Access to the international road haulage market. Recast

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In accordance with Regulation (EC) No 1072/2009 on access to the international road haulage market, the Commission presents a report on the state of the Union road transport market.

The report contains:

- **an analysis of the market situation**, including an evaluation of the effectiveness of controls and the evolution of employment conditions in the profession ;
- **an assessment on whether harmonisation** of the rules of enforcement and road user charges, as well as social and safety legislation, **has progressed** to such an extent that the **further opening of domestic road transport markets, including cabotage**, could be envisaged.

Market situation: the main developments affecting the road haulage market since the adoption of Regulation (EC) No 1072/2009 consist of overarching trends such as the economic crisis and the successive enlargements of the EU.

The report makes the following points:

- although the sector appeared to be slowly recovering from the economic crisis until 2011, **transport volumes have since dropped again**, following developments in the rest of the economy ;
- other major trends that had been present before the economic crisis continue to play a significant part in defining transport movements, such as the **growing role of freight forwarders and third party logistics providers** in consolidating loads and in contractual relations with hauliers ;
- the adoption of the 2009 road package has contributed to providing hauliers and enforcers with common standards and criteria for access to the occupation and to the international road haulage market. However, **certain provisions of Regulation (EC) No 1072/2009 are difficult to apply,** in particular those relating to stable establishment of road haulage undertakings and to cabotage;
- **the shortage of drivers** is mitigated by the crisis but remains a source of concern, particularly for specialised drivers. In the future, this will create new demands for drivers and qualifications, including within an ageing workforce.
- **working conditions remain difficult** in the road haulage sector, while contractual relations remain marked by high levels of self-employment ;
- with a **decreasing pool of available drivers**, companies must reduce high levels of empty running in order to make better use of their staff.

Under these conditions, the Commission considers that improved efficiency of the road haulage sector will contribute to the competitiveness of the EU economy as a whole.

Convergence of market indicators

Gradual cost convergence: Member States have different cost structures in the road haulage sector. Whilst it is unlikely that cost differences will disappear entirely, **the gap has been constantly narrowing:** (i) hauliers involved in international transport are exposed to costs such as road charging and fuel costs, which are applied to users regardless of the Member

State of registration; (ii) the participation of drivers in international transport operations, in which remunerations are traditionally higher, has led to an increase in wage levels particularly in those Member States that joined the EU in 2004 and 2007.

The gradual convergence of cost levels compels hauliers to compete on efficiency and quality of services, benefitting transport users throughout the EU economy. However, it is not a competence of the EU nor is it an aim of the Single Market to equalise costs.

Legislative developments: these are leading to further harmonisation of the framework conditions in the road haulage sector. This includes the increasing use of road charging systems, additional technical harmonisation and enhanced safety of road transport vehicles, and increased cooperation between EU Member States in tackling traffic offenses.

These developments limit the risk for road safety that an increase in competitive pressure could create, notably in the case of further market opening.

The Commission considers that there is some **scope for further harmonisation in enforcement of the provisions on access to the road haulage market**, which continue to diverge between Member States. In particular, the provisions on cabotage in Regulation (EC) No 1072/2009 and on stable and effective establishment in Regulation (EC) No 1071/2009 do not appear to be applied in a uniform way. Addressing such shortcomings will help to limit unlawful out-flagging, which negatively affects competition and working conditions.

Next steps: the Commission suggests:

- considering **a further reform** to clarify the provisions on access to the EU road haulage market. Clearer rules would provide the basis for an enhanced culture of compliance and limit the possibilities for fraud (both in the fiscal or social sphere);

- **review restrictions on the operation of cabotage**, as domestic markets account for around two thirds of all road transport volumes moved. Gradually removing these restrictions could contribute to reducing the administrative burden that the current complex unclear rules create. In addition, this would allow a more efficient matching of transport offer and demand as this could lead to a reduction of empty runs, and would play a part in increasing the sector's economic and fuel efficiency;

- **design measures aiming at restoring the attractiveness of the profession and improving the working environment of drivers**. This includes measures on enforcement, control and mitigation of fiscal and social fraud, as well as improved training levels and skills.

Lastly, whenever the current and envisaged instruments and measures mentioned in the report involve the **processing of personal data**, this must be done in compliance with Directive 95/46/EC on the protection of personal data and the national provisions implementing it.