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Brussels, November 8, 1965
P-66/65

INFORMATION MEMO

Commission Amends Proposals on Goods Transport Market

The EEC Commission has submitted amended proposals on rate brackets for the goods transport market to the Council of Ministers in accordance with the Council's agreement of June 22, 1965 on the organization of the transport market.

Details of the amendments to the regulations proposed by the Commission on May 10, 1965 are now available.

The amendments provide for upper and lower limits for haulage rates between countries for a three-year period ending on January 1, 1970. Certain of these limits would be compulsory; others would serve as guidelines. In the subsequent three-year period, these rules would be extended to transport within countries. The system for the period after January 1, 1973 has not yet been worked out.

The accompanying Information Memo provides details on the Commission's amended proposals.

Common organization of the goods transport market
in the EEC

On 29 October the Commission submitted to the Council of Ministers amendments to its proposed Regulation of 10 May 1963 relating to the introduction of a system of rate brackets applicable to the transport of goods by rail, road and inland waterway.

The Commission has amended its original proposal in accordance with the Council's agreement of 22 June 1965 on the organization of the transport market. The amendments have been made under Article 149, second paragraph, of the Treaty which allows the Commission to amend a proposal as long as the Council has taken no decision on it. The Commission has also taken into account the opinions formulated by the European Parliament and the Economic and Social Committee.

The main points of the Council's agreement covered by the amended regulation are:

- (1) A system of upper and lower reference rates - published, but serving as a guide line only - alongside the compulsory rate brackets.
- (2) The setting up of the new tariff system in two stages each lasting three years; in the first stage the system will be limited to transport between the Member States; it will be extended to inland transport in the Member States only from 1 January 1970, which is the beginning of the second stage. The system to be applied from 1 January 1973 will be worked out in detail later by the Community authorities;
- (3) Publication of rates and conditions of transport applied outside the brackets;
- (4) The setting up of a Market Supervisory Committee;
- (5) The establishment of safeguard measures.

The Commission, however, did not confine itself to measures necessary to implement the system outlined in the Council's agreement. In order to make the new system as economically coherent

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as possible, the Commission has added further provisions on certain points on which the Council took no explicit decisions on 22 June 1965. It proposes:

- (a) A uniform 20% margin for all rates (that is 10% above and below the basic rate; it is open to the Council, however, to narrow this range for certain transport operations;
- (b) The possibility for the authorities in the Member States to fix temporary maximum or minimum rates, for transport subject to reference tariffs, where it is found that improper advantage is being taken of dominant positions or that there is uneconomic competition; this possibility must be understood as a transitional measure which must not prejudice steps to apply the Treaty rules on competition to transport;
- (c) In order to permit effective supervision of the market, the publication by bodies to be set up in the Member States of rates outside the limits of the compulsory and reference tariffs, and communication to the authorities of rates within the brackets for certain representative forms of transport, though these rates will not be published;
- (d) A Community procedure for the application of safeguard measures.

According to the Commission's amended proposal the goods transport market in the Community will be set up in two stages:

- (1) In the first three years, from 1 January 1967, a distinction will be made, in respect of intra-Community transport, between transport by inland waterway and transport by rail and road.
 - (i) Transport by inland waterway will be subject to non-compulsory reference bracket rates. Carriers may agree, in individual contracts, to rates outside the brackets, but in this case the national bodies responsible for the publication of rates must be informed.
 - (ii) Transport by rail and road will be subject to compulsory rate brackets. A carrier may, however, under the amended regulation, agree in individual contracts to rates outside the brackets, on condition that the bodies responsible for publication of rates are informed and that the rates are justified when requested by the authorities. The original 1963 proposal stipulated prior authorization.

During the first stage the Member States' present arrangements for inland transport will remain in force and cannot be amended by the Member States except to align them with the Community system.

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- (2) During the second stage, beginning on 1 January 1970, the system of goods transport by rail and road will be made more flexible in the important sphere of heavy goods. In order to align the conditions of competition between these two means of transport and the inland waterways the reference tariffs will be applied to heavy goods subject to certain conditions regarding tonnage.

In this connection the Commission has proposed a list of goods, annexed to the regulation, which includes: cereals; coal, lignite bricks, coke; petroleum and the main petroleum products; ores and scrap-iron; cast iron; iron and steel products and semi-products; copper and its alloys; sand; clay; certain types of slag; salt; iron pyrites; sulphur; stone; cement; crude phosphates; fertilizers; other basic chemical products.

The Commission proposes that the Market Supervision Committee be given a mainly advisory role in helping the Commission to apply the tariff system. Its field of activity is therefore quite distinct from that of the Consultative Committee on Transport set up under Article 83 of the Treaty.

The system also provides for the introduction of a safeguard clause allowing the Member States to take by Community procedure the necessary measures to counteract any serious disturbances caused by the new arrangements in a Member State's general economy or in its transport sector. Measures taken by one or more Member States by virtue of this safeguard clause must be communicated to the Commission. The latter must take a decision within four days if the difficulties are such as to compromise the economic stability of the State concerned. The time-limit is extended to 15 days if the disturbances are limited to transport and in this case the Market Supervision Committee must be consulted.

The Commission has proposed that measures to implement the tariff regulation should be adopted by the Council by qualified majority as provided for in Article 75. As these measures, however, are in general highly technical, the Commission considered it inappropriate to refer them first to the European Parliament and the Economic and Social Committee.

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