



## COACH HIRE WITH DRIVER

### 1. Information and Characteristics of the Sector

The sector of coach hire with driver is recognised by national legislation in the category of “tourism enterprises”. It plays an important role in allowing people to be mobile, thereby guaranteeing irreplaceable assistance to local public transportation, and it represents a significant driving force for the entire tourism industry, with consequent positive repercussions on the country’s economy.

Through the daily transport of hundreds of thousands of tourists, coach hire with driver actually produces significant effects also for other sectors, such as the hotel industry, catering, cultural activities, religious pilgrimage, in short the entire tourism sector which affects the national GDP at a rate of 12.50%.

Here are the figures for the sector:

- **2,500** companies;
- **10,000** coaches (on average 4 per company);
- **11,000/12,000** employees
- **600 thousand** kilometres per year;
- **1 billion Euro** turnover per year;
- **1.5 million** journeys per year;
- **67 million** passengers transported per year;
- **55%** of tourism traffic conducted in Italy and the rest towards foreign nations.

In relation to the **characteristics of the services conducted**, it is apparent that the activity of coach hire with driver is implemented in conducting the transport services defined by EC Regulation 1073/09, that is to say, tourism transport services and contract transport services (so-called atypical or conventional services). The former includes mass tourism services such as: visits to cities of art, religious tourism, excursions, etc., which occur by way of journeys organised by tour operators, travel agencies, schools, associations, companies, other customers; or transfer services, such as shuttles between hotels and airports and vice versa. The latter includes, on the other hand, transport services for workers and students, conducted by way of a contract between the transport companies and employers, schools or other customers. A recent survey by Touring Club Italiano shows, for example, that the means of transport which is still most used for school trips is the bus with **62%**, followed by the train and aeroplane.

The majority of coaches registered within the coach hire with driver service are owned by Companies represented in CAIPET. They constitute the largest and most structured in terms of the size of the fleets.

### 2. The tourist “Coach (bus) ticket” issue

It has been some years now that, in various cities of art, the Municipal Administrations, in order to resolve problems linked to traffic congestion and noise and air pollution and, at the same time, to provide additional revenue for their budgets, have been using burdensome entrance tickets for tourist coaches.

This phenomenon, which was initially limited to just a few cities, has rapidly spread to all the main tourist destinations, causing serious damage, not just to the coach with driver hire companies, but

to the entire tourism industry in our country, having forced many international tour operators to redirect mass tourism towards destinations, such as Greece and Spain, where the tourism offer is financially more advantageous.

The extent of the problem can be immediately understood if one considers that the charges incurred by the coach with driver hire companies for access, traffic flow and parking of tourist buses within city centres amount to approximately 40 million Euros per year, equal to a share of over 5% of the operating costs of companies in the sector (but this percentage is considerably higher if you exclude from the calculation activities that are not based on tourism, such as school buses, contract transport, etc.).

The “ticket” issue was, therefore, addressed and, from this perspective, Italian Legislative Decree dated 14th March 2011, No. 23, containing provisions in relation to municipal fiscal federalism, gives an initial important response to the problem. The decree actually introduced the opportunity for the municipalities of the provincial capitals, for municipality unions, as well as for municipalities included in the regional list of tourist locations or cities of art, to institute a residence tax, in a daily sum which varies from 0.5 to 5 Euros, to be paid by those staying in the accommodation facilities situated in that territory (Article 4, Para.1).

The eventual institution of this tax allows the pertinent municipal administrations, notwithstanding their power to impose traffic restrictions in town centres pursuant to Article 7 of Italian Legislative Decree dated 30th April 1992, No.285, to *“replace, in whole or in part, any taxes on tourist buses for travelling and parking within the municipal territory”* (Article 4, Para.2).

The measure suggests, therefore, a possible route to follow to achieve – through a fair distribution of the levy towards all tourists – the partial or complete overhaul of the burdensome, and unfair, entrance tickets imposed by many cities of art only to tourists who arrive by coach and not by other modes of transport (aeroplane, train, car, etc).

It is, in fact, clear that the eventual institution of the residence tax by Municipalities can only be accompanied by the abolition of or at least a large reduction in the entrance tickets, because operating differently would lead to an unjustifiable and absurd duplication of their own (and only) levy on those tourists who, with average-low incomes, use buses to get around, as a more economical means of transport than the others.

The right of Municipalities to regulate access, travelling and parking of buses in town centres by a quota system on admissions is not disputed. In any case, this objective could be achieved by appropriate planning of accesses rather than by issuing “burdensome passes”.

#### *Industry proposals:*

In order to manage tourist flows in the so-called “cities of art”, a series of possible interventions could be evaluated, aimed at:

- alerting Municipalities to the possibility of introducing the residence tax in their territory. This tax actually ensures the fair distribution of the levy on all tourists, constituting a fairer tax system than coach (bus) tickets, which, conversely, only affect tourists travelling by coach. Moreover, the residence tax would guarantee to Municipal Administrations much greater revenue than that deriving from the imposition of tickets. The experience of the Municipality of Rome clearly demonstrates this: according to estimates from the Municipal Administration, the residence tax contribution will lead to increased income quantified in the preliminary 2011 draft budget at around 71 million Euros per year compared to revenue from coach (bus) tickets quantified in 2010 at around 10 million Euros;
- abolishing or considerably reducing the tariffs currently applied to tourist coaches (by at least 50%), in this latter case, obliging the Municipalities to create structures aimed at facilitating the stays of tourist coaches (equipped areas, links with sites of interest, etc.) and the enjoyment of the tourism offer for those arriving by coach (for example, through reductions for tourist groups accessing museums or monuments). Such intervention must also involve the Municipality of Rome which has already instituted the residence contribution on the basis of the rules for “Roma Capitale” (c.f. Decision 67/2010);

- where the reduction, rather than abolition, of the tickets is planned, instituting co-ordination at a national level, so as to avoid duplication in charges with respect to tickets paid by tourists who use buses as part of a package of integrated visits to various cities and territories;
- providing for "tourism planning" by adopting a booking system which must give priority to coaches with a low environmental impact and/or, where there is a requirement to counter the phenomenon of so-called "hit and run" tourism, to coaches which guarantee a stay of several days.

### 3. Framework Law No. 218/2003

The law of 11th August 2003, No. 218 had, in the intentions of the legislator, the aim of liberalising the activity of coach hire with driver, promoting full respect for the law and fair competition between operators.

The failure to acknowledge the framework law by some major regions (Lombardy, Lazio, Marche, Campania, Puglia and Calabria) and the regulatory differences between those which have fulfilled it (Umbria, Molise, Piedmont, Basilicata, Liguria, Abruzzo, Emilia Romagna, Tuscany, Veneto, Valle d'Aosta, Friuli V. Giulia, Sardinia and Sicily) has generated, conversely, a serious distortion in competition, creating huge disparities between the operators.

The most problematic aspects that need action to be taken are:

- ✓ age of the coaches: it is necessary to standardise over the whole territory the requirements for registering coaches for hire through a regulation which sets out, for operating purposes, registration of buses with characteristics not inferior to a set European environmental class (Euro class).
- ✓ role of the drivers: it is necessary to introduce a regulation which provides for the professional qualifications established by the highway code for bus drivers to be recognised as sufficient also for obtaining registration by default for the role of car drivers, without the need for further tests or examinations;
- ✓ relationship between employees and coach fleet: the determination of this relationship should be left to the autonomy of the individual companies or it should be established in a uniform manner across the whole national territory;
- ✓ sanctioning aspects: it is necessary to overcome the disparity between the different rules in force at a regional level. Such differing rules, as well as causing innumerable operative difficulties for companies obliged to adhere to different rules in each region, present doubts in relation to constitutional legitimacy in light of the fact that, in many cases, they duplicate sanctions already provided for by the highway code (*ne bis in idem*).

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