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cc Master

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Euro Council Meeting
Brussels pt 17.



MINISTER-PRESIDENT

PRIME MINISTER'S
PERSONAL MESSAGE
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The Hague, March 6, 1984

Dear Prime Minister,

With a view to the forthcoming meeting of the European Council on 19-20 March 1984, I should like to draw your attention once more to the Community's transport policy.

Recent events on Europe's roads have demonstrated yet again how important it is that early progress should be made on transport policy, which is a necessary component to the achievement of a free market within the Community. On various occasions the Netherlands have drawn the attention of the partners and the Commission to this matter and I should now like to do so again with increased emphasis.

I am fully aware that there are different interests at stake in national transportmarkets and that these interests are rooted in past developments. A joint policy for all categories of transport is, however, an essential component of the process of European integration market. Without free movement of transport for goods and people a genuine internal market does not exist.

The Netherlands Government notes with particular concern that whereas goods can generally cross frontiers without hindrance, the vehicles in which such goods are carried are still subject to bilateral quotas. The

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effects of such a quota system are similar to those of non-tariff barriers and as such contravene the spirit if not the letter of the EEC Treaty.

Such restrictions on freedom to provide services have in practice led to great inefficiency and serious reductions in the profitability of transport and the consumer has thus been forced to pay unnecessarily high prices for the goods carried. In this way, Europe is also weakening its competitive position unnecessarily in respect of third countries. Moreover, the quota system gives rise to discriminatory treatment of road haulage firms from various Member States.

The Netherlands Government expressed its concern in a Memorandum on European Transport Policy, which was presented to the EC Transport Council on 7 June 1983 and was also discussed at the Stuttgart meeting of the European Council.

In general the Memorandum was given a positive reception.

The Commission's proposal to abolish road transport quotas gradually over a period of five years now enjoys the support of a majority of Member States. It is alleged by those who oppose the immediate initiation of a gradual liberalisation however that the harmonisation of competitive conditions in transport (such as the weights and dimensions of commercial vehicles and the costs of road use) is not yet sufficiently advanced for liberalisation to take place. While the Netherlands have always supported measures to harmonise transport, it has opposed the view that such measures must necessarily accompany and precede liberalisation.

It is against this background that I intend to raise the question of transport at the forthcoming session of the European Council and to place the following draft conclusion before the Council:

"The European Council is of the opinion that transport policy constitutes an essential element in the complete establishment of the internal market. In view of this the Council notes that measures are required now to liberalise the transport market effectively within the Community. Inter alia, decisions should therefore be taken on the basis of Commission proposals with a view to phasing

out bilateral quotas for traffic between Member States within a period of five years by means of appropriate transitional measures. The European Council instructs the Council of Ministers of Transport to lay down an exact timetable and to decide appropriate transitional arrangements for this process before the end of 1984. The Council of Ministers of Transport should also take concrete decisions with regard to the harmonisation of competitive conditions in transport."

I am sure that Community rules can be devised for European transport policy which will be to the advantage of all parties concerned and will at the same time provide a considerable stimulus to goods traffic. In this respect I consider the European Commission's initiative regarding air transport and France's initiative with respect to transport by sea as positive steps.

Community rules should also be developed for other categories of transport.

Yours sincerely,



THE PRIME MINISTER

Drs R.F.M. Lubbers