European Commission

Impact Assessment for a possible revision of Directive 2006/1/EC

Final report - Annexes

Study contract no. MOVE/D3/2015-423

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March – 2017

EUROPEAN COMMISSION

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Luxembourg: Publications Office of the European Union, 2017

ISBN [number]
doi:[number]

PRINTED IN [Country]

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Annex 1 SUMMARY OF PUBLIC CONSULTATION

1.1. Introduction

This report presents the results of the online public consultation titled "Review of Directive 2006/1/EC on the use of hired vehicles for the carriage of goods by road". The online consultation is part of the study intended to provide support to the 'Impact Assessment for a possible revision of Directive 2006/1/EC (the hired goods vehicles Directive)'. Following an Ex-post Evaluation of Directive 2006/1/EC, the Commission identified a need for a revision of the Directive. The present Impact Assessment sets out to explore different options for amending the legislation around the hiring of goods vehicles without drivers.

The consultation was open for responses from the 11th August 2016 until the 4th November 2016 (12 weeks). Respondents were also given the opportunity to provide any further comments at the end of the questionnaire. This analysis of the public stakeholder consultation is intended to provide an overall view of the responses to the questionnaire.

Please note that the views presented can only be associated to respondents to this specific consultation and may not be representative of the views of all or specific groups of stakeholders.

1.2. Analysis of respondents' profile

A total of 27 responses to the questionnaire were received, covering a variety of stakeholder groups, as shown in Table 1-1.

Table 1-1 – Classification of stakeholders responding to the questionnaire

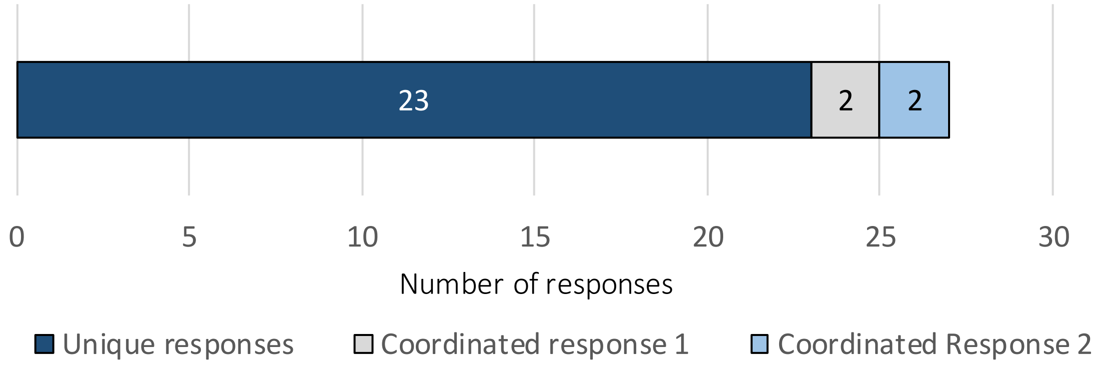
Stakeholder category	Number of responses
Transport operators / their representatives	14
Vehicle leasing companies / their representatives	4
Organisations representing general and SME business interests	2
Public authorities	5
Private individuals	1
Public/communal enterprise associations	1
Workers' representatives/trade unions	0
Grand Total	**27**

The five types of stakeholders presented above (all but the private individual and the non-participating trade unions) show the general respondent composition. Due to the small number of respondents per category, analysis based on these categories is inappropriate, as any conclusions drawn from these groups are highly uncertain. Therefore, these groups are not used in the subsequent analysis.

Even though the number of responses received is rather small, it does still cover a range of stakeholders that are expected to be affected by the proposed change. It includes transport operators and associations that represent them, members of the vehicle leasing sector and respondents from public authorities.

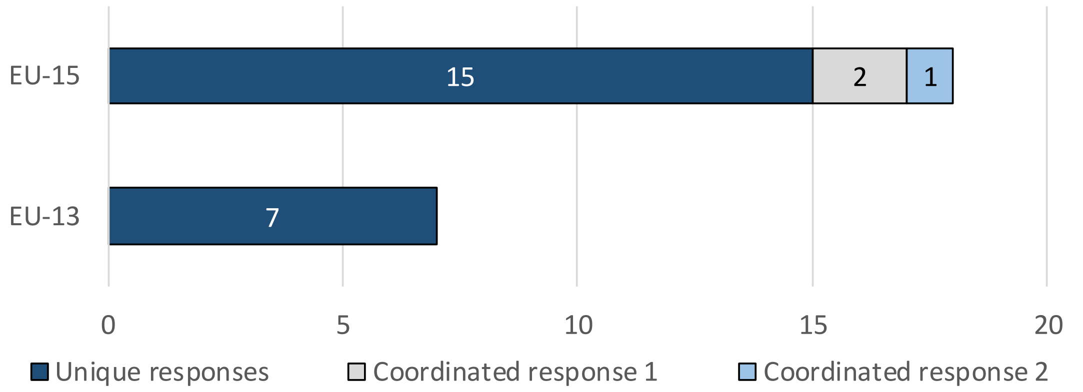
Within the results, four coordinated responses were identified, indicating that a number of respondents followed a template whilst answering the survey. Two different templates were identified from the analysis of the sample, each consisting of two separate responses. However, the analysis also shows that these respondents were free to adapt answers to align with their own views, and therefore no action was taken to account for these responses. Each template accounts for two responses, all of which belong to responses from transport operators and their representatives.

Figure 1 – Number of responses to the public consultation, with coordinated responses identified indicated. (n=27)



In total, responses were received from 15 Member States (Austria, Belgium, Czech Republic, Estonia, France, Finland, Germany, Italy, Latvia, Malta, Netherlands, Poland, Spain, Sweden, and the United Kingdom). Three respondents indicated that they were based in a number of Member States. There were 18 responses from EU-15 Member States and 7 from EU-13 Member States (7)[1] (Figure 2).

Figure 2 – Distribution of responses by whether a respondent is based in an EU-15 or an EU-13 Member State (n=25)



1.3. Results

1.3.1. Assessing the importance of identified problems with Directive 2006/1/EC

The first part of the survey was concerned with assessing the views of the respondents on the importance of the problems identified with the current Directive.

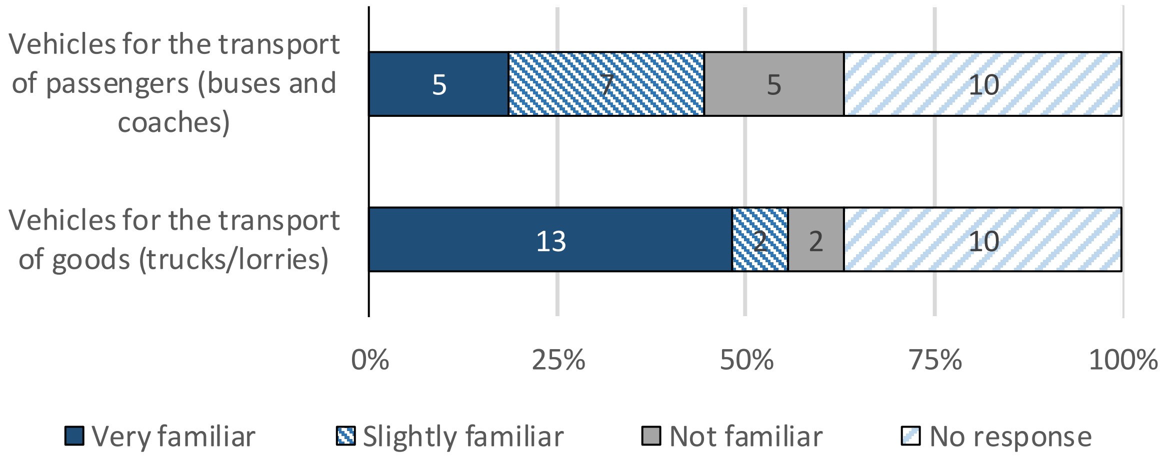
1.3.1.1. Section B – General public

"How familiar are you with the rules applicable to the hiring of different types of vehicles?" (n=17)

[1] Of the three respondents who indicated they are based in multiple Member States, one indicated that they were based in numerous EU-15 Member States, and is treated as an EU-15 respondent here. One of the remaining two respondents indicated they were an EU-wide operation, and as such is excluded in this comparison. This EU-wide respondent is a coordinated response.

Respondents were first asked about their familiarity with the rules applicable to the hiring of heavy duty vehicles, for both road freight and passenger modes. Overall, the respondents to the survey are familiar to both the rules applicable to the hiring of vehicles in passenger and freight transport, although it is apparent that there is greater familiarity with the respective rules in freight transport, perhaps a reflection of the large share of respondents from transport operators and their representatives discussed in Section 1.2.

Figure 3– Familiarity with rules applicable to passenger vehicles and the transport of goods. (n=17)

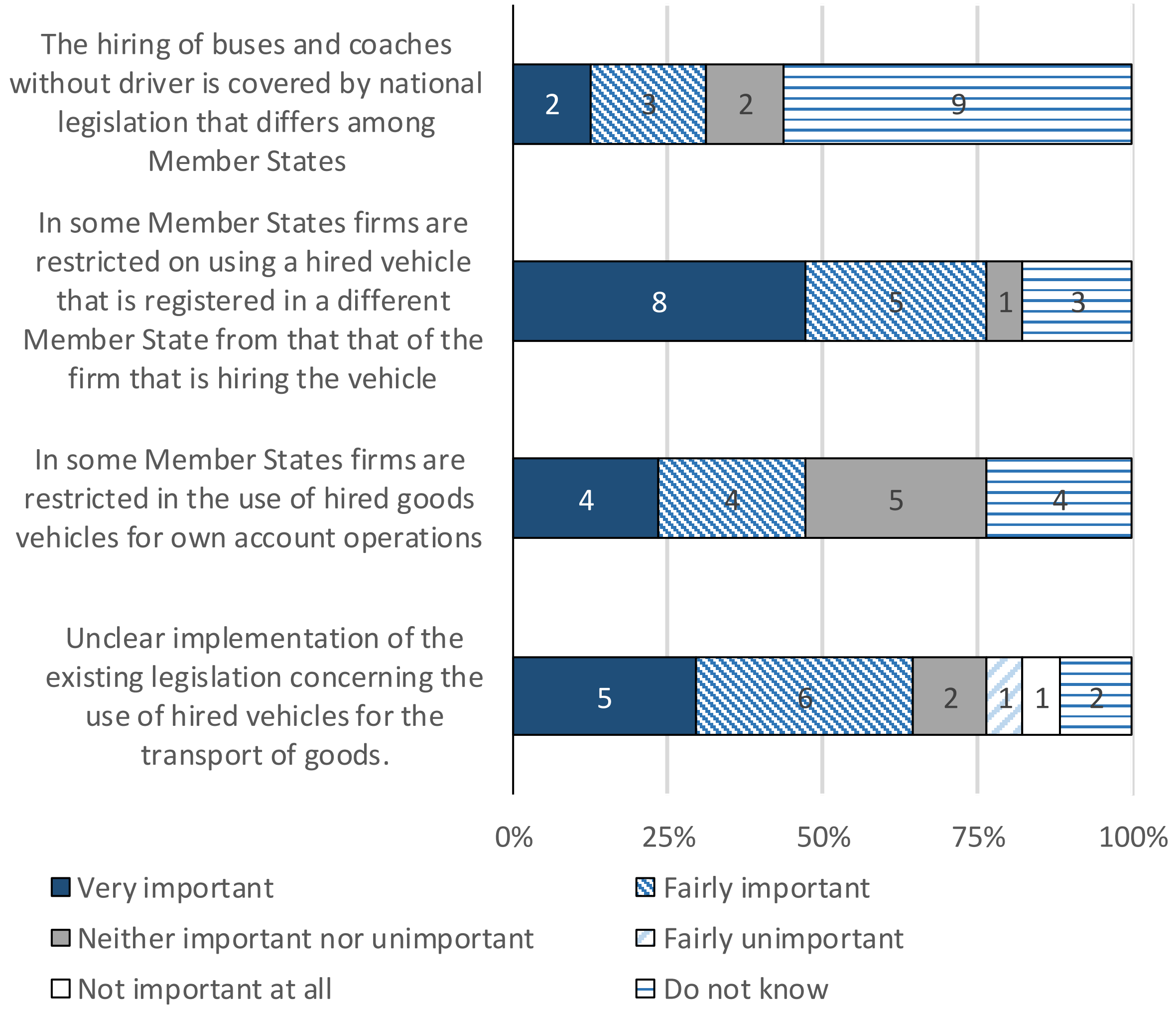


"Based on your experience, are there any particular problems concerning the use of hired vehicles for the carriage of goods (i.e. trucks/lorries) or passengers (buses/coaches)?" (n=17) and *"Do you think that the current legislation for the hiring of goods vehicles should be changed?" (n=17)*

Overall, respondents were strongly in favour of an amendment to the current legislation for the hiring of goods vehicles. In fact, only one response, a public authority representative from Latvia, opposed this opinion and felt that the legislation should be left unchanged. Open text responses indicate that the respondents are in favour of greater harmonisation of the rules through changes to the European-wide legislation, removing the legislative room for manoeuvre of individual Member States. 8 of 14 responses alluded to increased harmonisation. However, whether this should entail the total removal or application of the restrictions on cross-border hiring was a source of greater disagreement. For example, an organisation representing the interest of businesses in general from Austria suggested that greater liberalisation would risk an increase in illegal business activities and lead to a distortion of competition. By contrast, a representative of transport enterprises from Sweden believed that the rules are unnecessarily restrictive. They felt that hired vehicles should be allowed to be used to undertake international business activities, since they are usually hired to resolve capacity issues which may be a cross-border operation. At present, they suggested the rules are not clear enough on this issue. The same respondent also found it difficult to see the rationale behind granting Member States the possibility to exclude own-account transport vehicles with permissible laden weight over 6 tonnes.

When asked explicitly about the importance of a number of issues associated with the Directive, the respondents indicated that the optional restriction on the use of hired vehicles registered in different Member States and unclear implementation of the existing legislation were the most important factors. By contrast, the share of respondents who did not respond to, or are unaware of the problems associated with the variation in national legislation for the hiring of buses and coaches is much greater, as Figure 4 illustrates.

Figure 4 – Particular problems concerning the use of hired vehicles for the carriage of goods or passengers. (n=17)



1.3.1.2. Section C – Description of the context and the problem/needs

"How familiar are you with the rules applicable to the hiring of the types of vehicles listed below?" (n=27)

As before, the respondents are generally familiar with the legislation applicable to the hiring of vehicles in freight and passenger transport, but a greater share of respondents are more familiar with the rules applicable to the hiring of goods transport vehicles. As previously suggested, this may be a reflection of the large share of respondents from transport operators and their representatives.

Hire of goods vehicles greater than 6 tonnes laden weight for own-account operations

"*The evaluation of the Directive has indicated that the existing restrictions in some Member States concerning the use of hired goods vehicles greater than 6 tonnes laden weight by firms for their own account may cause issues for transport operations. Please indicate the significance of each of the proposed issues indicated (n=25)*

- *Existing restrictions lead to lower level of vehicle utilisation;*
- *Existing restrictions lead to the use of older vehicles;*
- *Existing restrictions reduce the flexibility of transport operations;*

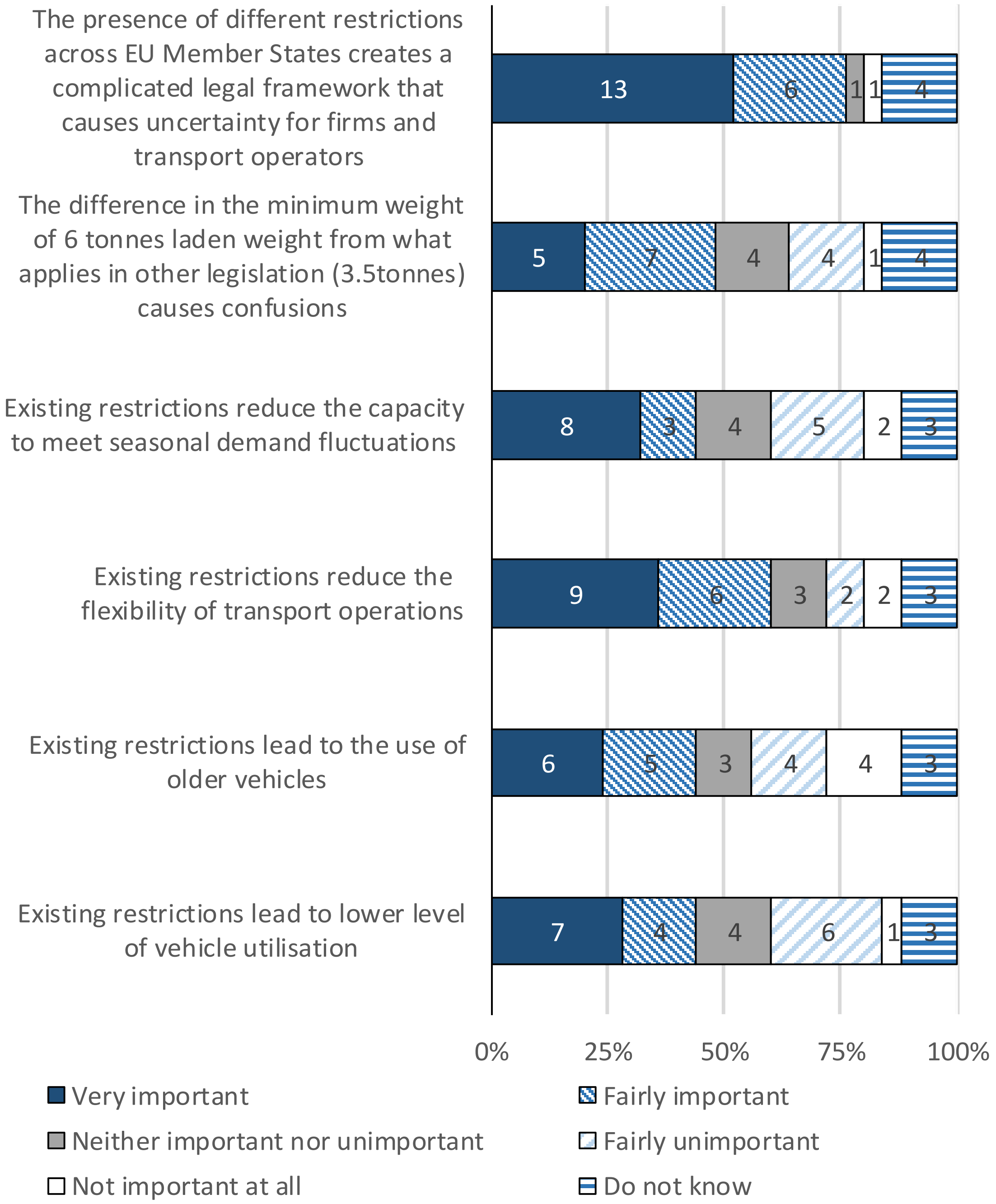
- *Existing restrictions reduce the capacity to meet seasonal demand fluctuations;*
- *The difference in the minimum weight of 6 tonnes laden weight from what applies in other legislation (3.5tonnes) causes confusions;*
- *The presence of different restrictions across EU Member States creates a complicated legal framework that causes uncertainty for firms and transport operators.*

One of the issues identified during the recently completed ex-post evaluation of the Directive is that few Member States make use of the freedom to restrict the use of hired goods vehicles with GVW greater than six tonnes. When asked about the problems that this creates, the survey respondents felt strongly that it would have at least an important impact in causing uncertainty for firms and transport operators. Variation in the application of this restriction causes a complicated legal framework that contributes to this uncertainty. 13 of 25 respondents considered that this would have a very important impact, whilst a further six respondents indicated it would be only fairly important. This view was consistent across all types of respondents (stakeholder categories and whether a respondent is based in an EU-15 or an EU-13 Member State). In fact, only one organisation representing road haulage operators from the Czech Republic suggested that this was not important at all.

Additionally, the survey respondents felt strongly that the existing rules reduce the flexibility of transport operations, with 9 respondents indicating that this has a very important impact, whilst a further 6 respondents indicate it is important, but to a lesser extent. Once again, only very few respondents believed that this was not important at all: an organisation representing the interest of business in general in Austria, and an organisation representing road haulage operators in Germany.

Whilst the survey results also show the survey respondents feel that this does have a fairly important effect on a number of other factors, such as a reduced capacity to meet seasonal fluctuations in demand for goods, and the greater use of older vehicles, these were not as strongly supported as the two previously discussed options, as Figure 5 demonstrates. Overall, however, it is clear that the survey respondents believe the varying application of this legislation creates a number of issues.

Figure 5 - Impacts caused by the variable application of restrictions on hiring vehicles with >6 GVW between Member States. (n=25)



Open text responses support this, with respondents suggesting that increased harmonisation is needed, as previously discussed. The number of text responses to the question on issues around existing restrictions in some Member States concerning the use of hired goods vehicles greater than 6 tonnes for own account transport operations, however, was fairly low, with only eight responses provided. Two of these responses indicate that no problems with the current restrictions have been identified (both public authorities from France and Poland). Of the remaining responses, there was once again a disagreement as to whether the possible restrictions on own account operators should be removed from the Directive completely. A public authority from Malta, for example, suggested that freight transport should be encouraged to be as efficient as possible, for the sake of benefits to the economy and environment. They believed that the current restrictions do not facilitate the use of larger vehicles. In this case, the restriction is damaging to the environment by forcing firms to use smaller vehicles with reduced capacity. By contrast, an EU-wide organisation representing road haulage operators believed that further liberalisation of the rules would lead to an increase in competition, which is already high. Instead, they felt that emphasis should be placed on aligning the interpretation, transposition, and application of the current rules across different Member States.

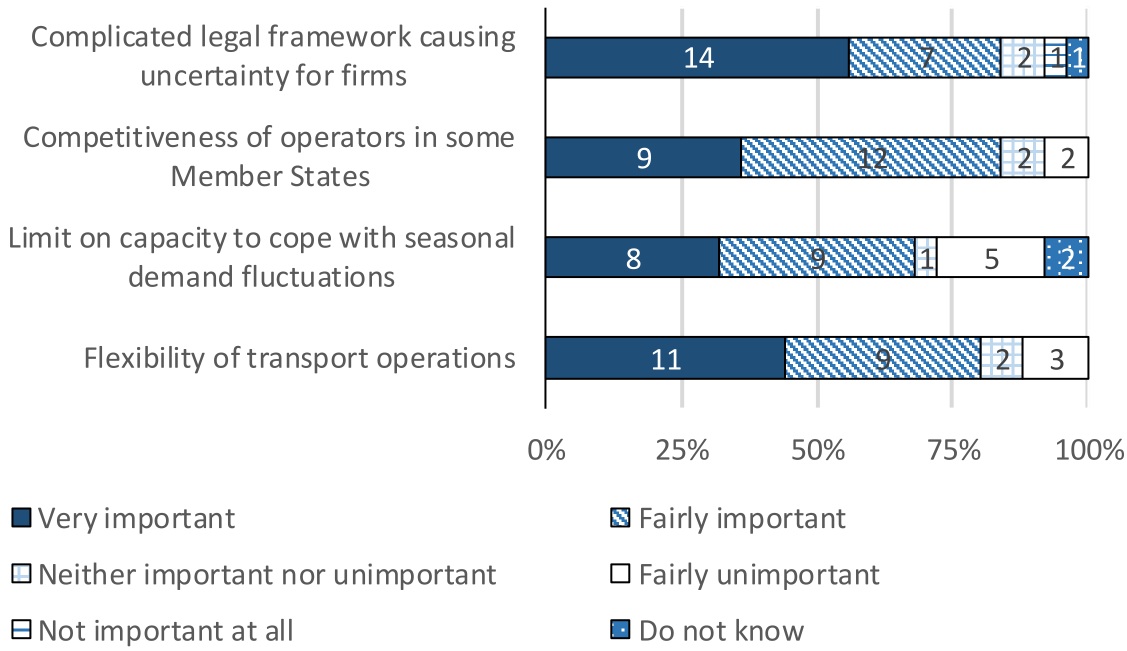
Hire of goods vehicles registered in another Member State

"The evaluation of the Directive has indicated that restrictions concerning the use of hired goods vehicles registered in another Member State may reduce the flexibility of transport operations and the capacity to meet seasonal demand. Please indicate the significance of each of the proposed issues indicated (n=25):

- *Existing restrictions concerning the use of hired vehicles registered in another Member State reduce the flexibility of transport operations;*
- *Existing restrictions concerning the use of hired vehicles registered in another Member State limit the capacity to meet seasonal demand fluctuations;*
- *Existing restrictions concerning the use of hired vehicles registered in another Member State lead to a non-level playing field having a negative impact on the competitiveness of operators in some Member States;*
- *The presence of different restrictions across EU Member States concerning the use of hired goods vehicles registered in another Member State creates a complicated legal framework that causes uncertainty for firms and transport operators."*

The survey respondents feel strongly that the restrictions concerning the use of hired goods vehicles registered in another Member State has a number of important impacts. The issue on which this has the greatest impact is the presence of differing restrictions between Member States creating a complicated legal framework, causing uncertainty for firms. Moreover, as in the case of the possible restrictions for own account operators, before, the existing rules and their inconsistent application are thought to have an important effect on the flexibility of transport operations. The effects of the variation of application of this restriction appear to be considered a more important issue to address on the whole for the survey respondents. A greater share of respondents found all four of the issues listed to be significant, compared to responses to the previous question (see Figure 6).

Figure 6 - Opinion on the impacts caused by the variable application of restrictions on hiring vehicles registered in a Member State that is not the country of a firm's establishment. (n=25)



Additional input from respondents suggests that they are in favour of increased flexibility for transport operators. In some circumstances, the restrictions act to oppose flexibility. For example, an organisation representing road transport operators from the Netherlands suggested that when a vehicle has broken down in a Member State other than where a firm is based, then the hiring of heavy goods vehicles is a necessity and should not be punished by a complicated legal framework. Also, an Italian public authority felt that transport operators in some Member States may have limited access to specialist vehicles which meet their requirements, and therefore it is necessary to hire vehicles from a differing Member State. Finally, one of the coordinated responses (therefore representing two respondents) from organisations representing transport operators in Belgium suggested it was difficult to find the appropriate information on national legislation for all Member States. A harmonised framework is suggested as the most appropriate system to introduce greater flexibility, and allowing companies to meet seasonal demand peaks. However, some respondents warned of the dangers of providing too much flexibility. The same organisation representing road transport operators from the Netherlands expressed concern that transport operators would take advantage of the lower tax in some Member States and abuse the system to rent vehicles from this country. To counter this, they indicated a standardised maximum period for renting should be introduced, and the time before a vehicle is required to be registered in the Member State it is operating in.

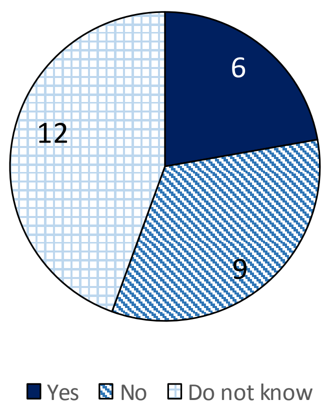
Hire of buses and coaches

"The use of hired buses and coaches for passenger transport is not covered by the Directive. Currently, hiring of buses and coaches for domestic passenger transport is regulated at national level while international passenger transport is governed by Regulation 1073/2009 related to the access to the international market for coach and bus services which does not have any specific provisions in relation to the use of hired vehicles for passenger transport. Are there any problems arising as a result of the absence of EU level legislation concerning the use of hired buses and coaches for passenger transport?" (n=27)

The question on problems arising as a result of the absence of EU level legislation concerning the use of hired buses and coaches drew a mixed response from the survey respondents, many of whom were unsure whether any problems arise. 46% of respondents (12 of 26 responses), responded “Do not know”, as Figure 7 shows, and therefore any conclusions drawn from this question are highly uncertain.

Additional input to this question also indicates disagreement between respondents. Some feel that the omission of passenger transport introduces legal uncertainty and a degree of market distortion into the sector. For example, an association representing transport enterprises from Sweden suggested that transport operators may be unsure whether such vehicles are considered under Directive 2006/1/EC, whilst hire companies may find this an obstacle to access to the market, although this view is not supported in the survey response. Of the 14 respondents belonging to the transport operators and representatives’ stakeholder group, only three felt that any problems did arise as a result of their omission (eight responded ‘Do not know’). On the other hand, it is believed that despite the lack of EU-wide rules regarding the hiring of buses and coaches for passenger transport, the market is functioning properly and by introducing them within the scope of Directive 2006/1/EC, there is a risk that this may be disturbed, as suggested by an EU-wide organisation representing road haulage operators.

Figure 7 – Need for EU level legislation concerning the use of hired buses and coaches. (n=27)

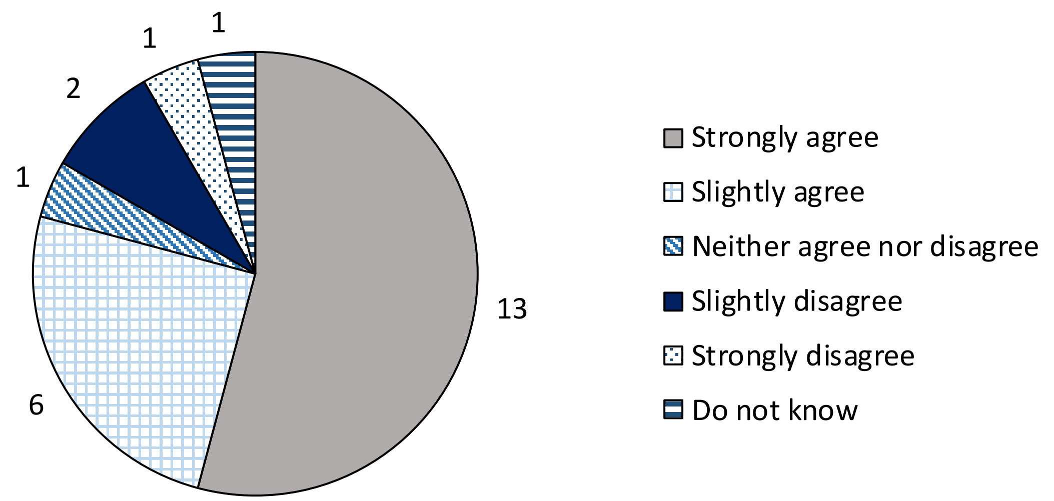


Added value of EU intervention

"In any policy initiative, the Commission must consider whether there is added value in EU intervention and whether the level of EU intervention is appropriate, i.e. whether certain issues should be regulated at EU level or should be left for possible regulation at the Member State level. Do you agree that the policy objectives for allowing the use of hired vehicles for transport operations in and across Member States should be pursued through EU action?" (n=24)

There is broad agreement that the Commission is right to pursue EU action to allow the use of hired vehicles for transport operations in and across Member States, shown in Figure 8. Over half of respondents (13 of 24 respondents to this question) strongly agreed that the EU is acting appropriately in this case, whilst a further 6 respondents indicate agreement to a lesser extent. It was felt that due to the increasingly international nature of transport, and since access to the road haulage market is regulated at the EU level, it is appropriate for the EU to introduce harmonised rules regarding the hiring of heavy goods vehicles. It was highlighted that amendments to the current Directive should introduce more objective rules in order to ensure that there is consistency across the Single Market, and there is not a competitive distortion for some. However, this was not a unanimous opinion. Two respondents from Germany, one a representative of car rental companies, the other an organisation representing road transport operators, expressed the need to either remove the existing provisions, or to maintain control of regulations on a national basis, but introduce European law to provide national authorities with the necessary instruments to enforce these controls effectively.

Figure 8 – Agreement on pursuing policy objectives allowing the use of hired vehicles for transport operations in and across Member States through EU action (n=24)



"What would be the most likely consequences of stopping or withdrawing the Directive so that the hiring of vehicles is not regulated at EU level?" (n=16)

By stopping or withdrawing the Directive so that the hiring of vehicles is not regulated at the EU level, it was widely believed that the regulatory framework between Member States would become more fragmented. Member States would be free to define and enforce their own national legislation, and it appears likely that such legislations would be variable between Member States. This would increase the complexity of the legal systems that an international transport operation must understand. Additionally, it was suggested that withdrawal of the Directive would inevitably introduce further market distortion, by providing a competitive disadvantage to hauliers from Member States where regulations are more restrictive. Finally, some respondents suggested that accessing the required information for national legislation is difficult at present, and in order for a withdrawal of the Directive to be successful, increased transparency from all Member States would be necessary. However, there was consensus that overall that EU-wide harmonisation is required and the withdrawal of the Directive is not a satisfactory way of achieving this.

1.3.2. Options for amendment of Directive 2006/1/EC

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. Specifically, these objectives include;

- Promoting of more efficient commercial vehicles;
- Freeing up of capital which can be invested into the promotion of newer, cleaner commercial vehicles in the freight transport sector;
- Increasing the flexibility and productivity of transport operators;
- Promoting the use of hired vehicles in domestic transport operations
- Promoting the use of hired vehicles in international transport operations
- Ensuring a coherent and consistent legal framework concerning the use of hired vehicles across Member States.

To achieve these objectives the following policy options are being considered as part of the Impact Assessment study:

- Option 0: Issue Guidelines and Recommendations. Develop recommendations and guidelines to clarify the application of the Directive and promote a common approach in terms of the restrictions applied at national level concerning the use of hired vehicles for own account operation and in terms of the used of hired vehicles registered in another Member State.
- Option 1: Improve the functioning of the Directive by targeted legislative amendments. These could include:
    - allowing the use of hired vehicles for own-account transport operations (1a), and/or;
    - allowing the cross-border use of vehicles hired in another Member State than the one where the undertaking hiring the vehicle is established, at least on a temporary basis in specific cases, e.g. to meet seasonal demand peaks (1b).
- Option 2: Option 1 + extension of the scope of the Directive to the hiring of buses and coaches without drivers.
- Option 3: Same rules for hired vehicles as for owned vehicles. Hired vehicles are treated identically to vehicles owned by operators. Member States may not impose specific restrictions on hired vehicles. Hired vehicles will be bound by existing Member State legislation around vehicle registration requirements – (typically, there is a requirement to register a vehicle within a MS if it is primarily used or based within that MS following a certain grace period ; e.g. 6 months).

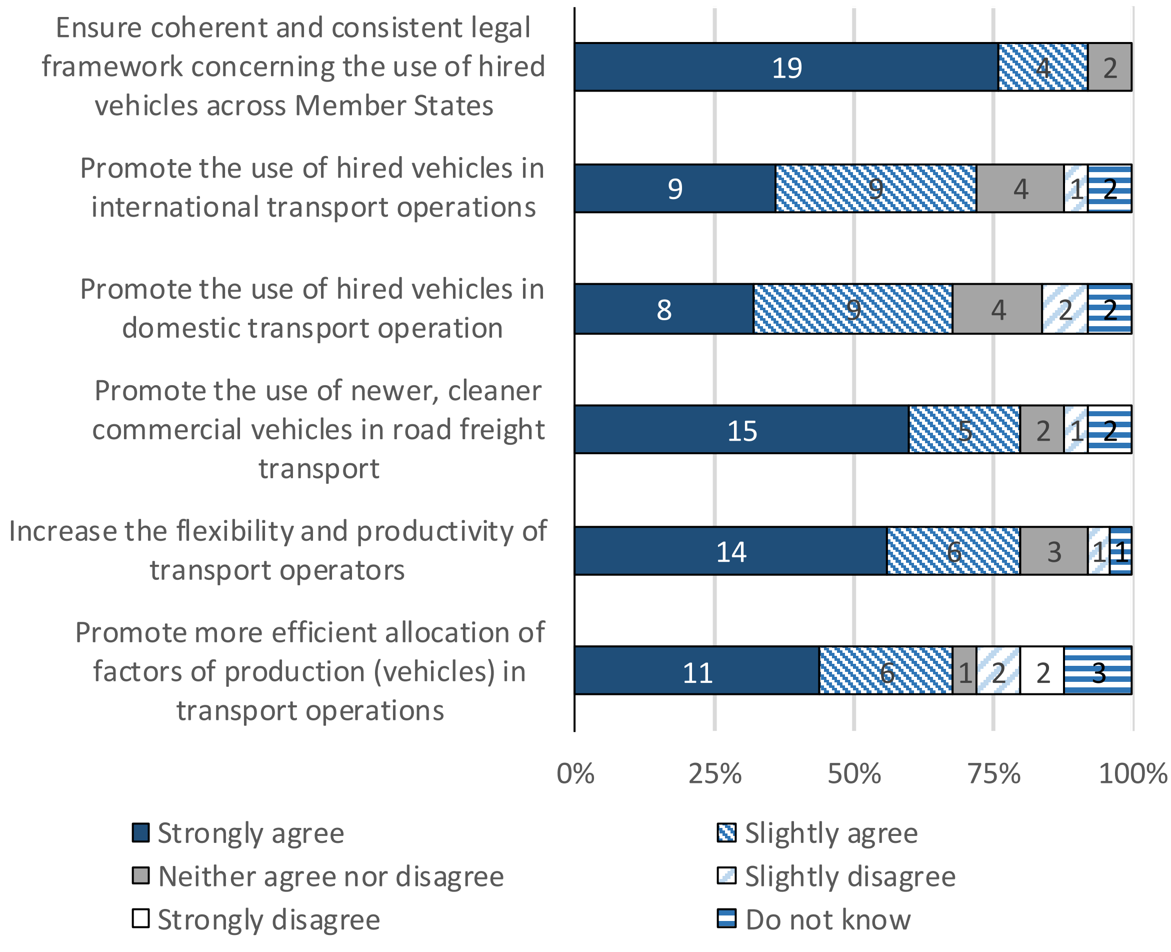
1.3.2.1. Section D – Objectives of the initiative

"Do you agree with the proposed tentative objectives?" (n=25)

When asked about the tentative objectives of the initiative, there was overall agreement with all of these aims. The most strongly supported objective was the aim to ensure a coherent and consistent legal framework concerning the use of hired vehicles across all Member States. This perhaps further reflects the conclusions drawn from the analysis in the previous section, whereby respondents appeared most strongly concerned with inconsistency of the legal framework at present, as some Member States are applying optional restrictions and conditions for hiring vehicles, whilst other Member States are much less restrictive. Figure 9 shows the distribution of responses when asked about these tentative objectives. As can be clearly seen from the results all the objectives are strongly supported, with no objective garnering less than 50% of support from the survey respondents.

Open text responses tend to agree with the above conclusions, indicating the tentative objectives should be able to provide ample flexibility to the road freight sector. It was suggested that more flexibility should be introduced to allow operators to temporarily hire vehicles in other Member States, especially as a replacement vehicle in the event of a breakdown. However, it was also highlighted that the Directives should make provisions to prevent operators from long-term leasing or hiring vehicles registered in other Member States in order to circumvent stricter tax and social laws.

Figure 9 – Proposed tentative objectives of the Directive. (n=25)



"Which other objectives should be considered?" (n=8)

When asked to propose other objectives of the initiative that should be considered, a number of further options were presented. Many of the ideas related to increase harmonisation of rules across the EU. For example, it was suggested by an EU-wide industry association for road-rail combined transport that the Directive should look to introduce legislation on the parameters of registration, offering the issuance of European registrations as a solution. In addition, it was felt that these registers should be opened to all enforcement authorities across the EU, preferably in real-time to enable more consistent and effective monitoring. Additionally, it was proposed by an organisation representing road transport operators in the Netherlands that the ability of Member States to interpret the legislation differently should be minimised. Other suggestions for tentative objectives that the initiative should consider include improving social standards for drivers, facilitating the access to new technologies by operators, and tackling CO_2 emissions from vehicles.

1.3.2.2. Section E – Scope of the initiative

Option 0 – Issue Guidelines and Recommendations

The first option which the survey respondents considered was Option 0. This option is to develop guidance documents with recommendations to authorities and operators in relation to the restrictions in the use of hired vehicles registered in another Member State.

"Do you expect Option 0 to be effective in terms of (n=25):

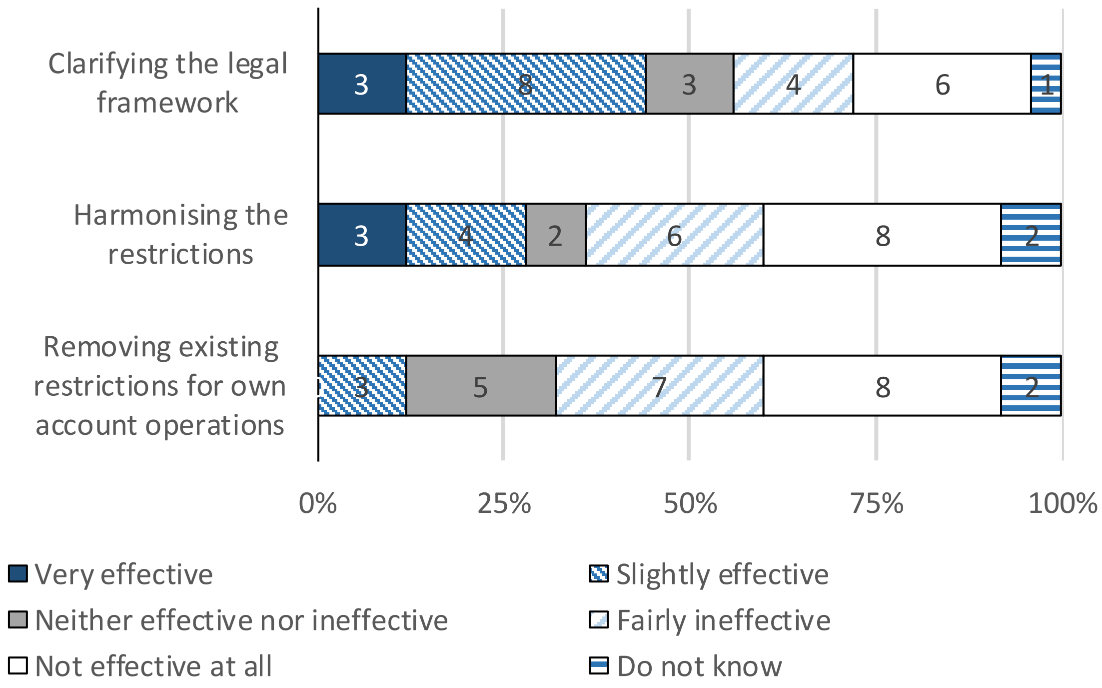
- *Removing existing restrictions in the use of hired vehicles for own account operations;*
- *Harmonising the restrictions in terms of the use of hired vehicles registered in another Member State;*
- *Clarifying the legal framework in relation to the use of hired goods vehicles."*

The response to this option was largely negative. It was felt that this would only be effective to a limited extent for clarifying the legal framework relating to the use of hired vehicles to both authorities and operators, as Figure 10 illustrates. It was highlighted that these documents have no real legal value and are ineffective when compared to the introduction of clear provisions in legal texts. Additionally, these documents may be still subject to differences in interpretation by individual Member States, and therefore would not offer a satisfactory solution to current problems of inconsistency of application. It was even suggested, by a public authority in Malta, that since these guidance recommendation documents would not be binding, it could actually result in further confusion within the sector due to different interpretations by different parties. The impact on harmonisation would be very limited, since Member States would have no obligation to amend current national legislation. It would not be an effective response for moving towards a more harmonised system according to the respondents, which as earlier identified, is a key concern with the current application of Directive 2006/1/EC.

If a guidance document were to be produced, survey respondents suggested that it should try to introduce clarity as much as possible, in an effort to somewhat harmonise the legislative framework on an EU-wide scale. Also, it should make reference to Regulation (EC) 1072/2009, which also makes provisions for hired vehicles.

When asked about the impacts of this measure on factors affecting the haulage sector, the vehicle hiring sector and public administrations, the survey respondents indicated that it would largely have no impact, as suggested previously.

Figure 10 – Effectiveness of Option 0 – issuing guidance and recommendation documents to authorities and operators in relation to the restrictions in the use of hired vehicles. (n=25)



Option 1a – Improve the functioning of the Directive by targeted legislative amendments through allowing the use of hired vehicles for own-account operations

Option 1a aims to improve the functioning of the Directive by allowing the use of hired vehicles for own-account transport operations for all vehicles. In other words, the hiring or leasing of vehicles with total permissible laden weight greater than six tonnes would not be restricted on an EU-wide or on a national level.

"In your view what impact would Option 1a have on (n=24):

1. *Improvement of road safety;*
2. *Administrative burden for public administrations;*
3. *Economic situation of small transport operators;*
4. *Reduction of the cost of compliance with legislation when compared to the present rules;*
5. *Productivity of transport operations;*
6. *Road haulage operation costs ;*
7. *Level of competition in the vehicle leasing sector ;*
8. *Level of competition in the road haulage sector;*
9. *Investments in in new vehicles in the vehicle hiring sector;*
10. *Investment in new vehicles the road haulage sector;*
11. *New job creation in the vehicle hiring sector;*
12. *New job creation in the road haulage sector;*
13. *Growth in the vehicle hiring sector;*
14. *Growth in the road haulage sector."*

This option is met with greater positivity in comparison to option 0. The factors that this option is most likely to have a positive impact upon, according to the survey respondents, are the level of competition, investment in cleaner vehicles, and the creation of new jobs within the vehicle leasing sector, as Figure 11 demonstrates.

However, this was not a unanimous opinion shared by all survey respondents. Some open-text responses expressed concerns that this amendment would in fact be damaging to small hauliers. The ability of operators to use vehicles with greater GVW and therefore load-capacity would lead to the extension of the range of own-account operators. Small hauliers would lose out since they would be a cost-ineffective option in comparison. Therefore, the option was seen as threatening the growth of these hauliers, although there was no agreement on how big a threat this would be. It was stated by a representative organisation of vehicle leasing companies in Italy, for example, that since the rental of trucks enables businesses to remove financial risk associated with truck ownership and operation, including maintenance, servicing, and replacement vehicles, then small hauliers may not be as largely affected as previously thought.

Figure 11 - Effectiveness of Option 1a – allowing own-transport operators to use hired vehicles, even for vehicles with total permissible laden weight of more than 6 tonnes. (n=24)

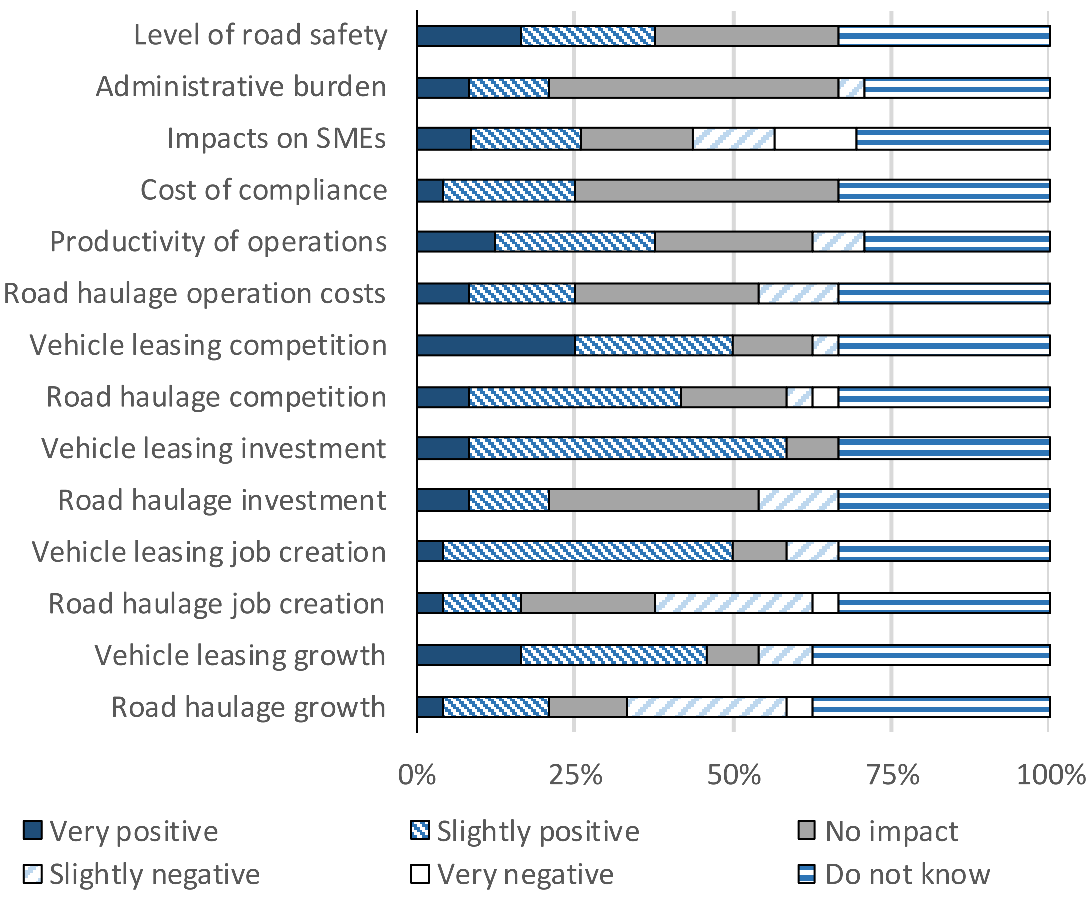
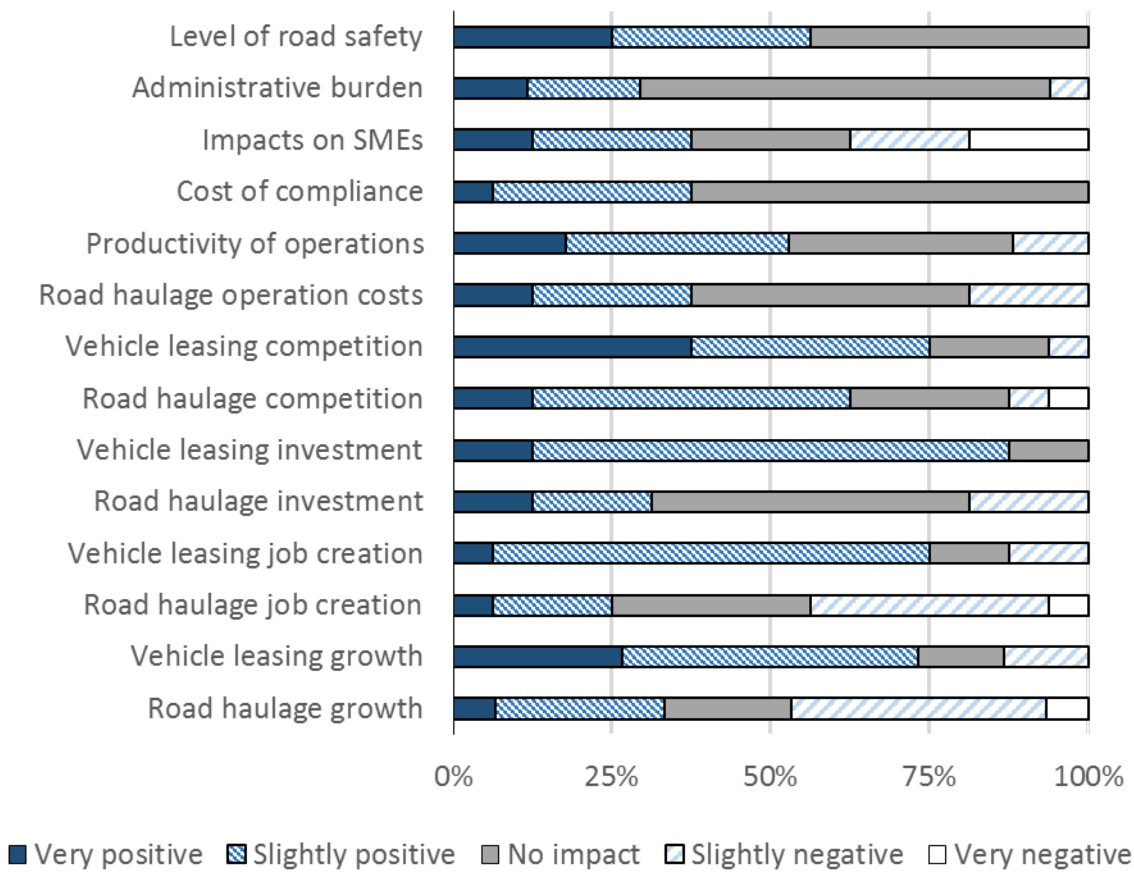


Figure 12 - Effectiveness of Option 1a – allowing own-transport operators to use hired vehicles, even for vehicles with total permissible laden weight of more than 6 tonnes, excluding 'Do not know' (n=15-17) [2]



Option 1b - Improve the functioning of the Directive by targeted legislative amendments through allowing the cross-border use of vehicles hired in another Member State to where a firm is established

Option 1b considered improving the functioning of the Directive by allowing the cross-border use of vehicles hired in another Member State than the one where the firm hiring the vehicle is established, at least on a temporary basis. For example, this may be to meet seasonal demand peaks or for the temporary replacement of a vehicle within a fleet after a breakdown.

"In your view what impact would Option 1b have on (n=24):

1. *Level of road safety;*
2. *Administrative burden for public administrations;*
3. *Economic situation of small transport operators;*
4. *Cost of compliance with the legislation when compared to the present rules;*
5. *Productivity of transport operations;*
6. *Road haulage operation costs ;*
7. *Level of competition in the vehicle leasing sector;*

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[2] The range in the number of respondents reflects the varying number of respondents not answering 'Do not know' across the different impact categories

8. *Level of competition in the road haulage sector;*
9. *Investments in new vehicles in the vehicle hiring sector;*
10. *Investment in new vehicles in the road haulage sector;*
11. *New job creation in the vehicle hiring sector;*
12. *New job creation in the road haulage sector;*
13. *Growth in the vehicle hiring sector;*
14. *Growth in the road haulage sector."*

This option was met with broad positivity from the survey respondents, regarding the discrete considerations posed in this question. The survey responses suggest this amendment would have the greatest effect on the level of competition, growth, and job creation within the vehicle leasing sector. By contrast, a few respondents felt that it would have a negative impact on some of the impact categories considered. For example, four haulage associations expect negative impacts on road haulage competition. Three of these also expected negative impacts for SMEs. This is illustrated in Figure 13.

Figure 13 – Effectiveness of Option 1b – allowing the cross-border use of vehicles hired in another Member State than the one where the firm hiring the vehicle is established on a temporary basis (n=24)

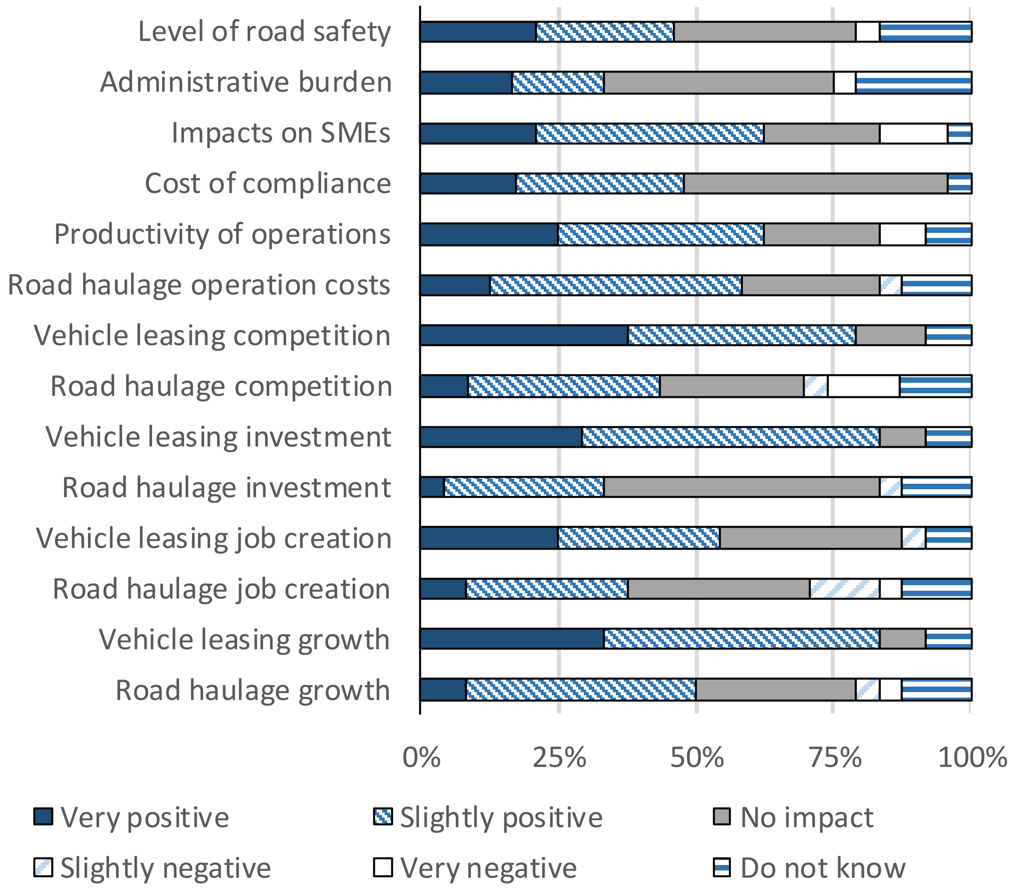
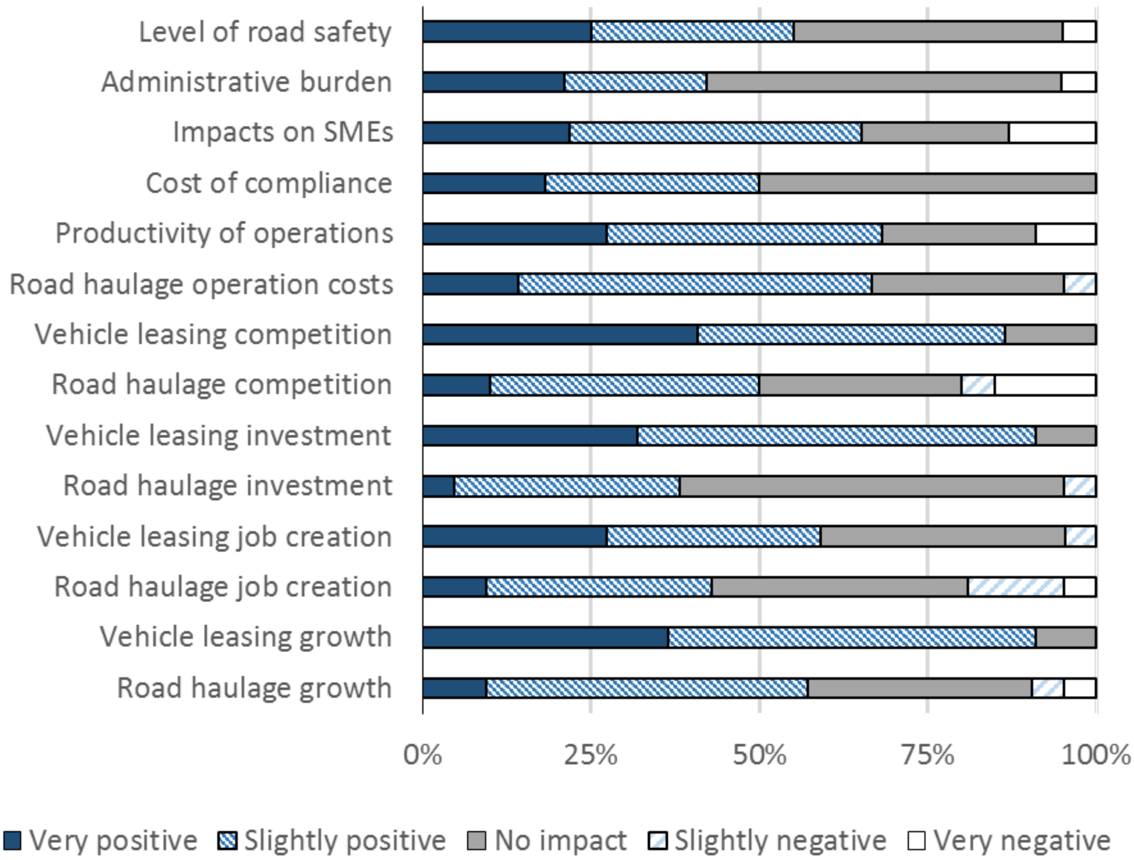


Figure 14 – Effectiveness of Option 1b – allowing the cross-border use of vehicles hired in another Member State than the one where the firm hiring the vehicle is established on a temporary basis, excluding 'Do not know' (n=19-22)[3]



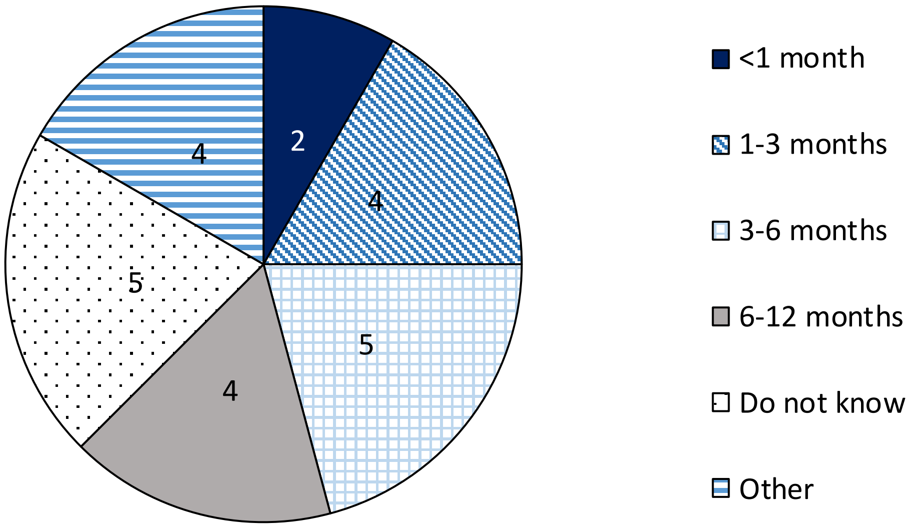
Additional comments, however, highlight some concerns with the option which should be considered. For example, whilst it is strongly agreed that the proposed measure would provide an injection of competition within the vehicle leasing and road haulage sectors, a coordinated template response (two organisations representing road haulage operators in Belgium, and EU-wide) felt this would have a negative effect on SMEs and some other companies within the sector. It was also suggested by an organisation representing road haulage operators in the Netherlands that some companies would utilise the legislation to hire vehicles from other Member States, where tax regimes are lower. This would cause increased competitive pressures for SMEs, in a similar manner to the concerns raised in Option 1a. Additionally, it was stated by an organisation representing public enterprises in Austria, that road safety and quality may suffer as a result of this legislation, as it increases competitive pressure, putting drivers under increased strain. Finally, a Swedish association of transport enterprises suggested that costs of administration and compliance are likely to increase for monitoring and enforcement authorities. However, this option would achieve positive effects by allowing companies to add vehicles to their fleet on a temporary basis to meet seasonal demand fluctuations. There was also support for a harmonised definition of how long a vehicle can be hired for across all Member States.

[3] The range in the number of respondents reflects the varying number of respondents not answering 'Do not know' across the different impact categories

In your view, what could be considered an appropriate definition of a temporary period? (25 responses)

When asked about how long the fixed duration of 'temporary' should be, there was a mixed response from the respondents, shown in Figure 15. Whilst few suggested that this duration should be less than a month, there was an even spread of responses for between one and 12 months. Of those who responded ‘other’, two stated that they did not support this option at all. Another respondent indicated that a minimum of 3 months should be applied, but they did not see a need to set a maximum. A final respondent noted that ‘it should be recalled that according to the jurisprudence of the Court of Justice the notion of temporary in service provision is settled by the duration, regularity, frequency and continuity of the service, to be decided on a case by case basis’.

Figure 15 – Definition of a temporary period (n=25)



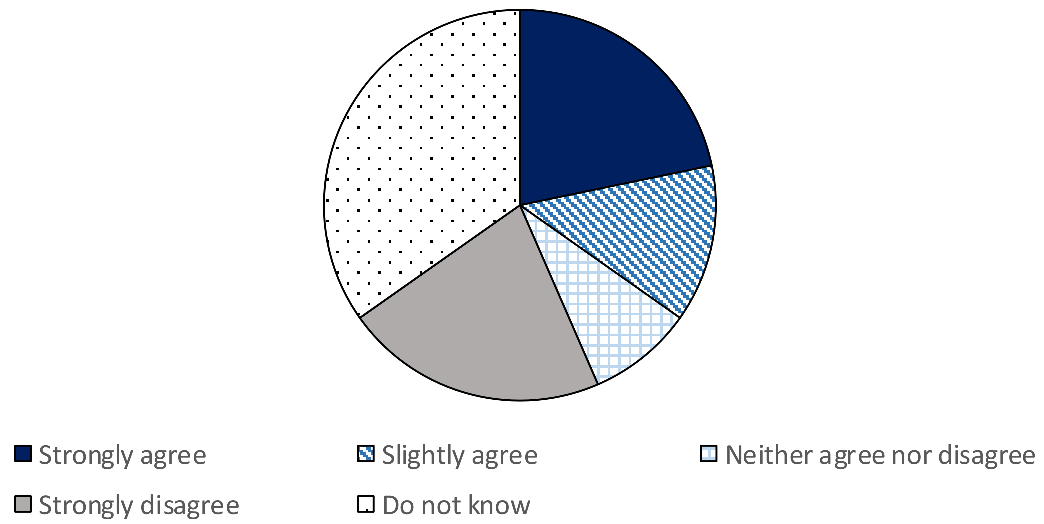
Option 2 – Targeted legislative amendments and extension of the scope of the Directive

Option 2 is an extension of Option 1. On top of removing the possibility for introducing restrictions on vehicles with GVW >6 tonnes, and on leasing vehicles outside of the Member State of establishment, Option 2 considers the extension of the scope of the Directive to include the hiring of buses and coaches (without drivers).

“Do you agree with Option 2?” (n=23)

Whilst there is marginal support for the proposed measure, overall the results are fairly mixed. 8 of 23 respondents indicated that they agreed to some extent, whereas 5 respondents disagreed. The remaining 10 responses either indicated that they neither agreed or disagreed, or did not know.

Figure 16 – Survey response to Option 2 – targeted legislative amendments and extension of the scope of the Directive. (n=23)



The opinions of the survey respondents suggest that the reason for this mixed support lies with uncertainty as to the necessity of this measure. It is believed that the passenger transport market is currently functioning properly at both national and European level, with the renting of passenger transport vehicles common between coach/bus companies themselves. Therefore, the survey respondents are split as to whether introducing passenger transport under the scope of the Directive will benefit or harm the sector. Certainly, it is believed that if buses and coaches are to be covered by Directive 2006/1/EC, they should be regulated with the same freedom as HGVs. The reason for the large share of respondents who responded that they "Do not know" appears to be reflective of the fact that most respondents are only responding on behalf of the road freight transport sector, and as such are not as well informed on how extending the scope to include buses and coaches will affect the sector.

"In your view what impact would this measure have on

1. *Level of road safety*
2. *Administrative burden for public administrations*
3. *Economic situation of small transport operators*
4. *Cost of compliance with the legislation when compared to the present rules*
5. *Productivity of transport operations*
6. *Road haulage operation costs*
7. *Road passenger transport operation costs*
8. *Level of competition in the vehicle leasing sector*
9. *Level of competition in the road haulage sector*
10. *Level of competition in the passenger transport services sector*
11. *Working conditions*
12. *Investments in new vehicles in the vehicle hiring sector*
13. *Investment in new vehicles in the passenger transport services sector investment in new vehicles in the road haulage sector*
14. *New job creation in the vehicle hiring sector*
15. *New job creation in the road haulage sector*
16. *New job creation in the passenger transport services sector*
17. *Growth in the vehicle hiring sector*

18. *Growth in the road haulage sector*
19. *Growth in the passenger transport services sector" (n=22)*

The point made above, is further reflected in responses when the respondents were asked about the effects that this measure would have. For many of the factors considered, a large share of respondents felt they were unsure of the consequences of the measure. In general, as before, the largest positive effects are expected for the vehicle leasing sector, where respondents felt that growth, job creation, level of competition would benefit from the option. However, the large share of "Do not know" responses suppresses any strong conclusions to be drawn from this analysis. An Italian coach operators' association and an Austrian public enterprises association both raised concerns about a deterioration of driver working conditions due to a possible increase in competition across the sector, should the scope of the Directive be extended to the hiring of buses and coaches, with adverse impacts on road safety. A combined transport association suggested that only vehicles meeting the highest Euro emission standards should be allowed to be hired. It was also suggested that buses and coaches' legislation should be harmonised across the EU, if introduced, and the notion of "short-term" should be defined across Europe.

Figure 17 - Effectiveness of Option 2 – extending the Directive to include buses and coaches. (n=23)

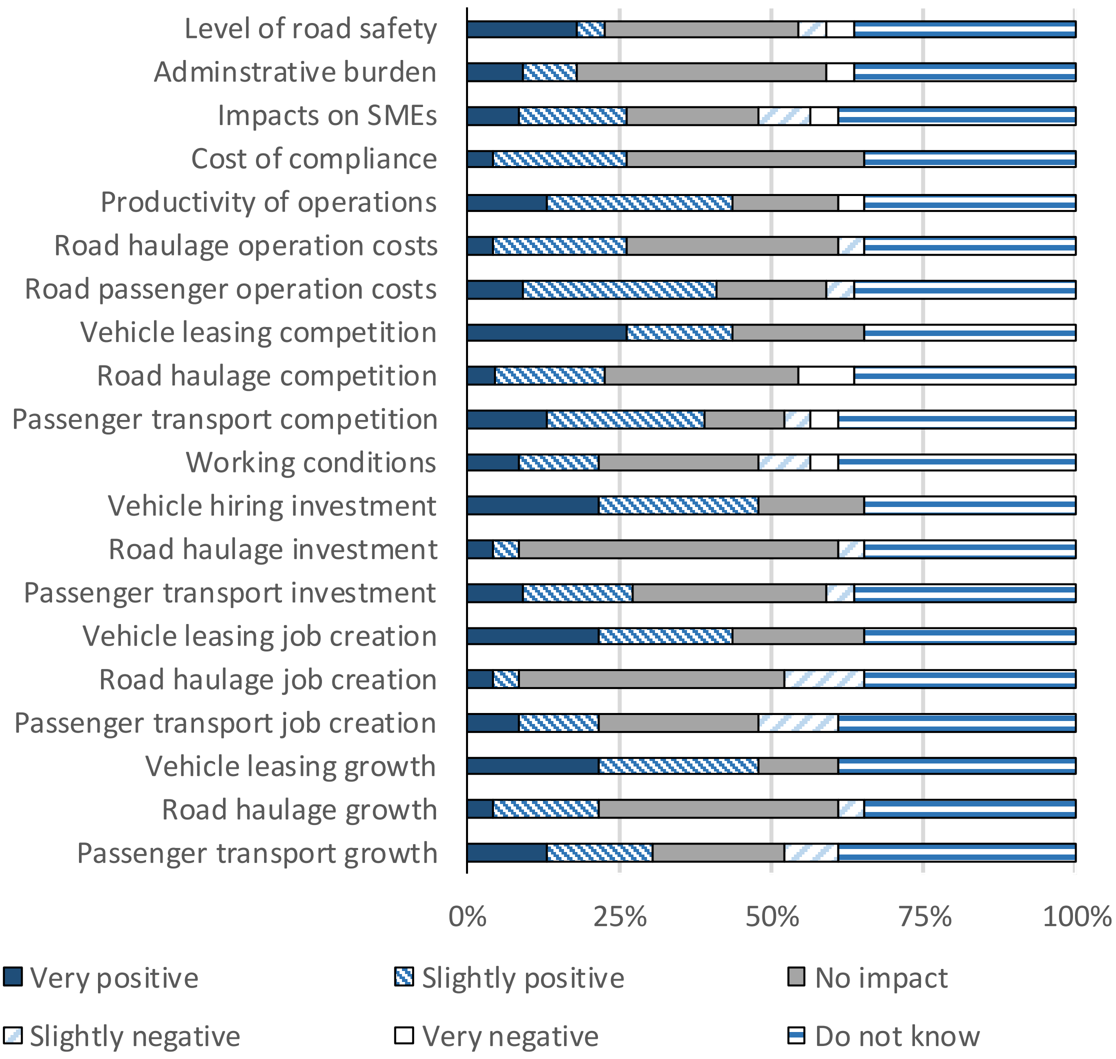
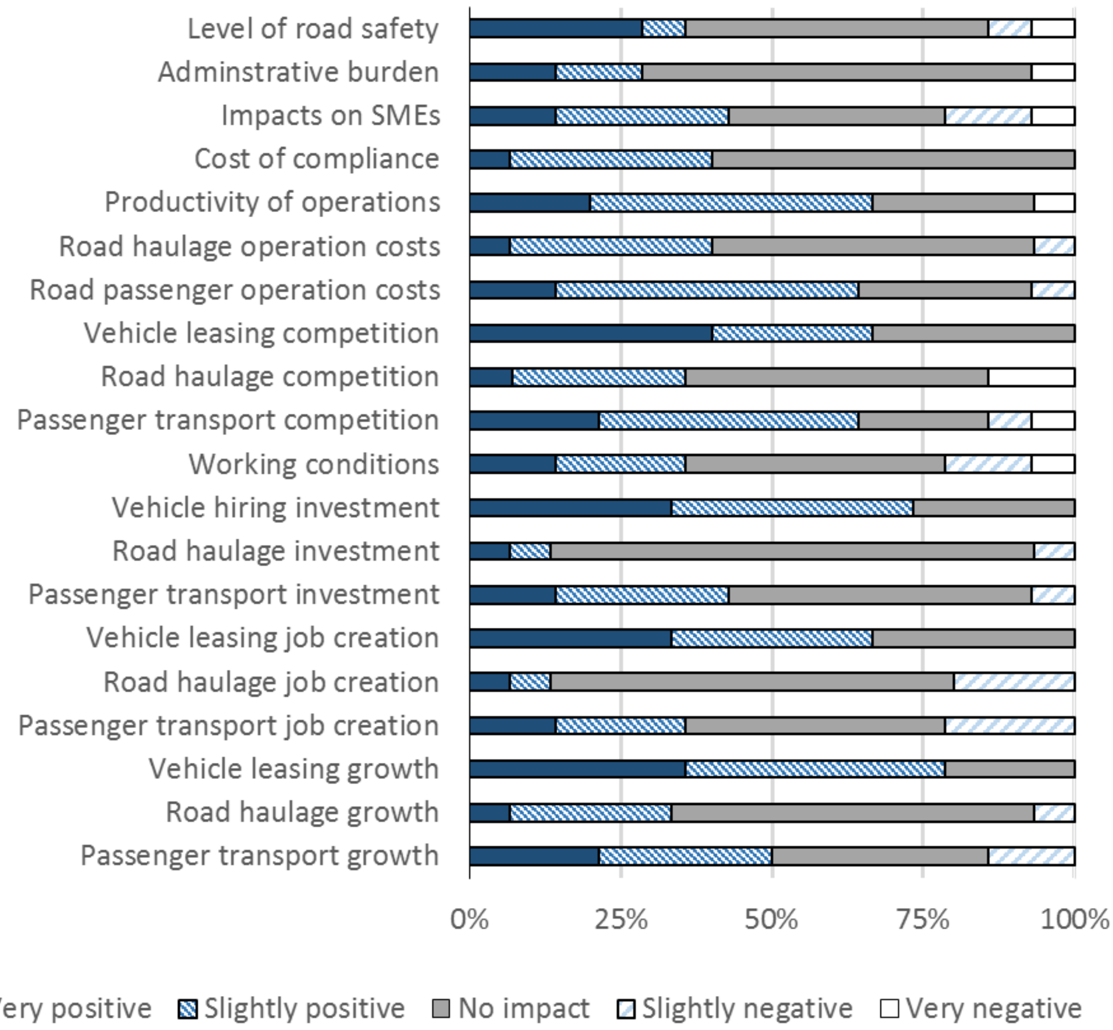


Figure 18 - Effectiveness of Option 2 – extending the Directive to include buses and coaches, excluding 'Do not know' (n=14-15)[4]



Option 3 – Same rules for hired vehicles as for owned vehicles

The third option is to introduce the same rules for hired vehicles as already exist for owned vehicles. Member States would not be able to impose specific restrictions on hired vehicles, and these vehicles would be bound by existing national vehicle registration requirements. For example, there is typically a requirement to register a vehicle within a Member State if it is primarily used or based there following a grace period.

"In your view what impact would Option 3 have on (n=23)

1. *Level of road safety*
2. *Administrative burden for public administrations*
3. *Economic situation of small transport operators*
4. *Cost of compliance with the legislation when compared to the present rules*
5. *Productivity of transport operations*
6. *Road haulage operation costs*
7. *Road passenger transport operation costs*

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4 The range in the number of respondents reflects the varying number of respondents not answering 'Do not know' across the different impact categories

8. *Level of competition in the vehicle leasing sector*
9. *Level of competition in the road haulage sector*
10. *Level of competition in the passenger transport services sector*
11. *Working conditions*
12. *Investments in new vehicles in the vehicle hiring sector*
13. *Investment in new vehicles in the passenger transport services sector*
14. *Investment in new vehicles in the road haulage sector*
15. *New job creation in the vehicle hiring sector*
16. *New job creation in the road haulage sector*
17. *New job creation in the passenger transport services sector*
18. *Growth in the vehicle hiring sector*
19. *Growth in the road haulage sector*
20. *Growth in the passenger transport services sector"*

It was felt that this option would have a number of positive impacts such as improving productivity of transport operations, whilst cutting costs for road passenger transport operators. Additionally, it is thought to have positive impacts, as with the other options, on the growth, job creation and investment in new vehicles, as well as on the level of competition within the vehicle leasing sector. Unlike other options, it is expected to also have largely positive effects on the growth within the road haulage sector. By contrast, however, it was indicated that it would increase the competitive pressure on SMEs.

Figure 19 - Effectiveness of Option 3 – treating hired vehicles as owned vehicles. (n=23)

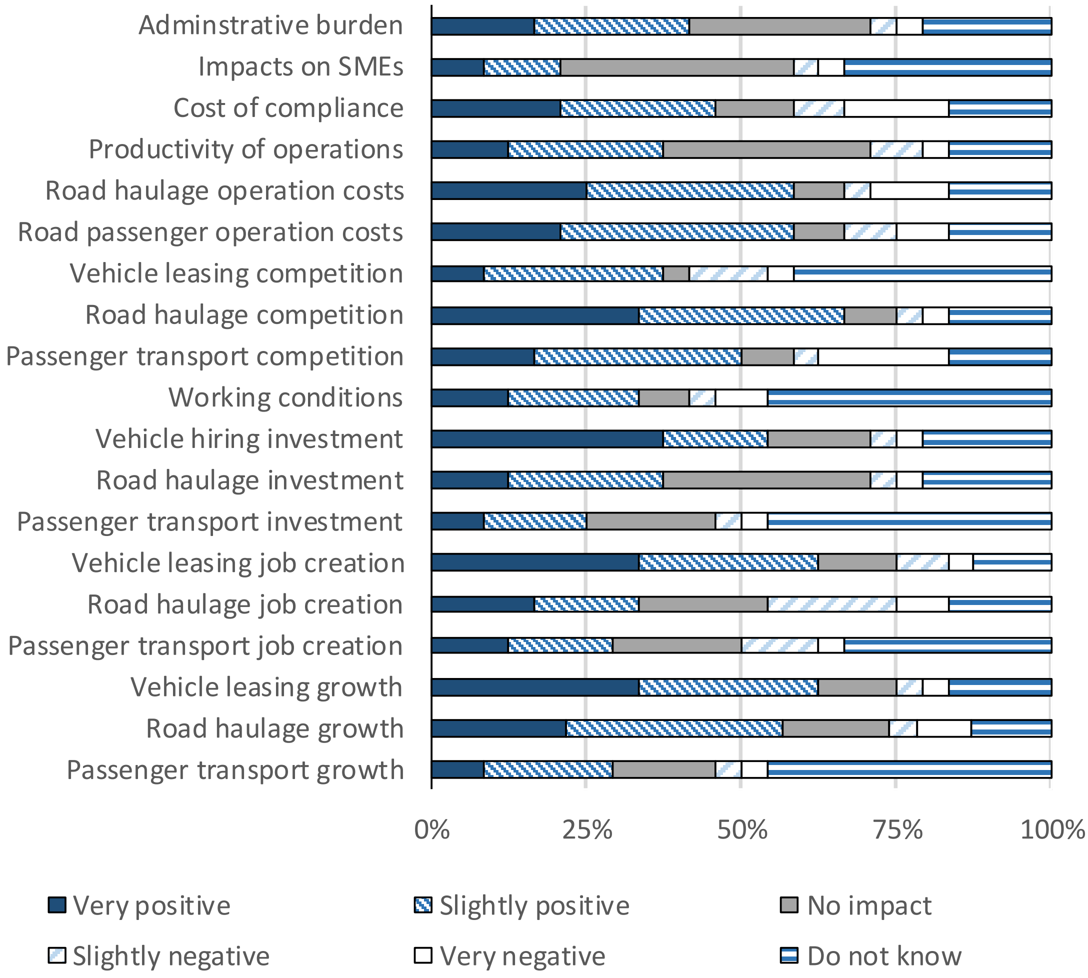
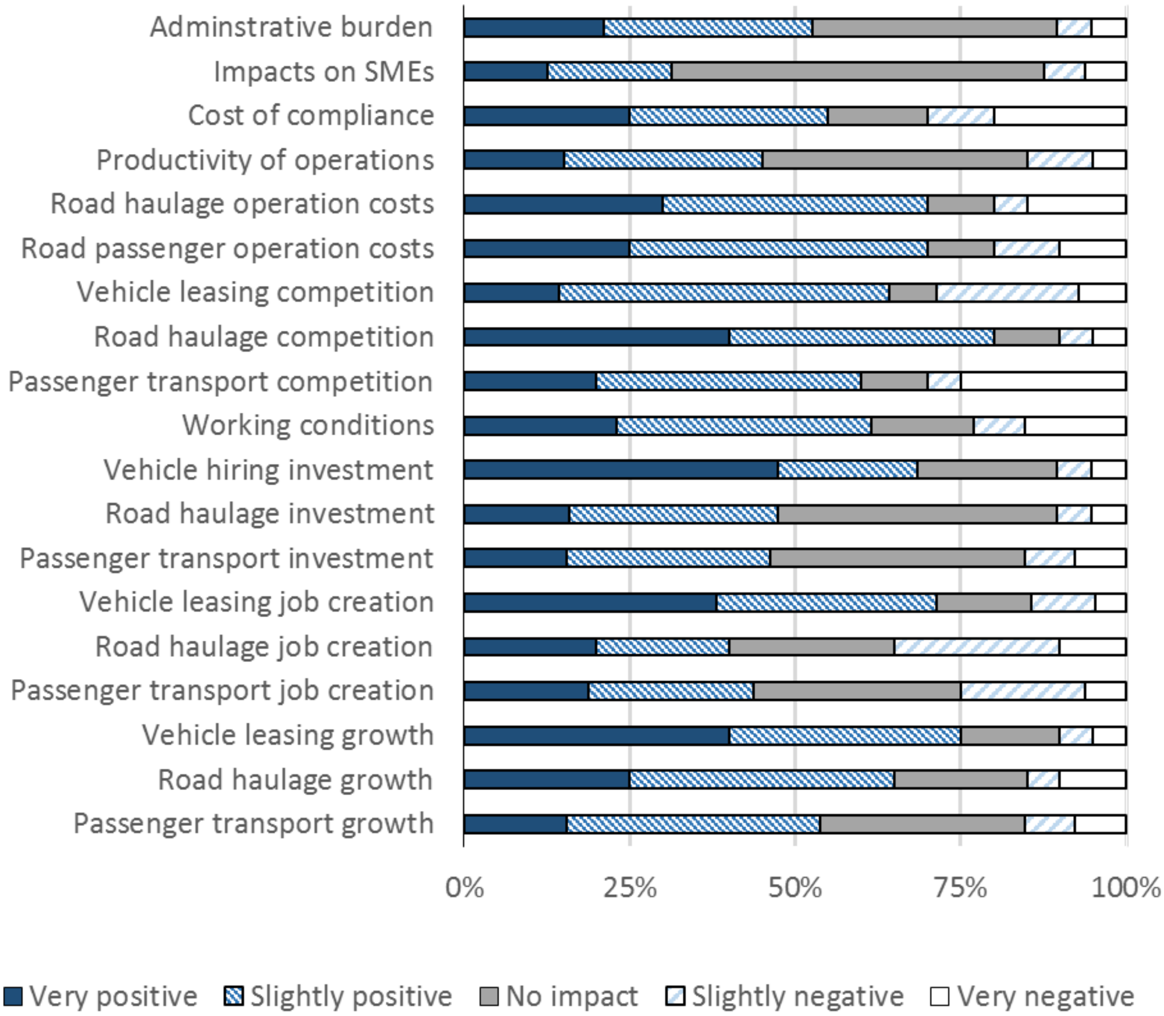


Figure 20 - Effectiveness of Option 3 – treating hired vehicles as owned vehicles, excluding 'Do not know' (n=13-21)[5]



1.4. Conclusions

All responses to the public consultation have been reviewed. A total of 27 responses were received from a range of stakeholder types, including transport operators, public and national authorities, and vehicle leasing companies. Whilst a few responses were identified as coordinated to a consistent template, most of the responses to the consultation were unique. The main conclusions drawn from this analysis are:

- The survey respondents favour an amendment to the current legislation relating to the hiring of goods vehicles, with many respondents feeling that legislation needs to be more harmonised across the European Union. It was felt that any intervention should ensure a consistent and coherent legal framework concerning the use of hired vehicles across Member States.
- The presence of different restrictions across Member States, as currently permitted by the Directive, creates a complicated legal framework which causes a degree of uncertainty for firms and transport operators. Indeed, it is expected that these restrictions also reduce the flexibility of transport operations.

5 The range in the number of respondents reflects the varying number of respondents not answering 'Do not know' across the different impact categories

- There was uncertainty over whether the use of hired buses and coaches should be legislated at a European level, with some respondents suggesting that their omission leads to further legal uncertainty and market distortion, whilst others feel that the passenger transport sector is currently functioning properly, and so legislation is unnecessary and may pose a threat to its proper function.
- Of all the options, the third option was marginally the most strongly supported, whereby hired vehicles would be treated as owned vehicles. The least supported option was Option 0. Respondents thought that the issuance of guidance and recommendation documents would achieve very little compared to a legally binding framework.

Annex 2 SUMMARY OF SME PANEL CONSULTATIONS

1.5. Introduction

The SME panel consultation on hired goods vehicles for this project was launched on 22nd September 2016 and was open for responses until 11th November 2016 (seven weeks). Respondents were also given the opportunity to provide any further comments at the end of the questionnaire. This analysis of the SME panel consultation is intended to provide an overall view of the responses to the questionnaire. Section 1.6 looks at the questionnaire on hired goods vehicles without drivers, and section 1.7 at the questionnaire on hired buses and coaches.

Please note that the views presented can only be associated to respondents to this specific consultation and may not be representative of the views of all or specific groups of stakeholders.

1.6. SME panel consultation on hired goods vehicles without drivers

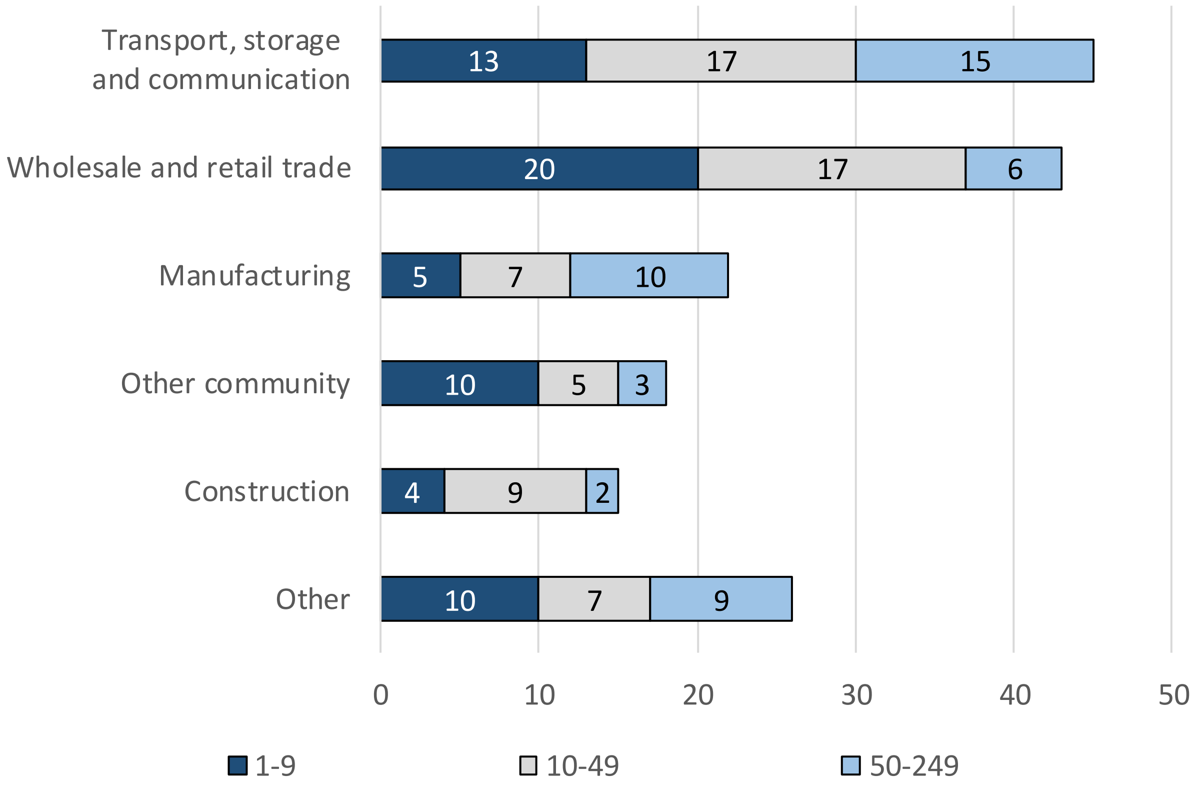
1.6.1. Analysis of respondents' profile

A total of **156 responses** to the questionnaire on hired goods vehicles were received. The responses covered firms working in a variety of sectors, as shown in Figure 21. Transport, storage and communication and wholesale and retail trade are the most populous groups within the results, representing 29% and 28% of the total survey response respectively. Other groups which contribute a large share of respondents include manufacturing (14%), construction (10%) and the broad 'Other community, social and personal service activities (12%).

Those listed as 'other' were sectors with fewer than 10 responses. They are not considered in the subsequent analysis since the results from these sectors are too uncertain. Sectors listed as 'other' include mining and quarrying, electricity, gas and water supply, hotels, restaurants and bars, public administration and defence, education, finance intermediation, health and social work, real estate, renting and business activities, and agriculture, hunting and forestry. Some respondents operated in multiple sectors and were considered in each sector they identified.

No coordinated responses were identified during the analysis of the results.

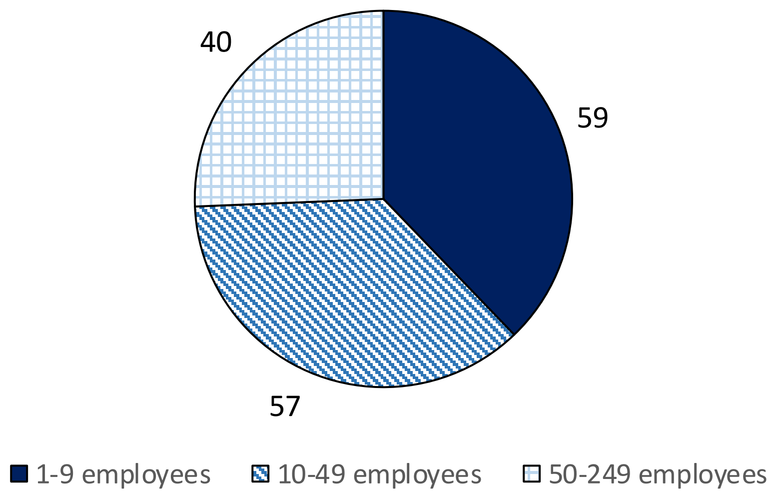
Figure 21 – Distribution of responses by sector, disaggregated by firm size[6] (number of employees). (n=195, question allowed respondents to select multiple sectors)



Respondents were asked to identify the number of employees at their respective companies. This is used as a metric for company size in the subsequent analysis. As Figure 22 shows, there is a fairly even split between the different company size bands. 38% of respondents are from small companies employing fewer than 10 employees, whilst 37% employ between 10 and 49 employees. The largest company size band (50-249 employees) represented 26% of the responses. As shown in Figure 21, this distribution is fairly evenly maintained for the largest of the stakeholder groups. For the smallest stakeholder groups, this distribution is more variable.

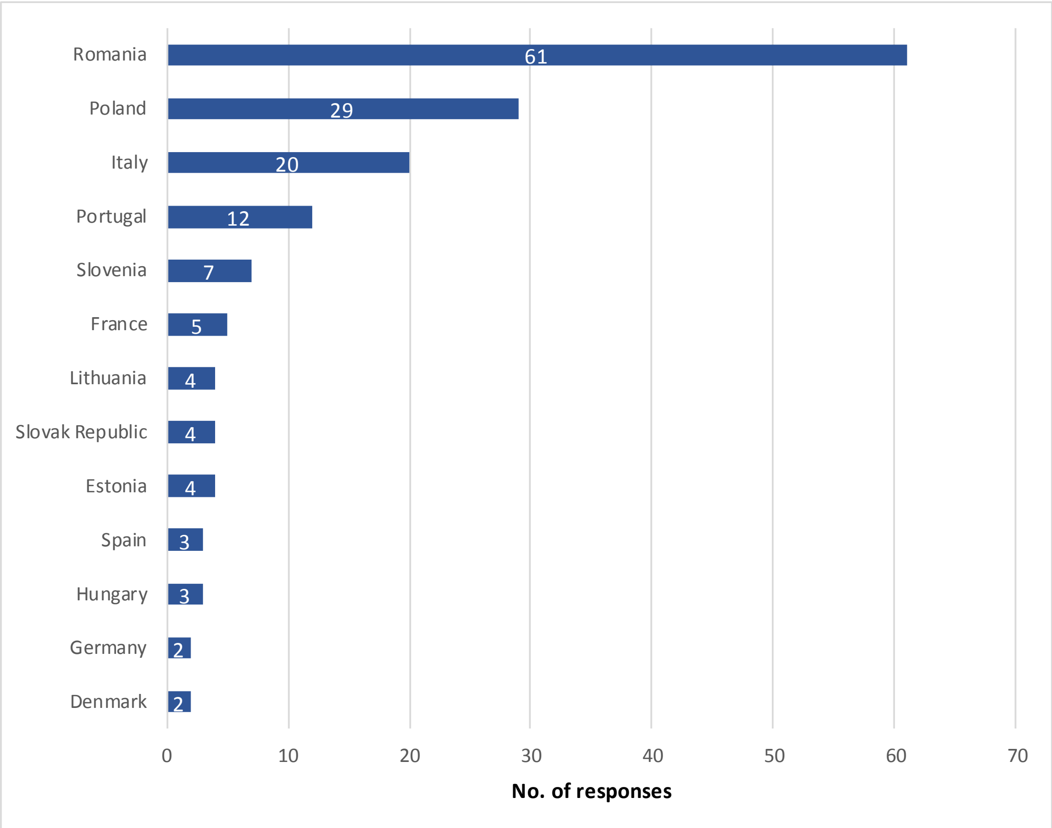
6 The following category was shortened to fit on the figure: Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods.

Figure 22 - Survey response split by the number of employees at the respondent's company, as a metric for company size (n=156)



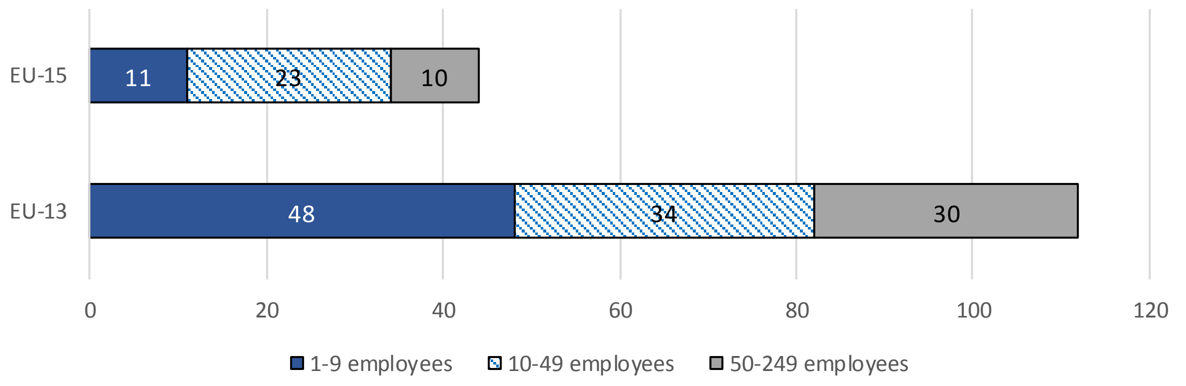
Responses were received from respondents residing in, or operating from, 13 EU Member States (Denmark, Estonia, France, Germany, Hungary, Italy, Lithuania, Poland, Portugal, Romania, Slovak Republic, Slovenia, and Spain). The distribution of responses by country of residence (for individuals) or by country of operation (for organisations) is shown in Figure 23. In total, 39% of the responses were from Romania, 19% from Poland, and 13% from Italy (61, 29 and 20 responses respectively).

Figure 23 - Distribution of the responses by country of residence/operation and size of firm (number of employees) (n=156)



When split by country group (EU-15 or EU-13 Member States), as illustrated in Figure 24, it is clear that there was a far greater number of responses from EU-13 Member States (112 responses representing 72% of total responses). No responses were from countries outside of the European Union.

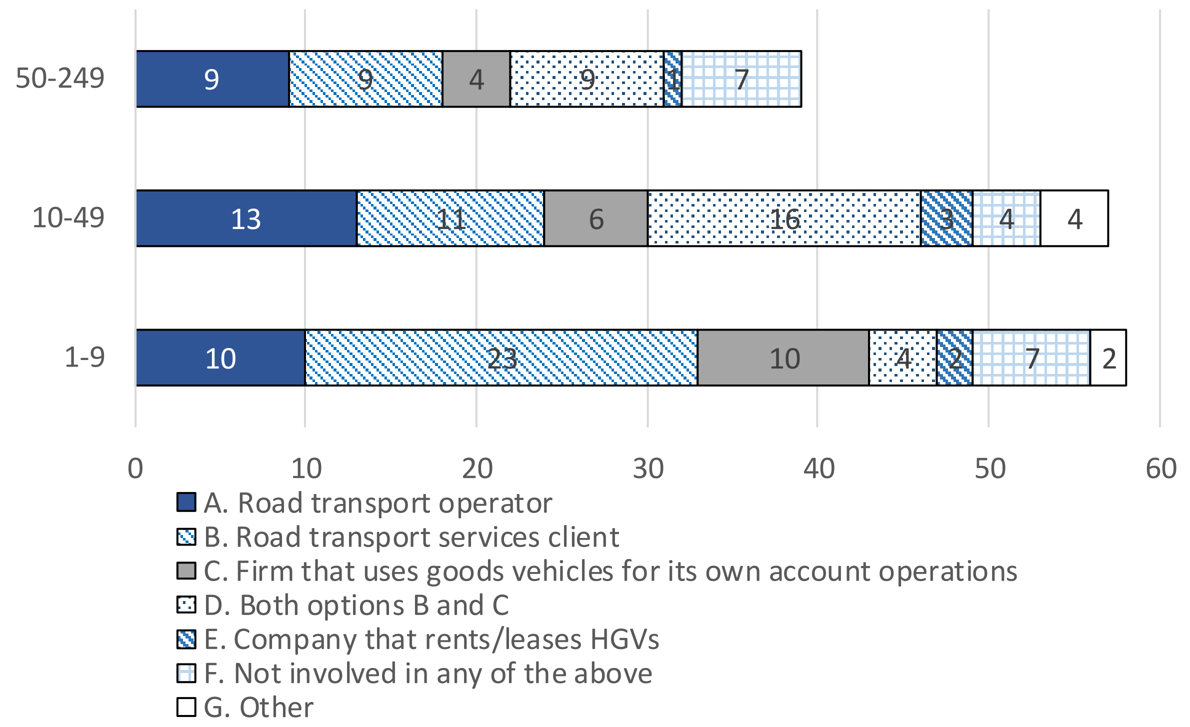
Figure 24 - Number of responses disaggregated by country group, split also by the number of employees at a company, a metric for its size



"Please indicate which of the options below best reflects the activities of your firm in terms of the transport of goods by road" (n=154)

The respondents are involved in a range of activities regarding the transport of goods by road, as shown in Figure 25. Road transport services clients (option B), represented the largest share (39%) of the smaller firms (1-9 employees). Option D, representing firms that use goods vehicles on own account or are clients of professional road hauliers for hire and reward (combination of options B and C), was most common (28%) with firms employing 10-49 people. Very few firms (13%) only use goods vehicles for their own account operations (option C), and half of all the firms that do so are small firms (1-9 employees). 12% of respondents were not involved in any of the road activities listed (option F), while 4% indicated option E, i.e. they rent or lease HGVs.

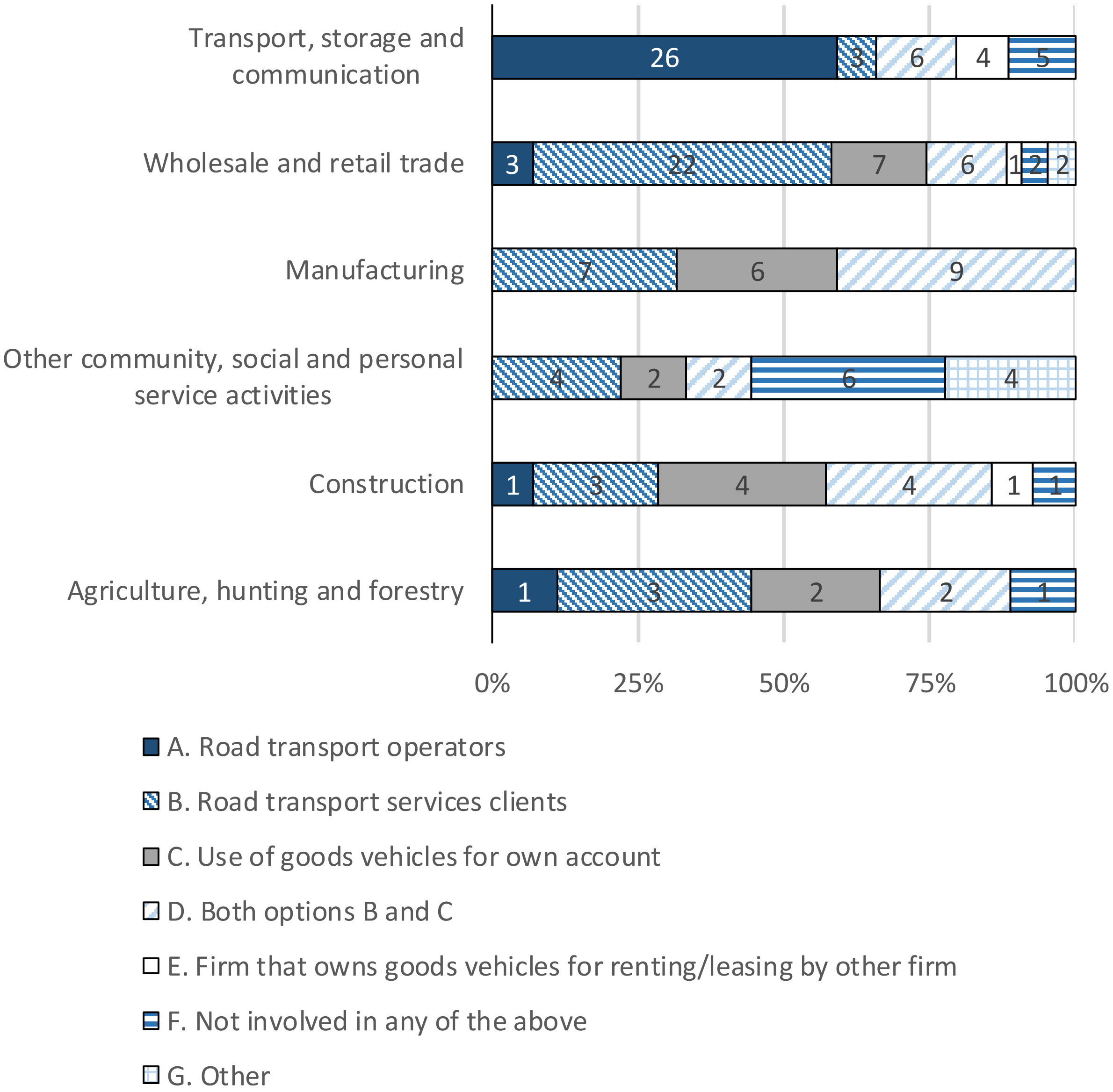
Figure 25 - Activities relating to transport of goods by road by size of firm (number of employees) (n=154)



As Figure 26 demonstrates, when this question is disaggregated by stakeholder group, there are clear disparities in the distribution of responses. For example, for respondents who indicated that they are involved in transport, storage and communication, the majority indicated that they act as road transport operators, using goods vehicles for the provision of road transport services to other enterprises. This result is expected. By contrast, the other major stakeholder categories indicate that they either use road transport services for the transport of their own goods (i.e. a transport services client), they own their own vehicles which transport goods solely on own account, or a combination of the above. Very few respondents indicated that they are a firm that owns vehicles for renting/leasing to other firms for the transport of goods. Only seven of all respondents indicated this was the case, most of which belong to the transport, storage, and communication stakeholder category[7].

[7] One respondent that indicated they do own vehicles for renting/leasing for the transport of goods is a member of the real estate, renting and business activities stakeholder group, consisting of four respondents, and as such is not analysed in the subsequent sections.

Figure 26 - Activities relating to the transport of goods, split by stakeholder category[8]



"Are you involved in domestic or international transport?" (n=142)

Of the 142 responses to this question, 42% (60) of the respondents were involved in both domestic and international transport, closely followed by 36% (51) of the respondents who were involved only in domestic transport operations within their country (see Figure 27). Only 9% (13) of the respondents were only involved in international transport, while 13% (18) of the respondents identified their activities as 'other'.

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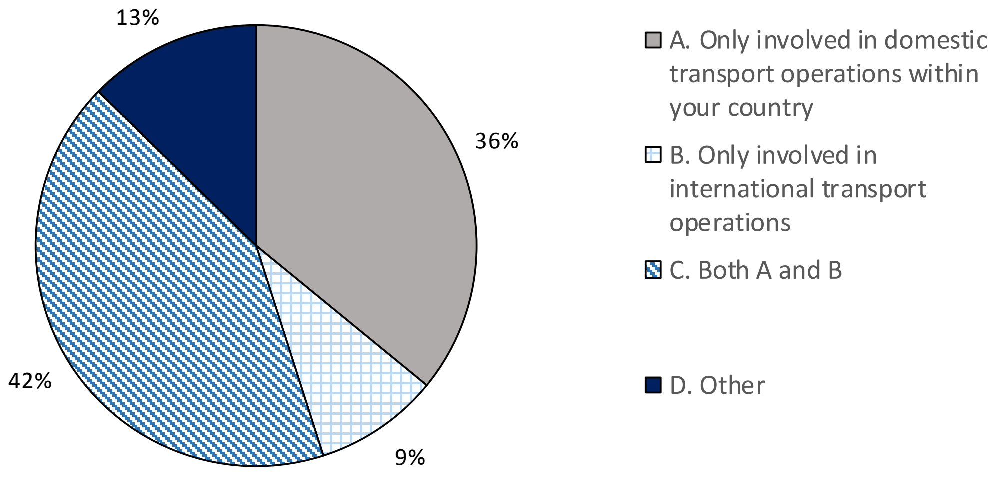
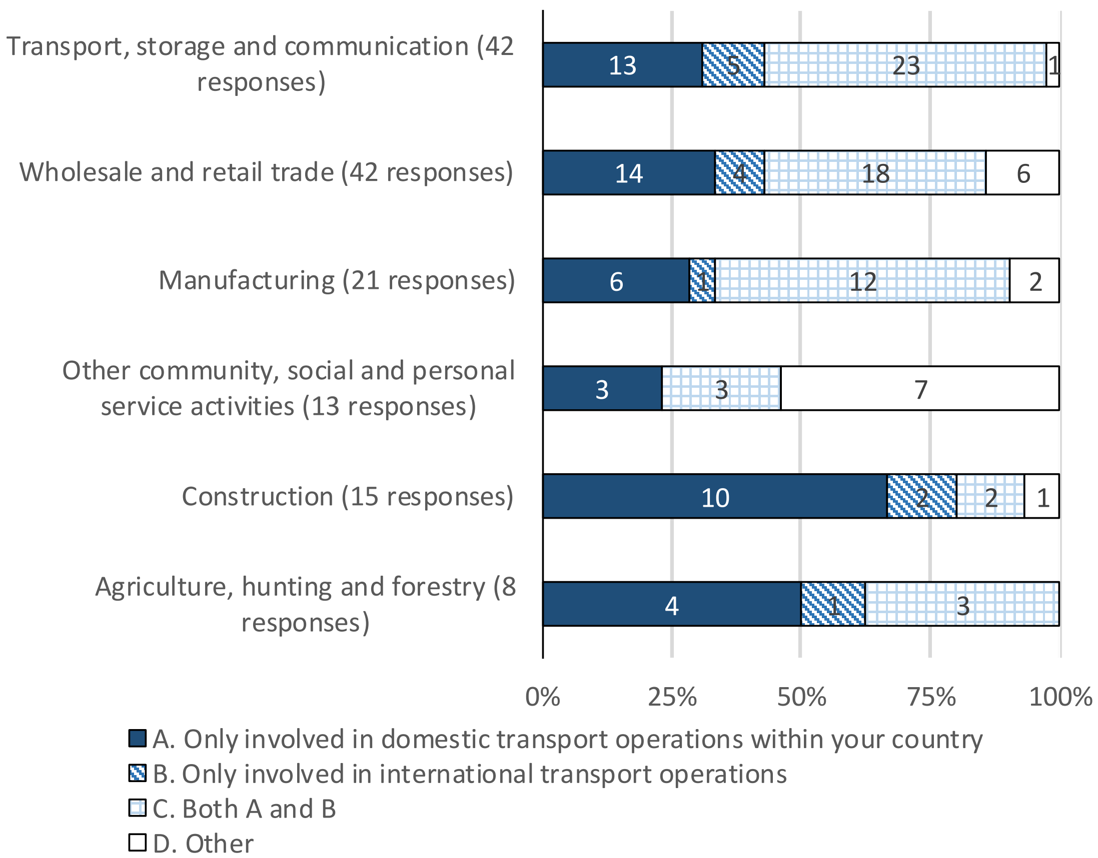
8 The following categories were shortened to fit onto the figure. A. Firm that uses goods vehicles (trucks/lorries) for the provision of road transport services to other enterprises (road transport operator). B. Firm that uses road transport services for the transport of your goods (road transport services client). C. Firm that makes use of goods vehicles (trucks/lorries) to transport goods for its own account. E. Firm that owns goods vehicles (trucks/lorries) for renting/leasing by other firm to be used for the transport of goods.

Figure 27 - Involvement in domestic and international transport (n=142)



In Figure 28 the above information is disaggregated by sector. The three most represented sectors, transport, storage and communication, wholesale and retail trade, and manufacturing, are most likely involved in both international and domestic operations (55%, 43% and 57% respectively). The construction sector is significantly different, with 67% of respondents being only involved in domestic transport. About a third of the respondents from the sectors transport, storage and communication, trade, and manufacturing also indicated involvement solely in domestic transport.

Figure 28 - Involvement in domestic and international transport by sector (n=142)



The above analysis discusses the demographic of the respondents to the SME Panel survey for companies related to heavy goods vehicles. Overall, there is a fairly even distribution of respondents across the company size brackets. This distribution is consistent when the results are considered in terms of stakeholder category, and whether a respondent is located in an EU-15 or an EU-13 Member State. The largest of these groups (50-249 employees) are more likely to be involved in both domestic and international operations. There is a large variation in the use of heavy goods vehicles amongst stakeholder groups, concluded here to be representative of the requirements of the members of each category.

1.6.2. Results

1.6.2.1. Use of hired goods vehicles

"In the context of the activities described above, please indicate if you have made use (or are making use) of owned or hired (rented/leased) goods vehicles (please refer to the last 3 years)" (n=142)

Overall, 49% of respondents indicated that they use hired vehicles to transport goods in some capacity. 29% of respondents indicated that instead of hiring vehicles, they only used owned vehicles (see Figure 29). The responses show that as the size of the firm increases, they are more likely to make use of both owned and hired vehicles. A large share of respondents from the smallest firms represented in the SME panel (1-9 employees) indicated that they do not own or hire goods vehicles (38% of this stakeholder category). Overall, 22% of respondents to the questionnaire neither owned nor hired vehicles, and generally responded 'Don't know' or 'neutral' to the subsequent questions.

Figure 29 - Use of owned or hired goods vehicles disaggregated by whether a respondent is based in an EU-13 or an EU-15 Member State, and by number the employees (n=142)

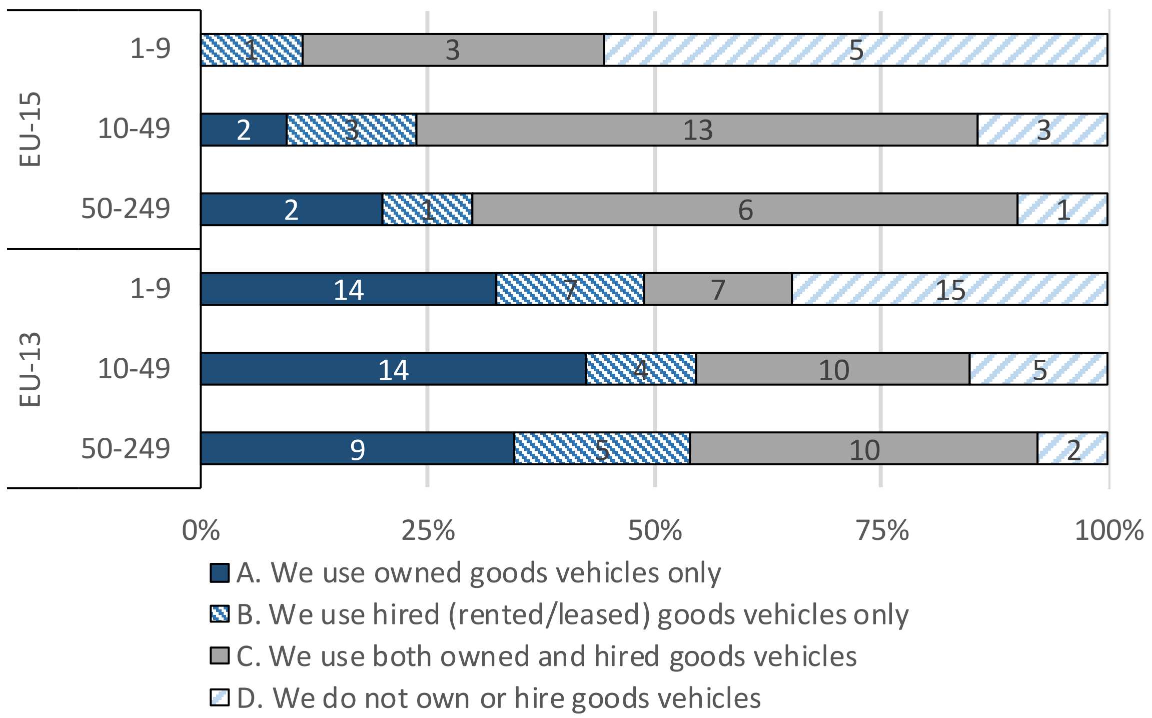


Figure 29 also shows that respondents established in EU-15 Member States are much more likely to use hired vehicles, according to the survey response. 68% of respondents from EU-15 Member States indicated that they either use only hired goods vehicles for the transport of goods, or use both owned and hired goods vehicles. By contrast, 42% of respondents from EU-13 Member States indicated the same, with a much larger share of respondents who use owned goods vehicles only (36% of respondents, compared to 10% of respondents from EU-15 Member States). When these results are further split by the number of employees, the trends remain consistent: respondents from all company sizes based in EU-15 Member States favour hired vehicles.

Figure 30 shows that the use of hired vehicles across stakeholder categories is fairly consistent, including when respondents from the transport, storage, and communication group are considered. Within this group, which as discussed above, consists of a large number of transport operators, 56% of respondents indicated they used hired vehicles to some extent (23 of 41 respondents). In the wholesale and retail trade sector, 48% of respondents indicated that they used hired vehicles to some extent (20 of 42 respondents), but 26% indicated that they used hired goods vehicles only.

Figure 30 – Use of owned or hired goods vehicles disaggregated by sector (n=142)

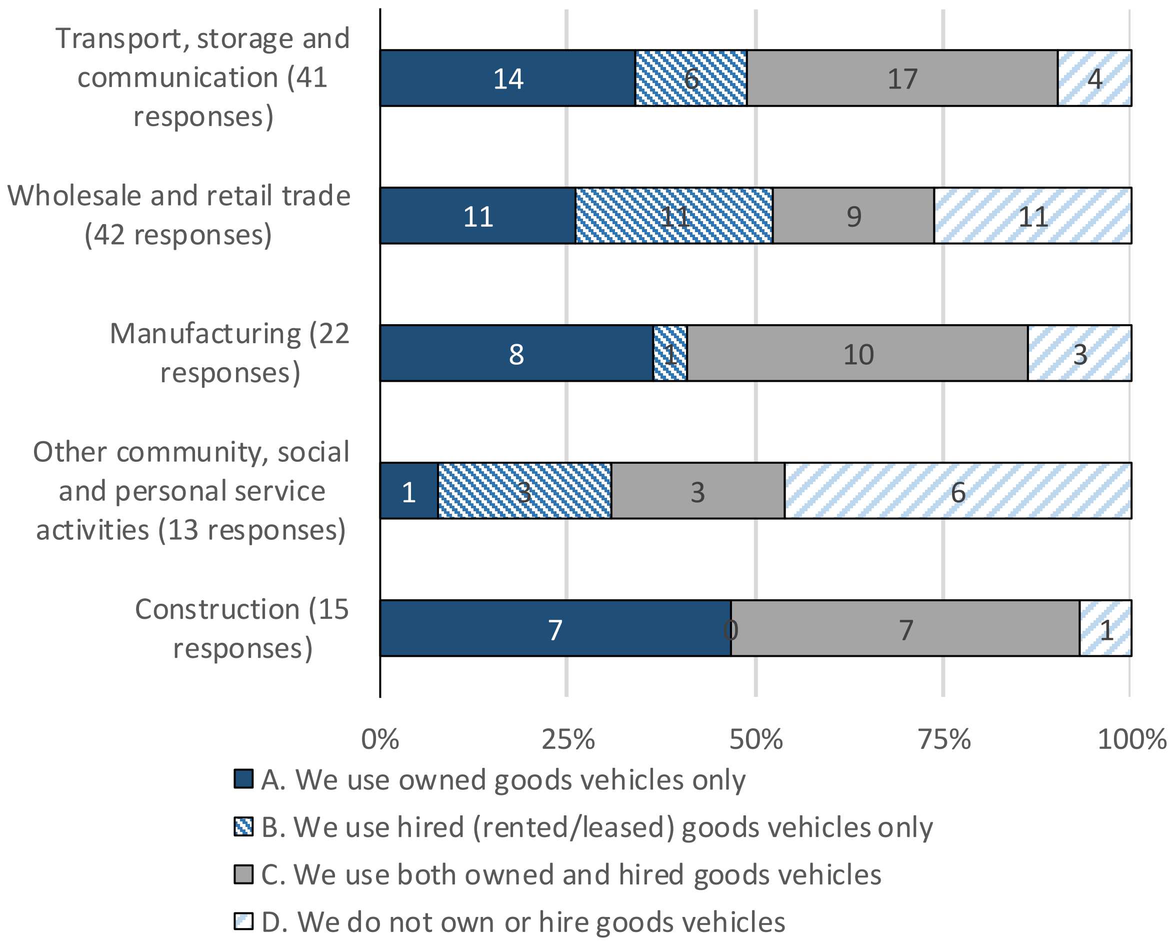
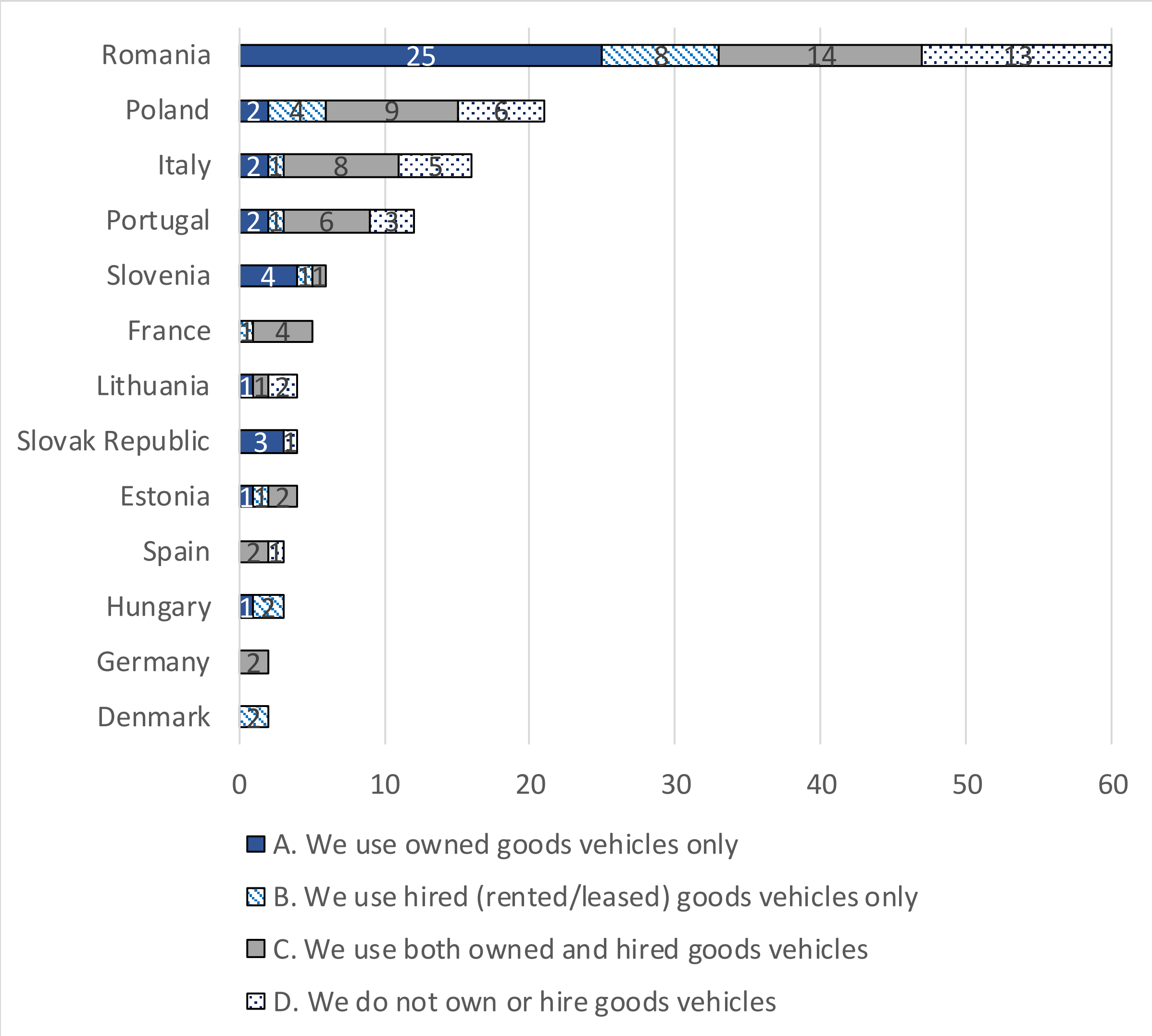


Figure 31 disaggregates owned or hired goods vehicles by country of operation/residence. Romania, Slovenia and the Slovak Republic show a significantly higher proportion of respondents who use owned goods vehicles only (42%, 67% and 75% respectively). Many of the other countries demonstrate a preference for using both hired and owned goods vehicles.

Figure 31 – Use of owned or hired goods vehicles disaggregated by country of operation/residence (n=142)

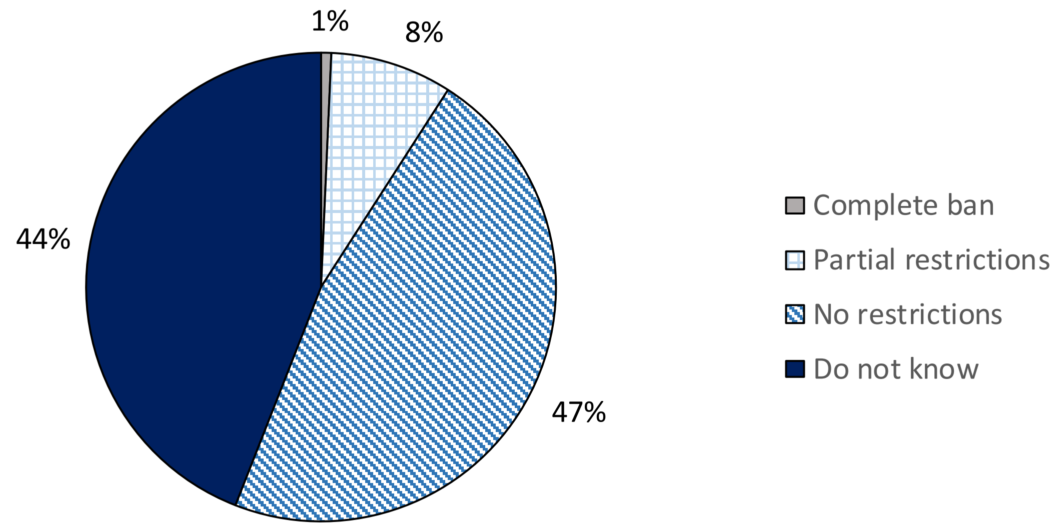


1.6.2.2. Restrictions in the use of hired goods vehicles

"Are there any restrictions in the use of hired goods vehicles in your country?" (n=143)

Most of the respondents (47%) stated that there were no restrictions to the use of hired goods vehicles in their country. However, 44% respondents did not know if there were any restrictions. The responses to this question suggest a great deal of uncertainty as to whether there are any restrictions. For example, one respondent from Hungary claimed that there was a complete ban on the use of hired vehicles in their country, while other stakeholders from the same country stated that there was partial and even no restriction. Of the 13 countries represented, firms in eight of them indicated that there were partial or complete restrictions (Estonia, France, Germany, Hungary, Italy, Poland, Romania, Spain), although six of those also had respondents claiming that there were no restrictions (France, Germany, Hungary, Italy, Poland, Romania).

Figure 32 - Restrictions on hired goods vehicles in respondents' country or residence/operation[9] (n=143)



"Would you consider using hired goods vehicles for your transport operations (or increasing the use of hired vehicles in the case that you already do so), in the case that these restrictions were lifted?" (n=85)

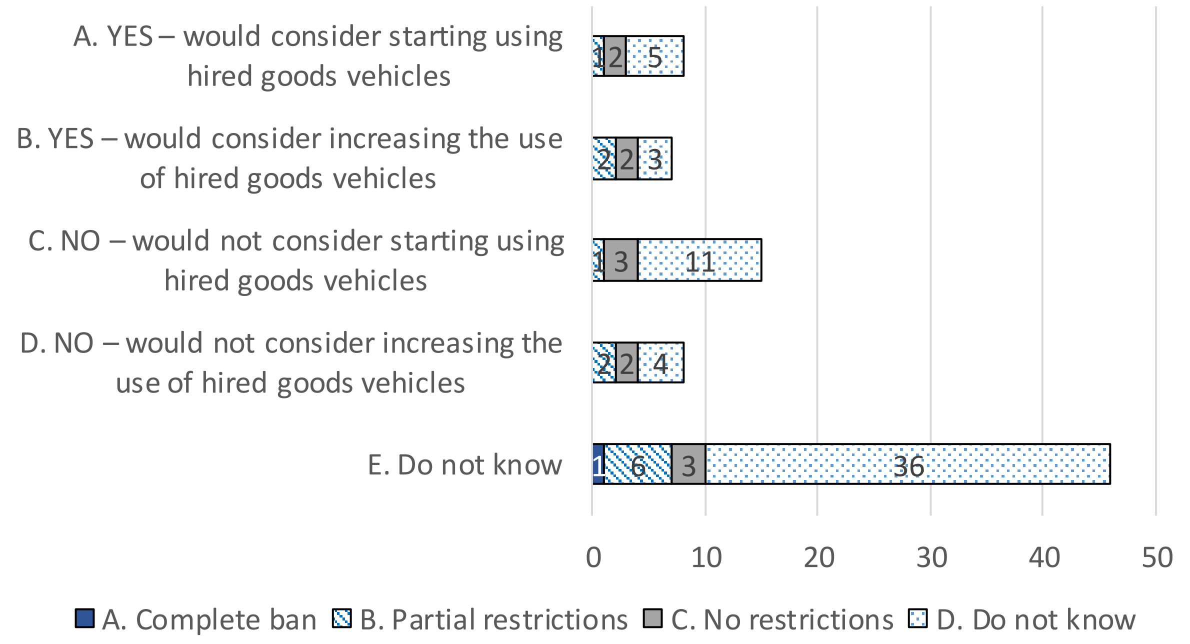
Given that the response to the previous question identified a great deal of uncertainty in the restrictions in place, it is not surprising that this follow-on question was largely left blank (46%, 71 responses). Of those who did response, most of the stakeholders (54%) responded 'do not know'. This is also expected, since the uncertainty in the response to the previous question means that most stakeholders would not know what the impact of removing the restrictions would have on their activities.

Aside from these responses, only 18% (15 responses) responded positively to whether their use of hired vehicles would start or increase if the restrictions were lifted. By contrast, 28% (24 responses) stated that they would not consider increasing their use of hired vehicles if restrictions were lifted.

Of the 13 respondents who indicated that there were either partial or complete restrictions in their country, seven said they did not know whether they would start or increase their use of hired goods. Of the remaining six respondents, one stated that they would consider starting to use hired goods vehicles and two that they would increase their use of hired goods vehicles while three stated that would not make any change to the level of use of hired goods vehicles.

9 Complete ban - the use of hired vehicles is not permitted. Partial restrictions - the use of hired vehicles is permitted under certain conditions (these could be, for example, maximum size of goods vehicles that can be hired, maximum number of vehicles, time limitations, registration with authorities).

Figure 33 - Use of hired goods vehicles in a respondent's respective Member State if restrictions were lifted by current stated level of restrictions (n=84)



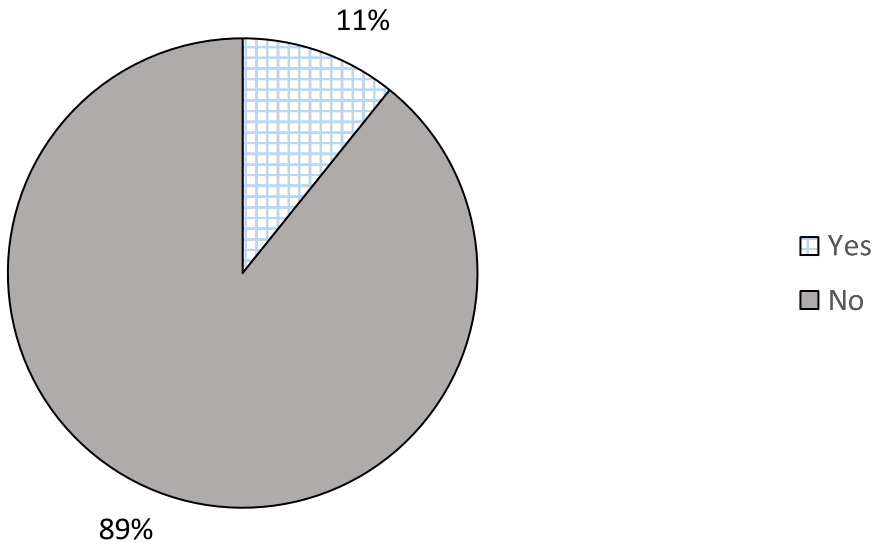
1.6.2.3. Experience of hiring goods vehicles registered in other EU Member States

The following three questions regard the hiring of goods vehicles registered in other EU Member States. The respondents who indicated that they had no experience of this gave an answer of 'No' in this question and were directed to skip the next two questions. In light of this, the response rate depreciates significantly. The data suggests that very few firms have experience with this process.

"Do you have experience with the hiring of goods vehicles that have been registered in another EU Member State?" (n=130)

Figure 34 shows that nearly 90% indicated that they had no experience with the hiring of goods vehicles that had been registered in another EU Member State. Furthermore, all of the 11% (14) of respondents who said they had experience were from firms that employed 10 or more people. The stakeholder group with the greatest experience in hiring goods vehicles registered in other EU Member States is the transport, storage, and communication group, of which seven respondents (50%) indicated that they have experience. Half (seven) of the respondents who had experience were involved in both international and domestic transport, and most (10, 71%) of the respondents with experience were either road transport operators (five) or road transport service clients (five).

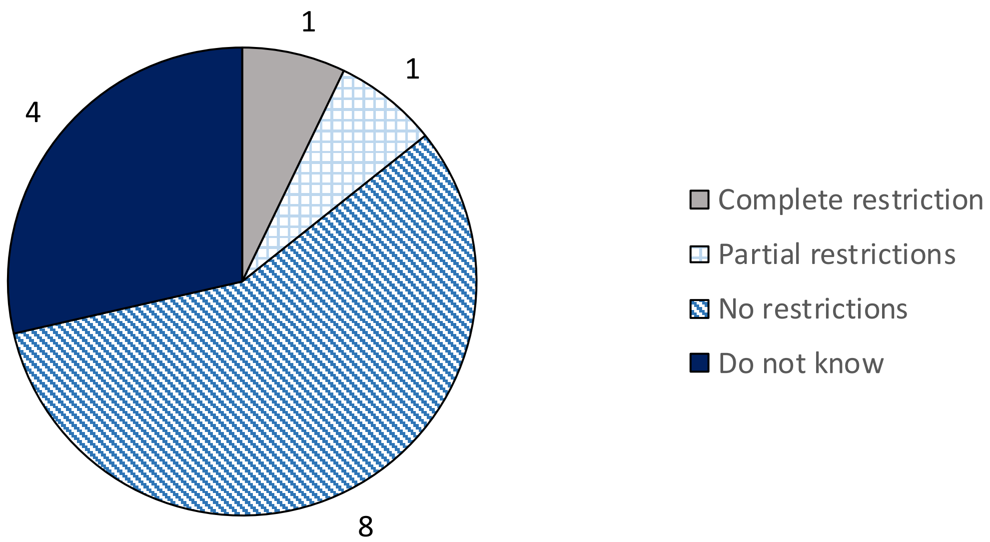
Figure 34 - Experience hiring goods vehicles registered in another EU Member State (n=130)



"Are there any restrictions in the use of hired goods vehicles <u>that have been registered in</u> another EU Member State in your country?" (n=14)

This question was skipped by respondents who answered 'no' to the previous question, making the response rate very low. Figure 35 shows that of the 14 responses, eight stated that there were no restrictions in their country, while four stated that they did not know. The remaining two responses were split between complete restriction and partial restriction.

Figure 35 - Restrictions on the use of hired goods vehicles registered in another EU Member State[10] (n=14)

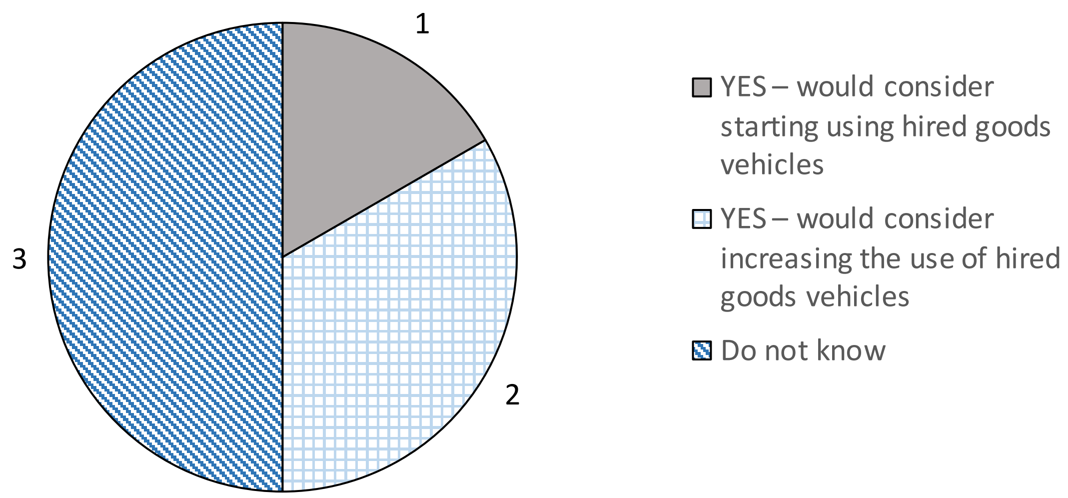


[10] Complete ban - the use of hired vehicles is not permitted. Partial restrictions - the use of hired vehicles is permitted under certain conditions (these could be, for example, maximum size of goods vehicles that can be hired, maximum number of vehicles, time limitations, registration with authorities).

"Would you consider making use of hired goods vehicles registered in another Member State for your transport operations in the case these restrictions were lifted?" (n=6)

Of the six responses to this question, three stated they did not know, two indicated they would consider increasing the use of hired goods vehicles, and one indicated they would consider starting to use hired goods vehicles.

Figure 3-1 - Increased use following restriction on the use of hired goods vehicles registered in another EU Member State being lifted (n=6)

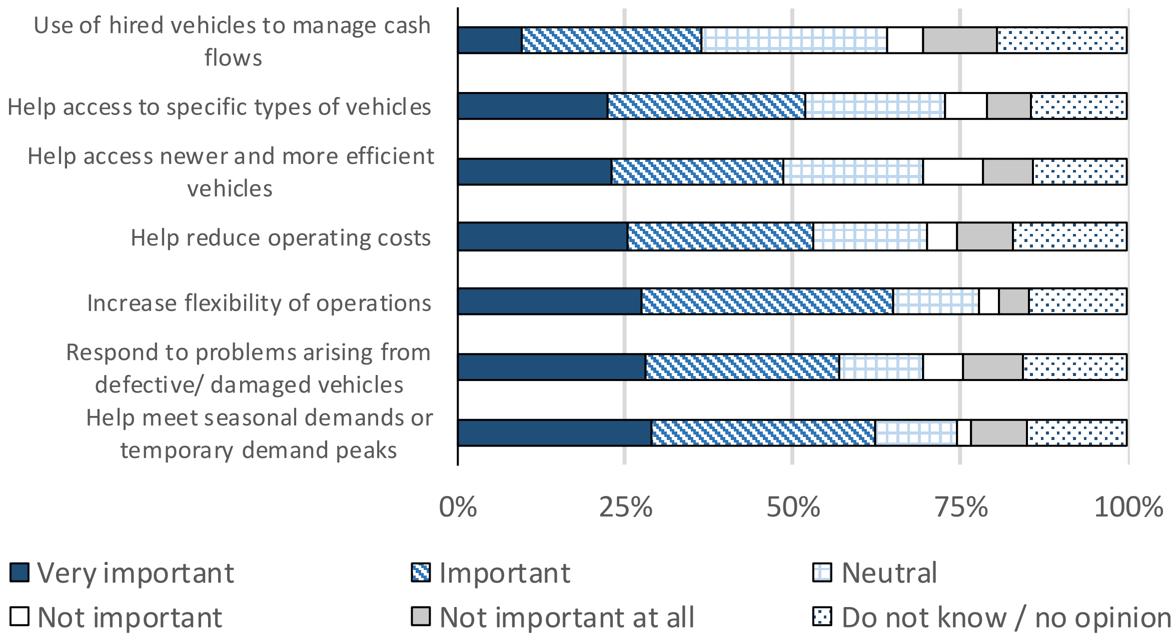


1.6.2.4. Benefits and problems with the of use of hired goods vehicles

"What do you consider to be the benefits for your firm from having access to the use of hired vehicles for your transport operations?" (n=156)

Figure 36 shows that all of the benefits listed in question 12 were mostly regarded as important or very important. The management of cash flow was rated as the least important factor of those considered within this question, although still 37% consider it as important or very important. This is the case even when the results are disaggregated by company size, by whether the respondent is based in an EU-15 or an EU-13 Member State, and by stakeholder category. By contrast, the benefits of having more flexible operations and responsiveness to seasonal or temporary demand peaks were rated as important by 65% and 62% of the respondents respectively. Again, these were consistently seen to be strong benefits, across all company sizes, locations, and stakeholder categories. In addition, responsiveness to problems arising from defective vehicles was also felt to be a strong benefit of access to hired vehicles. Overall, the general impression suggests that access to hired goods vehicles supports the functions of transport operators. There were few respondents who felt that the benefits of access were not important for all the options considered.

Figure 36 – Identified benefits of use of hired goods vehicles (n=156)



"Please indicate any problems that you have experienced in relation to use of hired goods vehicles." (n=7)

There were seven responses to this question, all of which lacked detail. Four of the respondents (from Italy, Poland, Portugal, and Slovenia) stated that the respective respondent had not experienced any issues in relation to the use of hired goods vehicles. The remaining issues identified were high cost (in Spain), overly detailed paperwork (in Romania), insurance legislation and working conditions legislation (both in France).

1.6.3. Conclusion

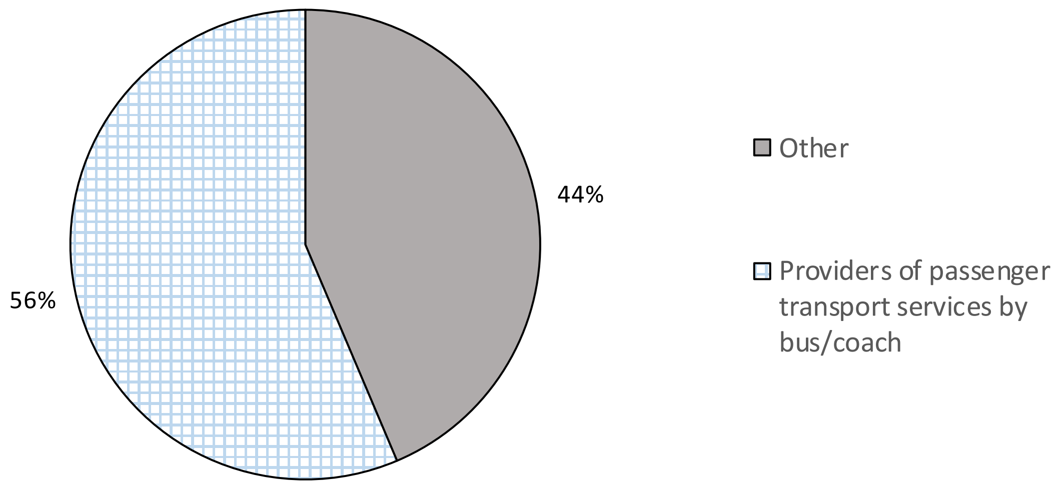
The analysis presented above has provided insight into the use of hired goods vehicles in a range of countries and by a range of sectors in the EU. Around half of the respondents to this survey had some experience with the use of hired HGVs for the transport of goods in their own country. However, there is very little experience of hiring HGVs from other Member States amongst the survey respondents. In addition, there is a degree of uncertainty over how the current legislation is applied on a Member State level, with many examples of where respondents from the same country provided contradicting responses. Also, a large share of respondents were uncertain how the removal of existing restrictions would influence their future use of hired goods vehicles. However, there was a general consensus that there are benefits to the possibility of accessing the hired vehicles market for transport operations. The greatest benefits are the ability of companies to increase the flexibility of their operations, the ability to respond to problems arising from defective or damaged vehicles, and the ability to meet seasonal or temporary demand peaks.

1.7. SME panel consultation regarding hired buses and coaches

1.7.1. Analysis of respondents' profile

A total of **94 responses** to the questionnaire on hired buses and coaches were received. Figure 37 shows that providers of passenger transport services by bus/coach accounted for 56% of the survey responses. Sector categories with fewer than 5 responses were not considered, since results from the analysis of these sectors is too uncertain. This represented the remainder of the responses, and have therefore been grouped as 'other'. This group includes representatives from road transport operators, retail sale companies, and guided tour companies[11]. No coordinated responses were identified during the analysis of the results.

Figure 37 - Distribution of the responses by sector, disaggregated by number of employees as a metric for firm size (n=90)

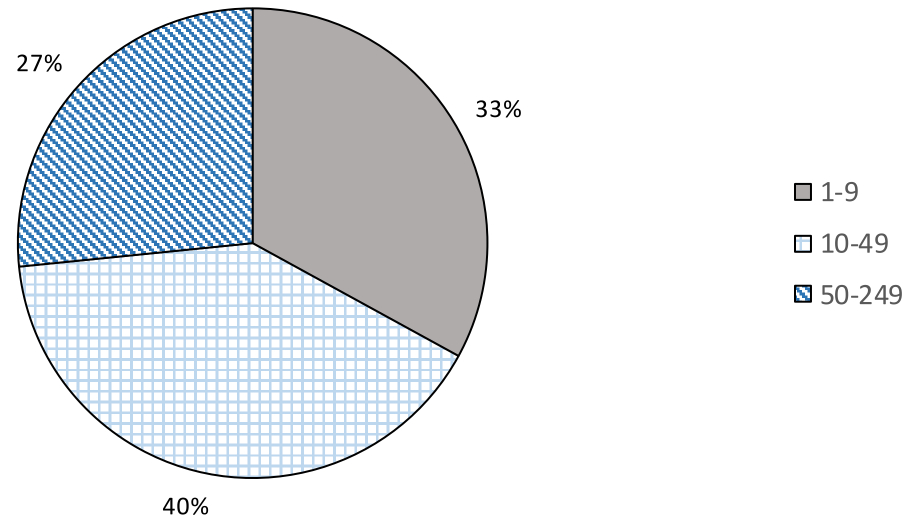


"What is the size of your firm (number of employees)?" (n=94)

Respondents were asked to identify the number of employees and their respective companies. This is used as a metric for company size in the subsequent analysis. As Figure 38 shows, there is a fairly even split between the different company size bands.

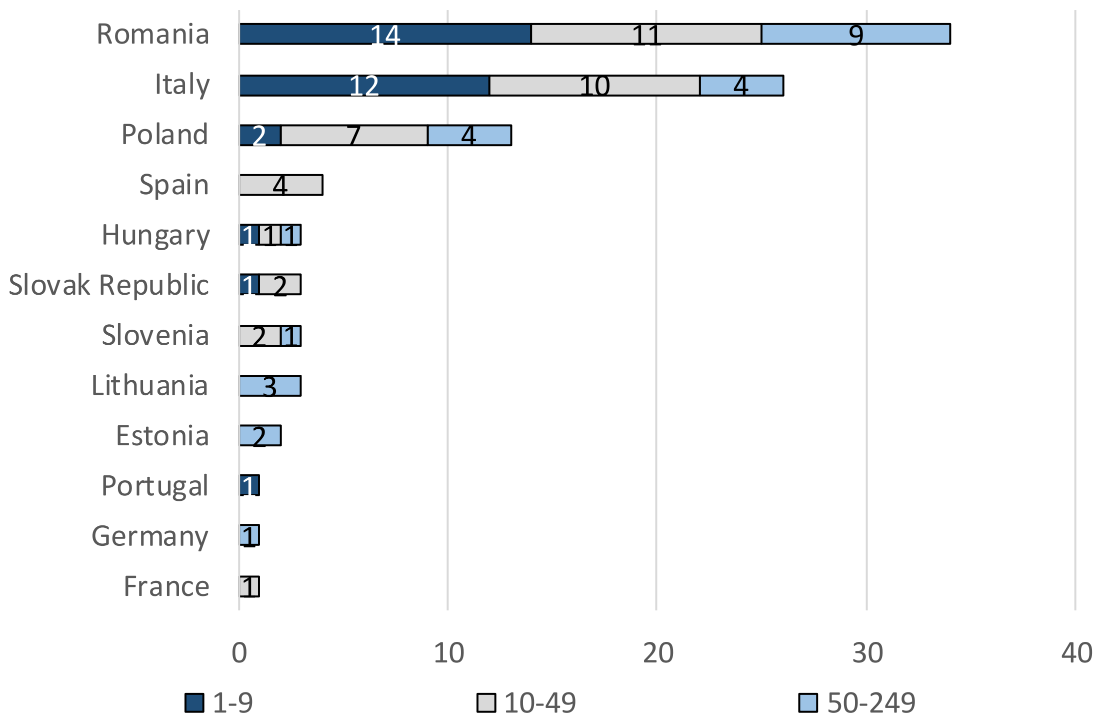
[11] In full, this list comprises of additional road transport services, public institutions, informatics, alloy traders, maritime transport, engineering, horticulture, agriculture, tourism agency, IT solution providers and software developers, financial services and accountants, driving schools, retail sale companies, guided tour companies, construction workers, healthcare, business advisors, security, and a university.

Figure 38 - Survey response split by the number of employees at the respondent's company, as a metric for company size (n=94)



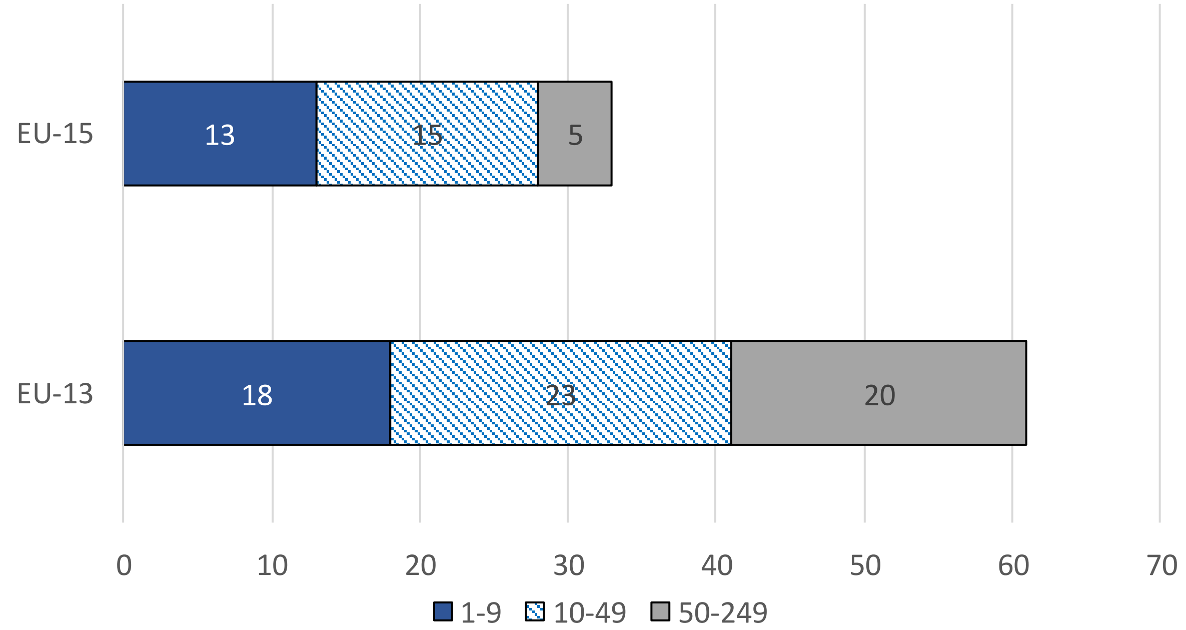
Responses were received from respondents residing in, or operating from, 12 EU Member States (Estonia, France, Germany, Hungary, Italy, Lithuania, Poland, Portugal, Romania, Slovak Republic, Slovenia, and Spain). The distribution of responses by country of residence (for individuals) or by country of operation (for organisations) is shown in Figure 39, with each country broken down by size of firm based on the number of employees. In total, 36% of the responses were from Romania, 28% from Italy, and 14% from Poland (34, 26, and 13 responses respectively).

Figure 39 - Distribution of the responses by country of residence/operation, disaggregated by number of employees as a metric for firm size (n=94)



In terms of country sub group (older EU Member States - EU-15 ; newer EU Member States - EU-13 Member State) a far greater number of responses was from EU-13 Member States (61 responses representing 65% of total responses) (see Figure 40).

Figure 40 - Number of responses disaggregated by whether a respondent is based in an EU-15 or an EU-13 Member State, split also by the number of employees at a firm, a metric for its size (n=94)



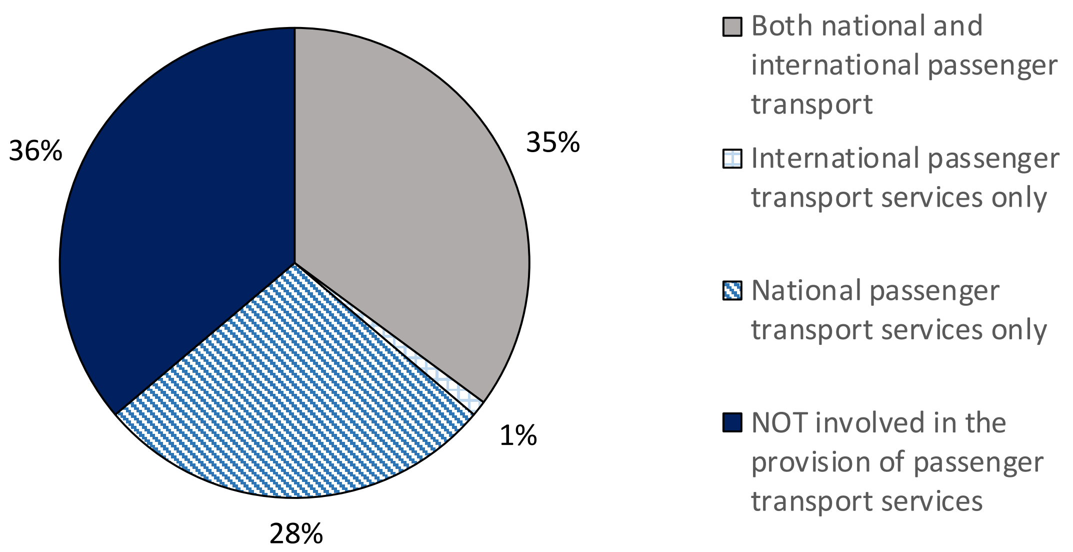
1.7.2. Results

1.7.2.1. Involvement in national and international passenger transport services

"Is your enterprise involved in the provision of passenger transport services, at national and international level?" (n=94)

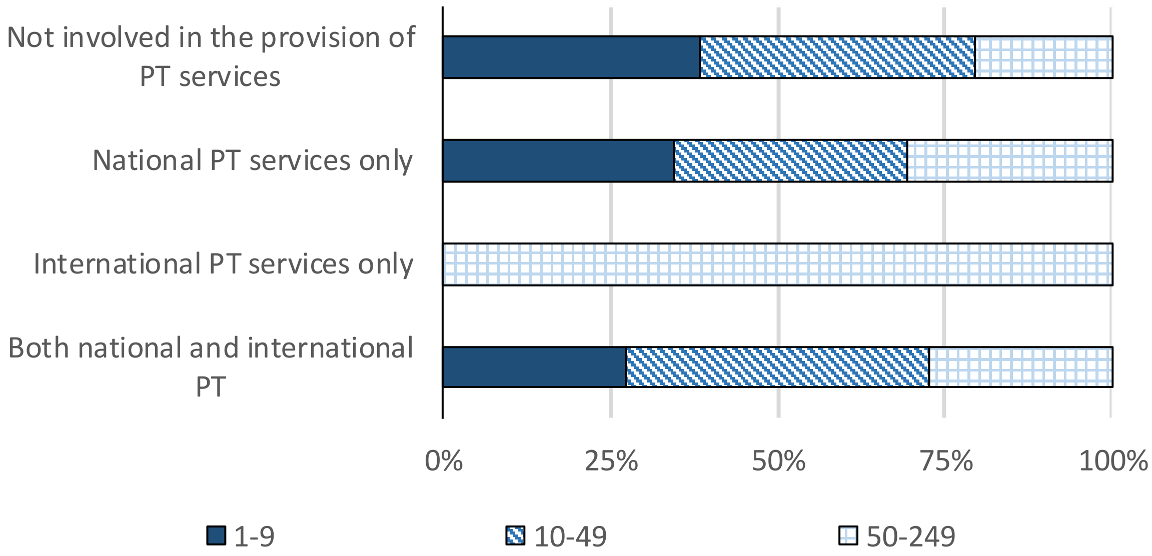
Of the 94 responses, 36% were not involved in the provision of passenger transport services. Those who were not involved were asked to skip the next three questions which were related to passenger transport services at a national and international level. 35% of the respondents were involved in both national and international transport services, closely followed by 28% of the respondents who were involved only in national transport services within their country. Only 1% of the respondents were only involved in international passenger transport services.

Figure 41 - Involvement in national and international personal transport services (n=94)



An analysis by company size in Figure 42 shows that companies employing between 1-9 people were slightly less likely to be involved in the provision of personal transport services.

Figure 42 - Involvement in national and international personal transport (PT) services, disaggregated by number of employees as a metric for firm size (n=94)



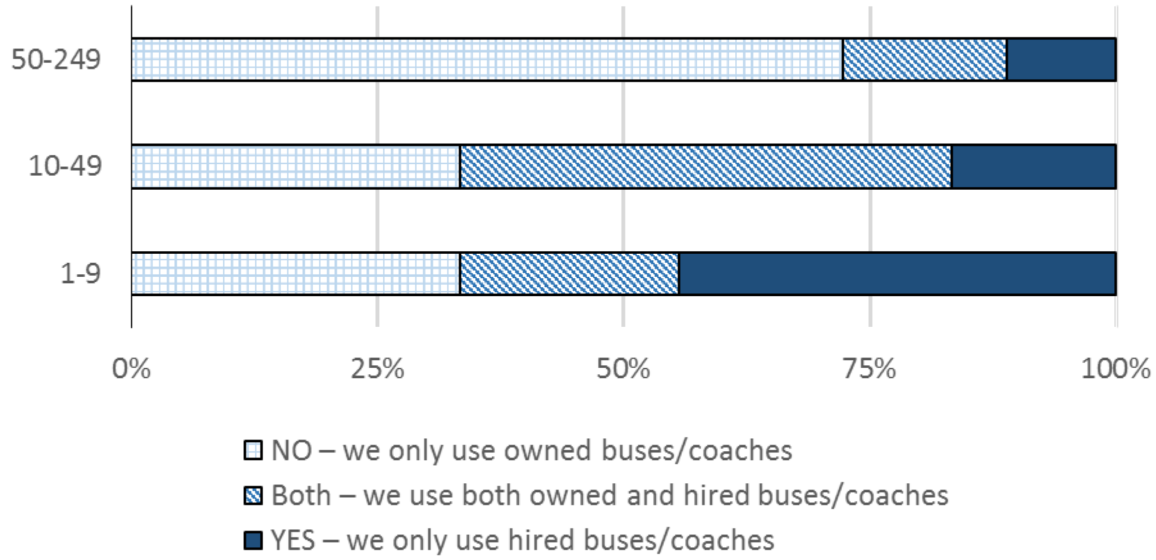
1.7.2.2. Use of hired buses/coaches

The following three questions regard the use of hired buses/coaches and the restrictions in place in the respondent's country of residence/operation. The response rate for these questions gets progressively lower, as respondents who are 'Not involved in the provision of passenger transport services' from the previous section were asked to skip this section.

"Do you make use of hired buses/coaches for the provision of passenger transport services?" (n=60)

The responses to this question show that as the size of the firm increases they are more likely to make use of owned buses/coaches (see Figure 6-7). Many of the smallest firms represented in the SME panel (1-9 employees) only use hired buses/coaches (45%), while about half of the firms with 10-49 employees used both owned and hired buses/coaches. Almost three quarters of the largest firms (50-249 employees) only use owned buses/coaches.

Figure 43 - Use of owned or hired buses/coaches by firm size (n=60)



Disaggregating by country group (EU-13 and EU-15 Member States) in Figure 44, it becomes apparent that more than a third of respondents from the new Member States indicated they only use hired buses and coaches, whereas all but one respondent from the old Member States used own vehicles or a combination of owned and hired vehicles. This finding contrasts with the conclusions drawn from the hired goods vehicles survey, in which EU-15 firms were shown to favour the use of hired vehicles.

Figure 44 – Use of hired/owned buses and coaches by EU group (n=60)

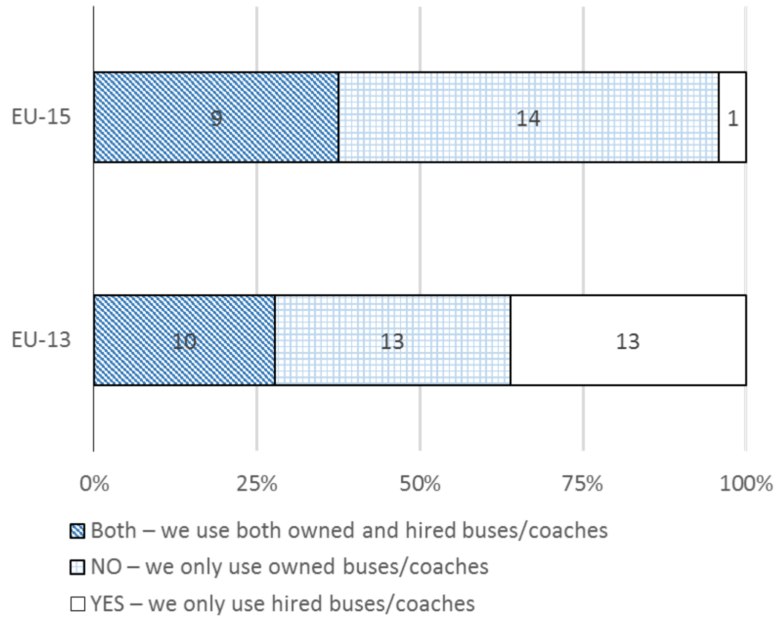
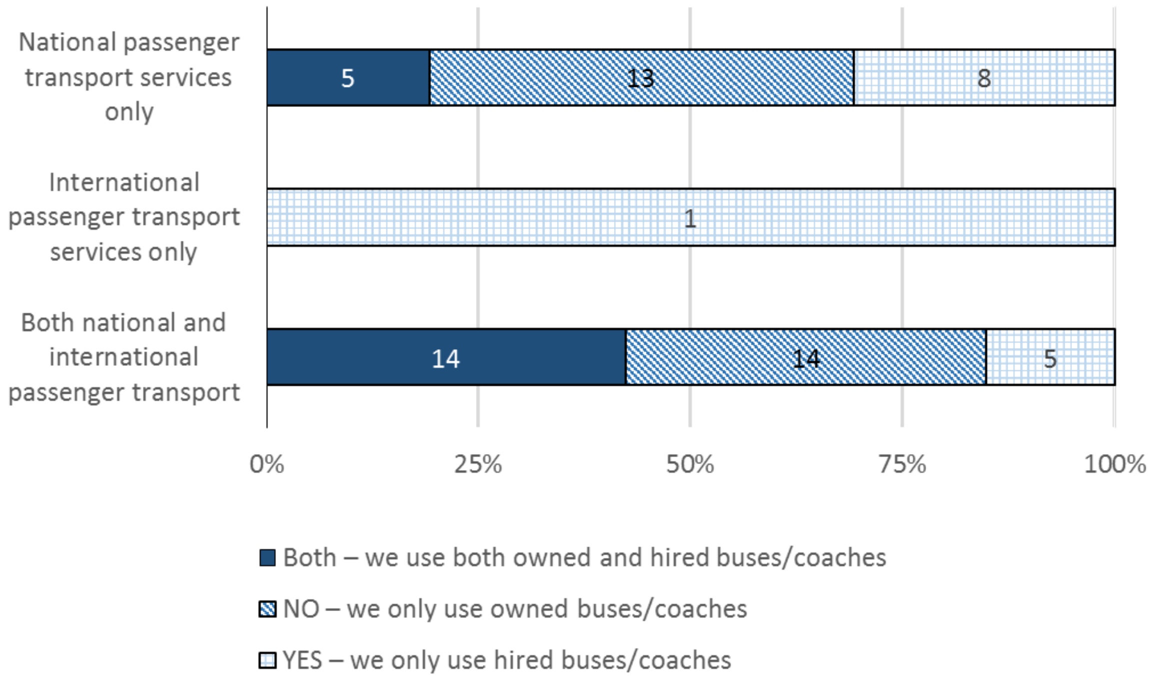


Figure 45 shows that respondents of all operator types are represented in each use of hired buses/coaches category. The use of only owned buses/coaches is most common with operators involved in national (50%) or national and international (42%) passenger transport. Use of only hired buses/coaches represents the smallest segment of operators involved in both national and international transport, and 30% of operators involved national passenger transport services only.

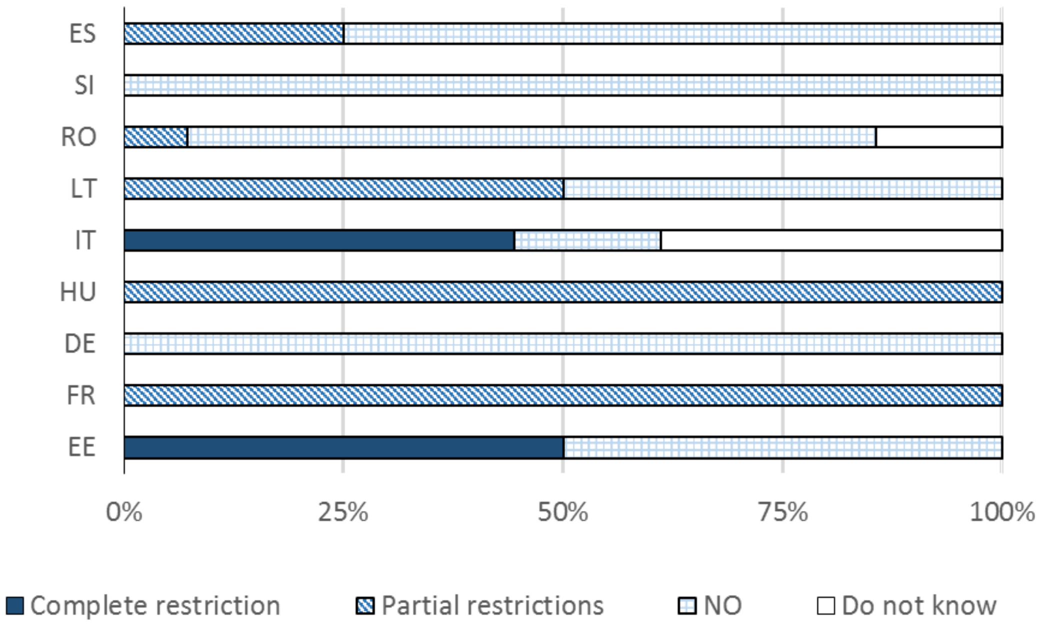
Figure 45 –Operator type by use of hired buses/coaches (n=60)



"Are there any restrictions in the use of hired buses/coaches in your country?" (n=60)

57% of the respondents stated that there were no restrictions to the use of hired coaches/buses in their country, and a further 18% did not know if there were any restrictions, shown in Figure 46. The responses to this question suggest uncertainty among firms as to whether there are any restrictions. Respondents that claimed that there was a complete ban on the use of hired vehicles in their country were contradicted by other stakeholders from the same country stating that there were partial and even no restrictions (this was the case for respondents from Estonia and Italy). In the case of Italy, the project team was informed by the Italian association of coach operators that hiring is indeed completely restricted in Italy, even between colleagues. In the case of Estonia, the project team was not able to confirm the existence of any restrictions. Of the nine countries represented, seven indicated that there were partial or complete restrictions (Estonia, France, Hungary, Italy, Lithuania, Romania, and Spain), however five of those also had respondents contradicting that claim.

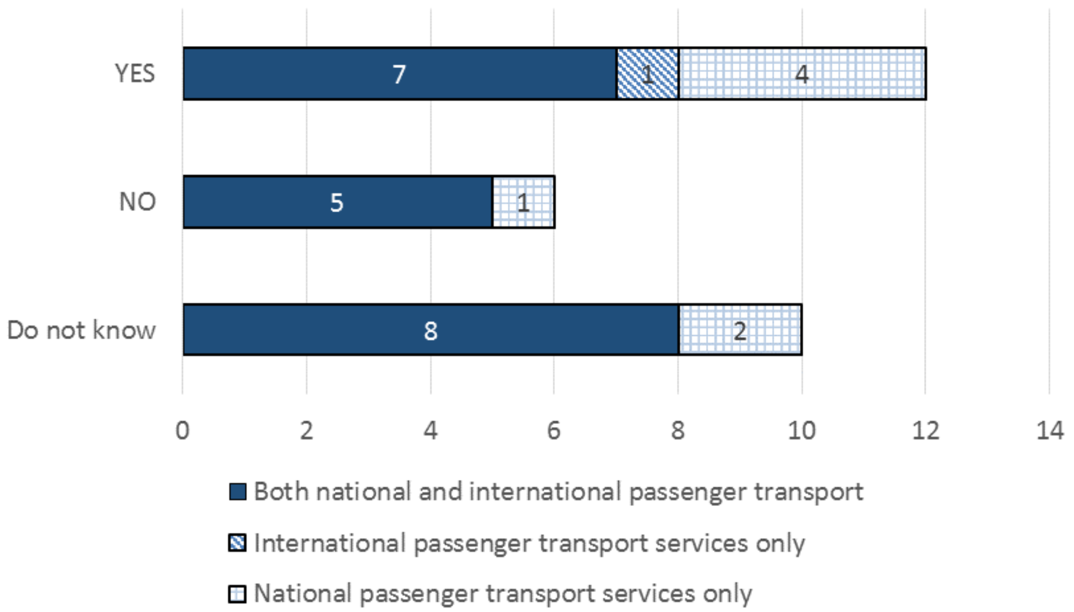
Figure 46 - Restrictions on hired buses/coaches in respondents' country or residence/operation[12] (n=60)



"Would you consider using (more) hired buses and coaches for your operation in the case these restrictions were lifted?" (n=28)

Figure 47 shows that respondents from all operator types would consider using more hired buses and coaches if the restrictions were lifted.

Figure 47 – Consider using more hired buses and coaches if restrictions were lifted, by type of operatory (n=28)



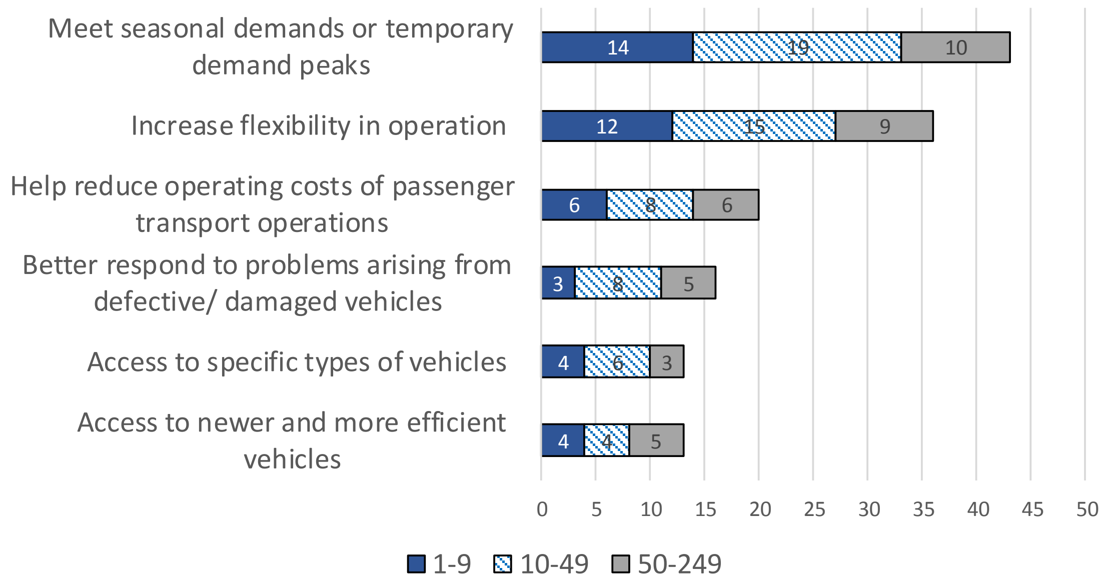
[12] Complete ban - the use of hired vehicles is not permitted. Partial restrictions – the use of hired vehicles is permitted under certain conditions (these could be, for example, maximum size of goods vehicles that can be hired, maximum number of vehicles, time limitations, registration with authorities).

1.7.2.3. Benefits from use of hired buses and coaches

What do you consider as the possible benefits for your firm from the use of hired buses/coaches?" (n=94)

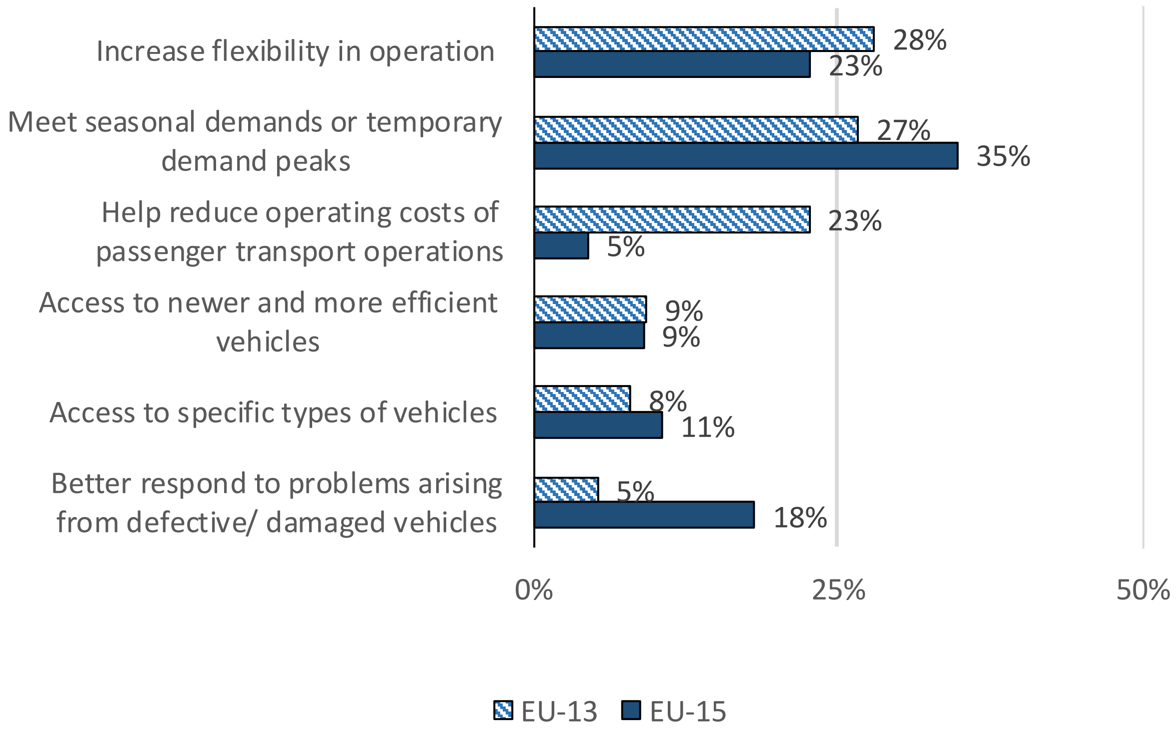
The responses to this question, shown in Figure 48, identify that meeting seasonal demands or temporary demand peaks (46%), and increasing the flexibility of operations (38%) are considered the greatest benefits from the use of hired buses/coaches. There was little variation in the perceived benefits between firms of different sizes.

Figure 48 - Benefits to firm from the use of hired buses and coaches, disaggregated by number of employees as a metric for firm size (n=141, respondents selected multiple responses)



Further analysis of this data by country group (EU-15 and EU-13) shows different weightings for the benefits of hired vehicles. Figure 49 shows that firms in EU-15 countries consider being able to better respond to problems arising from defective/ damaged vehicles a more significant benefit (18%) than those in EU-13 countries (5%). However, firms in EU-13 countries value helping to reduce operating costs of passenger transport operations (23%) more than those in EU-15 countries (5%).

Figure 49 - Benefits to firm from the use of hired buses and coaches, disaggregated by EU-13 and EU-15 Member States (n=141, respondents selected multiple responses)



1.7.2.4. Other comments

"Do you have any other comments to make in relation to the use of hired goods vehicles and/or buses and coaches by your firm?" (n=6)

There were 34 responses to this question, however 28 of them just stated "no comment", thus leaving six comments of substance. One respondent from Germany claimed that it is not possible to rent buses in his country, whilst another from Lithuania said that it is not absolutely necessary to adapt the rules at the moment. A respondent from France indicated that it is difficult to hire a bus as you have to carefully check if your supplier really matches your needs. Another response pointed out that it is difficult to hire buses for a short period of time, and also difficult to hire suitable buses during the winter season demand peak. Finally, two respondents had nothing in particular to add as they were already hiring buses and cooperating with proven partners.

1.7.3. Conclusion

The analysis summarised the views on the use of hired buses and coaches by a limited sample of small and medium sized enterprises. It was found that the smallest companies responding to this survey were the most likely to have experience in hiring buses and coaches, whilst the larger companies are more likely to use owned vehicles for their passenger transport operations.

It was also found that there appears to be a lack of clarity for potential customers of hiring of buses and coaches without driver over the existence, and extent of national restrictions regarding the renting/leasing of these vehicles, with contradicting statements from respondents from the same Member State.

It was felt, however, that hiring buses can bring with it similar benefits as those identified in the case of hiring goods vehicles: improved flexibility of operations, and the capability to meet seasonal and temporary peaks in demand.

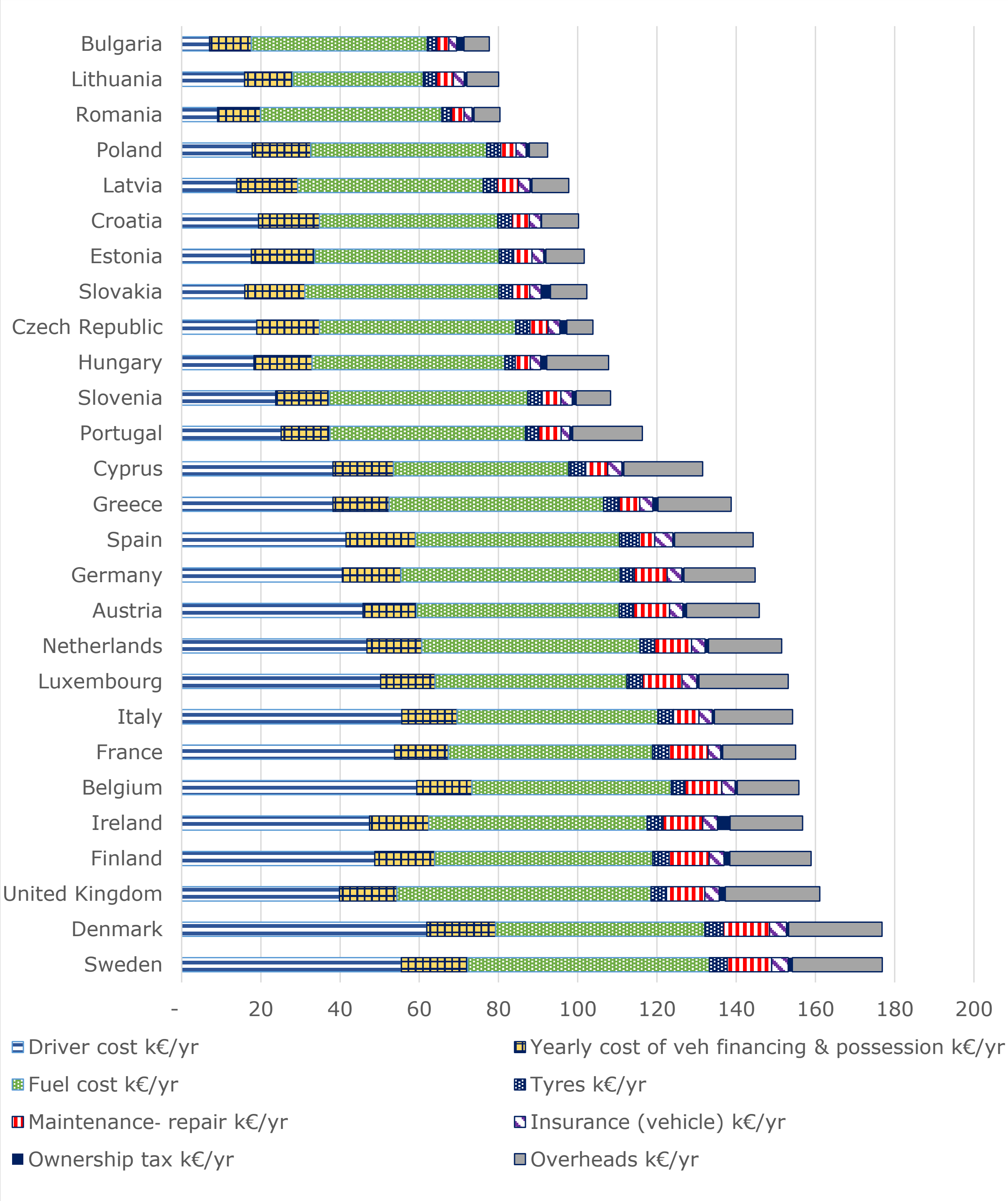
ANNEX 3 List of Stakeholders Interviewed

No	Type of stakeholder	Member State	Organisation	Abbreviation	Date
1.	International Association of Customers of Road Transport Operators	EU	European Shippers' Council	ESC	12-Sep
2.	International Leasing Association	EU	European Federation of Leasing Company Associations	Leaseurope	18- Nov
3.	International Road Haulage Operators Association	EU	European Road Haulers Association	UETR	03-Aug
4.	International Road Haulage Operators Association	EU	Nordic Logistics Association	NLA	13-Sep
5.	International Road Passenger Transport Operators Association	Int	International Association of Public Transport	UITP	20-Oct
6.	International Road Transport Association	Int	International Road Transport Union	IRU	12-Oct
7.	International Transport Workers' Association	EU	European Transport Workers' Federation	ETF	10-Aug
8.	National Association of Customers of Road Transport Operators	BE	Belgium Shippers Confederation / Belgian Freight Forwarding Association	CEB	11-Oct
9.	National Association of Customers of Road Transport Operators	PT	Assoc. dos Industriais de Aluguer de Automóveis sem Condutor	ARAC	Written response
10.	National Ministry	DK	Ministry of Taxation		21-Sep
11.	National Ministry	ES	Ministry of Development - Directorate General of Land Transportation		Written response
12.	National Ministry	EL	Ministry of Infrastructure, Transport and Networks General Directorate of transport - Directorate for freight transport - Division for road transport		28-Jul
13.	National Ministry	IT	Ministry of Infrastructures and Transport		20-Sep
14.	National Ministry	SE	Ministry of Enterprise and Innovation - Department for Housing and Transport - Division for Transport Markets and Regulations		16-Aug
15.	National Ministry	SE	Transportstyrelsen - Swedish Transport Agency		Written response
16.	National Passenger Transport Operators Association	CZ	CESMAD Bohemia	CESMAD Bohemia	Written response
17.	National Passenger Transport Operators Association	DE	Bundesverband deutscher Omnibusunternehmer (Passenger transport)	BDO	07-Sep
18.	National Passenger Transport Operators Association	EL	National Association of Tourist Bus Services	POET	13-Sep

No	Type of stakeholder	Member State	Organisation	Abbreviation	Date
19.	National Road Haulage Operators Association	DK	Confederation of Danish Industries	DI Transport	10-Aug
20.	National Road Haulage Operators Association	ES	Asociación de Transporte Internacional por Carretera	ASTIC	06-Sep
21.	National Road Haulage Operators Association	EL	Hellenic Syndicate of Land Goods transport	PSXM	10-Aug
22.	National Road Haulage Operators Association	IT	Associazione nazionale imprese trasporti automobilistici	ANITA	21-Sep
23.	National Road Haulage Operators Association	IT	Confederazione generale italiana dei trasporti e della logistica	CONFETRA	Written response
24.	National Road Haulage Operators Association	PL	Transport i Logistyka Polska	TLP	19-Aug
25.	National Road Haulage Operators Association	PT	Portuguese Haulage Association	ANTRAM	Written response
26.	National Road Transport Enforcement Authority	EL	Police		29-Jul
27.	National Road Transport Enforcement Authority	PL	General Inspectorate of Road Transport	GITD	24-Oct
28.	Haulage Operator	DE	Deutsche Post DHL	DHL	21-Oct
29.	Vehicle leasing company	BE	Renta VZW/ASBL		18-Aug
30.	Vehicle leasing company	EU	Fraikin		09-Sep
31.	Vehicle leasing company	EU	PEMA GmbH		04-Aug
32.	Vehicle leasing company	PL	Fraikin PL		19-Oct
33.	National leasing association	PT	Assoc. dos Industriais de Aluguer de Automóveis sem Condutor	ARAC	Written response

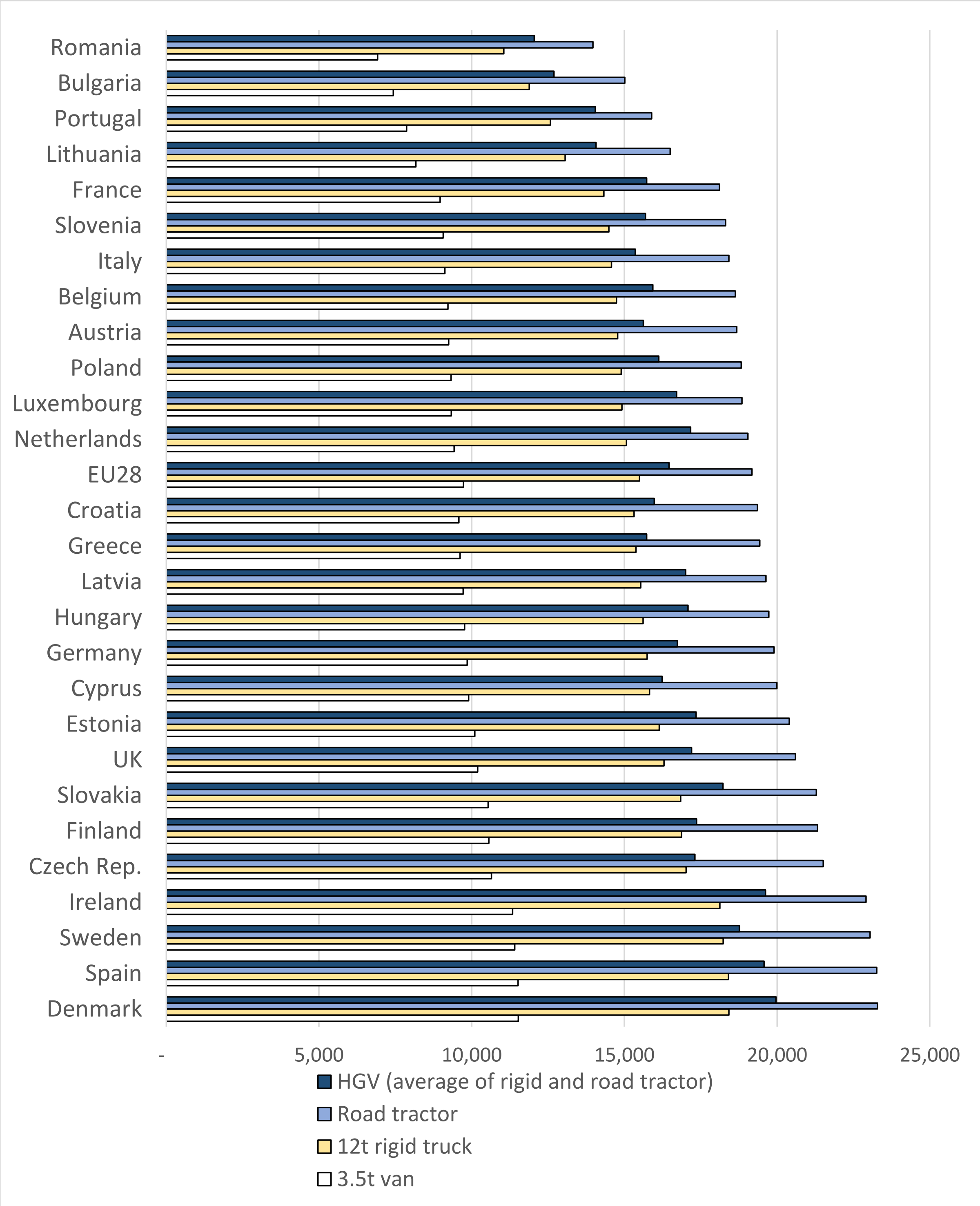
ANNEX 4 ANNUAL VEHICLE COSTS AS INPUT TO QUANTIFICATION ANALYSIS

Figure 50: Estimated annual operating costs for an articulated truck by Member State



Source: Ricardo (forthcoming)
Notes: Direct country-specific cost estimates only available for BE, FR, DE, HU, IT, LT, LU, PL, SI, ES. Cost figures for the other MS are scaled, using Eurostat data on relative labour cost levels in the transportation and storage sector, and on purchasing power parities for providing estimates of capital, tyre, and repair and maintenance costs in each Member State.

Figure 51: Annual non-fuel vehicle costs across Member States used in leasing calculations



Notes: Costs for van and rigid truck based on UK figures from DFF International (2014) *scaled by the cost ratios between Member States from Figure 50*

[Catalogue number]