Ex-post evaluation of Directive 2006/1/EC

Final report

Study contract no. MOVE/D3/2015-423

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EXECUTIVE SUMMARY

Purpose and scope of the evaluation

The objective of the study was to provide an independent ex-post evaluation of Directive 2006/1/EC, which establishes a legal framework for the use of commercial vehicles hired without drivers.

Evaluation methodology

The key evaluation questions related to relevance, effectiveness, efficiency, coherence and EU added value. The research tools used included: desk research, analysis of secondary data from Eurostat, review of statistics from national sources and industry associations, a survey of Member States' competent authorities and 29 interviews with a range of stakeholder groups (ministries of transport and national enforcement authorities, representatives of the leasing industry at EU and national level and individual leasing firms, transport operators and own account operators and their national representatives, undertakings making use of haulage services and general stakeholders (such as trade union representatives and environmental NGOs). More in-depth research to support the analysis focused on five Member States (Bulgaria, Denmark, Greece, Italy and Poland).

Evaluation results

Effectiveness

The analysis points to a number of positive impacts for transport operations from the use of hired commercial vehicles.

In terms of **flexibility of operations**, both short-term rental contracts (up to 12 months) and longer term contracts (often including access to additional capacity) are viewed by representatives of the leasing and the haulage industry as important in meeting additional demands. Furthermore, access to hired vehicles is also important in terms of managing problems associated with defective/damaged vehicles.

In relation to the impact of the use of hired commercial vehicles on **operational costs**, the available data sources are limited and the information provided by the leasing industry could not be cross-checked with other sources. It is suggested that savings are possible for firms opting for a complete replacement of their own vehicle fleet by hired vehicles. These savings are a result of improved fleet management, vehicle utilisation and maintenance and also the fact that hired vehicles tend to be younger (by 3-6 years), meeting higher environmental standards and potentially being more fuel efficient. However, the proposed scenario of complete replacement of the fleet is uncommon - applying only to a small share of the road transport market (15-20% of the market in countries like UK or France, significantly lower for other Member States). Nevertheless, representatives of the haulage industry agreed qualitatively that hired vehicles could reduce operational costs, and the literature also seems to support this claim.

In terms of the **level of vehicle utilisation**, the evidence is also rather mixed. Some supportive evidence was provided at the micro (firm) level, but this is not the case at the macro (country) level.

Overall, the connection between the benefits arising from the use of hired vehicles in general and the implementation of the Directive in particular, appears to be only partial. Nonetheless, the Directive does set a general framework where hired commercial vehicles are treated on the same basis as owned commercial vehicles, and this is generally recognised as playing a positive role in the organisation and efficiency of transport operations.

However, the Directive still allows the restriction of the use of hired vehicles for own account operations. The restrictions still in place (in ES, PT, IT, EL) appear to be linked with underdeveloped hired vehicles markets with lower level of use of hired vehicles – thus

depriving operators of some of the benefits identified earlier. The input from stakeholders also suggests that restrictions are associated with a higher average age of commercial vehicles, an aspect that can have a negative impact on the fuel efficiency and safety of vehicles. Operators in the Member States with restrictions face limitations that should be expected to have a negative impact on their productivity. However, available data on utilisation rates and empty runs do not show lower levels of average load factor for the countries with restrictions.

Efficiency

In general, the analysis suggests a high level of efficiency of the Directive, primarily due to the very limited costs associated with its implementation.

More specifically, in terms of **compliance costs** for industry, the Directive is generally not viewed as a particularly burdensome or costly piece of legislation and many stakeholders were unable to quantify the compliance costs, or were even unaware of its existence prior to the consultation. The main potential compliance cost identified was the requirement to obtain certified copies of the hire contract on board the vehicle, which are generally viewed as negligible.

In terms of the **cost savings,** the use hired vehicles can contribute to a small, but still important, reduction to the total costs for transport operators. Depending on the type of operation, the size of the firm and the type of vehicle hiring, firms can see annual transport cost savings that can be in the range of 1-10%. Given the small profit margins that are characteristic of the sector, such cost savings are still important. Other, non-quantified benefits include the lower risks from outsourcing of fleet management, the greater flexibility provided to operators, the potential to better manage and improve cash flows and the improved safety and environmental performance of new vehicles.

The **enforcement costs** incurred by national authorities are also negligible, largely because the requirements under the Directive are few, and enforcement is generally carried out as part of other activities.

Overall, the negligible costs to all stakeholders, in combination with the benefits outlined above, indicates that there is an overall positive benefit/cost ratio.

Relevance

The objectives and priorities of the Directive as identified at the time of its adoption appear to remain relevant to the needs of the transport sector today. Facilitating the access to hired vehicles – both cross-border and at national level - contributes to greater flexibility and efficiency of haulage operations and leasing is a tool that is used by firms (particularly SMEs) across the EU.

On the other hand, to the extent that the Directive still allows Member States to introduce restrictions that limit access to hired vehicles for own account operations and does not support fleet renewal, the Directive is clearly not relevant to addressing the needs of the affected operators. In this sense, the Directive does not fully serve the development of the transport sector and restricts its capacity to respond to identified needs in certain countries.

Furthermore, a current need identified, primarily for the leasing industry, is the need to be able to move the vehicle fleet around the EU in response to local demand. This is not currently explicitly addressed within the scope of the Directive.

Coherence

Considering the coherence of the Directive with other road haulage legislation (in particular Regulation 1071/2009 on access to the profession of road transport operator and Regulation 1072/2009 governing the access to the international road haulage market), there were minor inconsistencies related to the definition of "vehicles". There are possible issues during checks of Community Licences when the licence plate number of the hired

truck is not provided in the certified copy of the Community Licence. Furthermore, the limit of 6 tonnes adopted in relation to the restriction of hired vehicles for own account operations does not correspond to the standard system of classification of commercial vehicles and is not recognised as a relevant cut-off point within the industry. However, all identified discrepancies do not appear to have led to any significant issues in practice.

In relation to its coherence with other EU policies, it can be concluded the Directive is only partly in line with current EU policy priorities in terms of the promotion of the internal market, resource efficiency and fleet renewal in the transport sector[1]. The provisions of the Directive concerning the use of hired vehicles in general (Article 3(1)) as the use of hired vehicles in the case of cross-border trade (Article 2) have a positive impact on the development of the hired vehicles market and, as a result, on most of the environmental policy objectives. However, the provision of the Directive that allows restrictions in relation to own account operations (Article 3(2)) and the absence of provisions covering the use of hired vehicles registered elsewhere are not in line with the EU policy priorities regarding the promotion of the internal market.

Finally, in relation to the Combined Transport Directive (92/106/EEC), the analysis points to a potential contradiction, due to the presence of restrictions on the use of hired vehicles for own account operations in some countries. However, there is no indication that this is a real life problem for own account operators due to the very limited use of combined transport.

EU added value

The most relevant level to develop rules governing the use of hired vehicles is at the EU level. The objectives of ensuring harmonised treatment of the use of hired vehicles in cross-broader trade, as well as in terms of ensuring access to the EU wide hired vehicles market are, in general, evaluated positively. However, it is also clear that the fact the Directive allows for the adoption of restrictions limits its added value, meaning that it does not reach its full potential. Alternative tools, and particularly the use of an EU Regulation (instead of the current Directive), have the potential to ensure a greater level of harmonisation but it is not evident that existing problems cannot be addressed in the context of the Directive or the complementary use of soft-law tools.

Recommendations

On the basis of the analysis, the following set of recommendations are proposed:

- The existing option for Member States to restrict the use of hired vehicles for vehicles over 6 tonnes used for own account operations under Article 3(2) should be re-assessed with consideration given to removing it. It is not consistent with the broader policy objectives towards the development of a Single Transport Area and there is some evidence of a negative impact on the productivity of transport operations.
- Extending the scope of the Directive to ensure a harmonised legal framework across the EU for the use of hired vehicles registered in another Member State may be considered. This is necessary to address the needs of the industry to flexibly deploy the fleet of hired vehicles across the EU in response to demand. However, the possible implications on tax revenues need to be taken into consideration.
- While there is scope for further improving coherence between the Directive and the road haulage legislation in terms of the definitions used, the inconsistencies do not appear to lead to significant problems. As a result, they are not considered a priority for revision although it would still be advisable that coherence with other rules should be improved in the context of a revision of the Directive, should one take place.

[1] As identified in the recently adopted Agenda for Jobs, Growth, Fairness and Democratic Change (Juncker Priorities), the 2011 White Paper on transport and the Europe 2020 strategy for growth and employment

NOTE DE SYNTHÈSE

Objet et la portée de l'évaluation

L'objectif de l'étude était de fournir une évaluation ex-post indépendante de la Directive 2006/1/CE qui établi un cadre juridique pour l'utilisation des véhicules commerciaux loués sans chauffeur.

Méthodologie de l'évaluation

Les questions d'évaluation principales portaient sur la pertinence, l'efficacité, la cohérence et la valeur ajoutée européenne. Les outils de recherche utilisés comprenaient: des recherches documentaires, une analyse des données secondaires d'Eurostat, un examen des statistiques provenant de sources nationales et d'associations de l'industrie, une enquête des autorités compétentes des États membres, et 29 entretiens réalisés auprès de plusieurs groupes d'intervenants (ministères des transports et autorités nationales chargées de faire appliquer la législation, représentants de l'industrie du leasing au niveau national et européen, et d'entreprises individuelles dans le domaine du leasing de véhicules , opérateurs de transport et opérateurs pour compte propre ainsi que leurs représentants nationaux, entreprises utilisant des services de transport, et intervenants générales, telles que des représentants syndicaux et des ONG environnementales). Une recherche plus approfondie destinée à étayer l'analyse concernait cinq États membres (la Bulgarie, le Danemark, la Grèce, l'Italie et la Pologne).

Résultats de l'évaluation

Efficacité

L'analyse indique que l'utilisation de véhicules commerciaux loués a plusieurs impacts positifs pour les activités de transport.

En termes de **souplesse d'exploitation**, les contrats de location à court terme (jusqu'à 12 mois) aussi que les contrats à plus long terme (incluant souvent l'accès à des capacités supplémentaires) sont perçus par les représentants du secteur du leasing et du transport de marchandises comme étant importants pour répondre aux demandes supplémentaires. En outre, l'accès aux véhicules loués est également important pour gérer les problèmes associés aux véhicules défectueux/endommagés.

En ce qui concerne l'impact de l'utilisation de véhicules commerciaux loués sur les **coûts d'exploitation**, les sources de données disponibles sont limitées et les informations fournies par l'industrie du leasing n'ont pas pu être recoupées avec d'autres sources. Il est suggéré que des économies importantes sont possibles pour les entreprises qui optent pour un remplacement complet de leur propre parc de véhicules par des véhicules loués. Ces économies résultent d'une meilleure gestion du parc de véhicules, d'une meilleure utilisation et d'un meilleur entretien des véhicules, et tiennent également au fait que les véhicules loués ont tendance à être plus jeunes (de 3 à 6 ans), respectant ainsi des normes environnementales plus strictes tout en étant potentiellement plus économes en carburant. Cependant, le scénario proposé de remplacement complet du parc de véhicules est inhabituel - s'appliquant uniquement à une faible part du marché du transport routier (15 à 20% du marché dans les pays comme le Royaume-Uni ou la France, et nettement plus faible dans d'autres États membres). Néanmoins, les représentants de l'industrie du transport des marchandises se sont mis d'accord qualitativement que les véhicules loués pourraient réduire les coûts d'exploitation, et la documentation semble étayer cette affirmation aussi.

En termes de **niveau d'utilisation des véhicules**, les indications ne sont pas très claires aussi. Certaines indications ont été fournies au niveau micro (entreprise), mais ceci n'est pas le cas au niveau macro (pays).

Dans l'ensemble, il parait que le lien entre les avantages découlant de l'utilisation de véhicules loués en général et la mise en œuvre de la Directive en particulier, ne soit que

partiel. Néanmoins, la Directive fixe effectivement un cadre général dans lequel les véhicules commerciaux loués sont traités sur la même base que les véhicules commerciaux détenus en propre, ce qui est généralement reconnu comme jouant un rôle positif dans l'organisation et l'efficacité des activités de transport.

Toutefois, la Directive permet encore de limiter l'utilisation des véhicules loués dans le cadre des activités pour compte propre. Les restrictions encore en vigueur (en ES, PT, IT, EL) semblent être liées aux marchés de véhicules loués sous-développés présentant un niveau plus faible d'utilisation de véhicules loués, privant ainsi les opérateurs de certains des avantages identifiés précédemment. Les données qualitatives suggèrent également que les restrictions sont associées à un âge moyen plus élevé des véhicules commerciaux, et cet aspect est susceptible d'avoir un impact négatif sur l'efficacité énergétique et la sécurité des véhicules. Les opérateurs dans les États membres soumis à des restrictions sont confrontés à des limitations qui devraient avoir un impact négatif sur leur productivité. Cependant, les données disponibles sur les taux d'utilisation et les déplacements à vide ne font pas apparaître des niveaux plus faibles de coefficient de charge moyen pour les pays soumis à des restrictions.

Efficacité

D'une manière générale, l'analyse suggère que la Directive possède un niveau élevé d'efficacité, principalement parce que les coûts associés à sa mise en œuvre sont très limités.

De manière plus spécifique, en termes de **coûts de mise en conformité** pour l'industrie, la Directive n'est généralement pas considérée comme un texte de loi particulièrement contraignant et onéreux, et de nombreuses parties prenantes ont été incapables de quantifier les coûts de mise en conformité, ou ignoraient même son existence avant la consultation. Le principal coût de mise en conformité potentiel identifié était l'obligation d'obtenir des copies certifiées conformes du contrat de location à bord du véhicule, lesquelles sont généralement considérées comme négligeables.

En termes d'**économies de coûts**, l'utilisation de véhicules loués peut contribuer à une petite, mais néanmoins importante, réduction des coûts totaux pour les opérateurs de transport. En fonction du type d'activité, de la taille de l'entreprise et du type de location de véhicules, les entreprises peuvent constater des économies annuelles des coûts de transport de l'ordre de 1 à 10%. Compte tenu des faibles marges bénéficiaires qui caractérisent le secteur, ces économies de coûts restent significatives. D'autres avantages non quantifiés incluent la réduction des risques grâce à l'externalisation de la gestion du parc de véhicules, la flexibilité accrue ainsi offerte aux opérateurs, la possibilité de mieux gérer et d'améliorer les flux de trésorerie, l'amélioration de la sécurité et la performance environnementale des véhicules neufs.

Les **coûts d'application** engagés par les autorités nationales sont également négligeables, en grande partie parce que les exigences de la Directive sont peu nombreuses, et la mise en application est généralement effectuée dans le cadre d'autres activités.

Dans l'ensemble, les coûts négligeables pour l'ensemble des parties prenantes associé avec et les avantages décrits ci-dessus indique qu'il existe un rapport avantages/coûts globalement positif.

Pertinence

Les objectifs et les priorités de la Directive identifiés lors de son adoption semblent rester pertinents aux besoins actuels du secteur des transports. Le fait de faciliter l'accès aux véhicules loués, à la fois au niveau transfrontalier et national, contribue à renforcer la flexibilité et l'efficacité des activités de transport, et la location est un outil qui est utilisé par les entreprises (notamment les PME) dans l'ensemble de l'UE.

En revanche, dans la mesure où la Directive permet toujours aux États membres de mettre en place des restrictions qui limitent l'accès aux véhicules loués dans le cadre des activités pour compte propre et où elle ne soutient pas le renouvellement du parc de véhicules, la Directive n'est manifestement pas pertinente pour répondre aux besoins des opérateurs affectés. En ce sens, la Directive ne sert pas pleinement le développement du secteur des transports et limite sa capacité à répondre aux besoins identifiés dans certains pays.

En outre, un besoin actuel a été identifié principalement pour l'industrie de la location, à savoir la nécessité de pouvoir déplacer le parc de véhicules dans l'ensemble de l'UE en réponse à la demande locale. Actuellement, cet aspect n'est pas abordé de manière explicite dans le cadre de la Directive.

Cohérence

Considérant la cohérence de la Directive par rapport aux autres législations du transport de marchandises par route (et notamment par rapport au règlement 1071/2009 sur l'accès à la profession de transporteur par route et au règlement 1072/2009 régissant l'accès au marché du transport international de marchandises par route), a révélé des incohérences mineures liées à la définition des « véhicules ». Des problèmes potentiels sont susceptibles d'apparaître lors du contrôle de la licence communautaire lorsque le numéro de la plaque d'immatriculation du camion loué ne figure pas dans la copie certifiée conforme de la licence communautaire. En outre, la limite de 6 tonnes adoptée dans le cadre de la restriction relative aux véhicules loués utilisés pour des activités pour compte propre ne correspond pas au système standard de classification des véhicules commerciaux et n'est pas reconnue comme une limite applicable au sein de l'industrie. Cependant, toutes les incohérences identifiées ne semblent pas avoir causer des problèmes importants dans la pratique.

A l'égard à sa cohérence avec les autres politiques de l'UE, on peut conclure que la Directive n'est que partiellement conforme aux priorités politiques actuelles de l'UE en termes de promotion du marché intérieur, d'efficacité des ressources et de renouvellement du parc de véhicules dans le secteur des transports[2]. Les dispositions de la Directive portant sur l'utilisation des véhicules loués en général (article 3(1)) comme sur l'utilisation des véhicules loués dans le cadre d'échanges transfrontaliers (article 2) ont un impact positif sur le développement du marché des véhicules loués et, par conséquent, sur la plupart des objectifs de la politique environnementale. Cependant, la disposition de la Directive qui autorise des restrictions concernant les activités pour compte propre (article 3(2)) et l'absence de disposition couvrant l'utilisation de véhicules loués immatriculés ailleurs ne sont pas conformes aux priorités politiques de l'UE concernant la promotion du marché intérieur.

Finalement, en ce qui concerne la Directive relative aux transports combinés (92/106/CEE), l'analyse souligne une contradiction potentielle liée à la présence de restrictions sur l'utilisation de véhicules loués dans le cadre d'activités pour compte propre dans certains pays. Cependant, rien n'indique que cela constitue un véritable problème pour les opérateurs pour compte propre en raison de l'utilisation très limitée des transports combinés.

Valeur ajoutée européenne

Le niveau le plus pertinent pour l'élaboration des règles gouvernant l'utilisation des véhicules loués est celui de l'UE. Les objectifs visant à garantir un traitement harmonisé de l'utilisation des véhicules loués dans le cadre des échanges transfrontaliers ainsi qu'assurer l'accès au marché européen des véhicules loués, ont été, d'une manière générale, évalués positivement. Cependant, il est clair que parce que la Directive permet

[2] Telles qu'indiquées dans le Programme pour l'emploi, la croissance, l'équité et le changement démocratique adopté récemment (Priorités de la Commission Juncker), le Livre blanc de 2011 sur le transport, et la Stratégie Europe 2020 pour la croissance et l'emploi.

l'adoption de restrictions, ceci limite sa valeur ajoutée, en ce sens qu'elle n'atteint pas pleinement son potentiel. D'autres outils, et notamment l'utilisation d'un Règlement européen (au lieu de la Directive actuelle), sont susceptibles d'assurer une harmonisation plus poussée, mais il ne semble pas évident que les problèmes actuels puissent être traités dans le cadre de la Directive ou de l'utilisation complémentaire d'outils juridiques non contraignants.

Recommandations

Sur la base de l'analyse, l'ensemble des recommandations suivantes sont proposées :

- L'option actuelle permettant aux Etats membres de restreindre l'utilisation des véhicules loués pour les véhicules de plus de 6 tonnes utilisés pour des activités pour compte propre en vertu de l'article 3(2) devrait être réévaluée en envisageant la possibilité de la retirer. Elle n'est pas compatible avec les objectifs politiques plus généraux visant à la création d'un espace unique des transports, et certaines données démontrent qu'elle a un impact négatif sur la productivité des activités de transport.
- L'extension du champ d'application de la Directive afin de garantir un cadre juridique harmonisé dans l'ensemble de l'UE pour l'utilisation des véhicules loués immatriculés dans un autre État membre peut être envisagée. Cette mesure est nécessaire pour répondre aux besoins de l'industrie lorsqu'il s'agit de déployer de manière flexible le parc des véhicules loués dans l'ensemble de l'UE en réponse à la demande. Toutefois, les implications potentielles sur les recettes fiscales doivent être prises en compte.
- Bien qu'il soit possible de renforcer la cohérence entre la Directive et la législation des transports de marchandises par route au regard des définitions utilisées, ces incohérences ne semblent pas occasionner des problèmes significatifs. Par conséquent, elles ne sont pas considérées comme une priorité en termes de révision, même s'il serait toujours préférable d'améliorer la cohérence de la Directive avec les autres règlements dans le cadre d'une révision de la Directive, si celle-ci devait avoir lieu.

1. INTRODUCTION

1.1. Purpose of the evaluation

The objective of the study is to provide an independent ex-post evaluation of Directive 2006/1/EC, which establishes a legal framework for the use of commercial vehicles hired without drivers. It codifies the previous Directive 84/647/EEC and its amendment (Directive 90/398/EEC).

The provisions of the Directive have now been in operation for 25 years. As such, there is a need to evaluate the extent to which it has been successful in achieving its objectives, as well as whether future modifications would be beneficial. More specifically, the study aims to:

- Assess whether the provisions of the Directive still reflect today's transport policy priorities and meet the needs of the European economy.
- Assess the extent to which the objectives of the Directive have been achieved and whether there are any unintended positive or negative effects of the Directive.
- Assess the extent to which the prohibition to use vehicles hired and registered in another country for cross-border transport operations prevents companies from meeting seasonal demand peaks, and to what extent it prevents hauliers from benefitting from the best leasing deals available on the market.
- Examine the extent to which national restrictions on the use of hired vehicles by companies who provide transport services on own account operations have an impact on the efficiency of the undertakings in question.
- Examine the extent to which remaining restrictions on the use of leased vehicles slow down fleet renewal and hence lead to more pollution and less innovation.
- Review the evolution of the market for hired commercial vehicles covered by the Directive across the EU.
- Assess developments in the average age structure and environmental characteristics of the fleet of hired vehicles (compared with the overall goods vehicle fleet).

1.2. Scope of the evaluation

The scope of the evaluation is the period since 1990, when the Directive was last amended (Directive 90/398/EEC), with a greater focus on the period since 2006 when the Directive was codified.

2. BACKGROUND TO THE INITIATIVE

2.1. Description of the initiative

Directive 2006/1/EC (the Directive) lays down provisions for the use of vehicles hired without drivers for the carriage of goods by road. Its provisions date back to the year 1990, since Directive 2006/1/EC is the result of a codification of Directive 90/398/EEC.

The Directive allows the use of hired vehicles for the purposes of cross-border transport operations between Member States under certain conditions[3]. It also gives Member States the possibility to restrict the use of hired vehicles with a total permissible laden weight of more than 6 tonnes used for own account operations. The 1990 amendment removed the possibility of requiring a minimum hiring period, which had previously been allowed under Directive 84/647/EEC.

Further details of the implementation of Directive 2006/1/EC and its specific provisions are provided in Section 5.1.1.

2.2. Intervention logic

The "needs" and "problems" that the Directive aims to address can be derived from the text of the Directive and the reports accompanying the proposals for amendments. These are:

- **The need to help operators accommodate the expected growth in international transport services and to meet seasonal demand peaks:** Greater flexibility in short-term commercial vehicle hiring is useful during temporary or unexpected demand peaks (such as during temporary or seasonal peaks, or short-lived demand for special types of vehicle) (European Commission, 1989);
- **The need to support the optimum allocation of resources, ensure flexibility and avoid unnecessary capital investment by road transport operators:** As an alternative to investing in vehicles that would be underused, commercial vehicle hiring allows hauliers and own-account operators to manage their finances more efficiently and cut their fixed costs (European Commission, 1989);
- **The presence of national restrictions and a lack of harmonisation in the use of hired vehicles, which prevent the efficient use of resources:** Restrictions lead to operators opting to buy their own vehicle fleet, which artificially curbs the development of the market for hired vehicles (European Commission, 1989); and
- **The high environmental impact of road freight transport and the slow diffusion of cleaner vehicle technologies in the commercial vehicle fleet:** Hired vehicles tend to be newer and are more likely to reflect the latest technologies in terms of reliability, safety and environmental protection (European Commission, 1989). Hence, the use of hired vehicles can allow hauliers to test more modern and cleaner vehicle types, and thus accelerate their take-up in the market.

In response to these identified needs, the **general objectives** of the Directive are the achievement of a more efficient allocation of factors of production and to increase the flexibility and productivity of transport operators.

The **specific objectives** include the promotion of a more efficient use of commercial vehicles, freeing up of capital that can be used in a more productive way and the promotion of the use of newer, cleaner commercial vehicles in road freight transport. In addition, the

[3] i.e. the vehicle is compliant with national laws, the contract relates to the hiring of a vehicle without a driver, the hired vehicle is at the sole disposal of the undertaking using it during the period of the hire contract and the hired vehicle is driven by personnel of the undertaking using it) (Article 2(1))

Directive should enable, by facilitating the use of hired vehicles, a quicker response to changes of demand and supporting their integration by allowing the use of hired vehicles.

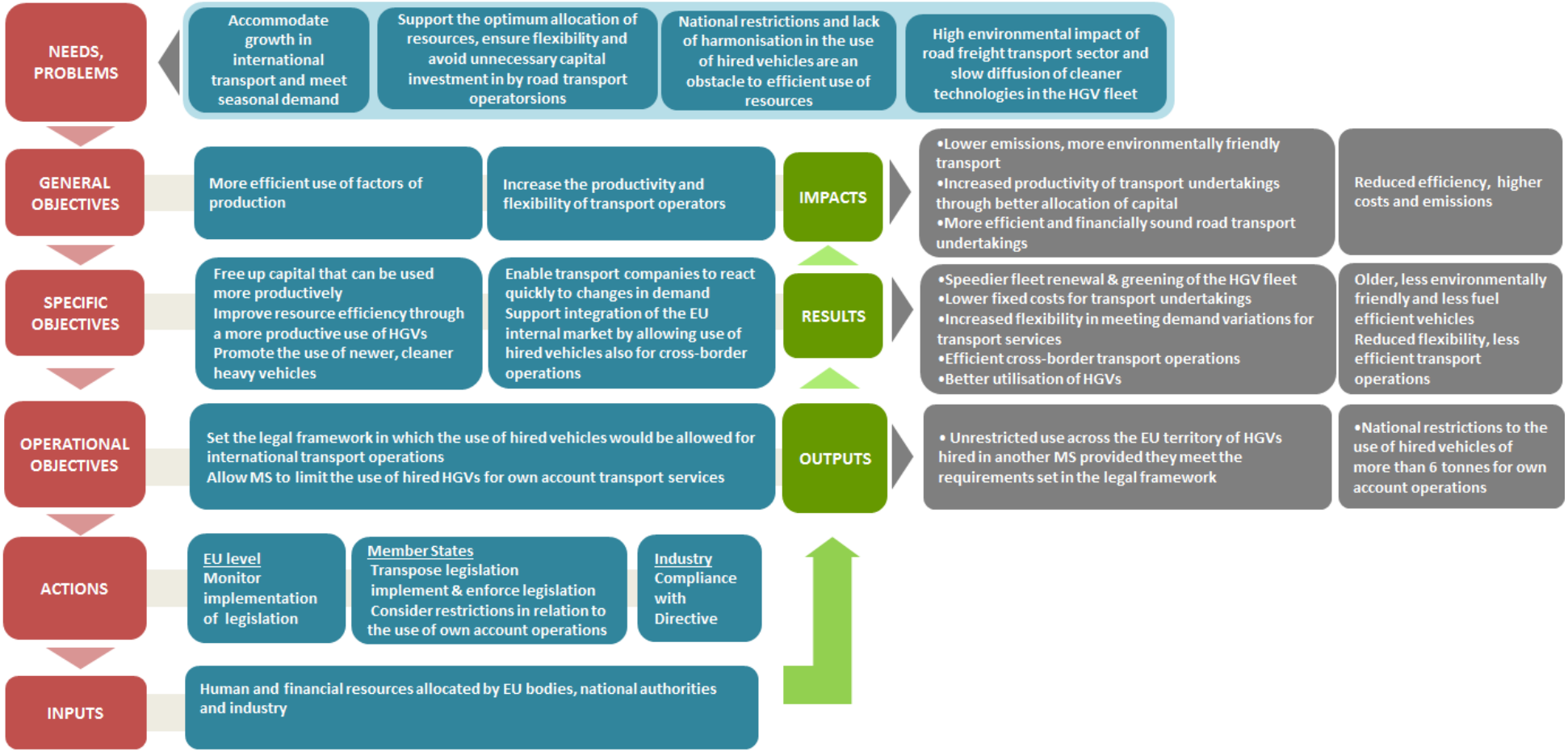
At the **operational level,** the objectives were to ensure that the appropriate legal framework is in place that would also allow the use of hired vehicles in domestic and international transport operations. Member States were still able to set restrictions – if considered necessary – in the case of the use of hired vehicles for own account operations carried out by vehicles with a total permissible laden weight of over 6 tonnes.

Following from the objectives are a set of **actions** and **inputs** required for the implementation of the Directive. The actions are those explicitly set out or implied by the relevant articles of the Directive (mainly Articles 2 and 3) distinguishing between actions at the EU level (Commission services), Member State authorities and actions taken by transport operators to ensure compliance with the Directive. The actions and the resulting causal chains are further analysed in this section below.

Corresponding to the objectives at different levels we also identify the respective outcomes. Thus, against the operational objective we have defined the immediate **outputs**, **results** and **impacts.**

Figure 2-1 overleaf provides a graphical illustration of the intervention logic of the Directive.

Figure 2-1: Intervention logic of Directive 2006/1/EC on the road haulage market



Actions and causal chains

In order for the Directive to achieve its objectives, a set of actions need to take place involving a number of stakeholders that, through a causal chain, should lead to the intended results. A graphical illustration is provided in Figure 2-2.

The actions for **national authorities** are based on those required by the Directive, and focus on:

- Allowing the use within its territory of hired goods vehicles without a driver for cross-border operations by undertakings from other Member States on the basis that they meet certain requirements set in the Directive (i.e. the vehicle is compliant with national laws, the contract relates to the hiring of a vehicle without a driver, the hired vehicle is at the sole disposal of the undertaking using it during the period of the hire contract and the hired vehicle is driven by personnel of the undertaking using it) (Article 2(1));
- Allow the use of hired goods vehicles by domestic undertakings under the same conditions as vehicles owned by them (Article 3(1)). Member States can choose to impose restrictions in the case of vehicles with a total permissible laden weight of more than 6 tonnes used for own account operations (Article 3(2));
- Enforce the Directive, although there are no formal requirements in the Directive for this.

The **Commission** is considered responsible for overall monitoring of the implementation of the Directive, even though there are no formal monitoring requirements for either the Commission or the national authorities laid down in the Directive.

The actions taken by the **leasing and haulage industry** involve deploying hired vehicles where needed. There are several areas in which hired vehicles are typically used:

- Permanent replacement for owned vehicles (typically a leased fleet, i.e. long-term hire[4]) (Step 3a identified in Figure 2-2).
- Temporary addition to meet increased demand including both peak/seasonal demands and overall demand increases which are not certain to be permanent (e.g. as a result of recovery from the recession) (leased or rented vehicles) (Step 3b).
- Temporary replacement for defective or damaged vehicles (typically rented vehicles, i.e. short-term hire) (Step 3c).

The use of hired vehicles is expected to result in the following intermediate results:

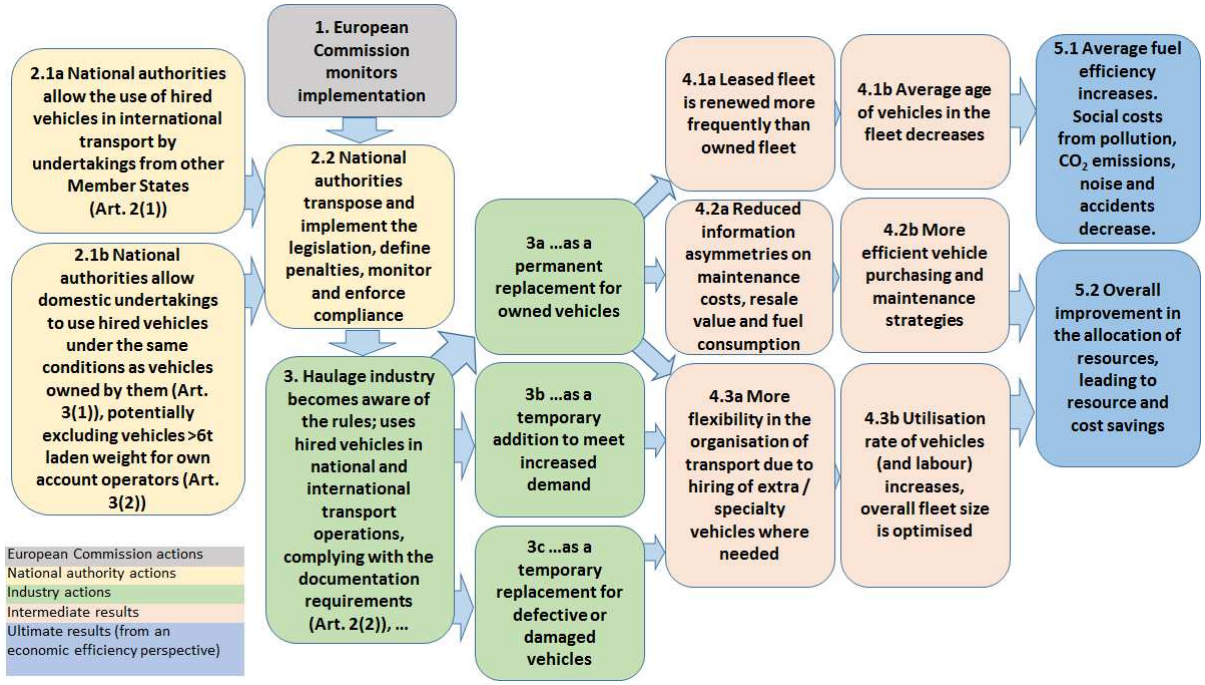
- Given the business model of most leasing operators, the fleet is renewed more frequently than an owned fleet, which is expected to lead to a decrease in the average age of the fleet (Step 4.1).
- Leasing/hiring companies may have better information on the total costs of vehicle ownership as purchase, resale, repair and maintenance are typically part of the package. This may help to reduce adverse selection (e.g. sub-optimal vehicle purchase/maintenance decisions), since the leasing company has more information on vehicle performance compared to individual operators, which in turn is expected to lead to more efficient vehicle purchase and maintenance decisions (Step 4.2).
- Having additional flexibility through the use of hired vehicle fleets may also help reduce the owned fleet size and increase the utilisation rate of individual vehicles, as vehicles can be moved around between operators based on need. This was expected to improve the allocation of resources (Step 4.3).

[4] For the purposes of this study, we define leasing as a long-term hire agreement (>12 months) and renting as a short-term hire.

Ultimately, these intermediate results can be summarised in two categories from an economic efficiency perspective.

- To the extent that newer vehicles are safer, cleaner, quieter and more economical, the decrease in average age of the vehicle fleet will lead to fuel efficiency increases and a reduction in social costs from accidents, pollution, noise and CO_2 emissions (Step 5.1).
- To the extent that capital and labour utilisation is increased and that information asymmetries are reduced, the overall allocation of resources is improved, leading to resource and cost savings (Step 5.2).

Figure 2-2: Causal chain diagram: actions to results



2.3. Forms of commercial vehicle hiring

Before moving to analyse the baseline in the next step, it is relevant to review and distinguish between the different categories of hiring in the market for hired vehicles, as these have different characteristics and serve different needs of transport operators (see Table 2-1).

Short-term rental (lasting from a few days to up to a year) is generally geared towards addressing immediate capacity constraints or need for replacement of vehicles during maintenance/service. The user hires a vehicle from within the range of vehicles offered by the rental company, which is also responsible for the servicing and maintenance of the vehicle.

Medium-term renting of commercial goods vehicles – including special purpose vehicles – serves similar purposes to short-term rental. It is often used in the context of specific contracts (e.g. an operator is awarded a 12 month contract and rents vehicles over the contract period). The rental company again is responsible for service and maintenance.

Leasing, including **financial leasing** and **hire purchase**, mainly focuses on the provision of finance for obtaining a specific vehicle and providing an alternative to own purchase. The contracts typically last between two and five years, depending on the type of the vehicle. Ownership remains with the leasing company for the period of the contract. In the case of hire purchase, it typically leads to the eventual purchase of the vehicle, while in the case of finance leasing the leasing company usually retains ownership of the vehicle when the contract ends, although this varies depending on the country. In the case of

operating leasing, the residual value risk is also transferred to the leasing company, which is why such contracts often come with repair and maintenance included, making the state of the vehicle at end-of-contract more predictable to the leasing company. Further services such as insurance, breakdown cover and access to extra vehicles when needed are also increasingly included in leasing contracts. This is known as **'full-service' operating leasing**.

Table 2-1: Summary of types of vehicle hiring

Hiring type	Duration	Ownership of the vehicle	Services/maintenance included?
Short term rental	Few hours to several weeks	Rental company	Yes
Medium-/Long terms rental	Up to 12 months	Rental company	Yes
Operating leasing	Over 12 months (typically up to 3 years)	Leasing company	Maintenance is often included. May also include other services, such as access to additional vehicles, fleet management ("full service" operating leasing)
Finance leasing	2-5 years – Depending on the type of vehicle	Leasing company	No (typically)
Hire purchase	2-5 years – Depending on the type of vehicle	Leasing company during the contract period Typically the user after the end of contract period.	No (typically)

2.4. Baseline

The establishment of a baseline against which to assess the effectiveness and efficiency of the Directive is a key element of the overall evaluation framework. Ideally, the baseline should include a quantitative assessment of what would have happened in the absence of the intervention being evaluated. However, in the case of Directive 2006/1/EC, there are several limitations that preclude this type of analysis.

Firstly, the Directive is a codification of an earlier revision under Directive 90/398/EEC, which means its provisions have been in place since 1990. At the time, there was no Impact Assessment analysing the situation prior to its adoption, nor have there been any fully-fledged evaluations. This makes the identification of historical data rather challenging. For instance, Eurostat data on road transport only go back as far as 1999 (see Section 5.2).

Secondly, the period in question covers the enlargement of the Union in 1995, 2004 and 2007 (and more recently, Croatia). In these cases, the analysis of the baseline can only focus on the older Member States (twelve at the time of the introduction of the provisions of the Directive in 1990).

Due to the challenges outlined above concerning access to quantitative data, the development of the baseline is largely a qualitative assessment. To consider the likely development of the legal framework in the absence of the amended Directive, an important source is the proposal underlying Directive 90/398/EEC. Table 2-2 shows that Directive 84/647/EEC was applied unevenly in Member States, and demonstrates the state of play

prior to the adoption of the amendment, where Article 4(2) of Directive 84/647/EEC had previously allowed Member States to lay down a minimum hire period for undertakings based on their territory. Furthermore, restrictions in relation to own account operations had been adopted in six Member States.

Table 2-2: Restrictions applied by Member States on the hire period and own account carriage on the basis of Directive 84/647/EEC (prior to adoption of Directive 90/398/EEC)

Member States	Minimum hire period	Maximum hire period	Own account carriage restricted
BE	NONE	NONE	NO
DK	NONE	NONE	YES
DE	6 months	NONE	YES
EL	3 months	3 years	YES[5]
ES	NONE	NONE	YES
FR	NONE	NONE	NO
IE	12 months	NONE	NO
IT	6 months	NONE	YES
LU	NONE	NONE	NO
NL	6 months	NONE	NO
PT	NONE	NONE	YES
UK	NONE	NONE	NO

Source: European Commission (1989)

The likely development of the legal framework in the absence of the amended Directive is not certain, but qualitative indications from Member States in the 1989 proposal indicate that many Member States did not consider there to be any demand for change (DK, ES, EL, and LU). A few Member States put forward their views. In what was then West Germany, consignors had reportedly called for abolition of restrictions on own-account carriage, but the West German competent authorities wished to leave the Directive unchanged. Only Belgium and France called for the abolition of restrictions on own-account operators. Furthermore, during the Council discussions on the 1995 proposal for removing the option for restrictions concerning own account operators for vehicles with a total permissible laden weight over 6 tonnes, EL, ES, IT and PT expressed negative opinions. They indicated that national policies on market access could be undermined by allowing hiring of vehicles above 6 tonnes for own account operators. Thus increasing competition faced by hire and reward operators. These Member States, as well as Germany asked for the restriction to be maintained.

This overall lack of interest in changes can also be considered in combination with the fact that the subsequent (1995) proposal for removing restrictions to the hiring of vehicles registered in another Member State – with a set maximum period - was not adopted. Seven of the 15 Member States (DE, DK, EL, ES, IT, PT and SE) did not want to allow their own operators to hire vehicles from abroad, as was proposed. They raised issues of possible negative effects on tax revenues from vehicles and felt that enforcing the 2 month limit would be difficult, resulting in unlimited hiring of vehicles.

[5] The Commission report indicates that the Greek authorities stated that own account operations were not restricted. However, our research on the legal framework (presented in Section 5.1.1) suggests that this is incorrect.

Together, this suggests that at least some Member States would have maintained such restrictions even in the absence of the Directive. Similarly, the fact that the proposal for removing Article 3(2) allowing restriction to the use of hired vehicles of over 6 tonnes laden weight for own account operations was not adopted, suggests that relevant restrictions would, most probably, still be in place.

Considering the **evolution of the hired commercial vehicles** market, the data available is rather limited and does not provide indications of how it could be expected to develop in the absence of the Directive. Further elaboration of the market developments in the period after 1998 is provided in Section 5.2. Some patchy indications on the state of the market for hired vehicles were provided in the report accompanying the 1989 proposal. Even at the time it was not possible to develop a comprehensive overview and several Member States were not able to provide data (ES, DE, IT, EL). This demonstrates the difficulty in accessing relevant data to develop a baseline for assessment. The available data is summarised in Table 2-3 below. The figures show that short-term leases accounted for a substantial share of the own-account market at the time.

Table 2-3: Summary data on the situation of the hired vehicles market at the time of the adoption of the proposal that would lead to Directive 90/398/EEC

MS	Size of hired vehicles market	Short term vs long term leasing	Use of hired vehicles by own account operators
BE	1,100 vehicles (around 5% of the fleet)	Short term: 80% Long term : 20%	More short term
DE	No information	No information	No information
DK	15% of commercial vehicles are leased (20% of that to international haulage)	Mainly long term ; short term increasing	No information
ES	No information	No information	No information
FR	Hired vehicles performed 5.5% of all hire or reward operations ;13% of all own-account operations in t-km terms ; 3.14% of total fleet of vehicles of less than 3 tonnes are hired (110,000 in total) ; 30,000 rigid vehicles (6.5% of market), 20,000 tractors (14.3%), 20,000 trailers (14.8%)	Long term leasing of HGV represent 60-70% of market Trends towards shorter term	More short term
GR	No information	No information	No information
IE	No information	No information	No information
IT	No information	No information	No information
LU	Very limited use (10 vehicles in total)	Only short term	No use of short term
NL	Very small market size (ca. 3,000 vehicles in total available for hire) Increasing demand from hire-and-reward operators	No information	No information
PT	No information	No information	No information
UK	Fleet of leased vehicles of less than 3 tonnes is 50,000 Over 30 tonnes around 55,000	Short terms and long term lease used equally (50% each)	Own account operations represent 65% of hired vehicles

Source: European Commission (1989)

This summary provides only a snapshot of the situation in a number of markets, with data that are not always comparable. It also provides limited information on trends with the exception of an identified trend towards shorter term leasing (still over 1 year) in a number of countries. The subsequent report of the Commission in 1995 (European Commission, 1995) did not include any additional relevant information. Critically, the information provided mainly covers markets where no restrictions were in place at that time (FR, UK, BE). In the case of DE and NL where restrictions in terms of the minimum hire period were in place, the information provided still does not allow trends to be identified.

However, to the extent that restrictions to the hiring of vehicles in some Member States would still be in place, it is reasonable to assume that the use of hired vehicles would still be extremely limited in these countries and that the removal of restrictions should facilitate the uptake of hired vehicles. According to the 1989 proposal, it is expected that, should these restrictions continue, the exclusion of own-account carriage would artificially curb the economic development of vehicle hire activities (although the extent of this was not quantified or further qualified).

On the basis of the intervention logic, this should also have a negative impact on the utilisation of commercial vehicles, the flexibility of undertakings and the capacity to better organise their activities, leading to increased costs and lower productivity for own account operators, haulage operators and the users of their services.

In terms of the **baseline for administrative burdens**, the 1989 proposal only indicates that no additional administrative obligations were foreseen for small firms (presumably also equally applicable to larger firms). A reduction in restrictive obligations was expected to yield benefits, but there was no reference to the specific benefits or any quantification of the baseline.

3. EVALUATION QUESTIONS

The following set of evaluation questions were provided in the terms of reference in order to provide focus for the investigations carried out in this assignment.

Effectiveness:

1) To what extent has the Directive affected the productivity / operating costs of undertakings and the flexibility in the organisation of transport operations?

2) To what extent has the Directive affected the use of factors of production (e.g. by avoiding capital to be tied up unnecessarily)?

3) To what extent have the exemptions possible under the Directive impacted the effectiveness of the Directive?

Efficiency:

4) What are the costs of compliance with the provisions of the Directive for specific stakeholders such as leasing companies, vehicle manufacturers, haulage operators, own account carriers etc.?

5) What are the costs incurred by national authorities for implementing and enforcing the Directive?

6) To what extent are the overall costs which complying with the Directive impose on haulage companies and on own account carriers on one side and which the implementation of the Directive places on national authorities on the other side proportionate to the expected benefits of the Directive?

7) Are there ways to reduce the costs and to improve the cost/benefit ratio of the Directive?

Relevance:

8) Given the development of road haulage markets over the last 25 years, does the Directive still meet the needs of the European economy in terms of flexibility and efficiency of road haulage operations and reflect current policy priorities?

Coherence:

9) To what extent are the provisions of the Directive coherent with other legislation governing the road haulage market, in particular the rules governing the access to the international road haulage market (Regulation) EC) No 1072/2009 and the rules governing the access to the occupation of transport operators (Regulation (EC) No 1071/2009)?

10) To what extent are the provisions of the Directive compatible with current EU policy priorities in other fields (e.g. environmental protection, GHG emission reduction, energy efficiency/resource efficiency)?

European Added Value:

11) What is the added value of the Directive at EU level? Would national rules not be sufficient to achieve the objectives of the Directive (i.e. the same level of resource efficiency and of productivity and operational flexibility)?

4. METHOD/PROCESS FOLLOWED

In this section we present the methodology used to answer the evaluation question and the research tools and sources used to collect the required data and other information. In the last section (Section 4.6) we also provide an assessment of the limitations of the methodology and research tools.

4.1. Methodological approach

The first step of the evaluation has been the structuring of the methodology for the analysis of the evaluation questions. The intervention logic of the Directive (presented in Section 2.2) provided the basis for formulating operational questions, relevant success criteria, indicators and data sources to be used for each evaluation question. The detailed evaluation matrix developed is presented in Appendix 1.

4.2. Desk research

A literature review of the key documents and reports related to the Directive and the hired vehicles market was carried out. These included: Commission documents, other relevant legislative texts (including Regulations 1071/2009 and 1072/2009), general EU transport policy and strategy documents, studies on the hired vehicles market and articles from the transport sector press.

Around 100 pieces of literature were used (see Section 10 - References). All of the literature is referenced throughout the report and was used to supplement responses from stakeholders and official data sources. A common limitation of the information found through the desk research was an overall poor level of specificity to the current evaluation study – while reports on the use of hired vehicles in general could be found, they typically lacked quantitative data relevant to understand the impacts (e.g. costs, benefits). The study team aimed to mitigate this as far as possible by asking for stakeholders to direct us to relevant reports, as well as by searching in multiple languages (English, German, and French). Eventually, only very few additional reports were provided and, as a result, there are certain data gaps in our analysis (each of the specific gaps and implications are explained in the relevant evaluation questions).

As part of the desk research we also examined whether there have been any infringement cases or any complaints regarding incorrect implementation of the rules at the national level. Member States have not reported any complaints or infringement cases.

4.3. Data collection

The collection of relevant data to support the various parts of the analysis was based on a combination of primary and secondary sources. The survey of Member State authorities was the main primary source while a range of secondary data sources were used. These are presented and analysed below. The data collected from these sources were complemented by data collected during the interviews with stakeholders (see Section 4.4).

4.3.1. Survey of Member States competent authorities

Part of the data collection focused on mapping the implementation and enforcement of the Directive across all EU-28 Member States. This was based on the development of a country fiche that covered all aspects related to the implementation of the Directive. Initial desk research was used to populate the fiches as far as possible. They were then sent to the respective Member States' authorities with a request for them to review and update the information provided and to complete any gaps.

Member States were given a total of 7 weeks to respond and two reminder emails were sent. Eventually, a total of 24 responses were received, providing overall a high coverage of European countries for the study. The countries that did not provide any information were Portugal and Denmark. In the case of Ireland and the Netherlands, an email was

sent by the competent authorities providing some information on the implementation of the Directive but answers to questions raised in the fiches were not provided. A limitation of the survey was that not all respondents could provide information for every question. The study team aimed to mitigate this as far as possible through the measures described above – allowing time extensions and multiple follow-ups. Overall, the incomplete responses represent the difficulty of collecting data on the topics relevant to this evaluation. The main implication is that it has not been possible to develop a complete picture concerning all issues analysed across all EU Member States and for all types of stakeholders.

4.3.2. Secondary Data sources

Collection of data concerning the hired vehicles market was one of the key elements of the methodology and a number of secondary data sources were used (see Table 4-1).

The leasing industry association (Leaseurope) was the main source of information, providing national-level market data covering a range of EU countries collected from its members. Such data cover a large part of the market even though not all leasing/rental companies are members of the associations[6]. More detailed but confidential data was also made available from Leaseurope for a few key markets (DE, FR, UK and ES).

The data from Leaseurope covered the period 2011-2015. They were complemented by data extracted from Datamonitor truck leasing and truck rental market reports for a selected number of EU countries covering the period 1998-2006. More recent data were not publicly available and the project budget did not provide for the purchase of data from proprietary sources.

Furthermore, following a review of relevant information provided in a range of national statistical and other relevant agencies, data from other national sources were extracted. The German Federal Motor Transport Authority (KBA) was the most relevant source, since this is the only national source providing data on vehicles by type of vehicle keeper, including vehicle rental).

Finally, data from the Eurostat database in relation to the rental and leasing of trucks and other data concerning the road transport sector were extracted to support various parts of the analysis.

Table 4-1 : Summary of secondary data sources used

Source	Description	Validity/limitations
Leaseurope (2015a)	Data on hired vehicles market volumes for the period 2011- 2015 from annual survey of members	Data from Leaseurope members do not represent the whole hired vehicles' market (although usually more than 85%)
Leaseurope (n.d.-b)	More extensive national-level market analysis (penetration by type of leasing, vehicle volumes) for DE, FR, UK, ES	Confidential data – available for only a few countries and not

[6] A review of the websites of the relevant associations and input from interviews indicates that the members of these associations tend to represent a high share (90-95%) of the total market. The UK leasing association BVRLA represents around 95% of the firms in the sector (interview). In France, the industrial vehicles rental association (TLF) represents 85% of the sector (see http://www.fnlv.fr/). The German Leasing Association (BDL) represents 90% of the total leasing market. (see http://bdl.leasingverband.de/fileadmin/internet/downloads/2015-08-03-bdl-jahresbericht-2015.pdf) and the same applies in Poland (http://www.leasing.org.pl/en), Italy (http://www.aniasa.it/index.php/aniasa/associazione) and the Netherlands (https://www.vna-lease.nl/over-vna/over-ons).

Source	Description	Validity/limitations
		consistent across all countries
Datamonitor (multiple reports– see bibliography)	Data on levels of truck leasing and truck rental for DE, FR, UK, ES, NL, IT and BE for the period 1998-2006. (more recent reports are not publicly available)	Reliable market data but old
KBA (2014b; 2014a)	Detailed data for 2014 on LCV/rigid truck/artic tractor/artic trailer/drawbar trailer stock and new registrations by type of vehicle keeper in Germany. (Vehicle rental without driver is listed as separate category of keeper).	Highly reliable but limited to Germany
KBA (2015)	Data on average age of vehicle stock in Germany (LCV/rigid truck/artic tractor/artic trailer/drawbar trailer) by type of vehicle keeper.	Highly reliable but limited to Germany
Eurostat structural business statistics (Eurostat, 2015b)	Data on turnover, employment, business size for NACE subsector N7712 "Renting and leasing of trucks". Only businesses whose main activity is "Renting and leasing of trucks" are included. This may not be reflective of the entire truck rental sector.	Do not provide full coverage of sector
Eurostat transport sector statistics (2015a) (2015j) (2015c)	Data for period 1999-2014 on road freight transport by type of transport (vehicle km, tonne km and amount of tonnes transported), stock of lorries, road tractors, semi-trailers and trailers, New registrations of lorries, road tractors, semi-trailers and trailers	Generally reliable data but indicators provided do not provide breakdown owned/hired vehicles

In general, as described further below, the secondary data sources did not provide a consistent picture of developments in the hired vehicles market, due to differences in definitions and scope covered in the various studies. Moreover, it was not possible to cross-validate estimates due to the limited comparability, making it difficult to judge whether the true situation is accurately reflected. More specific limitations of each of the above studies are discussed in Section 5.

4.4. Interviews

The purpose of the interview programme was to gain insight into the experiences of stakeholders at EU and national level. Initial exploratory interviews were carried out with three EU-level associations representing the vehicle hiring industry (Leaseurope) and haulage operators (IRU, UETR). This informed the development of the methodology, directed the data collection process and the development of the broader interview programme.

An interview programme was designed that aimed to cover a broad range of stakeholders at EU and national level. The initial target set was to complete 40-50 interviews. Table 4-2 summarises the response rate.

As can be seen, a total of 29 interviews were completed even though a much greater number of contacts were made (74). For a number of stakeholders securing interviews proved to be challenging, particularly in the case of individual undertakings. Given that direct contacts to undertakings using hired vehicles (haulage operators and own account operators) were not available, industry associations were requested to provide us with contacts of their members and leasing companies to provide contacts of clients. However, in most cases associations indicated that there is limited awareness among their members of the specific Directive and the relevant legislation or that their members were not interested in contributing to the study. Eventually, only three undertakings agreed to an interview. This means that the views and experiences of the users of hired vehicles across the EU are not fully reflected in the analysis. This is particularly important for cross-

checking the views and claims made by the leasing industry representatives who may have different estimates of the costs and benefits arising from the use of hired vehicles compared to end users. Since representatives of transport operators were not able to provide quantitative estimates, direct cross-checking of certain data related to costs and benefits was not possible and hence the resulting estimates should be considered with some caution. At the same time, the qualitative responses from representatives of transport operators showed strong agreement with the benefits suggested by the leasing industry, which gives us some confidence that the figures were not wildly overstated.

To a certain extent, the gaps in the coverage of users of vehicles have been covered by interviews with industry representatives - including associations of road transport operators that often also perform own account operations - but also through the use of alternative sources (web-sources, reports/studies, professional journals) identified. Overall, despite the gaps, we consider that this report provides a balanced representation of the different viewpoints and interests.

Finally, the team was also not able to obtain input from other non-government organisations. The associations contacted suggested that the use of hired goods vehicles is very low in their priorities and could not provide any useful insights. Given that consumers are not directly affected by the legal framework, we consider that the absence of any input from their representative does not have a negative impact on the validity of the analysis. In terms of the environmental and other social issues, even if the views of relevant representatives were not provided, we have used relevant reports and studies to support and validate our analysis.

Table 4-2: Summary of interview programme

Type of stakeholder	Groups	Target number of interviews	Contacted	Completed
Vehicle leasing industry operators and associations	European association	1	**1**	1
	National Associations	3-5	**17**	3
	Vehicle leasing companies	3-4	**6**	3
Road haulage operators and associations	European association	2	**2**	2
	National associations	3-5	**10**	4
	Haulage operators	4-5	**4**	2
Undertakings carrying out own account operators	EU and national associations	1-2	**1**	1
	Individual own account operators	4-5	1	1
Associations of customers of road transport operators	EU and national associations	2-3	**8**	3
Vehicle manufacturers	European association	1	**1**	0
	Individual manufacturers	1-2	**3**	1
Driver and other road transport workers associations	European and national associations	3-4	**1**	1
Member States' road transport authorities	(licensing authorities, traffic police)	4-5	**9**	3

Type of stakeholder	Groups	Target number of interviews	Contacted	Completed
National competent authorities		4-5	**7**	4
Other stakeholders (NGOs)		1-2	**2**	0
Total		**40-50**	**74**	**29**

4.5. In-depth research in selected countries

In order to address the absence of data on the hired vehicles market in a number of Member States, the study team selected five countries for a more in-depth research. These countries were selected on the basis of the initial analysis of the legal framework, aiming to cover countries with and without restrictions and providing a certain geographical balance. The five Member States covered were:

1. Greece
2. Bulgaria
3. Italy
4. Denmark
5. Poland

The in-depth investigation has been based on a combination of desk research and targeted interviews with stakeholders at national level (ministries, associations of haulage operators, leasing companies and own account operators) that were presented in section 4.4. From a larger number of contacts made at national level (see Table 4-2), the study team completed 5 interviews in Greece (1 with the national authorities, 2 with hiring industry representatives, 1 with haulage operators associations and 1 with a haulage firm), 2 in Poland (1 with enforcement authority and 1 with haulage operator), 1 in Denmark (national haulage operators association), 1 in Italy (national competent authority), and 1 in Bulgaria (haulage operators association). As indicated in Section 4.4, the small number of responses reflected the limited interest shown by some stakeholders. While we were not able to cover all relevant stakeholders in the countries targeted – as was the initial objective – we were still able to get additional insights into the practical issues associated with the use of hired vehicles and the role, if any, of the restrictions. When possible, their input was used to complement and cross-check the input of stakeholders at EU level.

4.6. Limitations of the methodology

In this section we summarise some general limitations of the methodology and the research that need to be taken into account. These were due to two main reasons:

- The relatively short duration of the study (5 months) had implications for the initial design of the methodology;
- The practical difficulties faced during the research period in relation to the data collection and the conduct of the interview programme. This meant that the initially designed methodological approach could not be fully implemented.

The limited duration of the study meant that a broader data collection process (for example, carrying out a survey of firms across the EU) could not be included in the design of the methodology. Assuming we would have been able to secure adequate responses across different sectors and countries, this would have provided a more representative view of the practical experience of the industry. However, given the limited interest of the firms contacted as part of the interview programme, it may not have been possible to secure a representative sample of firms on which to base the analysis.

There were also practical difficulties and weaknesses of the research tools and the data sources collected. One issue was the rather limited availability of data on the evolution of the market of hired goods vehicles and the fact that different sources used different approaches and definitions in measuring part of the market. This meant that making comparisons and/or triangulating sources was particularly difficult. For example, data from the leasing industry representative at EU level (Leaseurope) covering the period 2011-2014 were based on information provided by its members covering hire-purchase, financing leasing and operating leasing. Other data sources (e.g. Datamonitor) covering an earlier period (1998-2006) used the duration of the contract to differentiate between rental and leasing. Such differences meant that cross-checking of the validity of the data was not possible. The research team sought to bridge these differences through the interview programme, asking stakeholders to provide estimates of the market situation for different types of vehicle hiring and duration. However, only a limited number of stakeholders were able to provide relevant information.

More generally, quantitative information was sparse in relation to some of the issues raised by the evaluation questions. There was mixed success in terms of gathering additional quantitative information from stakeholders – in most cases it was possible to obtain estimates from one or two stakeholders and in some cases we were also able to cross-check them. The specific findings are discussed in the relevant evaluation questions for which the data were required.

Another limitation is that a large share of the sources available – including the stakeholder interviews and literature – relies on the views and broader experience of the leasing industry (see Section 4.4). This means that there is a potential bias and over-representation of the views of the specific type of stakeholder (albeit the group that is also most likely to hold the relevant information). This is a particular concern when analysing the potential cost savings related to the use of hired vehicles for operators. While leasing industry representatives provide certain estimates, it has not always been not possible to cross-check the figures provided with other stakeholders (e.g. transport and own account operators). As such, it cannot be ruled out that the data provided by the leasing industry may represent best-case situations. Furthermore, given that there is a very different level of use of hired vehicles across the EU (see also section 5.2), the fact that input provided comes from only a few leasing companies, cannot necessarily be considered as representative of the situation across the EU.

When available, the study team made use of other sources of data and input (transport operators professional press, independent studies) aiming to cross-check or complement the information provided by the leasing industry. We asked stakeholders to direct us to relevant studies, although only very few additional reports were provided. Thus, when this has not been possible, we acknowledge this and point to possible reasons that may render the specific figures presented non-representative of the overall picture.

5. ASSESSMENT OF THE STATE OF PLAY

5.1. Assessment of application and implementation of the Directive

In this section we provide an initial assessment of the application and implementation of the Directive across the EU-28 Member States. The analysis is based on input from 24 Member States authorities and supplemented by desk research. A detailed overview of implementation of the Directive by Member State is provided in Appendix 1.

5.1.1. Application of the Directive

The assessment of the application of the Directive examined the following aspects:

- Requirements set in Article 2(1) in relation to the use of vehicles hired by undertakings established in another Member State;
- Differences from the provisions in Article 2(2) of the Directive concerning the proof of compliance;
- Measures adopted by Member State to ensure that undertakings use hired vehicles under the same conditions as vehicles owned by them (Article 3(1)) including also the use of vehicles registered in another Member State;
- Presence of restrictions to the use of hired vehicles for own account operations (on the basis of Article 3(2);
- Any other restrictions/measures adopted by Member States.

Table 5-1 summarises the picture for the each of the EU-28 Member States. We can identify the following groups of countries:

- **Open market - no restrictions**: This includes 22[7] Member States where the conclusions of our research indicate that the national legislation does not impose any restrictions to the hiring of vehicles. In one case where detailed information was provided (BE), the national legislation is even less restrictive, since the use of hired vehicles is allowed even in the case of cabotage operations and a specific vehicle can be used by more than one undertaking during the contract period.
- **Restrictions to access the market:** A number of countries, have restrictions in relation to the access to the market for hired vehicles in the form of registration (DK) or access to hiring profession requirements (ES, CY, PT, EL, IT). In the case of **DK** the legislation requires that all vehicles to be used for rental without driver are registered as such. The conditions in CY, ES, and PT are more burdensome, as access to the market of hiring of all commercial vehicles is only possible for firms that meet specific requirements for access to the profession of vehicle leasing companies (ES, PT, and CY). These include a minimum number of vehicles (i.e. 10 in ES and CY, 12 in PT) and an established office. The **ES** legislation allows transport companies to obtain temporary permits to hire their vehicles without the need to meet the requirement for the minimum number of rental vehicles (Article 27, Orden de 20/07/1995). In **IT,** the hiring of vehicles of over 6 tonnes permissible laden weight is permitted only among transport operators. As reported by Leaseurope (2015b), leasing firms provide vehicle leasing services to transport operators by obtaining the relevant licence on the basis of the requirements set in legislation for access to the haulage profession (Regulation 1071/2009). This includes the capacity to demonstrate competency in the field of transport through exams (IT) and to have assets of at least €50,000 as fixed capital amount, plus €5,000 per "rentable" vehicle. **In EL**, there is no specific licence for commercial vehicle leasing companies. Vehicle leasing companies are licenced according to the procedures that also apply for passenger cars. The relevant national legislation, as modified in 2012, does not impose any minimum requirements (e.g. number of vehicles, capital).

[7] NL, IE, FI, LU , SK, UK, SL, FR, EE, DE, AT, BE, SE, CZ, BG, LT, RO, HR, HU, MT, LV, PL

- **Restriction for own account operations (Article 3(2)):** In ES, IT, PT and EL the national legislation does not allow the hiring of vehicles for certain segments of the market. In ES, IT and PT the hiring of vehicles of more than 6 tonnes laden weight is not permitted for own account operations. Vehicles of less than 6t can be hired for own account operations. In its 2009 summary report of the market restrictions (Leaseurope, 2015b), Leaseurope reports that in ES own account operators need to acquire a private transport card for each hired vehicle between 3.5-6t, an obligation that is still applicable, as confirmed by the Spanish authorities. In **EL,** the restrictions appear to be in breach of Article 3(2) of the Directive. More specifically, hiring of vehicles without driver has become possible since the introduction of law 4092/2012, allowing own account operators to hire vehicles of over 3.5t from other firms within similar sectors. However, leasing of vehicles for own account operations from leasing companies is permitted only for vehicles up to 3.5t. This appears to be in breach of the provisions of Article 3(2) of the Directive that only allows Member States to impose restrictions in the case of own account operations for vehicles with a permissible laden weight of over 6t. It should be noted though that financial leasing is excluded from these restrictions. According to the Greek competent authorities, since the registration of vehicles under financial leasing contracts is conducted by the user (and not the financial institution), it is not considered to be within the scope of legislation 4093/2011 and it is not restricted.

Table 5-1 : Summary of restrictions in relation to Articles 2 and 3 of the Directive

Restrictions	Number of countries	List of Countries	Nature of restrictions
No restrictions	22	NL, IE, FI, LU , SK, UK, SL, FR, EE, DE, AT, BE, SE, CZ, BG, LT, RO, HR, HU, MT, LV, PL	N/A
Market access restrictions	6	CY, DK, ES, PT, EL, IT	DK : Registration of rented vehicles in national register CY, ES, PT: Licence of operation as vehicle hiring company required
Segment of hired vehicles closed (related to Article 3(2)	4	IT, EL, ES, PT	ES, PT, IT: Hiring of vehicles of over 6 tonnes for own account operations not allowed. EL: Hiring for own account operations from leasing companies (only) not allowed for over 3.5 tonnes

Source: Survey of Member State authorities

Restrictions concerning the use of hired vehicles registered in another Member State

Another aspect of the legal framework examined is the presence of any restrictions (time limits or other restrictions) concerning the use of hired goods vehicles registered in another Member State. This concerns both operators established in the Member State (national) as well as operators established in another EU Member State.

Table 5-2 provides a summary of the information collected on the basis of the survey of Member States. In 7 countries there are no restrictions to the use of vehicles registered in other Member States. These include the larger hired vehicles markets (see Section 5.2) – FR, DE and UK. Four more countries impose time limitations - one month in PL and MT, 6 months in BE and 12 months in SE. For the remaining 12 Member States for which information is available, registration of the vehicle in the Member State is required.

However, this registration requirement usually applies only to motor vehicles. The authorities in BG, CY, EL and LT stated that trailers and semi-trailers are not subject to the same restrictions.

Table 5-2 : Summary of restrictions concerning the use of hired vehicles registered in another Member State

Member State	Number of Member States	List of Member States
Use of hired vehicles by national operators		
No restrictions	7	AT, DE, NL, EE, FR, SK, UK[8]
Maximum period after which registration is required	4	BE (6 months), MT (30 days) PL (30 days), SE (12 months)
National Registration of vehicles required	12	BG[9], CY, IT, LT, EL, ES, CZ, FI (7 days), RO, HR, HU, SL
No information available	5	DK, IE, PT, LU, LV
Use of hired vehicles by non-national operators		
Use of hired vehicles registered in the same Member State as the operator	28	Allowed in all EU Member States
Use of hired vehicles registered in another Member State than that of the operator		
Allowed (assuming Community licence in place)	18	AT, BG, CY, DE, EE, EL, HU, HR, IT, NL, FI, FR, LT, MT, RO, SL, SE, UK
Not allowed (reported)	1	ES
No information	9	BE, CZ, DK, IE, PL, PT, LU, LV, SK

Source: Member States survey

Following the provisions of Article 2(1) of the Directive, all Member States accept the use of vehicles hired by operators established in another Member State, when the vehicles are registered in the same country. However, there are different approaches when it comes to such operators using hired vehicles registered in another (third) Member State. In most (18)[10] Member States , the authorities suggested that they allow the use of vehicles hired elsewhere, on the condition that the foreign operators are in compliance with road haulage legislation (Regulations 1071/2009 and 1072/2009) and hold a Community Licence from the country of registration. As a result, in practice this depends on the provisions concerning the use of hired vehicles in the home country, discussed earlier. Thus, operators in 12[11] Member States where a national Registration is required cannot get a Community Licence by using vehicles registered elsewhere. In the case of ES, the authorities do not allow the use of hired vehicles registered in a third EU country. This has also been the practical experience reported by the Association of Bulgarian Transport Operators, which also refer to other counties adopting a restrictive approach (HU, BG, IT).

In relation to that, two national authorities (SL, EL) have indicated that it is not clear what the approach should be when it comes to a combination of vehicles including a trailer or a

8 Declaration of vehicle required after 1 month

9 except trailers/semi-trailers

10 AT, BG, CY, DE, EE, EL, HU, HR, IT, NL, FI, FR, LT, MT, RO, SL, SE, UK - Other Member States did not provide a response to the specific question.

11 BG, CY, IT, LT, EL, ES, CZ, FI, RO, HR, HU, SL

semi-trailer registered in a different country from that of the vehicle. Currently, the common practice is that the trailer/semi-trailer documentation is not checked by the authorities (although the reasons for this were not specified).

5.1.2. Penalties and levels of compliance with the legislation

Table 5-3 presents the information gathered from national authorities on the levels of fines/penalties and compliance associated with the Directive. Four Member States (EE, LT, and PL, UK) indicated that no specific penalties are provided in relation to infringements of hired vehicles legislation. More commonly, non-compliance leads to penalties in the range of EUR 50 to up to EUR 5,000, with fines typically set at around a few hundred Euros. A stricter approach seems to apply in IT, where access to the market is restricted, and fines are in the range of EUR 2,000-12,000.

In terms of the levels of compliance with the relevant national legislation, the information available is very limited. The majority of Member States indicated that information specific to the compliance with hired vehicles legislation is not collected. Quantitative input from FR and SL and qualitative assessment by the DE, EE and HU authorities suggests the level of non-compliance is very low.

Table 5-3: Penalties and compliance with the Directive: Summary information for selected MS

Member State	Penalties imposed	Information on level of non-compliance
AT	Up to EUR 726	No information available.
BE	On-the-spot-fine of EUR 55 or penal fine between EUR 50 and EUR250.	No information available.
BG	No information provided	No cases of non-compliance recorded
CZ	Fine up to CZK 100,000 (ca. EUR 3,700)	No information available.
CY	Administrative sanction between EUR500-2000; Obstruction of inspection or disobeying relevant orders a Criminal offence leading to jail term of up to 1 year or fine of up to EUR 5,000	No information available
DE	On a case by case basis	Considered very low
EE	No specific penalties	Considered negligible
EL	EUR 300-3,000	No information available.
ES	Considered minor infringements (EUR 301-400)	No information available.
FR	Fine of EUR 1,500	Only 2 infringements reported during 2007-2015
HU	Fine of HUF 100,000 (ca. 320 EUR) for not having hiring contract Fine of HUF 300,000 (ca. EUR 960) if the leased vehicle is not used by the lessee	No information provided – total level penalties imposed on annual basis is considered low by the competent authority
HR	fine of HRK 5,000 to 25,000 (EUR 655-3,278)	No information available.
IT	General sanctions for using a vehicle for hire that is not allowed to : 422 EUR to 1,695 EUR for For haulage operators sanctions from EUR 2,065 to 12,394 euros and immobilisation of the vehicle for 3 months	No information available.

Member State	Penalties imposed	Information on level of non-compliance
LT	No specific penalties	No information available.
LV	Fine for a driver EUR 30-70 EUR and EUR 140 – 350 for carrier	No information available.
NL	No information provided	No information available.
PL	No specific penalties	No information available.
RO	4,000-6,000 lei (EUR 904-1,358).	<1% of total road checks in 2014
SE	Fine up to CZK 100,000 (ca. EUR 3,700)	No information available.
SK	Fine of 100-15,000 EUR	No information available.
SL	Fines for the driver EUR 170 – 420 for not having in a vehicle relevant documents. Fines for the company EUR 750 – 1,250 for using leased vehicles without complying with the regulation.	<1% of 7090 of road checks
UK	No specific penalties	No information available.

Source: Member States survey (no input from FI, IE, LU, MT, PT, IE)

5.2. Assessment of the market situation

This section provides an overview of the evolution of the market for hired commercial vehicles in the EU covering the following aspects:

- Analysis of the commercial vehicle hiring market;
- Analysis of some key characteristics (age, levels of utilisation) of the hired vehicles fleet in comparison to the total fleet.

The analysis combines data from Eurostat and national statistical authorities in selected countries, data provided by the European leasing association (Leaseurope) and market research information. Estimates provided by stakeholders during the interviews are also presented where relevant.

5.2.1. Evolution of the hired vehicles market

Data on the size of the European market for hired vehicles tends to be fragmented and uncertain. The project team has drawn on several different sources providing data on the sector structure, the market size and penetration in different EU countries (see Table 5-4).

5.2.1.1.Size of the vehicle leasing sector

The main source of information on the structure of the leasing sector is Eurostat structural business statistics. Data for the sector 'renting and leasing of trucks'[12] (Eurostat, 2015b) suggests a total turnover of the sector in the EU reached EUR 7.9 billion in 2012, with a total number of enterprises around 6,100 in 2012 and 23,800 persons employed. The total turnover and employment has remained relatively stable between 2008 and 2012 (with total growth of less than 4% in both cases). The number of enterprises has grown by 14% between 2008 and 2012.

The Eurostat data also suggests that around 80% of the turnover of the sector in 2008 and 2012 took place in three Member States (France 34%, UK 31% and Germany 15-20%) with no other country having more than 4% of the total. Almost a third (32.2%) of all enterprises was based in France. However, in terms of persons employed, the UK

[12] NACE rev.2 77.12

represented 43.4% of the total in 2008 and 36.5% in 2012. UK-based enterprises are on average two to three times larger (around 11 persons employed/enterprise) than firms in most other countries (2-5 persons employed/enterprise). Among the remaining countries, the data from Eurostat suggest a significant increase in the number of firms and persons employed in Poland and Hungary, but only an increase of turnover in the latter. Italy and Sweden are two countries were Eurostat data indicate an increase in total leasing and renting activity, while in Austria and Belgium the total turnover during the same period went down by more than 25%. More specific information on the underlying reasons for those developments is not available. It is also not clear whether this reflects increase in the level of short term rental or the long term leasing or hire-purchase.

However, we should note that the above analysis based on Eurostat data most probably underrepresents the total size of the sector. It only refers to firms for which commercial vehicle rental or leasing is the **primary** activity stated. Thus, firms that are also active in renting and leasing of cars and light motor vehicles (NACE 77.11), which according to Eurostat is 7-8 times greater in terms of turnover, may not be properly represented in Eurostat data.

Table 5-4 : Overview of Eurostat figures on the 'renting and leasing of trucks' sector

Country	Number of enterprises		Persons employed		Turnover (million EUR)	
	2008	2012	2008	2012	2008	2012
EU28	**5,391**	**6,123**	**22,889**	**23,764**	**7,643**	**7,849**
FR	*1628*	1974	*2757*	4036	*2574.2*	2667.7
UK	713	826	9945	8663	1899.6	2426.6
DE	1075	914	4110	4026	1474.4	1188.4
AT	69	65	260	273	398	282.4
PL	350	561	1519	1760	314.5	269.8
SE	99	91	241	235	138.2	253.4
BE	191	172	421	472	383.7	197.6
IT	203	271	553	732	79	155
FI	58	57	113	93	85.4	86.4
HU	187	226	381	1171	49.7	78.4
DK	31	50	116	132	104.5	70.7
PT	75	57	158	139	28.6	63.8
LT	96	120	395	475	16	38.6
BG	136	264	280	394	19.6	22.6
RO	155	91	426	285	22.5	22
LV	45	62	114	171	14.4	15.8
EL	32	84	56	105	7.2	4.6
SK	15	18	251	42	22.4	4.4
CY	0	4	0	17	0	0.5
NL	101	168	716	543	n/a	n/a
HR	42	9	61	0	0.7	0
EE	69	21	0	0	0	0
LU	8	13	2	0	9.8	0
MT	8	0	14	0	0	0
SL	5	5	0	0	0.3	0
CZ**	n/a	n/a	n/a	n/a	n/a	n/a
ES**	n/a	n/a	n/a	n/a	n/a	n/a

Country	Number of enterprises		Persons employed		Turnover (million EUR)	
	2008	2012	2008	2012	2008	2012
IE**	n/a	n/a	n/a	n/a	n/a	n/a

*Source: Eurostat (2015b), *Insee (2015) used to obtain data for France Note: 2008 is the first year for which data is available for the economic activity classification 'Renting and leasing of trucks'. Before 2008, no data on is availabe at this level of disaggregation. ** Data for IE, ES and CZ not available from Eurostat.*

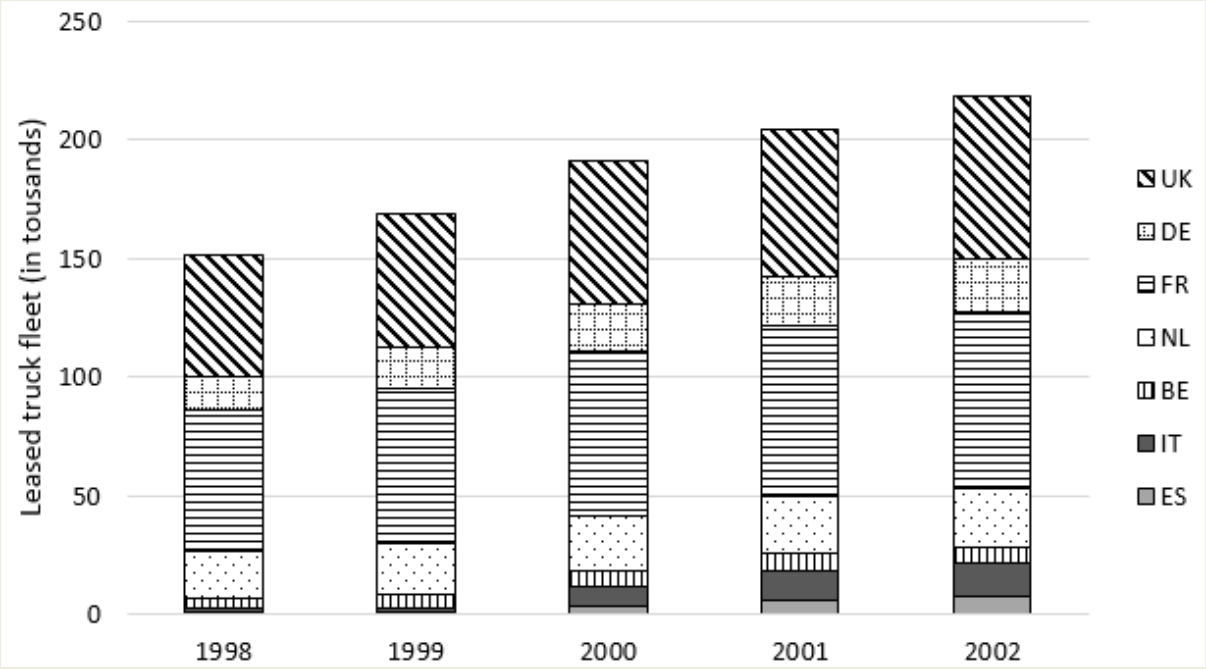
5.2.1.2.Historical evolution of the hired HGVs market

In this section we examine the evolution of leasing and renting of HGVs. As explained in Section 2.3 "leasing" typically refers to longer-term contracts of more than 12 months, whereas "rental" refers to shorter term contracts.

Leased HGVs

Data from Datamonitor for seven Western Europe MS for the period 1998 and 2002 (more recent data are not available), (Figure 5-1) show that the size of the fleet grew by around one-third during that period The UK and France together consistently accounted for the majority of the fleet in these seven countries (between 65% and 85% depending on the year). The data for Germany from the Datamonitor reports appear to be an underestimate, as discussed further below.

Figure 5-1 : Estimate of the number of leased HGVs (>3.5t) in UK, DE, FR, NL, BE, IT, ES from 1998 to 2002



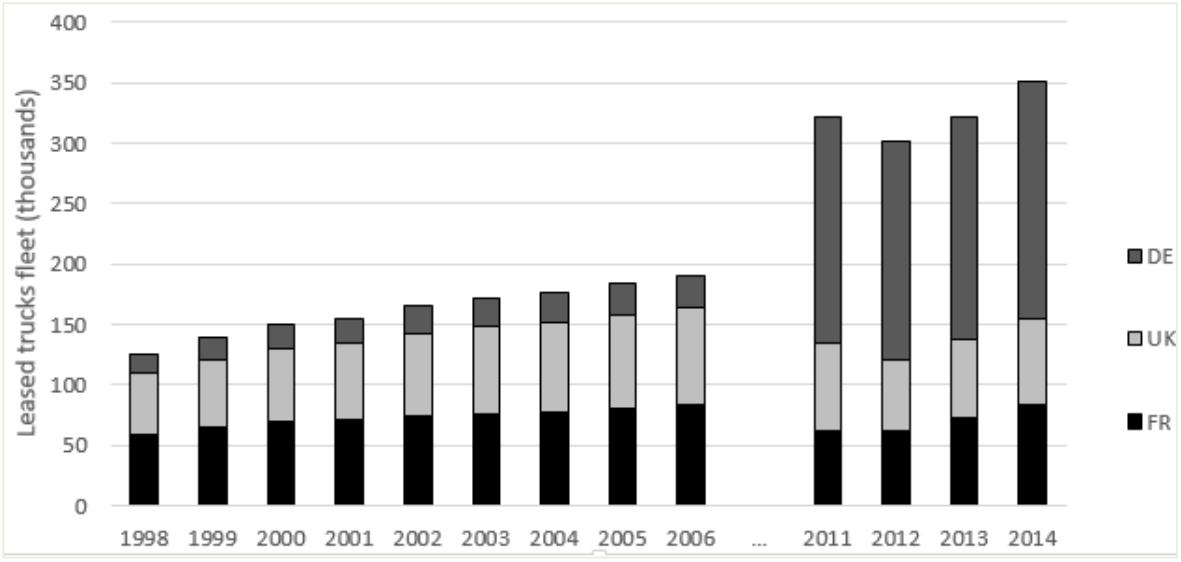
Source: Datamonitor (2003a; 2003b; 2003c) (2003d; 2003e; 2003h) (2003o)

Data for the three largest EU markets FR, UK and DE is available from the Datamonitor reports for a longer period of 1998 to 2006, and they have been compared to more recent estimates provided by Leaseurope covering 2011 to 2014 (see Figure 5-2).

Estimates of fleet size between Datamonitor and Leaseurope are broadly comparable for UK and FR. However, for DE there is a very large variation in estimates. A possible explanation is that Datamonitor figures may have estimated the number of leased vehicles based on figures by the German Federal Motor Transport Authority for vehicles registered to businesses classified as 'hiring of vehicles without driver'. Since the keeper of a leased vehicle in Germany is most usually the lessee, i.e. the haulage company using the vehicle,

leased vehicles are generally not covered under this business classification. Datamonitor figures can therefore only provide an indication for the number of rented vehicles which is far smaller than that of leased vehicles (see Figure 5-2 below).

Figure 5-2 : Estimates of the number of leased HGVs (>3.5t) in DE, UK, FR over time



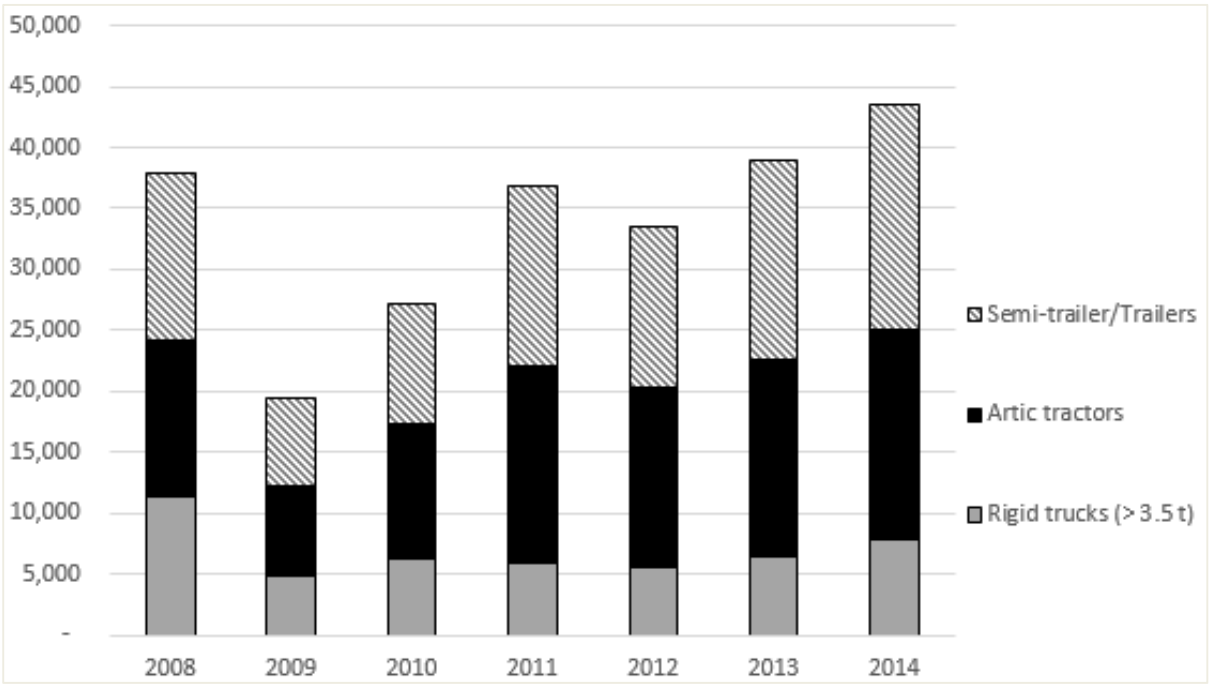
Sources: 1998-2006: Datamonitor (2007b; 2007c; 2007a), 2011-2014: Leaseurope (2015c) and BVRLA (2015)

There is no data from publically available sources[13] covering the period between 2007 and 2010, so the possible effect of the financial crisis is not shown. While not directly comparable, the data on turnover for the truck rental and leasing sector for the period 2008-2013 for the three countries (FR, DE, UK) (Eurostat, 2015b) shows a temporary dip during the period 2009-2013, suggesting that the sector contracted following the financial crisis.

Similarly, looking at other markets suggests that the vehicle leasing industry activity declined following the crisis. A reduction of 16% in turnover from new vehicle leasing business was reported in Austria, possibly due to support provided by the government scrappage scheme (Leasing Life, 2010). Greater reductions in car and commercial leasing volumes of 35% were reported in Finland and of 30% in Italy (Leasing Life, 2010). Finally, data from the Polish association suggest that the market for leased commercial vehicles contracted following the crisis in 2008. It shows a strong decline of almost 50% in the market for leasing between 2008 and 2009 (Figure 5-3).

[13] As mentioned in Section 4, the budget did not allow for purchase of proprietary data

Figure 5-3 : Number of assets financed by members of the Polish Leasing Association

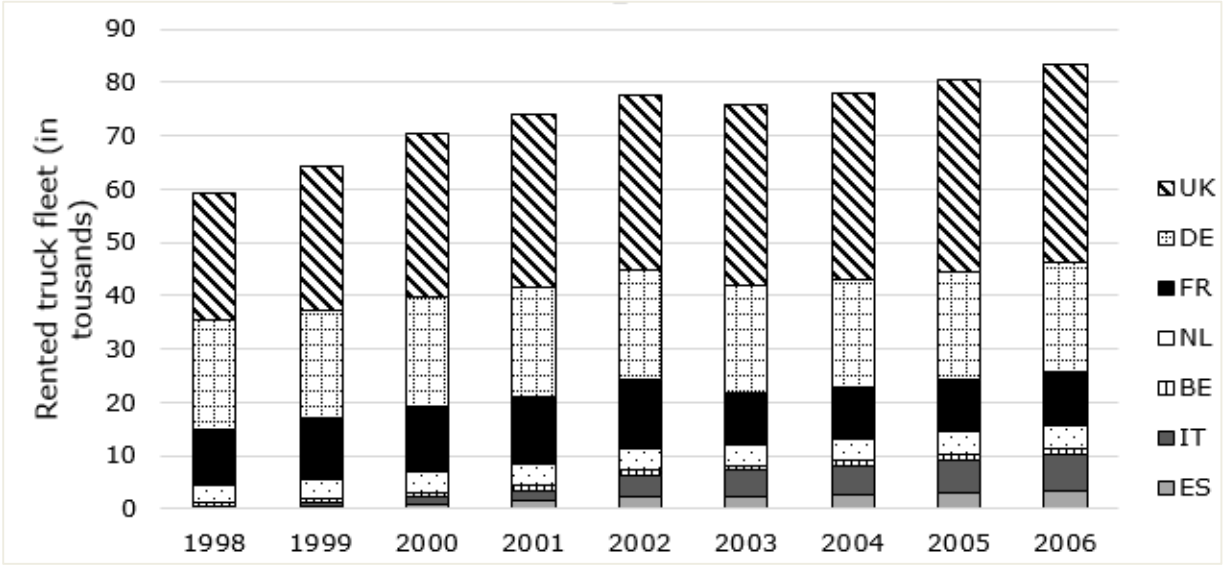


Source: Polish Leasing Association (2015)

Rental of HGVs

Somewhat similarly to the situation for leasing, Datamonitor data for the period 1998-2006 suggest a steady growth in the number of rented trucks over that period (Figure 5-4).

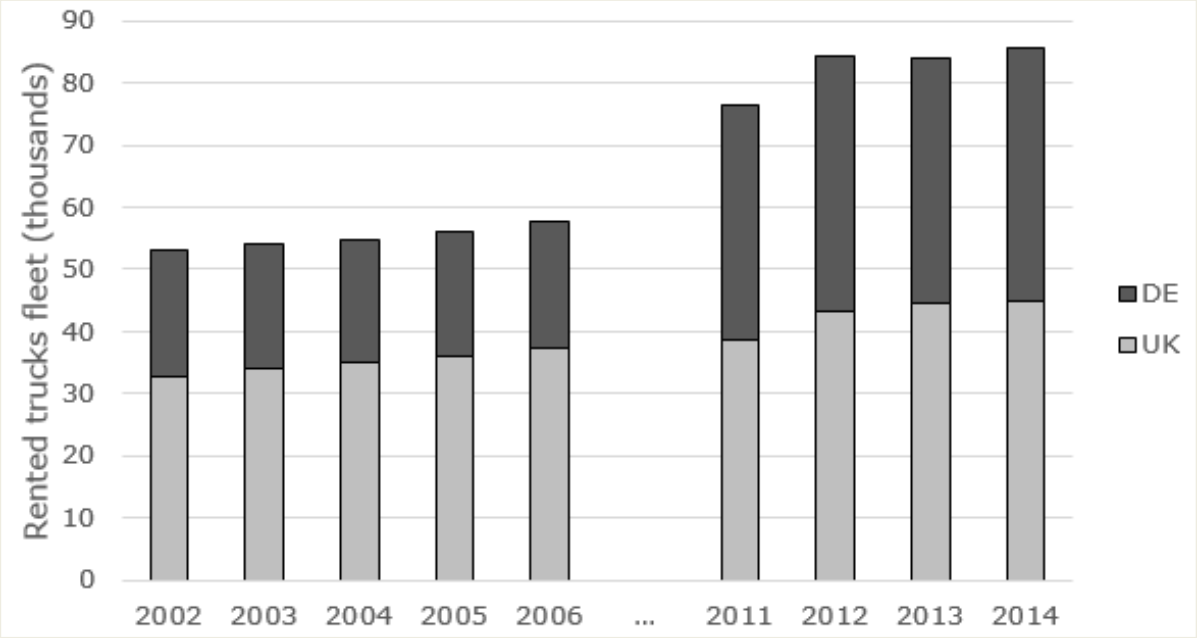
Figure 5-4 : Estimate of the number of rental HGVs (>3.5t) in UK, DE, FR, NL, BE, IT, ES (period 1998 to 2006)



Source: Datamonitor (2006c; 2006d; 2006e) (2006g; 2006b; 2006f) (2006h)

More recent data on the size of the rental fleet in Europe is only available for DE and UK (Figure 5-5). These figures suggest that the growth trend in the size of the rental fleet has continued in recent years in the UK, with a possible exception of the years 2007-2010, for which no data is available. However, similarly to the leasing estimates, the German rental fleet estimates from 2002 to 2006 are likely to be an underestimate.

Figure 5-5: Estimates of the number of rented HGVs (>3.5t) in DE, UK, FR over time



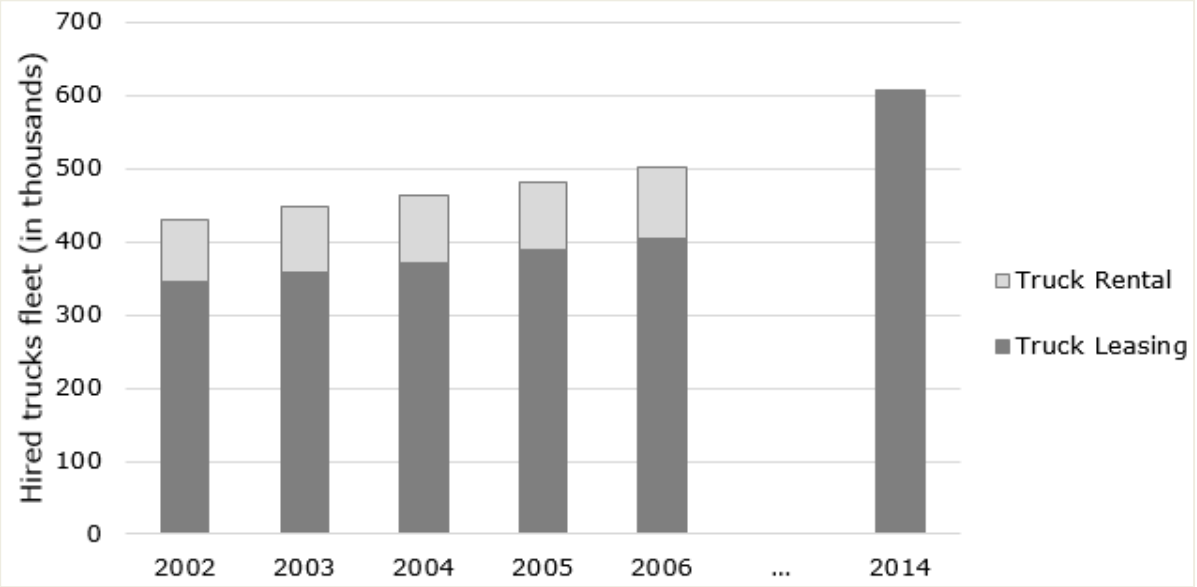
Sources: 1998-2006: Datamonitor (2007d), 2011-2014: BVRLA (2015), KBA (2014a)

Overall leasing and renting of HGVs in Europe

Overall, the Datamonitor data suggest that the number of hired vehicles (including renting and leasing) in Europe increased by just over 15% between 2002 and 2006 and the data for the period 2011-2014 from Leaseurope suggest that the market has grown further.

This is followed by a considerably higher estimate of the number of leased vehicles from Leaseurope in 2014 (see Figure 5-6). The large gap is mostly due to the differences between the estimates of the number of leased vehicles in Germany, as was illustrated in Figure 5-6. No recent pan-European estimate of the size of the rental truck fleet is available.

Figure 5-6: Number of trucks rented and leased in Europe between 2002 and 2006 and number of trucks leased in 2014



Sources: Datamonitor (2007d), Leaseurope (2015c)
Notes: 2002-2006 data includes BE, CZ, DE, DK, FR, HU, IT, NL, PL, RU, ES, SE, UK. 2014 data includes CZ, DE, DK, EE, EL, FI, FR, IT, SK, UK

5.2.1.3. Present situation of the hired vehicles market

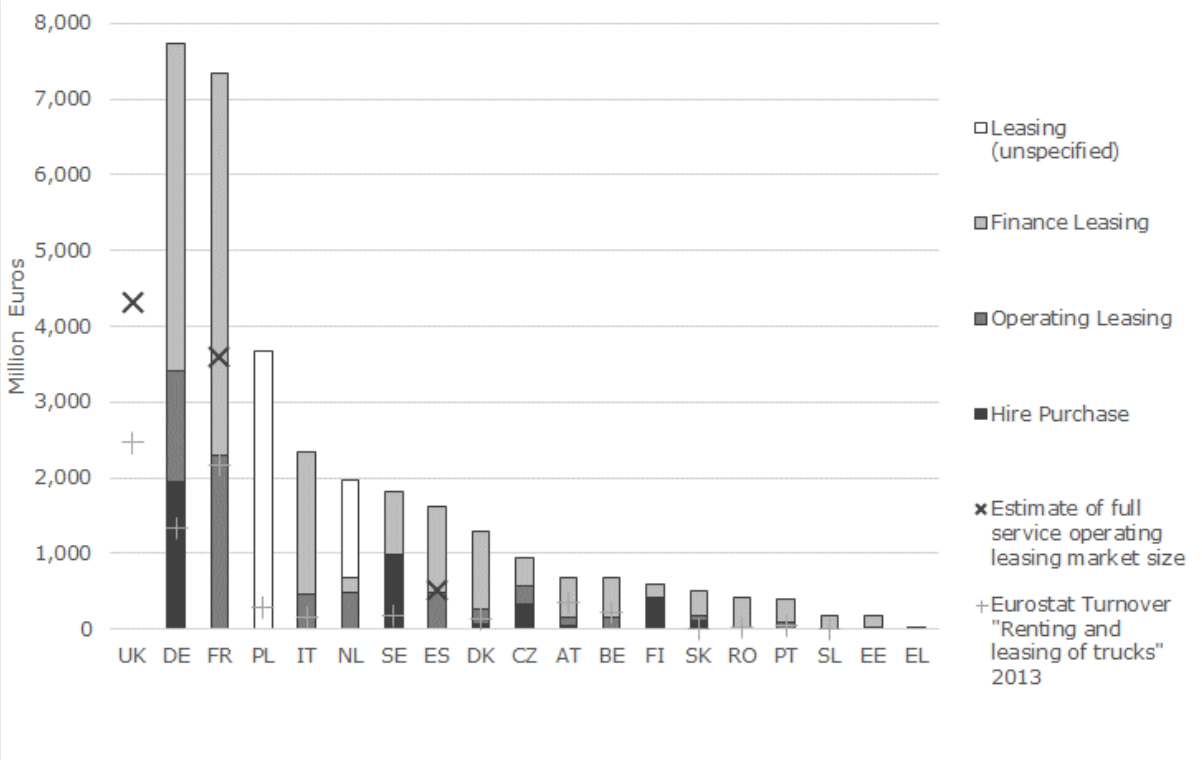
A more detailed analysis of the present situation of the hired vehicles market is possible on the basis of data provided by Leaseurope covering market value and number of vehicles for all types of leasing contracts described in Section 2.3.

Market value

In terms of market value, data was available on the total value of new commercial vehicle leasing contracts signed in 2014 (see Figure 5-7), as well as the number of new commercial vehicle leasing contracts (see Figure 5-9). The data covers all types of leasing contracts.

It shows that Germany and France are the two main markets, followed by Poland, Italy and the Netherlands. Given the fleet size estimates presented above, the UK is also likely to be amongst the largest markets, but data for the sector is missing.

Figure 5-7: Commercial vehicles: new business volumes of Leaseurope members by type of lease, estimates of total full service operating leasing market size in FR, ES and UK and Eurostat sectoral turnover data for "Renting and Leasing of trucks"



Sources: Leaseurope (2015c; n.d.-b), Eurostat (2015b)

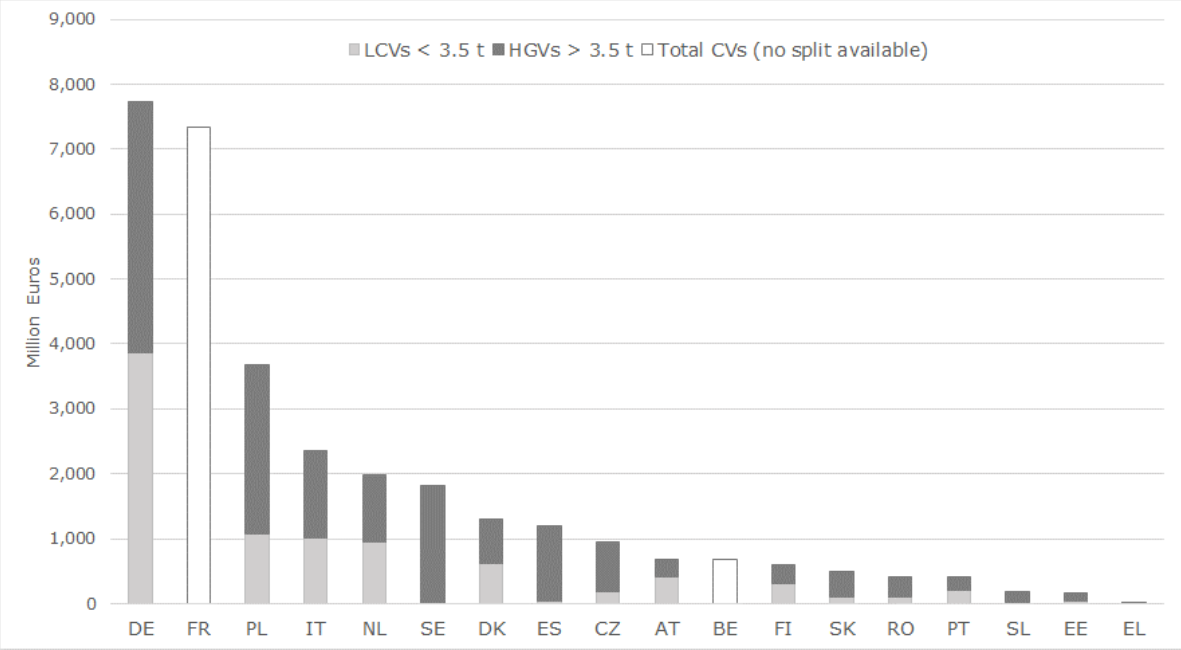
As can be seen from Figure 5-7 the predominant form of leasing in the commercial vehicle sector is financial leasing. In most countries this represents more than 60% of the total new business volumes (million Euros).

However, the data from Leaseurope does not cover the whole commercial vehicle hire sector, since not all commercial vehicle hire companies are part of a national leasing association. Furthermore, the data presented does not include the vehicle rental sector. The confidential market research data on the size of the market for full-service operating

leasing in the UK, France and Spain[14] suggest that the market in France is at least 20% larger than the total indicated, as the true size of operating leasing should exceed the size of the sub-activity of full-service operating leasing.

In terms of the share of LCVs and HGVs in the total, the financial volume tends to be equally split in most Member States, with a few exceptions (Sweden, Spain, Slovakia, Romania, Slovenia and Estonia) where the leasing of HGVs dominates (see Figure 5-8).

Figure 5-8: Commercial Vehicles: new business volumes of Leaseurope members in 2014



Source: Leaseurope (2015)

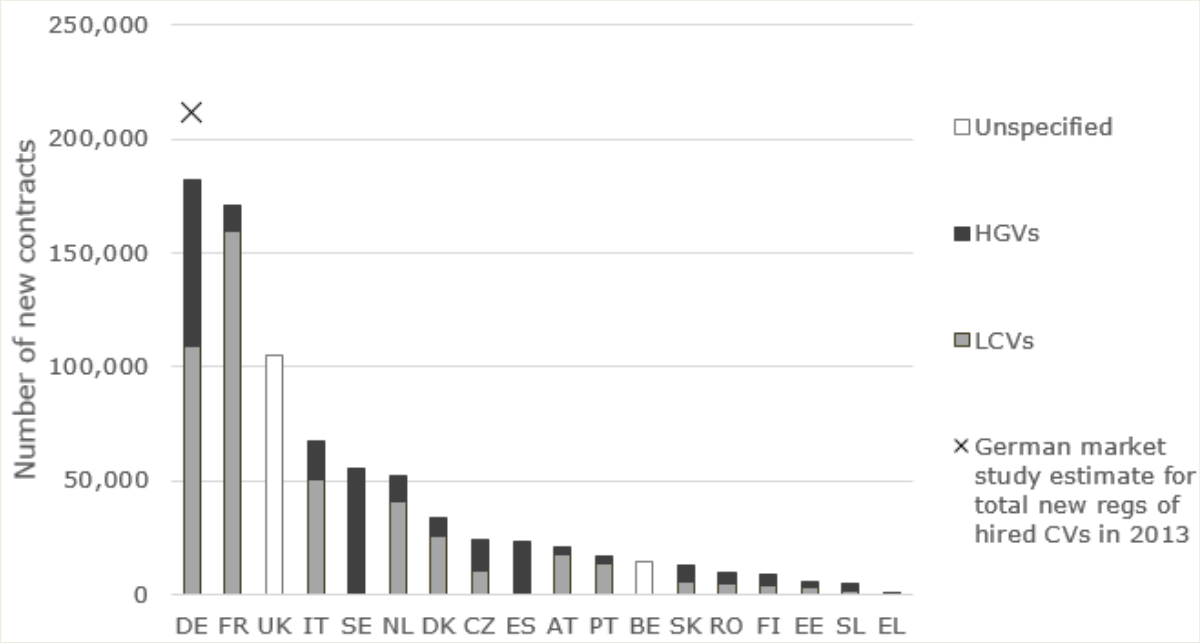
Number of new contracts/vehicles

In terms of the actual number of vehicles leased, Leaseurope data on the number of contracts[15] suggest that the number of LCVs leased is significantly higher than that for HGVs (see Figure 5-9). An estimate from a confidential market study provided by Leaseurope for the market share of leased or rented vehicles from Germany indicates that the actual total number of hired vehicles is slightly higher; this is likely to be the case as leasing associations may not cover 100% of the market.

[14] Full-service operating leasing is only one form of operating leasing.

[15] Leaseurope have advised that the number of new contracts approximately resembles the number of vehicles newly leased.

Figure 5-9: Commercial Vehicles: number of new contracts of Leaseurope members in 2014



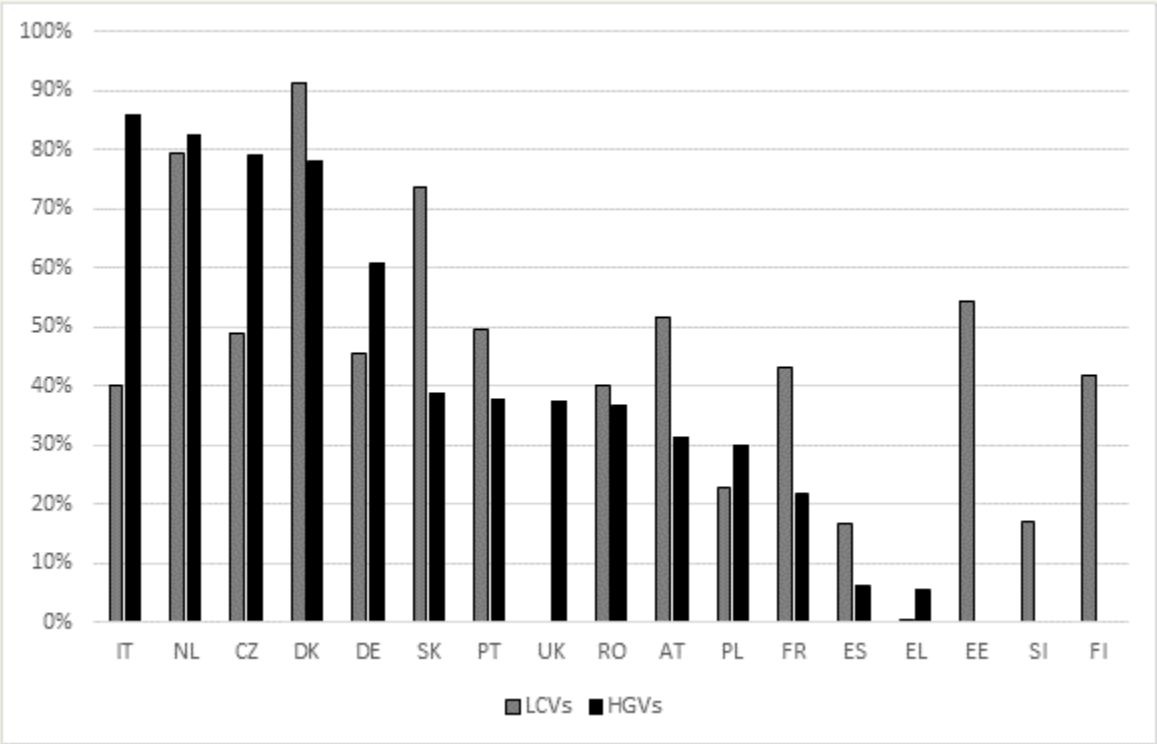
Sources: Leaseurope (2015; n.d.)

5.2.1.4.Market penetration

The data collected also allows the provision of estimates across Europe of the level of penetration of hired commercial vehicles in new registrations as well as in the fleet.

Figure 5-10 shows an estimate of the share of leased vehicles in new LCV and HGV registrations. The estimate is obtained by taking the ratio of Leaseurope's number of new contracts (including both operating and finance leasing) by vehicle type (Figure 5-10) to the overall number of new registrations of LCVs and HGVs (ACEA, 2015). ACEA data only provides registration figures for motor vehicles, so new registration figures for semi-trailers from Eurostat are added to the figure for HGVs, for which the latest year is 2012. On average, the figures suggest a leasing market penetration in new registrations of 30% for LCVs and 40% for HGVs, for the Member States for which the respective data is available but with different shares of the more flexible operating leasing. However, these figures need to be treated with some caution as it is not certain to what extent the entire market is captured by the Leaseurope figures on the one hand, and the combination of ACEA and Eurostat figures from different years on the other.

Figure 5-10: Estimated share of leased vehicles in new registrations in 2014

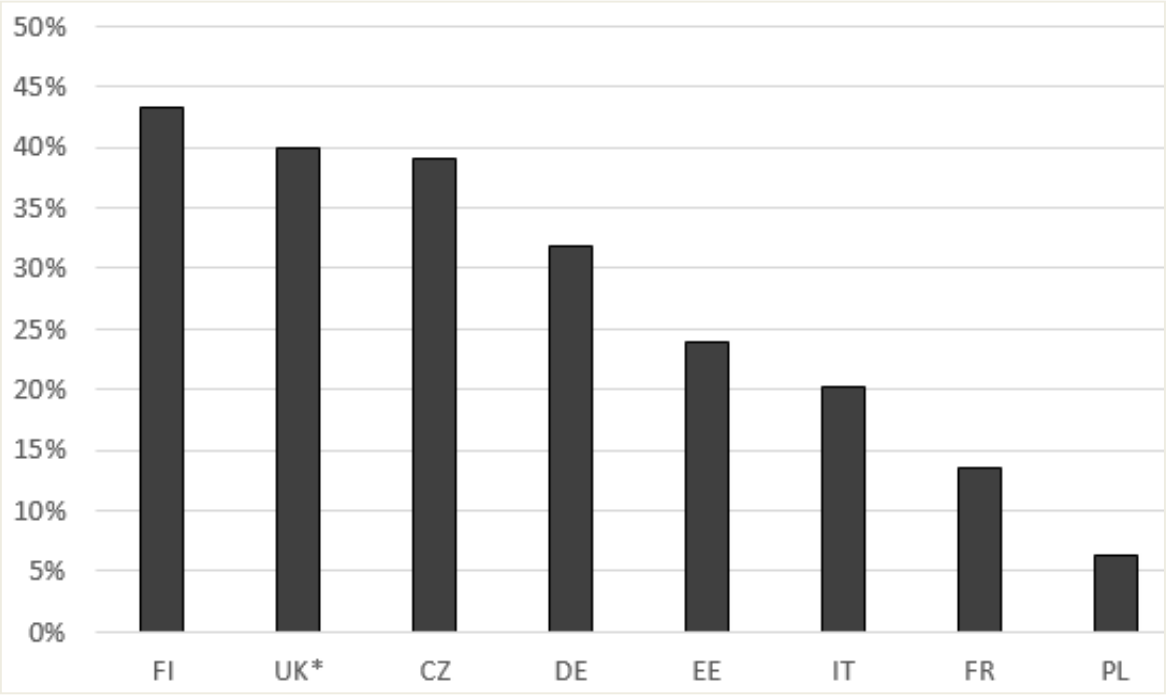


Sources: Leaseurope (2015c), ACEA (2015), Eurostat (2015f) Notes: no data for LCV share for UK; no data for HGV share in FI, SI and EE

In terms of the share of leased vehicles in the total vehicle stock, data are only available for HGVs. The number of HGVs has been estimated based on Eurostat data, combining figures on trucks with payloads exceeding 3 tonnes, road tractors and semitrailers.

As previously mentioned, in 2012, France has a share of 12% full-service operating leases alone, which suggests that the total share of leased vehicles is larger than the 14% calculated in Figure 5-11 but no further data were available to improve the estimate. The share of leased HGVs in Germany can also be expected to be slightly higher than the amount shown given the estimates on new registrations discussed in Section 5.2.1.3.

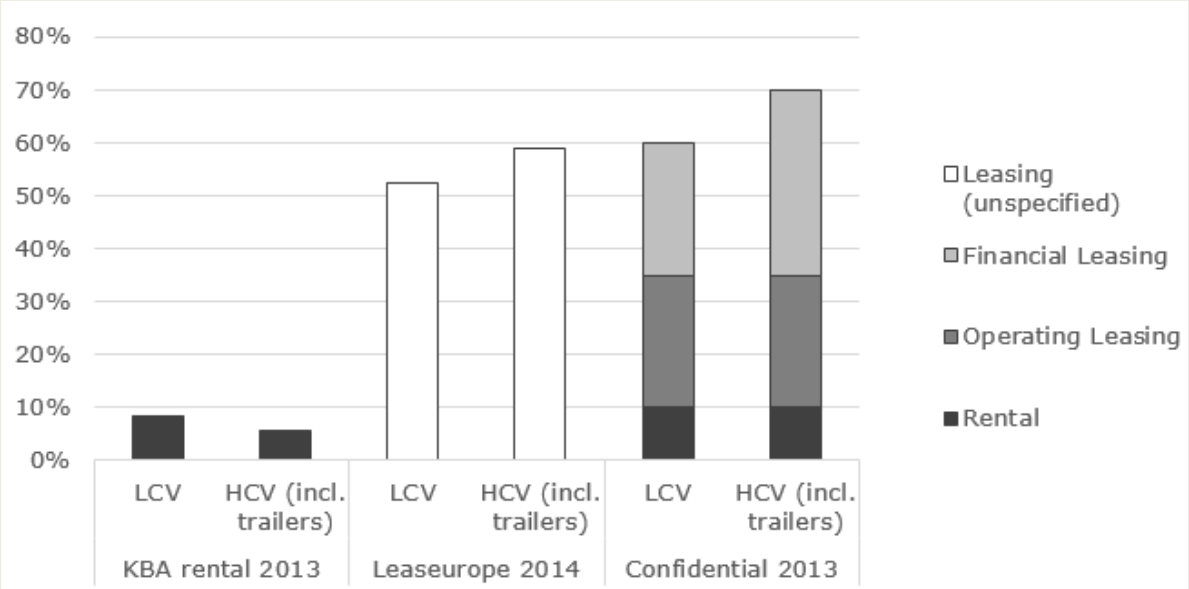
Figure 5-11: Estimated share of leased HGVs in total HGV stock in 2014



Sources: Leaseurope (2015c), Eurostat (2015d; 2015e; 2015i)
*Notes: *Market research data from (Leaseurope, n.d.-b) indicates that for 2012 in the UK, leased HGVs account for around 40% of vehicle stock (with another 15% being rental vehicles, not shown here), rather than 19% as calculated from the Eurostat data.*

In the case of Germany, it is also possible to draw upon data from the Federal Motor Transport Authority (KBA) and the results of a confidential market study provided by Leaseurope. KBA records the keeper of each newly registered vehicle by business type. In 2013, the business classification 'hiring of vehicles without driver' accounted for 8% of new LCV registrations and 6% of new HGV registrations. This share only covers the rental market as for leasing arrangements in Germany the lessee is registered as keeper of the vehicle. The confidential study surveyed commercial vehicle fleet operators. Its results broadly align with the sum of leasing data provided by Leaseurope and the rental share in new registrations provided by KBA. They suggest that 60% of new LCVs and 70% of new HGVs are procured by companies via some form of vehicle hire (see Figure 5-12).

Figure 5-12: Share of hired vehicles in new registrations on the basis of different sources in Germany



Sources: KBA, (2014a), Leaseurope (2015c; n.d.-b)

Overall, as a rough approximation based on the available market data, it can be expected that hired vehicles account for more than 40% of all new HGVs sold in Europe, but with great variation among different Member States. Market penetration as a share of vehicle stock can be expected to be slightly lower.

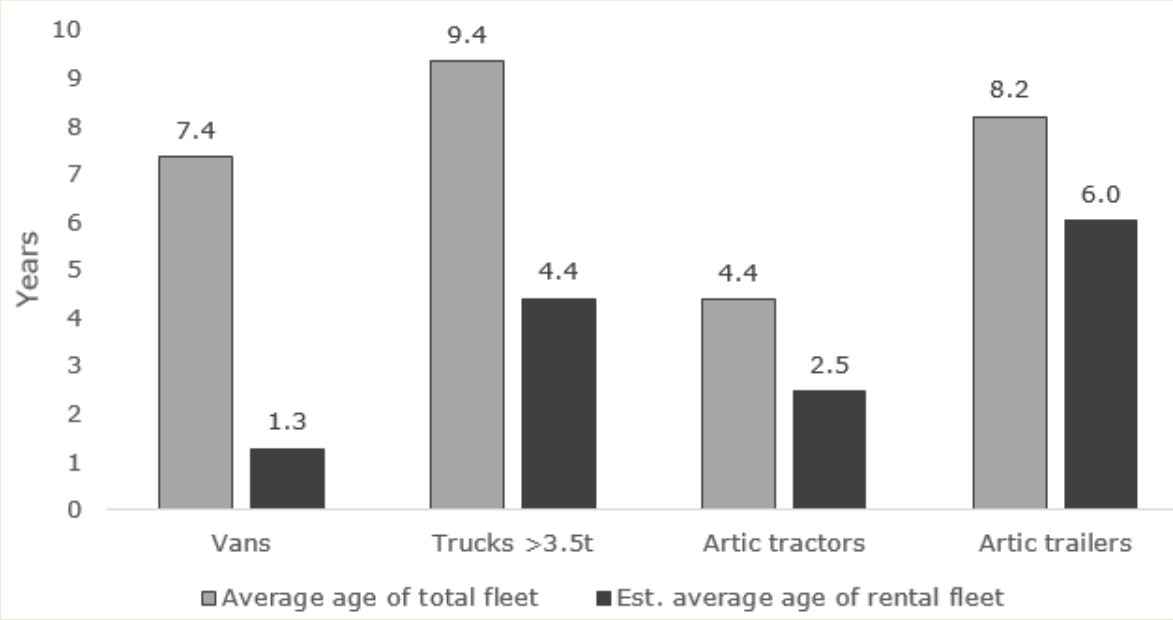
5.2.2. Characteristics of the hired vehicle fleet

This section presents data on vehicle age and environmental performance of commercial vehicles.

5.2.2.1.Average age of vehicle fleet

In terms of the characteristics of the rental vehicle fleet, hired vehicles appear to have a much lower average age in comparison to the overall vehicle stock. Data from the KBA in Germany suggest that hired commercial vehicles are, on average, 5-6 years younger than the total fleet (see Figure 5-13).

Figure 5-13: Comparison of average overall vehicle stock age in Germany with average age of rental fleet stock for different types of commercial vehicles



Sources: KBA (2014; 2014a; 2015) Notes: Artic tractor = road tractor (of an articulated truck); artic trailer = semitrailer (of an articulated truck)

The picture presented for Germany seems to apply in most other countries, on the basis of data provided by Leaseurope (Leaseurope, n.d-a) and further comments gathered from interviews, as shown in Table 5-5. The average age of the leased fleet is 3.8 to 6 years lower than that of the overall fleet.

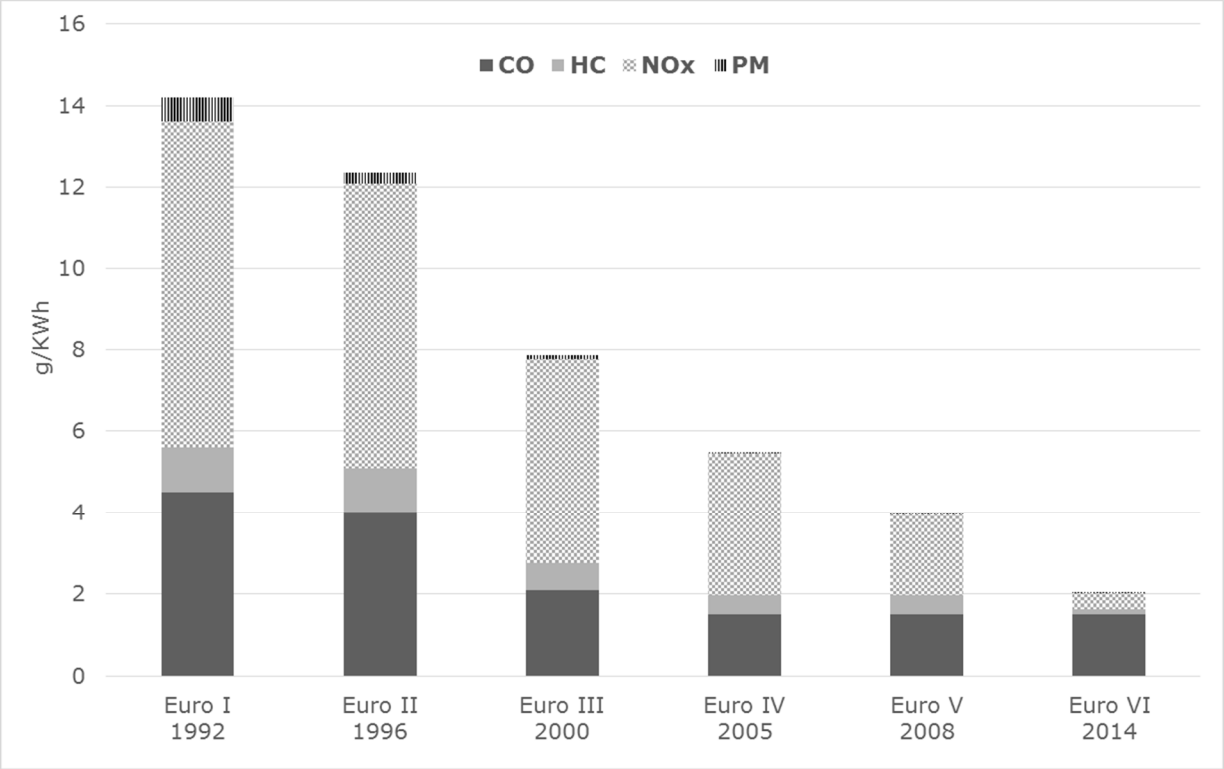
Table 5-5 : Average age of HGV fleet according to literature and stakeholder input

	Leased fleet	Overall fleet	Source
Belgium	3.1	7.9	(Leaseurope, n.d-a)
	"younger"	8 years	BE based own account operator
Germany	2.5	6.8	(Leaseurope, n.d-a)
	4.4	9.4	KBA (2014; 2014a; 2015)
UK	2.8	6.6	(Leaseurope, n.d-a)
Spain	2.5	8.5	(Leaseurope, n.d-a)
Czech Republic	3.8	n/a	(Leaseurope, n.d-a)
Denmark	1.7	n/a	(Leaseurope, n.d-a)
France	2.5	n/a	(Leaseurope, n.d-a)
	1 – 2.5 years	10 years	FR based leasing company
	2-3 years	5-6 years	(Leaseurope, n.d-a)
Poland	2.3	n/a	(Leaseurope, n.d-a)
Switzerland	2.2	n/a	(Leaseurope, n.d-a)
Slovakia	3.7	n/a	(Leaseurope, n.d-a)
Netherlands	n/a	6.8	(Leaseurope, n.d-a)
Italy	n/a	9.5	(Leaseurope, n.d-a)
Greece	n/a	8-10 years	Greek haulage operator association

5.2.2.2.Environmental performance

The lower average age of hired commercial vehicles is also associated with greater levels of compliance with higher emission standards (Figure 5-14).

Figure 5-14: Evolution of EU Emission Standards for HD Diesel Engines, g/kWh



Source: Directives 88/77/EEC (Euro I and II), 1999/96/EC (Euro III) and 2005/55/EC (Euro IV and V) as well as Regulation (EC) No 595/2009 (Euro VI)

Specific data on the environmental standards of the hired vehicles fleet compared to the average fleet is not available. However, a German leasing company reported 80% of its fleet presently meeting Euro VI standards, by the end of 2016 this figure will be 100%.

Other characteristics of the hired vehicle (running costs, fuel consumption) are presented in the relevant evaluation questions.

5.3.Taxation of HGVs

This section provides an overview of the taxation regime (i.e. registration and ownership/circulation taxes) applicable to heavy goods vehicles (>3.5 tonnes) and the associated revenue for national authorities. This issue is relevant to the Directive since the use of hired HGVs registered in different Member States can impact on revenues from the relevant taxes. This is an issue that was brought up during the discussions in the Council in 1995 in relation to the proposal for short term hiring of vehicles registered in another Member State. Five Member States (DE, EL, PT, ES, IT) expressed concerns about negative possible effects on taxation revenues for cross-border hiring (Council of European Union, 1995).

The analysis has been based on desk research and input from the national competent authorities. The questionnaire sent to all authorities asked for information on the taxation regime applicable to commercial vehicles and on the total tax revenue from registration and circulation of commercial vehicles. However, only two Member State authorities (UK, SK) were able to provide data on the level of tax revenues from commercial vehicles.

Data on the revenues from registration and circulation taxes for *all* types of vehicles (passenger cars and commercial vehicles) are available (European Commission, n.a.-a),

which can be used in combination with data on the number of HGV registrations to provide some indication of the level of tax revenues.

A detailed overview of the applicable registration and circulation/ownership taxes is presented in **Appendix 3**. In the following paragraphs we summarise the key points and provide estimates of the tax revenues.

5.3.1. Taxes on acquisition

Certain one-off charges are incurred when registering a new HGV for the first time. There are two types:

- **Registration taxes**: a variable amount charged depending on the characteristics of the vehicle. This is usually defined on the basis of its weight, engine capacity, environmental performance (e.g. CO_2 emissions per km), vehicle type, or a combination of these conditions.
- **Registration fees**: a fixed amount charged per vehicle, irrespective of its characteristics.

In general, registration taxes on commercial vehicles are rather limited in comparison to passenger cars. Seven Member States (BG, CZ, DE, EE, LU, SE, UK) do not have registration taxes for any type of commercial vehicle, while 15 (BE, CY, CZ, DE, DK, ES, FR, HU, IT, LU, LV, NL, PL, PT and UK) introduce certain tax breaks for commercial vehicles, and in particular, HGVs. In most cases, vehicles above a threshold weight value are exempt from registration tax. For example, in Denmark, if a vehicle's deadweight is greater than 4 tonnes, it is exempt.

In total, 9 Member States use environmental criteria for their tax structure (AT, DK, FI, GR, HR, HU, PT, RO, and SL). Of these, Denmark, Finland and Portugal apply these criteria to light commercial vehicles only. The remainder use CO_2 emissions and vehicle environmental EURO classes to define the registration tax payable for a vehicle.

In almost all countries a fixed registration fee is charged. This varies among Member States but it is typically less than EUR 100.

In terms of the revenue from registration taxes and fees for commercial vehicles, specific data are not available. However some estimations on the total level of revenues have been made (see Table 5-6), making use of data on the registration taxes/fees and data on the fleet of HGVs for the most recent year available (2012). The estimates represent a lower-bound value for the revenue, since additional registration taxes levied on vehicle price is difficult to calculate on the basis of available data. An estimate was not possible for all Member States: missing data for the number of HGV registrations, registration fees or the estimated share of hired HGVs to the total and the commercial fleet prevent this calculation.

The results indicate that the registration fee and tax revenues generated by hired HGVs range from substantially zero (SK, EE) to over €11 million per year (IT, PT) – a relatively minor share (in most countries less than 2%) of the total annual vehicle registration tax revenues for all vehicles.

Table 5-6:Estimated annual revenues from registration taxes/fees applicable to HGVs

Member State	Total new HGV registra-tions	Estimated share of hired HGV in new registra-tions (% of total)	Registration Taxes		Registration Fees		Total revenue from hired HGV registration charges (€ millions)	Total revenue from all vehicles' registra-tion (€ millions)
			Tax in place (Y/N)	Revenue (€ millions)	Fee (€ per vehicle)	Revenue (€ millions)		
AT	6,945	5	Y	0.55	182.25	0.06	0.61	27.1
CZ	9,864	77	Y	0.49	29.6	0.22	0.71	11
EE	900	31	N	0	190	0.05	0.05	5.5
ES	16,800	19	Y	9.80	94.8	0.30	10.09	575.7
IT	12,978	14	Y	10.94	135	0.25	11.19	1,256.7
PT	3,224	13	Y	11.51	110	0.04	11.55	615.3
SK	3,738	24	N	0	16.5	0.01	0.01	4.9

Notes: Total revenue from registrations fee estimated by multiplying the estimations number of new hired HGV registrations by the fee per vehicle. Total revenue from registration taxes estimated by assuming the revenue is proportional to the share of hired HGVs in new registrations

5.3.2. Annual taxes on ownership

Taxes on ownership are charged each year, due in connection with ownership of a vehicle.

- **Nationally-based taxes** are variously known as circulation, road, excise or axle taxes. They are applicable only to vehicles registered in that country. Directive 1999/62/EC provides minimum rates of vehicle taxes for heavy goods vehicles. [16],
- **Territorially-based charges** and taxes (e.g. tolls, fuel revenues) are not considered in this section because they are strongly usage-based (they apply to vehicles irrespective of their country of registration) and are therefore not relevant to the discussion of hired vehicles.

Ownership taxes are typically structured on the basis of weight and physical characteristics (number of axles, type of suspension, engine size) of the vehicle. Of all EU-28 countries, only 4 (DE, HU, SE, UK) include environmental performance criteria in their tax structure. Instead, weight is typically used for HGVs to define ownership taxes. Less frequently, taxes on compulsory insurance premiums apply, with rates highly variable between Member States.

Direct estimates of the total revenue from annual taxes on ownership of hired HGVs were not available from any authorities. The extent of revenues from ownership taxes from hired HGVs was estimated using the average ownership taxes on HGVs (International Transport Forum, 2012), multiplied by the number of hired HGVs within the national fleet. The results (see Table 5-7) indicate a range of contributions from €39 million in France to €97 million in Germany (International Transport Forum, 2012).

[16] Directive 1999/62/EC of the European Parliament and of the Council of 17 June 1999 on the charging of heavy goods vehicles for the use of certain infrastructures (OJ L 187, 20.7.1999, p. 42).

Table 5-7- Estimated annual revenues from circulation taxes applicable to hired HGVs

Country	Tax on vehicle ownership (EUR per vehicle)	Total number of HGVs in circulation (2012)	Estimated share of hired vehicles in HGV fleet in circulation (%)	Revenue from ownership taxes associated with hired HGVs (EUR, millions)
CZ	2,020	82,719	39.0	65
DE	929	327,048	31.9	97
FI	1,233	79,104	43.3	42
FR	932	309,306	13.5	39
IT	825	376,228	20.2	63

Source: (Eurostat, 2015j) (International Transport Forum, 2012)

When a comparison is made between the revenues for HGV ownership and registration, it is clear that annual revenues from ownership taxes are much higher (typically 5-10 greater) than for registration taxes.

6. ANSWERS TO EVALUATION QUESTIONS

6.1. *Effectiveness: To what extent has the Directive affected the productivity / operating costs of undertakings and the flexibility in the organisation of transport operations?*

As highlighted in Section 2.2 (Intervention logic), one of the general objectives of the Directive was to increase the productivity and flexibility of transport operators. The following analysis focuses in particular on operating costs as a measure of productivity. Other aspects that impact on productivity such as utilisation rates will be covered in Section 6.2 (Evaluation question on factors of production).

6.1.1. Overview of hiring contracts and linkages to effectiveness

The different types of contracts that are available for vehicle hire were previously introduced in the assessment of the market situation. It is important to bear in mind that they are used for different purposes and are associated with different benefits, as shown in Table 6-1.

Table 6-1 : Features and benefits of different hiring types

Hiring type	Typical features	Typical reasons for hauliers taking out contracts	Typical benefits (effectiveness)
Short term rental	Duration from hours to up to one month Service/maintenance by rental firm	Replace damaged / defective vehicles.	Flexibility (operational optimisation)
Medium-/Long terms rental	Up to 12 months Service/maintenance by rental firm	Meeting seasonal demand, e.g. for Christmas Meeting fluctuations in demand / production	
Operating leasing	Over 12 months (typically up to 3 years) Service/maintenance by leasing company Typically access to additional vehicles to meet seasonal demand and replacement vehicles in case of defect Leasing companies providing fleet management services	Replacing owned vehicles Outsource fleet management	Operational costs (plus fuel efficiency, emissions) Optimisation of cash flows and predictability of charges (see EQ2, Section 6.2)
Finance leasing (without services)	2-5 years – Depending on the life of the vehicle Ownership typically remains with lessor after end of period	Replacing owned vehicles	Optimisation of cash flows and predictability of charges (see EQ2, Section 6.2)
Hire purchase	2-5 years – Depending on the life of the vehicle Ownership to user after end of period	Alternative form of finance purchase of vehicles	Optimisation of cash flows and predictability of charges (see EQ2, Section 6.2)

Source: Ricardo analysis of (Oxford Economics, 2013)

Notes: The definition of what constitutes each different type of contract (e.g. the difference between short- and long-term hiring) furthermore tends to vary among countries. For our analysis, hiring for less than a year is considered short-term hiring. Within this period there is short-term rental (usually for only a few weeks) and longer-term rental. Leasing contracts are usually longer term (i.e. more than a year)

This highlights that are substantial differences in the motivations behind choosing different contracts. The main distinctions that are important for the purposes of evaluating the effectiveness are:

- The main benefit from rental contracts (up to 12 months) is the *flexibility* to ensure operational optimisation (with a premium charged for the flexibility),
- Leasing contracts (longer than 12 months) are mainly chosen for *operational cost reductions* and/or to optimise cash flows and the predictability of charges.

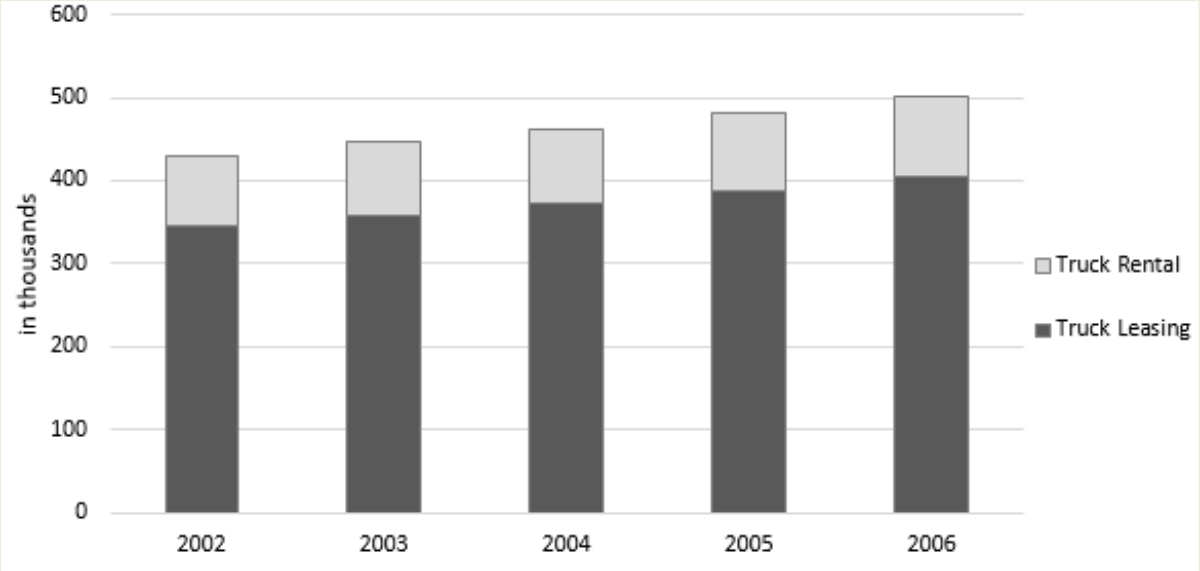
As indicated in the table, the topic of optimising cash flows will be further investigated in the following evaluation question (Section 6.2) covering factors of production.

6.1.2. Short and long term hiring of commercial vehicles

A key change to the initial version of the Directive introduced in the 1990 amendment was the removal of the minimum hiring period restrictions. These had previously been in place in five Member States (DE[17], EL, IE, IT, NL). According to the 1989 report of the Commission this was particularly restrictive to the development of short-term hiring, which was seen as a key objective of the Directive (European Commission, 1989).

For Europe as a whole, information from Datamonitor suggests that the share of short-term contracts (renting) was around 20% between 2002 and 2006 (Figure 6-1).

Figure 6-1: Share of short term (renting) and long term (leasing) contracts in Europe



Source: (Datamonitor, 2003j; 2007d)

This suggests that in most countries, short-term leasing contracts made up a minor part of hiring contracts compared to long-term leases (in terms of the number of contracts) in the period 2002-2006. The interview with Leaseurope supported the observation that short-term leasing is still a small part of the leasing market for most countries.

[17] West Germany at that time.

Other estimates of the share of short-term leases were obtained from interviews with national leasing associations, which suggest that the share of short-term leasing is relatively small in DE (10-30%), BE (20%) and DK (no quantitative estimate), whereas estimates from interviewees were higher in the UK (40-55%) and FR (55%[18]). The estimates from the UK and FR show an increase of 10-15 percentage points compared to the figures given in 1989 (where short-term rentals were respectively 50% and 30-40%) (European Commission, 1989).

Additional data on the development of the shares of short- and long-term contracts in hiring is very scarce, especially due to the different definitions used across sources that makes constructing a coherent time series impossible (as explained in Section 4.6). There is little information available in the literature to cross-check these estimates – only one market study for Germany was found that suggests that long term rental is becoming more popular as an alternative to leasing due to the flexible duration of rental contracts which is supported by the trade press as well (AMZ, 2015).

In terms of the role of the Directive, the lack of consistent data makes its contribution (if any) difficult to determine. Only a few countries (DE, EL, IE, IT, NL) previously had restrictions on the minimum hire period in place, but there is not sufficient information to ascertain what the trends in any of these countries have been. More generally, the EU level data suggests that in most countries, short-term rentals do not make up a significant share of total contracts even without restrictions. This is likely due to market demands - the data available and the comments provided by representatives of national haulage operators nevertheless suggest that both types of hiring are available to firms and are used for rather different purposes.

6.1.3. Role of hired vehicles in the flexibility of transport operations

One of the general objectives of the Directive was to increase the flexibility of transport operators to meet seasonal or unexpected demand. Since it is difficult to measure flexibility quantitatively, qualitative statements from literature and interviews were used to assess whether or not the Directive has allowed for greater flexibility to meet the demand.

Possible scenarios that call for flexibility are:

- Additional loads on an ad-hoc basis
- Seasonal demand patterns or temporary demand peaks
- Temporary replacement for defective/damaged vehicles during service/maintenance

Interviewees were not able to give quantitative estimates of the benefits, but when asked about the most significant benefit of the legislation allowing the use of hired goods vehicles without driver, all of the interviewees that answered[19] responded that a greater flexibility to organise transport operations and the ability to address demand peaks was a significant benefit.

6.1.3.1.Managing additional loads on an ad-hoc basis

Representatives of the hiring companies (Leaseurope and a Belgian leasing firm) mentioned that hired vehicles are used to manage additional loads on an ad-hoc basis in a general context, but did not specify what this would exactly entail. A UK leasing association mentioned that the second reason for short term rental (after increasing capacity for new business requirement) was to meet ad-hoc demands in cases where operators did not have the right vehicle in the fleet for a specific task. No further specific data on this aspect has been found, either from stakeholders or the broader literature.

[18] Excluding financial leasing, FNLV members only

[19] Representatives from BE, BG, DK, NL, PL

6.1.3.2. Meeting seasonal demands or temporary demand peaks

In many cases, companies have peaks in their business due to seasonality. Data on the total level of transport clearly show the significant variation on a quarterly basis (see Section 6.8.1 for more detailed analysis). Depending on the goods being transported, the demand peaks can be around Christmas time (e.g. the impact of Christmas shopping), during spring (construction materials) or summer/autumn (harvest). These peaks either have to be addressed through owning a larger number of trucks than normally needed or through hiring additional trucks.

Qualitative comments were received concerning the positive contribution of hired vehicles to addressing seasonal demand from representatives of haulage operators at EU (UETR, IRU) and national level (BG, DK, IT, NL). They all identified vehicle rental/leasing as an important tool when it comes to responding to seasonal demand peaks, increasing the transport capacity without long-term commitment, when there is uncertainty around whether the increase in business is permanent or temporary. In particular, short-term hire is used to ensure the flexibility to meet this demand. Although no respondents were able to give quantitative assessments of the contribution to meeting temporary demand peaks, the fact that these comments came from the haulage operators themselves suggests it is a feature that they value.

6.1.3.3. Responding to problems arising from defective/damaged vehicles

While data on the level of use of hired vehicles specifically for addressing defective/damaged vehicles is not available, the feedback from all stakeholders interviewed (leasing associations and leasing firms, haulage operator associations at EU and national level) is that hired vehicles are particularly useful when it comes to responding to problems of defective/damaged vehicles. According to Leaseurope, long-term operating service contracts most often include vehicle replacement service on a short notice. Short term – 1-2 week contracts – are also used for replacement of defective/damaged vehicles according to another leasing company. According to the IRU representative, it is currently easy to get a replacement vehicle even if the breakdown happens abroad.

Access to hired vehicles for replacing vehicles that are under repair/maintenance is considered to be a particularly effective tool in order to minimise disruption of the service, as highlighted by representatives of haulage operators at EU (UETR, IRU) and national level (Bulgaria, Denmark, Italy, Netherlands). Also the leasing companies/associations supported this opinion (Belgium, UK).

In contrast, the Greek haulers association representative (OFAE) indicated that its members typically try to maintain their vehicles – often over 8 years old – in a good shape in order to avoid disruption in the service. Cross hiring of vehicles among haulage operators is one option used by haulage operators in Greece but hiring is very limited according to OFAE, while there is no short-term rental market in operation for HGVs. OFAE did not recognise the limitations to the access to hired vehicles as a key issue, but it can be argued that Greek haulage – and own account operators – are deprived of a service that could help them address such issues.

In terms of limitations, a Swedish leasing company highlighted that the current legal regime concerning the use of vehicles registered in different countries does not allow an easy use of vehicles that the firm has in one country to meet demand peaks in another country. A German leasing company highlighted that in restricted markets, operators would be forced to have a greater vehicle stock to meet peak demands. Depending on the capital available transport operators might be forced to compromise on their flexibility. The impact of restrictions on the effectiveness of the Directive will be further discussed in Section 6.3.

6.1.4. Operating costs of transport operations

Based on the assessment presented in Section 6.1.3, long term leasing (in particular operating leasing) may have a positive impact on operating costs for own account and

haulage operators. For short-term contracts, there is a premium charged for the greater flexibility, and hence no benefits in terms of operating costs are likely to be observed for vehicles under this type of contract.

Reductions in operating costs due to the use of hired vehicles can arise due to the following reasons (Oxford Economics, 2013):

- Hired vehicles are typically more modern and hence more fuel efficient, which in turn reduces fuel expenditure.
- Leasing firms have the scale and expertise needed to carry out fleet utilisation assessments to minimise operational costs such as maintenance by optimising schedules and securing lower prices (e.g. on purchase and insurance).

To evaluate the extent to which users of hired vehicles have been able to reap the above benefits, several factors need to be considered. Firstly, the extent of long-term contract (leasing) in the market (as discussed above), which gives an indication of whether hauliers are indeed taking up the types of contracts that might offer operational cost savings. Secondly, the extent of any savings depends on the following indicators:

- The extent to which leased vehicles are newer compared to owned vehicles.
- The extent to which operational costs for leased vehicles are lower compared to owned vehicles.

Each of these indicators is assessed below.

6.1.4.1.Extent to which leased vehicles are newer compared to owned vehicles

In Section 5.2.2, the characteristics of the hired vehicle fleet in comparison to the total fleet were assessed. This showed that the hired vehicle fleet is typically several years younger than the overall fleet.

The fact that hired commercial vehicles tend to be newer is associated with greater levels of fuel efficiency and compliance with higher air pollutant emission standards. The literature suggests that hired vehicles are more fuel efficient because of the use of newer and more modern vehicles ((Oxford Economics, 2013), (CE Delft, 2012), (Leaseurope, 2012) etc.). While this may indeed be true in the case of environmental standards due to the progressively more stringent EURO standards that have required lower emissions (see Section 5.2.2), the argument for fuel efficiency is less clear. According to a recent study by the ICCT, the fuel efficiency of trucks on the road today is substantially unchanged compared to the early 2000s (ICCT, 2015). In part, this is because the aforementioned EURO standards make fuel efficiency improvements more challenging. There has also been a trend toward heavier and more powerful vehicles[20].

This indicates that younger vehicles are not necessarily automatically linked with better fuel economy – however, these general trends do not allow for analysis of the fuel efficiency of hired vehicles in particular, where the firms may choose more efficient vehicles within the range available. Considering noise emissions, there is evidence that newer HGVs tend to have lower noise emissions because a worn engine/exhaust system is likely to emit more noise than a new one (TRL, 2008), and, in the future, they will have to comply with the lower noise limits given in Annex III to Regulation (EU) No 540/2014.

On the other hand, there may be fuel efficiency benefits associated with the proper maintenance of leased fleets, since maintenance is an important determinant of fuel efficiency of trucks. Leaseurope claims that, in combination with the latest technology, vehicle servicing can decrease fuel costs by approximately €10,000 per vehicle per year

[20] The impact of this on fuel efficiency is not straightforward. Although increased vehicle weight typically means there is a fuel efficiency penalty, larger engines tend to have higher thermal efficiency and a lower ratio of auxiliary power consumption to total power consumption. Also, being able to carry more freight per trip may reduce overall fuel consumption.

(ca. 18 tonnes of CO_2 emissions per vehicle) (Leaseurope, n.d-a). However, we have not been able to verify these claims through other sources.

Another possibility is that leasing allows firms to take up more fuel-saving technologies by overcoming barriers related to capital constraints, which are an important factor impeding the uptake of more fuel-efficient technologies (CE Delft, 2012). In the case of hired vehicles, transport companies can decide which fuel-saving technologies to install on the truck, and spread this cost in their contract payments. An association of leasing companies quoted in the study (CE Delft, 2012) suggested that "*whereas companies financing the truck themselves may mostly look at the catalogue values and buy the cheapest truck, this may not be the case when they lease a vehicle (the payments to leasing companies are on a monthly basis*)". However, there was no specific evidence provided and no other stakeholder made similar statements. It was also argued that *"leasing companies may have more experience and better data on the monthly operating costs of different fuel-saving technologies"* suggesting an important advisory and information provision role*.."*

In summary, the leased vehicle fleet does appear to be younger on average than the overall fleet across Europe. This has benefits in terms of the compliance with higher EURO standards and uptake of more modern technology. There is no evidence that younger vehicles will necessarily have better fuel efficiency as a general rule, but the characteristics of leasing (allowing payments on a monthly basis) may help to overcome financial barriers to the uptake of fuel efficient technologies. Furthermore, the role of leasing firms in helping to overcome obstacles to better fleet management and providing proper maintenance of vehicles may also contribute to better fuel economy.

6.1.4.2. Extent to which operational costs for leased vehicles are lower than for owned vehicles

While information on general trends in HGV operating costs is available, these are influenced by a multitude of factors (most importantly, labour costs and fuel costs). Hence, the assessment of the impact of the Directive on operating costs must be carried out by comparing the operating costs of hired vehicles versus owned fleets on average or for individual vehicles/firms, rather than trying to detect the contribution to overall trends at the market level.

The box below provides an example of possible costs savings of full scale operating leasing compared to ownership on the basis of data provided by a large leasing company.

Box 6-1: Example of potential cost savings from full scale operating leasing according to a leasing company

Total costs for firms can be reduced between 10-30% on an annual basis, depending on the size of the fleet and the level of utilisation. This is due to a number of factors:

- Better utilisation of the fleet. Owners tend to have around 30% spare capacity in order to be able to substitute vehicles during maintenance and repair services and respond to seasonal peaks. In comparison, due to the much higher fleet size and more effective utilisation, leasing companies need less spare capacity (around 5% of their fleet). According to the data provided by Leaseurope, on average, an operator's fleet size may be reduced by up to 10% when the fleet is fully leased, with operators flexibly hiring extra vehicles when needed (Leaseurope, n.d-a).
- Leasing companies can benefit from greater discounts when they buy or repair vehicles and for reduced insurance costs for vehicles which tend to be 4-5 years younger. These cost savings for leasing firms are usually passed on, at least to a certain share, to the clients.

- Younger vehicles (typically less than 2 years old) are often more fuel efficient, leading to fuel costs that can be between 7-11% lower on an annual basis[21].
- Further costs savings result from toll systems charging less for newer vehicles e.g. due to compliance with the latest emission standards.

Source: Ricardo Interview with an international and a national (FR) leasing company

An overall cost saving of 10-30% was indicated in the case of large haulage and own account operators that decide to move from 100% ownership to 100% long-term leasing, and where the leasing company assumes responsibility of the management of the fleet, maintenance/service and where it also provides extra capacity in the case of increased demand. According to the confidential data from Leaseurope, this represents 15-20% of the market in countries like UK or France but it still less common in other countries[22]. A more common approach is for hired vehicles to represent only a share of the total fleet to provide the necessary flexibility. The overall cost savings in those cases would be less than the 10-30% proposed here.

The available data on cost savings presented above was provided by leasing associations, and may represent the best -case conditions. Nevertheless, the overall message that vehicles hired through long term lease have lower operating costs than owned vehicles was supported by haulage industry representatives[23] in the interviews carried out as part of this study. From the point of view of haulage operators, the Dutch association of haulage operators (TLN) agreed that the use of hired/leased vehicles leads to lower operating and maintenance costs on a per vehicle basis, as well as reduced fixed costs from a smaller owned fleet. In general, the literature supports the view that operational costs can be lower, although specific quantitative data is not provided (Oxford Economics, 2013). (Leaseurope, 2012).

Concluding, the data obtained from literature research and stakeholders suggest that there are operational cost savings linked to the long term hire of vehicles (with supporting comments received from representatives of both leasing firms and haulage operators). The exact level of savings varies greatly depending on the type of hire contract and the size of the affected fleet. The lack of quantitative data does not allow an EU average of savings in operating costs to be calculated for long term hire. However, the prevailing opinion across stakeholders was that the effect of long term hire on operating costs was positive.

6.1.5. Conclusions

In terms of the **flexibility of operations**, short-term rental contracts (up to 12 months) are viewed by representatives of both the leasing industry and the haulage industry as being important in terms of meeting additional demands, even though they account for a relatively small share of total hired vehicle contracts. They allow firms to respond to additional loads on an ad-hoc basis and to seasonal demand peaks. Furthermore, while longer term leasing contracts (longer than 12 months) are mainly chosen for the expected *operational cost reductions,* they often also include access to additional capacity that can help address seasonal demand.

Furthermore, access to hired vehicles – either through short term or long term is also important in terms of managing problems arising from defective/damaged vehicles.

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21 We should note that the extent that newer HGVs are more fuel efficient is not clear, as explained in the previous section

22 Although there is no data to indicate whether this model allows UK and FR hauliers to achieve higher productivity.

23 BE, PL + industry representatives from BG and DK that stated that operating costs of hired vehicles in general were lower than the operating costs of owned vehicles

In terms of the impact on **productivity and operation costs**, there is some supportive input from relevant stakeholders but only limited quantitative evidence. The data obtained from a leasing firm suggests that there are certain **operational cost** savings, particularly in the case of the long term hire of vehicles. Potential cost savings in the range of 10-30% were reported by the leasing industry on the basis of better fleet management, maintenance and utilisation, but also benefits from the fact that hired vehicles tend to be younger by 3-6 years and thus meeting higher environmental standards and (potentially) being more fuel efficient. However, these figures could not be cross-checked and apply to a scenario of full scale replacement of the vehicle that only applies to a small share of the road transport market (15-20% of the market in countries like UK or France, significantly lower for other Member States). Nevertheless, representatives of the haulage industry agreed qualitatively that hired vehicles could reduce operational costs, and the literature also seems to support this claim. However, the lack of quantitative data does not allow the provision of an EU average of savings in operating costs for long term hire.

In relation to both aspects examined, i.e. flexibility and operating costs, the role of the Directive in setting the legal framework that ensures that hired vehicles can be used under the same conditions as owned vehicles, could be considered as positive.

6.2. *Effectiveness: To what extent has the Directive affected the use of factors of production (e.g. by avoiding capital to be tied up unnecessarily)?*

In order to assess to what extent the Directive has affected the use of factors of production we first analyse the impact of hired vehicles on avoiding capital being tied up. We then analyse the utilisation rates of hired vehicles to assess whether a lower number of vehicles is needed to meet the same demand. In a further step we analyse how this might impact new and second-hand vehicle sales.

6.2.1. Tied up capital

In a leasing contract, the leasing company makes an asset it owns available for use by another party in exchange for a regular payment. This is particularly attractive for businesses that are credit constrained[24] and allows them to better manage their cash flows. Leasing vehicles means that companies have predictable monthly or weekly costs rather than having larger outlays at wider intervals (Oxford Economics, 2015).

Hiring vehicles instead of owning them means that the company's capital is not tied up in large assets such as vehicles, but can be used for other purposes. Full-service leasing in addition offers benefits for companies by ensuring 'housekeeping' items, such as maintenance, insurance and road tax, are provided by the leasing company which frees up the users' resources and working capital for other tasks (Oxford Economics, 2013).

Comments from interviewees on both the leasing and lessee sides of the industry also support this point. For example, the British Leasing and Rental Association (BVRLA) pointed out in the interview that the dominant reason for companies to hire vehicles long term was the advantage that it would allow companies to finance a vehicle through fixed monthly costs, which would free up working capital. Haulage operators' representatives (UETR) also agreed that hired vehicles provide an answer to the problem of access to finance for the purchase of new vehicles but also suggested that most haulage operators prefer to own their fleet.

[24] E.g. young businesses with only a short track record and small and medium sized enterprises (SMEs)

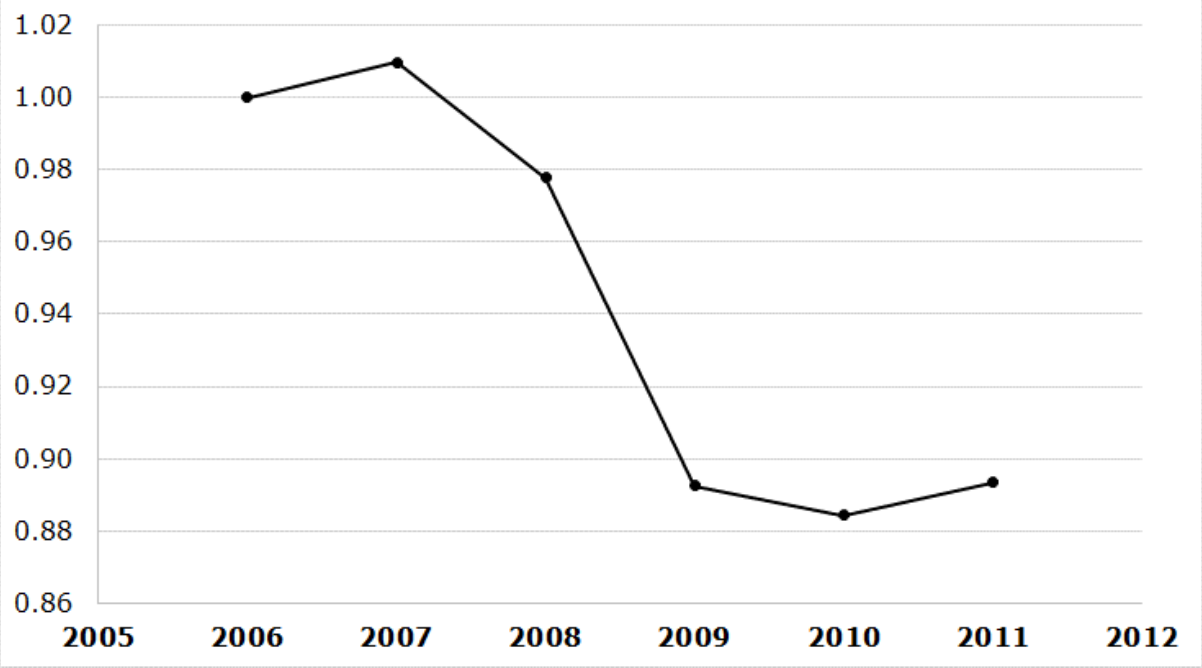
6.2.2. Utilisation rate

Vehicle utilisation is a measure of how efficiently the freight sector is transporting goods with its vehicles. An improvement of vehicle utilisation (e.g. through reductions in empty runs and making better use of vehicle's carrying capacity) would mean that the same amount of goods can be carried with fewer vehicle movements and consequently fewer vehicles.

Vehicle utilisation is influenced by a wide range of factors that are out of the scope of the Directive, such as demand level, fleet management, the type of cargo, or economic pressures on transport operators and others. In the literature, studies focusing on this topic (see McKinnon and Edwards (2010), referenced in (Leshchynskyy, 2013)) also point out that there are often good reasons for why trucks are run empty or part-full. These range from unforeseen incidents such as breakdowns and staff absenteeism impeding the necessary scheduling, to the constraints presented by incompatibilities between the packaging and handling equipment available at the source, the specifications of the vehicle in question, and ultimately the infrastructure at the actual delivery point.

To put any developments in utilisation rates into perspective, Figure 6-2 shows the development of average mileage per freight vehicles (road tractors and lorries) in Europe over time. There has been a declining trend since 2007, presumably partly as a result of the recession.

Figure 6-2: Development of EU average mileage per freight vehicle (lorries and road tractors) – normalised to 2006



*Sources: Eurostat [road_go_ta_tott] and [road_eqs_lorroa]; * Does not include DK, IE, EL, IT, LU, PT, EE, MT, HR*

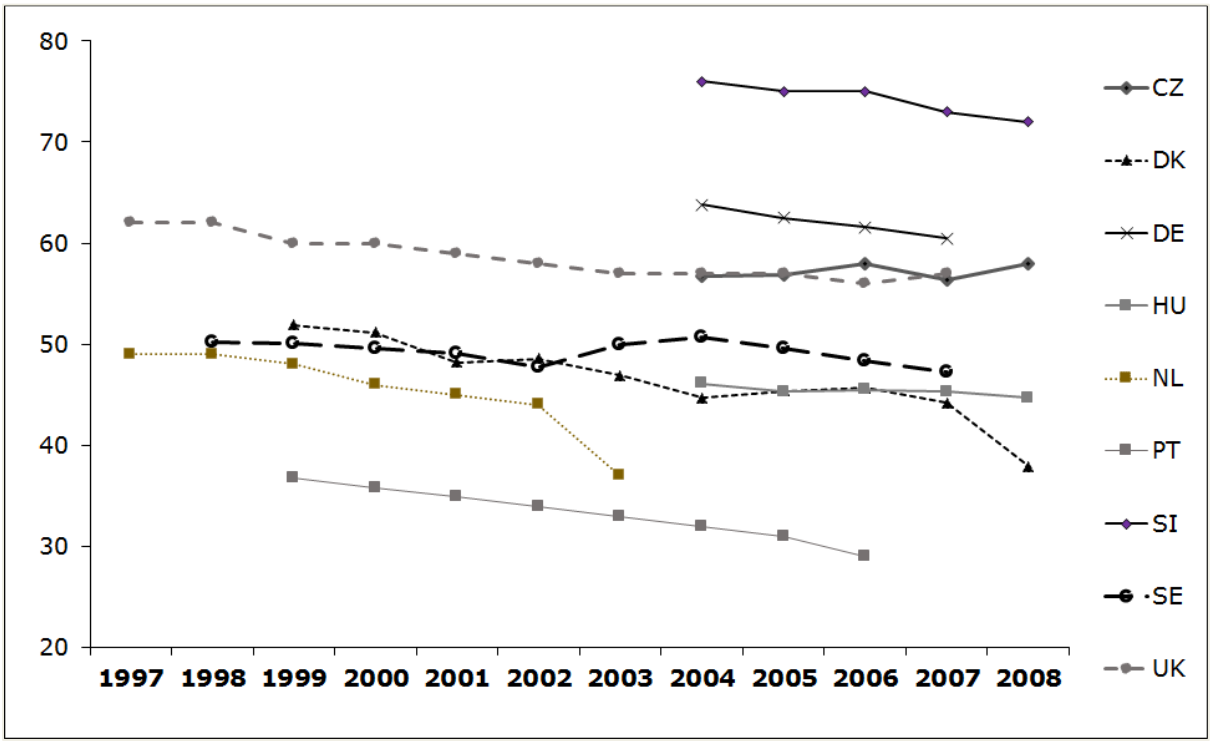
In terms of publicly available data on vehicle utilisation, the European Environmental Agency (EEA) provides estimates of average load factors between the late 1990s and 2008[25] (see Figure 6-3). These load factors represent the share of maximum vehicle load

[25] Figures for the period covered are based on road transport surveys conducted at national level. Relevant data for the period 2009-2014 are not available. Eurostat data cannot be used for the calculation of this indicator principally because Eurostat data are not complete or consistent. The

capacity by weight that is used on average when a vehicle is loaded (empty trips are not included). It shows that on average, load factors in terms of weight have tended to decline over the period shown. Similar trends were reported by a UK study that estimated that the proportion of empty kilometres run have increased by around 3% between 2000 and 2013 (Centre for Sustainable Road Freight, 2014).

The data shows that load factors are highly variable between Member States (and between individual companies, as the EEA notes). It should be noted that the declining trend in load factor does not necessarily mean a decline in vehicle utilisation. Only around 15% of general goods transportation is weight-limited (EAA, 2014). More often, the maximum load of vehicles is limited by volume and the trend could simply reflect a decline in average density of goods transported.

Figure 6-3: Average load factor (share of vehicle's maximum payload) during the laden trips



Source: EEA (2010)

As already discussed above, the overall utilisation rate is influenced by other factors apart from the use of hired vehicles. The most important factors that have impacted the utilisation rates and empty runs negatively, have been the recession in recent years, the fragmentation of the industry and regional imbalances in traffic (Centre for Sustainable Road Freight, 2014) (Oxford Economics, 2013). While the economy is slowly recovering, the market is still dominated by small companies and sole operators that don't have the means to operate efficiently (Centre for Sustainable Road Freight, 2014). Regional

developments in tonnes per vehicle may equally well be explained by changes in vehicle size rather than degree of utilisation of available capacity. Some countries report utilisation as percentage of available t-km, others report it as percentage of tonnes, not taking into account distances travelled. Further, most freight loads are constrained by *volume* before maximum laden weight, and there is no way with the Eurostat data to determine the capacity by utilised volume. Use of the Eurostat data would therefore lead to overly pessimistic results by an unknown margin. (see also http://www.eea.europa.eu/data-and-maps/indicators/load-factors-for-freight-transport).

imbalances are an issue regardless of the recession. Big metropolitan areas (such as London) have a high demand for inward-bound cargo, but hauliers struggle to fill up their trucks on their way out of the city. (Commercial Motor, 2014).

While macro-level data do not point to specific conclusions on the impact on utilisation, additional qualitative input at the firm level provides more supportive evidence. Several stakeholders qualitatively identified one of the main benefits of the Directive as allowing the better use of resources, which avoids the purchase of vehicles that are subsequently underutilised (including a Swedish vehicle manufacturer, the UK leasing association and the Bulgarian haulage operator association). More specifically, leasing industry representatives (including two companies and one association from the UK) argue that hired vehicles tend to have greater utilisation rates (although no specific estimate could be provided) and can help decrease the share of empty runs. In particular short-term rental can help increase capacity and address demand peaks without purchasing additional vehicles.

In terms of difference between utilisation rates between own-account and hire and reward operators the analysis carried out in Section 6.8.2 showed that own-account operations usually have higher shares of empty runs. This difference in utilisation rates between hire and reward and own-account operators was also highlighted by one French leasing company in the interview. The interviewee indicated that own account operators with owned fleets often had to do more runs than necessary due to the use of suboptimal trucks. Through leasing, the interviewee estimated that the number of runs could be reduced by up to 5% which would result in a significant improvement of the utilisation rate, fuel savings and environmental benefits.

None of the leasing and rental companies interviewed could provide concrete statistics on the utilisation factor in the hired vehicle market but they claimed that through the use of hired vehicles their customers would be able to reduce the share of empty runs and increase utilisation rates. This was also supported by the Bulgarian operators' association and an international customer of road transport operators, who stated that a significant benefit of the Directive was the better use of resources through avoiding purchasing of vehicles that are subsequently underutilised. Thus, the customers of leasing companies also support the observation that there tends to be better utilisation rates for leased vehicles.

Overall, all stakeholder groups supported the view that hiring of vehicles contributes to improved vehicle utilisation, as intended by the Directive. However, at the level of cross country comparisons, there is no direct evidence of increased vehicle utilisation, measured either as a load factor or as annual distance. This is not surprising as these measures of utilisation are affected by a number of economic, geographic and infrastructural factors. Some factors that reduce vehicle utilisation at a national level may even act as a driver for greater uptake of hired vehicles (e.g. the economic recession reduced demand for transportation but it is a driver for hiring of vehicles as transport operators struggle with their cash flow and lose the ability to purchase their vehicles).

6.2.3. Vehicle sales

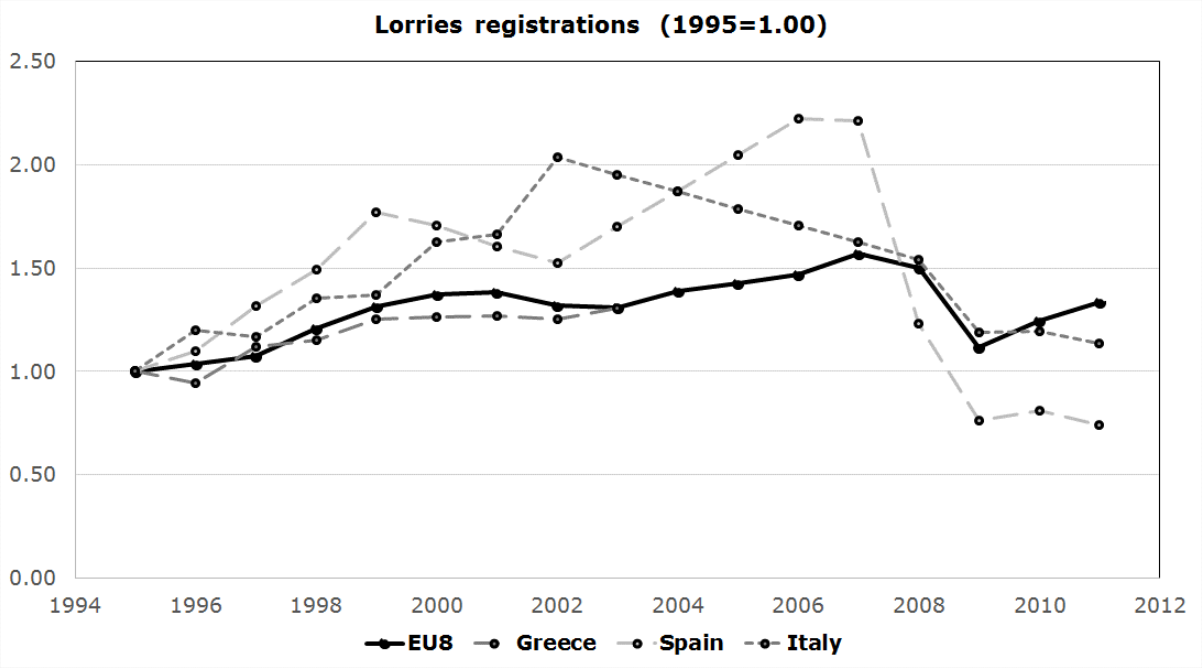
A higher utilisation factor could reduce overall vehicle sales, including second hand vehicles, since fewer vehicles are needed to do the same work. In the following we will aim to identify additional linkages between hired vehicles and vehicle sales.

6.2.3.1. Sales of new vehicles

At a Member State level, the data available on commercial vehicle sales cannot provide evidence of an impact on commercial vehicle sales, particularly because the period of analysis coincides with the financial crisis that has affected transport demand and also restricted the access to finance. The figures below show the overall development of vehicle sales for Member States with restrictions in comparison to the EU average (see

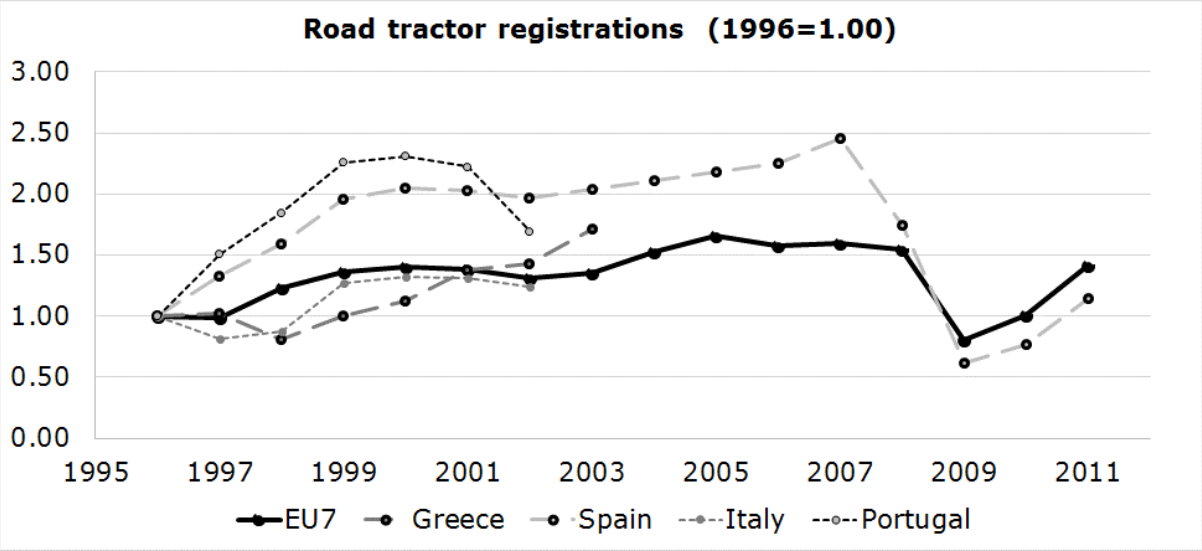
Figure 6-4 to Figure 6-7). They do not suggest any clear trend for the countries with restrictions. With some deviations, the overall growth rates seem to be in line with the EU average.

Figure 6-4: Evolution in the number of registrations of lorries



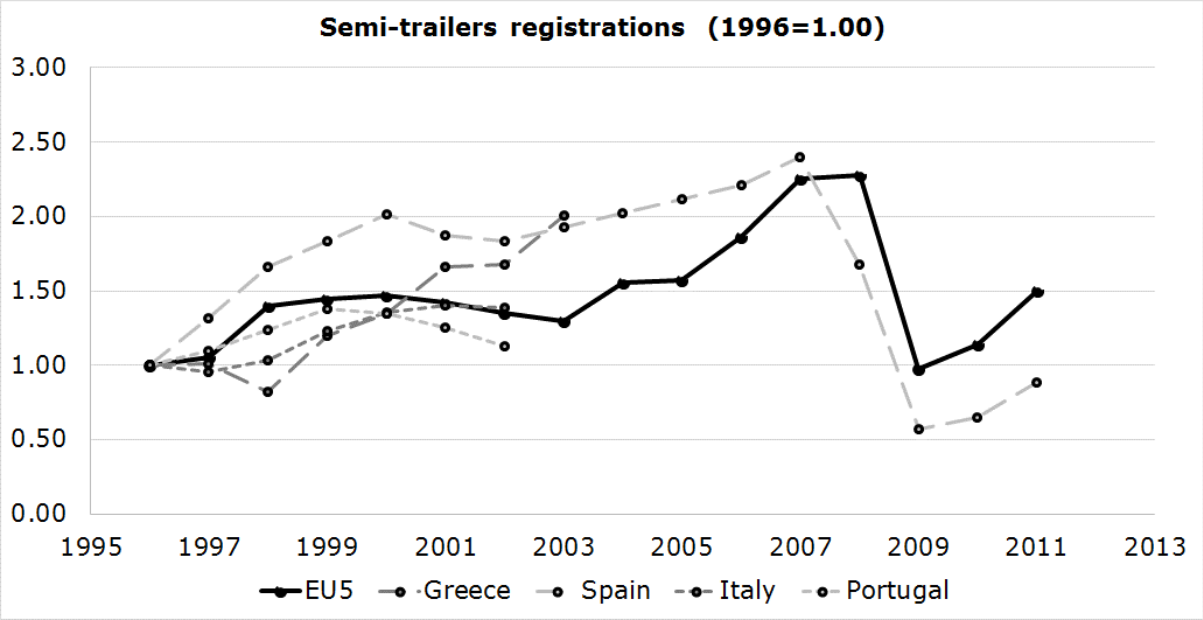
Source: Eurostat (2015c), [road_eqr_lrstn] ; EU8 includes AT, BE, DE, FR,FI, IE, SE, UK ;

Figure 6-5: Evolution in the number of registrations of road tractors



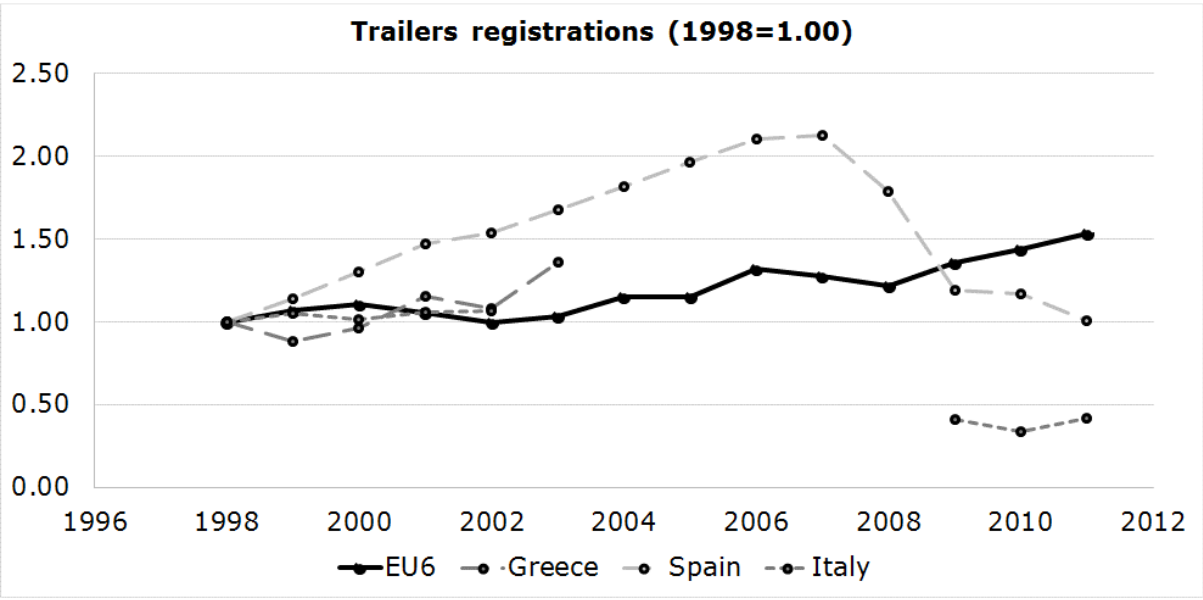
Source: Eurostat (2015c), [road_eqr_lrstn] ; EU7 includes AT, BE, DE, FR,FI, SE, UK

Figure 6-6: Evolution in the number of registrations of semi-trailers



Source: Eurostat (2015c), [road_eqr_lrstn] ; EU5 includes AT, DE, FR,FI, SE

Figure 6-7: Evolution in the number of registrations of trailers



Source: Eurostat (2015c), [road_eqr_lrstn] ; EU6 includes AT, BE, DE, FR,FI, SE

Due to the lack of relevant data at EU level, the study team analysed data for selected Member States (UK (Box 6-2), Germany (Box 6-3)).

Box 6-2: UK- Share of hired vehicles on new vehicle sales

According to the UK national leasing association (BVRLA) 1 out of 2 new registrations for goods vehicles are bought through their members and rented or leased in some form. Assuming that not all leasing companies are a member, the actual share would be even higher.

While no further data is available on the share of hired vehicles in total goods vehicle sales, the data on the shares of hired LCVs and HGVs in the rolling fleet (based on numbers that their members operate) also suggest a positive trend. According to the BVRLA (BVRLA, 2015), 17% of all LCVs are operated under some form of rental or

leasing and roughly 25% of the HGVs. A confidential study provided by Leaseurope (Leaseurope, n.d.-b) on the penetration rate of the full service operating lease alone suggests a slow increase in the share of hired HGV from 18% in 2006 to 18.5% in 2011 and a forecasted share of 19.5% in 2016.

This statement was also supported by the Oxford Economics study examining the impacts of the leasing sector to the UK economy, which found that the vehicle leasing and renting sector is a major purchaser of vehicles – including UK made vehicles - stimulating the new vehicle retailing market significantly (Oxford Economics, 2013)

Box 6-3: Germany- Share of hired vehicles on new vehicle sales

In the case of Germany, it was possible to draw upon data from the Federal Motor Transport Authority (KBA) and the results of a confidential market study provided by Leaseurope, which was based on a survey carried out with commercial fleet operators. The KBA records the keeper of each newly registered vehicle by business type. In 2013, the business classification 'hiring of vehicles without driver' accounted for some 8% of new LCV registrations and some 6% of new HGV registrations. This share only covers the rental market as for leasing arrangements in Germany the lessee is registered as keeper of the vehicle. The results of the confidential study broadly align with the sum of leasing data provided by Leaseurope and rental share in new registrations provided by KBA and suggest that 60% of new LCVs and 70% of new HGVs are procured by companies via some form of vehicle hire. (More discussion of these numbers is provided in Section 5.2). KBA (2014a), Leaseurope (2015a; n.d-a).

Both examples show that hired vehicles have a significant share in new vehicle sales. An increase in the share of hired vehicles therefore would lead to an increase in new vehicle sales, in the case that utilisation rates for hired and owned vehicles are the same. However, as discussed above, the evidence suggests that the utilisation rates for hired vehicles might be higher than for owned vehicles, therefore a lower number of vehicles might be needed. However, in the absence of detailed data on the differences in utilisation factors between hired and owned vehicles and trends in shares of hired vehicles in new vehicle sales it is not possible to draw sound conclusions on whether the absolute numbers for new sales have been positively or negatively impacted by the Directive.

New vehicle sales might be impacted by developments in the second hand vehicle sales though which will be discussed in the following.

6.2.3.2.Impact of the Directive on vehicles sales for used vehicles

According to Leaseurope and individual leasing firms, newly bought hired vehicles are often used for a period of 1-2 years and are then sold as second-hand vehicles. Typically, they are sold in the same or other EU Member State markets, although some are also sold directly to third countries. Due to the significant market share of hired vehicles (see Section 5.2), the renting and leasing sector is therefore an important source of second hand vehicles.

Literature for the UK suggests that the disposal of vehicles by the leasing and rental sector supports further activity in the UK's used vehicle sector. In particular, the rental sector provides a supply of relatively new vehicles incorporating improvements in fuel efficiency and environmental standards into the market, while the leasing sector provides a regular flow of well-maintained but slightly older vehicles (Oxford Economics, 2013). However, no data specifically for the truck sector was available in the study.

A Belgian leasing firm highlighted in the interview that the share of hired vehicles could have an impact on imports of second hand vehicles. If the hired vehicle market is too small, it cannot provide enough vehicles to satisfy the demand in the second hand market and consequently additional second hand vehicles need to be imported.

Conversely some inputs from interviews with industry representatives carried out for this study suggest that the impact on second-hand sales is not a major consideration. Industry representatives were asked about how the restrictions affected the demand for hired vehicles vs. second-hand purchases. Most (6 out of 11) could not provide any answer.

Other statements were received during interviews with leasing companies that suggested there could be some impacts of hired vehicles on the second hand vehicle sales. For example, a French leasing company mentioned that the second hand market in countries with restrictions was higher. Also a German leasing company stated that in restrictive markets, operators are forced to have a greater own vehicle stock to meet peak demands and will therefore tend to use more second-hand vehicles. A Swedish vehicle manufacturer stated that they do not consider that hired vehicles compete with second hand vehicles. A Greek road haulage operator association interviewed for this study could not observe any effects of the restrictions on hired vehicles compared to second hand vehicles due to the lack of a market for hired HGVs.

6.2.4. Conclusions

Overall, the analysis has shown that the use of hired vehicles can have a positive impact on the use of factors of production but, at least at this stage, this is only visible at the micro (firm) level but not at the macro (country) level.

Hired vehicles can help companies to avoid having capital tied up in large assets such as vehicles that could be used for other purposes. This is particularly attractive for businesses that are credit constrained (such as SMEs) and allows them to better manage their cash flows. At the micro level, the use of hired vehicles is generally viewed as having a positive impact on utilisation rates, both according to relevant literature as well as interview input from leasing companies and leasing customers.

However, when looking at the utilisation rates of the road haulage market as a whole, no significant impacts of hired vehicles on utilisation rates could be observed. The evidence suggests that the use of hired vehicles is just a secondary factor behind wider market developments such as economic recession, market fragmentation and regional imbalances.

In terms of the impacts on vehicle sales - the available data also do not provide evidence of any impact of the increasing use of hired vehicles on commercial vehicle sales.

For new vehicles, no data was available to determine the impact of the Directive on the sales. For second hand vehicles, the link between hired vehicles and the second hand commercial vehicle market was described by several interviewees. Overall the evidence suggests that:

a) Hired vehicles are an important source for good quality second hand vehicles. Depending on the degree of market saturation an increase in hired vehicles could lead to an increase in overall second hand sales.
b) In countries with hired vehicle market restrictions, second hand vehicles are used as an alternative to hired vehicles. Due to the lack of hired vehicles released to the second hand vehicle market, this could lead to an increase in second hand vehicle imports.

The absolute impact of the Directive on the sales of second hand vehicles however could not be estimated due to the limited data available.

Through enabling the use of hired vehicles, the Directive has achieved its aims for the EU as a whole. However, due to the restrictions in some Member States (ES, IT, PR, EL), the hired vehicles sector does not reach its full potential in terms of improving factors of production. This issue will be further discussed in the following evaluation question (Section 6.3).

6.3. Effectiveness: To what extent have the exemptions possible under the Directive impacted the effectiveness of the Directive?

The Directive allows Member States to restrict some aspects of the use of hired vehicles without drivers. These include restrictions on the access to the market and the use of hired vehicles for own account operations. Furthermore, restrictions exist concerning the use of hired vehicles registered in another Member State. In this section we use the evidence collected to assess the role and impact of the restriction to the operation of the hired vehicles market and the productivity of transport operations.

6.3.1. Overview of restrictions/exemptions

Restrictions regarding market access and own account operators

The assessment of the application and implementation of the Directive discussed in Section 5.1.1 showed that the EU-28 Member States can be grouped into countries with:

- Open market – no restrictions: based on the data available this covers 22 Member States (AT, BE, BG, CZ, DE, EE, FI, FR, HR, HU, IE, MT, NL, LT, LU, LV, PL, RO, SE, SK, SL, UK)
- Restrictions concerning the access to the market for hired vehicles: 6 Member States (CY, DK, EL, ES, IT, PT)
- Restriction to own account operations (related to Article 3(2)[26]): 4 Member States (EL, ES, IT, PT)

Section 5.1 gives an overview of the specific nature of these restrictions.

Restrictions concerning the used of hired vehicles registered in another Member State

The study team analysed the presence of any restrictions (such as time limits) concerning the use of hired goods vehicles registered in another Member State (see Section 5.1) For national operators the assessment showed that:

- In seven countries[27] there are no restrictions regarding the use of vehicles registered in another Member State.
- Four countries impose time limitations - one month in Poland and Malta, 6 months in Belgium and 12 months in Sweden.
- For the remaining 12 Member States[28] for which information is available, registration of the vehicle in the Member State is required.
- For 5 Member States[29] no information on the implementation of the Directive was provided by the national authorities.

For operators not registered in Spain the use of hired vehicles registered in another Member State is not allowed in Spain. In all other Member States it is either allowed[30] (if a Community licence is in place) or no data are available[31].

[26] Member States can chose to impose restrictions in the case of vehicles with a total permissible laden weight of more than 6 tonnes used for own account operations

[27] AT, DE, NL, EE, FR, SK, UK

[28] BG, CY, IT, LT, EL, ES, CZ, FI, RO, HR, HU, SL

[29] DK, IE, PT, LU, LV

[30] For 17 MS: AT, BG, CY, DE, EE, EL, HU, HR, IT, NL, FI, FR, LT, RO, SL, SE, UK

[31] For 11 MS: BE, CZ, DK, MT, IE, PL, PT, LU, LV, SK

6.3.2. Impact of the Directive on the level of restrictions

A first part of the analysis focuses on the role of Directive on the number of Member States with restrictions in place, and the severity of these restrictions. To do so we compare the state of play discussed above with the situation across Europe before the introduction of the Directive (the baseline). In Section 2.3, the baseline was assessed for the 12 Member States that formed the European Economic Community at the time, and covered restrictions applied by Member States on the hire period and own account carriage on the basis of Directive 84/647/EEC. Table 6-2 compares the restrictions in 1989 to the existing restrictions in 2015.

Table 6-2: Comparison of restrictions regarding minimum hire period and own account carriage (1989 versus 2015)

Member State	Minimum hire period		Own account carriage restricted	
	1989	2015	1989	2015
BE	NONE	Not allowed by Directive	NO	NO
DK	NONE	Not allowed by Directive	YES	NO
DE	6 months	Not allowed by Directive	YES	NO
EL	3 months	Not allowed by Directive	YES	YES (partly – over 3.5 tonnes)
ES	NONE	Not allowed by Directive	YES	YES (over 6 tonnes)
FR	NONE	Not allowed by Directive	NO	NO
IE	12 months	Not allowed by Directive	NO	NO
IT	6 months	Not allowed by Directive	YES	YES (over 3.5 tonnes)
LU	NONE	Not allowed by Directive	NO	NO
NL	6 months	Not allowed by Directive	NO	NO
PT	NONE	Not allowed by Directive	YES	YES (over 3.5 tonnes)
UK	NONE	Not allowed by Directive	NO	NO

Note: In bold the cases where changes in restrictions have happened.
Source: European Commission, (1989) and Ricardo analysis of MS fiches

The amendment of the Directive in 1990 didn't allow Member States to set minimum hire periods anymore. With regards to restrictions of own account carriage, these were removed for DK and DE but remained in some form in EL, ES, IT and PT.

For the Member States that have removed their restrictions the change is most likely due to the pressure of stakeholders, as the evidence for Germany suggests[32], rather than due to any legislative changes.

Nonetheless, both the Greek leasing industry and haulage operators association suggested that the provision of the Directive was a key driver towards a gradually less restrictive legal framework, allowing the use of hired vehicles of less than 3.5 tonnes and the hiring of vehicles for own account operators among firms in the same sector. According to the Greek leasing association (STEEA), the economic crisis and the adoption of legislation for opening the market as part of the memorandum of understanding of the Greek

[32] The 1989 proposal for an amendment of Directive 84/647/EEC revealed that in Germany the consignors have called for the abolition of the restrictions of own-account carriage.

government with its creditors accentuated this process. Thus, even if far from complete, the Directive did provide a certain impetus towards a more open hired vehicles market.

It is not possible to tell what has been the exact contribution towards the opening of the market in newer Member States, all of which were required to adopt the legislation as part of the EU accession process and all of them selecting not to use the restriction options provided by the legislation.

6.3.3. Impact of restrictions on the market of hired commercial vehicles

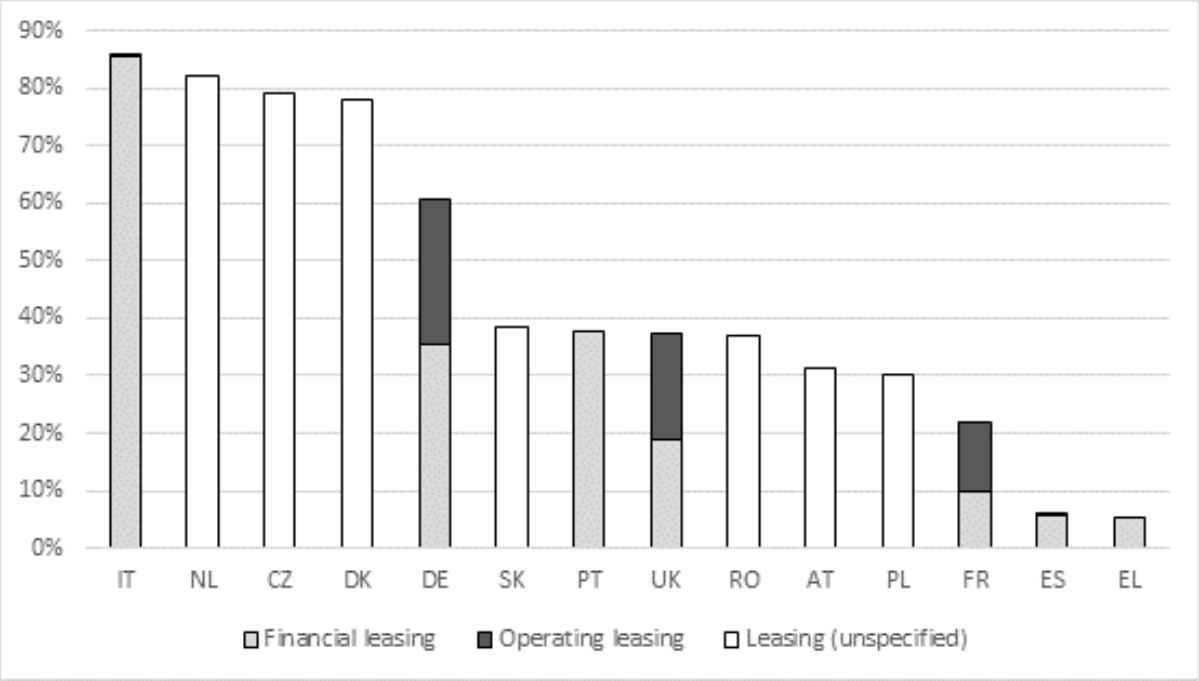
The expected direct impact of the use of restrictions in certain markets is that the markets for hired vehicles in these Member States will be underdeveloped in relation to other EU countries.

Clearly, in the case of hiring of vehicles for own account operations, the presence of restrictions to the use of vehicles over 6 tonnes means that a relevant market does not exist and relevant data is not possible to identify.

More generally though, the presence of restrictions to access the market described in detail in Section 5.1.1, should be expected to be an obstacle to the level of use of hired vehicles and the level of activity in the sector.

The evidence available provide only some supportive evidence in this direction. According to the data on the share of leased HGVs in total new registrations (presented in Section 5.2.1.4) in three out of the four countries with restrictions, the share of hired commercial vehicles has been, and remains, well below the EU average. In Spain and Greece the market share for hired HGVs in new registrations – for all types of leasing - is well below average. In the case of Italy and Portugal, the total share is much higher, since it appears to be at similar (in PT) or higher level (in IT) in comparison to other EU Member States without restrictions. However, according to the data from Leaseurope, for both countries – as well as for Greece and Spain – leasing activity is only in the form of finance leasing, without any of the additional services (e.g. vehicle replacement, maintenance/service) that come with operating leasing (see Section 2.3) that contribute to the flexibility of transport operations and productivity improvement. This part of the market has remained, according to Leaseurope data, very limited. Unfortunately, it has not been possible to cross-check the data with other sources at national level, in order to confirm their validity.

Figure 6-8: Commercial vehicle leasing market penetration by contract type (share of hired commercial vehicles in total new registrations)

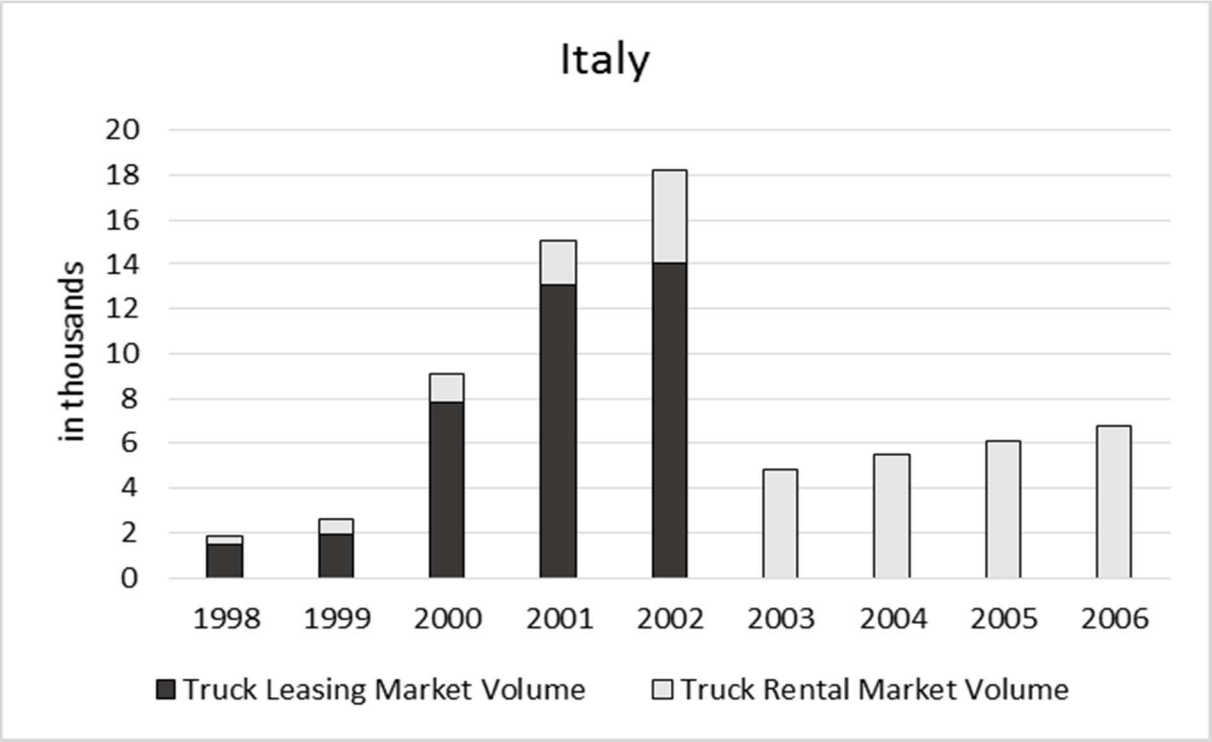


Source: Leaseurope

Some additional supporting evidence comes from earlier Datamonitor reports (Datamonitor, 2003e) (Datamonitor, 2003d) showing that the truck leasing and rental markets values in Spain and Italy increased significantly, in particular between 1999 and 2000 (see

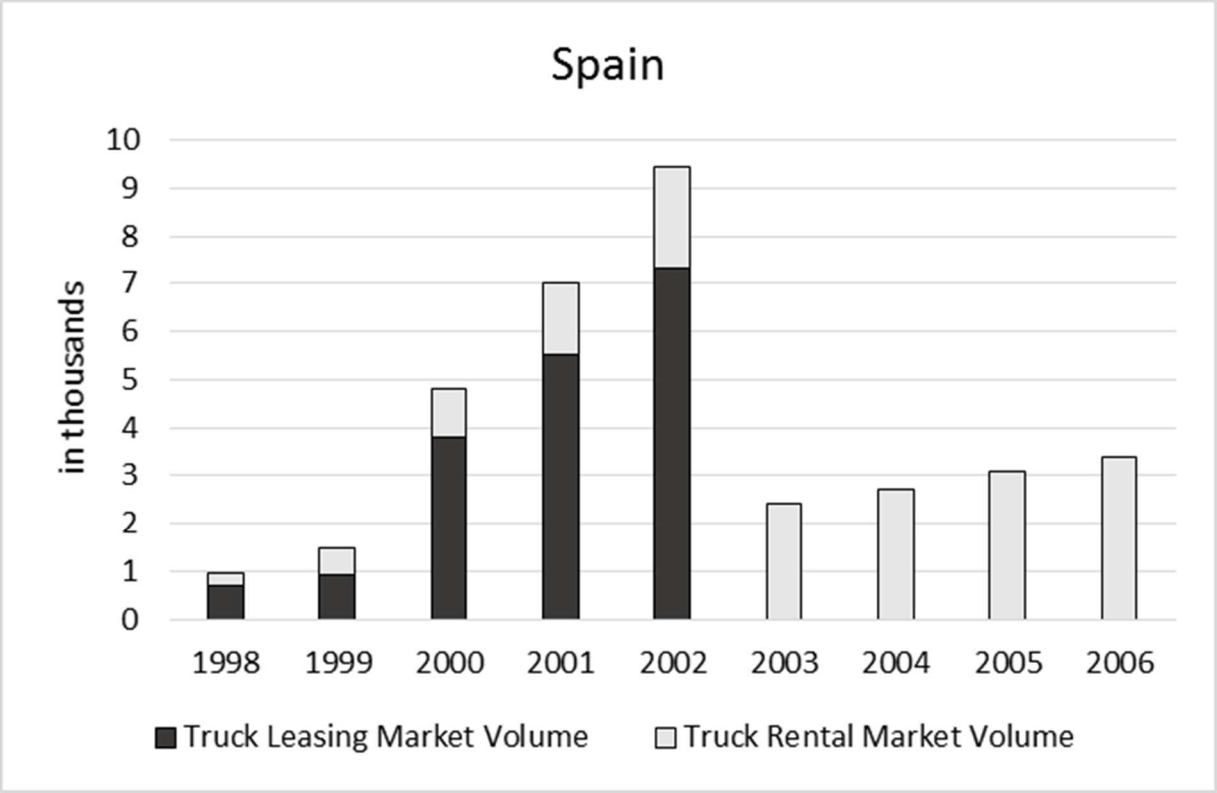
Figure 6-9 and Figure 6-10). The authors of the Datamonitor reports claimed that the increase in both countries with a lifting of the laws preventing rental and leasing of commercial vehicles. However, the reports do not specify the exact nature of the changes in restrictions and do not provide any additional information. The input from the Member State authorities and an analysis of changes in hired vehicles related legislation did not provide more insight into this matter either.

Figure 6-9: Development of truck market volume - Italy



Source: (Datamonitor, 2003d) (Datamonitor, 2006g) (Datamonitor, 2003m)

Figure 6-10: Development of truck market volume - Spain



Source: (Datamonitor, 2003e) (Datamonitor, 2003n) (Datamonitor, 2006b)

From their point of view, the representatives of the leasing industry (Leaseurope and the three leasing companies active in multiple markets) suggested that the existing restrictions in Italy, Spain, Portugal and Greece are the main reason that the level of hired

vehicles in these countries remains very low and that they serve as a barrier to entry. It is claimed that large firms active in multiple markets would seek to enter these markets once the relevant restrictions have been removed. Even if this is not a direct evidence of restriction of the national market, it does indicate that the restrictions do have an impact on the entry of additional players in these markets and the level of competition. The Greek leasing association pointed to a gradual increase in the share of hired LCV (albeit still at a very low level) following a recent (2011) opening of the market.

Put together, the available information provides only limited evidence that the presence of restrictions has been the dominant reason for the limited development of the hired vehicles market, where restrictions are in place. This is the case in Greece and Spain but the data available for Portugal and Italy are not equally supportive. Nonetheless, it is considered reasonable to conclude that, even if this is not the main driver, the restrictions imposed do pose limitations to the level of use of hired commercial vehicles, in comparison with what otherwise would have been the case.

6.3.4. Impact of the restrictions on the productivity of transport operations

Impact of restrictions on productivity indicators (i.e. operating costs, utilisation rates)

In order to assess the impact of the restrictions on the productivity of transport operations at the macro level, ideally the productivity of transport operations in Member States with restrictions (EL, ES, IT, PT) should be compared with the situation in Member States with a completely open market for hired vehicles. Furthermore, the productivity of hire and reward operators could be compared to the productivity and flexibility of own account operators which are subject to restrictions.

However, the analysis of productivity indicators such as operating costs and utilisation rates that was presented in the market analysis (Section 5.2) and in evaluation questions 1 and 2 (Section 6.1 and Section 6.2) has shown that the quantitative data available for these indicators is limited.

In the case of operating costs, only some EU wide potential estimates could be obtained but no Member State specific data or other useful input from stakeholders. As a result, a comparison of operating costs between Member States with and without restrictions was not possible.

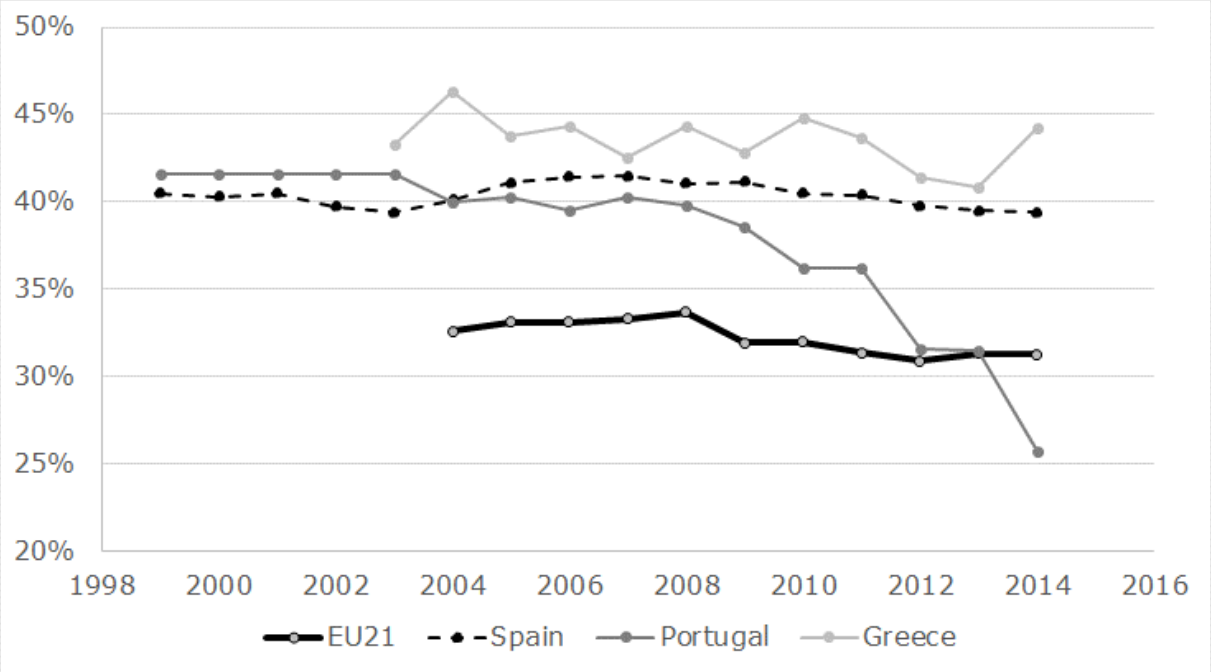
In terms of utilisation rates, the data derived from EEA for a selection of Member States[33] gives an overview of how the average load factor differs from Member State to Member State (as shown in Figure 6-3 in Section 6.2.2). For the four Member States that currently have restrictions regarding the use of hired vehicles (EL, ES, IT and PT), only data for Spain and Portugal are available. Furthermore, while Portugal appears to have the lowest utilisation rate out of the 10 Member States, Spain appears to have the highest utilisation rate, thus this does not support the assumption that the restrictions on hired vehicles have an impact on the overall utilisation rate. However, since Spanish data covers only hire and reward operations, it is likely to be upward biased. As a result, the data from EEA do not allow drawing any general conclusions on the impact of restrictions on the overall utilisation rates.

The data for the share of empty runs, another relevant indicator of utilisation, does also not provide clear supportive evidence at the macro level. The data analysis shows differences in the share of empty runs in the case of two of the countries with restrictions (ES, PT). This is primarily in the case of own account operations (see Figure 6-11) – which is where restrictions are in place - and much less so in the case of hire and reward

[33] CZ, DE, DK, ES, HU, NL, PT, SE, SI, UK

operations (see Figure 6-12). The share of empty runs in own account operations in Greece and Spain has been 15-20% higher than the EU average. While initially also significantly higher, the level of empty runs in Portugal has declined significantly since 2008 and was below the EU average in 2014[34]. In the case of hire and reward the picture is even less conclusive. Only in the case of Greece can we also observe a significantly higher share of empty runs. Thus, in this case the data analysis does provide some support the argument that the restrictions can have an impact on one important element of productivity.

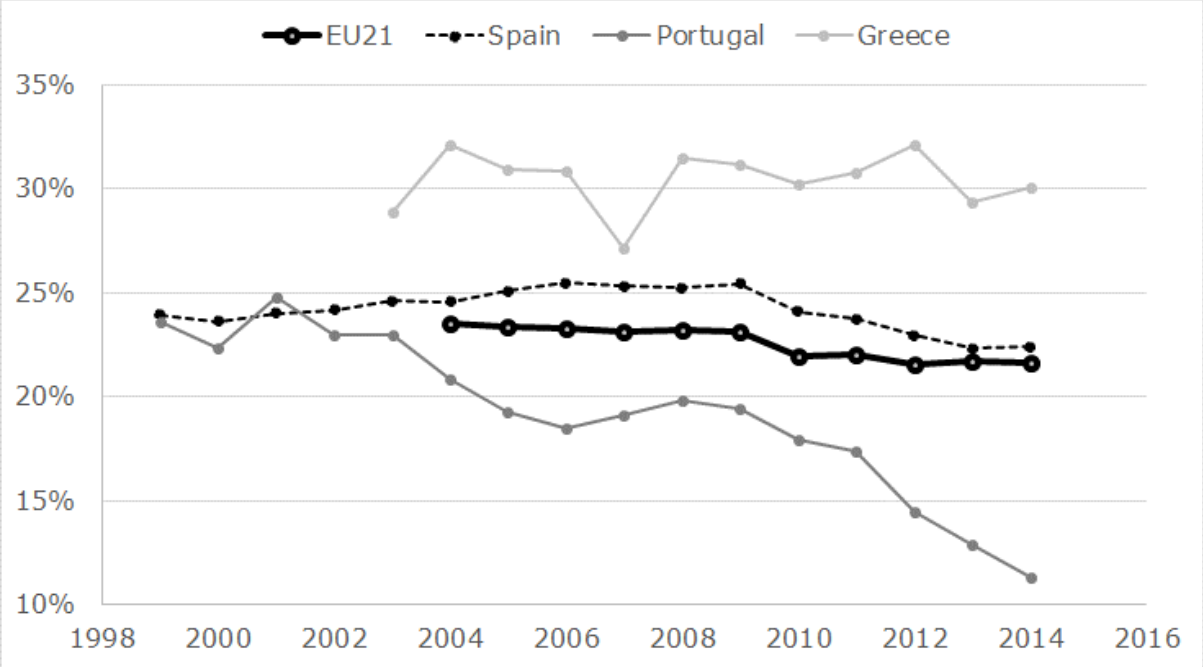
Figure 6-11: Share of empty runs in own account operations in countries with restrictions



Source: Eurostat [road_go_tq_tott] Note: Data not available for BE, IT, LV, MT, BG, HR, RO

[34] The study team has not been able to identify the reasons underlying the steep decline in the share of empty runs in Portugal.

Figure 6-12: Share of empty runs in hire and reward operations in countries with restrictions



Source: Eurostat [road_go_tq_tott] Data not available for BE, IT, LV, MT, BG, HR, RO

Whether the identified differences in the share of empty runs for own account operations in Spain and Greece are a direct result of the restrictions or due to other market factors has not been possible to establish. Similarly, we do not have information explaining the decline in the share of empty runs in Portugal during the period 2008-2014. As highlighted in Section 6.2.2, these could be other factors such as the fragmentation of the industry and regional imbalances in traffic. In the case of Greece, haulage operators representatives (OFAE) also claim that the economic crisis in the country has led to a significant reduction of the demand for transport operations in general and underutilisation of the existing fleet. In their view, it would therefore not be possible to observe an increase of utilisation rates of vehicles from a removal of restrictions. However, as can be seen in Figure 6-12 in the case of Greece the share of empty runs has been consistently above the EU15 (by 5-10%) much earlier than the economic crisis.

Other transport operators supported the view that the presence of restrictions had a negative effect on productivity. A Bulgarian and a Danish transport operators association mentioned that restrictions have a negative impact on flexibility. The Bulgarian association furthermore stated that there was a negative impact on operating costs. From the point of view of the leasing industry, restriction on the use of vehicles registered elsewhere also have an impact on their operating costs and productivity. A French leasing company stated that the restrictions are clearly an obstacle to the market. Restrictions of short term rental (e.g. in Italy) constrain firms in terms of optimising vehicle utilisation as seasonal peaks of demand cannot be addressed through the use of hired vehicles from other countries. A similar statement was made by a Swedish leasing company.

Overall, we consider that the available evidence – qualitative and quantitative – provides only some support to the argument that the presence of restrictions does have an impact on the productivity of operations. However, particularly at the macro level, the evidence of a direct linkage is weak and there are also data that do not support this argument.

6.3.5. Conclusions

The analysis suggests that the introduction of the Directive had only a partial impact on the level of restrictions in the hired vehicle market. From the six Member States (DE, DK, ES, PT, EL, IT) that had restrictions regarding the use of hired vehicles by own account operators only two (DE, DK) completely removed them.

In terms of the impact of the restriction on the market share and level of use of hired vehicles, the existing evidence provides only weak support to the argument that in the countries with restrictions (EL, ES, IT, PT), the market for hired vehicles has remained rather limited, below its overall potential. This is evident in Greece and Spain – where total leasing is well below the EU average – but less so in Italy and Portugal, where finance leasing is quite common.

The available evidence is also less clear in terms of the impact of the restrictions on the productivity of transport operations. The analysis of data on utilisation rates does not show lower average load factors for the countries with restrictions, but the data on empty runs - particularly in the case of own account operations – is more supportive. Qualitative input from stakeholders is also rather limited and there is a wide range of factors – other than the presence of restrictions – that may explain the higher shares of empty runs.

6.4. Efficiency: What are the costs of compliance with the provisions of the Directive for specific stakeholders such as leasing companies, vehicle manufacturers, haulage operators, own account carriers etc.?

6.4.1. Compliance costs

Compliance costs for operators

Potential compliance costs relate to obtaining the correct information on the rules across Member States and following these rules. Key aspects to consider include:

- Potential restrictions on hiring of vehicles for own-account operators in national legislation,
- Potential restrictions on hiring vehicles from a country other than that from which the Community Licence is issued,
- Potential hiring documentation requirements - including the driver's employment contract as well as the vehicle hire contract, which affects all types of operators.

Operators and their associations interviewed have generally been unable to provide quantified estimates of compliance costs, even though the study team prompted them by asking them to select among a range of specific cost categories[35]. However, in all cases it was suggested that compliance costs attributable to the Directive are small.

As an alternative to estimating costs directly, the study team also sought information on what actions are associated with compliance in order to determine what the likely magnitude of the costs could be. According to industry interviewees, the requirement to provide certified copies of the hire contract may entail extra effort. The representative of the UETR – representing small haulage operators - pointed out that in Belgium there can be extra time and hassle costs associated with having a copy of the hire contract certified at government offices which involves queuing and limited opening hours. However, they were unable to provide estimates of these costs on a monthly or annual basis. Providing contract translations (which is not required by the Directive but is generally done to facilitate inspections in other Member States) can also be a burden. National associations

[35] Negligible; €1-€1000; €1,000-€10,000; €10,000-€100,000; >€100,000

generally provide model contracts in several languages, which may help to limit any additional costs where applicable.

Most operators and leasing companies interviewed came from countries with few restrictions in place. Nevertheless, interviewees did not point to any significant cost differences between different countries of operation. However, it can be inferred that costs for compliance with the Directive is lower in countries with fewer restrictions and/or administrative requirements. For example, in Germany, no certified copies of employment and rental contracts are required for compliance with the Directive, which implies that the costs of obtaining these documents does not arise.

Compliance costs for leasing companies and vehicle manufacturers

Leasing companies and vehicle manufacturers (who often also provide vehicle rental and leasing services) may also be affected by compliance costs, e.g. by taking on the burden of providing certified copies of the hire contract on behalf of their customers.

The vehicle leasing companies and their associations that were interviewed for this study generally indicated that they did not consider compliance with the Directive to be particularly costly. One international leasing company focusing on short and medium term hiring estimated their overall compliance and administrative costs for all legislation around road transport to be around EUR 10,000-100,000 per year, less than 1% of total operating costs. This was mainly related to the use of consultants to map legal requirements across countries and prepare the relevant forms and documents.

Another leasing company active in multiple EU countries suggested that compliance with all relevant road transport legislation may represent up to 5% of total operating costs (i.e. including the Directive plus all other legislation). Compliance with hired vehicles legislation represented a part of it, but a more specific estimate could not be provided.

6.4.2. Costs for SMEs

As a general rule, the smaller the enterprise, the higher the administrative costs per employee (Schorn, 2012). For example, in the context of obtaining certified copies, an agent for a large enterprise is likely to be able to have a large number of documents certified each time they visit the authority in charge, thus spreading their time cost over a larger number of freight operations. Nevertheless, interviewees did not report that SMEs were disproportionately affected when asked about the Directive's cost impact on SMEs.

6.4.3. Conclusions

In several Member States, there are compliance costs for haulage operators and own-account operators in terms of the requirements to obtain certified copies of the hire contract on board the vehicle, as foreseen by the Directive. However, stakeholders have struggled to quantify these costs - largely because the Directive is generally not viewed as a particularly burdensome or costly piece of legislation. Several stakeholders, including haulage operators, indicated that they were unaware of its existence prior to the consultation.

6.5. Efficiency: What are the costs incurred by national authorities for implementing and enforcing the Directive?

This question considers the following possible cost impacts (both positive and negative) that may have affected national authorities:

- Implementation costs;
- Enforcement costs;
- Cost savings; and
- Impacts on taxation.

The analysis of the costs to authorities is based on the responses of competent and enforcement authorities to the country fiche sent to them as part of the data collection process (see Section 4.3.1). They were asked to provide information on the type of costs incurred for implementation, enforcement and monitoring of the Directive. To assist them in the process we presented ranges of costs[36] for one-off and ongoing annual costs that they could choose from if they did not have specific information. Respondents were also asked to provide information on the monitoring/enforcement budget. Furthermore, during interviews with enforcement authorities, additional information on the nature of enforcement activities was explored.

6.5.1. Implementation costs

Of the authorities that were able to estimate the implementation costs, all but one indicated that the implementation costs were negligible (see Table 6-3). The Cypriot authorities – which require hiring firms to register and submit a list of hired vehicles – provided specific estimates, in the range of €1,000-10,000 on an annual basis. Even so, these could not be considered as representative of the situation in other countries where there are no such obligations.

Table 6-3: Overview of implementation costs

Implementation cost	Member States with no restrictions	Member States with restrictions (market access or own-account operators)	Total number of Member States
Considered negligible	AT, BE, DE, EE, FR, HU, LT, LV, RO, UK	-	10
€1,000-€10,000	SI	CY	2
€10,000-€100,000	-	-	0
>€100,000	-	-	0
No data	BG, CZ, HR, NL, PL, SE	ES	7
No response	FI, SK	EL, IT	4

Source: Member State fiches and interviews with national authorities

It should also be emphasised that initial implementation costs would have generally occurred several years or even decades ago – as the rules of the Directive have been unchanged since 1990, transposition into national legislation would have occurred then, or when joining the EU for countries involved in the enlargements of 1995, 2004, 2007 and 2013.

In summary, the information gathered so far indicates that the implementation costs of the Directive for national authorities are likely to have been negligible.

6.5.2. Enforcement costs

Regarding enforcement costs, the responses received from national authorities indicated that Member States do not appear to keep a separate budget for enforcement of legislation specifically for hired vehicles. In some cases, Member States have explicitly reported 'negligible' enforcement cost (UK, HU).

As an alternative approach to exploring possible enforcement costs, the associated enforcement actions were explored, on the basis that any specific actions or effort would entail costs. Table 6-4 summarises enforcement actions across Member States, which indicates that in the majority of cases (9 out of 13) there are no specific enforcement actions, and hence no additional costs can be expected. There are not any substantial

[36] Negligible; €1-€1000; €1,000-€10,000; €10,000-€100,000; >€100,000

differences in the responses of Member States with restrictions and those without restrictions – none indicated any specific enforcement actions.

Table 6-4: Overview of enforcement actions

Enforcement actions	Member States with no restrictions	Member States with restrictions	Total number of Member States
No specific action. Part of enforcement of transport sector legislation	AT, BE, BG, EE, FR, HR, LT, LV, RO, SK, SI, UK	CY, ES, IT	15
No data	CZ, DE, HU, SE	-	4
No enforcement	NL, PL	-	2
No response	FI	EL	2

Source: Member State fiches and interviews with national authorities

The responses show that the national legislation on hired vehicles is typically enforced as part of the overall enforcement of the road transport legislation, but most often it is not given priority by national authorities.

6.5.3. Cost savings

The benefits to national authorities which were identified by some Member States included:

- Ensuring there is proof that vehicles have been hired legally (EE) and
- That rules for enforcement are simple and straightforward (FR, PL).

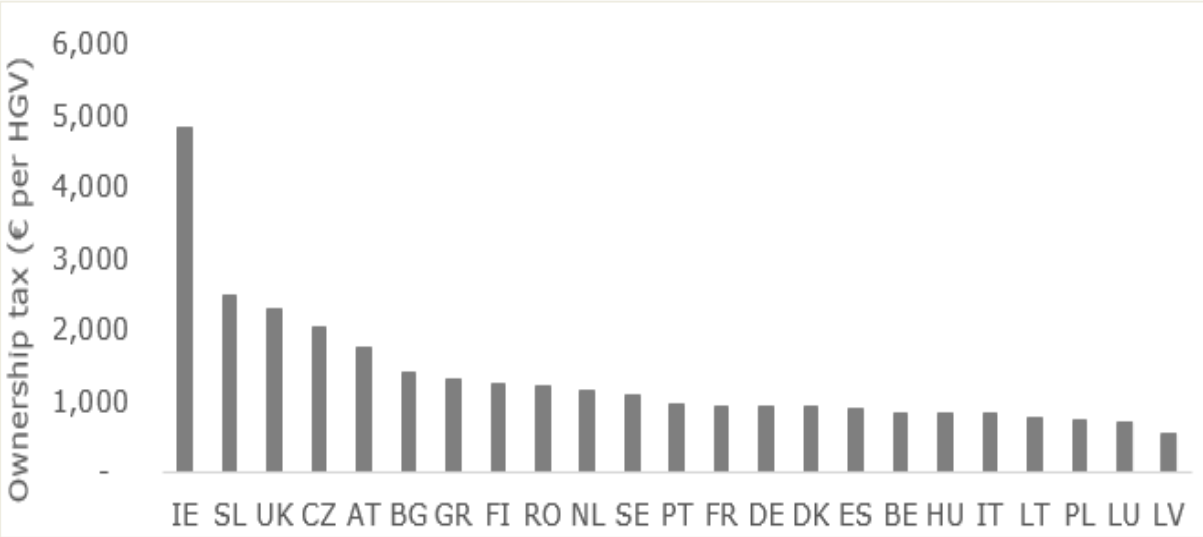
No other cost savings were identified, and quantification of the above effects was not possible.

6.5.4. Impacts on tax revenue

One reason that the 1995 proposal to replace the hired vehicles Directive (COM(95)2 final) was rejected by the Council is that several Member States expressed concerns about a loss in taxation revenues in the event that their undertakings could hire vehicles from other Member States with lower taxes on HGVs.

Indeed, the analysis of HGV taxation levels does confirm the view that there are substantial differences in the annual ownership taxes between Member States that could provide incentives for firms to hire vehicles from other Member States (see Figure 6-13). Taxation levels range from around €500 per vehicle in Latvia to almost €5,000 in Ireland.

Figure 6-13: Annual ownership taxes in selected Member States (2012)



Source: (International Transport Forum, 2012)

At the same time, there is also a wide variation between countries as previously shown in Section 5.3.

However, when it comes to the actual loss of taxation revenues that a cross-border hiring of vehicles may cause, there is limited evidence available at this stage. The Member State authorities consulted for this study did not raise this concern during interviews or the survey. The analysis presented in Section 5.1.1 shows that 12 Member States pre-empt losses in taxation revenues by not allowing their operators to hire vehicles registered elsewhere. Four further Member States set a maximum period for which using hired vehicles from other Member States is permitted. In the seven Member States (AT, DE, NL, EE, FR, SK, UK) where the use of vehicles registered elsewhere is allowed, there is no data on the level of use of vehicles registered elsewhere to estimate the loss of tax revenue.

Our discussions with the leasing industry representatives (Leaseurope) and the transport operators association (UETR), suggest that cross-border hiring of vehicles is still very limited, partly due to language and other regulatory barriers. On the other hand, the transport operators association in the Netherlands did consider a likely consequence of unlimited cross-border hiring to be that operators from Member States with fairly high taxes, such as Austria and the UK, would resort to permanently hiring vehicles from other Member States.

At this stage, it appears that the level of tax revenues lost for Member States from the use of hired vehicles registered elsewhere is limited, either because Member States do not allow it or because it is not widely used. However, reliable estimates cannot be provided.

6.5.5. Conclusions

Overall, the responses of authorities therefore indicate that implementation and enforcement costs have been negligible. Consequently, they were unable to provide data on enforcement activity relating specifically to hired vehicles. In most cases, requirements for hiring vehicles are few, so there is little to enforce and consequently low enforcement costs. Similarly, authorities could not point to any sizeable cost savings.

In terms of tax revenues, the analysis suggests that the level of tax revenues lost for Member States from the use of hired vehicles registered elsewhere is limited, either because Member States do not allow it or because it is not widely used.

6.6. Efficiency: To what extent are the overall costs which complying with the Directive impose on haulage companies and on own account carriers on one side and which the implementation of the Directive places on national authorities on the other side proportionate to the expected benefits of the Directive?

In this evaluation question, the benefits of the Directive to all stakeholders affected are examined and compared to its costs, which were addressed in the previous two evaluation questions. In addressing the question we examined the following aspects:

- Potential cost savings and benefits for transport operators and own account carriers;
- The ratio of benefits to costs; and
- Distribution impacts.

6.6.1. Potential cost savings and benefits for transport operators and own account carriers

There are several categories of benefits from hiring vehicles enjoyed by transport undertakings. Firstly, the possibility of adjusting one's vehicle fleet size in response to market conditions (flexibility) can lead to better overall utilisation of vehicles across companies, as vehicles not required by one company can instead be used by another. It has been claimed by Leaseurope (2014) that reductions in company fleet sizes of up to 10% are possible through the uptake of hired vehicles. Secondly, benefits may accrue from saving money on vehicle servicing, maintenance, breakdown coverage and insurance. These services are often included in hire contracts. Large fleet management companies providing hired vehicles to operators may be able to provide these services more cheaply than operators seeking those services individually. Thirdly, large fleet management may have better information on residual value and vehicle performance, including likely fuel consumption given vehicles' usage profiles, and may therefore be able to provide vehicles that minimise operators' running costs.

As indicated in Section 6.1.4.2, an international leasing company claimed that, taking into account all these potential savings, vehicle operating cost could be reduced by 10-30% for a vehicle owner switching to full service operating leasing. In the case of short term rental, a commercial vehicle rental provider indicated that the cost of renting a vehicle is on average generally higher than the cost of owning it, but that the increased flexibility resulting from renting more than outweighs this cost to operators.

Even then, such cost savings can contribute to a sizeable reduction to the total costs for transport operators. While driver costs are usually the main cost element – most probably unaffected by the use of hired vehicles – other costs (including maintenance and service) are still quite important (ranging from 17% of total costs in Germany to 42% in Poland) according to AECOM(2014). Fuel costs are also an important share of the total (24-38%, (AECOM, 2014)), of which according to the leasing company some 7-11% can be saved. Thus, depending on the type of operation, the size of the firm and the type of vehicle hiring, firms may be annual transport cost savings in the range of 1-10%. Given the small profit margins that are characteristic of the sector, such cost savings are still quite important.

Another possible benefit to operators that opt for full service operating leasing arrangements is related to the lower risks from outsourcing of fleet management. Depending on Member State enforcement practices, operators risk high fines and even their licences if their fleets are not adequately maintained (Commercial Motor, 2013a). Some companies therefore choose to outsource fleet maintainence through hiring. This is particularly relevant to SMEs and own account operators. According to an own account operator quoted in Commercial Motor (2013a), the improved reliability of the vehicles is a key advantage of hiring.

6.6.2. Ratio of benefits to costs

The fact that a large share of operators lease and rent vehicles indicates that the benefits of hiring outweighs the costs to operators in many situations. No evidence of substantial additional costs to any stakeholder in terms of compliance with legal requirements for hiring attributable to the Directive has been raised.

At the same time, there has been some indication of additional social benefits from the lower average age of hired vehicle and the associated improved safety and environmental performance. Since there is no quantification of costs, and the benefits are highly variable depending on circumstance, it is not possible to provide a quantified estimate of the cost/benefit ratio. However, on the basis of the evidence provided so far, the benefits clearly outweigh the costs for all types of stakeholders, especially because the costs are negligible.

6.6.3. Distributional impacts

Distribution of impacts between administrations and undertakings

Given the absence of a detailed Impact Assessment accompanying the Directive, no direct comparison between expected and actual distribution of costs and benefits between administrations and undertakings can be made. However, as emphasised in the previous Sections it should be stressed that stakeholders have not reported and did not seem aware of significant costs related to the Directive. It is viewed as a piece of legislation imposing few requirements, both for undertakings and for administrations. No concerns about the Directive harming taxation revenues have been reported.

At the same time, stakeholders from leasing companies, haulage operators and their respective associations have all indicated significant benefits accruing from the option to hire vehicles and use them in cross-border goods transport. As intended by the Directive, benefits relate to increased flexibility and improved utilisation of capital. Improvements to operators' cash flow may be viewed as an additional benefit to operators beyond the Directive's objectives.

Distribution of impacts between small and large firms

The vast majority of road haulage enterprises are SMEs (AECOM, 2014). Especially in the very competitive road transport sector SMEs have less capacity to absorb financial shocks compared to large enterprises (AECOM, 2014). The increase in flexibility brought about by the option of hiring vehicles can therefore be beneficial to SMEs in particular, allowing them to be less exposed to variable market conditions (Oxford Economics, 2015; 2013). Aside from responding to demand fluctuations with greater flexibility, hiring of vehicles (especially leasing) can also allow SMEs to improve their cash flow and to spread the additional cost of newer technologies such as Euro emission standards across a longer period of time (Dealer, 2013). These potential benefits to SMEs have also been highlighted by several of the industry stakeholders interviewed as part of the consultation.

6.6.4. Conclusions

The potential cost savings available to firms that use hired vehicles can contribute to a sizeable reduction to the total costs for transport operators. Depending on the type of operation, the size of the firm and the type of vehicle hiring, firms can see annual transport cost savings in the range of 1-10%. Given the small profit margins that are characteristic of the sector, such cost savings are still quite important. Other, non-quantified benefits include:

- Lower risks from outsourcing of fleet management.
- Greater flexibility.
- Improved safety and environmental performance.
- Improved cash flow.

No evidence of substantial additional costs to any stakeholder in terms of compliance with legal requirements for hiring attributable to the Directive has been raised. At the same

time, there are several benefits as outlined above, which indicate an overall positive benefit/cost ratio.

In terms of distributional impacts, there have not been any substantial costs to national administrations.

Furthermore, there have not been any disproportionate costs identified for SMEs, whereas they may benefit in particular from all of the general benefits outlined above.

6.7. Efficiency: Are there ways to reduce the costs and to improve the cost/benefit ratio of the Directive

In this evaluation question, potential ways of reducing overall costs to all stakeholders are examined with the objective of identifying ways of improving the Directive's benefit/cost ratio.

As set out in the evaluation questions above, the costs associated with the Directive are widely viewed as negligible. Consequently, the existing evidence suggests that there is little scope for further cost reductions.

The principal costs associated with the rules of the Directive were found to be administrative costs faced by undertakings for compliance with the rules (i.e. provide certified extracts of hire contact and driver's employment contract) as well as enforcement costs to authorities (i.e. ensuring these documents are on board the vehicle when it is hired). This could suggest that having fewer documentation requirements for hired vehicles could reduce administrative costs for operators. For example, in DE and NL, there is already no requirement for extra documentation when a vehicle is hired and consequently no added administration cost from the Directive for operators or authorities. However, as pointed out above, the documentation requirements are generally not substantial in those Member States that impose them. Reductions in documentation could also be problematic in combination with a liberalisation of international hiring, as it would mean that Member State authorities would be less able to enforce maximum hire periods of vehicles hired from another Member State. This may encourage permanent hiring of foreign vehicles to reduce the tax burden in some Member States.

Moreover, there are already substantial synergies with other legislation. For example, Regulation 1071/2009 also requires operators to provide certified extracts of drivers' employment contracts, so the same requirement under the Directive should generally not impose any additional burden. There are also synergies in obtaining certified copies of the hire contract, as operators associations provide standardised hire contract templates in multiple languages and copies are certified along with copies of the various other documentation required by road haulage legislation.

Finally, in terms of the enforcement of the Directive, it is typically conducted as part of general vehicle road-side checks across Member States; hire and employment contracts are inspected alongside the other documentation, tachograph, etc. These existing synergies are an important reason for why undertakings and Member State authorities have struggled to quantify the costs associated with the Directive, or even found them to be negligible. No potentials for further cost-saving synergies with regard to the scope of the Directive have been raised by the stakeholders.

6.7.1. Conclusions

Both enforcement costs for authorities and administration costs for operators were found to be negligible or impossible to quantify. Given that costs are already low, it is unlikely that the cost/benefit ratio could be significantly improved by cost reductions.

Changing the Directive to remove administrative requirements such as the requirement to have a certified copy of the hire contract on board may further reduce administrative costs to operators and enforcement costs to authorities but not to a large extent.

6.8. Relevance: Given the development of road haulage markets over the last 25 years, does the Directive still meet the needs of the European economy in terms of flexibility and efficiency of road haulage operations and reflect current policy priorities?

The assessment of the relevance of the Directive needs to examine whether the Directive was relevant to the problems and needs of the road haulage sector – both as identified at the time of its adoption and considering how they have evolved over time.

The problems and needs as identified in the intervention logic diagram include:

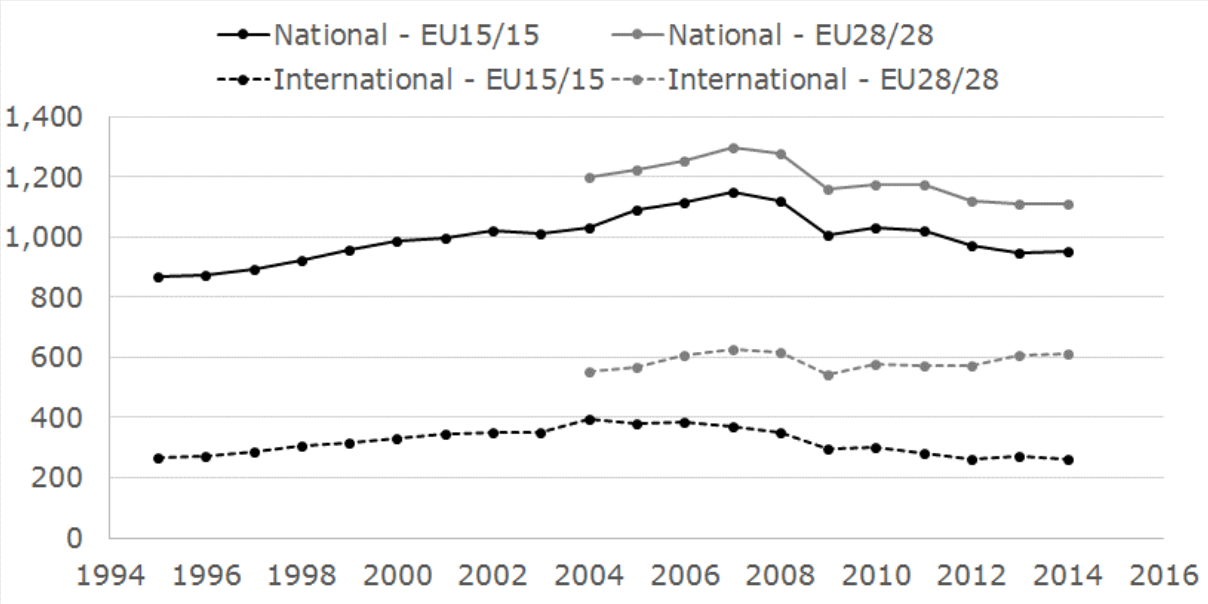
- The need to help operators accommodate the expected growth in national and international transport services and to meet seasonal demand peaks;
- The need to support the optimum allocation of resources, ensure flexibility and avoid unnecessary capital investment in road transport;
- The presence of national restrictions and a lack of harmonisation in the use of hired vehicles, which present an obstacle to the efficient use of resources;
- The high environmental impact of road freight transport and the slow diffusion of cleaner vehicle technologies in the commercial vehicle fleet.

This section is structured around an analysis of these four points. The assessment concerning the relevance with the current EU policy priorities is considered as part of the evaluation questions on coherence (see Section 6.10)

6.8.1. International transport and seasonal demand fluctuations

In terms of overall transport within the EU, Figure 6-14 shows that the level of national road transport gradually increased to a total of over 1.2 billion t-km at EU28 level prior to the crisis. It declined in the following 2 years and has largely stabilised since at around 1.1 billion t-km. In the case of international transport, the data suggest a continuous decline in the case of EU15 since 2004, while at EU28 level, international transport has remained largely stable at around 600 million t-km.

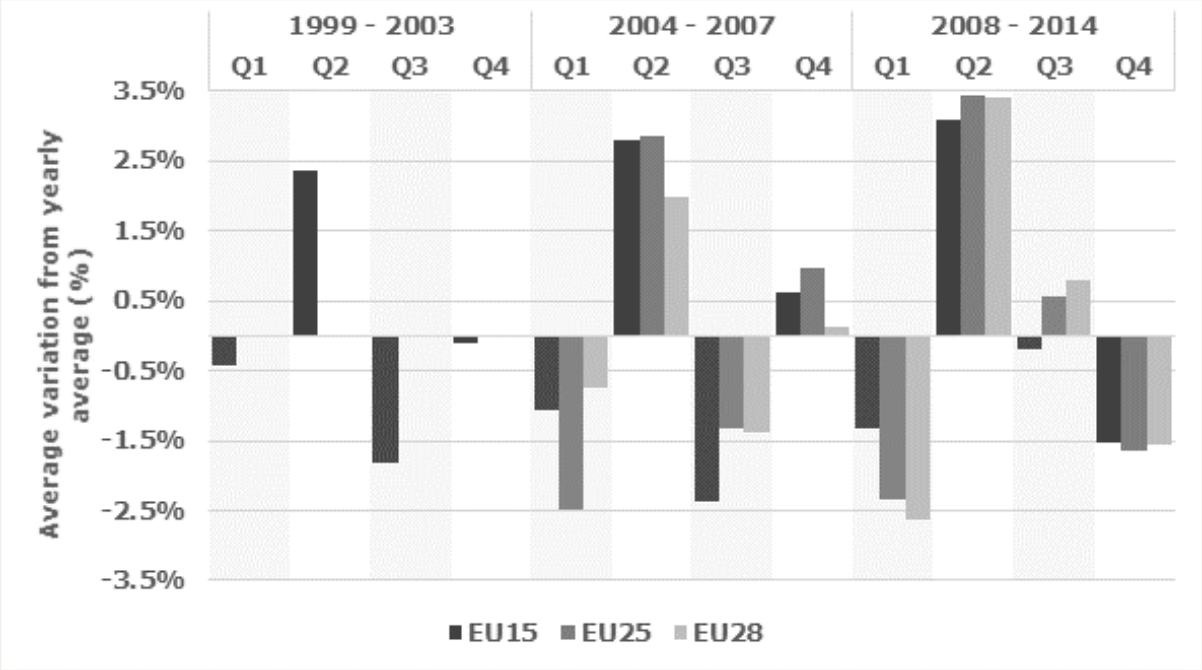
Figure 6-14: Evolution of road freight transport –national and international (period 1999-2014 (million t-km)



Source: (European Commission, 2015c).

Quarterly data for the period 1999-2014 clearly shows the continuing presence of seasonal variations, with second quarter freight volumes consistently being higher than the annual average (see Figure 6-15). Moreover, in recent years (2008-2014), the second-quarter peaks have become relatively higher, reaching variations of almost 3.5% for the EU-28 compared to the annual average level (up from less than 2.4% in 1999-2003). While at a national and EU level the total fleet capacity needs to be able to be at the peak demand levels, at the firm level there is clearly scope for firms to be able to respond to such seasonal fluctuations without necessarily investing in extra vehicle capacity.

Figure 6-15: Seasonal variation in total road freight transport – period 1999-2014 (million v-km)



Source: Eurostat (2015b), [road_go_tq_tott]

In this respect, there is still a need for firms involved in transportation to be able to adjust to demand fluctuations, which is in line with the original needs identified and targeted by the Directive. The picture arising from the analysis of Eurostat data have also been confirmed by stakeholders interviewed for this study, representing haulage operators at the EU (IRU, UETR) and national level (Bulgaria, Netherlands) and a Belgian own account operator. They explained that firms cope with seasonal peaks through maintaining a certain level of excess capacity, but that easy access to hired vehicles for short term use is also important to meet these fluctuations. They all identified vehicle rental/leasing as a key tool for responding to seasonal demand peaks and consider the objectives and scope of the Directive relevant.

The increasing difficulties in obtaining access to finance that followed the financial crisis also highlight another aspect that has made the use of hired vehicles relevant. Hauliers may use hired vehicles as a way to refresh their fleets when they are not able to obtain finance for new vehicles from banks (Commercial Motor, 2013). This aspect was confirmed by the European haulage operators association (UETR), who referred to the increasing difficulty of accessing the capital needed to finance the purchase of new vehicles, making the alterative option of leasing/hiring vehicles more relevant. It was also supported by one own account operator in Belgium. Due to the inherent characteristics of leasing (i.e. the leasing company's' ownership of the vehicle acts as a form of security), lessors are often able to provide finance in situations where other lenders are not – this is considered particularly important for SMEs (Leaseurope, 2012). Among SMEs in the transport sector, leasing (in general) is a major source of finance, and remained particularly important during the economic crisis where access to other forms of finance was constrained (Oxford

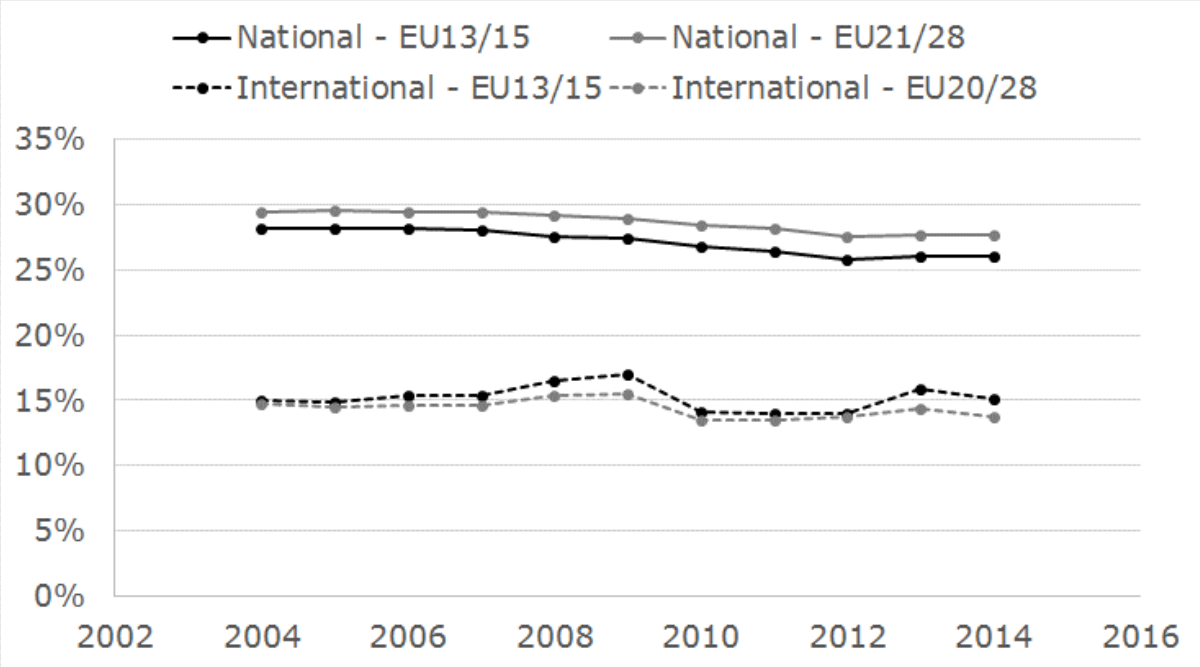
Economics, 2015). Thus, facilitating access to an effective hired vehicles market is particularly important to respond to the current market conditions.

6.8.2. Resource allocation and need for greater flexibility

Another important market development driven by the financial crisis has been the increasing need for flexibility. According to UETR, the crisis has made the use of hired vehicles more relevant for many firms due to the increasingly unpredictable workloads (hence a need for additional flexibility). It was explained that the financial crisis has increased the need for firms to flexibly respond to fluctuations in demand and to cut costs – including transport costs – as and when needed. This view was also reflected in the literature. For instance, the study of Oxford Economics (2015) highlighted the benefits to lessees in terms of enhanced responsiveness to changing demand, and suggested this is also relevant in periods of economic growth. According to Commercial Motor (2013a), the absence of long-term customer commitments has made operators more inclined to hire vehicles rather than to buy them. Furthermore, even in more stable economic times, many operators still value the flexibility that hired vehicles afford them in terms of being able to alter the size of their fleets as their workloads change.

Another aspect related to resource allocation is the share of empty (non-loaded) runs (see Figure 6-16) that provides an indication of the vehicle utilisation. The data available do not cover the whole period since the introduction of the Directive. However, looking into the period since 2004, the share of empty runs decreased from 28% to 26% for EU 15 national transport. In the case of international transport, the share of empty runs has been around 14-15% at the EU15 and EU28 level with small fluctuations.

Figure 6-16- Evolution of share of empty runs in national and international road freight transport (% share of total vehicle-km)

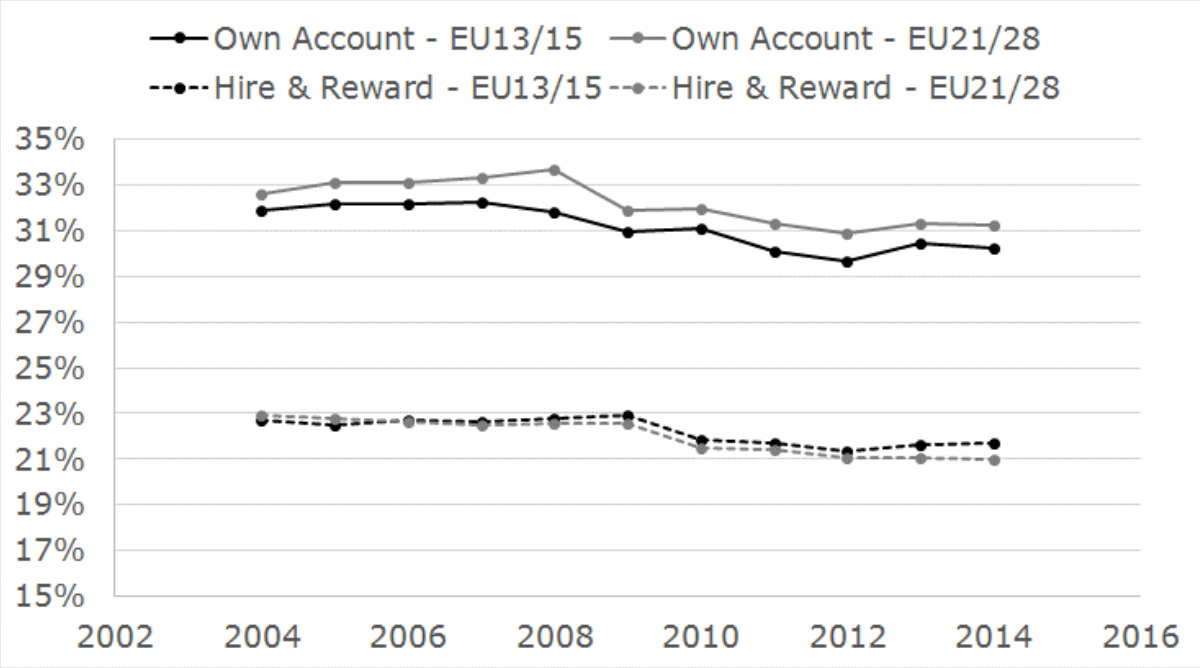


Source: Eurostat [road_go_ta_vm]. Note: Divides the kilometres travelled empty by the total number of vehicle kilometres travelled, for both national and international mileage ; Does not include data for BE, CY, IT, LV, MT, BG, HR, RO.

Figure 6-17 also shows the share of empty runs for own account and hire and reward operations. The prevalence of empty runs appears to be particularly prominent for own account operators. Within the EU the share of own account road freight performed empty has been in the range of 30%-33% throughout the period 2004-2014. In the case of hire-and-reward it has been 8-10percentage points less during the same period. This is possibly a reflection of the nature of the activity and the fact that securing return loads is less

feasible for own account operators. In both cases, the data suggest a decline over the same period of 0.5-1 percentage points.

Figure 6-17- Evolution of share of empty runs for different types of carriage (% share of total vehicle-km)



Source: Eurostat [road_go_tq_tott]; Divides the kilometres travelled empty for own account/hire and reward operations by the total number of vehicle kilometres travelled for own account/hire and reward. ; Does not include data for BE, IT, LV, MT, BG, HR, RO.

6.8.3. National restrictions and lack of harmonisation in the use of hired vehicles present an obstacle to the efficient use of resources;

The analysis provided in the baseline (Section 2.3) and the current status of the application of the Directive (Section 5.1.1) show that national restrictions were present at the time of the adoption of the Directive and are still in place in a small number of countries (ES, IT, GR, PT). The baseline analysis concluded that some Member States have been largely unwilling to remove restrictions when given the option. The analysis presented earlier (Section 6.3) provides some evidence linking the presence of restrictions in access to hired vehicles with less flexible and generally less efficient use of resources (vehicles and capital) for hire and reward and own account operators.

The importance for own account operators of access to hired vehicles in the countries with restrictions has been difficult to establish. The input from industry representatives in Greece (Greek Industries Federation - SEV) suggested that, while relevant, access to hired heavy goods vehicles is not seen as a priority for firms in Greece. Furthermore, the Greek leasing industry representatives (STEEA) consider that the level of demand for the use of hired vehicles remains limited.

On the other hand, market data from Italy and Spain suggests that the market for truck leasing and rental increased significantly during the 2000-2006 period in response to "a certain level of relaxation of the regulation" (Datamonitor, 2003e) (Datamonitor, 2003d) (Datamonitor, 2003m). However, the reports did not identify what regulations were relevant, nor could national stakeholders suggest what regulations these reports could have referred to.

Furthermore, from the point of view of the leasing industry, the need to respond to shifts in seasonal demand for commercial vehicles requires them to be able to move the fleet

around the EU. This aspect can be facilitated by the use of vehicles registered in other Member States that can help them improve resource allocation, increase utilisation of the existing fleet and reduce investment in spare capacity. The presence of a harmonised legal framework across the EU concerning the use of hired vehicles registered in another Member State is considered necessary. The analysis presented in Section 5.1.1 shows that Member States follow different approaches: while the use of hired vehicles registered in another Member State is possible among certain Member States, it is not possible among others. For the leasing industry (represented by Leaseurope), and particularly for large leasing companies with a cross-country presence the current scope of the Directive appears to limited, since it does not include provisions to ensure that it is possible to lease/rent vehicles registered in another Member State.

Thus, the adoption of the Directive setting a minimum common base concerning the access to hired vehicles and the removal of some restrictions (such as the minimum hiring period that was applicable at the time of the 1990 amendment) was and remains relevant. However, the fact that the Directive still allows Member States to introduce restrictions in relation to own account operations and does not allow the use of cross-border vehicles, suggests that there is scope to ensure that restrictions for own account operations are removed.

6.8.4. High environmental impact of road freight transport and slow diffusion of cleaner vehicle technologies in the commercial vehicle fleet.

Road freight transport has an important and increasing environmental impact. HGVs account for up to a quarter of all transport-derived CO_2 emissions in the EU, or 6% of EU's total CO_2 emissions – despite their comparatively low share in the total vehicle fleet (European Commission, 2012). In view of increasing EU freight volumes, between 1990 and 2010 HDV CO_2 emissions are estimated to have grown by about 36%, despite the economic crisis interrupting the previous steady growth (European Commission, 2014a).

At the same time, uptake of cleaner vehicle technologies tends to be slow due to a number of market barriers. This includes the absence of relevant standards to compare performance but also the additional upfront costs (European Commission, 2014b). In terms of pollutant emissions, HGVs are also significant contributors. High combustion temperatures and excess air intake of their diesel engines result in elevated levels of nitrogen oxides (NOx) and particulate matter (PM) emissions (Alvarsson & Andersson 1995; Cullinane & Edwards 2010, cited in Leshchynskyy (2013)).

The evidence provided in Section 5.2.2 showed that hired vehicles are, on average, newer and meet higher environmental standards. According to the three leasing companies interviewed, the business model of most leasing companies is based on a high level of utilisation and replacement of vehicles within a few years (2-3 years). Industry representatives explained that leasing is often used by transport operators as an alternative way to renew their vehicle fleet without excessive upfront costs and that, particularly in the case of long distance trips, firms seek access to the higher standard vehicles offered by some leasing companies. In contrast, in countries with restrictions such as Greece, vehicles tend to be older and less fuel efficient and their typical approach to vehicle replacement, when the capital for the purchase of new vehicles is not available, is through the purchase of second hand vehicles.

6.8.5. Conclusions

Overall, objectives and priorities of the Directive– as identified at the time of its adoption - appear to remain relevant to the trends and needs of the transport sector. Facilitating the access to hired vehicles – both cross-border and at national level - contributes to greater flexibility and efficiency of haulage operations and leasing is a tool that is used by firms – particularly SMEs - across the EU.

On the other hand, to the extent that the Member States are still allowed to introduce restrictions that limit access to hired vehicles and do not support fleet renewal, there is clearly scope for further extension of the Directive.

6.9. Coherence: To what extent are the provisions of the Directive coherent with other legislation governing the road haulage market?

This coherence question corresponds to an analysis of the 'external coherence' between the hired vehicles Directive and other road haulage legislation, in particular rules governing the access to the international road haulage market (Regulation (EC) No 1072/2009, the rules governing the access to the occupation of transport operator (Regulation (EC) No 1071/2009) and the Combined Transport Directive 92/106/EEC on the establishment of common rules for certain types of combined transport of goods between Member States.

The first step of the analysis focused on the identification of relevant provisions in the Directive and the two Regulations. It is supported by input and practical experience provided during the interviews with stakeholders.

6.9.1. Differences in terms of definitions and references between the Directive and Regulations 1071/2009 and 1072/2009

One important difference between Directive 2006/1/EC and other road haulage legislation is the difference in the definition of the term "vehicles". Under Directive 2006/1/EC the term vehicle covers all types of commercial vehicles, including trailers and semi-trailers. In the case of Regulations 1071/2009 and 1072/2009 vehicles are considered to be motor vehicles and combinations of vehicles (which implicitly includes trailers and semi-trailers), but trailers and semi-trailers are not separately covered (see Table 6-5).

Table 6-5: Definition of vehicle in hired vehicles Directive and road haulage legislation

Legislation	Overall scope
Directive 2006/1/EC	Article 1(a): motor vehicles, a trailer, a semi-trailer, or a combination of vehicles intended exclusively for the carriage of goods
Regulation 1071/2009	Article 2(1): motor vehicles or combinations of vehicles
Regulation 1072/2009	Article 2(1): motor vehicle registered in a Member State, or a coupled combination of vehicles the motor vehicle of which at least is registered in a Member State, used exclusively for the carriage of goods;

This difference in the scope of the legislation and the different treatment of motor vehicles and trailers is replicated in other parts of Regulation 1072/2009 (Article 4). According to Article 4 *"In the case of a coupled combination of vehicles, the certified true copy shall accompany the motor vehicle. It shall cover the coupled combination of vehicles even where the trailer or semi-trailer is not registered or authorised to use the roads in another State".*
By itself, it can be argued that the difference in definitions and scope signifies a certain level of inconsistency within the context of the broader road haulage legal framework. From a more practical side, the research has pointed to only limited issues. Among the total 28 stakeholders interviewed only three indicated any specific practical issues:

- The Slovenian authorities indicated that is it not clear what type of transport activity is performed when the hired motor vehicle is registered in one country (EU or not) while the hired trailer is registered in another country (EU or not). Particularly if the one of the two parts of the combination of vehicles is from outside the EU, it is not clear whether import duties should apply. The national authorities suggested that it is not clear what type of documentation needs to be checked.
- The Greek authorities indicated that their practice in the case of road checks is not to ask for a hire contract (or certified copy) for hired trailers and semi-trailers, even

if these are registered in another Member State, on the basis that Article 4 of Regulation 1072/2009 creates a certain level of uncertainty in relation to this point.

- The Bulgarian authorities have used this difference in the definition of vehicles as the basis for differentiating the treatment of motor vehicles and trailers/semi-trailers registered in another Member State (see also Section 6.9.2 below)

A second difference between the scope of Directive 2006/1/EC and the road haulage legislation concerns the limit of minimum 6 tonnes laden weight set in Article 3(2) of the Directive for restricting the use of hired vehicles for own account operations. The 6 tonnes limit that was introduced with the amendment of the Directive adopted in 1990 and has been used by a few Member States (ES, IT, PT, EL) is inconsistent with the Community road transport legislation, where the general scope of application provides for vehicles with a weight of over 3.5t tonnes maximum laden mass.

From a practical side, Leaseurope representatives questioned the logic of using a weight limit of 6 tonnes that does not correspond to the standard system of classification of commercial vehicles[37] and is not recognised as a relevant cut-off point within the industry. There are also issues of monitoring the application of the restriction given that relevant data on the number of goods vehicles over 6 tonnes are not available. On the other hand, given that this limit has only been used in three Member States (ES, PT, IT), the practical issues arising from the use of the 6 tonnes limit are rather limited.

Finally, according to Article 1(5)(c) of Regulation 1072/2009, the carriage of goods using vehicles that do not exceed 3.5 tonnes (Light Duty Vehicles - LDVs) does not require any authorisation (including a Community License). However, under Article 2(1) of Directive 2006/1/EC, Member States may restrict the use of hired vehicles for cross-border operations if the vehicles in question are not registered in the country where the undertaking hiring it is established, as already indicated in Section 5.1.1. There is no provision exempting LDVs from such restrictions and, as a result there is a potential conflict. However, this was not an issue raised by any stakeholder, which suggests that the conflict may not often arise in practice.

Beyond the issue of definition and scope, a few additional problematic areas in the interface of Directive 2006/1/EC and the road haulage legislation were reported but with limited evidence available on their frequency and severity:

- The Dutch haulage operators' association suggested that its members reported problems during the enforcement of Article 4 of Regulation 1072/2009 – and specifically the check of the certified copies of the Community Licence - when they use hired vehicles. There are differences among Member States in terms of the regime concerning the provision of the licence plate number of the truck on the certified copy of the Community Licence. While some MS (not specified) require a clear link between the certified copy of the Community Licence and the licence plate of the truck or at least the owner of the vehicle, others do not. Thus, in the case of the use of hired vehicles – which typically have a different licence plate and owner compared to those identified on the Community Licence – questions on the validity of the certified copies are raised during road checks. For the members of the Dutch association – a country where there is no requirement to state the vehicle licence number in the Community Licence – there are issues during inspections in some countries during road checks. However, no additional input was provided in

[37] Category N1: Vehicles designed and constructed for the carriage of goods and having a maximum mass not exceeding 3,5 tonnes.

Category N2: Vehicles designed and constructed for the carriage of goods and having a maximum mass exceeding 3,5 tonnes but not exceeding 12 tonnes.

Category N3: Vehicles designed and constructed for the carriage of goods and having a maximum mass exceeding 12 tonnes.

terms of frequency with which such problems arise and their severity for transport operations.

- According to the IRU representative (representing international haulers), an issue with the use of replacement vehicles has been raised by UK haulage operators. Article 1(5)d(iv) of Regulation 1072/2009 exempts hired vehicles used for own account operations from the need to have Community Licences but also indicates in the same article that replacement vehicles are not covered by this exemption. Thus, while for hire and reward operations replacement vehicles are under the same general regime applicable to hired vehicles, for own account operations this does not appear to be the case. Thus, replacement vehicles used for own account operation require a Community license. More information on the extent of the possible problem was not made available. However, this was not an issue identified by any industry representative including the four leasing companies interviewed. There is also no other source identified making reference to this issue. As a result, the extent that this is indeed a problem concerning the use of hired vehicles could not be corroborated.
- From a rather different perspective, the drivers' representatives (ETF) suggested that the Directive in its current form – and the provision in Article 2(2)(b)[38] helps ensure that a direct linkage between the vehicle and the driver can be made, and that the use of hired vehicle does not allow for the development of letterbox companies, one of the key objectives of the road haulage legislation.

Overall, our analysis points to certain inconsistencies between Directive 2006/1/EC and the road haulage legislation – mainly in relation to the definition of vehicles. It has led some Member States to interpret or enforce the Directive differently in the case of vehicles and trailers/semi-trailers. Differences in the practical enforcement of Community Licence for hired vehicles are also reported. However, while there is clearly an argument to be made for ensuring consistency across the road haulage legislation, there is no evidence suggesting particularly important problems in the operation of the hired vehicles market.

6.9.2. Impact of the implementation of Regulation 1071/2009 and 1072/2009 on the hiring of vehicles

The research conducted has also pointed to a few areas where the implementation of the road haulage legislation could be linked to constraints to the hiring of vehicles.

In general, the use of hired vehicles is considered sufficient to meet the requirements of Article 3 of Regulation 1071/2009 concerning the access to the occupation. The same applies to the issuing of a Community Licence under Regulation 1072/2009. The Member State of establishment shall issue a certified copy of the Community Licence for each vehicle, whether owned or leased. Thus, in principle the implementation of Regulation 1072/2009 does not pose any obstacles for hauliers using hired vehicles.

One specific area of interest is the use of hired vehicles registered in another Member State. In principle, a hired vehicles contract is sufficient for the issuing of a certified copy irrespective of the country of registration. As explained in Section 5.1, 12 national authorities are not willing to accept the use of hired vehicles registered in another country. However, there is no indication that this is done on the basis of the implementation of Regulation 1072/2009. The only case reported is in Bulgaria, where the restriction is clearly linked with the provisions of Regulation 1072/2009. According to the Bulgarian road haulage association, the Bulgarian authorities' interpretation of Article 4 of Regulation 1072/2009 concerning the issuing of Community Licences is that only hired trailers and semi-trailers registered in another Member State should be permitted. According to Article 4 "*In the case of a coupled combination of vehicles, the certified true copy shall accompany*

[38] Requirement that the driver's employment contract or a certified extract from that contract giving in particular the name of the employer, the name of the employee and the date and duration of the employment contract or a recent pay slip is on board of the hired vehicle.

the motor vehicle. It shall cover the coupled combination of vehicles even where the trailer or semi-trailer is not registered or authorised to use the roads in another State". The Bulgarian authorities have decided that motor vehicles need to be registered in Bulgaria. On the other hand, there are Member States (such as Estonia) who recently adapted their legislation making the issuing of certified copies for hired vehicles registered elsewhere possible without any issues related to the Community Licence..

Similarly, there is only one country (IT) where the requirements concerning access to the profession to transport operators (Regulation 1071/2009) have been used as a way to limit access to the hired vehicles market in one country. The only way that leasing companies can operate in the country and lease vehicles to hire-and-reward operations is if they are licenced as transport operators. This means proving compliance with Article 3 of Regulation 1071/2009[39], which introduces substantial market entry costs. Similar types of entry costs apply in Cyprus, Spain, Portugal and Greece, although in these countries these are not linked to Regulation 1071/2009 but to specific regulation for the access to the profession of vehicle leasing, which is outside the scope of Regulation 1071/2009.

Overall, there is no evidence – direct or indirect - suggesting that the implementation of the road haulage legislation – and the specific interpretation of its provisions - has been used to constrain the use of hired vehicles, with the notable exception of two countries (BG, IT).

6.9.3. Coherence with the Combined Transport Directive[40]

The Combined Transport Directive (CTD) regulates combined transport operations where a lorry, trailer, semi-trailer, with or without tractor unit, swap body or container of 20 feet or more is used for road transport on the initial or final leg of a journey while, on the other leg, rail or inland waterway or maritime services are used.

The possibility of the use of hired vehicles in the case of combined transport operations is addressed in Article 9 of the CTD. In the case that the dispatching (receiving) undertaking uses a hired trailer or semi-trailer to carry out the initial/final road haulage leg for its own account, the receiving (dispatching) undertaking may then use the same trailer or semi-trailer to carry out the transport operation, even if this trailer or semi-trailer has been hired by the first undertaking. Article 9 makes direct reference to initial version of the Hired Vehicles Directive (84/647/EEC) and its provisions in the case of the use of hired vehicles without drivers.

The main objective of Article 9 was to facilitate the use of Combined Transport when own-account transport operations were constrained.

In terms of Article 9, in theory there could be the case that a dispatching undertaking uses a hired trailer for own account in a country where the use of hired vehicles for own account is allowed but the receiving undertaking may be in a country (e.g. Italy) where this is not permitted in the case of vehicles of over 6 tonnes. Since, according to Article 9 of the CTD, the provisions of the Hired Vehicles Directive are applicable, including Article 3(2) that allows the restriction of the use of hired vehicles for own account operation, a potential conflict may arise.

However, we have not received any indication of any such problems in practice. As part of the interview programme, stakeholders were not directly asked about any problems or inconsistencies between the two Directives. However, when asked to indicate problems or inconsistences with other EU legislation, there was no reference made to the CTD. Further desk research – including the review of the 2014 consultation on the CTD (European

[39] Including: a) effective and stable establishment in a Member State; b) good repute; c) appropriate financial standing; d) proof of professional competence

[40] Council Directive 92/106/EEC of 7 December 1992 on the establishment of common rules for certain types of combined transport of goods between Member States (OJ L 368, 17.12.1992, p. 38).

Commission, 2014c)- did not produce any relevant evidence. Furthermore, according to the 2012 analysis of combined transport (KombiConsult et al. , 2012), own-account operators use virtually no CT inland waterway/road services and use CT rail/road services only marginally.

On the basis of the analysis, a potential contradiction in the implementation of the two Directives can be pointed out, due to presence of restrictions on the use of hired vehicles for own account operation in some countries. However, there is no indication that this is a real life problem for own account operators due to their very limited use of combined transport.

6.9.4. Conclusions

In general terms, the Directive and the road haulage legislation appear to operate relatively effectively with clear recognition of the potential of the use of hired vehicles – and the contracts providing relevant proof – for accessing the road haulage profession and obtaining a Community Licence. At the practical level, there are certain discrepancies linked – directly or indirectly – due to the inconsistent definition of "vehicles", different approaches among Member States in relation to the statement of the vehicle licence in the certified copy of the Community Licence. The 6 tonne limit in relation to the restriction of hired vehicles for own account operations is also not consistent with the road haulage legislation and more generally the standard classification of vehicles. However, while there is scope for further improving coherence between the Directive and the road haulage legislation, there is no evidence of common and significant problems in the market as a result of these inconsistencies.

In the case of the Combined Transport Directive, the analysis points to a potential contradiction in the implementation of the two Directives, due to presence of restrictions to the use of hired vehicles for own account operation in some countries. However, there is no indication that this is a real life problem for own account operators due to their very limited use of combined transport.

6.10. Coherence: To what extent are the provisions of the Directive compatible with current EU policy priorities in other fields?

The second evaluation question on coherence requires an analysis of the coherence of the Directive's provisions - which were initially developed in 1984 and have not changed since 1990 - in the broader perspective of the current EU transport policy and related EU economic, social and environmental goals. The analysis covered the following policy documents:

1. The Agenda for Jobs, Growth, Fairness and Democratic Change of the new president of the European Commission (also known as "Juncker Priorities") (Juncker, 2014c);
2. White Paper- Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system (European Commission, 2011c);
3. Europe 2020: the European Union strategy for growth and employment (European Commission, 2010) and the relevant flagship initiative (Resource Efficient Europe (European Commission, 2011b);

The relevant texts have been analysed to assess the coherence of the Directive's provisions – formulated during a period where the Single Market for goods had yet to be launched and the integration of the road haulage market was not a policy priority - with the current policy priorities. Input from stakeholders was also used to support the analysis, although most stakeholders that contributed to the study did not provide substantial additional information.

6.10.1. Agenda for Jobs, Growth, Fairness and Democratic Change

In his opening statement to the European Parliament (Juncker, 2014c) , the President of the European Commission, Jan Claude Juncker, proposed a new "Agenda for Jobs, Growth, Fairness and Democratic Change" focusing on ten policy areas. Three of them appear to be relevant to the Hired Vehicles Directive:

- Priority 1 - A New Boost for Jobs, Growth and Investment aiming to get Europe growing again and to increase the number of jobs without creating new debt
- Priority 3 - A Resilient Energy Union with a Forward-Looking Climate Change Policy which, among others, aims to promote energy efficiency and reduction of greenhouse gas emissions
- Priority 4 - A Deeper and Fairer Internal Market with a Strengthened Industrial Base focusing on the completion of the internal market in products and services

The coherence of the Directive's provision with each of these priorities is analysed below.

Priority 1 - A New Boost for Jobs, Growth and Investment

The focus of Priority 1 is the promotion of investment through the Investment plan for Europe (Juncker, 2014c), establishment of a European Fund for Strategic Investments and promoting access to finance for SMEs and for large investment projects. In that respect, there is rather limited relevance of the Directive – at least directly. However, the third strand of the plan refers to the need of "…*providing greater regulatory predictability, removing barriers to investment across Europe and further reinforcing the Single Market by creating the optimal framework conditions for investment in Europe*".[41] For the transport sector, the plan makes reference to the need for "…*structural reforms to resolve barriers to investment in transport infrastructure and systems, notably with a cross-border dimension*".[42] In relation to this, the provisions of Article 2(1) concerning the use of hired vehicles for cross-border freight transport and 3(1) facilitating access to the use of hired vehicles – and thus allowing the development of the hired vehicles market – can be seen as having a positive role to play in terms of promoting investment and the growth of the specific sector. On the other hand, Article 3(2) allowing Member States to set specific restrictions concerning the use of hired vehicles for own account operations is not in line with the same objectives.

Priority 3 - A Resilient Energy Union with a Forward-Looking Climate Change Policy

The Directive appears to be directly linked with two of five objectives set under Priority 3: the reduction of Europe's energy use by 27% or greater by 2030 and cutting greenhouse gases at least by 40% by 2030. Furthermore, as part of the action plan towards Energy Union, the Commission has identified the need to speed up energy efficiency and decarbonisation in the transport sector (European Commission, 2015a).

In relation to the above priorities, Article 3(1) covering access to use of hired vehicles at the same level with owned vehicles, is particularly relevant in promoting resource efficiency. The evidence presented in Section 5 clearly shows that leased vehicles are, on average, newer compared to owned vehicles and that leased vehicles are used more intensively and replaced after a shorter period of time (according to the evidence on average every three years). However, while it is also argued that newer vehicles are also more fuel efficient, the actual evidence has shown strong real-world improvements of newer (EURO VI) HGVs over older HGVs in terms of air pollutant emissions but not in terms of fuel economy (Sharpe & Muncrief, 2015). Furthermore, while the evidence on the level of vehicle utilisation is rather inconclusive, leasing companies and associations highlight the importance of fleet management services helping their clients to choose the most suitable vehicle for a specific job in terms of minimising fuel consumption through

[41] p. 13
[42] P.15

having access to performance data across a large range of different vehicles used under different circumstances. Improved vehicle utilisation helps deliver equal numbers of freight movements with fewer vehicles reducing the number of vehicles on the road, important both from an environmental and safety aspect. In all above aspects, the provisions of Article 3(1) facilitating access to hired vehicles are consistent with the high level targets sets under Priority 3 of the Juncker plan.

On the other hand, the fact that the Directive does not fully facilitate the internal market for hired vehicles is not in line with the promotion of resource efficiency. Particularly the absence of provisions facilitating the use of hired vehicles registered in another Member State – and the restrictions imposed by Member States – allegedly result in a certain level of inefficiencies in terms of the allocation of resources among leasing industries when addressing seasonal demand peaks. Restrictions on the use of hired vehicles for own account operations are also a potential source of inefficiencies, even though it was not possible to assess the exact impact.

Priority 4 - A Deeper and Fairer Internal Market with a Strengthened Industrial Base

A key objective of the Juncker plan under Priority 4 is the completion of the internal market in products and services. Within the context of Priority 4, the 2015 Commission Communication on the Upgrading of the Single Market (European Commission, 2015b) argues for the needs to revive and modernise the Single Market improving the functioning of the markets for products and services. The transport sector is identified as one sector where barriers to the free exchange of services limit the opportunities for businesses and citizens, resulting in fewer jobs and unnecessarily high prices.

In relation to these objectives, the provisions of the Directive do not appear to be fully consistent. Article 3(2) of the Directive (allowing Member States to introduce restrictions for the use of hired HGVs over 6 tonnes for own account purposes) contradicts the objective set under Priority 4. Even if such restrictions are only applied in a few Member States, there is scope for changes towards greater alignment with the transport policy priorities. In addition to that, Article 4 – which allows Member States to set less restrictive conditions than those set in Articles 2 and 3 – is not commensurate to the objective of promoting a Single Market. It allows the development of national markets with different legal frameworks governing the use of hired vehicles across the EU even though, in practice, there are only minor differences among Member States.

Furthermore, the fact that the Directive does not make any provisions in relation to the use of hired vehicles registered in another Member State – thus allowing Member States to adopt different approaches – can be considered as an omission of the current legal framework. The analysis presented in Section 5.1 shows that a large number of Member States requires that hired vehicles are registered in the Member State of establishment of the undertaking hiring it even when the hired vehicle is only used for brief periods of time. As a result, the market for hired vehicles remains fragmented. Users (hire and reward and own account operators) in more than half of Member States are potentially restricted in terms of their access to hired vehicles.

From the positive side, Article 2(1) – concerning the use of hired vehicles for cross-border freight transport and Article 2(2) on proof of compliance, facilitate the development of common rules removing obstacles – and costs – associated with cross-border trade.

Overall, in its current form – given the existing restrictions to the use of hired vehicles for own account operations and the absence of a legal framework to ensure access to hired vehicles registered elsewhere – the Directive does not appear to be fully in line with the objectives set under priority 4 of the Juncker plan.

6.10.2. White Paper on Transport, 2011

The 2011 White Paper on Transport is the key document setting the policy framework for the future of the transport policy of the EU. It revolves around two elements, which are ensuring fair competition and resource efficiency. It presents an EU vision for a competitive and sustainable transport system, the strategy to implement this vision, and a list of initiatives to implement the strategy.

The proper functioning of the internal market and the promotion of fair competition is a key element of the White Paper's Roadmap. It refers in several occurrences to the need to adopt measures to enhance market mechanisms[43]. Point 6 in Annex I also points to the need for a further opening of road transport markets. Put together this should lead to the development of a Single European Transport Area.

In that respect, the analysis already made in relation to priority 1 of the Juncker plan is also applicable here. The provisions of the Directive are not fully compatible with the White Paper objectives. While Articles 2(1) and 2(2) facilitate the development of common rules removing obstacles – and costs – associated with cross-border trade, this is not the case with other provisions of the Directive.

Articles 3(2) and 4 are not in line with the objective of promoting greater harmonisation and the promotion of a Single European Transport Area.

Similarly, the fact that the Directive does not make any provisions in relation to the use of hired vehicles registered in another Member State is also a limitation of the current legal framework and - as indicated in Section 5.1 – it means that the market for hired vehicles remains fragmented.

Overall, in terms of the development of the internal market and the promotion of fair competition, the provisions of the Directive appear to be only partly compatible with the EU policy priorities as set in the White Paper.

The 2011 White Paper also specifies other policy objectives and targets, namely:

- Reduce transport GHG emissions by 60% over 1990 levels by 2050;
- Halve the number of road fatalities by 2020 and move to near zero fatalities by 2050; and
- Reducing local noise and air pollution.

The analysis concerning the coherence of Article 3(1) with priority 3 of the Juncker plan presented in Section 6.10.1 is also relevant here. As indicated, the evidence shows that leased vehicles are, on average, newer, more energy efficient, less polluting, and meet higher noise and safety standards and tend to be used more efficiently. Thus, the provisions of the Directive (Article 3(1)) that facilitate access to hired vehicles are consistent with the environmental and social policy objectives set out in the Transport White Paper. On the other hand, restrictions on the use of hired vehicles for own account operations (Article 3(2)) and the absence of provisions facilitating the use of hired vehicles registered in another Member State are potentially limiting parameters.

6.10.3. Europe 2020: The European Union Strategy for growth and employment

The Europe 2020 Strategy (European Commission, 2010) puts forward three priorities (smart growth, sustainable growth and inclusive growth), and proposes seven 'flagships initiatives to catalyse progress under each priority theme'[44]. One initiative is particularly relevant in the context of road transport: 'Resource efficient Europe' to help decouple economic growth from the use of resources, support the shift towards a low carbon

[43] p.6 §19, p.7 §24
[44] p.5

economy, increase the use of renewable energy sources, modernise the transport sector and promote energy efficiency'.

The Europe 2020 strategy document indicates that the Commission will work towards '[modernising and decarbonising] the transport sector thereby contributing to increased competitiveness'[45]. The initiative identifies the 2011 White Paper as part of a long process that should lead to a reduction of greenhouse gas emissions from the transport sector by 60%. The relevance of the provisions of the Directive in relation to these priorities is quite evident. To the extent that the use of hired vehicles can help facilitate greater utilisation of vehicles, it is very much in line with the priorities of the initiative. As already indicated in Section 6.1, hired vehicles are particularly relevant when it comes to addressing seasonal demand peaks, reducing the need of operators for spare capacity. In that respect, Article 3(1) is consistent with the policy priorities. On the other hand, Article 3(2), allowing restrictions in terms of the use of hired vehicles for own account operations and the absence of a legal framework for the use of hired vehicles registered elsewhere are not consistent with promoting an efficient allocation of available capacity and decoupling growth in GDP with use of energy and resources.

6.10.4. Conclusions

Table 6-6: below summarises the compatibility of the provisions of the Directive with the EU policies in the policy areas analysed above.

Table 6-6: Interactions with other EU transport policies ("+" positive contribution/interaction; "-" negative contribution/interaction)

	Provisions				
Policy areas	**Art.2(1)**	**Art. 2(2)**	**Art. 3(1)**	**Art.3(2)**	**Art. 4**
Juncker priorities					
- **Boost for Jobs, Growth and Investment**	+		+	-	
- **Resilient Energy Union with a Forward-Looking Climate Change Policy**			+	-	
- **Deeper and Fairer internal market**	+	+	+	-	-
2011 White paper					
- **Access to market and fair competition**	+	+	+	-	-
- **GHG emissions reduction**			+	-	
- **Road safety**		+	+		
- **Noise**			+		
- **Modal shift**			-		
EU 2020					
- **Resource efficiency**			+	-	

[45] p.15

In light of the analysis it can be concluded the Directive is only partly in line with the EU policy priorities in terms of the promotion of the internal market in the transport sector and the promotion of resource efficiency. The provisions of Article 3(1) concerning the access to hired vehicles as well as those of Article 2 concerning the use of hired vehicles in the case of cross-border trade have a direct positive impact on the development of the hired vehicles market and, as a result, on most of the environmental objectives set in the 2011 White Paper. However, Article 3(2) on own account operations and the omission of provisions covering the use of hired vehicles registered elsewhere are not in line with the EU policy priorities and, as they stand, appear to be in contradiction with the stated policy objectives.

6.11. EU added value: What is the added value of the Directive at EU level? Would national rules not be sufficient to achieve the objectives of the Directive

The main focus of the EU Value Added question is on assessing the value of common rules at EU level as compared with other approaches. The analysis below compares two alternative approaches, namely regulation at national level and soft-law measures, with EU-level regulation.

6.11.1. EU level vs national level regulation

The provisions of setting out legislation on the use of hired goods vehicles at EU level rather than at national level are primarily based on Article 91 of the Treaty on the Functioning of the European Union[46]. This states, *inter alia*, that the European Parliament and the Council shall lay down **common rules** applicable to international transport to or from the territory of a Member State, or passing across the territory of one or more Member States, as well as the conditions under which non-resident carriers may operate transport services within a Member State. By definition, national legislation cannot ensure common rules at EU level.

The need for regulating the use of hired vehicles at EU level is transnational in nature given the ever-increasing trans-national nature of road transport within the EU (European Commission, 2011d). According to Eurostat, in 2014 international road transport (including cabotage) accounted for over 35% of overall freight transport in EU-28 (in t-km) (Eurostat, 2015a). These arguments point at a higher relevance of EU-level legislation than national legislation, particularly for those aspects of the Directive (e.g. Article 2) that govern the use of vehicles for the purposes of traffic between Member States intended to ensure that Member States allow the use of vehicles hired by undertakings established on the territory of another Member State.

At first sight, it is not directly relevant for those parts of the legislation that cover only the operation of the national markets for hired vehicles – in the sense that they could also be governed at the national level. However, from the point of view of leasing companies (providers of vehicles) that operate in multiple countries it is clearly relevant that common legislation applies across the EU Member States creating a level playing field. Furthermore, from the point of transport and own account operators with only national freight transport operations (still representing 73% of the total freight transport), common EU rules concerning the use of hired vehicles are relevant to the extent that they provide them access to a broader market of hired vehicles, including leasing firms in other countries and vehicles registered in another Member State. In that respect, the analysis of the effectiveness of the Directive (Sections 6.1 and 6.3 – and particularly the absence of provisions governing the use of hired vehicles registered in another Member State - suggest that, at this stage, the EU added value is limited.

[46] Corresponding to Article 71 of the Treaty of the European Communities

6.11.2. Stakeholders view on the European added value of the Directive

As part of the interviews we asked stakeholders to indicate whether the presence of EU legislation is justified. Eight stakeholders provided a view on this topic while the remaining 20 indicated limited experience on the topic. All of the respondents suggested that the presence of EU level legislation is essential, even if with reservations about the effectiveness of the EU legislation at this point.

More specifically, stakeholders representing the vehicle hiring industry (Leaseurope, UK leasing association, three leasing firms) and haulage operators (national associations in BG, NL and a haulage operator focusing on the Polish market) have indicated that they are in favour of the presence of common rules to facilitate the operation of a single market.

The Bulgarian association stated that "*it would not be possible to ensure the effective and efficient operation of the market on the basis of national legislation*" and a similar view has been replicated by most stakeholders indicated above. From the point of view of the leasing industry, the presence of common rules is an important consideration – even though not the only one – for deciding whether to enter new markets. Thus, the added value of EU level action seems, so far, to be generally accepted and the use of national legislation is considered inappropriate.

At the same time though, the input from industry representatives (Bulgarian and Dutch haulage operators associations, two leasing companies), is that the Directive has led to only partial harmonisation and there are still differences in terms of restrictions that limit the development of the market. Our analysis of the implementation of the legislation has identified rather high levels of harmonisation (22 out of 28 Member States have no restrictions), especially among the newer Member States (EU-13). However, in terms of the older Member States, in only two countries (DE, DK) were restrictions to the hiring of vehicles to own account operators fully removed – from a total of six that had restrictions in place in 1989. The restrictions and specific requirements applicable in IT, ES, PT, EL appear to have a limiting role in the use of hired vehicles in these markets as discussed in Section 6.3.3. One large leasing company based in Germany and operating in multiple EU countries stated that they have decided not to enter markets of countries that impose restrictions. Two more (one based in FR and one in SE) stated that it represents a significant obstacle to their decision to enter markets for which there is, in their view, significant demand. Thus, the value added of the Directive appears to be less than its full potential.

6.11.3. Use of alternative policy tools

The main alternative to the EU Directive, would be **the adoption of an EU Regulation**, either as a separate legislation or, potentially, integrated in other relevant legislation such as the road haulage legislation (Regulations 1071/2009 and 1072/2009).

There were mixed views on the potential for integration of the Directive with the road haulage legislation: A Dutch association was supportive on the basis that they are two very relevant pieces of legislation – but other stakeholders (two leasing industry firms) were agnostic of the possible benefits and one large transport operator in Poland considered that there is a danger of creating a complicated legal text that will be difficult to interpret.

In total, only a few stakeholders had clear views as to the potential advantages and disadvantages of introducing a Regulation. However, most of those that responded to the question (Bulgarian, Dutch and UK haulage association, four leasing companies, and one customer of transport operators) pointed to the importance of the presence of common rules and of ensuring that differences among Member States are minimised. In that respect, the use of an EU Regulation could be seen as a more appropriate tool.

On the other hand, the actual areas where deviations are possible are limited. Removing from the Directive the existing options that allow Member States to introduce restrictions, making provisions for the use of vehicles registered elsewhere and ensuring greater

coherence with road haulage legislation in terms of definitions are the main aspects that appear problematic.

Another alternative would be **the use of soft-law instruments**. These include guidance, opinions and recommendations that can be used either as stand-alone measures or as complementary measures. They are not legally binding and are often taken forward, informally, through dialogue and negotiation among the Member States, or between the EU institutions and Member States (House of Commons Library, 2010). However, relying on this type of mechanism alone to ensure a high level of harmonisation does not seem to be justified, especially taking into account the current objectives of EU policy towards greater level of harmonisation towards the development of a Single European Transport Area. Soft-law measures are not legally binding and consequently, there are no mechanisms available at EU level to sanction the Member States that do not follow them.

Nevertheless, such measures could be used to help clarify certain aspects related to the implementation and enforcement of the Directive, particularly in the interface with the road haulage legislation. It could also be used for developing a monitoring system that is currently absent.

6.11.4. Conclusions

Our analysis of the EU added value and the opinions of the stakeholders with respect to the EAV generally validate the notion that the EU level is the most relevant level to develop rules governing the use of hired vehicles in transport operations. The objectives of ensuring a harmonised treatment of the use of hired vehicles in cross-broader trade, as well as in terms of ensuring access to the EU wide hired vehicles market are, in general, evaluated positively.

However, it is also clear that the fact that the Directive allows for the adoption of restrictions limit its added value in this direction, meaning that it does not reach its full potential. Alternative tools, and particularly the use of EU Regulation, have the potential for ensuring a greater level of harmonization but it is not evident that existing problems cannot be addressed in the context of the Directive or the complementary use of soft-law tools.

7. CONCLUSIONS

In this section we present the overall conclusions of the study in relation to overall questions of the effectiveness, efficiency, relevance, coherence and EU added value of the Directive.

7.1. Effectiveness

The analysis points to a number of positive impacts for transport operations from the use of hired commercial vehicles. By providing the legal framework that ensures that hired vehicles can be used in the same way as owned vehicles, the Directive has played, in general terms, a positive role. However, in many cases the direct contribution of the implementation of the Directive has not been possible to establish while, at the same time, the presence of restrictions leads to the conclusion that this contribution is often only partial.

More specifically, in terms of **flexibility of operations**, both short-term rental contracts (up to 12 months) and longer term contracts (often including access to additional capacity) are viewed by representatives of the leasing and the haulage industry as important in meeting additional demand. These may be due to additional loads on an ad-hoc basis or seasonal demand peaks. Furthermore, access to hired vehicles is also important in terms of managing problems associated with defective/damaged vehicles.

In relation to the impact of the use of hired commercial vehicles on **operation costs** for operators, the available data sources are limited and the information provided by the leasing industry could not be cross-checked with other sources. It is suggested that significant savings are possible for firms opting for a complete replacement of their own vehicle fleet by hired vehicles. These savings are a result of improved fleet management, vehicle utilisation and maintenance and also the fact that hired vehicles tend to be younger (by 3-6 years), meeting higher environmental standards and potentially being more fuel efficient. However, the proposed scenario of complete replacement of the fleet is uncommon - applying only a small share of the road transport market (15-20% of the market in countries like UK or France, significantly lower for other Member States). Nevertheless, representatives of the haulage industry agreed qualitatively that hired vehicles could reduce operational costs, and the literature also seems to support this claim. However, the lack of quantitative data does not allow the provision of reliable estimates of EU average operating costs savings from the use of hired vehicles.

In terms of the level of vehicle utilisation, the evidence is also rather mixed. Some supportive evidence was provided at the micro (firm) level, but this is not the case at the macro (country) level. Hence, the use of hired vehicles appears to be a secondary factor in the level of vehicle utilisation.

Overall, the connection between the benefits arising from the use of hired vehicles in general and the implementation of the Directive in particular, appears to be only limited. On the one hand, the Directive does set a general framework where hired commercial vehicles are treated on the same basis as owned commercial vehicles, and this is generally recognised as playing a positive role in the organisation and efficiency of transport operations. On the other, the Directive still allows the restriction of the use of hired vehicles for own account operations. From the six Member States (DE, DK, ES, EL, IT, PT) that restricted the use of hired vehicles for own account operations in 1990, only two (DE, DK) have removed these restrictions until now. The remaining restrictions (in ES, PT, IT, EL) appear to be linked with underdeveloped hired vehicles markets with a lower level of use of hired vehicles – thus depriving operators of some of the benefits identified earlier.

The qualitative input provided also suggests that restrictions are associated with a higher average age of commercial vehicles, an aspect that can have a negative impact on the fuel efficiency and safety of vehicles. Furthermore, operators in the Member States with restrictions face limitations that should be expected to have a negative impact on their productivity. However, the available evidence is less clear in that respect. Available data on utilisation rates do not show lower levels of the average load factor for the countries with restrictions, while data on the share of empty runs - particularly in the case of own account operations – provides only weak support to the argument that restrictions have a negative impact on vehicle utilisation. Qualitative input from stakeholders is also rather limited and there is a wide range of factors – other than the presence of restrictions – that may explain the changes in the shares of empty runs.

7.2. Efficiency

In general, the analysis suggests a high level of efficiency of the Directive, primarily due to the very limited costs associated with its implementation.

More specifically, in terms of **compliance costs** for industry, the Directive is generally not viewed as a particularly burdensome or costly piece of legislation and many stakeholders were unable to quantify the compliance costs, or were even unaware of its existence prior to the consultation. The main potential compliance cost identified was requirement to obtain certified copies of the hire contract on board the vehicle, which are generally viewed as negligible.

The **enforcement costs** incurred by national authorities are also negligible, largely because the requirements under the Directive are few, and enforcement is generally carried out as part of other activities.

In terms of the potential **cost savings,** as indicated, the use hired vehicles can contribute to a small, but still important, reduction to the total costs for transport operators. Depending on the type of operation, the size of the firm and the type of vehicle hiring, firms can see annual transport cost savings in the range of 1-10%. Given the small profit margins that are characteristic of the sector, such cost savings are still important. Other, non-quantified benefits include:

- Lower risks from outsourcing of fleet management.
- Greater flexibility.
- Improved safety and environmental performance.
- Improved cash flow.

Overall, the negligible costs to all stakeholders, in combination with the benefits outlined above, indicate that there is an overall positive benefit/cost ratio. Furthermore, there have not been any disproportionate costs identified for SMEs, whereas they may benefit in particular from all of the general benefits outlined above.

7.3. Relevance

The objectives and priorities of the Directive as identified at the time of its adoption appear to remain relevant to the needs of the transport sector today. Facilitating the access to hired vehicles – both cross-border and at national level - contributes to greater flexibility and efficiency of haulage operations and vehicle leasing is a tool that is used by firms (particularly SMEs) across the EU.

On the other hand, to the extent that the Directive still allows Member States to introduce restrictions that limit access to hired vehicles for own account operations and hence does not support fleet renewal, the Directive is clearly not relevant to addressing the needs of the affected operators. In this sense, the Directive does not fully serve the development of the transport sector and restricts its capacity to respond to identified needs in certain countries.

Furthermore, a current need identified, primarily for the leasing industry, and not currently addressed by the scope of the Directive, is the need to be able to move the vehicle fleet around the EU in response to local demand.

7.4. Coherence

Considering the coherence of the Directive with other road haulage legislation (in particular Regulations 1071/2009 and 1072/2009), there were minor inconsistencies in the definition of "vehicles" and different approaches among Member States in relation to the statement of the vehicle licence in the certified copy of the Community Licence. The 6-tonne limit in relation to the possibility to impose restrictions on the use of hired vehicles for own account operations is also not consistent with the road haulage legislation and more generally with the standard classification of vehicles. However, these discrepancies do not appear to have led to any systematic or significant issues in practice.

In relation to its coherence with other EU policies, it can be concluded that the Directive is only partly in line with current EU policy priorities – as set in the recently adopted Agenda for Jobs, Growth, Fairness and Democratic Change (Juncker Priorities), the 2011 White Paper on transport and the Europe 2020 strategy for growth and employment - in terms of the promotion of the internal market, of resource efficiency and of fleet renewal in the transport sector. The provisions of Article 3(1) concerning the access to hired vehicles as well as those of Article 2 concerning the use of hired vehicles in the case of cross-border trade have a direct positive impact on the development of the hired vehicles market and, as a result, on most of the environmental objectives set out in the 2011 White Paper on Transport. However, both Article 3(2) that allows restrictions in relation to the use of hired vehicles for own account operations as well as the omission of provisions covering the use of hired vehicles registered elsewhere are not in line with the EU policy priorities and, as they stand, appear to be in contradiction with the stated policy objectives.

Finally, in relation to the Combined Transport Directive (92/106/EEC), the analysis pointed a potential contradiction in the implementation of the two Directives, due to presence of restrictions to the use of hired vehicles for own account operation in some countries. However, there is no indication that this is a real life problem for own account operators due to the very limited use of combined transport.

7.5. EU added value

The most relevant level to develop rules governing the use of hired goods vehicles is at the EU level. The objectives of ensuring a harmonised treatment of the use of hired goods vehicles in cross-broader trade, as well as in terms of ensuring access to the EU wide market for hired goods vehicles are, in general, evaluated positively.

However, it is also clear that the fact the Directive allows for the adoption of restrictions by Member States in some cases limit its added value, meaning that it does not reach its full potential. Alternative tools, and particularly the use of an EU Regulation, have the potential for ensuring a greater level of harmonisation but it is not evident that existing problems cannot be addressed in the context of the Directive or the complementary use of soft-law tools.

8. RECOMMENDATIONS

On the basis of the analysis, the following set of recommendations is proposed:

- The existing option for Member States to restrict the use of hired vehicles weighing over 6 tonnes for own account operations under Article 3(2) should be re-assessed with consideration of removing it. It is not consistent with the broader policy objectives towards the development of a Single Transport Area and there is some evidence of a negative impact on the productivity of transport operations.
- Extending the scope of the Directive to ensure a harmonised legal framework across the EU for the use of hired vehicles registered in another Member State may be considered. This is necessary to address the needs of the industry to flexibly deploy the fleet of hired vehicles across the EU in response to demand. However, the possible implications on tax revenues need to be taken into consideration.
- While there is scope for further improving coherence between the Directive and the road haulage legislation in terms of the definitions used, the inconsistencies do not appear to lead to significant problems. As a result, they are not considered a priority for revision although it would still be advisable that coherence with other rules should be improved in the context of a revision of the Directive, should one take place.

9. GLOSSARY

Cabotage	National carriage for hire or reward carried out on a temporary basis in a host Member State
CTD	Combined Transport Directive
EC	European Commission
Finance leasing	A type of hiring with duration of 2-5 years, typically without services/maintenance
GHG	Greenhouse gases. Pollutant emissions from transport and other sources, which contribute to the greenhouse gas effect and climate change.
Hire purchase	A type of hiring contract with duration of 2-5 years, typically without services/maintenance, in which the lessee gains ownership of the vehicle after the contract period.
HGV	Heavy Goods Vehicle (>3.5 tonnes)
LCV	Light Commercial Vehicle (<3.5 tonnes)
Medium-/Long term rental	Hiring period of up to 12 months, typically including services/maintenance.
N category	Goods vehicles, including categories N1 (goods vehicles with a maximum mass not exceeding 3,5 tonnes), N2 (goods vehicles with a maximum mass between 3,5 and 12 tonnes)and N3 (goods vehicles with a maximum mass exceeding 12 tonnes)
Operating leasing	A type of hiring with duration longer than 12 months (typically up to 3 years), with maintenance and services often included
Short term rental	A type of hiring with a short duration (a few days to several weeks), with services and maintenance typically included

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APPENDIX 1 – STRUCTURE OF THE EVALUATION

Success criteria	Operational sub-questions	Indicators	Sources
1) Relevance: Given the development of road haulage markets over the last 25 years, does the Directive still meet the needs of the European economy in terms of flexibility and efficiency of road haulage operations and reflect current policy priorities?			
The provisions and objectives of the Directive are still relevant to the needs of the road haulage sector today, i.e. • There is still a need for flexibility of transport operations given the current market context; • There is still a need for efficiency of operations in the current market.	• Are there still issues/needs related to ensuring flexibility and efficiency of transport operations (as related to the objectives)? Are the needs different for hire-and-reward versus own account operations? • To what extent are firms engaged in road haulage operations and own account operators making use of hired vehicles to increase flexibility and efficiency? • Are there any new needs/problems that are not being addressed? • How might changing market conditions affect the needs for hired goods vehicles in the market? • Are there specific markets (e.g. demand for specialised vehicles, seasonal variations) for which the Directive is particularly relevant? • Are the provisions and objectives of the Directive (including scope) still relevant / needed based on the answers to the above questions?	Extent that transport operators (hire-and-reward versus own account) and other stakeholders consider that there are still issues/constraints to be addressed to ensure the flexibility and efficiency of transport operations that are linked to the use of hired goods vehicles. (qualitative) Extent that transport operators and other stakeholders consider that consider that there need for legislation to address these issues. (qualitative) Extent that that transport operators and other stakeholders consider that there other issues/problems in the organisation of transport operations that need to be addressed (qualitative) Extent that there are specific markets (e.g. demand for specialised vehicles, seasonal variations) where the provisions of Directive are considered necessary to ensure the flexibility and efficiency of transport operations (qualitative) Data on the evolution of the hired vehicle market, to the extent available : • Size of hired vehicle market (e.g. number of vehicles) and transport demand satisfied (e.g. t-km);	Data from Eurostat and AECOM (2014) Data from national authorities Report on the State of the EU Road Haulage Market Leaseurope data on the evolution of the hired vehicles market Input from stakeholders (interviews),

		• Number of hired vehicles (in each weight category if possible) • % share of hired vehicles in total goods transport • Market value of hired vehicle sector Characteristics/types of hired vehicles, nature/form of vehicle hiring • Profitability and competition in the haulage sector, especially following EU enlargement and the economic recession.	
2) Effectiveness: To what extent has the Directive affected the productivity / operating costs of undertakings and the flexibility in the organisation of transport operations?			
The Directive has reduced the operating costs and increased the productivity of transport operations	• What are the current and past levels of operating costs / productivity of transport operations in Europe? • Has the use of hired vehicles contributed to any of the trends seen? If so, by how much, and was the impact positive or negative? • What is the composition of the hired vehicle fleet compared to the overall vehicle fleet? • Does the hired vehicle fleet on average have different operating costs compared to the owned fleet? •	Average operating costs of enterprises (per hour or per km or per vehicle) or profitability (%), for firms that utilise hired vehicles versus those that do not and for different Member States. (differences in operating costs between MS with and without restrictions) [the above indicator will be discussed in conjunction with changes in GDP and freight transport activity, to help interpret them in the context of the recession] Characteristics of hired vehicle fleet compared to overall fleet (across all MSs), e.g. in terms of • Age / fuel efficiency • Average operating costs • Emissions standards (reduction of toll rates in certain countries for less polluting vehicles).	• AECOM (2014) Report on the State of the EU Road Haulage Market (Task A and B) • KPMG (2012) study "European Leasing" (value of commercial vehicle leasing market in each MS and for different vehicle types). • EBRD (2011) study on bank's leasing options provides some market data on commercial vehicle leasing in Europe • KombiConsult (2015) Analysis of the EU Combined Transport provides recent analysis that is relevant to the wider transport market (not just combined transport) • Data from Leaseurope and other industry associations (EU and national) • Eurostat

			• Interviews: Input (quantitative/qualitative) from individual firms (leasing companies, transport/own account operators)
The Directive has increased the flexibility in the organisation of transport operations	• How has the share of hired commercial vehicles changed across the EU? Has the implementation of the Directive contributed to any increases (or decreases) seen? By how much? • Are vehicles hired mainly on short or long term contracts (short-term leases may indicate greater flexibility to meet short-term demands)? • Does the use of hired vehicles permit hauliers to manage additional loads on an ad hoc basis, for example when securing a return load for which an additional vehicle is needed? • Does the use of hired vehicles allow hauliers and other business to better (more efficiently) meet seasonal demand peaks? • Does the use of hired vehicles allow hauliers and other business to better (more efficiently) to respond to problems arising from defective/damaged vehicles?	Share of hired commercial vehicles in each Member State in terms of: • % national goods transport by road (in each weight category if possible) • % cross-border goods transport by road • Number of hired vehicles (on long and short leases) • Level of differences between MS with and without restrictions Extent that transport operators and other relevant stakeholders consider that the Directive has played a role in determining the share of hired vehicles in each Member State Presence of evidence linking the implementation of the Directive with changes to share of hired commercial vehicles • Extent of use (share) of hired vehicles by hauliers to manage additional loads on an ad hoc basis • Extent that hauliers consider the use of hired vehicles as important for managing additional loads • Extent of use (share) of hired vehicles by hauliers and other business to better (more efficiently) meet seasonal demand peaks • Extent that hauliers and other business consider the use (share) of hired vehicles as important in meeting seasonal demand peaks	• Eurostat statistics on vehicle renting and leasing (NACE N77.1 and N77.1.2) provide high level data. (Partial data can be used to estimate the required indicators. E.g. knowledge of the share of hired vehicles in the fleet could be used to estimate their share in total transport by assuming a utilisation factor based on known data from other comparable MS) • Input (quantitative/qualitative) from individual firms (leasing companies, transport/own account operators)

		• Extent of use (share) of hired vehicles by hauliers and other businesses when responding to problems arising from defective/damaged vehicles? • Extent that hauliers and other business consider the use of hired vehicles as important for responding to problems arising from defective/damaged vehicles	
3) Effectiveness: To what extent has the Directive affected the use of factors of production (e.g. by avoiding capital to be tied up unnecessarily)?			
The Directive has improved the use of factors of production by ensuring that capital is not tied up necessarily	• How has the utilisation rate of commercial vehicles developed over time, and does this differ between hired vehicles compared to the overall fleet? • Has the use of hired vehicles led to a lower number of vehicle sales (new and/or second hand)?	Trends in characteristics of commercial vehicle market in terms of: • Utilisation rate/load factor • Second-hand purchases • New commercial vehicle sales	• Statistics from ACEA and OICA on the number of registrations of commercial vehicles. • Data from Leaseurope and other industry associations (EU and national) • Input (quantitative/qualitative) from individual firms (leasing companies, transport/own account operators)
4) Effectiveness: To what extent have the exemptions possible under the Directive impacted the effectiveness of the Directive?			
The use of national exemptions has not impacted the effectiveness of the Directive in terms of achieving better flexibility, efficiency and lower operating costs for operators	• What were the exemptions / restrictions in place before and after the adoption of Directive 2006/1/EC (and/or 90/398/EEC). • Are there substantial differences between operating costs / productivity/flexibility/utilisation rate between: o Own account over 6 tonnes vs hire and reward? o Firms operating in MS with restrictions vs without?	Differences in terms of the characteristics of commercial vehicles in MS with restrictions and without restrictions considering the indicators used for the previous questions on effectiveness.	• Data from Leaseurope and industry associations (EU and national) • COM(89) 430 final • Input (quantitative/qualitative) from individual firms (leasing companies, transport/own account operators)

	• Are there substantial differences in the market share of hired vehicles between MS with restrictions vs without? • To what extent are the restrictions responsible for these differences?		
5) Efficiency: What are the costs of compliance with the provisions of the Directive for specific stakeholders such as leasing companies, vehicle manufacturers, haulage operators, own account carriers etc.?			
The costs of compliance are in line with, or lower than, the expected costs	• What are the main identifiable cost categories and their magnitude – i.e. for leasing companies, vehicle manufacturers, transport operators and own account carries? • What is the cost of ensuring compliance (e.g. correct documentation is on board the vehicle)? • What are the search/hassle costs involved in ensuring compliance with different rules across MS? • Are there differences in the costs depending on the level/type of restrictions?	Costs (annual and one-off) for firms affected by the Directive	Interviews with industry representatives and individual transport operators, own account operators and leasing companies
6) Efficiency: What are the costs incurred by national authorities for implementing and enforcing the Directive?			
The costs of implementation and enforcement are in line with, or lower than, the expected costs	• What are the main identifiable cost categories and their magnitude for authorities responsible for enforcement and monitoring? • To what extent has implementation and enforcement required the creation of new procedures, as opposed to relying on existing procedures? • Are there differences in the costs depending on the level/type of restrictions?	• Frequency and type of checks carried out in MS, • Level of resources allocated and costs of activities administering the compliance and enforcement system. • Number/percentage of cases found to be non-compliant • Total level of penalties imposed on an annual basis for infringements related to the hiring of vehicles	Interviews and written questionnaires with MS competent authorities Data on registrations/taxes imposed on goods vehicles

	• How are the costs financed (e.g. penalties) • What are the main identifiable cost savings / benefits for national authorities (improved, less polluting, safer goods vehicles in circulation) and their magnitudes? • Is there any impact on the level of tax collected from the registration/circulation of goods vehicles for Member States?	• Total taxes collected from the registration/circulation of goods vehicles over time • Qualitative (if not quantitative) assessment of the contribution of the Directive towards the renewal of the goods vehicle fleet towards less polluting/safer goods vehicles. (comparison among Member States with different levels of restrictions)	
7) Efficiency: To what extent are the overall costs which complying with the Directive impose on haulage companies and on own account carriers on one side and which the implementation of the Directive places on national authorities on the other side proportionate to the expected benefits of the Directive?			
The overall costs incurred are proportionate to the benefits achieved (economic, environmental and social).	• How important, if at all, are cost savings and benefits for transport operators and own account carriers and their magnitude (on an annual basis)? • What is the cost/benefit ratio (where possible) – alternatively, what is the cost as a proportion of relevant benchmarks (e.g. operating cost of HGVs) • Has the distribution of the costs and benefits between administrations and undertakings been as expected?	Total Costs (annual and one-off) for firms and authorities Cost savings (on an annual basis in terms of operational costs) and increased flexibility for firms making use of hired goods vehicles Cost/benefit ratio	Data from sources identified earlier Qualitative/quantitative input from industry representatives and individual firms through interviews
There are no disproportionate negative impacts on SMEs	• Are administrative and compliance costs incurred the same for SMEs and for bigger companies? Is there a disproportionate effect on SMEs? • Are SMEs disproportionately affected overall, considering the costs as well as the benefits?	Calculated on the basis of findings of previous evaluation questions on efficiency and effectiveness. Specific questions regarding the impacts on SMEs will be included in the consultation.	Data from sources identified earlier Qualitative/quantitative input from industry representatives and individual firms through interviews

8) Efficiency: Are there ways to reduce the costs and to improve the cost/benefit ratio of the Directive?			
The implementation costs incurred were minimised and efficiencies were maximised.	• Were all of the identified costs necessary? Could any costs have been reduced or eliminated without reducing the benefits? • Were the costs particularly low in any MS? What were the reasons for this? Could these lessons be transferred to other MS? • Are there any further synergies that could lead to cost savings? Could any costs have been reduced or eliminated without reducing the benefits?	• Level of costs (or cost/benefit ratio) in different MS and whether there are any underlying reasons for this (e.g. specific training of enforcement agency, combined responsibilities with other checks, introduction of IT or automation leading to less time needed. • Assessment of the extent to which synergies could be applied to other MS (identification of administrative, technological or legislative barriers).	The analysis will be based on data gathered for previous questions on efficiency Qualitative/quantitative input from industry representatives and individual firms through interviews
9) Coherence: To what extent are the provisions of the Directive coherent with other legislation governing the road haulage market, in particular the rules governing the access to the international road haulage market (Regulation) EC) No 1072/2009 and the rules governing the access to the occupation of transport operators (Regulation (EC) No 1071/2009)?			
Provisions, references and definitions are coherent between the different policy instruments	• Are there any conflicts, overlaps or inconsistencies with Regulation 1071/2009 and 1072/2009 in terms of references and definitions? • Did the implementation of Regulation 1071/2009 and 1072/2009 lead to any additional constraints to the hiring of vehicles?	Qualitative indicators: - Presence and importance of complementarity, overlap and contradictions between the references and definitions in legislation on hired vehicles and that of Regulations 1071/2009 and 1072/2009.	Ongoing ex-post evaluation of Regulation 1071/2009 and 1072/2009 that we are carrying out for DG MOVE, which contains a detailed legal assessment of the provisions. Qualitative/quantitative input from authorities, industry representatives and individual firms
10) Coherence: To what extent are the provisions of the Directive compatible with current EU policy priorities in other fields (e.g. environmental protection, GHG emission reduction, energy efficiency/resource efficiency)?			
The provisions of the Directive are coherent with, and contribute to, the goals of EU transport policy in terms of wider economic,	• How have the impacts of the Directive contributed to the goals of EU transport policy and wider	Economic impacts (costs and benefits to different operators in EUR Environmental (utilisation rates/empty running and associated impacts on	Review of other high-level objectives, e.g. EU2020 goals, Transport White Paper and other relevant legislation.

social and environmental challenges.	economic, social or environmental challenges? • Does the Directive contribute towards the general objective to reduce GHG emissions? If so, to what extent? • Are there any conflicts, overlaps or inconsistencies with regard to wider EU transport policy goals?	emissions, congestion etc.) Social impacts (safety, working conditions, compliance with social legislation), e.g. with respect to exclusion of vehicles hired with drivers – qualitative assessment.	Draw from analysis of previous Evaluation Questions, particularly those covering effectiveness and efficiency
11) European Added Value: What is the added value of the Directive at EU level? Would national rules not be sufficient to achieve the objectives of the Directive (i.e. the same level of resource efficiency and of productivity and operational flexibility)?			
The Directive is more relevant / effective / efficient compared to national legislation	• What is the added value of setting EU level rules via a Directive compared to different level of action? • Could the effects have been achieved in another manner – for example, national legislation, guidelines, voluntary standards? • If so, how effective/efficient/relevant would that have been? Are there case studies (e.g. particular Member States) that could provide good examples? • What have been the extra benefits (or costs) of EU level action?	Assessment of national legislation and implementation of the Directive: • National legislation at the time of implementation of the Directive • National legislation after implementation of the Directive • Degree of harmonisation of legislation in different MS • Review of whether national legislation could be considered insufficient to deal with the problem, review of whether similar experiences in other sectors or regions have yielded successful outcomes using different approaches.	Draw from analysis in effectiveness Qualitative input from authorities, industry representatives and individual firms

APPENDIX 2 – IMPLEMENTATION OF THE DIRECTIVE BY MEMBER STATE

	Member State	Legislation adopted (Y/N)	Restrictions/Deviations from Article 2(1)	Restrictions/Deviations from Article 2(2) (proof of compliance)	Requirements/restrictions for use of hired vehicles in domestic market (Art 3(1)	Restrictions for own account operations (Art 3(2)	Comment
1.	AT	YES	NO	NO	NO	NO	
2.	BE	YES	Less restrictive hired vehicles used in cabotage operations are also allowed	NO	NO	NO	In relation to Article 2c, a vehicle can alternately be used by more than one company during a certain period
3.	BG	YES	NO	NO	NO	NO	
4.	CY	YES	YES – Written statement required	NO	YES – License as vehicle hiring entity required - Written statement required plus minimum ownership of 10 vehicles (not applicable in case of undertakings established in another MS in the case that the use of hired vehicles is for less than 3 months)	NO	
5.	CZ	YES	NO	NO	NO	NO	
6.	DE	YES	NO	NO	NO	NO	
7.	DK	YES	NO	NO	YES- Registration requirement for vehicles to be hired for over 30 days	NO	
8.	EE	YES	NO	NO	NO	NO	
9.	EL	YES	NO	NO	YES – Licensing procedure for firms leasing commercial vehicles but not capital requirements	YES – hiring of vehicles over 3.5 tonnes from rental companies is not allowed	Restrictions on own account are in breach of the Directive

	Member State	Legislation adopted (Y/N)	Restrictions/Deviations from Article 2(1)	Restrictions/Deviations from Article 2(2) (proof of compliance)	Requirements/restrictions for use of hired vehicles in domestic market (Art 3(1)	Restrictions for own account operations (Art 3(2)	Comment
10.	ES	YES	NO – But Spanish authorities do not accept the use of vehicles registered in a country different from that where the firm is established	NO	YES – Requirement to establish an entity dedicated to the rental of vehicles and minimum number of vehicles. Transport operators can obtain temporary permits	YES – Not allowed over 6 tons gross weight or 3 5 tons of payload	
11.	FI	YES	NO	NO	NO	NO	No legislation was found during desk research. Expect to verify on the basis of feedback from the national authority
12.	FR	YES	NO	NO	NO	NO	
13.	HR	YES	NO	NO	NO	NO	
14.	HU	YES	NO	NO	NO	NO	
15.	IE	NO					No response from authorities
16.	IT	YES	NO	NO	YES – hiring of vehicles over 6 tonnes is only permitted among firms established as transport operators requiring an official exam to demonstrate competency and to have assets of at least € 50k as fixed capital amount, plus € 5k per vehicle	Not allowed for over 6 tonnes	
17.	LT	YES	NO	NO	NO	NO	
18.	LU	NO (not confirmed)					No response from authorities
19.	LV	YES	NO	NO	NO	YES – Own account certificate required	No response from authorities
20.	MT	YES	NO	NO	NO	NO	No response from authorities

	Member State	Legislation adopted (Y/N)	Restrictions/Deviations from Article 2(1)	Restrictions/Deviations from Article 2(2) (proof of compliance)	Requirements/restrictions for use of hired vehicles in domestic market (Art 3(1)	Restrictions for own account operations (Art 3(2)	Comment
21.	NL	YES	NO	NO	NO	NO	
22.	PL	YES	NO	NO	No	NO	Transport operators need licence for each vehicle to be rented short term
23.	PT	YES	Not identified	Not identified	YES – Requirement for establishment of specialised rental company (minimum of 12 vehicles and permanent office ; 6 for over 5 tonnes)	YES – Use of hired vehicles can only be from established companies	No response from authorities Information based on desk research and Leaseurope input
24.	RO	YES	NO	NO	NO	NO	
25.	SE	YES	NO	NO	NO	NO	
26.	SK	YES	NO	NO	NO	NO	
27.	SL	YES	NO	NO	NO	NO	
28.	UK	YES	NO	NO	NO	NO	Legislation makes reference to the provisions of the Directive

Restrictions on vehicles registered in another Member State

Member State	Restrictions on vehicles registered in another Member State	Member State	Restrictions on vehicles registered in another Member State
AT	No restrictions apply	IE	No response received
BE	Free up to six months – Belgian registration required after this period	IT	No information provided
BG	Not allowed – Vehicles need to be registered in BG – only trailers and semi-trailers allowed	LT	Registration in LT is required for domestic operators No restriction for foreign undertakings
CY	No restrictions for firms established in Cyprus Up to 3 months for undertakings not established in Cyprus	LU	No response received
CZ	Registration in CZ is required for domestic operators	LV	No response received
DE	No restrictions	MT	No response received
DK	No information provided	NL	No restriction
EE	No restrictions (since 2012)	PL	Registration in PL within 30 days required No restriction for foreign undertakings
EL	Registration in EL is required for domestic operators No restriction for foreign undertakings	PT	No response received
ES	Registration in ES is required for domestic operators	RO	Registration in RO required for domestic operators No restriction for foreign undertakings
FI	Registration in FI is required within 7 days	SE	Up to 12 months allowed – Following that registration in SE is required
FR	No restrictions	SK	No restriction
HR	Registration in HR is required for domestic operators No restriction for foreign undertakings	SL	Registration in SL required for domestic operators No restriction for foreign undertakings
HU	Registration in HU is required for domestic operators No restriction for foreign undertakings	UK	No restriction –Vehicles used for over 1 month need to be declared

APPENDIX 3 – ANALYSIS OF TAXES APPLICABLE TO COMMERCIAL VEHICLES

Country	*Registration-acquisition Taxes*	*Ownership/Circulation Tax for commercials*	*Fuel taxes*	*Insurance taxes*	*Other taxes*	*Annual tax collected on HGVs (input from MS)*
AT	The first is calculated through 2% x (fuel consumption in litres minus 3l, respectively minus 2 l for diesel vehicles); this must not exceed 32% of the invoice price. Fuel consumption is calculated according the EU directive 1980 /1268/EEC (updated with 2004/3/EEC) based on the Motor Vehicle Emission Group-Cycle (MVEG-Cycle). The second is a bonus/malus system based on CO2, NOx and air-pollutant emissions and engine type. €176.25-€185.25 registration fee dependent on vehicle type.	Ownership tax: for light commercial vehicles (<3.5t), based upon engine size. For vehicles >3.5.t, tax is based upon weight (3.5-12t = 1.55 per t; 12-18t = 1.70 per t; >18t = 1.9 per t).	Fuel tax: diesel = €0.425/lt; Deductions apply to fuel with a bio-component.	Compulsory third-party insurance. 11% tax on insurance policies.	Periodic inspections must be carried out, and fixed inspection fees are applied.	No information given
BE	For vans, trucks, articulated-goods vehicles and trailers, registration tax is assessed according to the weight of the vehicle (with a full tank but no load)	Ownership tax: based on dead-weight of vehicle. Vans (<3.5t) is fixed at €19.32 per 0.5t with a minimum of €34.77 (incl. municipal tax). For vehicles >3.5t, the tax is based upon maximum permissible weight, number of axles and the	or diesel fuel, the duty is €0.4277/litre.	Compulsory third-party insurance. 26.75% tax on insurance policies.	Periodic inspections must be carried out, and fixed inspection fees are applied.	No information given

Country	Registration-acquisition Taxes	Ownership/Circulation Tax for commercials	Fuel taxes	Insurance taxes	Other taxes	Annual tax collected on HGVs (input from MS)
		type of suspension (pneumatic or not).				
BG	No registration tax. Registration fixed fees: Ecological fee = 160BGN (~€81.96), vehicle licence = 67BGN (~€34.32).A technical examination fee of 35leva (~€17.90).	Ownership tax: fixed rate for small commercial vehicles (load trailer = 15leva, camping trailer = 30leva) and on buses (<200 seats = 150 leva, >200 = 300 leva). For HGV commercials, the rate of tax is dependent upon the number of axles, suspension type and the maximum permissible weight.	Fuel tax: diesel = 0.646 leva/litre			No information given
CY	Registration tax €0.26 per cc for vans. No information on registration tax for heavier commercials	Annual circulation fee is based exclusively on vehicle weight (€200 for 3.5-7.5 tonnes; €250 for over 7.5 tonnes).	Diesel: 0.45 €/lt.			No information given
CZ	Registration fee is 800 CZK. No registration tax.	Road tax for commercial vehicles is calculated on the basis of weight and axle size – For new vehicles (registered during the last three years) there is reduced road tax of 48%, 40% for the next three (3-6), 25% for 6-9.	10950CZK/1000l for diesel	Compulsory third-party insurance. Insurance tax-rate dependent on vehicle type.	Highway tolls dependent upon emissions classes. Periodic inspections must be carried out, prices set by third-party inspection station.	No information given

Country	Registration-acquisition Taxes	Ownership/Circulation Tax for commercials	Fuel taxes	Insurance taxes	Other taxes	Annual tax collected on HGVs (input from MS)
					Minimum depreciation period for trucks: 5 years	
DE	No registration tax. Registration fees: € 26.30	Ownership tax: based on total weight, exhaust emissions standard group and noise (only weight for trailers – where it is taxed per 200kg of weight).	Excise fuel duty (); diesel = 0.47 €/litre	Insurance tax on premiums is 19%.		No information given
DK	Registration tax: New vans and pickups based upon fuel consumption rates and fuel type. Heavy vans and pickup trucks (>2.5t) are taxed at 0% for DK 34100 + 30% thereafter, capped to DK 56800. No tax applies to lorries over 4t. Registration fee: DK 1180 (incl. VAT).	Ownership tax: Vans and lorries are taxed on the maximum legal total weight.	Fuel tax: light diesel = 3.104DK/litre;	Insurance tax amounts to 42.9% on the premium. Haulage contractor's lorries are exempt from this tax		No information given
EE	Registration sheet and label = €62; Vehicle Registration Card - €128. No registration tax.	Ownership tax: based upon maximum authorised weight, type of suspension and number of axles.	Fuel tax: Diesel = 0.392€/litre,			No information given
ES	Commercial vehicles are exempt for registration/special tax. A registration fee of €94.80	Based upon payload for commercial vehicles.	Fuel tax: diesel = €0.371/lt	Vehicles are liable to a 2% tax on premiums and an additional tax fixed at 6%.	Motor vehicle inspections are carried out by the state or approved private companies. Costs are	No information given

Country	Registration-acquisition Taxes	Ownership/Circulation Tax for commercials	Fuel taxes	Insurance taxes	Other taxes	Annual tax collected on HGVs (input from MS)
					determined by regional authorities.	
FI	Registration tax: If vehicle <2.5t, tax based upon CO2 emissions. If vehicle >2.5t it is based on the weight of the vehicle	Ownership tax: Trucks are charged according to the weight, number of axles and the use of its trailers (i.e. with semitrailer, without trailer etc)	Fuel tax: diesel € 0.4966 /lt			No information given
FR	Registration taxes are controlled by regional jurisdiction. Commercial vehicles see a 50% tax break.	Ownership tax: Based on engine rating and CO2 emissions. A further tax is levied on vehicles with GVW>12t, based on the number of axles and suspension type. A drivers licence tax is applied (0-33€).	Fuel excise duty (€/100L); diesel = 0.49€/lt	Insurance tax of 18%. Commercial vehicles with laden weight >3.5t are exempted from this	No special tax for transnational rental, but "normal" tax on commercial contracts	No information given
GR	For new vehicles, registration tax is equal to the taxable value (calculated based on the sum on the landed cost if new), multiplied by a coefficient, which is dependent upon weight and engine capacity. For HGVs > 3.5t, registration is 5% of the value.	Ownership tax: based on gross vehicle weight alone (no environmental criteria) Circulation tax: €300 for 3.5-10t, €600 for 10-20t, €940 for 20-30t, €1320 for 30-40t and €1490 for >40t	Diesel: € 0.330/l		Commercial vehicles must pass inspection tests, the frequency and cost of which is dependent upon its weight	No information given

Country	*Registration-acquisition Taxes*	*Ownership/Circulation Tax for commercials*	*Fuel taxes*	*Insurance taxes*	*Other taxes*	*Annual tax collected on HGVs (input from MS)*
	Electric commercials are exempt.					
HR	The first registration of a motor vehicle is subject to the payment of a "special tax", which is based on the price of the vehicle, its CO2 emissions and the type of fuel used.	Ownership tax: Taxed annually, based on engine power and the age of the vehicle.	3.060 HKN/Lt			No information given
HU	An acquisition fee based upon engine power and the age of the vehicle. A registration tax must also be paid, the amount of which is based on the environmental protection classes in accordance with EU emissions standards	Weight dependent operations tax - Bus, coach and trucks - 1200HUF/100kg. Other non-passenger vehicles or semitrailers - 1280HUF/100kg. Reductions are made if vehicles meet Euro standards (e.g. 30% break if a bus, coach or truck has at least a Euro III engine).	0.352 HFR/lt		Vehicles must undergo a technical examination fee, the cost of which is dependent upon vehicle type and year of the vehicle	No information given
IE	Vehicle Registration tax is determined by the open market selling price of the vehicle (13.3% of OMSP). Exceptions apply based on the deadweight, maximum permissible weight and the number of seats, where instead a flat rate is applied of €200	Ownership tax: Based upon deadweight, ranging from € 333 for <3.5t to € 5195 for vehicles >20t.	Fuel excise duty: diesel = € 0.479/lt	5% government levy on all motor insurance premiums.	Commercial vehicles are subject to an annual-road worthiness inspection, rates apply based on the size of the vehicle.	No information given

Country	*Registration-acquisition Taxes*	*Ownership/Circulation Tax for commercials*	*Fuel taxes*	*Insurance taxes*	*Other taxes*	*Annual tax collected on HGVs (input from MS)*
IT	All motor vehicles are subject to registration fees which is approximately €135 (regionally variant). A tax for registration also applies, based on the weight of the vehicle and the region in which the vehicle is registered.	Ownership tax: based upon the weight if <12t, or weight, number of axles and suspension type if >12t. A 50% break is seen if the vehicle is used for specific transports (e.g. garbage trucks). If <3.5t and is powered with either bi-fuel, a hybrid, petrol Euro V or diesel Euro VI, it is exempt from this tax.	€0.617/l for diesel,	Insurance tax of approximately 25%, but this varies from region to region	Motorway usage tax based on the number of axles. Incentives are provided for light commercial vehicles	No information given
LT	M and N category vehicles (excluding M1) registration fee of €12.45. Trailers €2.90 and semitrailers €4.63. A road worthiness fee is also applied based on vehicle category. No registration taxes apply	An ownership tax is due for all heavy-duty vehicles based upon maximum authorised weight and suspensions type. Annual fee for registered vehicles and their trailers starting from 12 t GVW. Road user charge on certain road. Charge for Issuing Permits to Use the Roads of National Importance by the Vehicles which Exceed the Maximum Authorised Dimensions and (or) Heavy Vehicles.	Fuel tax: Diesel tax = €0.330/l; l		A motorway tax is applied to vehicles based on type of vehicle and the period of time spent on motorways	No information given

Country	Registration-acquisition Taxes	Ownership/Circulation Tax for commercials	Fuel taxes	Insurance taxes	Other taxes	Annual tax collected on HGVs (input from MS)
LU	Registration fee of €50.	Ownership tax: Based on vehicle weight if <12t. If greater than 12t, this is based on the suspension type also.	Fuel excise duty: diesel = 0.3350 (in €/l)		4% tax on insurance premiums. A road toll tax is introduced on vehicles that weight more than 12t (maximum permissible weight)	
LV	Motor vehicle tax does not apply to commercial vehicles. A natural resources tax of €31.30 is due.	Road tax based on maximum gross weight, and if greater than 12t, suspension type also	Diesel: €0.34/lt			No information given
MT		An annual circulation tax is paid based on CO2 emissions and the age of the vehicle.				
NL	Registration charges (€75.50 on all vehicles, €52.75 on trailers and semitrailers)	Ownership tax based on dead-weight if company owned. Lorries are also dependent upon the suspension type and the number of axles.	diesel = €0.48/lt		Annual inspections are required	No information given
PL	Tax is 50% reduced for goods vehicles with weight less than 3.5t, whilst if >3.5t, 100% tax relief. Registration fees of 185.50PLN and an ID card of 75PLN. In the event of	There is only a local tax for owners of commercial vehicles with weight over 3.5 t. The amount of tax paid depends on weight and number of axles.	Fuel excise tax is 1459PLN/1000litres for diesel.		Vehicles are obliged to undergo a technical examination after 3 years of motoring, and then	No taxes

Country	*Registration-acquisition Taxes*	*Ownership/Circulation Tax for commercials*	*Fuel taxes*	*Insurance taxes*	*Other taxes*	*Annual tax collected on HGVs (input from MS)*
	no tax being paid, the buyer is obliged to pay 2% based on the real vehicle value	There is no ownership tax otherwise.			every 2 years after that	
PT	Car tax is only applicable to vehicles up to 3.5t gross-weight, based on CO2 emissions. Registration fees for number plate issue (€45) and ownership registration (€65)	Ownership tax based on weight of vehicle for <12t, for >12t, based on weight, number of axles, suspension type and age.	Fuel tax; diesel €0.402/lt			No information given
RO	Registration fee based on CO2 emissions, engine capacity and an environmental tax. Registration fee for light commercials = 52RON, for commercial vehicles (>3.5t) = 125RON. Registration tax is 20RON.	For commercial vehicles under 12t GVW tax is 30RON/200cc.If >12t based on GVW and number of axles. Local administrations may increase this base tax by 16.05%. Road tax is due, based on vehicle GVW.	Fuel excise duty: diesel = RON 1.897/lt.		Inspections are required, costs are dependent on vehicle size. Usually every 2 years, but if >3.5t, this is increased in frequency to annually	No information given
SE		Road tax dependent upon number of axles, fuel consumption and the Eurovignette fee. In addition a road traffic register fee of SEK 65 is paid.	A carbon dioxide tax is paid : diesel (5.559SEK/l)		A congestion tax is paid in Stockholm and Gothenburg. An exhaust inspection fee of SEK 55 is paid on every new commercial vehicle	No information given

Country	*Registration-acquisition Taxes*	*Ownership/Circulation Tax for commercials*	*Fuel taxes*	*Insurance taxes*	*Other taxes*	*Annual tax collected on HGVs (input from MS)*
SI	A motor vehicle tax is applied, based on the CO2 emissions of a vehicle.	Taxes on ownership are based on the vehicle weight and type.	Diesel: €0.462/lt			No information given
SK	A registration fee is required based on engine power. The assignment of a registration plate costs €16.50.	No ownership tax. Any vehicle used for business purposes is obliged to pay the road tax, which is based on GVW and number of axles.	Fuel tax; diesel = €0.368/lt		Highway fees for motor vehicles apply, based on GVW, and EURO emissions class. Compulsory inspections are required after 4 years and every 2 thereafter	Amount of taxes is approximately 1.08 mil EUR/year
UK	Registration Tax: A flat fee of £55	Vehicle Excise Duty: Based upon vehicle dead-weight and environmental impacts. LGVs (i.e. <3500kg) = £225/yr, Euro IV and V LGVs = £140/yr. The band system for HGVs is based upon dead-weight and number of axles. Band A = £165/yr, Band G = £1850/yr No preferential treatment for hired commercials.	Fuel tax charged on all vehicles (GBP 0.579/litre)		HGV levy charged on all HGVs using UK roads from April 2014.	For 2013/14 estimated that £252m Vehicle Excise Duty from HGVs. No data available on fuel duty from HGVs only. Over £1.5 billion raised for all diesel vehicles for 2013/14. In first year HGV levy raised a total £192.5 million with £46.5 million from foreign-registered

Country	*Registration-acquisition Taxes*	*Ownership/Circulation Tax for commercials*	*Fuel taxes*	*Insurance taxes*	*Other taxes*	*Annual tax collected on HGVs (input from MS)*
						vehicles and £146 million from UK-registered vehicles.

Sources: Greven, M. (eds.), *"ACEA Tax Guide 2014",* ACEA (European Automobiles Manufacturers Association), Brussels, BE, 2014. DG TAXUD (2016), Excise duty tables - Part II – Energy products and Electricity, http://ec.europa.eu/taxation_customs/resources/documents/taxation/excise_duties/energy_products/rates/excise_duties-part_ii_energy_products_en.pdf

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