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## **IRU POSITION ON**

## THE COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON PASSENGER TRANSPORT BY BUS AND COACH

IRU Position on the Communication from the Commission to the European Parliament and the Council on the operation and prospects of the Community framework for passenger transport by coach and bus: access to the international transport and cabotage market, safety and rights of passengers - COM (2004)527 final.

## I. ANALYSIS

- The European Commission published this Communication on 29 July 2004 in order to report on the application of Regulations 684/92 and 11/98 on access to the international market and Regulation 12/98 on cabotage. In addition, in a Working Paper attached to the Communication, it contains several interpretations of service definitions, the Community Licence, the use of the Interbus Agreement, the authorisation procedure of international regular services and cabotage.
- The Communication also raises two questions relating to Regulations 684/92 and 11/98. The first relates to the Community licence. The second relates to the possible liberalisation of international regular services. Furthermore, it covers two additional new issues relating to road safety and passenger rights in road passenger transport, which are expected to become priorities for Community action over the next years.
- On the **Community Licence**, the Commission reports that it has facilitated checks carried out outside of the Member State of establishment. However, there have been a number of complaints about imposed penalties. To ensure proper implementation in all Member States, the Commission has provided clarifications on the interpretation and implementation of these provisions.

In relation to this question, although in general the road passenger industry does see the positive effect of the introduction of the Community licence, it is of the opinion that the Community Licence has not fully achieved its aim to create a harmonised control document to facilitate inspection and guarantee more legal certainty for operators. The great flexibility allowed in the production of the certified copies of the Community licence has not led to harmonisation and the multiple unsubstantiated penalties prove that the inspectors are not aware of the wide range of existing practices within the Union.

Therefore, a simple Commission's interpretation of the rules cannot be considered sufficient. Instead, amendments to Regulations 684/92 and 11/98 are needed to simplify rules and limit the scope for Members States' interpretation. The objective should be to provide a more unified control document, thus creating more legal certainty for operators and a harmonised control framework for inspectors. Such measures may help to convince the small minority of transport operators which is opposing the Community Licence and is calling for its abolition.

The Commission also proposes three alternative scenarios to liberalise international regular services, currently subject to authorisation. The first is to limit the reasons for refusing to grant authorisations. The second is to limit the reasons for refusal and automatically grant authorisations ("tacit authorisation") if the authorities do not decide within a pre-set timeframe. The third abolishes the authorisation and replaces it with a simple notification system and a simplified control document similar to the journey form.

Currently, a system of controlled competition exists for international regular services. It provides the necessary means of control for authorities and certainty for legitimate operators. With a sudden full liberalisation and in the absence of EU-wide harmonisation of conditions for competition and implementation of rules, the entire international regular services network could be jeopardised and the quality offered to passengers could be negatively affected.

Besides, liberalisation cannot be approached without also ending discrimination in favour of railway services, the opening up of local public transport markets and liberalisation of international regular services cabotage.

In addition to technological advances and a better Community legislation that has resulted in ever safer vehicles, the Commission sees **road safety** as an important criterion to enhance the quality of services offered by coach operators to their customers. In this respect, the introduction of a system of certification for operators offering higher safety standards than the required minimum will also be under consideration.

However, the discussion within the IRU Passenger Transport Council (CTP) showed that quality standardisation and certification may be best achieved through initiatives taken by and within the industry itself, since it is in the interest of bus and coach operators themselves to offer high quality services to their customers.

 This issue of passenger rights in transport by bus and coach has also been raised by the Commission.

The IRU analysis shows that even today road passenger transport operators offer services that meet the criteria suggested by the Commission. Therefore, the industry will not accept additional regulatory measures that increase unnecessarily the financial burden on operators.

 The report does not contain extensive **information** on developments in the bus and coach markets. Apart from the information provided by Eurostat, very little harmonised and reliable information exists for the bus and coach industry.

## II. IRU POSITION

- Regulations 684/92 and 11/98 should be amended to simplify the rules relating to the Community Licence, in order to create more harmonisation between the different national models of certified copies, facilitate enforcement and create legal certainty for operators.
- For **international regular services**, absolute priority should be given to end discrimination in favour of rail and introduce a higher degree of fairness and transparency in the authorisation procedure, including more precise rules and shorter consultation periods. Strict rules should be established in order to prevent authorities from using the "tacit authorisation procedure" allowing direct granting of an authorisation when the time limit for Member State consultation has not been respected by the granting authorities involved as an excuse to stop issuing any authorisations at all.

- The bus and coach industry has a fundamental interest in seeking to improve service quality standards. The initiative of dealing with service quality should remain with the industry rather than with the legislator. The road passenger transport operators offer services that already meet high passenger right standards and it does not accept additional regulatory measures that increase unnecessarily the financial burden on operators.
- The Commission should undertake a study on the evolution of national and international transport by bus and coach in Europe, to be able to base policy development on facts.

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