

Report by the Commission of the EEC on the execution of the Treaty establishing the EEC, The common transport policy (July 1962)

Caption: In July 1962, the European Commission publishes a Report on the execution of the Treaty in which it describes the scope of the common transport policy as provided for by the EEC Treaty.

Source: The first stage of the Common Market: Report on the execution of the Treaty (January 1958-January 1962). Brussels: European Economic Community-Commission, 1962. 115 p.

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Report by the Commission of the EEC on the execution of the Treaty establishing the European Economic Community, *The common transport policy* (1962)

[...]

The common transport policy

51. The basic requirement of the Treaty in the transport sphere, as expressed in Articles 3, 74 and 75, is that the Community's institutions should work out a common policy. As the Treaty does not lay down the principles of such a policy with any precision, the Commission has as a start made a study of the general lines which should underlie a common transport policy and has submitted its conclusions for thorough examination in the Council, the European Parliament, the Economic and Social Committee and the circles directly concerned. On 10 April 1961 the Commission submitted to the Council a "Memorandum on the general lines of a common transport policy". This is an overall plan to attain, on the basis of the Treaty and in the light of economic requirements, the following three objectives:

- i) Elimination of any difficulties in the general implementation of the common market which might be due to transport;
- ii) Integration of transport throughout the Community;
- iii) Organization of the transport system in the Community.

The Memorandum deals in the first place with the economic and legal foundations of the common transport policy. It replies "Yes" to the question whether the general rules of the Treaty apply to transport and contains observations on the relevant provisions. It also raises the problem of the special situation of sea and air transport. Although the Commission feels that in principle these two forms of transport come under the provisions of the Treaty, they are not for the time being included in the programme for the implementation of a common transport policy because Articles 74 to 83 do not apply to them.

The Commission's economic and legal reflections on the three forms of inland transport have led to the conclusion that the common transport policy must in principle be based on competition between carriers. Nevertheless, account must be taken of the special aspects of transport, which require that the free play of competition be to some extent adapted to the particular conditions of the transport market.

In the Commission's view the three objectives of the common policy - implementation of the common market, integration of transport throughout the Community, and general organization of transport in the Community - must be attained on the basis of the following five principles:

1. Equality of treatment for all enterprises and forms of transport on the one hand and for users on the other (this being a fundamental principle governing the rest);
2. Financial independence of transport enterprises, which implies among other things that they shall carry their part of the burden of expenditure on infrastructure;
3. Freedom of action in the management of their affairs, a principle which applies in particular to the right of enterprises to compete on domestic and international markets, and to the formation of prices, which should be free up to a certain point;
4. Freedom of choice for the user as to the form of transport he wishes to employ, which implies the possibility of using transport on own account;
5. Co-ordination of investment, for which the institutions of the Community and the authorities of the Member States are to assume responsibility.

When the discussion of the Commission's memorandum in the Council has been completed, and the European Parliament and the Economic and Social Committee have issued their opinions⁽¹⁾, the Commission will make the necessary proposals for regulations or directives in the various fields covered by the common policy.

The aim of the consultations which the Commission is at present carrying on is not to seek prior agreement on the common transport policy as a whole. It will be possible to make proposals for decisions in certain fields even before all the discussions concerning other fields are concluded. The Council has already adopted on 28 November 1961 a decision under which any important provisions which the Member States intend to introduce on the national plane will be submitted for joint examination and consultation. In fact, this decision is the first measure taken to implement the common transport policy.

52. As the Commission is anxious that the common transport policy should not be rendered inoperative by an expansion in the use of pipelines which had not been considered from the angle of its effect on transport, it prepared a working document on this matter, which was submitted to the Council on 26 June 1961.

With the aid of the Governments of the Member States the Commission has put in hand a series of studies which will serve as background in drawing up the common policy; they cover matters such as the economic and statutory rules governing rail, road and inland waterways transport in the Member States, transport costs and the establishment of a uniform nomenclature to be used in statistics on the transport of merchandise. On this latter point the Commission addressed a recommendation to the Member States on 26 July 1961.

With the same aims in view the Commission has taken a number of special measures. It has considered the co-ordination of investment with a view to ensuring that the transport network should expand in step with the Common Market, and on 21 June 1960 it addressed to the six Governments recommendations on the introduction for each type of transport of a system of Community trunk routes. In the light of suggestions on this point from the Council of Ministers and the European Parliament the Commission, working in co-operation with experts from the various countries, prepared "supplementary recommendations" which were transmitted to the six Governments on 8 August 1961. The Commission has also put in hand the study of problems relating to the improvement of the regional infrastructure of transport. Lastly, it has taken up the problem of harmonizing the rules which apply in the various Member States to traffic, to the technical characteristics of road vehicles and to the rationalization and standardization of inland waterways transport.

53. In implementation of Article 79 (3) the Council, on 27 July 1960, adopted Regulation No. 11 on the abolition of discrimination in transport rates and conditions. This regulation prohibited with effect from 1 July 1961 any discrimination which consists in the application by a carrier, in respect of the same goods conveyed within the Community in the same circumstances, of transport rates and conditions which differ on the ground of the country of origin or destination of the goods carried.

On 22 June 1961 the Commission sent the Member States a recommendation concerning the application of Regulation No. 11 and an opinion on certain terms contained in Article 8 thereof.

With a view to the fact that Article 80, which concerns the prohibition of support rates, would come into force at the beginning of the second stage, the Commission has studied the interpretation and manner of application of this provision and, after consulting all the States concerned, has prepared a number of decisions to be taken in this field.

The Commission's staff have studied the factual situation in the matter of charges and dues collected for the crossing of frontiers with a view to preparing the recommendations which the Commission intends to make after consulting experts from the Member States.

The Committee of government experts set up on 6 December 1960 by the Council of Ministers on a proposal of the Commission to assist the latter in its studies of transport costs began work in March 1961. The Committee is examining the infrastructure costs which can be charged to the various types of transport and carrying out a comparative study of the actual burdens falling on individual undertakings and on the

different types of transport.

During the period under review the Commission asked the Consultative Committee on Transport for an opinion on certain problems arising from Article 79 (3), on freedom of establishment and on the application of Article 75 (1a and b) (transport for hire or reward, transport on own account, and admission of non-resident carriers to national transport services).

The Commission has also collaborated effectively with the High Authority of the ECSC, with the international organizations responsible for transport (Central Commission for the Navigation of the Rhine, European Conference of Ministers of Transport, United Nations Economic Commission for Europe) and the carriers' organizations.

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(1) These opinions were issued in February (Committee) and May (Parliament).