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Press Release

Commission opposes special rail tariffs in Saar.

The Commission has instituted the procedure for cases of infringement of the EEC Treaty in respect of the German Federal Railways' special tariffs to benefit the economy of the Saar. It regards these tariffs as support tariffs, which are prohibited by the Treaty. In previous consultations, the German Government had claimed that the German Federal Railways were protecting themselves against the projected construction of the Saar-Palatinate canal by means of "Als-ob Tarife" (tariffs against potential competition).

There are three main reasons why the Commission has been unable to accept the German view:

1. Measures instituting special charges to provide protection against a public construction scheme can only be recognized as "competitive tariffs" (Art. 80(3)) if they are justified for reasons connected with the transport economy. But the need for a Saar-Palatinate canal on these grounds is in fact denied by the very experts whom the German Government had itself commissioned to look into the matter.
2. Competition presupposes the existence of conflicting economic interests. In the case in question, however, the same legal entity, namely the German State, would not only take the fundamental investment decision but would also ultimately prescribe the protective tariff measures against its own decision.
3. That the German Federal Railways are threatened by competition from a Saar-Palatinate canal has not been proved: the German Government has not given adequate proof of its intention to build the canal. The economic advantages of such a canal project in itself are not apparent. Moreover, the necessary rate calculations which might provide evidence of the competitive danger from the canal are insufficient.

The Commission has had to assume that the special rates are designed to offset the disadvantages with which the Saar economy is faced by reason of the canalization of the Moselle. Under the EEC Treaty, such support measures are, however, only admissible if they are authorized by the Commission.

The German Government must now express its views on the Commission's note. The Commission has reserved its right to answer the German Government's statement with a "reasoned opinion", as provided for in the Treaty.

The procedure adopted by the Commission does not concern the special German tariffs in favour of ECSC goods.