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COMMISSION STAFF WORKING DOCUMENT

**Ex-post evaluation of Directive 2006/1/EC
on the use of vehicles hired without drivers
for the carriage of goods by road**

Final report

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1 INTRODUCTION

1.1 Purpose of the evaluation

Directive 2006/1/EC of the European Parliament and of the Council on the use of vehicles hired without drivers for the carriage of goods by road¹ (henceforth "the Directive") is a codification of Council Directive 84/647/EEC² as amended by Council Directive 90/398/EEC³. More than 25 years after its provisions have last been changed, the Directive is being evaluated to see whether it has been successful in achieving its objectives and whether further modifications would be necessary.

In the context of the Directive, the term "hired " is to be understood in the broad sense of the word, which also includes "leasing".⁴ Goods vehicles are typically hired or rented for a determined period of time to meet temporary or seasonal demand peaks or to replace defective vehicles. The leasing of goods vehicles allows operators to better manage their cash flows as they do not have to pay the full purchase price upfront when acquiring a vehicle. Hiring and leasing of goods vehicles thus provides more flexibility to operators and allows them to lower their costs and increase their productivity.

The Directive aims at permitting the use of hired goods vehicles. It provides a minimum level of liberalisation regarding the use of hired goods vehicles for both national and international transport operations. Member States have to ensure that their undertakings may use, for the carriage of goods by road, hired vehicles under the same conditions as vehicles owned by them as long as the hired vehicles are registered or put into circulation in compliance with the laws in their countries.

There are however two important exceptions: (1) Member States may forbid the use of hired goods vehicles with a maximum mass above 6 tonnes for own account transport operations and (2) Member States may forbid the use of hired goods vehicles carrying out international intra-EU transport operations on their territory if certain conditions (listed in Article 2 of the Directive) are not met. One of these conditions is that the vehicle has to be registered or put into circulation in compliance with the law of the Member State where the undertaking hiring it is established. In other words, whenever a vehicle has been hired in a Member State other than the one where the undertaking hiring it is established, then Member States are not obliged to allow its use on their territory for the purpose of traffic between Member States.

In this context, the evaluation more specifically aims at

- providing an overview of the market for hired and leased goods vehicles in the EU;
- assessing the extent to which the objectives of the Directive have been achieved and whether there are any unintended positive or negative effects of the Directive;
- assessing whether the provisions of the Directive still reflect today's transport policy priorities and meet the needs of the European economy;
- examining the extent to which restrictions on the use of hired vehicles have an impact on transport operators and other companies involved in the business.

This ex-post evaluation is carried out back-to-back with an impact assessment of various options to amend the Directive. Its results provide a starting point for the problem definition of this impact assessment.

¹ OJ L 33, 4.2.2006, p. 82.

² OJ L 335, 22.12.1984, p. 72.

³ OJ L 202, 31.7.1990, p. 46.

⁴ See COM(83) 266 final of 18.5.1983, p. 4, available at [http://aei.pitt.edu/32381/1/COM_\(83\)_266_final.pdf](http://aei.pitt.edu/32381/1/COM_(83)_266_final.pdf)

1.2 Scope of the evaluation

The evaluation covers - to the extent possible - the period since 1990 when the Directive was last amended, with a greater focus on the period since 2006 when the Directive was codified. It distinguishes between the two main segments of the market for the carriage of goods by road, 'own account transport' (i.e. a company that carries its own goods with the vehicles at its disposal) and 'transport for hire and reward' (i.e. a professional road transport operator carries someone else's goods for remuneration). It covers the whole market for hired vehicles, from short-term rental to long-term financial leasing.

2 BACKGROUND TO THE DIRECTIVE

2.1 Description of the initiative

As Directive 2006/1/EC is merely a codification of an earlier Directive it is worth going back to the origin of the earlier Directive. The rules governing the use of hired goods vehicles in the EU date back to 1984 when the Council adopted Directive 84/647/EEC ('the 1984 Directive'). The purpose of the 1984 Directive was to provide a minimum level of liberalisation of the use of hired goods vehicles in the internal road haulage market. As a general rule, Member States were to take the necessary measures to ensure that undertakings established on their territory may use, for the carriage of goods by road, hired vehicles registered or put into circulation in compliance with the laws of the respective countries under the same conditions as vehicles owned by them.

This general rule was subject to some specific conditions which had to be met should the use of hired goods vehicles be allowed in international transport operations. Member States could no longer forbid the use within their territory, for the purpose of traffic between Member States, of vehicles hired by undertakings established on the territory of another Member State provided the following four conditions were met:

- 1) the vehicle is registered or put into circulation in compliance with the laws of the Member State where the undertaking hiring it is established;
- 2) the contract relates solely to the hiring of a vehicle without a driver and is not accompanied by a service contract concluded with the same undertaking covering driving or accompanying personnel;
- 3) the hired vehicle is at the sole disposal of the undertaking using it during the period of the hire contract;
- 4) the hired vehicle is driven by personnel of the undertaking using it.

Proof of compliance with these four conditions was to be provided by means of a number of documents which had to be on board the vehicle.

The 1984 Directive allowed Member States to exempt all own-account operations from the Directive and it did not touch the regulations of Member States laying down a minimum hire period for the use of hired vehicles by undertakings established on their territory. It contained a review clause (Article 8) which obliged the Council to re-examine the need for both exemptions by mid-1989.

In September 1989, the Commission adopted a report on the use of vehicles hired without drivers for the carriage of goods by road which was accompanied by a proposal for a Council Directive amending Directive 84/647/EEC.⁵ The report found that the abolition of the two

⁵ COM(89) 430 final.

restrictive clauses on the use of hired commercial vehicles (i.e. the removal of both exemptions mentioned above) would have advantages for hire and reward operators and for companies operating vehicles on their own account. Offering the Member States the possibility to exclude own-account carriage from the scope of the Directive and to lay down a minimum hire period had resulted in unequal application of the Directive in the then European Community. Their abolition would allow better financial management and cut the costs of hauliers operating on their own account or for hire and reward. The legislative proposal accompanying the report hence suggested deleting the provisions allowing these exemptions.

While removing the possibility to impose a minimum hire period found widespread support in the Council, removing the exemption of own account transport operations from the scope of the Directive did less so (some Member States wanted to keep the restrictions to stimulate the road haulage market for hire and reward). In the end, in what was to become Council Directive 90/398/EEC ('the 1990 amendment')⁶, the Council agreed to remove the possibility to impose a minimum hire period, but it still allowed the use of hired goods vehicles with a maximum mass above 6 tonnes to be exempted from the Directive, i.e. Member States could still forbid it, if they wished to do so.

The legal framework governing the use of hired goods vehicles established following the amendment of Council Directive 84/647/EEC by Council Directive 90/398/EEC is still in place today. Directive 2006/1/EC is a codification of the situation that in effect exists since 1990.

2.2 Baseline

As only sporadic information is available on the size and characteristics of the market for hired goods vehicles in some of the 12 Member States of the then European Community in 1989 and no information on the situation in the other 16 Member States of the EU today, the development of the baseline is only possible in a qualitative way.

The Commission's 1989 report mentioned above provides some information on the legal situation in the 12 Member States at the time. Five Member States still imposed a minimum hire period and six Member States restricted the use of hired goods vehicles for own account operations. While some Member States were in favour of changing the rules others were against it. The uneven application of the 1984 Directive in the Member States was a clear issue at the time that needed to be addressed. Changes to the legal framework going beyond the 1990 amendment have been attempted in 1995⁷ but failed to win the necessary support in the Council. There is no indication that the national rules related to the use of hired goods vehicles would be more harmonised today than they were in 1989.

2.3 Objectives

As outlined in the intervention logic given in Annex I, the Directive aims at promoting the use of hired goods vehicles as this allows a better allocation of resources by limiting the wasteful use of factors of production. It also brings an element of flexibility to the organisation of transport and thus increases the productivity of the undertakings concerned. An undertaking should be allowed to use a hired goods vehicle in particular if it has only a temporary need for it (e.g. temporary demand peaks or surges, seasonal or unexpected demand, short-lived demand for special types of vehicles, temporary replacement of broken-down vehicles). It

⁶ OJ L 202, 31.7.90, p. 46.

⁷ See COM(95) 2 final of 13.2.1995.

would then not have to buy a vehicle which would subsequently be underused. The capital thus saved could be put to a more productive use. The Directive was to set a legal framework for the use of hired goods vehicles also in international transport operations, thus providing some legal clarity for the use of hired goods vehicles for intra-Community trade. The 1990 amendment of the Directive recognised the need to provide a more harmonised legal framework across Member States by removing some of the possibilities for Member States to restrict the use of hired goods vehicles.

3 METHODOLOGY

3.1 Division of tasks and instruments used

The evaluation has been carried out with the support of an external contractor for data collection and analysis of the effects of the Directive. The aim of the support study was to provide an independent evidence-based assessment of the implementation and enforcement of the Directive across all 28 EU Member States. The study to support the ex-post evaluation was executed between September 2015 and March 2016.⁸ This staff working document is largely based on the findings of this study.

The consultant has carried out an extensive desk research including a review of documents and reports related to the Directive and the market for hired goods vehicles. Additional information was gathered through a survey of the competent authorities in the Member States and through stakeholder interviews. A combination of desk research and targeted stakeholder interviews was carried out in five Member States (Greece, Bulgaria, Italy, Denmark and Poland) to gain some more in-depth insight in the situation in those countries. The input from this in-depth research was used to complement and cross-check the input received from stakeholders at EU level.

3.2 Quantitative and qualitative data collection

To map the implementation and enforcement of the Directive across all 28 Member States of the EU, a prefilled country fiche was sent to the competent authorities of the Member States for verification and completion. 24 out of 28 fiches have been returned.⁹

Leaseurope, the European Federation of Leasing Company Associations¹⁰, provided relevant information on the size of the market for hired commercial vehicles in the EU. It has 46 member associations in 33 countries¹¹ and represents more than 80% of the total European market in the vehicle leasing segment. However, Leaseurope could only provide data from 2011 onwards. Earlier data of any use for the analysis were not available.

Relevant data on the vehicle stock and the owners of hired goods vehicles by sector were also gathered from national authorities such as the German Federal Motor Transport Agency (*Kraftfahrtbundesamt, KBA*) and from Eurostat.

Finally, a series of stakeholder interviews were to provide additional information on the experience of the stakeholders with the Directive. A total of 29 interviews were completed while 73 contacts had been made (see Table 1).

⁸ <https://ec.europa.eu/transport/sites/transport/files/facts-fundings/evaluations/doc/2016-ex-post-evaluation-of-directive-2006-1-ec-final-report.pdf>

⁹ The authorities from Denmark, Ireland, the Netherlands and Portugal have not returned their respective fiches.

¹⁰ www.leaseurope.org

¹¹ of which 25 EU Member States (all but Croatia, Cyprus and Romania)

Table 1 - Summary of stakeholder interviews

Type of stakeholder	Contacted	Completed	Completion Rate
Vehicle leasing industry operators and associations	24	7	29%
Road haulage operators and associations	16	8	50%
Undertakings carrying out own account operations	2	2	100%
Associations of customers of road transport operators	8	3	37%
Vehicle manufacturers	4	1	25%
Driver and other road transport workers associations	1	1	100%
Member States' road transport authorities	9	3	33%
National competent authorities	7	4	57%
Other stakeholders (NGOs)	2	0	0%
Total	73	29	40%

Source: Ricardo (2016): *Ex-post evaluation of Directive 2006/1/EC - Final report.*

An open public consultation on both the ex-post evaluation and the impact assessment for a revision of the Directive was carried out between August and November 2016.¹² Related to the ex-post evaluation, the public consultation was to offer some feedback on the experience with hired goods vehicles in general and with the Directive in particular. Finally, as almost all companies affected by the Directive have no more than 50 employees, a specific consultation of SMEs was carried out via the Enterprise Europe Network between September and November 2016. Here the focus was on gathering the views of SMEs regarding the benefits of using hired goods vehicles and their views on the restrictions which the Directive allows.

3.3 Limitations - Robustness of findings

The use of hired goods vehicles is a very specific field on which there is not very much information, let alone quantitative data relevant to estimate the magnitude of the impacts of the Directive. Attempts to mitigate these shortcomings were made through the examination of relevant studies and reports suggested by stakeholders and through carrying out an online search in several languages. While this allowed reducing the data gaps to some extent, it did not allow filling them completely. It is therefore not possible to provide an assessment of the size of the impact which the Directive has had on the market for hired goods vehicles in the EU.

There is a low level of awareness of the specificities of the Directive (at times even of the existence of the Directive) among some stakeholders. Despite time extensions and multiple follow-ups, four competent authorities did not complete the country fiche. Therefore, it was not possible to get a complete picture on national implementation and enforcement. However, the information gathered from the other Member States gives a very good picture of the costs of implementing and enforcing the Directive. The situation is likely not much different in the four Member States for which no feedback has been received.

It was not always possible to cross-check the figures provided by the leasing industry representatives on the costs and benefits of the use of hired vehicles, because it proved to be particularly difficult to get the views of and relevant feedback from their customers using the hired goods vehicles. However, the qualitative information provided by some transport operators suggests that the claims made by the leasing industry were reasonable. While the data provided by the leasing industry should be considered with some caution, it tends to indicate the underlying trends.

¹² See here: http://ec.europa.eu/transport/modes/road/consultations/2016-review-hired-vehicles-carriage-goods_en

4 MARKET CONTEXT AND DEVELOPMENT AND STATE OF PLAY

4.1 Application and implementation of the Directive

The Directive is fully implemented and all 28 Member States comply with the minimum level of liberalisation.¹³ The majority of Member States apply a less restrictive regime than required by the provisions of the Directive. Although they could restrict the use of hired goods vehicles (e.g. for own account operations), they do not make use of the possibilities for doing so offered by the Directive.

The optional restriction on the use of hired goods vehicles with a total mass above 6 tonnes for own account operations (Article 3(2) of the Directive) is currently only applied by 4 Member States (Greece, Spain, Italy and Portugal).

Table 2 - Summary of restrictions in relation to Article 3(2) of the Directive

Restrictions	Number of Member States	List of Member States	Nature of restrictions
No restrictions	22	BE, BG, CZ, DE, EE, IE, FR, HR, LV, LT, LU, HU, MT, NL, AT, PL, RO, SI, SK, FI, SE, UK	N/A
Segment of hired vehicles market closed (related to Article 3(2))	4	EL, ES, IT, PT	ES, PT, IT: Hiring of vehicles over 6 tonnes for own account operations not allowed EL: Hiring of vehicles over 3.5 tonnes for own account operations only allowed from other undertakings in similar economic sector

Source: Ricardo (2016): *Ex-post evaluation of Directive 2006/1/EC - Final report.*

Member States have to allow the use of hired goods vehicles for the purpose of intra-EU international transport operations if the vehicle has been hired in the country where the undertaking hiring it is established (Article 2(1) of the Directive).

In case the vehicle has been hired in another country, Member States are allowed to forbid its use on their territory. The majority of Member States (18 out of 28) allow the use on their territory of a vehicle which an undertaking established in another Member State has hired in a third Member State. For the other 10 Member States, no information on this aspect of the use of goods vehicles hired in another Member State has been received.¹⁴

Only vehicles equipped with a certified copy of the Community licence can be used for international road haulage operations in the EU.¹⁵ In a number of Member States, the certified copy of the Community licence is only issued for vehicles registered in that Member State, not for a vehicle registered abroad.¹⁶ This then effectively limits the use of vehicles hired in another Member State for international transport operations by operators established in these Member States.

¹³ In Greece, vehicles between 3.5 and 6 tonnes may only be hired out to other companies in a similar economic sector. This restriction appears to go against the Directive (which does not foresee any restriction for such vehicles) and would need to be investigated further.

¹⁴ See also Table 3 below.

¹⁵ See Article 4(6) of Regulation (EC) No 1072/2009.

¹⁶ This appears to be the case in BG, CZ, IE, EL, ES, HR, IT, CY, LT, HU, RO, SI and FI.

The differing rules related to the use of vehicles hired in another Member State is confusing for operators. In Spain, cases have been reported in the past where foreign operators have been fined for using a vehicle which they have hired outside their country of establishment.¹⁷

Overall, the level of compliance with the Directive seems to be very high as hardly any violation of its rules has been reported. It has to be noted, though, that most Member States do not collect any specific information on the compliance with their respective legislation governing the use of hired goods vehicles. The enforcement of the Directive is mostly part of more comprehensive enforcement activities mainly targeting violations of other rules governing the road haulage market such as the social rules or the market access rules.

Table 3 - Summary of restrictions concerning the use of hired vehicles registered in another Member State

Member State	Number of Member States	List of Member States
Use of vehicles hired in another Member State by national operators		
No restrictions	8	BG, ES, FR, CY, NL, SI, SK, UK
Maximum period after which registration is required	7	AT, PL (1 month), LV, RO (3 months), BE, CZ (6 months), SE (12 months)
National registration of (motor) vehicle required (usually within 20 days)	13	DK, DE, EE, IE, EL, HR, IT, LT, LU, HU, MT, PT, FI
Use of vehicles hired in another Member State by operators established in that Member State		
Allowed	28	<i>(allowed in all MS as provided for in Article 2(1) of the Directive)</i>
Use of vehicles hired in a third Member State by operators from another Member State		
Allowed (assuming Community licence in place)	18	BG, DE, EE, EL, FR, HR, IT, CY, LT, HU, MT, NL, AT, RO, SI, FI, SE, UK
No information	10	BE, CZ, DK, IE, ES, LV, LU, PL, PT, SK

Source: Ricardo (2017): *Impact assessment for a possible revision of Directive 2006/1/EC - Final report.*

4.2 Market situation

4.2.1 Market penetration and characteristics of hired and leased goods vehicles

The Directive covers all forms of vehicle hiring and leasing, from short-term renting to long-term financial leasing. A relevant distinction can be made between renting and operating leasing on one side and financial leasing on the other side. The duration of renting and operating leasing contracts is relatively short-term (below one year) while financial leasing contracts usually last more than one year and up to several years. Moreover, in financial leasing, the vehicle is economically owned by the lessee (it appears on its balance sheet) while the same is not the case when a vehicle is rented or subject to an operational leasing contract. Financial leasing is exempted from the restrictions on the use of hired goods vehicles for own account operations in Greece, Italy, Spain and Portugal.

The share of hired or leased heavy goods vehicles (HGV; maximum mass >3.5 tonnes) *in total new registrations* is estimated to be at least 40%, with wide variations from one Member State to another. As vehicles tend to move into ownership with age, the market penetration of

¹⁷ The current situation in Spain is somewhat unclear: According to information received by the Commission, the legal framework appears not to have been changed, while "the infringement" has disappeared from the enforcement manual.

hired and leased HGV *in the total fleet* is somewhat lower (around 16%). It is roughly twice as high as the corresponding penetration rate of hired or leased light commercial vehicles. Looking at both light commercial vehicles (LCVs) and heavy goods vehicles (HGVs) together, then about 10% of the total fleet in the EU is either rented or leased. Half of them are estimated to be subject to rental or operating leasing contracts. Out of a total of about 36 million goods vehicles in the EU, some 3.5 million are either leased or rented. Roughly half of them, around 1.75 million, are subject to rental and operating leasing contracts.

Table 4 - Amount of leased and hired goods vehicles in the EU-28 in 2014

Type of vehicle	Total stock in EU-28	Of which total leasing/hiring	Share (%)	Of which rental / operating leasing	Share (%)
Light commercial vehicles (LCVs) (<3.5 tonnes)	29.8 million	2.5 million	8.4%	1.42 million	56.7%
Heavy goods vehicles (HGVs) (>3.5 tonnes)	6.1 million	1.0 million	15.6%	0.33 million	34.8%
Total	35.9 million	3.5 million	9.6%	1.75 million	50.7%

Source: Leaseurope, Eurostat, national statistical offices.

As mentioned above, rented or leased vehicles have a relatively high share in new registrations of motor vehicles. Several forms of leasing have precisely been developed to ease the market uptake of new vehicles equipped with the latest vehicle technology. Rented or leased goods vehicles are on average much younger than the total vehicle fleet. Data from national authorities (such as the German Federal Motor Transport Agency) and information provided by Leaseurope suggest that the average age of the leased fleet is between 4 and 6 years lower than that of the overall fleet.

Figures for 2015 from Eurostat on the use of heavy goods vehicles by age suggest that the share of vehicles older than 10 years in total mileage (vehicle-km) is highest in Greece (63%), Cyprus (39%), Bulgaria (38%), Poland (34%), the Czech Republic (30%), Portugal (30%) and Spain (26%). It appears that Member States which restrict the use of hired goods vehicles tend to be among those with the greatest activity of old vehicles.

It should be noted in this context that newer vehicles are also less polluting since they have to comply with stricter emission standards. As hired goods vehicles are on average younger, they are also less polluting than the average fleet. The use of hired goods vehicles hence entails some environmental benefits. Since 2014, only EURO VI vehicles can be placed on the market. The vast majority of all rented or leased vehicles today are EURO VI vehicles, the cleanest vehicle category on the market.

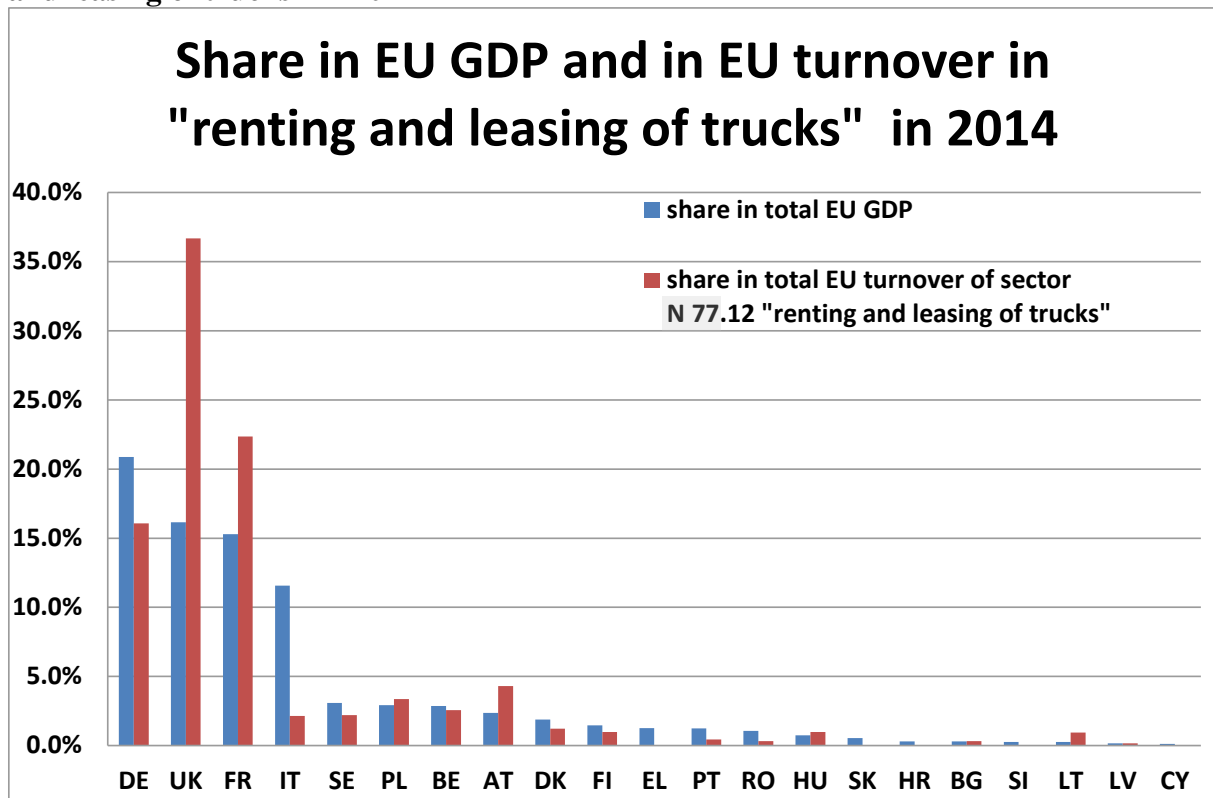
4.2.2 The vehicle leasing sector

The economic sector "*renting and leasing of motor vehicles*" (which covers only the provision of renting and operational leasing, not financial leasing) can be subdivided into the class "*renting and leasing of trucks*" (sector N 77.12) and "*renting and leasing of cars and light motor vehicles*" (sector N 77.11).¹⁸ Eurostat data suggest that around 6,500 companies in the EU are (predominantly) active with the renting and leasing of trucks. They employ some 26,000 people and generate an annual turnover of €8-9 billion (data for 2014). These figures may underestimate the total size of the business as undertakings for which the renting and leasing of trucks is only a minor activity (e.g. because they mostly rent or lease passenger cars and light motor vehicles) are not included. Moreover, these figures do not include the renting and leasing of light commercial vehicles (which are covered by sector N 77.11).

¹⁸ See page 274 here: <http://ec.europa.eu/eurostat/documents/3859598/5902521/KS-RA-07-015-EN.PDF>.

The three biggest markets (Germany, France and the United Kingdom) account for around half of all enterprises, two thirds of all persons employed and three quarters of the total turnover generated in the renting and leasing of trucks business in the EU. A comparison between the share of individual EU Member States in the EU total of the turnover of enterprises predominantly active in the renting and leasing of trucks with the share of these Member States in EU GDP provides an indication on where the market for the renting and leasing of trucks is still relatively underdeveloped. This is in particular the case in Italy, Portugal and Greece, three Member States which restrict the use of hired vehicles for own account transport. Their respective share in the EU turnover of the truck leasing business is much smaller than their share in EU GDP.¹⁹

Figure 1 - Share in EU GDP and in total EU turnover in the economic sector "renting and leasing of trucks" in 2014



Note: No data (on the share in EU turnover of sector N 77.12) available for CZ, EE, IE, ES, LU, MT and NL.

Source: Eurostat structural business statistics.

4.2.3 The road haulage sector

The road haulage sector which provides road freight transport services for hire and reward (incl. removal services; sector H 49.4) in the EU currently consists of around 550,000 companies which generate some €30 billion in turnover and which provide employment for about 3 million people. Almost all enterprises in the road haulage business are SMEs. More than 99% have no more than 50 employees.

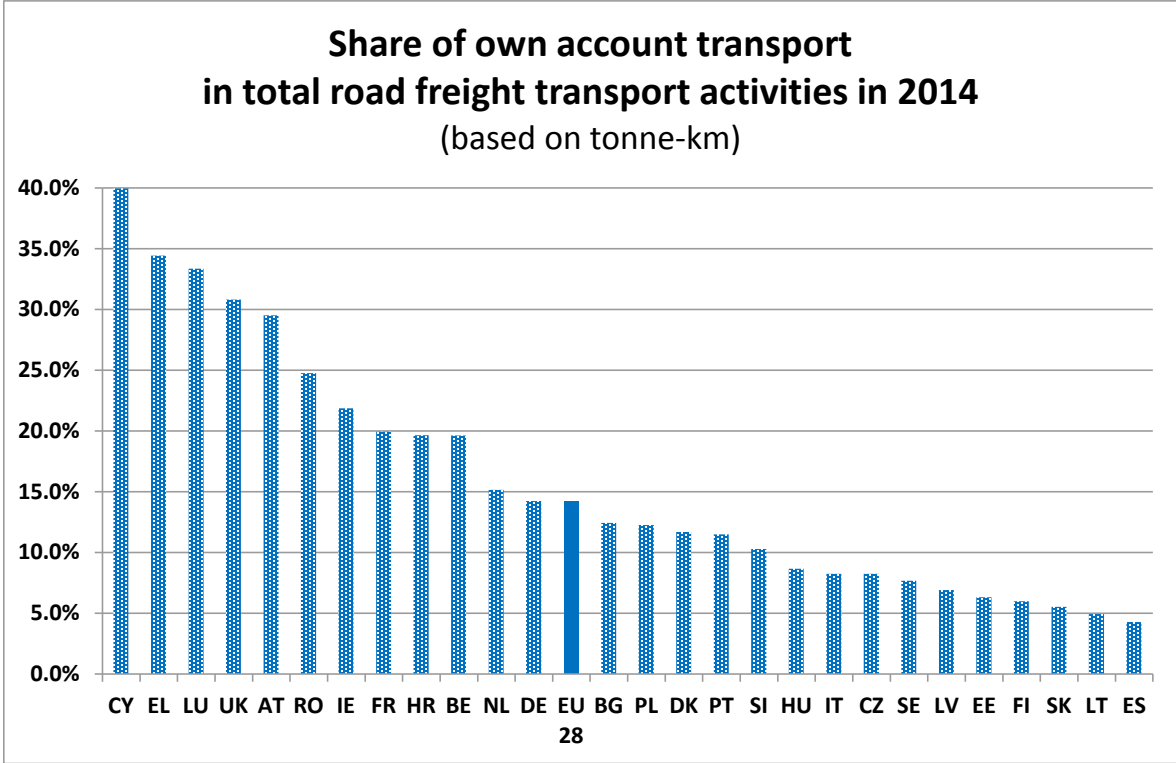
¹⁹ The absence of restrictions on the use of hired vehicles for own account operations in itself appears not to be a sufficient condition for a strong development of the sector "renting and leasing of trucks" (as other factors appear to hold back the sector in countries such as Romania, Slovakia or Slovenia which do not restrict the use of hired goods vehicles for own account operations). However, it appears to be a necessary condition for a strong development of the sector "renting and leasing of trucks" as no country with restrictions in place shows a relatively strong performing truck-renting sector.

Over the last 20 years, overall road freight transport activity (both on own account and for hire and reward) in what is now the EU-28 has grown by around a third (measured in tonne-km) from some 1,289 billion tonne-km in 1995 to 1,750 billion tonne-km in 2014.²⁰ As overall freight transport activity across all modes has only grown by around a quarter over the same period, the modal share of road freight transport has increased from 45% to 49%. It is impossible to say to what extent the Directive has contributed to this development.

In the context of the Directive, the **share of own account transport** in total road freight transport activities is of some relevance. Own account transport is by definition not included in the figures of the road haulage sector above as own account activities are "no more than ancillary to the overall activities of the undertaking" (see Article 1(5)(d)(v) of Regulation (EC) No 1072/2009) and undertakings carrying out own account operations are statistically recorded under the sector of their main activity. Eurostat data suggest that own account transport accounts for about 14% of all road freight transport activities (in terms of tonne-km); 20% in national transport but no more than 5% in international transport. The share of own account in total transport differs quite considerably from one Member State to another as Figure 2 below shows.

In case own account operators cannot hire a goods vehicle, they have two options: either they buy a vehicle or they ask a professional road haulage operator to carry out the transport operation for them. If the purpose of restricting the use of hired vehicles for own account transport operations was to stimulate the business of operators who provide road haulage services for hire and reward, then the share of own account operations in Member States with such restrictions should be lower than in Member States without such restrictions. This certainly does not hold for Greece where around one third of all road freight transport activity is carried out by own account operators. The share of own account transport in Portugal, Italy and, above all, Spain, however, in total transport activity is (well) below the EU average.

Figure 2 - Share of own account operations in total road freight tonne-km in 2014



Source: Eurostat transport statistics.

²⁰ See EU transport in figures. Statistical pocketbook 2016, p. 36.

5 ANSWERS TO THE EVALUATION QUESTIONS

5.1 Effectiveness

The effectiveness of the Directive refers to the degree to which its objectives have been realised. The evaluation looks at whether the Directive has contributed to a better allocation of resources and to an increased flexibility and hence productivity of transport undertakings. Under this criterion, unintended impacts are also investigated.

Question 1: To what extent has the Directive affected the productivity / operating costs of undertakings and the flexibility in the organisation of transport operations?

One of the general objectives of the Directive was to increase the productivity and flexibility of transport operators. In terms of the **flexibility of operations**, short-term rental contracts (up to 12 months) are important to be able to meet additional demand, even though they account for a relatively small share of total hired vehicle contracts. They allow firms to respond to additional loads on an ad-hoc basis and to seasonal demand peaks. Furthermore, while longer term leasing contracts (longer than 12 months) are mainly chosen for the expected operational cost reductions, they often also include access to additional capacity that can help address seasonal demand. In addition, access to hired vehicles, either short term or long term, is also important in terms of managing problems arising from defective/damaged vehicles.

However, some stakeholders highlighted that the current legal regime concerning the use of vehicles registered in different Member States does not allow the use of vehicles which a firm has in one country to meet demand peaks in another country.

In terms of the impact on **productivity and operating costs**, there are certain operational cost savings, particularly in the case of the long-term leasing of vehicles. In the (extreme) case of full-service operating leasing, vehicle operating costs could be 10-30% lower compared to owning the vehicle, according to an international leasing company. Due to better vehicle maintenance and the younger age of hired vehicles, hired vehicles tend to be more reliable and also more fuel efficient, allowing fuel cost savings of between 7 and 11%. Overall, **annual cost savings in the range of 1-10%** have been reported as being realistic due to the use of hired goods vehicles, depending on the type of operation, the size of the undertaking and the type of vehicle hiring.

While no quantitative data on the contribution of the Directive are available, qualitative information received during stakeholder interviews and also from the public consultation and the SME consultation suggests that the use of hired goods vehicles does indeed increase the flexibility and productivity of undertakings and that a legal framework in the EU which ensures that undertakings may use hired vehicles under the same conditions as vehicles owned by them, also for international transport operations, provides a positive contribution to this.

Question 2: To what extent has the Directive affected the use of factors of production (e.g. by avoiding capital to be tied up unnecessarily)?

Overall, the analysis has shown that the use of hired goods vehicles can have a positive impact on the use of factors of production. Hired goods vehicles can help companies avoid having capital that could be used for more productive purposes tied up in large assets such as vehicles. This is particularly attractive for credit-constrained companies (such as SMEs) and it allows them to better manage their cash flows. At the micro level, the use of hired goods vehicles is generally viewed as having a positive impact on utilisation rates, both according to relevant literature as well as interview input from leasing companies and leasing customers.

The possibility to hire goods vehicles avoids the purchase of vehicles that are subsequently underutilised. Operators that use hired goods vehicles tend to have lower shares of empty runs and higher utilisation rates than the average fleet, according to information received from leasing operators and confirmed by some of their customers.

Through providing a legal framework - and hence some legal certainty - for the use of hired goods vehicles in the EU, the Directive has achieved its aims for the EU as a whole. However, due to the restrictions in some Member States (in particular in EL, ES, IT and PT), the hired vehicles sector does not reach its full potential in terms of improving factors of production.

Question 3: To what extent have the exemptions possible under the Directive impacted the effectiveness of the Directive?

The Directive allows Member States to restrict the use of hired goods vehicles with a maximum mass above 6 tonnes for own account operations and the use of any goods vehicle hired in another Member State. As mentioned above (section 4.1), a number of Member States are restricting the use of hired goods vehicles in these cases.

The direct impact of restrictions in certain markets is that the markets for hired goods vehicles in these countries are underdeveloped compared with the situation in EU Member States without restrictions (see also Figure 1 above). In the case of restrictions on the use of hired goods vehicles for own account operations, a complete potential market segment is missing. In the case of Greece, around a third of the overall road haulage activity is off limits to the use of hired goods vehicles. In the case of Italy and Spain, the share of the closed market is somewhat smaller in relative terms, but the affected market volume is bigger in absolute terms than in Greece. In Portugal, 11% of total road haulage activity is affected by the restrictions.

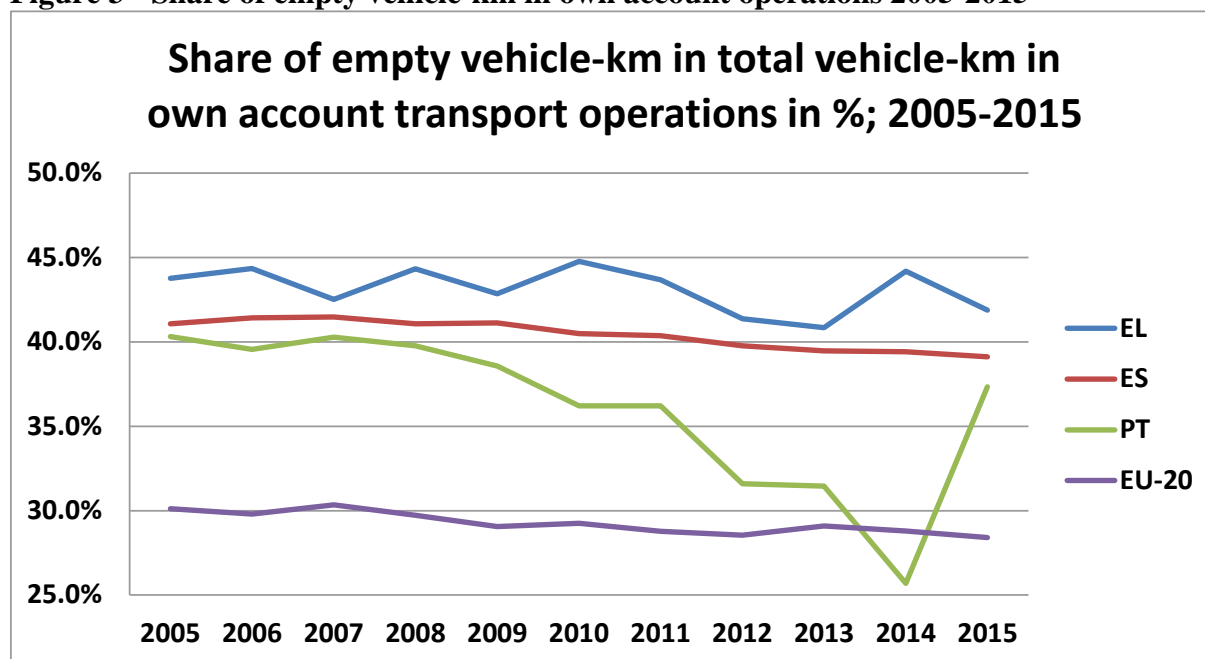
Representatives of the leasing industry suggested that the existing restrictions in Italy, Spain, Portugal and Greece are the main reason for the low level of renting and operational leasing activity in these four countries and that they serve as a barrier to market entry. As such they contribute to less competition in the vehicle leasing sector in these countries which tends to lead to higher costs for undertakings hiring goods vehicles (for hire and reward purposes) - quite the opposite of what the Directive intended to achieve. However, no quantitative information to support this aspect could be obtained.

The evidence available on the productivity of transport operations in Member States with restrictions is less clear. The analysis of data on utilisation rates does not show lower average load factors in Member States with restrictions, but the data on empty runs - particularly in the case of own account operations - is more supportive of the claim that the transport operations in Member States with restrictions tend to be less productive (see Figure 3 below).

Leasing companies found that restrictions on the cross-border hiring of goods vehicles prevent them from optimising the utilisation of their fleets as seasonal demand peaks in other Member States cannot be met by shifting their vehicles around to where they are most needed. They therefore have a negative impact on their productivity. No information on the extent to which their productivity is reduced by these restrictions was provided though.

It can hence be concluded that restrictions on the use of hired goods vehicles appear to have a negative impact on the effectiveness of the Directive. Where Member States exempt specific market segments from the Directive, the effectiveness of the Directive is likely hampered to some extent. The benefits from the use of hired good vehicles which the Directive intends to promote cannot materialise. Instead, operators are left with a lower productivity, less flexibility and higher costs.

Figure 3 - Share of empty vehicle-km in own account operations 2005-2015



Note: EU-20 = 20 Member States without restrictions on the use of hired goods vehicles for own account operations (and for which data was available); no empty vehicle-km data available for BE, HR, IT, MT and RO.

Source: Eurostat transport statistics.

5.2 Efficiency

Under the efficiency criterion, the analysis covers the cost components involved for the different stakeholders (national administrations, transport operators) to comply with the provisions of the Directive. This includes compliance costs and administrative burden in relation to enforcement and implementation of the provisions.

Question 4: What are the costs of compliance with the provisions of the Directive for specific stakeholders such as leasing companies, vehicle manufacturers, haulage operators, own account carriers etc.?

Potential compliance costs for operators relate to obtaining the correct information on the rules across Member States and following these rules. Key aspects to consider include:

- Potential restrictions on the hiring of vehicles for own-account operators in national legislation;
- Potential restrictions on hiring vehicles from a Member State other than that from which the Community licence has been issued;
- Potential hiring documentation requirements - including the driver's employment contract as well as a certified copy of the vehicle hire contract.

Operators and their associations interviewed have been unable to provide quantified estimates of compliance costs. In qualitative terms, the costs were generally considered to be small though. The vehicle leasing companies and their associations indicated that they, too, did not consider compliance with the Directive to be particularly costly. The burden which the Directive imposes on transport operators and vehicle renting / leasing companies is insignificant.

Question 5: What are the costs incurred by national authorities for implementing and enforcing the Directive?

The analysis of the costs to authorities is based on the responses of competent and enforcement authorities to the country fiche sent to them as part of the data collection process (see section 3.2 above). Overall, the responses of authorities indicate that implementation and enforcement costs have been negligible. In most cases, requirements for hiring goods vehicles are few, so there is little to enforce. Consequently, they were unable to provide data on enforcement activity relating specifically to the rules governing the use of hired goods vehicles. Similarly, authorities could not point to any sizeable cost savings.

In terms of tax revenues, the analysis suggests that the level of tax revenues lost for Member States from the use of hired goods vehicles registered elsewhere is limited, either because Member States do not allow it or because it is not widely used.

Question 6: To what extent are the overall costs which complying with the Directive impose on haulage companies and on own account carriers on one side and which the implementation of the Directive places on national authorities on the other side proportionate to the expected benefits of the Directive?

As mentioned above (answers to questions 4 and 5), the costs which hauliers face when complying with the Directive and those which national administrations face when implementing the Directive are small and negligible. This applies above all to Member States where the use of hired goods vehicles has been liberalised. However, the possibility to impose restrictions on the use of hired goods vehicles (which the Directive allows to some extent) does create costs for both operators and national administrations. Operators face different rules from country to country which increases their compliance costs as they have to be aware of the variety of rules applied across the EU. Moreover, once such restrictions are in place, they prevent operators from benefitting from the increased flexibility and productivity which the use of hired vehicles can bring. When restrictions are in place, national administrations usually face additional enforcement costs which they wouldn't have if there were no restrictions.

To the extent that the Directive allows the use of hired goods vehicles, it brings sizeable benefits to operators which make use of this possibility. The possibility of adjusting one's fleet size in response to market conditions (flexibility) can lead to a better overall utilisation of vehicles across companies, as vehicles not required by one company can instead be used by another. Leaseurope believes that the systematic use of hired goods vehicles may lead to 10% fewer such vehicles being needed to provide the same amount of transport activity compared to a situation where all the goods vehicles are owned by the companies.

In addition, the use of hired goods vehicles may lead to operating cost savings between 1 and 10% (see question 1 above). The fact that many operators lease or rent vehicles indicates that the benefits of hiring generally outweigh the costs to operators (otherwise they wouldn't do it). This argument even holds without taking into account potential additional social and environmental benefits through the use of generally newer, safer and more environmentally friendly hired vehicles.

While it is not possible to directly quantify the costs and the benefits of the Directive, the anecdotal evidence provided suggests that the benefits clearly outweigh the costs for all types of stakeholders, especially because the costs are generally considered to be negligible.

Question 7: Are there ways to reduce the costs and to improve the cost/benefit ratio of the Directive?

Both enforcement costs for authorities and the administrative burden on operators were found to be negligible or impossible to quantify, in particular in Member States where the use of hired goods vehicles has been liberalised. Given that the costs are already low, it is unlikely that the cost/benefit ratio could be significantly improved by further cost reductions. Changing the Directive to remove administrative requirements such as the requirement to have a certified copy of the hire contract on board may further reduce administrative costs to operators and enforcement costs to authorities, but not to a large extent. While the scope for cost reductions is limited, the benefits of the Directive could be increased by abolishing the possibility for Member States to restrict the use of hired goods vehicles. This would also improve the cost/benefit ratio of the Directive.

5.3 Relevance

The question under this section tries to assess whether the Directive is still relevant to address the needs and problems it is supposed to address, given the current circumstances.

Question 8: Given the development of road haulage markets over the last 25 years, does the Directive still meet the needs of the European economy in terms of flexibility and efficiency of road haulage operations and reflect current policy priorities?

The road haulage market in the EU has quite considerably changed over the last 25 years, as has the EU itself. The creation of the single market for goods in 1992 also brought about a liberalisation of the provision of road freight transport services in the EU.²¹ Quotas have gradually been abolished, international transport activities have been completely liberalised and cabotage operations have been authorised to some extent. At the same time, the EU has expanded from 12 Member States in 1990 to 28 Member States today. The diversity of the EU Member States in terms of production costs is much greater today than it was in 1990 which has considerably increased the competitive pressure inside the internal market.

The current policy priorities, as outlined in the 2011 White Paper on Transport²², call for the completion of the single market in the provision of transport services while at the same time reducing the negative social and environmental impacts of transport. Mobility is the lubricant of a successful economy and society and therefore has to be facilitated, but not at all costs: the greenhouse gas emissions of transport are to be reduced by 60% by 2050 compared with 1990 levels and the number of road fatalities is to be halved by 2020 compared with 2010, with a vision of close to zero road fatalities by 2050.

In this context, the objectives and priorities of the Directive in terms of increasing the flexibility and productivity of transport undertakings - as identified at the time of its adoption - are definitely still relevant - due to the increased competitive pressure in today's internal market, they are arguably even more relevant today than they were in 1990. Operators in the road haulage business facing generally very slim margins are bound to make use of the possibility of reducing their costs by using hired goods vehicles.

²¹ In particular through Council Regulation (EEC) No 881/92 of 26 March 1992 (OJ L 95, 9.4.92, p. 1) and through Council Regulation (EEC) No 3118/93 of 25 October 1993 (OJ L 279, 12.11.1993, p. 1), both later repealed and replaced by Regulation (EC) No 1072/2009 of the European Parliament and of the Council of 21 October 2009 (OJ L 300, 14.11.2009, p. 72).

²² Roadmap to a Single European Transport Area - Towards a competitive and resource-efficient transport system. COM(2011) 144 final of 28.3.2011.

However, to the extent that the Directive allows Member States to restrict the use of hired goods vehicles in some market segments and if certain conditions are not met (vehicle registered in another country...), it goes against the needs of the European economy in terms of flexibility and efficiency of road haulage operations. Moreover, by allowing Member States to restrict the use of hired goods vehicles which are generally newer, safer and more environmentally friendly, the Directive does not support the current policy priorities in terms of reducing the negative environmental impact of transport and the number of road fatalities as much as it otherwise could.

5.4 Coherence

Under this section, the coherence of the Directive with other rules governing the EU road haulage market as well as its coherence with current EU policy priorities is being evaluated.

Question 9: To what extent are the provisions of the Directive coherent with other legislation governing the road haulage market, in particular the rules governing the access to the international road haulage market (Regulation (EC) No 1072/2009) and the rules governing the access to the occupation of road transport operators (Regulation (EC) No 1071/2009)?

Directive 2006/1/EC and Regulations (EC) No 1071/2009 on access to the profession of road transport operator²³ and (EC) No 1072/2009 on access to the international road haulage market²⁴ together build the core legislative framework of the EU road haulage market. The coherence between these legal acts should therefore be as great as possible.

The scope of the Directive differs from the scope of the two Regulations: The Directive applies to all 'vehicles' as defined in its Article 1, i.e. "*motor vehicles, trailers, semi-trailers, or a combination of vehicles intended exclusively for the carriage of goods*". As the definition does not contain any weight limit, it applies to both hired light commercial vehicles (LCVs; maximum mass up to 3.5 tonnes) and hired heavy goods vehicles (HGVs; maximum mass above 3.5 tonnes). The scope of the Directive thus goes beyond the one of Regulation (EC) No 1071/2009 which, unless otherwise provided for in national law, does not apply to road haulage operators using exclusively LCVs. Member States may, however, lower the weight limit for all or some categories of road transport undertakings (see its Article 1(4)(a)). In accordance with Article 5 lit (b) of Regulation (EC) No 1071/2009, it is sufficient for an undertaking to have a hired vehicle at its disposal to fulfil one of the conditions relating to the requirement of establishment.

Regulation (EC) No 1072/2009 applies to the international carriage of goods by road using "*motor vehicle[s] registered in a Member State or a coupled combination of road vehicles the motor vehicle of which at least is registered in a Member State, [which are] used exclusively for the carriage of goods*." The international carriage of goods on own account does, according to Article 1(5)(d) of Regulation (EC) No 1072/2009, not require a Community licence and is exempt from any carriage authorisation. This also applies to the use of hired vehicles for such purposes, as provided for in Article 1(5)(d)(iv). Here, a direct reference to the Directive is made and its conditions have to be met, hence full coherence appears to be ensured. According to the last sentence of Article 1(5)(d), however, the use of a replacement vehicle - which is often hired - during a short breakdown of the vehicle normally used is explicitly exempted from this provision, meaning that in such a case Member States can

²³ OJ L 300, 14.11.2009, p. 51.

²⁴ OJ L 300, 14.11.2009, p. 72.

require a Community licence and/or some other carriage authorisation. While this point has been raised by some stakeholders, the extent to which this is a real problem is not known.

According to Article 4(3) of Regulation (EC) No 1072/2009, the holder of a Community licence is entitled to a certified true copy of that licence for each vehicle at its disposal, be it owned or hired. Some Member States require the licence plate of the motor vehicle to be indicated on the certified copy, others do not. As hired vehicles typically have a different licence plate and a different owner compared to the one indicated on the Community licence, questions on the validity of the certified copy are sometimes raised during roadside checks in case the number plate is not indicated on the certified copy.

In conclusion, there are certain discrepancies of the Directive with the provisions in other legislative acts governing the road haulage sector. None of the discrepancies has however been identified as a major issue in practice.

Question 10: To what extent are the provisions of the Directive compatible with current EU policy priorities in other fields (e.g. environmental protection, GHG emission reduction, energy efficiency/resource efficiency)?

As the provisions of the Directive date from 1990, its coherence with the following more recent policy documents has been assessed:

- The Agenda for Jobs, Growth, Fairness and Democratic Change of President Juncker²⁵
- The 2011 White Paper on Transport²⁶
- Europe 2020: A strategy for smart, sustainable and inclusive growth²⁷

Three of the so-called "Juncker priorities" contained in the Agenda for Jobs, Growth, Fairness and Democratic Change appear relevant in this context:

- Priority 1: A New Boost for Jobs, Growth and Investment
- Priority 3: A Resilient Energy Union with a Forward-Looking Climate Change Policy
- Priority 4: A Deeper and Fairer Internal Market

While the Directive indirectly addresses Priorities 1 and 3, it directly contributes to Priority 4. However, the analysis shows that the Directive is only partly in line with the EU policy priorities in terms of the promotion of the internal market in both the road haulage sector and the vehicle leasing sector and in the promotion of resource efficiency (see also partly the answer to question 8 above).

The provisions of Article 3(1) concerning the conditions for the use of hired goods vehicles in general as well as those of Article 2 concerning their use in the case of cross-border trade have a direct positive impact on the development of the hired vehicles market in the EU and they provide for a certain level of harmonised rules for the road haulage sector. Indirectly, they also contribute to the achievement of some of the social and environmental objectives set in the 2011 White Paper. However, Article 3(2) on own account operations and the omission of provisions covering the use of hired vehicles registered elsewhere are not in line with the EU policy priorities and appear to be in contradiction with the stated policy objectives.

²⁵ Juncker, J.-C. (2014): A new start for Europe. My agenda for Jobs, Growth, Fairness and Democratic Change. Political Guidelines for the next European Commission. https://ec.europa.eu/priorities/sites/beta-political/files/juncker-political-guidelines-speech_en_0.pdf.

²⁶ COM(2011) 144 final of 28.3.2011.

²⁷ COM(2010) 2020 final of 3.3.2010.

5.5 EU added value

The analysis of EU added value looks at whether action at the EU level was the most appropriate or whether national rules would be as effective in achieving the objectives.

Question 11: What is the added value of the Directive at EU level? Would national rules not be sufficient to achieve the objectives of the Directive (i.e. the same level of resource efficiency and of productivity and operational flexibility)?

Stakeholders representing the vehicle leasing sector and the road haulage sector agreed that the EU level is the most relevant level to develop rules governing the use of hired vehicles in transport operations. In the public consultation, more than three quarters of the respondents were of the opinion that the EU is the most appropriate level to design rules on the use of hired goods vehicles in transport operations across the EU. In an integrated road haulage market, there is a desire to have the same rules apply EU-wide thus ensuring a level playing field between operators.

The Directive currently allows national rules related to the use of hired heavy goods vehicles for own account transport operations. As shown above (answer to question 3), these national rules can be counterproductive in the achievement of the objectives of the Directive. Without the Directive, the minimum level of liberalisation of the use of hired goods vehicles, which the Directive guarantees, would not exist. Member States would apply their own rules as they see fit. Overall, the patchwork of national rules would be even greater than it is now.

6 CONCLUSIONS

Effectiveness

By providing the legal framework that ensures that hired vehicles can be used in the same way as owned vehicles, the Directive has helped transport operators to lower their costs and increase their flexibility and productivity. In terms of the flexibility of operations, the possibility to hire or lease goods vehicles is an important and effective tool in meeting additional demand, in particular if this extra demand is only temporary. Access to hired vehicles is also important to manage problems associated with defective/damaged vehicles.

Due to better vehicle maintenance and the relatively low age of hired vehicles (4-6 years younger than the overall fleet average), hired vehicles tend to be more reliable and also more fuel efficient, allowing fuel cost savings of between 7 and 11%. Overall, annual cost savings in the range of 1-10% appear achievable due to the use of hired goods vehicles, depending on the type of operation, the size of the undertaking and the type of vehicle hiring.

Hired goods vehicles can help companies avoid having capital that could be used for other purposes tied up in large assets such as vehicles. This is particularly attractive for businesses that are credit constrained (such as SMEs) and it allows them to better manage their cash flows. The possibility to hire goods vehicles avoids the purchase of vehicles that are subsequently underutilised. Hired vehicles tend to have higher utilisation rates and be more efficiently used (lower share of empty runs) than the average fleet.

Restrictions on the use of hired vehicles in some Member States tend to lead to relatively underdeveloped markets for vehicle rental and leasing companies in these Member States. They are also associated with a higher average age of commercial vehicles, an aspect that can have a negative impact on the fuel efficiency and the safety of vehicles.

Leasing companies found that restrictions on the cross-border hiring of goods vehicles prevent them from optimising the utilisation of their fleets as seasonal demand peaks in other Member States cannot be met by shifting their vehicles around to where they are most needed. They therefore have a negative impact on their productivity.

Efficiency

The costs which hauliers face when complying with the Directive and those which national administrations face when implementing the Directive are small and negligible. However, the possibility to impose restrictions on the use of hired goods vehicles (which the Directive allows to some extent) does create extra costs for both operators and national administrations. Operators face different rules from country to country which increases their compliance costs as they have to be aware of the variety of rules applied in the EU. Moreover, once such restrictions are in place, they prevent operators from benefitting from the increased flexibility and productivity which the use of hired vehicles can bring. When restrictions are in place, national administrations usually also face additional enforcement costs.

While it is not possible to directly quantify the costs and the benefits of the Directive, the anecdotal evidence provided suggests that the benefits clearly outweigh the costs for all types of stakeholders, especially because the costs are generally considered to be negligible.

Relevance

The objectives of the Directive in terms of increasing the flexibility and productivity of transport undertakings - as identified at the time of its adoption - are arguably even more relevant today than they were in 1990, due to the increased competitive pressure in today's internal market. Operators in the road haulage business facing generally very slim margins are bound to make use of the possibility of reducing their costs by using hired goods vehicles. However, to the extent that the Directive allows Member States to restrict the use of hired goods vehicles in some market segments and if certain conditions are not met, it goes against the needs of the European economy in terms of flexibility and efficiency of road haulage operations.

Coherence

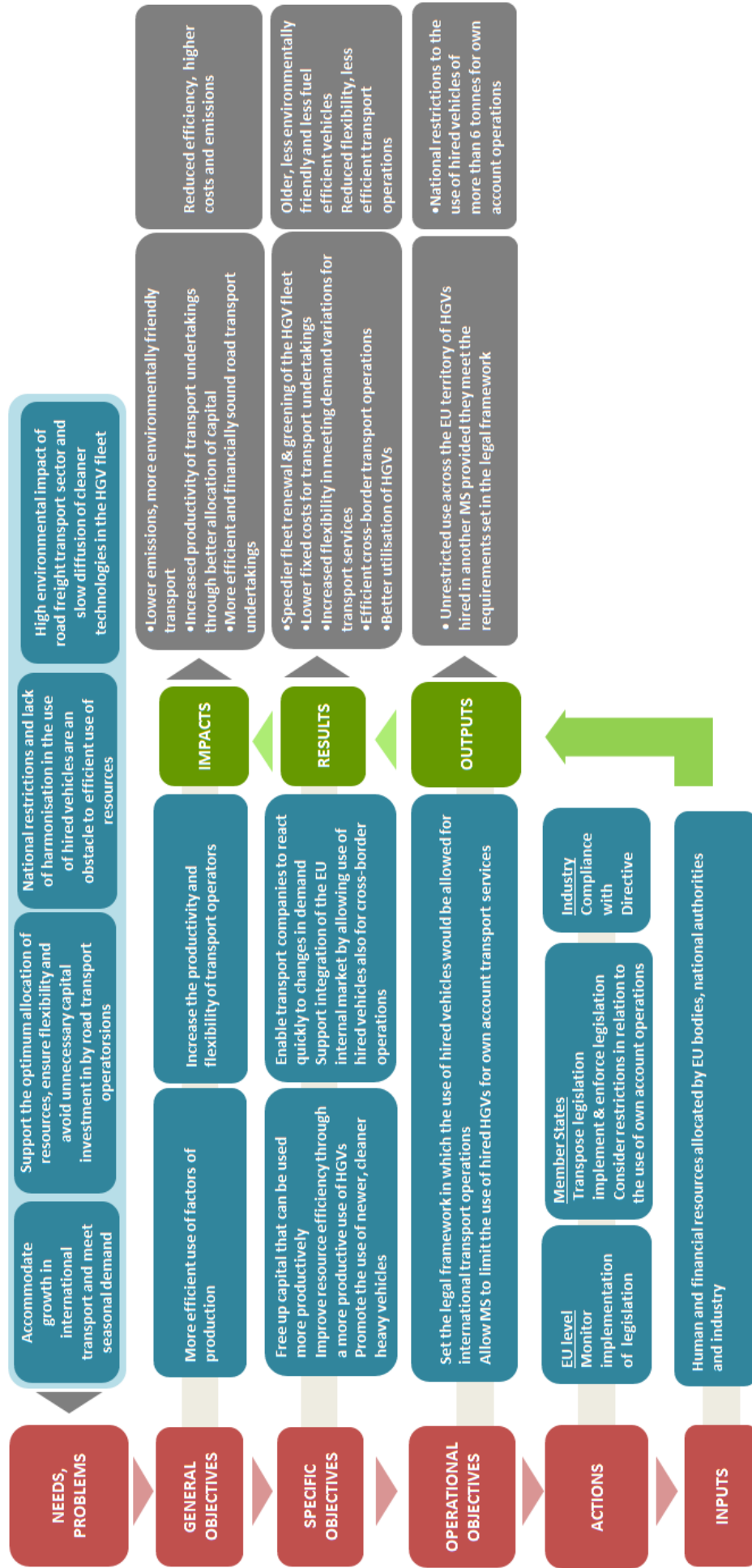
There are certain discrepancies of the Directive with the provisions in other legislative acts governing the road haulage sector (Regulations (EC) No 1071/2009 and (EC) No 1072/2009). None of the discrepancies has however been identified as a major issue in practice. The coherence with current policy priorities is only limited since the Directive still allows Member States to restrict the use of hired goods vehicles which does not help build an integrated single market, lower fuel consumption or improve the environmental performance.

EU value added

In an integrated road haulage market, the EU is the most relevant level to develop rules governing the use of hired goods vehicles. Operators want harmonised rules across the EU as they guarantee a level playing field. Only the EU can provide this. Where Member States are given the freedom to define their own rules, such as regarding the use of hired heavy goods vehicles for own account transport operations, the ensuing patchwork of rules goes against the objectives of the Directive. The EU value added could be bigger if there were fewer national restrictions on the use of hired goods vehicles (which the Directive allows) and if the rules were more harmonized across the EU.

Annex I: Intervention logic diagram

Intervention logic of Directive 2006/1/EC



Annex II: Procedural information concerning the process to prepare the evaluation

1. Identification of the lead DG; Agenda planning/Work Programme references

- DG MOVE is the lead Directorate General.
- The evaluation was validated in the Agenda Planning under reference n° 2015/MOVE/111.

2. Organisation and timing

- The evaluation of the Directive was launched on 14 April 2015 with the first meeting of the Steering Group, to which were invited representatives from the Secretariat General (SG), Legal Service (LS), Directorate-General for Climate Action (DG CLIMA), Directorate-General for Energy (DG ENER), Directorate-General for Environment (DG ENV), Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL), Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) and Directorate-General for Taxation and Customs Union (DG TAXUD).
- The evaluation roadmap including the evaluation questions, as well as the terms of reference for an external study were discussed and agreed with the Steering Group in May 2015.
- On 9 September 2015, the Commission signed a contract with an external contractor to carry out a study on the ex-post evaluation of Directive 2006/1/EC.
- The Steering Group was consulted on the inception report (October 2015), the interim report (November 2015), the draft final report (December 2015) and the final report (January 2016). The report was approved in March 2016.
- The Steering Group was also consulted on the draft of this staff working document in February 2017.
- The consultation of the Regulatory Scrutiny Board did not take place as the evaluation was not selected by the interim Regulatory Scrutiny Board.

3. Evidence used

- The evaluation relies mostly on the study on the "Ex post evaluation of Directive 2006/1/EC" conducted by an external consultant²⁸.

²⁸ <https://ec.europa.eu/transport/sites/transport/files/facts-fundings/evaluations/doc/2016-ex-post-evaluation-of-directive-2006-1-ec-final-report.pdf>

Annex III: Stakeholder consultation

The consultation, which encompassed a series of consultation activities, aimed at:

- providing stakeholders and the general public an opportunity to express their views on all elements relevant for the functioning of the existing rules on the use of hired goods vehicles as well as to express their positions on the possible/desirable changes to the regulatory framework.
- gathering specialised input (data and factual information, expert views) on specific aspects of the legislation (e.g. need for specific restrictions regarding the use of hired vehicles) in particular from stakeholders affected by existing restrictions and from stakeholders who benefit from existing restrictions.
- providing relevant input for the validation of the outcome of the ex-post evaluation of the existing Directive and for the preparation of the impact assessment related to a possible legislative initiative addressing the identified shortcomings of the existing legislation.

Consultation activities

The following consultation activities have been carried out:

In September and October 2015, the Commission organised seminars with (EU level) stakeholders and Member States to discuss, among others, also the experience they had with Directive 2006/1/EC and get a first feeling of the positions of important stakeholders.

Targeted consultation of authorities and expert stakeholders

A (partly pre-filled) country fiche was sent to the competent national authorities of all 28 EU Member State to find out about the legal framework in relation to the use of hired goods vehicles in each Member State and to consult them on their experience with the Directive and the associated administrative burden and cost they incur for its implementation and enforcement.

The authorities were given (at least) 7 weeks to respond to the questionnaire. A total of 24 country fiches were returned, however mostly incomplete. No feedback was received from the authorities in Portugal and Denmark. The authorities in Ireland and the Netherlands provided some information on the implementation of the Directive but did not answer the questions raised in the respective country fiche.

In addition, a total of 73 stakeholders have been contacted from a range of sectors including leasing companies and their associations, haulage operators and their associations and their customers (see Table 3-1 below). In the end, it was only possible to complete the interviews with 29 of the 73 stakeholders that had been contacted.

The interviews provided valuable information on the impact which the Directive has had on the sectors most affected by it. Moreover, they could be used to cross-check claims made by some stakeholder groups (e.g. the information on the costs and benefits of leasing vehicles provided by representatives from the leasing industry was cross-checked with their customers, the transport operators).

Table 3-1: Summary of stakeholder interviews

Type of stakeholder	Contacted	Completed	Completion Rate
Vehicle leasing industry operators and associations	24	7	29%
Road haulage operators and associations	16	8	50%
Undertakings carrying out own account operations	2	2	100%
Associations of customers of road transport operators	8	3	37%
Vehicle manufacturers	4	1	25%
Driver and other road transport workers associations	1	1	100%
Member States' road transport authorities	9	3	33%
National competent authorities	7	4	57%
Other stakeholders (NGOs)	2	0	0%
Total	73	29	40%

Source: Ricardo (2016): *Ex-post evaluation of Directive 2006/1/EC - Final report.*

12 week online open public consultation (OPC) on Your Voice in Europe

In addition, an online public consultation was carried out between 11 August 2016 and 4 November 2016 (12 weeks). A link to the consultation was provided on the corresponding website of DG MOVE.²⁹ In order not to create too much consultation fatigue, a back-to-back consultation was carried out that would gather views related to both the ex-post evaluation (i.e. views on the experience with the present Directive and on the use of hired goods vehicles in general) and related to a subsequent impact assessment of a possible revision of the Directive (i.e. views on specific policy options and their expected impacts). Respondents were also given the opportunity to provide any further comments at the end of the questionnaire.

A total of 27 respondents returned the online questionnaire. Almost half of them (13) were transport operators or associations representing them. Public authorities (5) and vehicle leasing companies (4) accounted for 19 and 15% respectively of the respondents. The remaining 4 responses were from organisations representing the business interests of SMEs, a communal enterprise association and a private citizen (see Table 3-2 below).

The respondents came from a total 15 Member States; 3 respondents indicated that they were based in more than one Member State. This covered 10 of the 15 Member States of the EU before 2004 (BE, DE, ES, FR, IT, NL, AT, FI, SE and UK) and 5 of the 13 Member States that had joined the EU since then (CZ, EE, LV, MT and PL).

Table 3-2: Respondents to the questionnaire of the public consultation

Type of stakeholder	Number of responses
Transport operators / their representatives	13
Public authorities	5
Vehicle leasing companies / their representatives	4
Organisations representing general and SME business interest	2
Public / communal enterprise association	1
Private individual	1
Total	27

²⁹ See here: http://ec.europa.eu/transport/modes/road/consultations/2016-review-hired-vehicles-carriage-goods_en

SME Panel survey

Finally, as most companies affected by the Directive are SMEs, a specific consultation using the SME panel of the Enterprise Europe Network³⁰ was carried out to gather views from SMEs. It went from 22 September 2016 till 11 November 2016 (7 weeks). Two separate questionnaires had been prepared, one related to the use of hired goods vehicles and the other related to the use of hired buses and coaches. As the second one is not relevant for the ex-post evaluation the focus here will be on the first one.

A total of 156 responses were received to the questionnaire on the use of hired goods vehicles that had been sent to the SME panel. They came from various economic sectors. The transport, storage and communication sector (which provide transport services for hire and reward) and the sector wholesale and retail trade (which is an important player in own account transport activities) were most represented.

Table 3-3: Respondents to the questionnaire on the use of hired goods vehicles sent to the SME panel by sector

Sector	Number of responses
Transport, storage and communication	45
Wholesale and retail trade	43
Manufacturing	22
Other community, social and personal service activities	18
Construction	15
Other*	26

Note: The total (169) is above the number of respondents (156) as the questionnaire allowed respondents to select multiple sectors.

* 'Other' includes mining and quarrying, electricity, gas and water supply, hotels, restaurants and bars, public administration and defence, education, finance intermediation, health and social work, real estate, renting and business activities, and agriculture, hunting and forestry.

The respondents to the SME panel questionnaire related to the use of hired goods vehicles came from a total of 13 EU Member States (from 6 of the 15 Member States of the EU before 2004 (DK, DE, ES, FR, IT and PT) and from 7 of the 13 Member States which have joined the EU since then (EE, LT, HU, PL, RO, SI and SK)). Around 70% of the respondents came from the three Member States Romania (39%), Poland (19%) and Italy (13%).

Results of consultation activities

The feedback received from the competent authorities of the EU Member States and some additional desk research allowed the mapping of the legal framework governing the use of hired goods vehicles in all Member States. As indicated in Table 2 of the main report, 4 Member States (EL, ES, IT and PT) were found to restrict the use of hired goods vehicles above 6 tonnes for own account operations while in all other Member States own account operators were free to use hired goods vehicles.

A complete picture could also be gathered on the rules that apply when an undertaking established on the territory of one Member State hires a vehicle that is registered in another Member State. The rules are mostly related to the possible need for re-registration of the hired

³⁰ <https://een.ec.europa.eu/>

vehicle. No complete picture could however be obtained on the rules Member States apply when a foreign undertaking uses a vehicle on their territory which has been hired in a third Member State. Here, only 18 Member States provided feedback that there should be no problem as long as the operator has a valid Community licence (and a certified copy thereof for the vehicle in question).

The targeted stakeholder consultation provided some insight into the potential benefits of using hired goods vehicles (to which the Directive contributes by establishing an EU-wide legal framework) and on the cost of implementing and enforcing the Directive. Stakeholders active in the vehicle hiring and leasing business and their customers as well as national authorities agreed that the costs of implementing and enforcing the Directive were small and negligible. None of them was able to provide concrete cost figures. For national authorities, the enforcement and implementation of the Directive is mostly part of bigger exercises where the focus is mainly on the enforcement of other road transport legislation (such as the social rules and the market access rules).

Vehicle leasing companies and their associations, in particular Leaseurope, the European Federation of Leasing Company Associations, provided some useful and relevant information on the costs and benefits of using hired goods vehicles. The ability to reduce costs by hiring a vehicle instead of buying and owning one could be quantified (1-10% per year). Transport operators did not provide any quantitative estimates related to the possible cost reductions - which could have been used to cross-check the information provided by Leaseurope -, they confirmed that the figures provided by the leasing industry were reasonable.

The potential benefits of hiring vehicles were also acknowledged in the consultation of the SME panel where the majority of the 156 respondents indicated that increasing the flexibility of operations, meeting seasonal or temporary demand peaks, addressing issues related to defective / damaged vehicles, reducing operating costs and having access to specific types of vehicles were considered either important or very important benefits. Indirectly, the open public consultation also confirmed this view as the majority of respondents (15 out of 25) indicated that the impacts which existing restrictions would have on the reduction of the flexibility of transport operations were considered to be either fairly or very important.

The main issue brought up in the public consultation was the patchwork of rules that apply to the use of hired goods vehicles in the EU. Two thirds (11 out of 17) of all respondents found the unclear implementation of the existing rules concerning the use of hired goods vehicles a very important or fairly important problem. Three quarters (19 out of 25) of all respondents thought that the presence of different restrictions across EU Member States when it comes to the use of hired goods vehicles with a maximum mass above 6 tonnes by own account operators would create a complicated legal framework that caused uncertainty for firms and transport operators. No fewer than 84% of all respondents (21 out of 25) thought that the complicated legal framework related to the use of a goods vehicle that has been hired in another Member State was causing uncertainty for firms.

As the road haulage business in the EU is increasingly international, operators call for more harmonised rules to increase the legal certainty of their operating environment. It is arguably for the same reason that more than three quarters (19 out of 24) of the respondents in the public consultation were of the opinion that the EU is the most appropriate level to design rules on the use of hired goods vehicles in transport operations across the EU.

Use of consultation results

It was not possible to get much quantitative information from the consultation process. However, the qualitative information that has been gathered was of great value for this evaluation as (1) the feedback received was fairly consistent and plausible and (2) no other source was available, as there is no monitoring report on the implementation of the Directive.

The information gathered from the stakeholders was used to get an overview of the situation related to the use of hired goods vehicles in the EU and to answer the evaluation questions. The information was also used as input for the problem definition of the impact assessment on the revision of Directive e2006/1/EC.