

*From: Ferenc Lajkó  
CEO of Waberer's International*

*To: Violeta Bulc  
Commissioner for Transport*

***Subject: long term consequences and obstacles of the minimum wage legislations vis-à-vis the application of the regulation of the Posting Directive to the road transport sector and the ban on taking the 45 hours regular weekly rest in the cabin of the vehicle***

Dear Commissioner,

Waberer's International is among the most significant players of the Western European haulage market with 69 years of experience in the road transport sector. The company's fleet contains 3800 vehicles (with an average age of two years) and its daily operation provides a living for over 6000 employees which we would like to further extend. It can only be done by conducting lawful operations.

Since 2014 an increasing number of restrictive measures have been implemented:

- Ban on taking the 45 hours regular weekly rest in the cabin of the vehicle which was first introduced in Belgium in 2014 then a month later in France. The third in line is Germany where similar restriction is about to enter into force in May 2017 regardless the fact that these countries and the entire European Union is lacking the adequate number of infrastructure (secured parking areas) to force such regulation onto the transport sector.

The empty vehicles increase the risk of theft and they are attractive to migrants, which can physically harm the drivers (in many unfortunate cases they even take their lives).

Leaving the cabin is inconvenient for the drivers since they have to take out all their personal belongings, therefore they have less time to rest and recover.

According to the CMR agreement, and it is also in the best interest of the client, the vehicle and its cargo cannot be left unattended during the transport operation!

- On the 1<sup>st</sup> of January 2015 Germany implemented the so called MiLoG Act (Mindestlohngesetz), under which any mobile worker of a non-German transport undertaking, performing road transport operation in Germany, must receive the German gross hourly minimum wage, since according to the regulation they are considered as posted workers to Germany.

In the meantime even more stringent regulations were implemented in France and Austria, referring to the 2014/67/EU Enforcement Directive of the 96/71/EC Posting of Workers Directive, which, by causing significant losses for the economic sector, undermines the well-functioning of the internal market. National measures that prescribe to apply the posting rules regarding cabotage operations are also in force in Italy, the Netherlands and Belgium. We could agree if only the latter approach (cabotage operations) were considered posting.

However it is obvious that these measures under the cover of the fight against “social dumping”, only intend to eliminate road transport operators of Central and Eastern European Member States from the German, French, Austrian etc. markets, regardless the fact that these companies do not resort to unlawful, illegal, and irregular forms of operations. The restrictive measures have serious financial and administrative burdens to the international long-haul (1000-6000 km) transport operations, 65% of which are performed by the upon mentioned service providers. The high demand for our services arises from the fact that we provide low priced high quality services. The minimum wages in those countries which joined the EU in, or after 2004 are significantly lower than in the restrictive Western European countries, however the same apply to their GDPs (PPP).

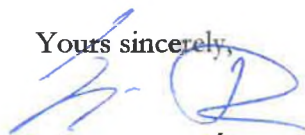
If the upon mentioned measures remain in effect with the help of the “Mobility Package” hence the posting directive will be applicable to all transport operations (not just to cabotage operations) and the drivers will be forced to spend the 45 hours regular weekly rest outside of the cabin of the vehicle all over Europe, the following problems will occur:

- Freight costs determined by Central and Eastern European transport operators will increase by at least 15-30%;
- Which will result in the loss of capacity for the Central and Eastern European service operators, however the Western European transport companies will not be able to fill in the gap for years, hence the European supply chain system will suffer severe disruptions, which will cause significant problems of production vis-à-vis the global GDP of the EU will decrease. The measures would not only unnecessarily and disproportionally restrict the freedom to provide services but would also indirectly restrict in an unjustified manner another fundamental freedom of the internal market, namely the free movement of goods;
- This will also hurt the global competitiveness of the EU (the economic operators of the Union).

Due to the fact that the aftermath of the latest economic crises still affects the Union, any measure which disrupts the healthy operation of the market may be catastrophic vis-à-vis implementing the “Mobility Package” without properly assessing all the economic factors will cause an unhealthy market transformation induced by non-market factors. The economy will not be able to adapt to these forced changes which will permanently increase the gap between the Eastern and Western European members of the EU.

10 May 2017

Yours sincerely,



Ferenc LAJKÓ

CEO of Waberers International