



## INTERNATIONAL AND CABOTAGE ROAD TRANSPORT

Following the adoption of various items of EU legislation, both international and cabotage road haulage and passenger transport services have been gradually liberalised.

### LEGAL BASIS AND OBJECTIVES

Title VI and in particular Article 91 of the Treaty on the Functioning of the European Union. The aim is to create a liberalised road transport market by opening up entry thereto under certain conditions. This is to be achieved by removing all restrictions on carriers that are based on their nationality or the fact that they are established in a Member State other than where the service is provided, in order to create a level playing field.

### ACHIEVEMENTS

#### 1. Access to the road haulage market (and the haulier occupation)

Following an action by the European Parliament for failure to act, the Court of Justice found, in its judgment of 22 May 1985 ([61983CJ0013](#)), that the Council had failed to introduce, before the end of the transitional period laid down in the Treaty of Rome (31 December 1969), provisions on: (a) the freedom to provide international transport services; and (b) permission for non-resident carriers to provide national transport services in other Member States. The EU has now almost finished remedying all the shortcomings in these two areas noted by the Court.

##### a. International road haulage services for hire or reward

[Council Regulation \(EEC\) No 881/92](#) of 26 March 1992 consolidated existing legislation on cross-border transport services between Member States and established the system for issuing road hauliers with Community authorisations. The rules applied to the carriage of goods from or to a Member State or through one or more Member States. This system also applied to journeys between a Member State and a non-EU country if an agreement existed between the EU and that non-EU country. Whereas, previously, the transport of goods between two Member States had only been possible on the basis of bilateral agreements and had also been subject to restrictions, the new regulation abolished all quantitative restrictions (quotas) and bilateral authorisations as of 1 January 1993. As part of the 2009 Road Package, the regulation was replaced by [Regulation \(EC\) No 1071/2009](#) (see below).



[Regulation \(EC\) No 484/2002](#) of 1 March 2002 established a driver attestation for all nationals of non-EU countries hired by a carrier in possession of a Community authorisation. This measure was intended to stop non-EU nationals being unlawfully employed as underpaid drivers on short-term contracts, which distorts competition and is prejudicial to road safety. The regulation was replaced by [Regulation \(EC\) No 1072/2009](#) of 21 October 2009 and subsequently amended by [Regulation \(EU\) 2020/1055](#) of 15 July 2020. In May 2017, the European Commission proposed a revision of Regulations (EC) No 1071/2009 and (EC) No 1072/2009 through the 'Europe on the Move' legislative initiative ([COM\(2017\)0281](#)). This initiative was aimed at modernising the rules governing admission to the sector and ensuring that the single market for road transport functioned properly. Parliament adopted the regulation at second reading in July 2020, closely followed by the official publication of the final act ([Regulation \(EU\) 2020/1055](#)). The revision provides a legal framework for rules applicable to cabotage and international transport operations, excluding transit and bilateral operations.

Lastly, [Directive 2006/1/EC](#) of 18 January 2006 governs the cross-border leasing of vehicles without drivers for the carriage of goods by road. On 31 May 2017, the Commission proposed a revision of this directive through the 'Europe on the Move' legislative initiative with the aim of establishing a clear and uniform regulatory framework that ensures hauliers across the EU have equal access to the market for hired vehicles ([COM\(2017\)0282](#)). The final act was published in the [Official Journal](#) on 16 May 2022.

On 31 July 2020, [Regulation \(EU\) 2020/1056](#) on electronic freight transport information (eFTI) was implemented. It aims to create a legal framework for the electronic exchange of regulatory information regarding the movement of goods across EU territory between the economic operators and the appropriate authority.

On 13 December 2022, an EU-Ukraine agreement was enacted on the carriage of freight by road. It exempts drivers from the requirement to show an international driving permit, accepts Ukraine's decision to extend the administrative validity of driver documents and simplifies the exchange of information between the EU and Ukraine to combat fraud and the forgery of driver documents ([Council Decision 2022/2435](#)).

## **b. Cabotage**

[Council Regulation \(EEC\) No 3118/93](#) of 25 October 1993 was adopted to cover 'cabotage', i.e. the provision of road haulage services within a Member State by a carrier established in another Member State. In practice, this referred to non-resident carriers that, rather than returning empty after an international trip, would pick up and deliver a further load in the host country before returning to the border. This regulation allowed carriers with a Community authorisation issued by a Member State to provide road haulage services within other Member States on the condition that they were provided on a temporary basis. [Regulation \(EC\) No 1072/2009](#) (Article 8(2)) abandoned the concept of general cabotage and adopted the more restrictive formula of consecutive cabotage (allowing up to three cabotage operations within the seven days following an international journey to the cabotage host country). These provisions on cabotage



have applied since 14 May 2010 but, as mentioned above, are now amended by [Regulation \(EU\) 2020/1055](#).

**c. The Road Package of 21 October 2009**

The EU gradually created the conditions needed to allow a liberalised internal road transport market to be introduced. To create a level playing field, however, further harmonisation of social, technical and fiscal conditions was necessary. The road package adopted in October 2009 as the result of a compromise between Parliament and the Council is made up of three EU regulations – [\(EC\) No 1071/2009](#), [\(EC\) No 1072/2009](#) and [\(EC\) No 1073/2009](#) – all of which have been fully applied since December 2011. The rules are common to international and cabotage road haulage services. Regulation (EC) No 1071/2009 introduced stricter rules on admission to the road haulage business and sought to modernise the road transport industry's image. It established four qualitative criteria for becoming a road haulage operator: good repute, financial standing, professional competence, and having an effective and stable establishment in a Member State. Regulation (EC) No 1072/2009 further consolidated and harmonised rules on cabotage. In particular, it merged Council Regulations [\(EEC\) No 881/92](#) and [\(EEC\) No 3118/93](#) and repealed [Directive 2006/94/EC](#) (on the establishment of common rules for certain types of carriage of goods by road), which did away with the legal uncertainty surrounding carriers. Regulation (EC) No 1073/2009 refers to passenger transport (see the next section for further information).

**2. Gradual liberalisation of international bus and coach passenger transport**

Progress in opening up the market for passenger transport services has been slower than for road haulage. [Regulation \(EEC\) No 684/92](#) of 16 March 1992 helped to open up the market for international bus and coach passenger services by permitting any EU transport company to operate passenger services for more than nine people (including the driver) between Member States. The regulation was supplemented and amended by [Council Regulation \(EC\) No 11/98](#) of 11 December 1997, which introduced a Community licence to be issued by the authorities concerned in the Member State of establishment to bus and coach companies operating for hire or reward.

[Council Regulation \(EC\) No 12/98](#) of 11 December 1997 authorised cabotage operations for all occasional services, and for special regular services (for specified categories of passengers), provided that the latter were covered by a contract concluded between the organiser and the carrier (e.g. transporting workers or students). It also authorised cabotage for regular services, provided that the cabotage operation was performed in the course of a regular international service (and not at the end of the line). Passenger cabotage services, like haulage cabotage, were to be provided on a temporary basis only.

Through the road package adopted in 2009, Regulation (EEC) No 684/92 and Council Regulation (EC) No 12/98 were merged into one single regulation ([Regulation \(EC\) No 1073/2009](#)) to clarify and simplify the rules for the international carriage of passengers by road (coach and bus services) within the territory of the EU and the conditions under which non-resident carriers may operate national transport services within a Member State. Regulation (EC) No 1073/2009 confirms the principle of the



free provision of services, and then goes on to set out the conditions for issuing and withdrawing Community licences, their periods of validity, the detailed rules for their use and the layout of both the licence and certified copies thereof. Here too, the provision of passenger cabotage services is permitted, as with freight haulage, provided that cabotage is not the main aim of the transport service (i.e. it must take place subsequent to a regular international service).

Regulation (EC) No 1073/2009 also amended [Regulation \(EC\) No 561/2006](#) on the harmonisation of certain social legislation relating to road transport. It was also complemented by [Commission Regulation \(EU\) No 361/2014](#) of 9 April 2014 laying down detailed rules for the application of Regulation (EC) No 1073/2009 as regards documents for the international carriage of passengers by coach and bus. As part of its 2017 'Europe on the Move' legislative agenda, the Commission sought to amend Regulation (EC) No 561/2006 on minimum requirements on maximum daily and weekly driving times, minimum breaks and daily and weekly rest periods and [Regulation \(EU\) No 165/2014](#) as regards positioning by means of tachographs' (for further information on tachographs and odometers, see [3.4.3](#)). Parliament adopted the proposal at second reading in July 2020.

To prevent competitive distortions and improve road safety and working conditions for drivers in the EU, the revised regulation focuses on harmonising driving times, breaks and rest periods in the road transport sector and better enforcement of these provisions by using smart tachographs. In May 2023, the Commission published a proposal slightly modifying the rules on breaks and daily rest periods laid down in Regulation (EC) 561/2006 for the 'occasional passenger services' sub-sector, normally associated with coach tourism ([COM\(2023\)0256](#)).

## ROLE OF THE EUROPEAN PARLIAMENT

In the area of road transport, Parliament has called for, and supported, the gradual opening up of the road haulage and passenger transport markets in numerous resolutions and reports. At the same time, it has repeatedly emphasised that liberalisation must go hand in hand with harmonisation, and that social aspects and safety must be guaranteed. Parliament has advocated greater liberalisation in haulage cabotage services, in particular in order to cut the number of times lorries return empty (see paragraph 18 of its [resolution of 6 July 2010](#) on a sustainable future for transport). Moreover, in its [resolution of 15 December 2011](#) on 'the Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system'<sup>[1]</sup>, Parliament called on the Commission to draw up a report before the end of 2013 on the state of the Union's road transport market. The Commission took the first step towards this with the publication in June 2012 of the report by the High-Level Group on the Development of the EU Road Haulage Market, which recommended the gradual opening up of the EU road haulage market. The group recommended in particular introducing two different kinds of cabotage: (1) limited to a short period of time and connected to an international trip; (2) not connected to an existing international trip and for which a registration procedure would be required to ensure that the driver abided by

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[1]OJ C 168 E, 14.6.2013, p. 72.



the host country's labour law. The Commission then published its report on the [State of the Union Road Transport Market](#) on 14 April 2014.

In its [resolution of 9 September 2015](#) on the implementation of the White Paper on Transport<sup>[2]</sup>, Parliament called, inter alia, for better enforcement and, if necessary, clarification or review of the common rules for access to the international road haulage market. It also called on the Commission to take measures against illegal practices that led to unfair competition and encouraged social dumping. In this sense, Parliament advocated the adoption of a social code, also addressing the problem of disguised self-employment, to take better account of the specific nature of international road transport workers and ensure fair competition. A [resolution on road transport in the European Union](#)<sup>[3]</sup> was adopted on 18 May 2017 and covers issues such as improving competitiveness and innovation in the road sector, facilitating cross-border mobility on roads, improving social conditions and safety rules and promoting low-emission road transport.

In February 2019, Parliament adopted at first reading its decision on the [Commission's proposal to amend Regulation \(EC\) No 1073/2009](#) to further open up national markets to international coach and bus services. It awaits the Council's first reading position.

Parliament amended at first reading Regulation (EU) 2020/1056 on electronic freight transport information by strengthening the protection of commercial and personal data within the text of the legislation.

In July 2020, Parliament endorsed a legal act, as part of the Mobility Package, on 'pursuing the occupation of road transport operator and access to the international road haulage market' ([2017/0123\(COD\)](#)).

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[2]OJ C 316, 22.9.2017, p. 155.  
[3]OJ C 307, 30.8.2018, p. 123.

