

## Road transport

### Liberalisation of road cabotage takes another blow

By Isabelle Smets | Wednesday 24 April 2013

The further liberalisation of road cabotage (where hauliers can deliver freight between two cities of a member state they are not established in) took another knock back at the Committee on Transport (TRAN) of the European Parliament, on 23 April. Enrico Pastori and Roberta Frisoni came to present two studies they authored on hauliers' working conditions and the development of cabotage in the EU. The picture they painted was not a pretty one. As a result, MEPs – would there be a majority? – could be reluctant to follow the European Commission in its campaign to further liberalise the sector, unless there are strict guarantees.

What do the studies say? It is roughly as everyone had expected: cabotage has considerably increased with the arrival of EU12 hauliers (Poland is the biggest service provider) and this has been detrimental to employment and working conditions of EU15 drivers.

In figures, this is how it looks: the proportion of cabotage carried out by EU hauliers from the EU12 has gone from 12% in 2007 to 40% in 2011. The “host” countries are essentially Germany, France, Italy and the UK. This is obviously because of the competitive advantage these hauliers have because of their reduced costs both in terms of salaries and social protection. As a result, EU15 hauliers have had to find solutions to stay competitive. This has led to a flurry of letterbox companies (fake residency in the EU12), fake self-employment, contracts based on services provided (the number of kilometres driven), etc. Some of the situations that have thus arisen are bordering on illegal while others are plainly illegal but the entire problem is particularly difficult to contain because the monitoring and sanctions wildly differ from one member state to another.

TRAN head Brian Simpson (S&D, UK) – who can hardly be called naive – said he did not realise just how bad the situation was.

### WAITING GAME

These studies – no coincidence there – were released just as the Commission is itself preparing a revision of cabotage rules. Transport Commissioner Siim Kallas makes no secret of being rather in favour of further opening up cabotage. But some member states have recently cautioned him to wait – the topic was on the agenda of the 11 March Transport Council (see *Europolitcs* 4605) – and now MEPs are asking him to wait more. “The Commission aims to extend cabotage activities and we need to say ‘no’. That is the EPP’s opinion,” said Werber Kuhn (Germany). Kuhn added that first the existing rules need to be respected, there needs to be better monitoring and better harmonisation of national legislation and “only on those three conditions would we consider more cabotage”. Meanwhile, Dominique Riquet (EPP, France) said that “it is unbelievable that this type of measure has been taken without properly weighing what is going to happen on a social level”. Riquet added: “If the Commission proposed a revision of the legislation on cabotage, I hope that Parliament seize the opportunity to reject it.”

On behalf of the S&D group, Saïd El Khadraoui (Belgium) said that this liberalisation should go hand in hand with social harmonisation, whereas “this has not sufficiently been the case”.

And even though the Liberals and the ECR were more nuanced, the overall message is still caution. In fact, the International Road Transport Union (IRU) is fully in favour of caution. Its representative, Michael Nielson, said that the IRU challenged the Commission’s approach on cabotage. In the event, the IRU is calling for the status quo to be upheld – with no further opening but with further harmonisation of national legislations.

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