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COMMISSION OF THE EUROPEAN COMMUNITIES

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Checks and formalities relating to intra-Community trade in goods

- Analysis and solutions -

(Communication from the Commission to the Council)

COM(84) 134 final

COMMUNICATION FROM THE COMMISSION TO THE COUNCILChecks and formalities relating to intra-Community trade in goods
Analysis and solutions

Recent events at various frontier-crossing points and on roads in Europe, particularly in the Alps, have shown that the abolition of checks and formalities at the borders within the Community is one of the most pressing issues of the moment. The presence on roads at some frontiers of queues of immobilized lorries tailing back for miles for several days certainly fired the imagination of people in Europe and focused the attention of the authorities on the urgent need to find solutions to the serious difficulties encountered at borders.

At its meeting in Copenhagen at the beginning of December 1982, the European Council declared that the abolition of frontiers was one of the main priorities of Community policy. Recent events have shown that it certainly ought to be. The people of Europe, whether lorry drivers, tourists or frontier workers, are no longer prepared to accept internal frontiers within the Community in their present form. More than 26 years after the establishment of the Community, it can no longer be maintained that border checks, which waste time and money and undermine the individual's sense of freedom, are compatible with the idea of European unity. Moreover, one of the commitments made by the Member States in Articles 2 and 3 of the Treaty was to promote closer relations between the Member States and to abolish obstacles to freedom of movement for persons, goods and services.

Recent events have shown that the Community authorities should waste no more time in putting into practice the European Council's guidelines. The time is now ripe for a bold move towards the total abolition of the Community's internal frontiers; this will require effective and wide-ranging action by the Council.

Apart from making a preliminary analysis of the situation (Part 1), the aim of this Communication is to give a summary, and a reminder, of the various proposals which the Commission has already prepared with the support of the European Parliament and the Economic and Social Committee which, if swiftly adopted by the Council, would ease considerably, and immediately, frontier checks and formalities relating to intra-Community trade in goods. The Commission therefore urges the Council to take a decision with delay on the proposals submitted to it, as listed in Items II to IV in Part 2 of this Communication.

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PART 1: ANALYSIS OF THE SITUATION AND THE DIFFICULTIES

I. FRONTIER CROSSING FORMALITIES FOR THE VARIOUS MEANS OF TRANSPORT

Because of its overall volume and the variety and mobility of the haulage units and the sum of the advantages and constraints attaching to road haulage, the latter is the most important of all the modes for the free movement of goods.

There are many and varied regulations governing the road haulage operation as such:

- (a) Road transport operations are more often than not subject to quotas when effected beyond the borders of the operator's country.
- (b) When a road haulage vehicle crosses a border it comes under a new set of regulations governing:
 - (i) technical compliance in respect of vehicle weight and dimensions;
 - (ii) taxation, particularly in respect of the quantity of fuel in the vehicle's tank.
- (c) In some Member States, a special fee is charged for the use of the road system.
- (d) A transport operation is the subject of inspections - which vary in intensity - regarding compliance with social regulations (driving and rest periods) and detailed statistical monitoring in the various countries.

This body of regulations gives rise to:

- (a) physical inspections of the vehicle, e.g. weighing the total weight, measuring the dimensions and gauging the fuel content;
- (b) checks on the basis of papers, and other formalities such as stamping transport authorizations, handing in statistical returns, payment of dues in cash in the currency of the country concerned, obtaining an international customs pass for temporary admission of the vehicle,

producing driving licences, vehicle licences and any other certificates showing that the vehicles concerned comply with certain technical requirements.

The place most frequently selected for these formalities and checks is the border, it usually being argued that vehicles have to stop there anyway for other purposes. Although it may be tempting on the fact of it to concentrate all the operations at one point this simply aggravates the frontier delays and bottlenecks. This is because a formality or check, however simple in itself, often causes problems which are out of all proportion, and which vary in intensity according to how swiftly or slowly the customs authorities act, especially if an irregularity is brought to light.

The situation varies considerably throughout the Community, some borders being easier to cross than others. Studies have shown that in 1982 road haulage vehicles were held up for an average of 80 minutes at the Community's internal frontiers; the cost of this is estimated at between 30 and 40 ECU per vehicle per hour.

These same studies also emphasized that in some cases - e.g. at Kiefersfelden on the Brenner Pass or the Mont-Blanc/Entrèves crossing-point for traffic to and from Italy - these bottlenecks often give rise to considerable difficulties. These are the busiest road crossing-points between the north and south of the European Community. In 1983, for example, 840 000 lorries crossed the Brenner Pass in one direction or the other, which works out at a daily average of 3 000 lorries. Another 440 000 lorries used the Mont-Blanc crossing-point that year.¹

Clearly therefore the solution is not to encourage the completion of checks and formalities at the frontier itself. While it is true that it would be difficult to carry out certain checks, e.g. gauging the quantity of fuel carried in fuel tanks, away from frontiers, checks on transport

¹ The 1983 figures for Padborg (at the frontier between Germany and Denmark) and Aachen (at the frontier between Germany and Belgium) were 640 000 and 960 000 lorries.

authorizations or on the weights and dimensions of vehicles, or on compliance with social regulations, on the other hand, could easily be carried out within the country, either at the place of destination or by making spot-checks en route.

II. "CUSTOMS" FORMALITIES RELATING TO INTRA-COMMUNITY TRADE IN GOODS

Fifteen years after the abolition of customs duties within the Community, goods still need "customs clearance" before they can be "imported". In spite of the fact that, since 1970, Community regulations have allowed these formalities (including those for "exporting" the goods from the country of departure) to be carried out inside the Member States concerned, it is still far too often the case that these formalities are completed at the border; this holds up the vehicle and often causes congestion.

1. Relocating formalities and inspections inside the Member States: Community transit

(a) Facilitation of trade

The Community transit system is in essence an elaborate scheme for cooperation between administration, allowing carriers to pass frontiers quickly and to complete the administrative formalities nearer to the exporter's or importer's base, as the case may be. It is now much less complicated

for exporters and importers to complete the administrative procedures at the place of departure and at the destination even if a number of formalities are still necessary, such as the use of T1 and T2 forms and the transit advice note and the lodging of guarantees to cover any duties and taxes due. Moreover, goods consignments under the Community transit procedure can cross the frontier even when the customs offices are closed.

(b) Frontier formalities - an unnecessary complication

To keep track of goods en route, a transit advice note must be lodged at the point of entry into the Member State concerned. This is the only frontier formality provided for under the Community transit procedure. This takes a matter of seconds, but the Commission has recently found that there are many frontiers where other formalities not required by Community legislation are added at the same time. Sometimes, for instance, consignments are registered twice; this entails yet more formalities such as taking in some of the transit papers, photocopying them if need be and, on top of it all, making out more returns containing particulars entered on the transit advice note and transit documents already or asking for details of the driver himself yet again. All this time vehicle and goods are at a standstill at the frontier, resulting in pointless and unjustified waits and tailbacks.

Another problem is that many lorries are not sealed before departure; this is contrary to the Community rules. Once they arrive at the Swiss or Austrian frontier¹ the Swiss or Austrian customs officials duly seal them as a matter of course, producing yet longer waits at the frontier.

¹ Austria and Switzerland have special agreements with the Community on the application of the rules on Community transit (see OJ L 294, 19.12.1972).

(c) Reasons for opting out of the facilities offered by the Community transit procedure

Despite the option offered by the Community transit system for the "customs clearance" of goods inside the countries concerned, the administrative formalities relating to intra-Community trade are still very often completed at the frontier. This seriously slows down the traffic flow at border crossing-points.

It is therefore worth trying to find out what makes operators decide to forgo the benefits and facilities of the Community transit procedure:

- (i) In the Member States, it is common practice to turn to agents, e.g. customs agents, who have a virtual monopoly for carrying out the "customs clearance" operations. By tradition these agents have set up their offices at the frontier and they therefore prefer to remain there and in some cases actually require all formalities to be completed at the border. The same thing tends to happen when a carrier decides on his own initiative to use a customs agent or some other agent.
- (ii) Often the business hours of customs offices at frontiers are longer than those at offices within the country.
- (iii) Where goods are grouped, or bound for different destinations within the same country, or where the final destination of the goods is not yet known, it seems preferable to carry out "customs clearance" formalities directly at the border.
- (iv) In some cases the Community transit procedure does not seem to be sufficiently attractive to convince operators to clear the goods inside the country. For example the frontier might well appear to be the simplest place to complete

the "export" and "import" formalities for traffic between neighbouring Member States since a guarantee has to be lodged in the event of a transit operation. What is more, it is left to the discretion of the national authorities to decide on the simplifications allowed at the place of departure and at the destination and some may be more restrictive than others. As a result the user is denied some of the advantages of the system and so he ignores the procedure altogether.

- (v) Finally, another factor which militates against the use of the Community transit procedure is that the vehicle has to pull up at the frontier in any case for a series of other compulsory inspections, none of them, strictly speaking, to do with "customs" (e.g. checks on the vehicle or veterinary examinations). In the circumstances it may seem so much more convenient to complete the "customs clearance" formalities at the frontier at the same time.

2. "Customs clearance"

The "customs clearance" procedure after a Community transit operation is the same whether it takes place inside the Member State, after the frontier crossing, or at the point of entry as the frontier is crossed. But the inconvenience of this complex procedure is felt far more acutely at the frontier which usually has much more limited facilities for vehicle stop-overs. By contrast, in certain cases "customs clearance" at the destination can literally mean clearing the goods on the consignee's own premises.

The raison d'être of the customs clearance procedure for goods from non-Community countries is to apply commercial policy measures, where appropriate, and to levy import duties. But in the case of intra-Community trade the "customs clearance" procedure is maintained chiefly for the purpose of collecting import taxes, and in particular VAT (and also to compile statistics), although some goods, and in particular agricultural produce, may also be liable to other taxes and charges under certain circumstances (e.g. excise duties, MCAs, etc.).

In cases such as these there seems to be no alternative to collecting the payments in the same way as customs duties, i.e. as part of the "customs formalities";¹ VAT, however, is charged at various stages in the flow of goods through the economy and, as such, need not necessarily be tied to customs clearance. Where the goods imported are liable to VAT, it should therefore be easy to calculate and collect the tax separately and to include it on the operator's regular tax returns.

Basically, it should be possible to carry out any checks on imported goods and to compile statistics on trade between Member States without resorting to "customs clearance"; in most cases, it should be possible to compile statistics from returns by importers (and by exporters in the country of departure). If inspection of goods are required, this could be done by making spot checks either at the destination or en route.

Countless forms have to be completed and submitted, and often different ones in some Member States than in others, in the course of "customs clearance" and its corollary the "export" procedure. The Commission knows of 70 different forms to cover trade between the Ten (though this is probably not all since it has not been able to conduct any systematic survey). Under the circumstances one can well imagine how often drivers are caught without all the papers they need (as a result of an oversight, confusion or ignorance of recent amendments to the legislation) when they come to cross the frontier and/or complete customs clearance formalities, with all the attendant inconvenience, delays and complications.

¹These specific charges should be examined in detail one by one.

3. Veterinary, public-health and plant-health checks

Sometimes "customs clearance" is combined with other veterinary, public-health and plant-health formalities and checks, involving examination of certificates and goods and the taking of samples for laboratory testing. These often cause lengthy delays, sometimes several days, as is borne out by complaints referred to the Commission.

The delays are often caused because of bad organization or because specialist staff are not available. For example, not all frontier crossing-points are authorized to carry out these inspections and this can result in long detours. Moreover, the times during which these inspections can be carried out are much more limited than the business hours of customs offices. Some countries and crossing-points have very few veterinary surgeons available.

However, the biggest problems are caused because in some Member States all consignments of agricultural products are inspected as a matter of course. This applies both to goods for which there is common organization of the market, e.g. beef, pork and poultry and goods for which there is no common market, e.g. milk, dairy products and lamb.

For products of the first type, Community regulations specify that the certificate issued by the authorities in the country of departure stating that the products meet public-health and veterinary requirements is all that must be checked. Only in suspicious cases should the goods themselves actually be checked. It seems unnecessary to require, as often happens, that the certificate be examined by a veterinary surgeon. Even in those sectors where there is still no harmonized legislation, Community law does not authorize systematic inspections of goods. Spot checks only should be made, although more stringent inspections are allowed where justified under Article 36 of the EEC Treaty.

III. PROBLEMS ARISING FROM INSPECTIONS RESOURCES AND PROCEDURES

(Staff, equipment, inspection areas, etc.)

The deficiencies in inspection resources and procedures are often criticized as being the main source of barriers to trade.

The Commission realizes that these problems must be evaluated in very different ways, in most cases in the light of particular situations or circumstances, whether they concern difficulties relating to the infrastructure of customs checking areas or resources for the checking of vehicles and goods, problems as regards staffing levels or working hours or problems concerning computerized equipment.

In this connection, we should not, however, be misled into believing that any progress in improving the situation as regards trade and facilitating freedom of movement must be sought of necessity and primarily in the improvement of inspection resources and procedures. Although steps in this direction should not be ruled out it must be clearly understood that the main thrust of any action must be to simplify the formalities and legal and/or administrative provisions which still to an excessive extent hinder the movement of goods and vehicles within the Community. Without exaggerating the risks, it is true to say that there is still a danger that, once technical solutions have been found to the problems of inspection resources and procedures, the interest in action to simplify formalities will decline and lose its momentum.

IV. BARRIERS ARISING FROM THE WAY IN WHICH ADMINISTRATIVE PROCEDURES ARE CARRIED OUT

Over and above this, the way in which customs procedures are carried out often has a particularly dissuasive effect and as a result, hinders trade between Member States, e.g. when:

- (a) frontier checks are carried out with more zeal than serves their purpose and possibly throw up barriers to intra-Community trade (systematic or excessively stringent checks, further checks on imported goods, even though similar checks have already been carried out in the Member State exporting the goods, etc.);
- (b) customs clearance procedures give rise to excessive problems, delays or expenses compared with normal procedure for these operations which are not justified by the objectives pursued such as proper administration, efficiency or full employment (limited number of entry points, reduced opening hours, etc.);
- (c) fees or other charges are levied on operations when "customs clearance" is carried out¹ (e.g. even in respect of "customs clearance" carried out during official business hours);
- (d) the penalties applied by the customs authorities are unjustified or out of all proportion to the offences detected (difference between an administrative error and a false declaration; e.g. the driver is turned back because he did not specify the frontier crossing-post in the language of the country of destination);
- (e) certain formalities, such as licences and the like, or administrative or technical stamps of approval, certificates or origin, etc. are required in intra-Community trade even though they are not authorized by Community law;
- (f) Member States fail to take suitable steps to mitigate the effects of behaviour which disrupts or hinders trade.

¹ It should be noted here that the Court of Justice recently gave a ruling regarding these charges or fees as taxes having equivalent effect to customs duties. The Court refused to accept these procedures as being services carried out for the benefit of operators for which a charge may justifiably be made (Cases 132 and 133/82, Commission versus Belgium and Luxembourg, not yet published).

PART 2: SOLUTIONS

The Commission is aware, in presenting its analysis of the difficulties encountered with regard to the movement of goods and means of transport within the Community, that it is not giving an absolutely full picture of all the different situations. In practice, circumstances may differ, sometimes considerably, from one Member State to another depending on the traffic link, the type of goods carried or the period under consideration.

It is important, nevertheless, to find solutions very quickly to all the very apparent difficulties, by making full use of or adapting measures already taken, by adopting without delay the measures to be proposed by the Commission and above all by enforcing the existing provisions to a much greater extent.

I. COMPLIANCE WITH COMMUNITY LAW

In view of the fact that very often frontier barriers are the result of poor enforcement of Community law, i.e. of regulations adopted or of the principles deriving directly from the Treaty, the Commission thinks that it is essential to improve compliance with the rules in force.

The Commission is determined to make greater use of all the means at its disposal to get rid of formalities and inspections which no longer serve a useful purpose or are not in conformity with Community law and whose effects are out of all proportion and discriminatory. In addition, it will take pains to ensure that commitments entered into pursuant to Community regulations are honoured in full.

The Commission will enforce Community law strictly so as to ensure that the rules concerning frontier formalities and inspections are applied in uniform fashion and in such a way as to create as few problems as possible for people crossing frontiers.

In this context, it is worth recalling the thinking of the Court of Justice on the legitimacy of frontier inspections and formalities:

For example, the Council has supported the banning of such formalities in stating that:

"apart from the exceptions for which provision is made by Community law itself, Articles 30 and 34 preclude the application to intra-Community trade of a national provision which requires, even as a pure formality, import or export licences or any similar procedure."¹

The Court has affirmed that frontier controls:

"remain justified only in so far as they are necessary either for the implementation of the exceptions to free movement referred to in Article 36 of the Treaty; or for the levying of internal taxation within the meaning of Article 95 of the Treaty when the crossing of the frontier may legitimately be assimilated to the situation which, in the case of domestic goods, gives rise to the levying of the tax; or for transit control; or finally when they are essential in order to obtain reasonably complete and accurate information on movement of goods within the Community. These residuary controls must nevertheless be reduced as far as possible so that trade between Member States can take place in conditions as close as possible to those prevalent on a domestic market".²

¹Joined Cases 51 to 54/71 International Fruit Company / 1971/ ECR 1107.
²Case 159/78 Commission v Italy / 1979/ ECR 3247.

The Court has also stated that:

"in general terms any administrative or penal measure which goes beyond what is strictly necessary for the purposes of enabling the importing Member States to obtain reasonably complete and accurate information on the movement of goods falling within specific measures of commercial policy must be regarded as a measure having an effect equivalent to a quantitative restriction prohibited by the Treaty".¹

Lastly, the Court has stated that:

"the authorities of the importing State are not entitled unnecessarily to require technical or chemical analyses or laboratory tests when the same analyses or tests have already been carried out in another Member State and their results are available to those authorities or may at their request be placed at their disposal."²

Viewed in the light of the principles deriving directly from the Treaty, recent events have certainly increased awareness that the manner in which administrative duties at frontiers are often performed may seriously affect the basic principle underlying the Community, namely the free movement of goods between Member States.

¹ Case 41/76 Donckerwolcke / 1976 / ECR 1938
Case 52/77 Cayrol / 1977 / ECR 2280.

² Case 203/80 Casati / 1981 / ECR 2595.
Case 272/80 Biologische Producten / 1981 / ECR 3277.

In addition, recent events clearly underline the need for the Commission to strengthen cooperation with the Member States in order to make it easier for them to fulfil their obligations under the Treaty, in accordance with Article 5.

To this end, the Commission proposes to send authorized officials (on a more regular basis than hitherto and after informing the national authorities) to local customs services and the other administrations concerned in the Member States, to make sure that intra-Community trade is functioning properly at the frontiers.

These visits should make it possible in particular:

- (a) to detect any divergence in the practical application of Community rules;
- (b) where appropriate, to make any adjustments to existing Community rules that are necessary in order to remedy any difficulties of this kind;
- (c) to examine in conjunction with the authorities concerned in the Member States possible ways of making practical improvements at frontier posts, if such improvements are needed.

II. MEASURES CONCERNING THE MOVEMENT OF GOODS

1. Community transit

The Community transit system already entails considerable simplifications and hence constitutes a sort of "charter" for freedom of movement. However, procedures have been simplified much more extensively for the carriage of goods by rail than for the carriage of goods by road. In order to put this situation to rights, the Commission will make every effort to ensure with regard to the carriage of goods by road under the Community transit system:

- (a) that national authorities comply strictly with some of the most basic principles of the rules in question, namely that inspections and sealing have to be carried out on departure so that they do not have to be carried out, or even repeated, at the border;
- (b) that formalities and inspections going beyond what is provided for in the rules are eliminated without delay.

The Commission will also step up its efforts to ensure that simplified procedures on departure and on arrival are available to a much wider circle of users in order to make these procedures more attractive.

In addition, the Commission would point out that (in order to simplify the Community transit procedure) it proposed, back in 1975, that provision should be made for exempting from the guarantee provisions those consignments of goods which are not subject to tax other than VAT or which are covered by other guarantees against fraud. On the same lines, the Commission has also proposed that measures should be taken which would make it possible to abolish the requirement to lodge a transit advice note (OJ No C 204 of 6 September 1975). This proposal was replaced in 1979 by another with the same objective (OJ No C 241 of 26 September 1979). It should be noted that these proposals are modelled on simplified procedures which have been applied in the Benelux countries for many years.

The Commission considers that the Council should resume its examination of these two proposals and take a decision on them as soon as possible. If these proposals were adopted the Community transit system would be much more attractive for operators and frontier crossing would be made much easier.

2. Indirect taxation

The present disparities between VAT rates and between the rates for other taxes on consumption within the Community is undoubtedly the biggest obstacle to freer trade in goods. Harmonization (or at least a significant approximation) of the various rates should make it possible in theory to do away altogether with the "customs clearance" procedure in intra-Community trade. It is for this reason, among others, that the discussions about the harmonization of VAT rates are so important and that they should be resumed as soon as possible.

Meanwhile, the Commission would emphasize the importance of its proposal for a Fourteenth Directive on VAT (OJ No C 203 of 6 August 1982) and the urgent need, which was expressly recognized by the European Council meeting in Copenhagen in December 1982, for rapid adoption of this proposal.

Formalities would be considerably simplified if the proposed measures were implemented. All import formalities would be carried out at the importer's premises, and the importer himself would calculate the tax due in respect of the imported goods and would deduct it immediately in his periodic return. Under this procedure, no import tax would be paid to any customs office and the "customs clearance" procedure would therefore be less burdensome. Such arrangements are in fact already in force in the Benelux countries and the United Kingdom and they operate to the great satisfaction of operators and, as a general rule, the authorities.

However, it should be noted that the United Kingdom Government recently decided to abandon this system and to reintroduce as from 1 October 1984 the traditional "customs clearance" procedure on the grounds that the present system gives importers an advantage over local producers to the extent that it is not in force in all the Community countries. The United Kingdom Government has said that it would be prepared to reverse its decision if the Fourteenth Directive is adopted.

In view of this unfortunate development and the fact that the Internal Market Council of 8 March 1984 made no tangible progress with regard to the proposal for a Fourteenth Directive, the Commission urgently appeals to the Council to take a decision on this proposal in the first half of this year.

3. Single document

In this connection, the Commission would once again emphasize the urgent need, which was recognized by the Copenhagen European Council, for early adoption of its proposals concerning the introduction of a single administrative document for intra-Community trade (OJ No C 203 of 6 August 1982, OJ No C 71 of 16 March 1983 and OJ No C 21 of 26 January 1983).

This document is intended to replace all the various administrative documents currently required to accompany goods as they circulate within the Community. In addition, it will make it possible to reduce the amount of information, including statistical information, required in intra-Community trade and facilitate the computerization of the administrative procedures in the Member States and the interlinking thereof.

It should be recalled that the Internal Market Council of 25 November 1983 adopted a list setting out the information which may be required, and that at its meeting on 8 March 1984 the Council confirmed the objective of reaching a final decision on the introduction of the single document in the first half of the year. In this connection, it said that there was broad agreement on the objective and the general conditions concerning the computerization of administrative procedures.

4. Veterinary, public-health and plant-health checks

It is important here to bear in mind the distinction between trade in products which are the subject of harmonized rules at Community level and trade in those in respect of which harmonization has not yet been achieved.

In the harmonized sector, in which the principle is that only checking of the document certifying conformity with the requirements of the harmonization directives is allowed, it is the Commission's responsibility to satisfy itself that this rule is being rigorously applied. In addition, the Member States should allow the certificate simply to be checked by a customs official, who need not necessarily be a specialist in this field, instead of systematically calling on the services of a veterinary surgeon.

In the non-harmonized sector, two avenues of approach should be pursued:

On the one hand, the Commission will carefully examine the behaviour of the inspection authorities so as to put an end to the practice of systematic physical checks employed in certain Member States.

Since trade in products which are not the subject of harmonized rules is subject only to the rules of Article 30 et seq. of the Treaty, as a general rule only spot checking is allowed where these products are concerned.

On the other, the Commission wishes to emphasize the urgent need for the Council to adopt the 32 Commission proposals concerning veterinary, public-health and plant-health provisions before it - some of which were submitted a very long time ago. In this connection, reference should be made to the Commission's Communication to the Council on the establishment of a timetable for measures concerning animal health, plant health and feedingstuffs (COM(83)673 final of 17 November 1983), which sets out

priorities so as to put an end to the delay in harmonizing national laws. In this way, solutions can be found to the inspection problems still affecting trade in meat (residues, hormones, microbiological inspection, and minced meat), milk, eggs and certain live animals (e.g. horses). Rules on pesticide residues, too, will be harmonized. Finally, amendment of the rules on plant-health inspections should make it possible to reduce the effect of such inspections on trade.

5. Monetary compensatory amounts

It should also be recalled that the introduction of monetary compensatory amounts by Regulation (EEC) No 974/71 of 12 May 1971 resubjected certain agricultural products to formalities which had lapsed shortly before with the abolition of customs duties during the transition period. The gradual phasing-out of monetary compensatory amounts constitutes an important step towards freer movement for these goods.

III. MEASURES CONCERNING TRANSPORT

1. Directive 83/643/EEC on the facilitation of inspections and formalities

The Council Directive of 1 December 1983¹ seeks to facilitate physical inspections and administrative formalities in respect of the carriage of goods between Member States. It covers both the means of transport and the goods carried. Once it is implemented it will have a favourable effect on the flow of traffic across the Community's internal frontiers.

¹OJ No L 359 of 22 December 1983.

The main principles it introduces are as follows:

- (i) As far as possible, the various inspections and formalities should be centralized in one place.
- (ii) Systematic inspections should be discontinued.
- (iii) The inspections carried out and the documents drawn up by the competent authorities of another Member State which show that the goods comply with the requirements of the Member State of import or transit should be recognized.
- (iv) There should be more bilateral cooperation between the various services responsible for inspections and formalities.
- (v) The major frontier posts should remain open:
 - (a) 24 hours a day for vehicles travelling unladen or in transit
 - (b) during an uninterrupted period of at least 10 hours a day from Monday to Friday and 6 hours a day on Saturday for other vehicles.
- (vi) Business hours and staff available should be tailored to traffic requirements.
- (vii) Express lanes should be established for vehicles travelling unladen or carrying goods under a customs transit procedure.

According to the Directive, this system will apply as from 1 January 1985. However, it allows a two-year derogation from the implementation of the provision regarding extending the business hours of customs offices from 6 to 10 hours a day. Four Member States (France, Greece, Ireland and Luxembourg) originally made use of this derogation clause for different reasons.

At the Internal Market Council of 8 March 1984, France formally renounced this option while the Greek, Italian and Luxembourg delegations stated that they were prepared to review their positions. At the Transport Council of 22 March 1984, the delegations said they intended to implement the provisions concerning longer business hours as from 1 January 1985 at least at the major frontier crossing-points in their respective countries.

The Commission considers that in the light of recent events it is difficult to justify delays in the implementation of the measures in question. In fact, the Commission hopes that the Member States will even endeavour to implement the directive ahead of schedule.

2. Duty-free fuel

Another measure, which is an important first step - but only a first step - towards speeding up the flow of traffic is the directive which increased the minimum quantity of fuel contained in the fuel tanks of commercial motor vehicles which is admitted duty-free from 50 to 200 litres¹ as from 1 July 1984. Although, as a result of this directive, the authorities in the countries which maintain the 200 litre limit are expected to make their inspections more flexible by making spot-checks only, these inspections can only be abolished altogether if the duty-free limit is raised to the size of a normal tank.

This is the aim of a new Commission proposal,² which if adopted would make frontier crossing considerably easier.

¹Directive 83/127/EEC (OJ No L 91 of 9 April 1983).
²COM(84)171 final of 20 March 1984.

The objective is (a) to discontinue the practice of gauging the contents of fuel tanks, which is at present carried out by means of spot checking on arrival in a Member State which limits the duty-free allowance, and (b) to dispense with the form which drivers at present have to fill in when leaving or entering the Member States in question.

The Transport Council of 22 March 1984 held an initial exchange of views on this proposal and expressed the desire to facilitate frontier crossing in this respect. The Permanent Representatives Committee has been instructed to continue the examination of this matter.

3. Infrastructure

In addition, the Commission considers that significant improvements in transport infrastructure at various frontier crossing-points are needed. A framework for action by the Community in this area would be created if the proposal on support for transport infrastructure projects of Community interest, which the Commission submitted to the Council in 1976,¹ was adopted. Pending this, the Commission recently proposed that the Council immediately take urgent measures to ensure a smoother flow of traffic on certain frontier sections.² The Commission proposes to allocate 30 million ECU for such projects from the funds available for financial support in the 1983 and 1984 budgets.

In this respect, the Transport Council of 22 March 1984 expressed its intention of financing frontier infrastructure (in the Alpine region in particular) from the 1983 and 1984 budgets. It instructed the Permanent Representatives Committee to continue its deliberations so as to enable the Council to take a decision at its meeting on 10 May 1984.

¹OJ No C 207 of 2 September 1976.

²COM(84)172 final of 20 March 1984.

4. Other

Mention should also be made of a number of Commission proposals before the Council which, in one way or another, would bring about additional improvements if adopted:

- (a) The proposal for a Council Directive on the weights and certain other characteristics (not including dimensions) of road vehicles used for the carriage of goods (OJ C 16, 18 January 1979).
- (b) The proposal for a Council Regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States which seeks to abolish the journey record sheet accompanying Community authorizations, upon the introduction of the 'single document' (COM(84)109).
- (c) The proposal for a Council Directive amending Council Directive 65/269/EEC concerning the standardization of certain rules relating to authorizations for the carriage of goods by road between Member States which seeks to abolish the journey record sheet accompanying the bilateral authorizations subject to quota, upon the introduction of the 'single document' (COM(84)110).

IV. NEGOTIATIONS WITH NON-MEMBER COUNTRIES OF TRANSIT

In order to ensure that all the above measures (whether already in force or in the pipeline) are as effective as possible in the final analysis, it will be necessary to negotiate similar measures in most cases with certain non-member countries of transit which are of particular importance where the Community is concerned, and especially Austria, Switzerland and Yugoslavia. In this way, the Community and the non-member countries in question could make a contribution to more effective harmonization in Europe with regard to the simplification of inspections and formalities when goods cross frontiers, by concluding bilateral agreements which, as provided for in the international convention on the harmonization of goods controls at frontiers, go further than the convention.

The Commission will examine this important matter in greater detail and will submit appropriate recommendations to the Council.