

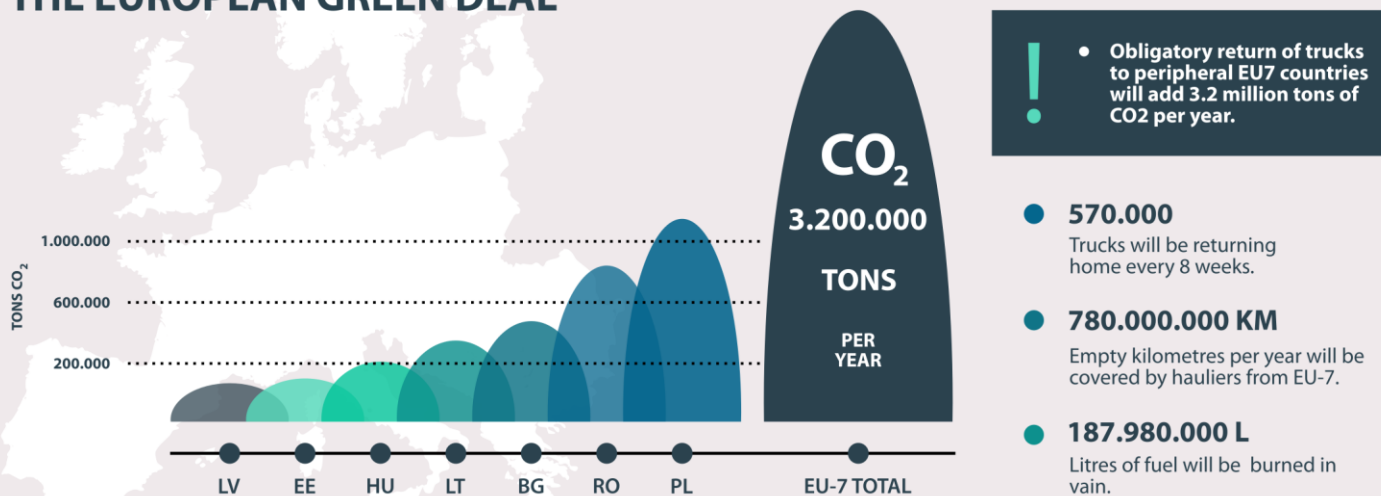
POSITION OF THE LITHUANIAN HAULIERS

MOBILITY PACKAGE I MUST NOT RUN COUNTER THE EUROPEAN GREEN DEAL AND THE SINGLE MARKET

SUMMARY

The **Mobility Package's I** proposal on the obligation to return trucks every 8 weeks to a country of establishment will force hundreds of thousands of drivers to navigate empty trucks back home, causing additional CO₂ emissions, higher fuel consumption and more trucks on the roads. This clearly contradicts the European Green Deal's ambitions and the Paris Agreement goals. The rule will significantly limit the freedom to provide services as well as distort fair competition and smooth functioning of the Single Market within the EU.

RETURN OF TRUCKS IS CONTRARY TO THE EUROPEAN GREEN DEAL



SOURCE: European Commission; U.S. Environmental Protection Agency; MAN; Baltic Institute for Research and Development.

01

Obligatory return of trucks runs against the European Green Deal

The **return home of trucks** on a regular basis clearly contradicts the overarching goals of the well-regarded "European Green Deal" to be introduced by the European Commission of Ms Ursula von der Leyen.

It is estimated that due to this obligation 7 peripheral EU Member States – Lithuania, Latvia, Estonia, Poland, Hungary, Romania, Bulgaria – alone will emit additional 3,2 million tons of CO₂ per year.

Furthermore, 570 thousand trucks will be returning home every 8 weeks navigating 780 million suboptimal or empty kilometres annually.

As a result, the European transport system and businesses will face inefficiencies, higher fuel consumption and lack of transport capacity, while EU

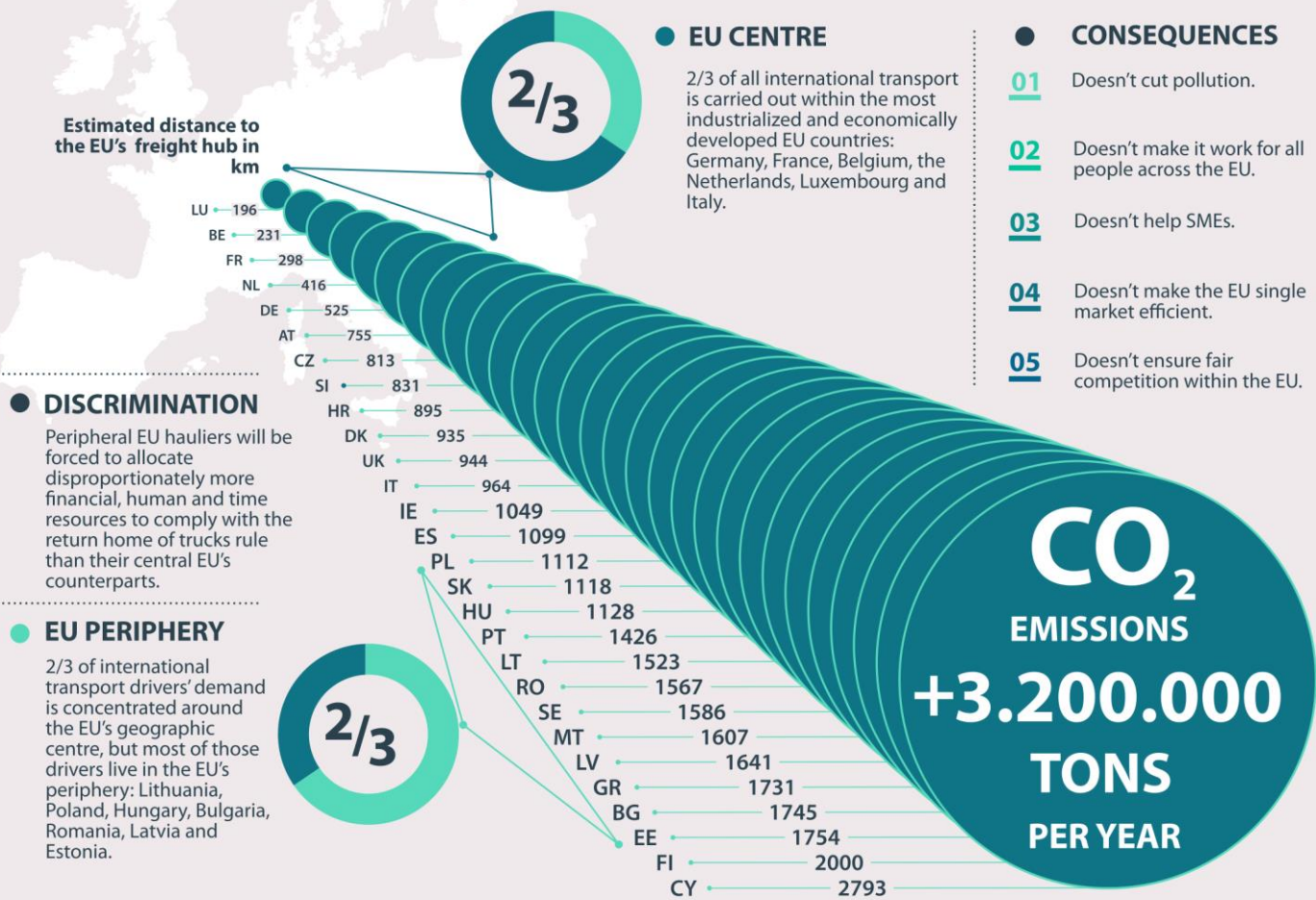
citizens will encounter more pollution and congestion.

All this will seriously undermine our joined efforts to move towards a sustainable and smart mobility and to be a part of the solution in the process of this historic transformation.

Similar risks have been identified by various national studies: for example, carried out by the Transport and Mobility Leuven, prof. P. Klaus, KMPG and PWC.

The Commission's initiative to conduct the assessment of the highly controversial provisions in terms of environmental, climate and Single Market impacts is indispensable to get the measure of the EU-wide effects.

OBLIGATORY RETURN OF TRUCKS RUNS AGAINST THE EUROPEAN GREEN DEAL AND THE SINGLE MARKET



SOURCE: European Commission; U.S. Environmental Protection Agency; MAN; Baltic Institute for Research and Development.

As it stands today, the Mobility Package I contradicts the fundamental freedom to provide services in the Single Market and the principle of free movement of workers.

Provisions on returning vehicles to a Member State of establishment alongside the limitations on cabotage in the form of an excessive cooling off period are extremely restrictive and discriminatory.

Both of them amount to protectionist measures that will cause an increase in the cost of operations for the hauliers, resulting in higher prices for transport services and goods, thus affecting the overall European economy.

Certainly, there will be less competition in the Single Market as many road transport companies will get out of business, reduce operations or increasingly turn to their national markets with less possibilities to carry goods between EU Member States and to ensure much needed capacities for major European industrial hubs.

If adopted, the proposals will distort fair competition and a level playing field: operators established in the large EU Member States with high industrial output or closer to those central areas will find themselves in a significantly more advantageous position compared to hauliers from peripheral EU Member States.

The vast majority of law-abiding SMEs located in outer edges of the EU with limited administrative and financial capabilities will go bankrupt or relocate to more central EU Member States and non-EU countries. In Lithuania this is already an extremely worrying trend that risks economic and social consequences. Therefore, bringing absolutely no social benefits whatsoever, the proposed measure will selectively deprive businesses from the EU's periphery of equal opportunities to provide services in the Single Market, grow, create jobs and benefit local economies.

02

Violation of fundamental EU freedoms and Single Market

03

Impact
assessment is
a must

The agreement on the Mobility Package I reached in the triilogue negotiations on 12 December 2019 substantially deviates from the initial Commission's proposal and runs against the European Green Deal's ambitions and the Paris Agreement goals. It is also contradicting the EU principles of non-discrimination and proportionality.

The key provisions on the obligatory return of vehicles to a country of establishment and the cooling off period for cabotage have not been evaluated by

the European Parliament or the Council of the EU.

The institutions have not followed the evidence-based approach.

At the same time, according to the above-mentioned studies by the prominent European think tanks and consultancies, damaging socio-economic and environmental consequences are inevitable to peripheral EU Member States as well as the EU as a whole if the package is adopted.

3.2 MILLION TONS OF CO2 INCREASE PER YEAR =



9.600.000 M³

The volume of the Artic sea ice to be melted each year.



16.000 KM²

The area of a forest needed to absorb 3.2 million tons of CO2.



691

Wind turbines working all year around to avoid 3.2 million tons of CO2.



1.600.000 TONS

The volume of coal to be burned each year.

SOURCE: European Commission; U.S. Environmental Protection Agency; MAN; Baltic Institute for Research and Development.

The Mobility Package I, failing to achieve a level playing field among the EU Member States, will also aggravate their competition vis-à-vis non-EU hauliers.

If both the EU and third countries are subject to the same rules set out in the Mobility Package I, it is completely unclear how the European Commission and Member States will ensure application and enforcement of requirements by the governments of third countries, be it timely exchange of information, roadside checks, checks at the premises, registration to risk rating system etc.

As a result, transport operators from the EU's periphery are likely to be forced to move outside of the EU to benefit from the same "competitive advantage".

This would lead to a loss of employment in the EU Member States, a decrease of tax income, and eventually worse social conditions for those drivers that choose to

follow their employer across the border. This scenario must be avoided.

The increasing EU market share of the third countries' hauliers is already being manifested by rising numbers of bilateral haulage permits awarded, for example, to Russia by French, German, Belgian and Spanish authorities.

Based on official Russian sources, over the period of 2016-2018 Russia received 12.4% more bilateral permits and at the same time its road transport turnover increased by 17.6%.

This is leading to even more unfair competition, the Single Market's distortion as well as an increase in numbers of higher emitting trucks of non-EU registration on the European roads. Overall, this will negatively impact the EU's economy and competitiveness that is a prerequisite for building a prosperous, fair, sustainable and globally influential Europe.

04

Unsolved
third country
issue

Over the period of
2016-2018

Russia received
more bilateral
permits

+12.4%

Russia's road
transport turnover
increased by

+17.6%

THE WAY FORWARD:

01

The EU decision makers must renew commitment to the initial objectives of the Mobility Package 1 and rely upon the evidence-based approach re-assessing impacts of its key provisions on the Single Market, the European Green Deal and economies of the EU Member States, including the Peripheral ones.



02

The EU decision makers must not ignore the projected negative impacts and should avoid approving the most damaging provisions – in particular the obligatory return of trucks - that will increase carbon footprint of the road transport sector, damage the environment, undermine functioning of the Single Market and will discriminate EU's periphery against the centre, causing severe economic repercussions.