Department for
Transport

EUROPEAN COMMISSION CONSULTATION PAPER "REVISION OF THE COMMUNITY LEGISLATION ON THE ACCESS TO THE ROAD TRANSPORT MARKET AND ON THE ADMISSION TO THE OCCUPATION OF ROAD TRANSPORT OPERATOR"

UK GOVERNMENT RESPONSE

Introduction

The UK welcomes the Commission's decision to undertake this consultation and, in particular, the opportunity to comment concurrently on potential changes to legislation on cabotage and access to the market - two issues which, for us, are very closely linked.

The UK's overarching approach to market access is to support liberalisation and the opening up of markets across Europe. In the road transport sector, this desire is tempered by concerns about the impact on road safety - which we have a key target to improve - arising from the increased presence of non-UK drivers and vehicles. Evidence[1] collected by our enforcement agency, VOSA, shows that non-UK drivers stopped at the roadside are considerably more likely to have committed drivers' hours or working time offences than their UK counterparts - with a prohibition rate of 25.1% compared to 8.18% for UK HGV drivers. There is also a difference in the roadworthiness of vehicles - with a goods vehicle roadworthiness prohibition rate of 30.5% for non-UK vehicles (and a trailer roadworthiness prohibition rate of 42.7% for non-UK vehicles), compared to 24.59% for UK vehicles (and 30.0% for UK trailers).

Our understanding is that this difference reflects the comparative effectiveness of enforcement of community licenses and authorisations in the UK, compared to other member states. Standards of compliance with regulations are a key factor in assessing the good repute of an operator holding a licence in the UK. If the UK Government were confident that similar standards were being applied in other Member States, the UK would, for example, be more able to support any future proposals to liberalise the cabotage regime.

In the absence of any guarantee of equal enforcement measures, UK hauliers would be disadvantaged by any relaxation of cabotage arrangements and the UK would have to oppose such proposals.

The detailed responses to the Commission's questions - provided below - reflect this position. They are also informed by the importance which the UK Government attaches to reducing administrative and regulatory burdens placed upon business, and in particular the small and medium-sized enterprises who make up a large part of the HGV and PSV sector. We are keen that new

[1] based on checks made between April 2005 and March 2006

legislative burdens should only be introduced where there is no alternative and that opportunities to clarify and simplify legislative requirements should be taken. In the context of this consultation we would wish to see the Commission taking opportunities to improve the effectiveness of existing requirements (for example by improving enforcement by Member States or through the sharing of data at an EU-wide level) before considering options that would place further burdens on HGV and PSV operators.

PART A - ACCESS TO THE MARKET

Question 1 - Is the merging of goods transport and passenger transport a real simplification? Which option is the preferred one?

Answer – Option 2 is preferred. We agree that the legislative provisions referred to in 1.2 of the consultation paper concerning international transport and cabotage should be merged. This will make regulation easier for industry to follow and understand - and for enforcers to implement effectively. We have a strong preference for maintaining separate legislative requirements for goods and passenger transport - given the different natures of the markets (in particular in relation to the extent and nature of cabotage operations). But we recognise that there are also areas of commonality between the sectors and would suggest that proposals for the two sectors be proposed and negotiated in parallel.

Question 2 - Should local services be covered by regulation 684/92 or should they be excluded, either from the regulation or from the authorisation regime?

Answer - Many local cross border services are presently authorised as international bus services under 684/92, but are essentially "local" bus services which often provide a vital link to those living in rural areas. In the UK these will be exclusively operations between Northern Ireland and the Republic of Ireland.

We would favour excluding journeys from the EC authorisation regime if they travel within 50 km of the border of another state from that where the vehicle is registered. This will avoid unnecessary administrative burden. In a UK context, services between Northern Ireland and the Republic of Ireland would be still be subject to regulation by the local authorities of the areas concerned, but this would be outside the scope of EC Regulation

Question 3 –Should higher qualitative requirements be imposed on hauliers/carriers engaged in certain types of road transport? If so, which ones?

Answer - We have dealt with this in our answers to Part B of this paper concerning 'Access to the Occupation'. The main points are that the GB

licensing system contains specific conditions requiring effective systems to ensure that vehicles are maintained in a roadworthy condition and that road transport regulations (e.g. drivers hours, overloading) are complied with. These requirements predate the EU requirements for access to the profession and have proved effective in improving road safety. We would like to see similar requirements adopted throughout the EU.

We also see a need to clarify the objectives of the financial standing requirement and then to consider how these can best be achieved (see answer to question 1 in Part 2 of this response).

Question 4. Should Member States be required to verify whether the haulier/operator still satisfies the conditions for maintaining the licence at shorter intervals on a regular basis?

We agree that there is a place for verifying whether some operators still satisfy the requirements to hold a Community authorisation/licence on a more regular basis, but these should be targeted checks based on enforcers' view of the risk - rather than random or blanket checks.

This already happens in the UK, with Traffic Commissioners (who award and can revoke licences and authorisations in Great Britain) receiving intelligence from VOSA (the UK enforcement agency) about operators which are not conforming to the requirements. We attach at *Annex A* a document from VOSA which provides details about their continuous targeted enforcement checks - which gives each operator a "red", "amber" or "green" rating (known as the "Operator Compliance Risk Score"). These ratings are used both to inform Traffic Commissioners and to identify vehicles at roadside checks. This presents a good overview of how this aspect of UK enforcement works in practice. We would welcome the Commission's support for the establishment of similar systems in other Member States - which would offer the opportunity to exchange information about the operators which pose the most significant risks.

We would also like to draw your attention to our answer to question 21 on "access to the market" where we propose tightening existing rules in cases where the holder of a Community Authorisation issued by one country commits serious or repeated offences in another country.

Question 5 – Should the validity of the Community licence be reduced to a shorter period of validity than 5 years? If so, to how many years should it be reduced?

Based on our experience the validity of the Community Authorisation/Licence should remain five years. We see no reason why a new burden need be created, when effective enforcement of existing requirements - as in the UK - has been proven to deliver significant benefits.

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Question 6 – Should the Regulation provide more detailed specifications for certified copies, i.e. standardize them in order to avoid confusion during an inspection? If so, what specifications or new (security) features should be introduced? Could a gradual shift to an on-line registry of the issued Community licences be envisaged?

In principle, the online registry of Community authorisations/licences is welcome - provided the information is available to enforcement officers at the roadside. However, this may be more of a long term solution due to the technical and legal practicality of having such a large database covering at least 25 member states.

An interim step - to prove the concept and technology and deliver benefits more quickly - might be to require Member States to identify and share information about particular operators. This would also allow enforcers in all Member States to target checks on vehicles likely to be most at risk and increase the likelihood of any withdrawal of a Community authorisation/licence being identified at the roadside. We suggest that Member States be asked to supply information about:

i) operators whose authorisations/licences has been withdrawn. Roadside enforcers would then be able to ascertain whether any operator stopped was no longer in procession of a valid Community authorisation or licence; and

ii) operators holding Community authorisations/licenses which the Member State has identified as being most at risk of non-compliance (e.g. those with a "red" rating in the UK).

It would be possible to initially require just the information at i) and then to add the requirement for information at ii) at a later stage. We would also like to see the eventual establishment of an on-line database which would link the vehicles an operator used to their Community licence/authorisation. Such a system is already in place in the UK and enables enforcers to be able to identify validity from vehicle registration number, thus facilitating easy roadside confirmation of entitlement and eventually facilitating identification by roadside cameras (automatic number plate recognition - ANPR). It is possible that Tachonet provides an example of how this might be done.

It seems reasonable to have a standardised format of the certified copy of the Community authorisation or licence. We have no strong views on what security features should be included, although the date of expiry should be clear. The numbering system should also be standardised to enable Member States to share databases of operators by a common identifier – ie CA number. There are clear benefits to the Community Authorisation including the vehicle

identifier, particularly in positively confirming who the operator is and that the CA is genuine.

Question 7 - Should the driver attestation be made more uniform across the Community? Should the format of the current paper based document be changed? Should it gradually be made electronically readable?

Answer - The UK does not presently issue Driver Attestations. However, it would be useful from an enforcement point of view if they were electronically readable. It is essential that any initiative to standardise the attestation is not cost prohibitive.

Over the longer term it might be useful to look at the potential for incorporating this information with other data that can be electronically stored - for instance the digital tachograph smartcard.

Question 8 – Should the current maximum period of validity of 5 years be shortened?

Answer - No. This poses the same points as question 5. Access to an EU database would be useful.

Question 9 – Are stakeholders of the opinion that the obligation to hold a driver attestation should be extended to drivers who are EU nationals?

Answer - No. The narrative in the consultation paper revealed no support for this. An EU driver needs only his driving licence and documentation entitling him to drive the vehicle. Importantly, the UK does not issue Driver Attestations so this would see this as an unnecessary administrative burden.

Question 10 - Should the control documents for occasional services be harmonised and the specifications be made as detailed as possible to avoid confusion during an inspection?

Answer - Yes. We consider that harmonisation of control documents for occasional services would aid enforcement.

Question 11 - What is the stakeholders' opinion on the use of a uniform, Communitywide journey form in goods transport by road replacing the variety of national documents?

Answer - The UK's position on this issue is closely influenced by the extent to which it would impose additional burdens on hauliers. We would not wish to

support this if it were to increase the administrative burden on hauliers because of the industry's many 'just in time' journeys. In that case the journey form would be subject to too many alterations by the driver so enforcement would be difficult. But we may consider it as potentially justified if one new form replaced all the current myriad of forms issued in each member state so there would be a net reduction in the administrative burden on hauliers.

As far as cabotage is concerned, we consider that the present forms, such as the CMR form, carried by hauliers provide similar information.

Question 12 - Should the authorisation regime for international regular passenger services be maintained, simplified or abolished?

Answer - We presented our views in the Communication from the European Commission in 2004 on the operation and prospects of the "Community framework for passenger transport by coach and bus". In principle we welcome the concept of further liberalisation of international services. However, the market conditions that prevail in the international passenger transport sector are quite different to those found in the road haulage sector, which has been fully liberalised for many years. So any proposals to liberalise international regular services will need to be examined closely in order to ensure that due account has been taken of road safety and enforcement considerations, as well as possible economic impact on those currently providing international regular services.

Question 13 - Provided that stakeholders are in favour of maintaining the current authorisation regime, is it feasible for national administrations to apply a shorter authorisation processing periods?

Answer - Yes. The present regulatory period for issuing an authorisation is 2 months, plus up to 10 weeks for the Commission to make a decision in the event of an appeal. This should be shortened.

Question 14 - Provided that stakeholders are in favour of maintaining the current authorisation regime, are these appeals processes clear and effective?

Answer - The UK has no experience of an appeal, and is therefore not well-placed to comment on this question.

Question 15 - Provided that stakeholders are in favour of maintaining the current authorisation regime, are there other aspects of the regulatory regime which could be changed to simplify the administrative procedures or to otherwise improve the functioning of the authorisation regime by focusing it e.g. on safety and social requirements compliance?

Answer - In our experience some countries do not appear to appreciate that if the UK responds to them within the statutory 2 month period with any concerns, they must reply to these concerns and issue the requested amendments or documents for our approval before they issue their authorisations. It seems that they wait for the 2 month period to lapse and issue the authorisations regardless. The legislation should be made clearer to avoid this misunderstanding.

Question 16 - Should urban and suburban cabotage operations in the course of international services be authorized? Under which conditions?

Answer - The current exclusion of urban and suburban services from the operations that are allowed under the passenger transport cabotage rules helps to clarify those rules and should be retained (except, perhaps, where such operations arise following local cross-border services - see our answer to question 2 above). However, there are few circumstances where genuine passenger transport cabotage operations (i.e. as an ad-hoc, temporary, adjunct to a loaded international journey) are likely to be viable in the UK.

Question 17 - Do stakeholders perceive the varying rules as a problem? Do stakeholders consider that a clearer and more precise definition of road cabotage would be useful?

Answer - The current cabotage rules, contained in Regulation 3118/93, are compromised by a lack of clarity about what is meant by *"on a temporary basis"*. This lack of clarity in the underlying legislation means that any national interpretation of the rules is open to challenge. It has also led to a multitude of different interpretations of the rules which is both confusing and, potentially, obstructive for road hauliers.

We support, in order to create greater clarity for the industry, moves to provide a clearer and more precise definition of road cabotage. However, in addition to clarity and precision, it is important that the rules are:-

- easily enforceable in practice and
- do not place any additional administrative burdens road hauliers.

Question 18 - What are the stakeholders' views on these approaches? What alternatives could be proposed for a clear and easily enforceable definition of road cabotage?

Answer - The UK is concerned that example 1 would create, through the requirement for a logbook, a significant administrative burden for hauliers, drivers and national authorities. It would also appear that it would allow a "non-resident carrier" to become a domestic haulier for two periods of one month per annum. Indeed, since the limits would, surely, be per vehicle, a "non-resident

haulier" could, effectively become a *de facto* domestic haulier by rotating vehicles every couple of months. We consider that such an approach would not necessarily facilitate the optimum use of vehicles and drivers on existing international journeys - which we see as one of the primary benefits of the cabotage rules.

We prefer example 2, specifically:-

- cabotage can only take place following a loaded international journey,
- only a limited number of cabotage operations are allowed after such a journey, and,
- the vehicle in question must leave the host Member state's territory within a fixed period.

As noted in the consultation document, this approach would avoid additional administrative burden and should be enforceable. It would also discourage empty journeys and encourage the efficient use of vehicles

In addition:-

- as noted in our response to Question 21 below, we would like to see a legislative provision that enables a Member State to temporarily or permanently withdrawn its recognition of a foreign haulier's Community Authorisation in the event of serious or repeated infringements of Community or national legislation by that foreign haulier. Amongst other things, this would enable a Member State to prevent a particular foreign haulier from engaging in cabotage if, say, it believed that the foreign haulier constituted a serious road safety risk (for instance because of repeated roadworthiness or drivers' hours offences),
- we suggest that the Commission considers the potential for using tachograph records (collated for enforcement of the EU drivers' hours rule) to assist in the enforcement of cabotage rules,
- we would wish the definition to be clear that cabotage operations must not be permanent, frequent, regular or continuous, but must be entirely *ad hoc*, casual and circumstantial, and at infrequent intervals. A copy of a draft statement - including these requirements - which the UK intends to make shortly is attached at *Annex B.*

Question 19 - Which areas should be added to the list or deleted from the list contained in Art. 6 (1) of Regulation 3118/93?

Answer - As it stands, Article 6(1) makes no mention of compliance with road traffic laws such as local road charging, speed limits, parking restrictions, etc. However, Article 8(2) effectively requires compliance with any community or national transport legislation, so an addition to Article 6(1) might not be necessary. However, whilst the existing Regulation 3118/93 requires compliance with the requirements outlined in Article 6(1), it does not specifically empower host Member states to take action against "non-resident carriers" that

breach any of these requirements. At face value, this looks inconsistent with Article 8 which empowers Member States to take action where Community of national legislation is infringed. Perhaps, in the interests of clarity, the provisions of Articles 6 and 8 could be combined (but see also our answer to question 21 below).

Question 20 - What is the stakeholders' experience with the application of Directive 96/71 to cabotage transport operations? What is their opinion on exempting cabotage operations from the scope of that Directive provided that cabotage is limited to a period shorter than one month?

Answer - The UK transposed Directive 96/71 by amending domestic legislation and did not adopt the derogation to exempt posted workers for up to one month. Therefore all cabotage operations are included in the scope of the Posting of Workers Directive. We would like this situation to continue.

Question 21 - Are there any other issues regarding the market access in road transport that stakeholders would like to raise? The Commission services are particularly interested in any proposal for augmenting the quality standards and optimisation of road transport operations while avoiding any additional administrative cost.

Answer - Existing rules can be ineffective where, say, the holder of a community Authorisation issued by one country commits serious or repeated offences in another country.

By way of illustration - with reference to existing legislation:-

- Article 8(3) in Regulation 881/92 enables a Member State to temporarily or partially suspend a Community Authorisation that it has issued in the event of serious or repeated infringements of carriage regulations by the Community Authorisation holder, and,
- Article 8(3) in Regulation 3118/93 enables an individual Member State to penalise a "non-resident carrier" (i.e. caboteur) who infringes community or national transport legislation whilst engaged in cabotage on that Member state's territory. The penalties allowed include a temporary ban on cabotage.

These provisions are potentially useful, but could be tightened-up. If, for example,

- a haulier with a Community Authorisation issued by Member State A repeatedly infringes Community or national legislation when operating in Member State B, but,
- does not infringe Community or national legislation when operating in Member State A,

it can be very difficult for Member State A to justify suspending or withdrawing the haulier's Community Authorisation. The UK has had recent experience of another Member State being unable to take action in such circumstances.

At the very least, it can be time consuming for Member State A to make a case for withdrawal or suspension in cases where infringements are committed abroad. Any road safety risks associated with such infringements are, of course, exacerbated by any delay in dealing with errant Community Authorisation holders.

We would suggest that the separate provisions contained in Article 8(3) in 881/92 and Article 8(3) of 3118/93 should be combined in any legislative proposals prepared following this consultation. For example, we would like to see a resulting provision which stipulated that, on a non-discriminatory basis:-

- the Member State that issued a Community Authorisation could suspend or withdraw it in the event of serious or repeated infringements of Community transport legislation or national transport legislation in any Member State, and,
- any individual Member State could (temporarily or permanently) withdrawn its recognition of the Community Authorisation of a foreign haulier in the event of serious or repeated infringements of Community or national legislation in that Member State by that foreign haulier.

Taking the scenario outline above, this approach would avoid the problems faced by Member State A by placing the onus on Member State B to justify suspension or withdrawal with reference to specific offences committed on Member State B's territory.

PART B - ADMISSION TO THE OCCUPATION

Question 1 - Is there a need, and for what reasons, for higher minimum standards for admission to the occupation? If so, should they apply to all road transport professions or only to certain categories? Which ones?

Answer - We consider the existing professional competence and good repute minimum standards to be adequate. But there is a need to improve consistency of applying and enforcing those standards.

We see a need to clarify the objectives of the financial standing requirement and then to consider how these can best be achieved. The minimum objective should be to ensure that a business is viable for at least the medium term and will have the resources to ensure the continued safe operation of its vehicle fleet. It is questionable whether a requirement to have a fixed amount of money on a particular date wherever the operator is based in the EU is the best way of achieving this.

If standards were to be increased then they should generally only apply to new entrants and that existing operators could continue to operate under existing standards (so called "grandfather rights"). An exception may be appropriate to allow for the revaluation of any financial criteria to reflect inflation or exchange rates against the euro.

The paper raises the issue of only applying new higher standards to international licence holders and leaving operators on a national or local basis unchanged. We see little justification for encouraging two standards which may cause confusion. International licence holders already require an international CPC rather than the more limited national one.

Question 2 - Should criteria other than good repute, financial standing and professional competence be included? If so, what should they be? For example, should criteria which prevent 'letter-box' companies from engaging in the occupation be included? If yes, how?

Answer - The GB licensing system contains specific conditions requiring effective systems to ensure that vehicles are maintained in a roadworthy condition and that road transport regulations (e.g. drivers hours, overloading) are complied with. These requirements predate the EU requirements for access to the profession and have proved effective in improving road safety. We would like to see similar requirements adopted throughout the EU.

Until Community legislation is enforced consistently, there will be an incentive to "flag out" operations and set up "letter box companies" wherever admission to the occupation is easier or enforcement is less rigorous.

Various measures proposed elsewhere in this response should help to deter such "letter box companies", in particular:

- a tightening up of the cabotage regime as proposed in our answers to Part A, questions 16 to 20, and,
- our proposal in answer to Part A, question 21.

However, we would also like to see stricter standards for admission to the occupation in order to further deter "letter box companies". For example, we propose a requirement that hauliers must:-

- have a genuine, substantive, operational base/depot in their country of establishment, and,

- be controlled on a day to day basis from an office in their country of establishment.

Question 3 - What exemptions and dispensations could be abolished?

Answer - We would prefer to keep the flexibility to allow exemptions from our national licensing system which are currently provided by the Directive.

Question 4. Do the requirements for admission to the occupation need to be checked more frequently? If so, should all or only some of them be checked? Which option do you prefer? If you prefer option A, what frequency do you propose?

Answer - Article 6 of the Directive says: "Member states shall ensure that the competent authorities check regularly and at least every five years that undertakings still fulfil the requirements of good repute, financial standing and professional competence".

Our legislation allows the Traffic Commissioner (TC) to implement checks at any time. In order to comply with the Directive the three criteria are checked every five years as an administrative arrangement. More frequent checks are made if TCs have reasons to doubt continued compliance. These should be targeted and based on risk, in line with the principles in the new Enforcement Directive 2006/22. We do not support more frequent checks for all operators as this involves unnecessary burdens on operators and enforcement agencies. A more flexible approach is to be preferred focusing on those operators where non-compliance is more likely.

Question 5. Is it called for that Community legislation prevents that an undertaking which has been disqualified establishes in another Member State? If yes, what should the solution be? (See also question 10).

Answer - In principle there is merit in the proposal but there are many practical difficulties. Directors or owners of a disqualified company may simply set up a new company, front men may be used and it may be difficult to identify who really is controlling a company. A register of disqualified operators would not in itself enable enforcement agencies to detect such practices. More detailed investigation would be required.

We see merit in improving information exchanges between enforcement agencies (see Q11). Under our legislation if a TC was aware that an operator (or those controlling it) had lost a licence in another member state the circumstances would be investigated and taken into account when deciding whether to grant or continue a licence.

Our legislation distinguishes between revocation of a licence and disqualification from holding a licence. If a licence is revoked operations under that licence must cease. But any other licences held in other areas continue in force and the operator can apply for a new licence straight away. If the problems which led to revocation are resolved a TC will normally grant a new licence. If an operator (or any director of an operator) is disqualified from

holding a licence then all existing licences cease to have effect and the person or persons concerned cannot apply for a new licence. Disqualification may be for a fixed period or indefinitely and is usually reserved for serious non-compliance.

Question 6. Are there any administrative burdens associated with measures considered useful in this questionnaire that could be alleviated or abandoned? If so, by what means could that be achieved?

Answer- It is inevitable that a requirement to apply for a licence and demonstrate that the criteria are met will involve an administrative burden. However, we are currently proposing administrative changes which are intended to minimise the burden involved while ensuring effective compliance.

Question 7 - Should it be required that, to be deemed to be of good repute and granted admission to the occupation, an applicant must not have committed any repeat offences?

Answer - Under our legislation TCs have a discretion to take repeat offences into account. Each case is considered on its merits. We consider that repeated minor offences may be a clearer indicator of an operator's attitude to compliance with the law and / or the effectiveness of their management than the commission of isolated serious offences.

Question 8 - Should the definitions of serious offences which constitute a barrier to admission to the profession be harmonised at European level?

Answer - We see problems in harmonising a definition of "serious" offences given differences in legal systems and levels of penalties. Automatic disqualification for breaches of a specified number of serious offences could be arbitrary and unfair. We consider the competent authority should assess each case on its merits.

Question 9. Should European legislation include a list of persons to whom the requirement of good repute applies? If your answer is yes, should the list include categories other than managers, directors and persons who have interests in the undertaking?

Answer - Our legislation provides that the behaviour of a number of categories of persons connected with an undertaking can be taken into account. We consider this to be essential to deal with the practices described in response to Q5. If other member states do not follow this approach there may be merit in making it a requirement.

Therefore we consider it important that the list of persons to whom good repute applies should include managers, shareholders and other persons who are in control of the undertaking.

Question 10 - Should the licensing authorities be given easier access to information about judgments and penalties which bar an operator from being granted admission to the occupation?

Answer - We consider this to be essential. Convictions for offences outside the road transport sector are also relevant.

Question 11 - Is the current information exchange system on infringements and sanctions sufficient? If not, what improvements do you suggest?

Answer - Existing arrangements for notifying a host member state of offences committed in another are helpful but do not go far enough. Provisions of article 7 of the Directive are limited to road transport offences (see Q10).

We see merit in a more comprehensive arrangement for exchanging information between member states and encouraging member states to take action on information supplied to them about operators based in their country. One solution may be a committee of competent authorities.

The United Kingdom has experienced difficulties when hauliers have lost their GB Operator Licences and so flagged out to the Low countries but nevertheless have continued to operate in the UK where they breach road safety rules. To ensure better co-operation when writing to the authorities of another member state there should be time limits for both an interim and definitive response to investigations.

Question 12 - Should the methods for assessing financial standing be further harmonised? If your answer is yes, on the basis of what financial ratios should the assessment be made? What should the thresholds be? Who should evaluate them? At what intervals should this be done?

Answer - We would prefer to retain the existing flexibility provided by the Directive. Differing financial systems and practices may make harmonisation of detailed procedures difficult.

Question 13. Should the option of compulsory professional liability insurance be considered in greater depth? If your answer is yes, should the system supplement or completely replace the current system? What risks should such insurance cover and what minimum guarantees should it provide?

Answer - We are firmly opposed to a compulsory insurance requirement. This could constitute a major barrier to entry, particularly for smaller firms, and we see no evidence to justify such a requirement.

However, there may be scope for such insurance cover as an alternative (which an operator can choose) to meeting and demonstrating compliance with the financial standing requirement.

Question 14 - Is further harmonisation of examinations necessary? What dispensations could be abolished?

Answer - As long as each state's CPC requirement meets the minimum requirements of the Directive this should be enough. We have seen little evidence of CPC shopping (no doubt partly because of language problems). Further harmonisation would involve setting up an EU wide examination body or EU accreditation of national bodies.

Question 15 Should the holder of the certificate of competence be an employee of the company concerned and a permanent resident of the Member State in which the company is established?

Answer - The Directive requires (Article 3.1) that a transport manager should continuously and effectively manage the transport operations. This requirement has been transposed into GB law and enables the competent authority to assess in each case whether a transport manager is able to continuously and effectively manage. For some smaller operators, sharing a manager with another may enable effective control to be maintained while avoiding the unnecessary cost of employing a full time manager. The contractual relationship between the operator and manager is less important. We consider this approach should continue.

Question 16. Do you have any other comments or suggestions which you consider should be taken into account during the revision of the European legislation on admission to the occupation of road haulage operator?

Answer - The UK would be likely to support any proposals for the Commission to take a greater role in ensuring the effective enforcement of existing standards. We see this as a greater priority than introducing significant new legislation.

Question 17 - Would you like to propose other measures to avoid administrative burdens associated with measures considered useful in this questionnaire?

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Answer - As noted in the introduction to this paper, the UK is very keen to minimise the administrative burdens placed on the haulage sector. In the context of this consultation we are focussing on avoiding the introduction of new legislation or burdens which we consider likely to be unnecessary.