

# Use of vehicles hired without drivers for the carriage of goods by road

Under the current EU rules, haulage companies can use hired vehicles, but Member States can also restrict this. In 2017, the European Commission proposed to soften these restrictions. During its April plenary session, the European Parliament will consider in second reading the adapted rules agreed with the Council. These would give transport operators more flexibility while maintaining some restrictions.

## Background

Haulage <u>undertakings</u> sometimes hire vehicles without drivers, either on a long-term lease, to meet seasonal or peak demands, or to replace defective vehicles. Under the current EU rules (<u>Directive 2006/1/EC</u>), Member States can forbid their domestic companies from using hired vehicles above six tonnes for own-account operations. They can also restrict the use on their own territories of vehicles that a company has hired outside its country of establishment. The use of such vehicles is allowed in <u>some</u> but not all EU countries, resulting in a legal patchwork.

#### **European Commission proposal**

As part of the 2017 first mobility package, the Commission proposed to remove some of the restrictions, give companies more freedom to use hired vehicles for seasonal operations or replacements, and establish a uniform regulatory framework for the use of hired vehicles across the EU. In essence, the proposal was to grant companies the same right to hire vehicles in another Member State as in the Member State in which they are established, with time limits.

### Legislative process

Both Parliament and the Council, however, wished to preserve the differentiation between Member State of establishment and other Member States. In the absence of a Council position, Parliament adopted its first-reading <u>position</u> in January 2019. Reservations in the Council centred mainly on a wish to prevent the rules from being used to avoid national vehicle taxes. The Council adopted its <u>general approach</u> in June 2021 and interinstitutional negotiations followed, concluding with an <u>agreement</u> in October 2021.

EU countries will no longer be allowed to restrict the use, on their territories, of vehicles hired by a haulage company established in another Member State, if all the relevant rules in the Member State of establishment are followed. However, as national vehicle taxation rates differ considerably, and to avoid fiscal distortion, EU countries will still be able to restrict the use of vehicles their own companies hire in another Member State. The restrictions mainly concern the share of such hired vehicles in a company's fleet and the lease period, with guaranteed minimums of 25 % and two months, respectively. Nevertheless, companies may now perform own-account operations with domestic hired vehicles without restrictions. The <u>agreed text</u> has been approved by the <u>Council</u> and is scheduled for a second reading during Parliament's April plenary session. EU countries will have 14 months to align their legislation with the new provisions.

Recommendation for second reading: 2017/0113(COD); Committee responsible: TRAN; Rapporteur: Cláudia Monteiro de Aguiar (S&D, Portugal). For further information see our 'EU Legislation in progress' briefing.



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