



By e-mail and post

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To the European Commission

- **EU Commissioner responsible for Transport**, Mrs Violeta Bulc
- **Director-General of DG MOVE**, Mr Henrik Hololei
- **Acting Dep. Director-General of DG MOVE**, Mr Fotis Karamitsos
- **DG MOVE/D3, Head of Unit "Land Transport Policy"**, Mr Eddy Liégeois

Subject: "Field and Challenges Study on issues regarding the Road Package – Positions and Proposals of the Hellenic Federation of Road Transporters (OFAE)"

Dear Sirs,

Since spring 2015, the European Commission has officially announced that its works on the so-called "Road Transport Package» (Road Package) have begun. The above-mentioned Road Package is planned to be presented by the end of 2016, following an assessment of the current status and further to public consultation. According to official information the "Package" aims at taking legislative and non-legislative initiatives which shall refer to three main pillars of road transport of the European Union: (a) Review of existing pricing regime for the use of road infrastructure, (b) Access to the road transport market and (c) the so-called "Social Rules" governing road transport. In parallel, it appears that the 'package' shall also relate to proposals regarding the replacement of currently existing bilateral road transport agreements between member states and third countries. As well as exchanges of pertinent annual licenses between the parties, accompanied by agreements with those countries within the framework of the EU, starting with Ukraine and Turkey as well as by the establishment of a European Road Transport Agency (Road Agency). Finally the "Package" shall also examine the activity of taxis, yet this shall not be the subject of the present document.

More specifically, as regards the pricing for the use of road infrastructure, a revision of the European Directive 1999/62 / EC related to levies imposed on heavy transport vehicles - Directive on the European adhesive sign (Eurovignette), as amended by Directives 2006/38 / EC and 2011/76 / EC, of the Directive 2004/52 / EC, on the interoperability of electronic road toll systems within the Community, and, possibly, of the Decision 2009/750 / EC concerning the definition of the European Electronic toll service and the technical elements thereof. As regards the access to the road transport market, a revision is expected on the Regulation 2009/1072 / EC on common rules for access to the international road haulage market (and cabotage) and on the social rules governing road transport, a revision of the Rules 561/2006 / EC on driving hours and rest periods (social code), as well as a revision of Regulation 96/71

/ EC on the posting of workers in the framework of their office (job posting) are also expected.

In order to prepare OFAE's positions and proposals as well as to plan the Union's influential strategy to the various initiatives that are expected, it was considered appropriate to proceed to the present analysis and examination of the issues of concern at a European, but also a national level in order for the expected legislative and other developments to be examined a priori in relation to the interests of the European and Greek road transport industry in general, but especially the Greek motorists and draw conclusions as to the positions and proposals of OFAE.

OFAE, as a representative body of road transports in Greece and a member of the European Community of Road Transports, has to prepare for future developments and in parallel seize the opportunity to inform the EU about the specific problems faced by the field in our country concerning the above issues (infrastructure and tolls, market access, social provisions.

The following pages are a first attempt of an examination of the site and the related challenges in the fields concerned by the "Package" on a European and a Greek perspective as well as of an examination of the solutions expected to be proposed. A first approach of the positions and possible proposals of the OFAE shall also be effected.

1. REVIEW OF THE CURRENT STATUS OF THE PRICING FOR THE USE OF ROAD INFRASTRUCTURE

1.1 Introduction

The European Directive 1999/62 / EC related to levies imposed to heavy vehicles (Eurovignette), as amended, offers a satisfactory charging system for heavy vehicles according to their environmental performance without discrimination for foreign vehicles. The Directive 2004/52 / EC on the interoperability of electronic toll systems and the Decision 2009/750 / EC on the definition of the European Electronic Toll Service and its technical elements provide a good foundation for interoperability while providing on the creation of a European Electronic Toll Services' System (European Electronic toll Services -EETS) that shall offer the option to pay with a single contract and using a single billing mechanism (on-board unit -OBU) all along the European motorways with toll stations. Note that the Eurovignette Directive concerns transport vehicles over 3.5 tonnes and proposes vehicle charging principles but does not impose any mandatory charging on member states. Since 2013 the Directorate-General for Transport (DG MOVE) of the European Commission had prepared the amendment of the Eurovignette Directive and the EETS. Nevertheless, this amendment was not forwarded for approval to the relevant European institutions for practical reasons.

1.2 Challenges

- Deterioration of road infrastructure due to insufficient maintenance by lack of resources. The road infrastructure pricing could be a solution. Nevertheless, the use of most of the network is available free of any charges, toll or vignette levied covers only a small part of infrastructure costs.
- Congested road network resulting implying significant costs for the EU economy in time, fuel consumption and air pollution. The charges for the use of the road network which are based on different times during the day, could give returns during the rush hours or in particular in parts of the network where traffic is often noticed.
- Discrimination using Eurovignette, unlike the tolls based on mileage crossed, this system does not favour occasional users in a disadvantageous position, usually visitors, due

to the non-connection of the distance travelled. As a result of all that, this charging obtains the characteristics of a tax. Unefficient European Electronic Toll Services' System (EETS) resulting to difficulties and obstacles to the smooth operation of the road transports in Europe, as vehicles in international transport shall be equipped with many different electronic toll payment devices (OBUs) in order to conclude separate trespass contracts with the competent national services of each Member State, adding unnecessary administrative and financial costs. This toll collection system, which is particularly inefficient in terms of interoperability, concerns directly Greece, which already has 6 different toll motorway service providers, with little possibility of interoperability. Besides, vertical toll stations are used in several parts of the national road network.

1.3 Possible Solutions

1.3.1 Gradual replacement of the Eurovignette by an electronic toll system based on mileage charge and the actual distance travelled by each vehicle.

1.3.2 The application of tolls on all heavy transport vehicles over 3.5 tonnes and thus abolishing the hitherto existing option of the Member States to exempt vehicles of 3.5-12 tonnes from the toll charge provided in the Directive, which has resulted in the encouragement of road haulage by smaller ineffective vehicles as regards the environment and the efficient use of energy.

1.3.3 Introduction to toll costs (externalities) on the basis of the "polluter pays" - principle, not only the current cost of construction and maintenance of the infrastructure, but also the cost of air and noise pollution of the environment.

1.3.4 Prediction on the transition period for phasing out the Eurovignette, mainly for private vehicles, applying a daily vignette of similar cost (no more than 2% of annual billing) to avoid discrimination.

1.3.5 More transparency for users in relation to the cost of tolls and vignette

1.3.6 New roads congestion charging framework, fair and simple for different vehicle categories and respective manual payment systems.

1.3.7 Finally, a complete review of the European Electronic Toll Services' System (EETS) and the related European legislation, of the European Directive 2004/52 / EC and Decision 2009/750 / EC. Particularly positive for the country in the context of ongoing international transport

1,4 Positions - views of OFAE

OFAE considers the above envisaged solution (1.3.1) _as particularly positive for the Greek road transports, national and international, and points out the complete lack of application of charging systems based on the actual route mileage of vehicles in Greece.

It also has a positive opinion about the solution (1.3.2)

It expresses its opposition to the planned solution (1.3.3) on a highly controversial issue discussed since the 1990s within the EU and receiving strong criticism. OFAE believes that such regulation, which concerns European road transports as a whole, but especially the Greek ones, national and international, and is expected to generate high costs of intra-Community transports of goods (72% of which, as we know is carried by land), as well as the transport of Greek products (performed 95% by land), with significant impacts to the national and European economy and the competitiveness of European products in international markets and Greek products in European markets.

Supports possible solutions (1.3.4, 1.3.5, and 1.3.7)

While it remains sceptical about the implementation of the proposed solution (1.3.6) for at least as regards a potential application in the main European and national roads, which would result in new charges and obstacles to road transports.

2. ACCESS TO THE ROAD TRANSPORT MARKET

2.1 Introduction

Regulation 2009/1072 / EC sets common rules for access to the international road haulage and cabotage (cabotage). The Directive 96/26 / EC of the Council of the European Union identified three quality criteria for admission to the profession of road haulage operator: reliability, financial standing and professional competence. The Regulation 2009/1071 / EC added a fourth criterion to the three conditions mentioned above: stable and effective establishment in a Member State. The Regulation 2009/1072 / EC also introduces the restrictive regulation of consecutive cabotage (according to which up to three cabotage operations are allowed within seven days after an international transport having as destination the cabotage host Member State). The Regulation 2002/484 /EC established the driver's certificate for all third country nationals who perform transports on the behalf of any third party covered by a European authorisation, in order to prevent a situation where drivers who are not EU nationals are illegally employed under precarious conditions and are underpaid , which has adverse consequences for competition and road safety. Cross-border leasing vehicles without drivers for the carriage of goods is governed by the Directive 2006/1 /EC. Finally, the Directive 2003/59 / EC defines issues regarding the initial qualification and periodic training of drivers of certain road vehicles used for the carriage of goods or passengers and impose their compulsory implementation by Member States. In this context, the access to the profession of road transports' operators shall, in general, be harmonised within the EU, while international transports of goods are fully liberalised.

The opening of the markets in the field of passenger transports progressed at a slower pace compared to the carriage of goods by land. The Regulation (EEC) No. 684/92 has opened the international passenger transport market by coach and bus. It allowed all Union transport operators to perform regular transport services (with a specified frequency and with specific routes and predetermined stopping points) or extraordinary (for passenger groups formed on the initiative of the customer or the carrier himself) between Member States for more than nine persons (including the driver). The regulation was supplemented and amended by Regulation 1998/11 / EC, which establishes an EU authorisation granted by the competent authorities of the Member State of establishment to companies engaged in the carriage of passengers by coach and bus on the behalf of third parties. The Regulation (EC) No. 12/98 of December 11, 1997 allowed cabotage for all occasional services, special regular services (for specified categories of passengers), under certain conditions and regular transport routes, in case the cabotage is carried out in the framework of an international regular service (and not at the end of the route). As it is the case in the sector of freight cabotage, passenger cabotage is carried out on a temporary basis. The market opening does not apply to the present cases of national regular services operated independently of the existence of an international transport service as well as urban, suburban and regional services (even in the context of an international transfer).

The European weight standards and trucks dimension specifications were revised in 2015 allowing traffic safer and environment friendly transport vehicles. The uniform treatment of overweight cases in international transports remains pending. While the use of leased

vehicles without drivers for the carriage of goods remains limited, enabling such lease under Conditions for the exclusive purpose of carrying out international transport.

2.2 Challenges

2.2.1 Significant divergence in the harmonisation of access to the road transport market by the observed headquarters relocation or establishment of branches (often of an office) of road transport enterprises in low-cost countries in relation to employment conditions and social security in the host countries.

2.2.2 Non-harmonised implementation of cabotage in the EU member states, as the conditions are not clear enough and in some cases enforcement remains difficult, and harmonisation becomes particularly complicated.

2.2.3. Frequent application of restrictive, non-harmonised, practices (cabotage) that prevent optimal fleet utilisation to the detriment of the effectiveness of road transports.

2.2.4 Implementation of restrictive conditions in the carriage of passengers by bus and coach which only seems to exist in favor of rail transports and prevent the industry from providing better and cheaper services

2.2.5 Differences among Member States in education and training of drivers resulting to qualitative differences relevant training programs between countries, which have resulted in the failure to recognise the certificates issued and prevented the free movement of professional drivers within the common European market.

2.2.6 Restrictions in the use of leased vehicles without drivers prevent the renewal of the fleet and consequently the replacement of older vehicles with safer and more environmentally friendly ones.

2.3 Possible Solutions

2.3.1 Review of market access rules (Regulation 2009/1072 / EC) to fight deviations due to resettlement of office or establishment of branches by EU road transport operators in other EU countries with lower operating costs, based on a study (REFIT) and the evaluation (ex-post) in progress

2.3.2 Review of education and training of truck drivers (Directive 2003/59 / EC) for addressing disparities problem and taking the necessary initiatives for institutional changes

2.3.3. Review of the guidelines for cabotage in the field of international freight transports in order to simplify them and ensure easier control, possibly by removing the third transport restriction, and keeping exclusively the limit of seven days, the application of which will be monitored with a smart tachograph.

2.3.4 Review of the guidelines for cabotage in field of carriage of passengers by coach and bus with a view to their gradual broadening

2.3.5 Review of the guidelines for the use of rented vehicles without a driver, with a view to abolish certain restrictions, i.e. by allowing the EU road transport companies to rent vehicles from companies in any EU country.

2.4 Positions - views of OFAE

On the review market access rules (Regulation 2009/1072 / EC) to address gaps such as resettlement office or establishment of branches of EU hauliers in other EU countries with lower operating costs, projected solution (2.4.1) the OFAE has to observe:

The relocation to EU countries with low operating costs are the most common seizure method of shrinking traffic volumes and concern the large number of companies of Greek interests which have been relocated to neighboring EU countries, mainly Bulgaria and Cyprus. Note that the seat is relocated (legally) so that these companies have reduced taxation (which is 10% in Bulgaria), reduced employer and employee contributions (1/3 compared with Greece) and drivers' wages well below the half of the respective wages in Greece. The result is that trucks of public use of Greek interests with Bulgarian plates "roam" freely within the Greek territory operating as long as they wish at intervals far beyond the seven days, as it is extremely difficult for them to be monitored effectively by the competent control authorities.

These phenomena result in unfair competition within the European road transport market which seems to affect not only Greece but most of western and northern Europe, where corporate tax and labor costs are also high. This situation has led the European market to an unpleasant phenomenon that gets more and more widespread and is known as "neo-protectionism".

The neo-protectionism has a form of restrictive measures taken unilaterally by each Member State against foreign vehicles carrying out transport work within the country, in order to safeguard the interests of their national carriers. A typical example of neo-protectionism is the case of Germany, where a Law on the minimum wage limit applied also to foreign transport companies providing transport to and from Germany has entered into force from 01/01/2015. This law equally concerns cabotage. It forces transport companies to pay a minimum hourly wage determined by German legislation for drivers per hour of work within Germany.

France and Belgium are comparable cases, since they adopted a law that prohibits overnight in the vehicle when the driver is in a normal weekly rest according to Regulation 2006/561 / EC. Many European and North European countries have also indicated that they intend to proceed with the introduction of comparable restrictive / protective measures.

OFAE considers the phenomenon of "neo-protectionism" as one of the major problems of the sector at an EU level and proposes the complete withdrawal of cabotage, at least until the homogeneity between the economies of the Member States is achieved.

Alternatively, OFAE is reserved to propose to the competent Greek authorities to take respective measures, to be imposed also to foreign vehicles entering the country to carry out cabotage; the same rules and measures apply to Greek vehicles, such as VAT charging, revenue taxation since the first euro earned, insurance of drivers in heavy and unhealthy category etc.

OFAE agrees with all the other possible solutions listed above with one sole difference: it reserves itself the right to insist on the temporary withdrawal of cabotage, at least until the homogeneity between the economies of the Member States is achieved, as indicated above.

3. SOCIAL RULES ON ROAD TRANSPORT

3.1 Introduction

The Regulation 561/2006 / EC on driving hours and rest periods (social code), is the basic institutional EU tool on the subject. This regulation concerns all professional drivers, employees or owners, driving vehicles of a capacity above 3.5 tonnes or able to carry over 9 people. The purpose of their existence is (1) the improvement of working conditions of drivers, (2) the improvement of road SECURITY and (3) to ensure healthy competition between companies. The implementation of these conditions is achieved through a number of tools available, including the digital tachograph.

3.2 challenges

Some examples of the existing challenges concerning drivers are the difficult working environment, a long time away from their home/base, unsatisfactory health and safety conditions, etc. The increasingly observed phenomenon of so-called "letterbox companies" combined with the differentiation of controls in the Member States and the penalties in case of infringements, etc. prevent from the prevalence of a healthy competition and finally leads to a deterioration of the social rules what could be called as a «social dumping». Additionally, some Member States use the existing gaps in the current legislation and apply national measures pretending to improve the application of the rules at national level, or to protect against "social dumping". For example France and Belgium apply national rules imposing fines on drivers who make their regular weekly rest in the vehicle. Also, such an example is Germany which impose a minimum fee of € 8.50 per hour to drivers who move to the territory, creating significant difficulties to foreign drivers.

3.3 Possible Solutions

Existing social differences between Member States remain one of the major problems for opening markets and ensuring healthy competition, which simultaneously are particularly difficult to treat. .

Fight against arbitrary national measures like those spotted in Belgium and France about the right of drivers to spend their rest week in their vehicles, on the basis of the results of a respective evaluation.

Empowerment of training instructions and the application of the EU laws and other relevant initiatives in order to ensure the uniform application of EU law

Digital encoding of EU social legislation concerning transport in order to be made available to workers moving between countries in order to get better acquainted to their rights and obligations.

Other non-legislative initiatives to ensure better social conditions for all persons employed as professional drivers.

2,4 Positions - views of OFAE

OF AE agrees with the scheduled measures and reserves to present a more detailed position detail when the EU shall be able to publish a more detailed application.

On this occasion, OFAE would like to present its concerns and thoughts on the matter, on the base of the specificities faced by Greek international carriers. Greece is the only EU regional country which, compared to the others, has to face the difficult fact that the road 10 to Northern Europe passes through two third countries: Former Yugoslav Republic of Macedonia and Serbia. As a result thereof, the delivery time of goods transported ranges for each border control of customs and police from 2-7 hours with a subsequent minimum double time of delivery of the goods to their destination.

A typical example is a transport route of a distance of 1500 km or more. To cover this route the Greek carrier, under the interim prescribed and rest hours including several extra hours of waiting at border customs, or ports, that are inserted in the path and / or potential control by the police authorities of different countries. These delays approaching almost the total of hours required to complete the original route to the destination. Thus, when the driver passes through at least 6 control points on his way in road 10 which is the safest and shortest route, the working time increased to double while the delivery time of the goods had to double too.

As a result for one return trip from Greece to Spain seven days are required. This means that the driver should spend the mandatory rest period of 48 hours on the road and not home. This fact, in terms of the EC 561/2006 is translated into many hours away from the driver's base, his home, his family and multiple nights in his vehicle. The social and economic impact is large, multiple and very aggravating.

For this purpose we strongly support a proposal, which has been initially drafted by the **International Road Transport Association of Spain**, and is based on the following principles:

- To increase the number of 24-hour periods between weekly rest periods up to 9. During an international transport of goods, a stay of at least 24 consecutive hours in a Member State other than the country of domicile of the company should be provided.
- For every three hours in addition to the 144 hours (6 days) between weekly rest periods, the driver should add the next rest period of 1 hour - it should be a normal rest period. So, if the driver is on the road for nine days, he should rest for 69 hours, i.e. almost three days. However, if the period between the weekly rest periods is 147 hours, an additional one-hour rest period must be added, namely 46 hours. That point significantly improves the flexibility compared with the norm of 12 parts for passenger transport. For each excess, passenger drivers will have to rest for 2 successive weekly rest periods. For this reason we believe that the proposal is also useful for passenger transport.
- Given that drivers should spend their weekly rest periods at home, the rest period should take place in the Member State in which the company is seated.
- It is worth noting that this proposal does not increase their working time nor reduces the periods of rest.

4. OTHER ISSUES OF THE "ROAD PACKAGE"

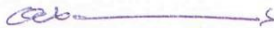
On issues regarding exchange of annual leave between the EU and third countries, on the basis of one sole agreement with each such country and not on a series of bilateral Agreements for each member state of the EU with them, starting with Ukraine and Turkey,

OFAE would not want to take a position at this stage, before being able to know the advantages and disadvantages of such a measure.

Finally on the establishment of a European Road Transport Agency (Road Agency), OFAE's opinion is in principle positive; OFAE though shall await until the objectives of such a European instrument and responsibilities delegated to it shall be known.

For the Hellenic Federation of Road Transports,

President,



Apostolos Kenanidis

Secretary General,



Charalampos Tsochataridis

Cc.:

- **The European Commission**
 - o **President**, Mr Jean-Claude Juncker
- **The European Parliament**
 - o **President**, Mr Martin Schulz
 - o **Members of the TRAN Committee**
 - o **Greek MEPs**
- **International Road Transport Union, IRU**
 - o **Secretary General**, Mr Umberto de Pretto
 - o **General Delegate to the EU**, Mr Michael Nielsen
 - o **Deputy General Delegate/ Head - Social Affairs, EU Road Safety & Infrastructure**, Mr Jan Nemeč
- **The Greek Ministry of Infrastructure, Transport & Networks**
 - o **Transport Attaché in the EC**, Mrs Styliani Mnimatidou
- **European Association of Tolloed Motorways, Bridges and Tunnel Concessionaires (ASECAP)**
 - o **Secretary General**, Mr Kallistratos Dionelis