

Participation in: “A Social Agenda for Transport” on June 4th 2015 in Brussels

- We undoubtedly are faced with many issues and challenges within the transport sector. But maintaining socially acceptable working conditions is one of the key challenges.
- It is important to avoid social dumping - and to avoid the so-called “race to the bottom”.

Economic growth and employment in the transport sector

- When we created The Single European Market, I am convinced that we did it to heighten the level of working conditions - not to lower them.
- Transport is fundamentally a cross boarder industry. So the challenges we face must be solved on a European, and even on an international level, as no government can successfully solve the challenges alone.
- We must also strive after ways to keep the EU's role as 'setter of standards' in the transport sector.

Inequalities amongst air carriers

- Let me start by addressing the European aviation sector.
- We can see that liberalization has led to increased competition and has created more jobs, lower costs and lower prices for consumers.
- However, the free movement of workers and services within the EU, combined with free market access, give European airlines the opportunity to legally “shop” between the differences in the rules of Member States.
- So, what has to be done?
- To ensure a fair competition within aviation sector and good working conditions and social rights we have to establish a

level playing field for the European airlines.

- The EU legislation must be amended and it needs to be implemented and administered in a uniform way in all Member States.
- Specifically, we suggest that all employed in a European airline company are entitled to social security in an EU Member State.
- It is necessary to have clear rules that determine where employers' contributions etc. are to be paid, and who is to pay social security benefits to the crew.
- We also need clear definitions in the legislation.

- It is necessary with a uniform and clear-cut definition of the employer and the employee. And a uniform and clear-cut definition of home base in relation to social security.
- We also need a strengthened oversight and supervision of the working environment on board aircrafts.
- To secure fair competition for European Airlines, to secure European jobs and prevent a “race to the bottom” we also need to have common community rules on use of third country crews’ onboard EU aircrafts – as a minimum on intra EU-flights.

Competition with third countries

- We should also not forget that EU is not an isolated island. We have to keep in

mind that EU-airlines - of course - also compete with third country airlines.

- Moreover, we need to find solutions to strengthen the EU airline companies' possibility of competing effectively with third country companies on flights in and out of the EU.
- We need to ensure fair competition and we need to ensure that also third countries' airline companies flying to and out of the EU should accept not only EU rules on passengers' rights, but also minimum rules for working conditions for the employees on board the aircrafts.
- In all the ways we work, we have to promote European standards for safety, security, environment and of course working conditions so we ensure a level playing field.

- The Commission has a major role to play in this, to ensure that comprehensive air transport agreements – like other trade agreements the Commission has negotiated with third countries – include all elements to ensure a true level playing field.

Road sector - cabotage

- Let me continue with some aspects regarding the road sector.
- When discussing cabotage trips in the road sector I must admit that I am worried - and so are large parts of our transport industry.
- The foundation of these concerns is that it has turned out that there – like in the aviation sector – is a great risk of unfair competition and social dumping. We

simply do not have a level playing field within the Member States.

- The solution to this is in my opinion not a road agency, awards or compliance benefits. We have to apply other tools.
- Recently the Danish Government allocated just over 16 mio. Euros to intensify the battle against social dumping, for instance by intensifying the control with cabotage operations.
- Furthermore, we have increased the fines for infringement of rules in the road transport area – also for cabotage. This has brought the level of fines to the same level as in many other Member States. And it works. We can see that this do have a preventive effect.

- In Denmark we have also decided on a trial basis to introduce camera control so trucks are registered when driving in and out of Denmark. This is to hamper illegal cabotage when trucks are situated in Denmark too long.
- In order to prevent the problems in the road sector on an EU-level we must continuously see to it that the cabotage system is working in the right way.
- So, how can we work to achieve our goals in the road sector?
- In the road sector we first of all need to solve the issues of the social agenda. As long as we have such a difference in wage levels and working conditions in the Member States, a further liberalization of the road transport market will not be possible.

- In order to prevent cabotage problems on the road we must see to it that the cabotage system is working in the right way.
- We can do this by creating the best possible means of uniform control and enforcement of the rules. This would include:
- First of all: An interpretation of the rules that is applicable in practice and in line with the purpose of the regulation.
- Secondly: That new rules should be easy to understand for the hauliers.
- And finally: That new rules should be easy for the police to control and enforce effectively - in a simple way.

- It is also necessary that we work towards better statistics. We have to know what fact is, and what fiction is in the matter.
- Finally, I would like to point out that it is necessary - in some way or another - to address the question of different wages and working conditions in our Member States.
- It is not sustainable if a company only is operating in another country due to a different wage and working situation. On the other hand, if the company's concept really is better, for instance more efficient logistics, the company will be more than welcome when playing on a level field. When a company only is preferred due to lower wages, we are just looking at a “race to the bottom” on wages which cannot be our goal.

- We could also look into under what circumstances a non-resident haulier must be legally established in a Member State. I am aware that at least one Member State takes this view. Cabotage operations are temporary operations. If a haulier carries out frequent, continued, and regular domestic transport in another Member State than the resident state, the haulier could be considered as being established in this other Member State.

End

- Commissioner Bulc has announced a revision of the aviation package this year and a new road package next year.
- We strongly welcome these initiatives and look very much forward to addressing necessary initiatives to avoid social dumping, creating better working condi-

tions for the employees and creating fair competition. Denmark is more than ready to get to work.

- We look forward to Member States improving working conditions instead of all of us “racing to the bottom”.
- Thank you very much.