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EUROPEAN COMMISSION

Mr. Jean-Claude JUNCKER, President of the European Commission

Ref.: European road transport at the crossroads - fundamental questions concerning the EC Mobility Package

Dear Mr. President,

The National Union of Road Hauliers from Romania (UNTRR) is the employers' professional organization which promotes nationally and internationally the interests of Romanian road transport industry. Since UNTRR's establishment in 1990, we have registered as members more than 16 000 Romanian companies performing national and international road transport of goods and passengers.

Hereby, UNTRR would like to address you, as the President of the European Commission, the fundamental questions concerning the EC Mobility Package published on 31.05.2017 and proposing significant changes to the EU road transport legislation with direct impact on the future of our industry in the EU. The international road transport in the EU is at a crossroads, as the EU institutions have not reached yet a compromise on the Mobility Package, while several Western EU Member States are applying national interpretations of EU rules and abusive controls against Romanian and Eastern EU road hauliers.

The Mobility Package is in a crucial stage of the decision-making at the EU level and we believe that it is the high time for the EU institutions and for all the EU Member States to reach a balanced compromise on the hottest social and market issues, while continuing the liberalization of road transport market as an objective of the EU and also as a guarantee of its fundamental values, to whom Romania has joined more than 10 years ago.

Mainly, Romanian road hauliers ask respect for their freedom to provide international road transport services in the EU, keeping cabotage within its purpose to improve the efficiency of road freight transport by reducing empty runs and consequently the impact on the environment.

Romanian road hauliers are ready to respect the EU internal market if their Western EU competitors also respect the international road transport in the EU between any two Member States. We welcome the pursuit of EU Mobility Package to clarify the current EU rules in order to ensure their uniform application in all the EU Member States, but we are highly concerned with the current proposals of the EU Mobility Package which endanger international road transport and restrict the activity of Eastern road hauliers in the EU.

In this context, may we draw your attention on UNTRR's main concerns and fundamental questions regarding EU Mobility package:

1. **Lex Specialis to apply posting of workers rules in road transport** - Road transport companies are not paid the same for the same services in the same place! How can the Mobility Package apply the principle "same pay for the same work in the same place", when transport companies are not given equal chances?

UNTRR, together with more than 50 professional associations from 24 EU Member States, signed a Mutual Declaration against the application of the Posting of Workers Directive (96/71/EC) to international transport operations in the EU(annexed and also



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available on <http://www.stopneoprotectionism.eu/>). **The application of posting rules to international road transport is unfair for our industry!** It increases the costs of Eastern EU hauliers, which have to pay the same costs, while they are paid lower tariffs than their Western EU competitors performing the same transport.

Today, for the same transport operation in the Western EU, the Eastern hauliers are paid below 1 euro per km, while Western hauliers receive 1,5 euro per km. As an example, we can consider that with one driver per truck and complying with all EU rules, an Eastern haulier can operate 12,000 km per month in Western Europe. If in that month, the Eastern haulier is paid similarly as an Western haulier, meaning a tariff increase of 0.5 euro/km – this haulier would get an extra revenue of EUR 6,000 per month, out of which the Eastern haulier would be able to pay extra for the driver and accommodation.

These are significant differences between the tariffs paid to Eastern and Western hauliers, representing up to 30-50% of the revenue for the transport companies competing in an industry with the average margin below 5%. WE ASK FOR AN ANALYZE OF THE EUROPEAN COMMISSION - DG COMPETITION TO JUSTIFY THE SIGNIFICANT DIFFERENCES OF UP TO 30-50% BETWEEN THE TARIFFS FOR THE SAME SERVICES IN THE SAME PLACE - PROVIDED BY WEST AND EST COMPANIES.

Same pay for the same work in the same place – this principle is also valid for companies, not only for employees. Western clients ask Eastern hauliers to respect minimum wage laws, but they should be ready to pay the cost increase, so that the Eastern hauliers can cover the cost of reference for a transport in West EU.

For a balanced and fair Mobility Package, we ask the European Commission to introduce an European mechanism, similarly to CNR in France, to guarantee the same reference cost of transport in the EU, both for Eastern and Western hauliers. To the extent that you do not want to undertake this measure, in order to apply the principle "same pay for same service in the same place" for the transport companies, this means you want to legalize the discrimination of Central and Eastern hauliers in the EU transport market. Similarities can be found in banking system where total cost of interest for clients is composed from reference interest like Euribor + margin of each bank. **In European road transport the total cost of transport for clients should be composed from an EU Reference cost + margin of each road transport company, while liberalizing road transport market in the EU.**

2. **Access to road transport market and cabotage restrictions:** If the EC proposes that all the costs to operate road transport in the EU should be the same, why maintaining quantitative limitations for access to the market and why the road transport market is not completely liberalized?

The mobility package should not restrict cabotage, but continue to liberalize the goods transport market - similarly to the EC proposals for the liberalization of the road passenger transport market and in line with the objectives of the EU White Paper 2011-2020 - Roadmap to a Single European Transport Area.

The European Commission and the European institutions should consider the following fundamental options when deciding on the Mobility Package:

- In the case the market access is restricted, then no alignment of the operation costs should be considered anymore
- In the case the operation costs are aligned, then equal competing condition should be ensured and market should open further and move towards full liberalization.

The solution to ensure equal competing conditions in the EU is to introduce an EU Reference cost for road transport + margin of each transport company, while liberalizing road transport market in the EU.

Yours faithfully,

Secretary General
Radu DINESCU

