



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Bundesrat for its Opinion on the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1073/2009 on common rules for access to the international market for coach and bus services {COM(2017) 647 final}.

This proposal forms part of a broader package of ambitious measures designed to lead the fight against climate change, make European industry stronger and more competitive, and improve the quality of life and choice of citizens for their daily mobility.

The functioning of the internal road passenger transport market is hampered by obstacles in national markets hindering the development of inter-urban coach and bus services and the accompanying low share of sustainable passenger transport modes. This proposal aims at improving the mobility of citizens over longer distances and providing alternatives to individual car journeys.

First and foremost, the Commission would like to reassure the Bundesrat that the above proposal has been based on a thorough impact assessment in line with the Better Regulation agenda. The impact assessment has relied on an in-depth analysis of the international and national markets for coach and bus services across the European Union and, very importantly, on a broad consultation process with stakeholders, Member States, social partners and a survey with 27,901 citizens throughout Europe.

The Commission does not share the Bundesrat's concern that the proposed provisions on the organisation of regular national services go against the principles of subsidiarity and proportionality. It considers that the proposed rules represent a balanced approach to market access for non-resident carriers and create a more level playing field for road passenger transport operators. The proposal does not exceed what is necessary to solve the problems and meet the objectives of the initiative. A good functioning of the internal market in road transport and fair competition requires uniform implementation of rules across all Member States. The Commission finds that, under these conditions a regulation is the most appropriate instrument.

*Mr Reinhard Todt
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At present, there is a patchwork of rules for access to national markets for coach and bus services in the European Union. Non-resident carriers are thus required to comply with different rules in each Member States in which they operate, which constrains carriers' ability to develop services into pan-European coach networks and denies them the possibility to offer integration with other coach services and transport modes. The past has shown that Member States acting alone has not resulted in the introduction or ensured the coherence and coordination of uniform market access rules needed for the emergence of a genuine European Union internal market for road passenger transport. It is therefore necessary for the European Union to act. The Commission would also like to emphasise that the delimitation of commercial regular services and services of general economic interest will remain largely a responsibility of Member States in respect of basic principles of European Law.

The subsidiarity necessity test and test of European Union added value and proportionality assessments of the proposal are documented in the impact assessment report accompanying the proposal {SWD(2017) 358 final}. It is important to underline that Regulation (EC) No 1073/2009 already applies to national road passenger transport services by a non-resident carrier and that European Union action in the proposal stems from the transnational nature of long distance regular services.

The Commission notes the Bundesrat's concern about the liberalisation of cabotage operations for regular services. The Commission underlines that while restrictions on cabotage operations may appear to only affect domestic transport, in reality domestic and cross-border connections are interlinked to collectively constitute the available road passenger mobility offer inside the European Union. Therefore, restrictions on cabotage operations in the form of regular services are removed in the proposal in order to facilitate inter-urban mobility and connectivity for all citizens of the European Union and to increase the use of sustainable transport modes.

The points made above are based on the initial proposal presented by the Commission, which is currently in the legislative process involving both the European Parliament and the Council. The Opinion of the Bundesrat has been made available to the Commission's representatives in the ongoing negotiations with the co-legislators and will inform these discussions.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Bundesrat and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Violeta Bulc
Member of the Commission*