



FREIGHT TRANSPORT ASSOCIATION

FREIGHT TRANSPORT ASSOCIATION
RESPONSE TO THE EUROPEAN COMMISSION
CONSULTATION PAPER

**Revision of the Community Legislation on the Access to the Road
Transport Market and on the Admission to the Occupation of Road
Transport Operator**

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The Freight Transport Association

The Freight Transport Association represents the transport needs of UK industry. Its membership is comprised of manufacturers, retailers, logistics companies, hauliers and organisations in the public and private sectors. The Association's transport interests are multi-modal and in addition to consigning over 90 per cent of freight carried on rail and over 70 per cent of sea and air freight its members operate in excess of 200,000 goods vehicles, approximately half of the UK fleet of commercial vehicles.

Note: FTA views expressed in this document are confined solely to issues relating to the carriage of goods therefore only relevant questions from the Commission's consultation have been addressed below.

Overview

The Freight Transport Association supports measures that would improve standards in the road transport industry. However the Association believes that higher qualitative requirements would not necessarily lead to improved standards within the EU market and industry and could present unnecessary barriers. FTA believes this proposal to be disproportionately burdensome for industry and contrary to the Commission's work on better regulation to simplify laws and procedures in order to avoid excessive complexity.

FTA believes that most, if not all of the issues highlighted, result from poor application and enforcement of current legislation by some Member States. The problems can only be resolved by Member States taking responsibility for introducing appropriate systems - not by adding further burden to industry.

FTA believes that Member States must in the short term be encouraged and in the medium term required by legislation, to improve communication systems by establishing an EU-linked database of information that would assist efficient and effective use of limited enforcement resources by targeting high risk operators and at the same time reduce inconvenience for compliant operators at roadside checks. GB enforcement operator risk rating strategy using up to date information technology should be used to illustrate to other Member States the value of using this type of technology at roadside checks.

Part A – Access to the Road Transport Market

1.2 Merging of the current acts

Question 1 *Should the various Community Instruments relating to international transport and cabotage be merged for the carriage of passengers and goods.*

FTA supports Option 2 in the Commission's consultation that would merge the international and cabotage rules for the carriage of goods and separately merge the rules for the carriage of passengers. Consolidating rules for each industry would make it easier to source required information.

2.2 Requirements for access to the market

Question 3 *Should higher qualitative requirements be imposed on hauliers/carriers in certain types of road transport?*

FTA View: FTA believes that higher qualitative requirements would not necessarily result in better compliance and could create an unnecessary barrier to the occupation, therefore does not support imposing higher qualitative standards for access to the market or to the occupation of road haulier.

The consultation suggests that levels of professional liability can vary substantially depending on the type of activity. Rather than impose higher qualitative requirements, a reduction in the financial standing requirement for specific types of low risk activities should be considered to resolve this issue.

FTA opposes any additional obligation to be covered by professional liability insurance to protect against malpractice. Proof of financial standing, CMR and domestic Conditions of Carriage insurance afford sufficient protection for day-to-day operations. There is no justification for imposing additional insurance costs on compliant operators. Insuring against malpractice could also be perceived as encouraging less reputable hauliers to be negligent by removing the associated financial risk. It is also unlikely that insurance companies could or would underwrite any form of malpractice.

FTA believes that appropriate application and active enforcement of the current requirements throughout the EU would bring about the desired improvement in standards. UK legislation¹ should be used to illustrate how Directive 96/26/EC can be effectively transposed. The GB Traffic Commissioner Public Inquiry system that rigorously enforces all of the requirements for Access to the Occupation has proved to be successful in raising standards within the industry.

Sharing of information between Member States is essential to ensure effective targeting and best use of limited enforcement resources, therefore a deadline should be set for all relevant authorities to establish a database to record the compliance history for all authorised operators. This information should be made available to relevant EU enforcement agencies. Tacho-Net, the system established for EU-wide roadside checking of digital driver card records, demonstrates how this could be achieved.

FTA proposes that operator licensing for own account operations should, as in GB, be extended throughout the EU. Such operations should be required to meet the requirements for good repute and professional qualification. However as there are no customers to protect this should be reflected in a much reduced level of financial standing.

Legislation should require all operator licence applications to be supported by legal proof of identify. In the case of limited companies GB requires a copy of the Certificate of Incorporation to be submitted however currently there is no proof of identify required for small independent hauliers. In these cases checks should be conducted to verify applicants' legal identity using photographic proof such as passports or other relevant documents.

¹ UK Goods Vehicles (Licensing of Operators) Act 1995 and Goods Vehicles (Licensing of Operators) Regulations 1995

2.3 Community Licence

Question 4 ***Should Member States be required to verify conditions for maintaining the licence at shorter intervals on a regular basis?***

FTA View: FTA supports improved control and sanctions on operators who do not meet licence conditions but does not support a general requirement to verify conditions are met at shorter intervals. This would place a burden on compliant operators and competent authorities and dilute the resource available to target the non-compliant. It would therefore be more appropriate for legislation to require verification that conditions are met **at least** every 5 years which would allow sufficient flexibility for authorities to target specific operators, based on risk rating, to demonstrate conditions are met at more frequent intervals.

Question 5 ***Should the validity of the Community licence be reduced?***

FTA View: FTA believes the Community licence should continue to be valid for 5 years. While recognising a solution should be sought to the problem of operators whose licences have been withdrawn failing to return their authorisation this should not impose additional burden on compliant operators. FTA suggests that roadside technology similar to that used in the UK should be developed by Member States and linked to provide an EU wide database that would verify validity of the Community Licence at roadside checks. This could be modelled on the Tacho-Net system for checking driver digital cards at the roadside.

2.4 Certified copies

Question 6 ***Should the Regulation provide more detailed specification for certified copies?***

FTA View: FTA supports standardising documents to improve efficiency at roadside checks however does not agree that licence plate numbers should be included as this would create difficulties when short-term hired vehicles are used, particularly in instances of breakdown in another Member State. Certified copies must not include any detail that would make them vehicle specific. As stated in response to Q5 on-line checking at the roadside must be promoted throughout the EU.

2.5.1 Driver attestation – general considerations

Question 7 ***Should the driver attestation be made more uniform across the Community, should it gradually be made electronically?***

FTA View: Article 6(3) of Regulation 484/2002 already contains provision for driver attestations to conform to the model set out in Annex III to the Regulation. The consultation asks if this could be combined with the driver digital smart card. This would be difficult to achieve in legal terms as current legislation requires that the driver digital card 'belongs' to the driver while the driver attestation 'belongs' to the Haulier.

Question 8 ***Should the current maximum period of validity for a driver attestation be shortened?***

FTA View: FTA believes that the twenty percent annual check required to be undertaken by Member States is a satisfactory control and driver attestations should continue to be valid for five years. The question posed is related to 'control' however if this was deemed to be an issue it would most likely have been revealed during the study on the application of driver attestation to EU nationals. No such evidence has been provided indeed it is reported that the overall functioning of the system is satisfactory.

2.5.2 Driver attestation – extension to all EU nationals

Question 9 ***Should driver attestation be extended to EU nationals?***

FTA View: There is no evidence to demonstrate a need therefore FTA does not support extending driver attestation to EU nationals.

2.6.2 A journey form for goods transport

Question 11 ***Should a Community-wide journey form (similar to that required for coach operations) be required to list all trips of heavy goods vehicles.***

FTA View: The consultation suggests this would facilitate controls and represent a considerable benefit for hauliers and enforcement authorities. It seems that the only difference between this proposal and the national log book (perceived by the Commission as a burden) contained in option two of 2.7.4 is that it would be standardised at Community level. It is not clear what information would be recorded and without prejudice to FTA reservations set out below, a standardised journey form must be simple to complete and not require to be translated into various national languages.

It must be emphasised that unlike passenger transport, planning and scheduling of goods is subject to change at short notice and can happen en route. It would not, therefore, be possible to complete a journey form in advance of the journey. FTA believes that documentation such as CMR is adequate for enforcement purposes and is therefore opposed to the introduction of a journey form for goods vehicles on international journeys.

In accordance with Commission guidelines the UK requires that cabotage activities are carried out entirely on a casual and circumstantial basis therefore a journey form could not be completed in advance. FTA is not convinced that a journey form would be the correct method of recording cabotage journeys and that further options should be explored. It must not be assumed that the form used by passenger operations is transferable to the goods industry. Longer-term telematics solutions should be considered and proposals formulated for inter-operable on board equipment to track foreign registered vehicles entering and exiting Member States.

Question 10 ***Not applicable***
Question 12 ***Not applicable***
Question 13 ***Not applicable***
Question 14 ***Not applicable***
Question 15 ***Not applicable***
Question 16 ***Not applicable***

2.7.2 Road cabotage for goods

The consultation paper states that the idea of authorising cabotage operations on a temporary basis was to achieve a higher utilisation of vehicles engaged in international road transport. Without cabotage, vehicles might have to return home empty – cabotage is thus viewed as an auxiliary activity of a haulier which is ancillary to his international transport operations.

FTA View: FTA supports this principle that must be maintained in any amendment to Council Regulation 3118/93.

GB experiences unfair competition from foreign hauliers who claim exclusion from cabotage restrictions under the banner of 'Combined Transport'. These vehicles transport only containers to/from ports and therefore remain in GB without limit of time and without the need to comply with GB operator licensing requirements that are often stricter than in many of their home countries. The Commission recognising this anomaly promoted a proposal that would resolve the issue². The amendment was intended to bring the definition of combined transport into line with the scope of the Treaty and avoid inclusion of deep-sea and short-distance ferry operations in 92/106/EEC as these were not a substitute for road transport. However the proposal did not proceed and was abandoned in 2004.

FTA proposes that the Commission takes this opportunity to amend the definition of cabotage in Regulation 3118/93 to include specific combined transport journeys as outlined above.

2.7.3 Better definition of cabotage

Question 17 *Would a more precise definition of road cabotage be useful?*

FTA View: It is necessary to resolve variances in interpretation of 'on a temporary basis' and to transpose the Commission's interpretation of cabotage into a precise definition that would apply equally throughout the EU. The definition should continue to be based on the principles that cabotage must not be permanent, or on a regular or continuous basis and activities carried out entirely on a casual and circumstantial basis.

2.7.4 Options to be considered

Question 18 *Stakeholders views on example approaches*

FTA View: Example 1 of the scenarios presented by the Commission that allows for continuous but not regular cabotage does not satisfy the spirit of cabotage that was intended to achieve a higher utilisation of vehicles engaged in international transport on their return journey.

Example 2 affords the flexibility for international vehicles to perform cabotage on a regular basis that is not in keeping with the Commission's current interpretation.

FTA believes that example 2 **combined with a restriction** that cabotage could only be undertaken for a limited period of time (maximum 2 days) **and must be part of a return homeward journey** would more accurately reflect

² Official Journal C261, 19/08/1998 P. 0010.

and satisfy the spirit of cabotage. Geographical direction and documentation could clarify and assist enforcement of cabotage to facilitate a homeward journey.

2.7.5 National rules applicable to cabotage

Question 19 *Cabotage is subject to national rules of the host state in respect of rates and conditions of the contract, weights and dimensions of vehicles, VAT, driving and rest periods requirements for certain types of goods. What other areas should be added or deleted from Article 6(1) of Regulation 3118/93?*

FTA View: FTA does not perceive any current need to amend the list contained in Article 6(1).

Question 20 *What is stakeholders' experience with the Posting of Workers Directive and should cabotage operations shorter than one month be exempt?*

FTA View: The UK transposed Directive 96/71/EC by amending domestic legislation and did not adopt the derogation to exempt posted workers for up to one month. All cabotage operations are therefore included in scope of the Posting of Workers Directive.

Question 21 *Other Issues*

FTA View: FTA believes that there should be more transparency and statistical information available on action taken by individual Member States related to infringements detected and reported by other Member States.

Part B – Admission to the Occupation of Road Haulage Operator

2.1 Level of Standards

Question 1 *Is there a need for higher minimum standards for admission to the occupation? If so why and should they apply to only certain categories?*

FTA View: FTA believes that the current standards are sufficient and that harmonised application and active enforcement of these standards throughout the EU would be of more value and improve compliance rates. However there may be merit in exploring the benefits of continuous professional development for transport managers by a requirement to demonstrate periodic training without examination, that awareness of changes in legislation has been updated over a set period of time.

Question 2 *Should criteria other than good repute, financial standing and professional competence be included? Which criteria should be added to prevent letter box companies from engaging in the occupation?*

FTA View: FTA believes that if correctly applied the current criteria is sufficient and that there is no need for additional criteria to be introduced. GB provides a good example of how this can be transposed into Regulations. For example when

judging good repute, GB legislation³ requires that Traffic Commissioners (Licensing Authority) take account of a number of specific areas including environmental issues. GB Traffic Commissions may also take into account any other information, (not listed in Regulations) that becomes available.

While Letter Box companies do not seem to be prevalent in the UK, the operation outlined in the consultation appears to comply with the spirit of a free market that allows operators to be properly and legally established in a country of choice and to undertake EU international journeys without restriction. It would therefore be difficult to identify any additional criteria that should be applied in these circumstances.

2.2 Exemptions and dispensations

Question 3 ***What exemptions and dispensations could be abolished?***

FTA View: Since most EU rules apply to vehicles with a maximum authorised weight exceeding 3.5 tonnes FTA supports the view that this threshold should also be applied to Operator Licensing. FTA believes Member States should retain autonomy to grant as in GB⁴ limited number of very specific exemptions for national journeys only.

Only those who have already been granted admission to the occupation using 'Grandfather Rights' should continue to operate under this concession in respect of professional qualification however good repute and financial standing must apply in all circumstances. New entrants should be required to demonstrate that they satisfy the requirements in full.

2.3 Periodic checks and disqualifications

Question 4 ***Do requirements for admission to the occupation need to be checked more frequently?***

FTA View: FTA does not support a general requirement for more frequent checks. Legislation must not impose requirements that could impede efficient and effective enforcement. A general requirement for more frequent checks would stretch limited resources and detract from intelligence-led targeting based on operator risk ratings. An obligation to check requirements **at least** every five years should provide flexibility required for effective enforcement.

Question 5 ***Should undertakings that have been disqualified be prevented from setting up in another Member State? How can this be prevented?***

FTA View: Many difficult issues surround the prevention of those intent on deception re-entering the market and FTA supports measures to prevent undertakings re-establishing themselves following disqualification. However any such measures must not impose an unrealistic burden on the majority of law abiding operators. Article 8 of Directive 96/26/EC requires that a host Member State shall in the absence of judicial records or equivalent accept as proof of good repute a certificate issued by a competent authority in the country of origin and GB has transposed this requirement (Certificate of Qualification) into national law⁵. FTA strongly advocates that the provisions of this Article are rigidly applied together with improved communication between Member States. As mentioned previously in this submission, linked

³ Schedule 3 of the Goods Vehicle (Licensing of Operators) Act 1995

⁴ Schedule 3 of the Goods Vehicle (Licensing of Operators) Regulations 1995

⁵ Section 49 of the Goods Vehicles (Licensing of Operators) Act 1995

electronic information database could provide a solution to many of the issues raised.

2.4 Simplification

Question 6 *What administrative burdens relating to processing requirements to demonstrate conditions for access have been met could be alleviated or abandoned?*

FTA View: On-line administration systems should be widely developed to reduce administration of operator licence application and processes. All relevant information including a listing of CPC holder could be stored and negate the need to re-submit on each occasion. The on-line option should, at least in the short to medium term, be an additional option and not completely replace manual paper format that may best suit very small undertakings.

Good Repute - Conditions to be met

Question 7 *To be deemed of good repute and granted admission to the occupation must an applicant not have committed any repeat offences?*

FTA View: It is essential that Competent authorities in Member States judge each case on its merits and retain the discretion to assess when and if repeat offences should impact on good repute. The problems highlighted appear to be due to poor application of enforcement and control by some Member States rather than a need to tighten legislation to an unrealistic level.

Regulation 881/92 makes provision for Member States to take action against an operator in the event of repeated infringements. It would not be feasible or reasonable for an operator to automatically lose good repute due to 'any' repeat of minor offences/infringements committed by drivers, this would leave no scope for human error or for compliant operators to educate drivers and rectify problems. Schedule 3 of GB Goods Vehicle (Licensing of Operators) Act 1995 clearly defines what matters a Traffic Commissioner (Licensing Authority) will have regard to when determining good repute, these include more than one conviction of a 'serious offence'. Serious offence is also defined in this schedule.

3.1 Person concerned

Question 9 *Should EU legislation list persons to whom good repute should apply and what should this include?*

FTA View: It is reasonable that EU legislation should standardise a list of those persons required to be of good repute. However there is no practical reason or evidence to suggest this should or could be applied to anyone other than those with direct interests in the company such as owners, directors and transport managers.

3.2 Regulation by the competent authorities

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

FTA View: FTA believes that many of the issues and problems surrounding access to the market and admission to the occupation are caused by inadequate systems for sharing information within and between Member States. It is essential that not only should penalties and convictions be recorded on a central register but that the full compliance history of each operator is recorded including information from roadside checks in other Member States. This should include encounters where no defects/infringements are noted. This should be linked to a central database (similar to Tacho-Net) and enable all enforcement agencies to effectively target non-compliant operators and ultimately force standards to improve throughout the EU.

Question 11 ***Is the current information exchange system on infringements and sanctions sufficient?***

FTA View: This is an issue for enforcement agencies and competent authorities however as previously stated industry's perception is that transparency and statistical evidence is needed to demonstrate that information provided by host Member States is acted upon by authorities in the country of origin.

4.1 Financial Standing

Question 12 ***Should the methods for assessing financial standing be further harmonised?***

FTA View: The Directive provides the flexibility needed to accommodate business structures and accounting systems in the various Member States. Again it is interpretation and application of the requirement that can be problematic. For example this is one area where UK undertakings experience inefficiencies in management of capital and investments. The UK could and should review its interpretation of proof of financial standing to ensure that companies can best utilise and capitalise on their financial resources instead of requiring cash available at the bank to demonstrate financial standing at any time. This criticism is levied at the UK interpretation and application of the Directive and would not need amendment to EU legislation to rectify the problem.

FTA believes that assessment of financial standing should be undertaken by the competent authority in Member States **at least every five years**. This provides sufficient scope for reducing the frequency of checks on a targeted risk rated basis without tying up limited resources and imposing an administration burden on industry unnecessarily.

4.2 New Avenue to explore

Question 13 ***Should the option of compulsory professional liability insurance as a requirement to replace the current assessment of financial standing be considered in greater depth?***

FTA View FTA does not believe that professional liability insurance would be sufficient to fully demonstrate financial standing that includes having sufficient funds available to maintain vehicles in a roadworthy condition. Even if this was deemed to be a suitable method of demonstrating financial standing it should be an option not mandatory and should not impose unnecessary insurance costs on those companies that could by other means provide sufficient proof of financial standing. Checking and assessing financial standing should not be undertaken at roadside checks and should only be assessed as an integral part of checking an undertaking's overall fitness to operate a

transport business either at five yearly review or during targeted checks where competent authorities use the services of qualified business financial advisors.

5.1 Harmonisation of examination level

Question 14 *Is further harmonisation of examinations in respect of Certificate of Professional Competence required? Also what dispensations should be abolished?*

FTA View: It is preferable that one standard level of examination is set in each Member State. FTA opposes any further harmonisation of examinations across the EU. Experience has proved that overly complicated examination does not necessarily deliver better compliance and can present obstacles preventing competent managers gaining the necessary qualification. This appears to be illustrated by statistics highlighting that in some Member States only the minority gain qualification by examination. The list of subjects contained in the Annex to the Directive on which knowledge is required for admission to the occupation is sufficient for Member States to set an appropriate level of examination. FTA also opposes tests that vary by the applicants experience – those with additional relevant experience should not have any difficulty undertaking examinations that are aimed to test basic knowledge of the less experienced.

Gaining professional qualification by other dispensations such as diplomas requires further consideration. In all cases those who are granted professional qualification should be able to demonstrate that the subjects contained in the Annex to the Directive have been covered in the training and examination undertaken to gain any other relevant Diploma.

5.2 Persons concerned

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

FTA View: It could be argued that depending on size of the fleet a part-time CPC holder may effectively control the transport operation however it is recognised that this could be open to abuse and rigorous checks should be undertaken to establish responsibilities of nominated qualified persons. GB requires the professionally competent person to complete a form detailing responsibilities and hours worked for the company. Where this is on a part-time basis detail of responsibilities for other companies is required. GB Traffic Commissioners are likely to refuse authority to CPC holders whose responsibilities are spread over a wide geographical area – this could be the case even where these persons are employed by only one undertaking.

Question 16 *Do you have any other comments or suggestions that should be taken into account?*

FTA View: The Commission must take this opportunity to address the anomaly whereas cabotage rules do not apply to combined transport operations.

GB experiences unfair competition from foreign hauliers who claim exclusion from cabotage restrictions under the banner of 'Combined Transport'. These vehicles transport only containers to/from ports and therefore remain in GB without limit of time and without the need to comply with GB operator

licensing requirements that are often stricter than in many of their home countries. The Commission recognising this anomaly promoted a proposal that would resolve the issue (Official Journal C261, 19/08/1998 P. 0010). This proposal was intended to bring the definition of combined transport into line with the scope of the Treaty and avoid inclusion of deep-sea and short-distance ferry operations as these were not a substitute for road transport. However the proposal did not proceed and was abandoned in 2004.

Question 17 ***Are there any other measures that should be proposed to avoid administrative burdens associated with measures contained in the Commission's consultation?***

FTA View: A timeframe should be set for systems used by Competent Authorities and enforcement agencies to be updated with new Information Technology that allows operators to conduct transactions and access information on-line. It is equally important that for efficient and quality checking of records this technology must be available to enforcement agencies at roadside check.

Summary of Conclusions

The Freight Transport Association supports measures that would improve standards in the road transport industry. However the Association believes that higher qualitative requirements would not necessarily lead to improved standards within the EU market and industry and could present unnecessary barriers. FTA believes this proposal to be disproportionately burdensome for industry and contrary to the Commission's work on better regulation to simplify laws and procedures in order to avoid excessive complexity.

FTA believes that most, if not all of the issues highlighted, result from poor application and enforcement of current legislation by some Member States. The problems can only be resolved by Member States taking responsibility for introducing appropriate systems - not by adding further burden to industry.

FTA believes that Member States must in the short term be encouraged and in the medium term required by legislation, to improve communication systems by establishing an EU-linked database of information that would assist efficient and effective use of limited enforcement resources by targeting high risk operators. GB enforcement operator risk rating strategy using up to date information technology should be used to illustrate to other Member States the value of using this type of technology at roadside checks.

PART A

- FTA supports option 2 on merging legislation for goods vehicles and separately merging legislation for passenger vehicles.
- FTA is opposed to imposing higher qualitative requirements on hauliers/carriers in certain types of road transport.
- FTA is opposed to verifying conditions for maintaining a licence at shorter intervals or on a regular basis. Legislation should require verification 'at least' every five years with intelligence-led targeted checks on operators most at risk.

- FTA believes the Community Licence should continue to be valid for 5 years and that improved enforcement technology should be available at the roadside to detect any abuse.
- FTA is opposed to including vehicle specific information on certified copies. Operators require flexibility to use replacement vehicles at short notice.
- FTA believes that it would not be possible to combine driver attestations with digital driver cards. Attestations are the responsibility of and belong to the employer while digital cards are the responsibility of and belong to the driver.
- FTA believes there is no evidence to support any need to reduce the validity of driver attestations. There is also no evidence to support extending driver attestation to EU-Nationals.
- FTA is opposed to the introduction of a journey form listing all trips of heavy goods vehicles.
- FTA supports the need for an EU-wide definition that takes account of the basic principles of cabotage. FTA supports Example 2 but with the added restriction that cabotage should only be undertaken as part of a homeward journey.
- FTA urges the Commission to rectify the anomaly created by Council Directive 92/106/EEC on Combined Transport that permits foreign vehicles to operate indefinitely in a Member State within a radius of 150 km from a port. These operations should be subject to cabotage restrictions.
- FTA believes that all Member States should be required to report to both the Commission and the relevant Member State on action taken relating to infringements detected and reported by another Member State.

PART B

- FTA is opposed to higher minimum standards for admission to the occupation. GB aptly illustrates that proper application and enforcement of the current criteria can and does raise standards within the industry.
- FTA believes that the current criteria for good repute, financial standing and professional qualification is satisfactory.
- FTA supports the EU threshold for Community Licensing being reduced from 6 tonnes to 3.5 tonnes.
- FTA believes that 'Grandfather Rights' in respect of professional qualification should be retained for those to whom it already applies but should not be available to new entrants. All operators should be required to satisfy financial standing and good repute criteria.
- FTA is opposed to a general requirement for more frequent checks on criteria. Legislation should require at least 5 yearly checks providing flexibility for more frequent intelligence-led targeted checks.
- FTA believes when considering an application, a host Member State must improve communication and invoke the requirement in Directive 96/26/EC that can require proof of good repute by a competent authority in the country of origin.

- FTA believes changing current legislation for good reputation to be lost due to 'any' minor repeat offences is unreasonable and unrealistic. Licensing Authorities (Traffic Commissioners) must retain discretion to evaluate the circumstances and action taken by the operator in respect of repeated minor offences when assessing good reputation.
- FTA believes that good reputation should apply only to those with a direct interest in the company such as owners, directors and transport managers.
- FTA strongly believes that systems must be put in place to improve communication and sharing of information between competent authorities and enforcement agencies in Member States. This should include not only judgements and penalties but a full compliance history for each operator.
- FTA believes that EU legislation on methods for demonstrating financial standing is sufficiently flexible to accommodate differing business structures and further harmonisation is not required. While the UK can be criticised for its interpretation and application of its method for proving financial standing this cannot be attributed to EU legislation and should be addressed by UK Government.
- FTA does not support harmonising CPC examinations across the EU. It has been demonstrated that in some countries the level of examination presents barriers and causes applicants to use other routes to qualification. Harmonising examination would undoubtedly lead to contention between Member States.
- FTA believes it is possible for a part-time transport manager to exert sufficient control however this in certain cases has been open to abuse therefore tight controls and checks must be applied in such circumstances.