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By email

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CALL TO SUPPORT THE CONTINUITY OF SUPPLY CHAINS AND MOBILITY NETWORKS IN POST COVID-19 DE-CONFINEMENT PERIOD

Dear Minister,

In response to the EU Roadmap on lifting COVID-19 containment measures, IRU is calling for immediate action to ensure the survival of the road transport sector during and beyond the current crisis, so it can support broader EU economic and social recovery.

Both goods and passenger sectors have been seriously affected by the COVID-19 crisis. We expect the economic difficulties in the sector to continue at least until 2022.

- **Goods transport:** Revenue is expected to decline, on average, by 40% during the confinement period. Many segments, such as automotive parts, clothing, flowers and construction materials, have dramatically slowed or stopped altogether. In segments that remain operational, such as food and medical equipment, companies face liquidity issues due to long delays in payment receipt. In segments that have temporarily slowed or stopped altogether, operating companies incur ongoing fixed costs such as vehicle credit instalments, rents and insurance. These companies are finding it difficult to remain in business and face potential bankruptcy, thus risking the scaling-up of operations as confinement restrictions are eased. Transport companies and supply chains cannot be instantly “switched-on” as they require skills, safety measures and professional competence at both managerial and driver levels.

Economic recovery in the EU is directly dependent on a functioning road transport sector for goods. The sector must be supported now to avoid risking further economic turmoil as the EU moves to recover from the crisis.

- **Passenger transport** (bus, coach and taxi): Revenue is expected to decline, on average, by 50-100% during the confinement period. This ranges from 50% for private operators who run public service contracts, for example for urban transit authorities, up to 100% for companies running scheduled intercity and international services, and tourist coach services. As confinement measures are lifted, the outlook for long distance and tourist coach businesses however remains bleak due to social distancing rules and reluctance to travel. Most of the operators in these segments will face significant declines in activity for a long period of time and will struggle to survive. For 2020 as a whole, we expect an overall contraction of at least 50% in revenues across all passenger road transport segments. As with goods transport, passenger transport operating companies cannot be merely “switched-on”.

Economic recovery and the steady return to social interaction and harmony in the EU is dependent on functioning and accessible passenger road transport services, especially for poor and vulnerable citizens

and workers. The sector must be supported now to ensure that mobility companies and networks remain in place to support the recovery of the EU's communities and businesses.

IRU is therefore calling on Member States to take the following actions:

Financial measures: specific road transport support schemes

Specific road transport support schemes are crucial to support the sector. The aid schemes and other support measures enacted by Member States so far are typically non-transport specific and insufficient to ensure the sector's continuity and survival. The following measures, targeted to road transport, need to be established:

1. Financial support for transport operators in difficulty (direct grants, loans and re-financing facilitation at reduced interest rates, exemptions from taxes, charges and duties):
 - Provide direct cash grants to companies, as a temporary aid, which can be phased out as the situation improves;
 - Facilitate access to loans for covering variable costs (such as ongoing operational needs), re-financing of pre-existent credits for asset purchase (e.g. vehicle leases), and facilitate credits for the renewal of fleets at low or 0% interest rates;
 - Facilitate delays to due dates for loan repayments and lease instalments;
 - Extend payment deadlines and/or temporarily reduce or waive taxes, charges and duties including corporate taxes, social contributions, and fuel tax;
 - Facilitate reduction of insurance premiums and waive premiums for non-operational vehicles due to halted goods and passenger services.
2. Social measures to support employment:
 - Set up support programmes for temporarily unemployed road transport workers and facilitate reintegration back into the transport workforce of skilled people made unemployed due to the crisis.
3. Promote agreements with companies running tendered bus services:
 - Member States should request relevant public transport authorities (PTAs) and regional bodies to ensure that the fixed costs of transport operators are covered during periods of activity reduction, and provide compensation for capacity reduction due to social distancing rules, under public service obligation (PSO) contracts.

Non-financial measures:

1. Green lanes for goods transport:
 - Despite the European Commission's initiative on green lanes, long waiting times are still an issue in several Member States, with several hours of waiting time at some newly created intra-EU borders. As de-confinement commences, more traffic, including private cars, will overwhelm these borders, and trucks blocked in these border queues will affect EU supply chains and the functioning of the single market.
 - IRU calls for green lanes for trucks to be implemented at all borders and policies and procedures that prevent the systematic stopping of trucks at all intra-EU borders.
2. Support resumption of collective passenger transport:
 - Collective passenger transport, particularly for workers, should continue to be prioritised for long and short distance mobility, with appropriate health protective measures put in place.
 - Collective passenger transport should also be prioritised versus the use of private passenger cars as the most efficient way for decarbonisation and decongestion of road transport.
3. Health measures: large-scale testing, protection for drivers and disinfection of vehicles:
 - Drivers should be classed as a priority category, making them eligible for mass immunity testing as a pragmatic measure to facilitate their full movement, including across borders.
 - The same priority should also give drivers access to proper protection and disinfection equipment and material, which have not yet been made sufficiently available by Member States.
4. Adoption and implementation of the e-protocol to the Convention on the Contract for the International Carriage of Goods by Road (eCMR)

- eCMR is an ideal tool to support social distancing and implement Green lanes by replacing the paper CMR waybill and reducing the need for physical contact between the driver and customers or control authorities.
- Only about half of the EU Member States have ratified eCMR. We urge all Member States to accelerate adoption and implementation of eCMR.

5. Temporary changes and flexibility in legislation:

- National tolerance measures to prolong the validity of expired control documents (e.g., certificates, licenses, including the Community for transport operators or inspections) should be harmonised on an EU level to ensure legal certainty.
- Give passenger transport operators the ability, under Regulation (EC) 1073/2009, to temporarily suspend and resume cross-border traffic as needed, depending on traffic demand during the recovery period.
- Temporarily modify passengers' options in Regulation (EC) No 181/2011 to allow road transport operators to offer refundable vouchers instead of immediate cash refunds to passengers for trips cancelled due to COVID-19 confinement measures. Furthermore, for coach tourism, temporarily modify travellers' options in Directive (EU) 2015/2302 to allow travel companies to issue refundable vouchers instead of cash refunds.

We should remain grateful if you would support our message and bring it to the attention of the Transport Council.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Raluca Marian', with a stylized flourish at the end.

Raluca Marian

General Delegate, IRU Permanent Delegation to the EU