



UNION OF ROAD TRANSPORT ASSOCIATIONS IN THE BLACK SEA ECONOMIC COOPERATION REGION
(BSEC-URTA)

DOC/GA10/ECMT.1/06

Istanbul, 30 October 2006

TENTH MEETING OF THE BSEC-URTA GENERAL ASSEMBLY

Marmara Antalya Hotel, Antalya - TURKEY
Friday, 24 November 2006, at 09:00 hrs

THE ECMT MULTILATERAL QUOTA SYSTEM PERSPECTIVES FOR THE BSEC COUNTRIES, 2007-2010

(Information Paper compiled and prepared by the BSEC-URTA International Secretariat)

The system of multilateral ECMT licences was institutionalized in 1973 and was seen as a first step towards transport liberalisation on the wider scale of Conference member countries.

Today, as a consequence of enlargement of the European Union, the geographical scope of application of the ECMT multilateral licences has been automatically reduced and restricted to transport between EU Member States and external countries located on its eastern borders on the other, or between those external countries.

1. Current situation of the ECMT Multilateral Quota System.

A Special Advisory Group to the ECMT Council of the Ministers presented a Report to the Ministerial Meeting in Moscow on 24 May 2005 on "International Road Freight Transport in Europe - Market Access and the Future of the Licence System"

Followings are proposed, by the Advisory Group, to be realized but in a balanced manner:

- a) the gradual increase in the quota of multilateral licences, which will replace bilateral licences, so that by 2020 the liberalisation of international transport would be complete, with quantitative restrictions to market access being eliminated at that date.
- b) the strengthening of safeguards through progress in the following fields:
 - enforcement and penalties, by giving the ECMT a stronger role in these fields;
 - harmonisation of competitive conditions, in particular by imposing specific requirements for vehicles, staff and firms eligible for multilateral licences;
 - compliance with the intended purpose of multilateral licences in order to prevent them from being used primarily to engage in "cabotage" across the European Union, by limiting the number of trips that licence-holders can make between third countries;
 - distribution of the quota amongst ECMT Member countries, based on the needs and actual use of the received licences.

These conclusions of the Advisory Group Report to the Meeting of the ECMT Ministers of Transport in Moscow on 25 May 2005 (CEMT/CM(2005)16) are based on two convictions:

- It is not possible, given the economic and political context in Europe, to maintain constraints as stringent as those that result when road transport is organised primarily on the basis of bilateral licences. Moving towards liberalisation is both necessary and inevitable. This can be achieved by gradually increasing the number of multilateral licences to be substituted for bilateral ones,
- Countries fearing that this liberalisation will take the form of unbridled competition and will unduly jeopardise the interests of their carriers must be given assurances that the "rules of the game", which for that matter can be strengthened, will be complied with.

The Ministerial Meeting in Moscow in May 2005 decided on the Reforming of the Multilateral Quota System under a new criteria system.

The Ministerial Meeting held in Dublin on 17-18 May adopted the new allocation criteria as proposed by the ECMT Group on Road Transport; which will be implemented as of 1 January 2007.

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The below table presents the Basic Quota for the ECMT countries as of 1 January 2007:-

CEMT/CM(2006)11/FINAL

Table 1. Calculation of Basic Quota based on the Weighted Average of Rankings

	Weighted average	Ranks		Old*	Quota	
		Old	New		New	Adjusted**
Russian Federation	5.9	3	1	234	259	299
Germany	8.8	1	1	342	259	286
Turkey	9.5	7	2	141	234	250
Italy	9.6	11	2	67	67	67
France	11.6	2	2	288	234	252
Poland	12.1	5	2	153	234	153
United Kingdom	12.8	6	3	149	208	149
Spain	13.0	6	3	149	208	149
Ukraine	13.6	9	3	141	208	208
Romania***	14.4	7	3	141	208	208
Austria	15.9	12	3	16	16	16
Netherlands	15.9	3	3	234	208	208
Czech Republic	16.6	7	4	141	183	141
Greece	18.0	6	4	149	149	149
Sweden	18.2	5	4	153	183	153
Hungary	18.9	7	4	141	183	141
Belarus	19.1	7	4	141	183	183
Belgium	19.2	4	4	171	183	171
Finland	20.6	6	5	149	157	149
Bulgaria***	20.7	7	5	141	157	157
Switzerland	20.9	8	5	135	157	135
Slovak Republic	21.0	9	5	128	157	128
Croatia***	21.4	9	5	128	157	157
Lithuania	22.3	9	5	128	157	128
Serbia & Montenegro	23.9	10	6	120	132	132
Latvia	24.4	9	6	128	132	128
Ireland	24.5	7	6	141	132	132
Norway	24.7	6	6	149	132	132
Denmark	25.0	7	6	141	132	132
Slovenia	25.6	9	6	128	132	128
Portugal	25.7	7	6	141	132	132
Azerbaijan	26.1	10	7	120	106	120
Estonia	26.5	9	7	128	106	128
Moldova	27.0	9	7	128	106	128
Bosnia Herzegovina	29.2	10	7	120	81	120
Georgia	30.8	10	8	120	81	120
FYR Macedonia	30.8	9	8	128	81	128
Albania	32.5	9	8	128	55	128
Luxemburg	34.6	10	9	120	55	55
Armenia	35.3	10	9	120	55	120
Malta	37.1	10	10	120	30	30
Liechtenstein	39.4	10	10	120	30	30
					6060	6060

* - Basic Quota as at 1 January 2004

** - Adjusted according to five steps described in CEMT/CS/TR(2006)1/REV1 and ADD1, and above

*** - To be adjusted back after joining EU

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The Ministerial Meeting in Dublin didn't take any decision on the conversion factors and bonuses and powered the ECMT Group on Road Transport to consider and take a decision in its meeting in June 2006.

The ECMT Group on Road Transport in Paris on 26 June 2006 debated on the bonuses and conversion factors to be applied to the basic quota for 2007 and adopted a compromise solution, which could be seen in the following table:

Vehicle category	2006		2007	
	multipliers		multipliers	
	Conversation rates	bonus	Conversation rates	bonus
EURO 0				
EURO I (green)	2		1	
EURO II (greener)	4	20%	2	
EURO III (greener and safe)	6	40%	6	40%
EURO IV	6	50% (40 + 10)	6	50%
EURO V	Possibility to use EURO IV licences for EURO V vehicles			

Also the Group decided that its mandate should be extended in addition to the quota to passenger transport, social and other issues of relevance for the road transport industry Europe wide.

After the meeting, a group of EU Members States, namely France, Germany, Spain, Belgium and Luxembourg (the "6") have contested its outcome, arguing that the group should deal only with quota matters and the bonuses and multipliers should be changed according to their proposal resulting an overall decrease of the ECMT quota by 35%. The counterproposal was coupled with a corresponding reservation in the event of their proposal not being accepted.

The Meeting of the ECMT Group on Road Transport met in Chisinau on 21-22 September 2006, the main debate being on the reform of the conversation rates and bonuses applicable within the ECMT multilateral quota of freight transport licences as proposed by the ECMT Secretariat and by the counterproposal of the "6" (F, D, ES, B, L and CH).

The last compromise proposal put on the table by the "6" (F, D, ES, B, L and CH) during the debate, amounting to a 4 % decrease of the quota in 2007 and lower conversation rates and bonuses for the period 2007-2010 is given in a table below (see the next page).

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Categories of vehicles	2007		2008		2009		2010	
	Conv. rates	bonus	Conv. rates	bonus	Conv. rates	bonus	Conv. rates	bonus
EURO I (green)	1		1					
EURO II (greener)	2		2		1		1	
EURO III (greener and safe)	6	20%	4	20%	2	10%	2	
EURO IV	6	40%	6	40%	6	20%	4	10%
EURO V			6	40%	6	40%	6	20%

The group was close to a consensus, based on the above compromise proposal of the “6”, whereby those opposing it, were ready to accept the proposal of the “6” for 2007, but they requested further discussions on the conversation rates and bonuses proposed by the “6” for 2008-2010.

In the end, the group was not able to reach an agreement, the decision on conversation rates and bonuses being reported for the next meeting on 16 November 2006, in Paris.

As far as the Mandate of the Group is concerned, due to the lack of time the issue was postponed for the meeting in November.

Based on the position of the “6” as is comprised in the above table, the BSEC-URTA International Secretariat has made calculations on the influence of the proposal on the number of licenses which will be issued for the BSEC countries in the coming years, considering the actual composition of the national fleets, the results being enlisted in the following tables:



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FORESEEN DISTRIBUTION of ECMT LICENCES DURING 2007- 2010, as REQUESTED BY B, D, E, F, CH, and L in the MEETING of the ECMT GROUP ON ROAD TRANSPORT, CHISINAU on 21 September 2006

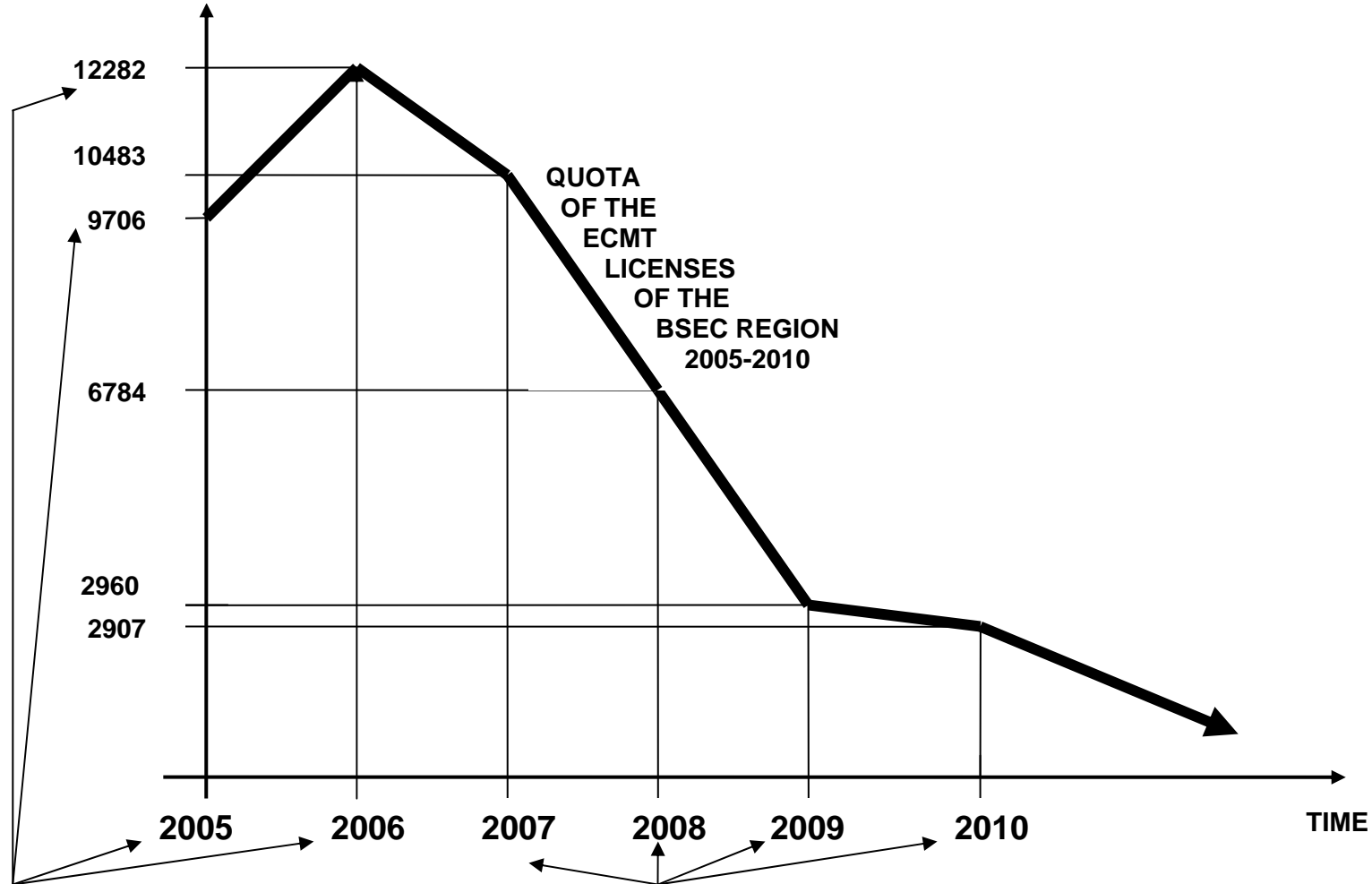
	2007					2008					2009					2010				
	E1	E2	E3	E4	Total	E1	E2	E3	E4	Total	E1	E2	E3	E4	Total	E1	E2	E3	E4	Total
Albania	40	44	4	-	88	40	44	1	-	85	-	22	1	-	23	-	22	1	-	23
Armenia	0	8	10	-	18	-	8	7	-	15	-	4	4	-	8	-	4	4	-	8
Azerbaijan	45	146	14	-	205	45	146	10	-	201	-	73	5	-	78	-	73	5	-	78
Bulgaria	-	-	1130	-	1130	-	-	677	-	677	-	-	338	-	338	-	-	282	-	282
Georgia	-	125	129	-	254	-	125	86	-	211	-	63	43	-	106	-	63	39	-	102
Greece	5	36	39	-	80	5	36	39	-	80	-	18	39	-	57	-	18	39	-	57
Moldova	-	-	900	25	925	-	-	600	25	625	-	-	300	20	320	-	-	270	14	284
Romania	-	-	1498	-	1498	-	-	677	-	677	-	-	338	-	338	-	-	310	-	310
Russia	-	-	2124	34	2158	-	-	1416	34	1450	-	-	649	29	678	-	-	590	18	608
Serbia	-	-	959	-	959	-	-	636	-	636	-	-	290	-	290	-	-	264	-	264
Turkey	-	50	1620	-	1670	-	50	1080	-	1130	-	25	495	-	520	-	25	450	-	475
Ukraine	-	-	1498	-	1498	-	-	999	-	999	-	-	458	-	458	-	-	416	-	416
Total BSEC	90	409	9925	59	10483	90	409	6228	59	6784	-	205	2960	49	2960	-	205	2670	32	2907

COMPARISON BETWEEN DISTRIBUTION OF ECMT LICENCES BEFORE AND AFTER THE REFORM OF THE ECMT QUOTA SYSTEM DECIDED BY THE COUNCIL OF MINISTERS IN MOSCOW, MAY 2005

	2005	2006	06 / 05 %	2007	07 / 06 %	2008	08 / 06 %	2009	09 / 06 %	2010	10 / 06 %
Albania	313	349	111.50	88	25.21	85	24.35	23	6.59	23	6.59
Armenia	342	454	132.75	18	3.96	15	3.30	8	1.76	8	1.76
Azerbaijan	473	473	100.00	205	43.34	201	42.49	78	16.49	78	16.49
Bulgaria	1111	1295	116.56	1130	87.26	677	52.28	338	26.10	282	21.77
Georgia	821	783	95.37	254	32.44	211	26.95	106	13.54	102	13.03
Greece	149	149	100.00	80	53.69	80	53.69	57	38.25	57	38.25
Moldova	723	740	102.35	925	125.00	625	84.46	320	43.24	284	38.38
Romania	1212	1789	147.61	1498	83.73	677	37.84	338	18.89	310	17.33
Russia	1904	2234	117.33	2124	95.07	1450	64.91	678	30.35	608	27.22
Serbia	732	918	125.41	959	104.47	636	69.28	290	31.59	264	28.76
Turkey	985	1662	168.73	1670	100.48	1080	64.98	520	31.28	475	28.58
Ukraine	941	1436	152.60	1498	104.32	999	69.57	458	31.89	416	28.97
Total BSEC	9706	12282	126.54	10483	85.35	6784	55.24	2960	24.10	2907	23.67

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NUMBER OF LICENSES



QUOTA
OF THE
ECMT
LICENSES
OF THE
BSEC REGION
2005-2010

ECMT COUNCIL OF MINISTERS,
MOSCOW, MAY 2005
REFORM OF QUOTA SYSTEM

FORSEEN DISTRIBUTION OF ECMT LICENSES AS RESULT
OF THE POSITION OF B, D, E, F, CH and L



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2. Development of a BSEC Regional Quota System based on the ECMT Model

The Ninth Meeting of the BSEC-URTA General Assembly in Istanbul on 11 May 2006 brainstormed about technical and political possibilities for the interested BSEC Member States to introduce additional quota within the framework of the ECMT Multilateral Quota System, to each other and on a voluntary basis;

In this regard, a Working Party was established composed of representatives from AIRCU, AITA, ARTRI and UND with the task of preparing a strategy framework document for the BSEC-URTA in the above framework, whose work should be coordinated by the BSEC-URTA International Secretariat and guided by the BSEC-URTA President.

In addition, taken note of importance of the subject, the BSEC-URTA President assigned the BSEC-URTA Vice-President Mr. Vladimir Florea as the Project Coordinator, who has been guiding the activities of the BSEC-URTA International Secretariat, accordingly.

The BSEC-URTA Working Party met in Istanbul on 12 June 2006 and drafted proposals to the Member Associations on the concerned strategy framework (REP/WP04/GA10/06).

According to the feedbacks from the Member Associations as well as remarks of the Project Coordinator, the International Secretariat elaborated a Draft BSEC-URTA Proposal on Development of the ECMT Quota System in the BSEC Region (DOC/GA10/ECMT.2/06) for consideration of the ECMT and the BSEC, which was also approved by the BSEC-URTA President.

This document was disseminated to the BSEC-URTA Member Associations and presented to the information of the IRU and the ECMT Secretariats.

In coordination with the ECMT Secretariat and the IRU, the Project Coordinator, Mr. Vladimir Florea has informed the Meeting of the ECMT Group on Road Transport, in Chisinau on 21 September 2006, on the initiative of the BSEC-URTA to establish a regional quota system based on the model of the ECMT but valid only in the BSEC region.

On the other hand, in July 2006, upon invitation of the BSEC PERMIS, the BSEC-URTA International Secretariat prepared for consideration of the BSEC Working Group on Transport, a Draft Timetable for Implementation of the BSEC MoU on Facilitation of Road Transport of Goods, whose Article 3 has the title: "Progressive Liberalization of International Road Transport of Goods".

In this context and as another step to bring this idea of developing a regional multilateral quota system in the BSEC region, to the consideration of the BSEC Member States, the BSEC-URTA International Secretariat included in its Draft Timetable as a specific Objective 3 the following title: "*Develop a regional multilateral quota system within the framework of the ECMT and in partnership with the ECMT Secretariat, aiming at full liberalization of the international road transport of goods by the BSEC hauliers, within the BSEC region, gradually.*"

This Proposal as part of whole Draft Timetable is expected to be discussed thoroughly at the next Meeting of the BSEC Working Group on Transport, which will be held in Antalya, Turkey, on 23-24 November 2006.

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