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Subject:	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 EXECUTIVE SUMMARY Accompanying the document Proposal for a Directive of the European Parliament and of the Council amending Directive 2006/1/EC on the use of vehicles hired without drivers fr the carriage of goods by road

Delegations will find attached document SWD(2017) 199 final.

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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**

EXECUTIVE SUMMARY

Accompanying the document

**Proposal for a Directive of the European Parliament and of the Council
amending Directive 2006/1/EC on the use of vehicles hired without drivers for the
carriage of goods by road**

{ COM(2017) 282 final }
{ SWD(2017) 196 final }
{ SWD(2017) 197 final }
{ SWD(2017) 198 final }

EXECUTIVE SUMMARY

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 has been evaluated to see whether it has been effective and efficient in attaining its objectives, whether it is still relevant to have an EU level instrument in this area, as well as whether the Directive is coherent with other EU policies.

The evaluation covers the whole EU and, to the extent possible, the period from 1990 to 2014. It is supported by an external study carried out for the Commission in 2015-2016⁴ and regular contacts with stakeholders, feedback from a public consultation and a consultation of the SME panel of the Enterprise Europe Network as well as policy documents of the Commission and other relevant literature.

The Directive provides a minimum level of liberalisation as regards the use of hired goods vehicles for both national and international transport operations. It requires Member States 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 six tonnes for own account transport operations and (2) Member States may forbid the use of hired goods vehicles 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 been 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 respective territories.

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 and as it brings an element of flexibility to the organisation of transport and thus increases the productivity of the undertakings concerned. It is clear that an undertaking should be allowed to use a hired goods vehicle in particular if it has only a temporary need for it. Hired goods vehicles can then help companies avoid having capital that could be used for other, more productive, 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 then underutilised.

The evaluation found that, by providing a legal framework for the use of hired goods vehicles in the EU, the Directive gives operators more flexibility to respond to temporary or seasonal demand peaks and to replace defective or damaged vehicles. Moreover, it allows operators to lower their costs in the range of 1-10%, depending on the type of operation, the size of the undertaking and the type of vehicle hiring. These cost savings come from several sources: hired vehicles are on average 4 to 6 years younger and generally better maintained than vehicles owned by operators, hence they are on average more reliable and more fuel efficient.

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

Moreover, as they comply with more stringent emission standards, they also benefit from lower road user charges. In addition, hired goods vehicles are more efficiently used than the average fleet of goods vehicles which reduces their cost per transport operation. These benefits of hiring have been generally acknowledged in stakeholder interviews, in the public consultation and the consultation of the SME panel of the Enterprise Europe Network.

The objectives of the Directive in terms of increasing the flexibility and productivity of transport undertakings 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 face generally slim margins and will be looking to minimise their costs, among others by using hired goods vehicles where this is advantageous.

The benefits of hiring vehicles become most evident when comparing the situation in EU Member States which restrict the use of hired vehicles with the situation in countries where the use of hired goods vehicles is more liberalised. Four Member States have been found to (still) restrict the use of hired goods vehicles with a maximum mass above six tonnes for own account operations: Greece, Italy, Spain and Portugal. The share of empty runs in own account operations tends to be higher there than in more liberal EU Member States. Moreover, the vehicle renting and operational leasing sector in these Member States appears to be underdeveloped compared with EU Member States without restrictions. Usual consequences of such underdevelopment are lacking competition and higher prices.

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, its effectiveness in achieving its objectives is seriously compromised. Leasing companies found that restrictions on the cross-border hiring of goods vehicles prevent them from optimising the utilisation of their fleets by shifting their vehicles to where they are most needed. They therefore have a negative impact on their productivity. Moreover, restrictions on the use of hired goods vehicles also lower the efficiency of the Directive as they increase compliance costs for and the administrative burden on both transport operators and leasing companies and as they increase implementation and enforcement costs for the competent public authorities. In the absence of restrictions, these costs have been found to be small and negligible.

Allowing Member States to restrict the use of hired goods vehicles also goes against the needs of the European economy in terms of increasing the flexibility and efficiency of road haulage operations and it is not fully compatible with current policy priorities in terms of deepening the single market and promoting the use of safer, cleaner and more fuel efficient vehicles.

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) have been found. None of these discrepancies has however been identified as a major issue in practice.

In an integrated road haulage market, the EU is considered to be the most relevant level to develop rules governing the use of hired goods vehicles. The public consultation and the stakeholder interviews clearly indicated the desire to have common rules on the use of hired goods vehicles across the EU. Respondents found that the possibility of imposing restrictions on the use of hired goods vehicles has led to a patchwork of national rules and to a complicated legal framework which causes uncertainty among operators. Reducing the possibility for Member States to impose such restrictions should therefore be considered.