

MOBILITY PACKAGE:

> FIGHTING LETTERBOX COMPANIES

> CABOTAGE RULES

ETF
EXPLAINER

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TWO RULES COME INTO FORCE AS OF 21/02

2/4



RULES AGAINST LETTERBOX COMPANIES: RETURN OF THE VEHICLE

It's now mandatory for operators to return their fleet to the country of registration once every two months



CABOTAGE RULES

New cabotage rules impose a limit on the number of cabotage operations with a mandatory cooling-off period of four days between legally allowed cabotage operations. .

Cabotage is the transport of goods between two places in the same country by a transport operator registered in another country.



THESE TWO RULES – IF CORRECTLY ENFORCED – WILL:



HELP ELIMINATE SOCIAL DUMPING



CRACK DOWN ON THE ROAD TRANSPORT INDUSTRY'S BAD PLAYERS



CLAMPING DOWN ON BAD PLAYERS AND LETTERBOX COMPANIES

Businesses register in countries with cheap labour costs, lower operational costs and weak enforcement when actually they're operating in other countries – this is actually social dumping, tax evasion and exploitation.

LETTERBOX COMPANIES: THE BANE OF THE ROAD TRANSPORT INDUSTRY

Companies that operate like this are called letterbox companies.

By operating this way, they exploit drivers and avoid social regulations while taking all the profit for themselves.



RULES AND ENFORCEMENT ARE THE SOLUTION

Making trucks return to their country of establishment at least every 8 weeks will make letterbox company operations almost impossible and will force them to register in the country they're actually doing business in.

This means they will have to comply with the labour laws of that country and pay their drivers accordingly.

Return of the vehicle: If a company wants to operate in a certain country, they can just establish their operational centre there. And it's guaranteed: there will be no empty runs coming in and going out these countries. Simple.



CLAMPING DOWN ON BAD PLAYERS

Cabotage is another important step in eliminating social dumping in Europe and stopping driver exploitation - and it's directly connected to restricting fraudulent letterbox company activity.

IT'S ALL IN THE LIMIT

Without the new cooling off period that limits the number of cabotage operations, companies could just endlessly send a driver to X country for operations, but this driver would be paid the wages of Y country the company is registered in.

And you guessed it... the company would of course be registered in a country with extremely low wages compared to the country where the operations are actually being carried out.

ENFORCEMENT, ENFORCEMENT, ENFORCEMENT

As a whole, and if properly enforced and implemented across the EU - the Mobility Package can and will play a huge part in eliminating the road industry's bad players.

