



LEASEUROPE

The Director General

Mr. Matthias RUETE
Director General
DG TREN
European Commission

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Dear Mr. Ruete,

I am writing to you as Director General of Leaseurope, the trade association representing *inter alia* the truck rental industry at European level, to ask that the Directive 2006/1/EC on the use of vehicles hired without driver for the carriage of goods by road (commercial vehicles) be reviewed by the European Commission (EC).

In the last few years, the EU has made remarkable progress towards the establishment of the Single Market. The Services Directive from 2006 is a true milestone in creating a Single Market for services. As to road transport, cabotage in the movement of goods has been largely liberalized since 1998. As road haulage operators have had to cope with different national rules and often unclear or incomplete legal provisions, in May 2007, the European Commission proposed a set of legislations to modernize rules for road haulage, thus further strengthening the Single Market for transport. From what we understand, the legislation has now entered the co-decision procedure. The EP's Transport Committee recently welcomed EC's efforts to clarify and simplify the rules applying to road haulage and suggested that all remaining restrictions on cabotage are lifted as of 2014.

On the other hand, little progress has been made towards a Single Market for the rental of commercial vehicles. The commercial vehicle rental industry at the EU level is governed by a Directive that has been virtually unchanged since 1984 (Council Directive 84/647/EEC), which is well before the inception of the Single Market in 1993.

Commercial vehicle rental companies in the EU face significant market barriers that are in contradiction with the idea of a Single Market and the freedom of provision of services in the EU. The existing legislation (Directive 2006/1/EC), a recast of the 1984 Directive, is outdated and inadequately addresses the needs of the EU commercial vehicle rental companies and their customers.

Leaseurope has identified the following areas in which progress is needed:

a) Access to the profession

Currently, there is no EU legislation on the access to the commercial vehicle rental profession. Therefore, rules of access to this profession vary across the EU and are stricter in some Member States than in others. For example, in Italy, Spain, Portugal and Denmark rental companies renting vehicles weighing more than 3.5 tons are required to hold a road transport operator license, while the same rental companies do not need such license in Germany, France, Netherlands, Belgium, Poland, UK and Sweden. A commercial vehicle rental company based in a country where the rules of access to the commercial vehicle rental profession are stricter will find it easier to operate in a country with more lenient rules. In that respect, a company based in a country with more lenient rules is put at a disadvantage when it seeks to operate in a country with stricter rules. In other words, there is no level playing field for commercial vehicle rental companies in the EU.

b) Access to the market

Article 3.2 of Directive 2006/1/EC leaves Member States the option to exclude transport operations carried out by hired vehicles with a total permissible laden weight of 6 tons and more, and thus limits rental activity. In Member States where the option of Article 3.2 of the Directive is exercised, a company wanting to transport its own goods and in need of vehicles of 6 tons or more does not have the possibility to rent vehicles and has no other option than to buy its own vehicles or buy the transport service from a road haulage operator. Accordingly, companies that rent vehicles with total laden weight of 6 tons and more cannot expand to countries which forbid the rental of such vehicles.

c) Cross-border rental

Currently, the Single Market for commercial vehicle rental does not exist, contrary to the road haulage of goods market, which has been liberalized since 1998. A company can hire a road haulage operator based in another Member State to have its national and international haulage taken care of (cabotage operation). However, this same company cannot hire a commercial vehicle from a rental company based in another Member State.

It is in the European Union's interest and competence to ensure level playing fields between actual and potential competitors, regardless of their nationality and location. In that respect, there is a need to improve consistency in the EU legislation on the commercial vehicle rental market in order to provide greater legal clarity and simplicity for commercial vehicle rental players seeking to operate at European level.

Leaseurope believes that the following few measures would make it possible to get on the path of a greater liberalization of the commercial vehicle rental market in the European Union:

a) Harmonization of the rules of access to the profession

The rules of access to the profession for commercial vehicle rental companies should be the same in every Member State.

b) Harmonization of the rules of access to the market

Companies should be free to choose the mode of transportation that will best satisfy their transport needs. Accordingly, Article 3.2 of the Directive 2006/1/EC, which leaves Member States the option to not allow own-account transport operations carried out by hired vehicles with a permissible laden weight of 6 tons and more, should be dropped.

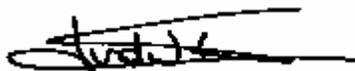
c) Authorization of cross-border rental

A rental company based in one Member State should be allowed to rent a commercial vehicle to a company based in another Member State. This would allow commercial vehicle rental companies to exercise their right for free movement of services and establishment, one of the four fundamental freedoms of the EU.

The above measures would enable to liberalize the commercial vehicle rental market. This would be of benefit to both the commercial vehicle rental industry, as well as their customers. For companies that are in need of only occasional use of vehicles, renting is a much more efficient option than buying. Owing to the flexibility of the rental period – short, medium and long – term rental – customers can have vehicles at their disposal when and where they are needed. In addition, commercial vehicle rental has environmental advantages. Rental companies have a young fleet of vehicles that abide by the latest emission standards and are regularly checked and maintained by professional staff. Therefore, rental vehicles are less polluting and safer than non-rental, older, vehicles.

We remain at your full disposal to discuss the above and to answer any questions that you may have. Please do not hesitate to contact me or Maria Svrckova, Leaseurope Advisor, at + 32 2 778 05 68 or at m.svrckova@leaseurope.org.

Yours Sincerely,



Tanguy van de Werve
Director General
Leaseurope

Copy to:

Mr. Benoît Le Bret, Head of Cabinet, Commissioner for Transport

About Leaseurope

Leaseurope, the European Federation of Leasing Company Associations, is composed of 46 Member Associations in 34 countries. It represents as an umbrella body the European leasing and automotive rental industries. In 2006, its leasing members accounted for 93% of the European leasing market. In April 2006, the Federation integrated short and long term car and truck renters into its membership base. It now represents around 8 500 companies across Europe employing over 200 000 people. During the course of 2006, the companies represented via Leaseurope financed in excess of 287 billion euros of new investments in vehicles, equipment and real estate.