

## Road transport

### Warning in Council on liberalisation of cabotage

By Isabelle Smets | Tuesday 12 March 2013

France, Italy, Austria, Belgium and Denmark do not want cabotage (ie the possibility for European road hauliers to deliver goods between two cities in a member state in which they are not established) to be further liberalised in the EU, at least until "serious irregularities" on the market leading to social dumping are addressed. They made their views clear at the Transport Council, held in Brussels on 11 March.

A joint statement by the five countries <sup>(1)</sup> denounces "a deterioration in the conditions for competition resulting from discrimination between drivers, based on their nationality, even though they carry out the same work within a member state". The five also criticise the widespread use of fraudulent practices in the sector to circumvent existing regulations, in particular on establishment requirements. The practice is well known: transport firms domiciled fictitiously in Eastern European countries employ low-paid drivers to reduce their costs. This "results in the crowding out of law-abiding companies and their drivers".

Rather than easing current restrictions on cabotage, as the Commission is considering, the five states argue for "re-establishing the conditions required for the smooth functioning of the market". Unlike deregulation, this should entail stricter and clearer rules on admission to the occupation of transport operator and access to the international market, as well as stronger social legislation "to restore equality between employees doing the same work". These countries also call for closer monitoring across the EU.

### Taking time for debate

The statement reflects concerns as the Commission works on a revision of rules on cabotage. Transport Commissioner Siim Kallas has never made a secret of his wish to ease the existing restrictions.

The current legislation (Regulation 1072/2009) requires him to report by the end of 2013 to determine whether greater liberalisation of the domestic road transport market is an option. The commissioner intends to present legislative proposals to relax the rules at the same time as the report. But at the Transport Council, he was asked to take his time. Even the Czech Republic, Hungary, Poland and Slovakia - the Visegrád countries, which in principle support more flexibility – asked him to delay his proposals to leave time for debate. "The Visegrád Group considers that all decisions concerning this sector should be taken in a particularly thoughtful manner, after completing all necessary analyses, to be certain that proposed solutions will not harm the road transport sector and will not have negative consequences for the European economy," reads a joint statement by these four countries <sup>(2)</sup>. It was on their initiative, moreover, that the debate was placed on the Council's 11 March agenda.

The Visegrád Group explicitly asks the Commission not to present the report on the road transport situation and the legislative proposals simultaneously, so that a comprehensive debate can take place before the proposals are published, "if there really is a stated need for a legislative proposal".

Apparently Kallas was somewhat taken aback by the position of these countries, which are generally quicker to follow him on such issues. Their message was clear, however. "It is still a bit early" to set dates, he told the press after the Transport Council. "We took note that certain states have concerns."

At the same meeting, though, countries like Romania, Lithuania and Portugal expressed backing for further liberalisation.

<sup>(1)</sup> *The document is available at [www.europolitics.info](http://www.europolitics.info) > Search = 331786*

<sup>(2)</sup> *The statement is available at [http://www.europolitics.info/pdf/gratuit\\_en/331786-en.pdf](http://www.europolitics.info/pdf/gratuit_en/331786-en.pdf)[www.europolitics.info](http://www.europolitics.info) > Search = 331786*

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