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Brussels, 9 February 2010

## **BLOCK EXEMPTION IN THE MOTOR VEHICLE SECTOR**

**IRU Observations on the draft European Commission proposal for a new regulation on block exemptions in the motor vehicle sector.**

### **I. BACKGROUND**

Following the July 2009 consultation on possible new rules for block exemptions in the motor vehicle sector, the European Commission undertook an evaluation of the stakeholder contributions and prepared a first draft of a new regulation which should eventually replace the current Regulation 1400/2002 which expires on 31 May 2010, and also prepared draft guidelines for the application of this new regulation.

Stakeholders were invited to comment by 10 February 2010. The International Road Transport Union (IRU) consulted its Member Associations in both commercial freight and passenger transport by truck, bus, touring coach and taxi established in the 27 EU Member States, and has the following observations based on the received input.

The Registered ID number of the IRU in the Interest Representative Register is:  
63132502963-54.

### **II. IRU OBSERVATIONS ON THE DRAFT EUROPEAN COMMISSION PROPOSAL**

The IRU welcomes the fact that the European Commission wishes to propose a 3 year extension of Regulation 1400/2002 to vertical agreements relating to the purchase, sale or resale of new motor vehicles. It is also positive that a new Regulation defining exemptions from Article 101 (1) of the Treaty will apply to the after market regime.

As the exemptions in the new Regulation are very restricted, the IRU is not convinced that such a solution will sufficiently guarantee the benefits which commercial vehicle operators have enjoyed from Regulation 1400/2002. These benefits can be summarised as follows:

Over recent years, transport operators have noticed a steady increase of individual concession holder expertise in sales, repair and maintenance of several vehicle brands. This is particularly essential for transport operators who have a mixed vehicle fleet. Due to Regulation 1400/2002, the development of multi-brand concession holders since 2002 has undoubtedly provided a surplus for road passenger and freight transport companies.

In addition, transport operators are generally satisfied with the spare part services offered by these concession holders. Prices are more competitive and stable and remain at an acceptable level due to the variety and competition of supply sources inside and outside of specific vehicle

brands which are authorised by this Regulation. Spare parts remain traceable and of high quality because concession holders use and sell certified products in conformity with standards set by manufacturers.

Concession holders have invested considerably in their companies and offer quality service and a standard of equipment and training which comply with the demands of the road transport operators. Regulation 1400/2002 has installed the right balance in the relationship between the vehicle manufacturers and concession holders and has allowed the latter to undertake timely significant investments in order to respond to the demands of the transport operators.

Therefore, the IRU calls once again on the European Commission to sufficiently ensure that even under the newly propose regime, these benefits are guaranteed for the commercial motor vehicle operators.

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