

NATIONAL UNION of ROAD  
HAULIERS FROM ROMANIA



UNION NATIONALE DES  
TRANSPORTEURS ROUTIERS  
DE LA ROUMANIE

Uniunea Națională

a Transportatorilor Rutieri din România

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EUROPEAN COMMISSION (EC)

Directorate General Mobility & Transport  
D3. Land Transport

Mr. Kristian HEDBERG – Head of Unit



Dear Mr. Hedberg,

The National Union of Road Hauliers from Romania - UNTRR, is a professional and employers' organization which represents Romanian companies performing road transport of goods and passengers.

UNTRR wishes to express its support for European Commission's intention to further open the road haulage cabotage market, as expressed during the European Commission stakeholder meeting on 17 January 2013, which I have also personally attended.

We are honoured to send you annexed hereby **UNTRR Position on Cabotage, in the context of the upcoming revision of EU Regulation 1072/2009 on access to the road haulage market.**

Remaining at your disposal for any further information with respect to this UNTRR position paper, please accept, dear Mr. Hedberg, the expression of my highest consideration.

Yours faithfully,

Secretary General  
Radu DINESCU



**UNTRR Position on Cabotage,**  
**in the context of the upcoming revision of EU Regulation 1072/2009 on**  
**access to the road haulage market**

In the framework of the discussions on the findings of the High Level Group Report on the Development of the EU Road Haulage Market, we consider that the various concerns expressed on this occasion by the representatives of EU 15 Member States refer only to the operation of transport routes in EU 15 by Western and Eastern companies.

Acknowledging the challenge of different approaches between EU 15 and EU 12 Member States regarding the EU haulage market liberalization, UNTRR position below would like to analyze the current approaches and to highlight the need for European Commission to adopt a more balanced approach in the benefit of EU single road transport market as a whole:

- 1. General Considerations**
  - 2. West/East Cost Comparison**
  - 3. Possible Solutions**
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## **1. GENERAL CONSIDERATIONS**

It is obvious that despite the statements regarding **complete liberalization of cabotage** (not to forget cabotage was invented in EU-15), today there are debates on ensuring equal social conditions and opportunities - and these are not between Dutch and German hauliers, for sure. As a matter of fact it seems EU-15 is trying to raise some barriers to cabotage, mainly for Eastern European countries, based on the fear of the competition from these countries.

The main argument of most of EU-15 countries is based on the low enforceability of the current rules of the cabotage. But is this the reality? Or is just a pretext? It is the duty of control authorities in every country to enforce cabotage as it is regulated today. It is not acceptable that due to incompetence of control authorities, or because they do not want to carry and budget these extra activities, EU Member States transfer extra-responsibility to road transport industry by changing the legislation, thinking about cabotage registers and other inventive solutions.

Eastern European countries like Romania are interested in immediate liberalization of the market. Based on the fact that once admitted in the EU family, last comers cannot be sent away from lunch in difficult times, but entire family should work together for having a better lunch tomorrow. EU should take action as a single entity and joint efforts of all member states should be made to the benefit of all parties involved.

In front of these different angles of seeing the issue of the access to the market, it is important to reach a balance through **harmonization of the operating conditions, but in a joint effort of the entire EU family and not as a barrier in front of the last comers.**

Opening the market may have an important contribution to harmonising social conditions between Eastern and Western Member States.

It is true that important flows of goods are moved on the territories of large and developed countries, but it is equally true that more efficient transport solutions provided by transport operators from Eastern EU countries may reduce the market share of Western transport operators and may provide an advantage to the economic operators from West EU.

The current Western EU problems are at the hand of employers and employees, but pointing out to the East it is not a solution, as sometimes this only allows the left political structures to capitalize on the employees' dissatisfaction, without providing real solutions.

We would like to recall the fact that Western companies have benefits from the EU accession of Eastern countries, including Romania, as it is well known that Western companies use the services of Eastern companies to maximize their competitiveness and profit while maintaining the high professionalism standards within the company.

## 2.WEST/EAST COST COMPARISON

Please find bellow a **West/East comparison of the main cost elements for a transport company:**

- **Operation costs structure** is identical for both Eastern and Western road transport companies, as they operate the same vehicles of brands produced only in Western Europe and with identical costs for tires, fuel, etc.
  - o The Western companies have a slightly competitive advantage when buying trucks, tyres and insurances
- **Costs of financing vehicles and capital represents:**
  - o A great competitive advantage for Western companies operating on Western mature markets
  - o A major disadvantage of Eastern developing markets which need more financing. Eastern companies' costs of **financing vehicles and operations** are two times higher than the ones of the Western companies, almost cancelling any labor cost advantage.
- **Professional drivers' payment**
  - o Considered as the competitive advantage of Eastern Europe, this advantage is diminishing for Eastern companies due to the trend of increasing the minimum wage in these economies and also due to higher fiscality (for instance, starting with 1<sup>st</sup> of February 2013, new changes of Romanian Fiscal Code providing the increasing of minimum wage in Romania and the taxation of daily allowances).
  - o A big advantage for Western companies *running their business in the Eastern Europe: by subcontracting Eastern companies or drivers, these Western companies meet their clients' demands while maximizing their profit by benefiting from both the advantages of cheaper costs of finance from Western EU together with the competitive advantage of labor and administrative cost from Eastern EU. Western multinational companies are those using*

*most frequently Eastern European drivers for transport operations within EU.*

### **3.POSSIBLE SOLUTIONS IN ORDER TO REACH THE HARMONIZATION DESIRED BY EVERYBODY:**

**1. Harmonization by completely and immediate liberalization:** This is the most rapid, correct, transparent and healthy method of harmonization, which naturally leads to the rapid equalization - by Eastern companies' growth and also by diminished growth of Western companies. Although this method could be painful, it is the healthiest as it eliminates any later negative consequences.

**2. Harmonization and then liberalization:** This approach is not realistic, taking in to consideration the fact that Eastern countries can't harmonize with Western ones while they are limited in working on internal market. If this approach is preferred, then Croatia's accession should be blocked until it harmonizes alone and then it can be integrated, in order to avoid the problems encountered now by EU 15 with EU 12.

**3. "The Golden Mean" :** Considering the totally opposite approaches of above, although the first is the synthesis of all the EU Member States approaches – EU 15 stating that it is on the long run and not on the medium or short run anymore – we consider that no step backwards should be made. ***If a big step forward is not desired, then we should make a small step forward.***

Consequently, as a first step in this direction, each European transport operator should have direct access, in his own language, to the specific road transport legislation of all EU Member States, as all currently very different national enforcement systems may seriously impact his activity.

In this respect, may we revert to our previous letters to the European Commission, addressing the urgent request for EC to ensure the transparency of the national regulations governing the road transport sectors in all EU Member States, by publishing on EC's website, as soon as possible:

- **The National Enforcement regulations of European road transport acquis in each EU Member State, particularly national enforcement laws of EU Regulation no.561/2006, EU Regulation 1071/2009, EU Regulation 1072/2009, EU Regulation 1073/2009.**
  - *For instance, in order to prepare properly a transport operation to France, a Romanian transport operator should have direct access to the transport legislation of all the countries he transits until his destination, respectively he should be able to read in Romanian language all the national transport regulations from Hungary, Austria, Germany and France.*
- **The National Road Transport specific laws in each EU Member State, which nevertheless apply to foreign hauliers when performing cabotage operations.**
  - *Besides the provisions of EU Regulation 1072/2009, there are specific national requirements established by the national governments of EU Member States, but which apply to non-resident hauliers performing cabotage on the territory of the*

*respective EU Member States. We consider it is the right of each EU haulier to have access to these national regulations translated in his own language before performing his cabotage operations.*

- **The List of sanctions applied by the Enforcement Authority of each EU Member State for infringements to EU road transport regulations and also to the national road transport specific laws, in order to make comparisons between the reported data (number of sanctions/number of controlled vehicles) aimed at avoiding excessive enforcement by some Members States or on the contrary, weak enforcement by others. Different enforcement systems and accentuated differences between the sanctions applied by different Member States for the same infringement alter the idea of harmonization in the scope of a single EU transport market.**

***The transparency of all EU Member States' national legislations in the field of road transport is the basic premise for a fair competition and an effective enforcement in the EU single road transport market, in the context of the current non-harmonized national enforcement systems and different national regulations of the EU Member States.***