilateral counting exercise F-CH-A.

4. Purpose of the Committee

It is recognised that there have been several assumptions made in the above-proposed distribution. This reflects the absence of detailed current statistics with regard to Alpine traffic flows by road.

The proposal therefore contains a Committee procedure. The purpose of the Committee will be to amend the tables of distribution (Annexes I and II) accordingly when detailed statistics on Alpine traffic flows by road of heavy goods vehicles become available after the Regulation is adopted according to the methodology as laid down in Annex III.

If such statistics become available before the Regulation is adopted, then the Commission can support appropriate amendments to the tables of distribution and the deletion of the Committee procedure from the Regulation.

5. Contents of the Proposal

Article 1 defines the content of the proposal and its field of application.

Article 2 sets definitions for the purpose of the proposal.

Articles 3, 4 and 5 lay down the system of distribution.

Article 6 concerns the traffic survey.

Article 7 concerns the establishment of a committee for amending the distribution of permits.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and, in particular, Article 75 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the Economic and Social Committee²,

Acting in accordance with the procedure laid down in Article 189c of the Treaty, in cooperation with the European Parliament³,

- (1) Whereas by Council Decision⁴ the European Community has concluded an Agreement with the Confederation of Switzerland on the transport of goods and passengers by rail and road;
- (2) Whereas that Agreement provides for a system of permits to allow heavy goods vehicles to circulate on Swiss territory with weights in excess of that normally permitted in that country;
- (3) Whereas that Agreement also provides for a system of permits for empty and light goods vehicles to circulate on Swiss territory at reduced charges;
- (4) Whereas it is necessary to establish rules governing the distribution and management of the permits which are made available to the Community;
- (5) Whereas for practical and management reasons, those permits should be made available to the Member States by the Commission;
- (6) Whereas, to that end, an allocation method should be established; whereas, thereafter, the Member States should share out the amounts allocated to them among undertakings in accordance with objective criteria;
- (7) Whereas, in order to ensure the optimal use of permits, all unallocated permits should be returned to the Commission for redistribution;
- (8) Whereas the allocation of permits should be based on criteria that take full account of existing transport flows across the Alpine region;

¹ OJ C

² OJ C

³ OJ C

⁴ OJ L

- (9) Whereas that allocation may have to be revised in the light of new statistical evidence; whereas in carrying out such revisions, the Commission shall be assisted by a Committee,

HAS ADOPTED THIS REGULATION:

Article 1

This Regulation lays down the rules for the distribution between the Member States of permits available to the Community by virtue of Articles 8 and 40(3)(b) of the Agreement between the European Community and the Confederation of Switzerland on the transport of goods and passengers by rail and road (hereinafter referred to as "the Agreement").

Article 2

For the purposes of this Regulation:

- (1) 'full-weight permit' shall mean a permit issued under Article 8 of the Agreement allowing goods vehicles to circulate on Swiss territory at weights up to a maximum of 40 tonnes;
- (2) 'empty permit' shall mean a permit issued under Article 40 of the Agreement allowing goods vehicles that are empty or are transporting light loads, as defined in Annex 11 to the Agreement, to circulate on Swiss territory at a special tariff, as laid down in Article 40 of the Agreement.

Article 3

1. The Commission shall allocate permits in accordance with paragraphs 2 to 5.
2. The full-weight permits shall be allocated in accordance with Annex I.
3. The empty permits shall be allocated in accordance with Annex II.
4. The permits for each year shall be allocated before 15 November of the preceding year.
5. The number of permits allocated for the first year of implementation of the Agreement shall be adjusted *pro rata* if the Agreement has entered into force after 1 January of that year.

Article 4

Member States shall distribute permits amongst the undertakings established in their territory according to objective and non-discriminatory criteria.

Article 5

Before 15 November each year, Member States shall transfer to the Commission those permits for that year which have not been allocated to undertakings.

The Commission shall allocate those permits in accordance with the procedure laid down in Article 7 to one or more Member States in order to ensure an optimal use of those permits

Article 6

The Commission shall carry out a detailed survey before 1 January 2000 in order to provide accurate statistics on bilateral and transit traffic flows of heavy goods vehicles in the Alpine region, notably as regards the origin and destination of the vehicles and their Member State of registration.

On the basis of the survey, the Commission shall recalculate the allocations in accordance with the methodology laid down in Annex III.

Should the recalculation result in an allocation for any Member State which differs from that set out in Annexes I and II by more than 5%, but by at least 500 permits, any amendments necessary to adapt Annexes I and II shall be adopted in accordance with the procedure laid down in Article 7.

Article 7

The Commission shall be assisted by a Committee composed of the representatives of the Member States and chaired by the representative of the Commission.

The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time-limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.

The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the Committee.

If the measures envisaged are not in accordance with the opinion of the Committee, or if no opinion is delivered, the Commission shall, without delay, submit to the Council a proposal relating to the measures to be taken. The Council shall act by a qualified majority.

If, on the expiry of a period of three months from the date of referral to the Council, the Council has not acted, the proposed measures shall be adopted by the Commission.

Article 8

This Regulation shall enter into force on the same day as the Agreement.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

ANNEX I

Scale for allocating full-weight permits

The quantity of full-weight permits as laid down in Article 8 of the Agreement shall be allocated by the Commission to the Member States as follows:

Member State	Full-weight permits available in years		
	2000	2001 and 2002	2003 and 2004
Belgium	16 609	19 930	26 571
Denmark	2 919	3 231	3 854
Germany	88 378	107 472	145 660
Greece	1 882	1 966	2 134
Spain	3 772	4 272	5 271
France	38 490	46 620	62 879
Ireland	1 963	2 065	2 269
Italy	50 349	61 085	82 557
Luxembourg	3 342	3 747	4 556
Netherlands	19 477	23 428	31 329
Austria	9 588	11 365	14 920
Portugal	1 710	1 756	1 848
Finland	3 035	3 372	4 047
Sweden	3 193	3 565	4 309
United Kingdom	5 293	6 127	7 795
Total:	250 000	300 000	400 000

Scale for allocating empty permits

The quantity of empty permits as laid down in Article 40 of and Annex 11 to the Agreement shall be allocated by the Commission to the Member States as follows:

Member State	Empty permits available annually
	2000-2004
Belgium	14 718
Denmark	2 750
Germany	62 788
Greece	6 160
Spain	1 584
France	10 714
Ireland	198
Italy	85 448
Luxembourg	2 200
Netherlands	22 968
Austria	1 760
Portugal	264
Finland	836
Sweden	550
United Kingdom	7 062
Total:	220 000

Methodology for determining the allocation of permits

The allocation of the permits shall take place on the basis of the following methodology:

Full-weight permits

A basic allocation of 1 500 permits will be made to each Member State.

The remaining permits will be allocated in equal parts on the basis of criteria relating to transit traffic and on the basis of criteria relating to bilateral traffic.

Bilateral traffic

The allocation will take place on the basis of the shares of heavy vehicles registered in the Member States in bilateral road transport to and from Switzerland.

Transit traffic

The allocation will take place on the basis of the shares of heavy vehicles registered in the Member States in the total number of diverted kilometres in North South trans-Alpine road traffic as a result of the current weight restrictions in Switzerland.

Diverted mileage will be calculated as the difference between the actual distance of trans-Alpine journeys and the shortest distance through Switzerland. The mileages through Switzerland will be adjusted to take into account border delays and road traffic conditions by means of an addition of 60 kilometres.

For those Member States where the above method leads to less than 200 permits, the allocation will be established at a level of 200 permits.

Empty permits

The empty permits will be allocated on the basis of the shares of vehicles registered in the Member States in the transit traffic through Switzerland of vehicles with a laden weight between 7.5 and 28 tonnes.

The figures in Annexes I and II are based on the above methodology, available statistics and a number of assumptions where no statistics were available. The available statistics and the assumptions will be replaced by the results of the survey when the Commission recalculates Annexes I and II.

Survey

The survey will generate the following data:

The origin and destination and the Member State of registration of the vehicle of a representative sample of trans-Alpine transit traffic by vehicles with a laden weight above 28 tonnes, via the Brenner and the Mt Blanc tunnel.

The origin and destination and the Member State of registration of the vehicle of a representative sample of bilateral traffic by vehicles with a laden weight between 7.5 and 28 tonnes with origin or destination in Switzerland.

The Member State of registration of the vehicle of a representative sample of transit traffic journeys by road through Switzerland of vehicles with a laden weight between 7.5 and 28 tonnes.

ISSN 0254-1475

COM(99) 35 final

DOCUMENTS

EN

07 11 06 02

Catalogue number : CB-CO-99-048-EN-C

Office for Official Publications of the European Communities

L-2985 Luxembourg