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Mrs. Marianne Thyssen Commissioner for Employment, Social Affairs, Skills and Labour Mobility

Mrs. Violeta Bulc Commissioner for Transport European Commission

Mrs. Elżbieta Bieńkowska Commissioner for Internal Market, Industry, Entrepreneurship and SMEs

European Commission Rue de la Loi / Wetstraat 200 1049 Brussels Belgium

## Dear Commissioners,

The Association of the Bulgarian Enterprises for International Road Transport and the Roads (AEBTRI) has been founded in 1962 and is an active member of the International Road Transport Union (IRU). AEBTRI is the national guarantee association for the TIR system in Bulgaria. Members of the Association are companies and organizations, carrying out international road transport or which activities are relevant to the transport of passengers and goods by road.

As our Association is closely involved in the matters of road transport industry we would like to draw your attention to a new very serious problem, which has emerged recently and has the potential to ruin the system of the European road transport sector.

As from January 1<sup>st</sup> 2015 for the first time in German history a minimum wage was introduced. Unlike the common practice in all the other countries who have a minimum salary established with a law, Bulgaria included, the competent authorities in Germany apply the new law requirements for the minimum wage (Mindestlohngesetz) not only towards the domestic transport enterprises, but also to the foreign hauliers performing cabotage or/and international transport to/from or in transit through German territory. The foreseen fines for breaking this law may amount to 300 000 euro. The transport enterprises registered abroad have to pay 8,50 euro per every working hour on German territory to the drivers who drive to/from or in transit through Germany. For the purpose of control they have to send preliminary

notifications written in German language to the German customs with data for the drivers and their presumed work schedule on German territory for the next 6 months. According to the same law, they also have to keep records for the working time of these drivers, also in German language, and to elaborate and keep the following documents in German language – work contracts, pay rolls, documents proving the payments, which have to be presented for control in Germany.

This new German law will affect deeply not only the road transport, but will also have negative impact on the trade, the prices of the goods and finally on the competitiveness of the European economy as a whole. Only in Bulgaria we have 11 300 transport enterprises having Community licences for international transport and more than 80% of them carry out transport of passengers and goods in the EU. The new requirements will affect not only the transports to/from Germany, which is one of the main trade partners of our country, but will affect also the transport and trade we have with other 10 EU countries which can be reached only if transiting through Germany. This is the time for us all to ask what would happen if all other EU countries where the minimum salary is introduced decide to apply similar measures?

Under the pretext of creating an appropriate environment for the fair competition, this law, in practice, discriminates all foreign transport operators who will have to employ additional experts for processing and translating documents for the German control authorities, pay German lawyers and accountants for consulting hours and face the risk of being fined with exorbitant amounts because of the impracticability of the new requirements. This law is not only inapplicable, but also leads to a huge increase of the administrative and financial burden for the transport enterprises, raises a barrier to the international road transport and thus jeopardizes one of the pillars of the common market – the free providing of services. The new German requirements are a huge step back on the road of creating the common European market. All Bulgarian transport operators assess this situation as far more unfavorable even in comparison with the period before the liberalization of the bilateral and transit road transport in the EU 20 years ago.

Currently there are complete confusion and chaos in the transport industry due to the inability to meet the requirements of the new German law.

The transport operators can not fulfill the imposed obligation to supply a notification of work schedule of their drivers. There is no company in the international road transport, which can preliminarily determine, even for forthcoming transport operations, when exactly the driver will reach the German territory, how long he will stay there and when will start his next transport. Most transport operators find loads in the last minute from producers, traders, freight forwarders or online freight exchanges, and even those who work on long-term contracts do not know how long loading and unloading will take, how long the vehicles will wait at the borders, including at the EU borders of the EU, how much the movement of vehicles will be

delayed due to heavy weather conditions, accidents, closed roads, driving bans and others. At the same time the fine for not supplying such notification or incorrectly filled data is € 30,000.

The transport operators can not fulfill their obligation to record the working time of their drivers, because they do not know which hours should be considered. For example according to the information submitted by the German customs which we received from the International Road Transport Union (IRU), it appears that these are the driving times and the times when the driver performs other work (breaks, daily and weekly rests are not included). Due to the lack of instructions regarding the availability time we asked for clarification the German Ministry of Labour and Social Affairs. The Directive 2002/15 on the working time for mobile workers is completely ignored in their answer, but three types of availability time are mentioned (terms, non-existing in EU law) and we are advised to contact a German labor law attorney?!?, because the ministry does not make interpretations of specific cases.

The transport operators can not fulfill their obligation to pay the minimum wage in Germany, due to the fact that there is no methodology, practice and guidance on how to calculate the amounts due under German law for drivers employed under the Bulgarian legislation, which defines a completely different payment system, with different structure of wages in which there is no such term as hourly wage. The German Ministry of Labour and Social Affairs advised us to consult a German wage accountant on these issues?!?

Taking into account the disastrous impact of the new German minimum wage law on the transport sector, the common market and the EU economy we would like to ask you, dear commissioners, to undertake urgent measures to repeal its application to international road transport.

Sincerely yours,

Plamen Tzalkov Director General