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PRESS RELEASEProposal for a regulation on aids to transport firms

The EEC Commission has submitted to the Council a proposal for a regulation on aids granted to road, rail and inland-waterway transport firms.

On 13 May 1965 the Council adopted a decision on the harmonization of certain provisions affecting competition in the field of transport. At the same time it instructed the Commission to submit a proposal for the implementation of Article 77 of the Treaty, which declares that aids meeting the needs of transport co-ordination or constituting reimbursement for certain obligations inherent in the concept of public service are compatible with the Treaty.

The present proposal complies with this instruction and conforms to the Commission's ideas on the introduction of rules of competition for transport. It aims at eliminating existing distortions of competition in transport resulting from aids granted by the member countries, and at preventing future distortions.

In order to attain these objectives the Commission proposes two sets of measures. First, it defines the aids referred to in Article 77; second, it prohibits aids granted by the member countries which distort or threaten to distort competition even if they do not affect intra-Community trade. This prohibition has proved to be an indispensable means of guaranteeing implementation of the common transport policy. However, the Commission's proposal is not prejudicial to the joint rules and methods to be laid down for the financial adjustments arising out of the standardization of railway accounts and for offsetting charges resulting from public service obligations. The proposal provisionally exempts aids granted by local authorities to passenger transport undertakings.