

To: Transport Commissioner Adina-Ioana Valean

Brussels, 31 August 2020

Dear Commissioner,

Ref: The EU road freight sector needs investment in a socially sustainable, innovative, fair and better future

We write to you to call for a fair and sustainable deployment of the EU recovery instruments for the road freight transport. As the sector starts picking up after months of lockdown, we hope you will show all your support in developing a socially, environmentally and economically sustainable future haulage market in the EU.

We are well aware that the recently adopted Mobility Package has the potential to bring clear improvements for drivers and business in road transport. You have well pointed it out in your previous communications with the ETF. But what is expected from the European Commission now, as work starts on all the technical documents to accompany the Package, is a full commitment to smart enforcement of all the new rules. We need innovation and digital progress in monitoring law compliance in the haulage sector. We need to put an end to the backward paper-based documenting practices, that make controls time consuming and ineffective.

What is equally expected from the European Commission is a guarantee for the integrity of the Package. Having companies fictitiously based in low-income countries to escape controls, fiscal and social obligations while operating 2000kms away from their establishment is not sustainable, neither for business and employment, nor for the environment. This 'model' keeps road transport artificially cheap. Our drivers no longer want to 'rough it' in what is quite rightfully labelled as the low-cost transport mode of Europe. The Mobility Package allows every haulier to establish there where its business is, and not 2000kms away. And that is its added value for climate, drivers and business too.

The COVID-19 crisis exposed, one by one, all untenable practices the EU road transport was built on. Here are a few examples:

 Mid-March, as member states were imposing lockdown measures, thousands of trucks and truck drivers got stuck in huge border queues across Europe. To start with, the most impacted borders were Germany - Poland, Poland - Lithuania. Based on information provided by our networks, this was caused by a massive exodus of drivers and vehicles towards the Baltic states and the non-EU

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countries bordering them, trying to escape the lockdown. Latest figures published by the European Commission show that in 2019 the number of non-EU truck drivers working on the EU territory was of 200,000. 50% of these come via Poland, and 20% via Lithuania. These drivers have no effective permanent address in the EU, they are not paid according to the posting rules and they are illegally made to live in their trucks for almost the entire duration of their stay on the EU territory.

- During the second half of March, the EU witnessed these queues gradually shifting to the Austrian, Czech, Slovak, and Hungarian borders as it was time for Hungarian, Romanian, Bulgarian companies and drivers to exit Western Europe - some of the companies in guestions had never brought their fleets back home in years. And with this, the COVID-19 crisis revealed the precariousness of the business models that have dominated the road freight transport sector for the past decade, and of the **employment schemes** covering the Central and Eastern European drivers. For years, many had had their social security contribution deducted on a monthly basis from their salary. However, once in their country of residence, when trying to cash their unemployment benefits or claim access to free health care - guite vital in times of COVID, it became clear that the hauliers employing them had not met their part of social security contribution. Circumventing social security legal obligations is one of the two main incentives for hauliers to open letter box companies in Central and Eastern Europe. This leads to no protection for drivers in need and deprives the Central and Eastern European member states of revenues from social contributions. Also, letter-box companies based in countries such as Bulgaria, Hungary, Romania will place incumbent hauliers in deep competitive disadvantage: it is much easier for the former to avoid controls and fiscal rules, and much easier to get service contracts abroad, via their parent companies.
- The derogations to the driving and rest time rules adopted by the Member States in March were meant to allow truck drivers to deliver 24 hours per day and 7 days out of 7. But that, while parking areas, sanitary facilities, food and water supplies had been shut down all over Europe. While now these facilities gradually re-open, the deficit in parking lots across the EU remains unchanged: a shortage of approximative 100 000 spaces for overnight parking for trucks and a shortage of over 300,000 in safe and secure parking lots. Although the clear EU objective must be to substantially reduce rest away from home, we remind that it is not the drivers' responsibility to guard their vehicles during rest hours. Poor rest conditions generate fatigue and increase risk for accidents. The ETF currently works on a driver fatigue study and we will be happy to share our critical findings with you in due time.
- Since the beginning of the crisis, delivery companies have experienced a massive surge in business. While they took full advantage of it, their drivers were left to cope with an enormous increase in pressure and work intensity, with a lack of protection equipment as well as with unsafe and precarious delivery conditions. To this end, we would like to remind you that delivery companies using vans operate in a grey area as they do not have to comply with working, driving and rest time rules. A safe urban mobility strategy will have to

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take into account this aspect, particularly in the context where the number of vulnerable road users is much higher in urban areas.

The situation described above is not new. The precarious working and living conditions faced by drivers as well as the lack of work-life balance in road sector have had a massive effect on the attractiveness of the sector. The average age of drivers is around 45 in Europe. An estimated 98% of the drivers are male, which shows that young people and women think twice about entering the sector and taking up the profession of a truck driver.

Hence our call to the European Commission and the EU member states to turn the recovery process into an opportunity to rebuild the sector as a modern, attractive one for newcomers. We need it safe for drivers and road users. We need it socially, economically, and environmentally sustainable. This entails equal access to decent living and working conditions, to legal pay and benefits for all European and non-European professional drivers. We trust that you and the European Commission, in its quality of guardian of the Treaty, will put an end to practices such as paying truck drivers the minimum salary of their country of origin when working abroad, and instead ensure that the principle of equal pay for work of equal value is applied. This leads us back to our initial point, that the Mobility Package need political backing and commitment in order to work in practice.

We thus call for the European Commission and the EU member states to take the following measures and actions, when allocating grants and loans to the recovery of the sector:

- Allocate part of the recovery funds for transport to national and cross-border road enforcement and controls, to reverse the trend of the past years that led to a decrease in enforcement capacity across the EU by 75%, following the austerity cuts.
- Involve the social partners at national level in developing the national recovery plans.
- Require proof that hauliers demanding for EU loans and grants: a) have a clean compliance record in line with the rules on access to occupation; b) have a genuine place of establishment; c) contribute to the applicable social security schemes and remunerate their workforce in full respect of the applicable laws; d) comply with the regular return of fleets and drivers to the country of establishment/home; e) have active measures in place to ensure law compliance throughout their supply chains; f) protect jobs and keep skilled workers in continous employment. There is not only a need to rescue companies, but to also save jobs and protect income.
- Require proof from applicants in the delivery sector that they comply with the existing rules on subcontracting, posting and temporary agency work. This will improve job quality, making the sector more attractive to younger people.

We additionally call for the European Commission and the Member States to:

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- Invest in safe and affordable parking areas to guarantee drivers' access to sanitary facilities, catering and decent rest conditions. Please see in this respect the recent ETF IRU joint statement requesting dedicated EU support and priority funding for the development of a genuine network of accessible and affordable truck parking areas across Europe.
- As vans engaged in cross-border transport are now covered by the Mobility package, extend the scope of other relevant EU directives - such as the driver's training directive and the working time for mobile personnel in road transport to cover light goods vehicles.
- Developing policies and legislation in the supply chain that break the current system of unfair prices and make shippers and freight owners pay the fair price. This can be done by extending the mandatory joint liability that is already part of the Lex Specialis and of the driving and rest time rule, to all EU legislation applicable to the road transport and to adopt enforcement measures to be applied throughout the subcontracting of the supply chain.

It is without a doubt that the freight road transport, with the exception of ecommerce, will be impacted by the crisis as long as the manufacturing sector will not restart. Hence, policies to help the sector out of the crisis need to look at the developments in manufacturing in an integrated way.

To conclude, since the beginning of the COVID-19 crisis in March this year, freight drivers have played an essential role in responding to Europe's supply needs. Food, medical supplies, parcels, and other everyday products were - both domestically and internationally - transported and delivered around the clock while other parts of the industry came to a standstill. Today, at their turn, these drivers ask for safe jobs, fair income, health and safety guarantees. After more than one decade of cuts in rights and benefits, caring for people - drivers included - is today the new normal. This requires a vision for the sector that combines all three pillars of sustainability: social, environmental, and economic. That is what we expect from the future EU mobility strategy.

We do appreciate that in your answer to our letter dated 20 May 2020, you showed interest in our campaign on the future of road transport and we look forward to discussing our ideas for both freight and passenger, with you in a direct meeting at your earliest convenience.

Yours sincerely,

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Stefan Thyroke Chair of the ETF Working Group on Freight Transport

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