



Department  
for Transport

# Provisions in the Haulage Permits and Trailer Registration Bill

## Government Response to Consultation

September 2018

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# Introduction

- 1 The UK's ambition for transport following its withdrawal from the EU is to increase current levels of transport by exploring options for reciprocal access for road hauliers between the UK and the EU.
- 2 The Government is preparing for all potential outcomes that can result from the EU exit negotiations. Accordingly, it has been working with industry on our contingency plans to provide the information and permissive regulations they need for all scenarios. It is a possible - though not a preferred - outcome that new arrangements following the UK's exit from the EU may require a permit scheme.
- 3 The consultation tested the proposed approach: for a permit scheme and trailer registration system to have streamlined processes for accessing permits and registering trailers, ensuring that it works as efficiently as possible for the haulage industry.

## Consultation proposals

- 4 The consultation set out the Government's proposals for making legislation under the powers provided by the Haulage Permits and Trailer Registration Act 2018.
- 5 The provisions in Part 1 of the Act allow a system of permits to be established for UK hauliers to use when travelling to or through other countries in the event this is needed.
- 6 The provisions in Part 2 of the Act allow the establishment of a trailer registration scheme; this enables UK trailer users to meet the registration standards outlined in the 1968 Vienna Convention on Road Traffic<sup>1</sup>.
- 7 The provisions in the Act will enable the Government to put in place regulations that reflect the terms of any international agreement, which could include the new EU partnership agreement.
- 8 The Act puts in place a framework to help keep goods moving. This, alongside the regulations, will ensure we are able to administer the types of permits we already have, and those we may have in the future, whatever the outcome of negotiations.
- 9 The Haulage Permits and Trailer Registration Act does not create a haulage permit regime specific to, or a hard border on, the island of Ireland. Clarity on this issue is of great importance, and we are committed to having no physical infrastructure or

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<sup>1</sup> The 1968 Vienna Convention on Road Traffic builds on the earlier 1949 Geneva Convention. Together, they govern movement of vehicles in international traffic and increase safety by establishing common traffic rules. The UK has ratified both the 1949 and 1968 Conventions on Road Traffic, as well as the older 1926 Convention which (once 1968 comes into force) will be almost completely superseded by the later Conventions. Following the UK's ratification of the 1968 Convention coming into force on 28th March 2019, the UK's relationship with the following European countries will be governed by:

1949: Cyprus, Iceland, Ireland, Malta, Spain,

1968: Albania, Armenia, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, San Marino, Serbia, Slovakia, Slovenia, Sweden, Switzerland, The former Yugoslav Republic of Macedonia.

related checks and controls there, as well as preserving North-South cooperation.

# Government response

- 10 The Haulage Permits and Trailer Registration Act is part of the UK's preparations to ensure a smooth and orderly exit as we move towards a new partnership with the EU. The Act supports these preparations by providing powers that will support UK hauliers in continuing to operate internationally after the UK leaves the EU, regardless of negotiation outcomes.
- 11 The Act gives the Government the required legal framework to introduce new administrative systems for permits and the flexibility to deliver any negotiation outcome.
- 12 The Act also includes powers to establish a trailer registration scheme. This will enable UK trailer users driving internationally to meet the registration standards of the 1968 Vienna Convention on Road Traffic.
- 13 The consultation initially ran from 16th May to 20th June 2018, before being extended and closing on 25th June 2018. The Department received 22 responses which were predominantly from industry organisations.
- 14 We have noted the views expressed in response to the consultation and would like to thank all those who took the time to write to us. Consultation responses and input from stakeholders at Ministerial meetings and various workshops held by the DfT has helped inform our final proposals before we introduce regulations.
- 15 This document is the Government's response to the consultation, setting out our final proposals and next steps.

# 1. Permits

## Introduce permit scheme for existing agreements

- 1.1 Whether the Community Licences or other documents issued by the UK will continue to be recognised within the EU post-exit (and vice versa), or whether a new arrangement will be needed, depends on the outcome of our negotiations in relation to a future trade agreement. The current level of access that the Community Licence provides can be obtained by other means such as mutual recognition of operator licences or a permit system.
- 1.2 Part 1 of the Haulage Permits and Trailer Registration Act provides a legal framework to require UK hauliers to carry a permit for specified international journeys and to maintain efficient administrative systems and adequate enforcement. This will apply to existing and future permits arrangements with non-EU countries and the European Conference of Ministers of Transport (ECMT) permit scheme, as well as possible permit arrangements with the EU or individual member States.
- 1.3 In order to streamline the permits regime, we intend that an applicant will need to hold an operator's licence issued by the Traffic Commissioners<sup>2</sup> (unless it is exempt from the operator licensing requirements) before submitting a permit application to the Driver and Vehicle Standards Agency (DVSA).
- 1.4 Where there are more applications for a certain kind of permit than there are permits available, the Act allows criteria to be used to determine who should receive a permit.

## Criteria

- 1.5 Where the number of available permits exceeds the number of applicants, we will issue permits to all eligible applicants. However, we may face a situation where certain types of permits are oversubscribed. In this situation we will apply a range of criteria to inform a decision.
- 1.6 Consultation responses generally supported the principles for allocating permits, with differences on suggested criteria. After considering a range of criteria and responses on them, the final criteria that will be set out in the regulations will be:
  - Intensity of use;
  - Industrial sector in which the haulier operates;
  - Vehicle emissions;
  - Existing international business;

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<sup>2</sup> In Northern Ireland, operators' licences are issued by the Department for Infrastructure.

- 1.7 Regulations will require the Secretary of State to consider these factors when allocating a permit and provide guidance to applicants on how these criteria will be applied.
- 1.8 Finally, we expect to retain a number of permits for circumstances where application of these criteria would not be appropriate. These would be used for moving goods that are strategically or economically important to operators who might not receive a permit using the other criteria, or to deal with emergencies.
- 1.9 For these permits, hauliers will be able to apply to the Secretary of State providing information on why a permit is required.

### **Intensity of use**

- 1.10 Consultation responses mostly favoured this criterion; we also think this is an important criterion and will include it in our final regulations to allocate permits. In any permit scheme we believe it is important that the use of permits is maximised, to deliver the maximum benefit to the economy.
- 1.11 Applicants will be asked to indicate the number of international journeys they expect to make using the permit. This may need to be underpinned by data on previous international trips. Permits will then be prioritised for those making the most journeys using a permit (and therefore moving the most goods internationally).

### **Industrial sector in which the haulier operates**

- 1.12 To ensure that the whole economy has access to international haulage, we have decided that some permits will be split between various industry sectors.
- 1.13 In practice, this would mean applicants stating in their application if they specialise in serving one sector of the economy. However, use of a permit, once issued, would not be restricted to the sector named in the application. The majority of permits will be available to those who move mixed loads or serve multiple sectors of the economy.

### **Vehicle emissions**

- 1.14 For ECMT permits, the number of permits available depends on the emissions class of vehicles - more permits are available if hauliers use less polluting Euro VI vehicles.
- 1.15 Most consultation responses that commented on the criteria agreed with vehicle emissions as a criterion to allocate permits. We have decided to include this criterion since it ensures we get the maximum number of ECMT permits possible as well as encouraging the use of more environmentally friendly vehicles. This criterion will not be considered for other types of permit where emissions class is not a relevant factor.

### **Existing international business**

- 1.16 A key concern that came through in consultation responses was a need for certainty for future international work with a permit scheme. We understand this concern for hauliers, and have decided to take account of how dependent a haulier is for international business, when allocating permits.
- 1.17 We consider that those hauliers who have been able to specialise in the international freight business, despite low-cost competition from some foreign hauliers, are often

transporting the most high value economic loads and ones where there is a particular benefit from the high quality service offered by specialist UK hauliers. We will prioritise these hauliers when allocating permits.

**Methods of allocation**

- 1.18 The regulations will allow different methods to be used to issue permits. The Act mentions the methods of 'first-come first-served', and 'random selection'. Many respondents raised their concerns with this; however, some recognised their potential role alongside other factors.
- 1.19 Where the number of available permits exceeds the number of applicants, we will issue permits to all eligible applicants, i.e. on a first-come first-served basis.
- 1.20 Random selection will be included in regulations to be used as part of the permit allocation process when there are more applications than permits available. We would like to stress that this **does not** mean permits will be randomly allocated to applicants. The allocation process **will use the criteria above** with an element of random selection so that, in practice, a greater number of hauliers receive permits. This is intended to ensure that a range of operator sizes with high intensities of use are able to access permits in a scenario where there is a limited number of permits.

**Fees**

- 1.21 Legislation currently provides for fees to be charged only for the issue of an ECMT permit or for a permit covering a journey between the UK and countries where an agreement has been concluded (Belarus, Georgia, Kazakhstan, Morocco, the Russian Federation, Tunisia and Ukraine).<sup>3</sup>
- 1.22 We intend to charge fees for administering permit applications and for granting a permit. This split is to ensure the costs of administering permits are met by the users of the service, whether a permit is granted or not.
- 1.23 We aim to minimise any additional costs for businesses arising from this system with fees only recovering the costs of handling applications and issuing permits. Therefore the fees are based on the existing fee levels - an applicant granted an ECMT permit will pay an application fee of £10 and an issuing fee of £123, instead of a single £133 fee as at present. The table below provides a full breakdown of permit fees.

**Table 1 - Permit Fees**

(1) Item	(2) Type of permit	(3) Fee for applications	(3) Fee for granting a permit
1	Multi-country annual permit	£10	£123
2	Multi-country permit for less than one year	£10	£31 for each period
3	ECMT short-term permit	£10	£10
4	Single country annual permit	£5	£45

<sup>3</sup> There are also liberal (non-permit) agreements with Albania, Serbia and Turkey.

5	Single journey permit (single or multi-country)	£2	£6
6	Authorisation of international removals (ECMT)	N/A	£18

- 1.24 Fees for an operator licence, which is a prerequisite for applying for a permit, will continue as at present. Operator licensing fees are charged for both a licence application and for issuing the licence. No specific charge is currently made for the issue of a Community Licence as these costs are covered by the Operator Licensing fees.
- 1.25 For any new permit scheme we intend to charge fees separately for the application and the issuing of permits to reflect the relative costs involved. Respondents who commented on the fees for applications and issuing permits agreed that they should be kept separate. This will avoid applicants who receive permits covering the cost of the system for everyone, and will also avoid those who do not receive permits covering the costs of the issuing system for those who do.
- 1.26 The application fee for a permit must be paid when submitting the application for that particular permit. The fee for granting a permit must be paid within 10 days of notification that the permit has been awarded to a haulier.

## Application and Service

- 1.27 Hauliers seeking permits will be able to apply using an online application system. We will advertise when this system is available and what information hauliers should provide in their applications.
- 1.28 The allocation of permits will be based on pre-determined methods and criteria set out in regulations. This is necessary to ensure that all applications are considered equally and fairly. The allocation process will treat all hauliers in the same way and objectively decide which appropriately licensed hauliers most closely fulfil the criteria.
- 1.29 Once a permit is granted, it will specify the operator to whom the permit is granted; the period for which the permit is granted; the countries for which that permit may be used; the vehicle/s which may use it; and any other conditions that the operator must comply with. Once a permit is granted, the operator may need to keep a record of any international journeys made using that permit.
- 1.30 There may be temporary exemptions for particular hauliers or classes of hauliers from the permit requirements set out in regulations. This gives the Government the power to address needs arising from emergencies, such as natural disasters.

## Enforcement

- 1.31 The Act sets out how regulations can set up a permit scheme and how it will be enforced. It replicates existing enforcement powers on international haulage from the

previous permits legislation.<sup>4</sup> There are powers for enforcement officers to inspect permits; detain a vehicle to confirm whether a permit is required; and prohibit vehicles from leaving the UK without the appropriate permit. There are also offences for using a vehicle without a permit (where one is required); not providing a permit to an examiner or obstructing an examiner; and breaching a prohibition imposed by an examiner. These replicate the offences and enforcement powers that apply to Community Licences.

- 1.32 Under the Act, these are summary offences and the courts can impose penalties of up to £1,000 or £2,500, depending on the offence committed. DVSA will continue to conduct roadside vehicle enforcement. The majority of enforcement activity uses Fixed Penalty Notices instead of prosecutions through the courts and we propose to make these new offences also subject to fixed penalty notices of up to £300.
- 1.33 There will also be circumstances where we wish to be able to cancel a permit when a haulier has acted improperly. For instance, if the haulier obtained a permit by providing false information in their application, if they have breached the conditions of a permit, or if they failed to pay the relevant fees. A permit could also be withdrawn automatically if a haulier's operator licence has been revoked, since they would no longer be eligible to use the permit.
- 1.34 Regulations will make provision for appeals against a decision to cancel a permit. The regulations will provide for appeals to a Traffic Commissioner in Great Britain and the Upper Tribunal in Northern Ireland. An appeal will need to be brought within 28 days of the day on which the operator was informed of the decision to cancel their permit.

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<sup>4</sup> The International Road Haulage Permits Act 1975, which the Haulage Permits and Trailer Registration Act repealed (and, in part, re-enacted).

## 2. Trailer Registration

### Introducing a trailer registration scheme

- 2.1 The introduction of a trailer registration scheme will support the Government's ratification of the 1968 Vienna Convention. The Convention will ensure that UK driving licences are recognised throughout the EU27 for travel, independently of our negotiations with the EU, alongside an International Driving Permit. This will ensure clarity for both commercial and private motorists alike on their right to drive in the EU after the UK leaves in March 2019.
- 2.2 The UK ratified the Convention in March 2018 and this will come into force on 28 March 2019. The Convention makes it permissible for countries to enforce against unregistered trailers weighing more than 750 kilograms when undertaking international journeys.
- 2.3 The risks of using an unregistered trailer can be high. There are several EU Member States where UK trailers have previously been subject to enforcement action. The Department is aware of enforcement action resulting in fines of up to €1,000 for unregistered trailers. However, the costs of enforcement can be much greater. Enforcement often leads to delays to operations and may even see trailers impounded. This can have a significant impact on onward supply chains and the ability of UK hauliers to successfully compete for future contracts.
- 2.4 Regulations will make provision for the operation of a trailer registration scheme, including the criteria and procedure for registration, the particulars recorded in the register, the issuing of registration documents, inspections of trailers and the display of registration marks (more commonly known as registration numbers).

### Scope

- 2.5 The final scope of registration as outlined in the regulations will be for compulsory registration of specified categories of UK trailers travelling to, or through, a foreign country that has ratified the 1968 Vienna Convention. This compulsory requirement will apply for:
  - Commercial trailers weighing over 750kg
  - Non-commercial trailers weighing over 3,500kg
- 2.6 In all instances the weight to be considered is the gross weight of the trailer, also known as the maximum permissible mass. This weight and also the unladen, or "empty weight", will be recorded on the trailer registration document.
- 2.7 Compulsory registration will apply predominantly to commercial trailers weighing over 3,500kg, given the small numbers of smaller commercial trailers travelling internationally and a very small number of private trailers over 3.5 tonnes. Almost all prior instances of reported enforcement action has been targeted against large

commercial trailers used for freight. The costs to these users of enforcement action can be high and as such registration under this scheme will be key.

- 2.8 In general, respondents supported the proposed scope of compulsory registration. Some supported broadening the scope of compulsory registration to include all trailers weighing over 750kg and others sought a complete exemption of non-commercial trailers from the scope of registration.
- 2.9 As outlined in responses, exceptions to registration can often in themselves prompt enforcement action and thus it is important to offer clarity over the nature of a compulsory scheme.
- 2.10 The Department is satisfied that the current policy proposal strikes the right balance between facilitating international journeys and minimising the burden on trailer users.

## Fees

- 2.11 The Department is pleased that our initial expectations on the indicative fee level have been maintained in the additional development work that has been undertaken in the months since the Act was introduced into Parliament. The motor vehicle first registration fee of £55 was used as an indicative figure with which respondents were broadly content.
- 2.12 The scheme will operate on a cost recovery basis. This will ensure that the costs of registration are minimised and proportionate to those users who will benefit from being able to register their trailer to be used internationally, and ensure they may meet the requirements of a country they are travelling to or through.
- 2.13 There will be four different fees applicable for: the registration of a trailer; an inspection of a trailer (where necessary); the issuing of replacement documents for existing keepers; and the issuing of a new registration document to a new keeper.

**Table 2 Trailer Registration Fees**

<b>Service</b>	<b>Fee</b>
Registration	£26
New document for a new keeper	£21
Duplicate documents	£10
Inspection of a trailer	£39

- 2.14 As outlined by respondents there are additional costs associated with registration including purchasing a trailer registration plate and attaching this to a trailer. Based on responses to the consultation it is expected that the total cost of registration will not prove prohibitive to operators.

## Registration Plate and Registration Document

- 2.15 Two notable areas of feedback from the consultation were on the matters of the registration plate and the registration document. The Department has engaged with industry and other representative bodies on this and recognises there are challenges associated with both matters.

- 2.16 The trailer registration plate will be an additional, secondary plate to the plate showing the registration number of the towing vehicle. This is necessary to ensure that ANPR can still apply to tractor and trailer combinations and that, in the absence of a domestic registration scheme, trailer operators are not required to switch plates midway through journeys.
- 2.17 A range of styles of trailer will require registration under the scheme and as such the regulations allow for flexibility in the placement of the registration plate upon the trailer. However, the Department recognises that users are seeking guidance on this and as such more guidance will be issued in due course to accompany the launch of the service.
- 2.18 Respondents raised concerns around the risk associated with using a secure registration document for the trailer. In particular, responses outlined the risk of such documents being lost or stolen and the delays and costs that may be incurred as a result.
- 2.19 While it is not a requirement of the Convention that registration documents are secure documents, these are the norm throughout the European Union. A secure document will meet the expectations of foreign enforcement authorities, minimising any potential delay caused by challenges to a document's validity.
- 2.20 Nonetheless, the Department recognises there are challenges associated with this and will seek to ensure the process for obtaining replacement documents is straightforward and easily accessible. As such the Department hopes these adverse impacts may be minimised.

## Applications and Service

- 2.21 Respondents to the consultation stressed that the registration service should place the minimal requirements upon trailer keepers and users. We believe that these regulations achieve this and the service is under development by the Driver and Vehicle Licensing Agency (DVLA).
- 2.22 Trailer registration will be an important service for international hauliers following the UK leaving the EU. Many hauliers were familiar with the issues that UK operators have experienced for trailers going overseas, and the importance of an effective service is crucial.
- 2.23 Through this consultation and the ongoing engagement with prospective users, these proposals have been developed to suit the needs of industry.
- 2.24 As noted throughout respondents' submissions to the consultation, the timing of the service's launch is very important to operators' preparations for EU Exit. Respondents noted there may be additional resource requirements to ensure that all necessary trailers are registered by 28 March 2019. This underlines the importance of delivering the service by the end of 2018.
- 2.25 Applications to register trailers will normally be submitted via a digital service operated by the DVLA. Through offering a digital service the time taken to complete registration will be minimised, as was outlined as a priority in the consultation responses. The digital service will allow the issue of a registration mark soon after the application is submitted. At the end of the online service, a digital document will be issued, enabling keepers to obtain a trailer registration plate to be affixed to the trailer. This will be followed up by the dispatch of a secure trailer registration document by post.

- 2.26 The decision to make the trailer registration service digital only has been taken as it is expected that virtually all trailers in the scope of the scheme, and at risk of enforcement in countries that have ratified the 1968 Convention, will be used by commercial operators. The haulage industry has expressed no interest in using any method of communicating with the DVLA other than by digital/electronic means. However, to accommodate any individual keepers who wish to take a trailer into international traffic but are unable or unwilling to use a digital service, the regulations will allow for an assisted digital application to be made over the telephone.
- 2.27 Respondents additionally sought guidance on how the process for changing the keeper of a registered trailer would be managed by this service. In the case of a registered trailer, the registered keeper will be required to supply the new keeper's name and address. This will be used to inform the new keeper of the registration scheme and potential liability if the trailer is used in a 1968 Convention country without a current registered keeper. If the new keeper wishes to take the trailer into a 1968 Convention country (or allow it to be so used), they must first apply to become the registered keeper and the duties of registration will subsequently apply to them.
- 2.28 We intend to enforce breaches of the regulations primarily using Fixed Penalty Notices instead of prosecutions through the courts. Fixed penalties will be set at £100, except for the offence of obstructing an examiner which will be set at £300.

## 3. Northern Ireland

- 3.1 The regulations for a permit scheme do not apply for journeys made on the island of Ireland for a Northern Ireland operator beginning their journey in Northern Ireland. Therefore the regulations do not create a permit regime or a hard border on the island of Ireland. Clarity about this issue is of great importance, and we are committed to having no physical infrastructure or related checks and controls there, and to preserving North-South cooperation.
- 3.2 The Act is drafted to make it explicitly clear that using permits to authorise journeys on the island of Ireland will not be introduced without a clear agreement between the UK and Irish governments. This has been included to recognise and respect the long history of cooperation with regards to transport on the island of Ireland, and the Government believes it is an important component of the Act.
- 3.3 The Act provides flexibility for a range of outcomes whilst also meeting our commitments on North-South cooperation as set out in the Joint Report with the EU.
- 3.4 While the UK is ratifying the 1968 Vienna Convention, the Republic of Ireland has not. This means that trailers travelling only between the UK and the Republic of Ireland will not need to be registered as the UK-Republic of Ireland relationship will remain subject to the 1949 Geneva Convention, which does not cover the registration status of trailers.
- 3.5 The Act applies UK-wide so that Northern Ireland operators will be able to obtain permits, if required, for travel to mainland Europe. Northern Ireland trailer keepers will also be able to register any relevant trailers that go to the continent via the DVLA service.

## 4. Further Comments

- 4.1 We have received fewer than expected responses to this consultation, however this may be because we undertook extensive stakeholder engagement and user research prior to and after launching the consultation.
- 4.2 Responses were received from a range of individual operators, from small operators to large multinational operators. There were several responses from interested stakeholder associations in the haulage sector and, in relation to the trailer registration proposals, non-commercial stakeholders.
- 4.3 Several respondents raised the matter of trailer safety which was a significant feature of the debate on the primary legislation as this passed through Parliament. A report on trailer safety is separately being undertaken by the Department which will make recommendations on whether mandatory registration and periodic testing should be extended to all trailers weighing over 750kg. Submissions to that consultation will be considered separately as part of the completion of this report.

## 5. Next steps

- 5.1 We propose to introduce new permit and trailer registration systems through the following legislation: the International Road Transport Permits (EU Exit) Regulations 2018; the Trailer Registration Regulations 2018; the Financial Penalty Deposit and Fixed Penalty Offences (Miscellaneous Provisions) Order 2018; and the Road Safety (Financial Penalty Deposit) (Appropriate Amount) (Amendment) Order 2018.
- 5.2 The changes are planned to take effect from late 2018. This will allow the trailer registration scheme to go live by late 2018 and trailer keepers to begin registering trailers needed for international use. While the haulage permitting elements of the proposals depend on the outcome of negotiations with the EU, the proposed scheme will ensure the Government is ready to implement a range of possible negotiation outcomes when agreed.

# Annex: Detailed summary of responses

## Haulage Permits

Q1 – *If required, do you agree with the general principles for allocating permits? Please give your reasons.*

- 1 The general principles we proposed in the consultation for allocating permits were:
  - to obtain the greatest economic benefit from UK international freight movements to the wider UK economy;
  - to protect any strategic national interests for the UK;
  - to protect the interests of UK operators;
  - to ensure an approach that is fair and equitable and does not distort competition; and
  - to create a system with clear requirements that is simple to u
- 2 Consultation responses which answered this question, generally agreed with the principles for allocating permits we proposed, understanding this was a contingency:

*"This scenario provides for no change to the free movement of goods vehicles between the EU including Ireland and UK"*

*"Would allow UK hauliers to participate in the EU market under a permit scheme"*
- 3 However some respondents also raised concerns with a permitting scheme and hoped permits were not required, due to the impact on haulage and the economy:

*"Hoping that this contingency is not required"*

*"If road freight movements were to be hindered, the whole economy would be hampered"*

*"Impact of any changes need to be considered in the context of the current and potential future market conditions"*
- 4 One respondent commented on being content with the general principles but did not want all permits acquired by largest hauliers at the expense of mid-sized hauliers, stating that they should be allocated on need, rather than 'just in case'.

Q2 – *Please provide any comments you have on which of these criteria or combination of criteria should be used.*

- 5 Several respondents commented on the criteria, the most commented combination of criteria were intensity of use and existing international business. Others were also in favour of vehicle emissions, operator repute and industrial sector. A few respondents, however, did not agree with sectoral split, on the basis that they did not want restriction to operating in one sector.

*"Existing business must be a key allocation criteria"*

6 While other respondents did not endorse any criteria, most stated this was due to the uncertainty of negotiations.

*"Given massive uncertainty, cannot endorse any of the solutions for permit allocation at this time."*

*"Final outcome of negotiations, and the scale of the problem that needs to be managed, is unknown."*

7 Most respondents did not agree with 'first come, first served' or 'random allocation' as criteria. One respondent understood that these two methods may be needed but wanted to understand how this would work.

*"First come, first served might need to be used. However the sector will need to understand what circumstances it is dealing with to be able to find a workable allocations system"*

Q3 – How easy will it be to provide data for the criteria listed above, when applying for a permit?

8 This question had mixed responses:

*"Almost impossible to provide verifiable information for each of the criteria. Many movements also involve multiple commodities"*

*"Easy"*

*"Neither easy nor hard"*

*"Very easy"*

9 However, of those respondents who chose to comment on this question, the majority conveyed it wouldn't be difficult to provide the information.

Q4 – Does the breakdown of twelve industrial sectors allow a haulier to distinguish the type of haulage being conducted?

10 This question also had mixed answers, most who commented were content with the twelve sectors. However, those that weren't commented as such:

*"No. It will be too restrictive to issue permits to a particular sector, if you need a reload from some distant part of Europe, the haulier will generally need to load any product available subject to the type of trailer he is operating"*

*"Commodity distinctions are unworkable for the allocation of permits"*

Q5 – Does the breakdown of the twelve industrial sectors allow hauliers to state which sector they predominantly haul in?

11 Most responses to this question answered yes or were more ambiguous with a response such as: *"For some it may, for others it will not"*

12 Respondents that didn't agree mentioned:

*"No. Most of the industry operates in general transport, restricted only by equipment operated not by sector of the goods"*

Q6 – What challenges do you believe may result from using these criteria?

13 Respondents commented:

*"You could potentially increase the number of trucks required to serve a country, as hauliers will inevitably have the wrong sector permit for loads available"*

*"We consider that any system implying rationing is unsuitable"*

*"Is type of goods really relevant?"*

*"The criteria are unworkable because they are based around constraints, promises or history that cannot be verified on application"*

Q7 – Are there other options for criteria you think we should consider?

14 There were not responses on other specific criteria that should be considered. Instead there were general comments under this question:

*"If there are quota limits the process of application and allocation needs to be married to the type of permit being allocated, the validity of the permits and the cycle time for applications to take place. For instance, will there be weekly or monthly permits? Will there be annual, quarterly, monthly or weekly allocation rounds? Only when the specifics of the task to be undertaken can a permit allocation system be devised."*

*"If hauliers didn't use permits they would have future allocation refused. Much international transport is made by small operators hauling trailers belonging to larger companies that may contain goods from multiple sectors, that is the problem by allocating into sectors"*

Q8 – Should offences be enforceable using fixed penalty notices of up to £300? Please give your reasons.

15 Most respondents were content with the fixed penalty notices. However two responses disagreed and commented:

*"No. Offences, if committed, should be enforced with proportionate penalties. It is unclear what offences will be subject to £300 fixed penalties. If a permit is withdrawn during a trip it would seem harsh to issue a fixed penalty."*

*"It's a more serious offence. Non UK hauliers gamble with non-compliance as risk of being caught is low and fines an acceptable part of their business plan"*

Q9 – We propose to administer a permit scheme in this way. Are there reasons why this process is not suitable for your business? Please give examples if you are able to.

16 This question brought forward concerned responses, commenting on the impact that being denied permits could have on companies, rather than responses on the process being suitable or not working for a business.

*"The idea that permits can be denied without the possibility of appeal is wrong. Denial of a permit could destroy a business."*

Q10 – Should there be separate application and issuing fees for permits? If not, please give your reasons.

- 17 Respondents who answered this question mostly agreed that there should be separate application and issuing fees for permits. However one response disagreed and commented:

*"Fees should be charged for issuing permits, not for failed applications."*

Q11 – *Is the time taken to apply for, and the cost of obtaining, permits likely to be a barrier, or a determining factor in how much international haulage you will be able or seek to do?*

- 18 The responses to this question were mostly yes to permits being a barrier to how much international haulage is able to be done - but more so if there are limited permits available.

*"Yes. Costs and red tape will undermine both operators that are heavily reliant on international transport and those that have little experience of international transport and would seek to carry out occasional international operations to meet a specific urgent customer need. Additional costs and red tape will make transport solutions and transport operators more difficult to find. This will also make transport more expensive, with knock-on effects on supply chains in the whole economy to be expected."*

*"Only if there are not enough permits to go round."*

*"Yes. Permits availability will ultimately limit capacity."*

*"Yes. This will impact many businesses - complex, slow and uncertain allocation systems will lead to operators moving out of the international market."*

- 19 Whereas, the second part of the question regarding how much haulage, one respondent was more unsure:

*"Depends on the process."*

Q12 – *What other impacts of haulage permits do you believe we should consider?*

A few respondents added further comments, touching on risks if there were limited permits, agreement with the EU and comments on the system.

*"Consider annual permits."*

*"Any system should be simple to use and compatible with the characteristics of logistics and supply chains, e.g. the typical duration of logistics contracts (3 to 5 years)."*

*"There are some risks around corruption and abuse that need to be understood if quota limited permits are introduced."*

*"Arrangements with other States need to be fair to the operators of both States. Limits on transit for UK operators, if introduced, would limit the ability for UK operators to compete."*

*"The UK and the EU should agree a comprehensive land or road transport agreement, providing for the free passage of commercial vehicles on similar terms as is the case currently, on the basis of a mutually recognised operator licence and without additional costs, administrative burden or restrictions."*

*Such an agreement should preserve liberalised market access arrangements for international transport, including cross-trade, without the need for a cumbersome and costly system of permits, not suited to the needs of modern logistics. Market access should be based on possession of a valid operator licence, mutually recognised, and*

*provided for a duration of 5 years, as is the case today, in line with the requirement of multiannual logistics contracts. Cabotage should continue to be allowed on the basis of existing criteria."*

### **Trailer Registration**

*Q13 – Would you expect to register all trailers in your fleet or purely those used internationally?*

- 20 Many respondents anticipated registering a notable volume of trailers. However, it was not always apparent if this was due to the split of their domestic and international operations. However, this was not uniform with several respondents indicating they would look to minimise the number of registrations through managing their fleet operations.
- 21 Other responses indicated that, subject to the fee level, it is preferable to register a greater number of trailers than those necessarily used for international haulage. One respondent expected this may become seen as "*good business practice*".
- 22 The key interest in registering a greater number of trailers than those used for international operations, however, was in ensuring sufficient flexibility within fleets. Respondents stressed the importance of this to maximise flexibility within existing fleet managements methods and cater for peaks in demand for international services.
- 23 International operators were expected to need "to register a sufficient number of trailers (including a sufficient margin to face unexpected events)" to minimise the risk of disruption to their services in the future. Respondents noted the importance of the fee in this decision which, as a new requirement, would require investment from business. Accordingly, the importance of clarity over the fee level is important to allow operators to plan and budget for this at the earliest opportunity.

*Q14 – How many larger non-commercial trailers, weighing over 3,500kg, do you believe may be used internationally by UK keepers and what types of trailers does this include?*

- 24 Several respondents in the leisure sector responded with their expectations for the numbers of non-commercial trailers weighing over 3,500kg used internationally each year. However, the range in the number of trailers falling in this category varies substantially.
- 25 Expectations raised from less than one hundred to low thousands of trailers in this category. While either estimate would account for an extremely small share of the overall number of trailers which would require registration under these proposals it is clear that these trailers are often relatively niche in usage and thus require clear lines of communication to ensure the new duties are clear to users.
- 26 Additionally, responses indicated that many traditionally non-commercial type trailers, such as large caravans, may be used for commercial purposes. Accordingly respondents stressed the importance of a clear definition of which trailers would require registration where the line between commercial and non-commercial usage may be blurred.

*Q15 – Should all trailers weighing over 3,500kg, which are used internationally, including non-commercial trailers, require mandatory registration? Please give your reasons.*

- 27 Respondents broadly agreed that all trailers weighing over 3,500kg should be subject to mandatory registration. However, there were a range of underlying reasons for this agreement.
- 28 A key element of support for this proposal was that it allowed greater clarity to communicate the scope of registration to trailer owners, both commercial and non-commercial. Responses indicated that a minor number of commercial trailers fall into the O2 weight category (750kg - 3,500kg), and as such that the key message for registration would be the weight distinction of 3,500kg. Applying this equally to commercial and non-commercial trailers was thus perceived to offer greater clarity to trailer keepers.
- 29 Respondents also expected that the proposed scope of registration offered greatest protection for larger non-commercial trailers. While there has been an instance of reported enforcement action against a traditionally non-commercial type trailer, respondents felt that this broad coverage for non-commercial trailer types minimised the risk of enforcement that may arise due to other requirements for trailers in international traffic.
- 30 Respondents also felt that as exemptions to requirements often provoked targeted enforcement, larger non-commercial trailers should not be exempt. This is particularly the case for trailer types which may be used interchangeably for commercial or non-commercial purposes.
- 31 Some respondents disagreed with the proposal that non-commercial trailer types should be subject to mandatory registration. This was largely because respondents did not anticipate there was a benefit to registration for these users.

*Q16 – How will you manage the administrative process of registering trailers between the DVLA scheme going live and the registration requirements coming into force in March 2019?*

- 32 Respondents outlined that they anticipated that the registration of trailers ahead of the Convention coming into force on 28 March 2019 requirement would require dedicated resources to focus on this task within fleet management departments.
- 33 Clarity was sought on the timeline for the service coming into operation and some called for this to be accompanied by clear guidance so as to allow the industry to be adequately prepared ahead of time.

*Q17 – Do you believe there will be practical challenges with registering existing fleets of trailers?*

- 34 Respondents broadly expected there to be challenges associated with registration of existing fleets of trailers and thus outlined the importance of a service as streamlined as possible to allow users to register in the proposed timeframe.
- 35 Many respondents outlined that while organisations often buy the same model of trailer unit, making the process of identifying trailer specifications would be relatively straightforward, the details of older units may be more challenging to identify. This underlined respondents' views that the requirements for registration should be kept to a minimum and not require excessive data be recorded.
- 36 Operators indicated that they would be concerned if there was a requirement for the details of their trailers to be independently verified prior to their registration being accepted and a registration mark being issued to the trailer.
- 37 The key factor that caused concern for registration was the time allowed for operators to meet the new requirement and they sought clarity on whether an

additional transitional period would be allowed.

- 38 There was also concern that the addition of a registration mark directly for trailers may lead to confusion with existing identification numbers used for the purposes of plating and testing requirements for trailers.

*Q18 – Do you believe there will be practical challenges with maintaining records of your registered trailers? Please give your reasons.*

- 39 Respondents were broadly confident that there would not be undue challenges associated with maintaining registration records of registration trailers. However, they outlined the importance of being able to access this system on demand to minimise the time taken to process changes.

- 40 It was also noted that where an operator needs to register many units, a process to access these records under one account would minimise the additional work of maintaining records.

*Q19 – Do you envisage any problems arising from the display of an additional registration plate in a separate location on a trailer? Please give your reasons.*

- 41 Many respondents noted the challenges of displaying an additional registration plate and the requirements of this.

- 42 Respondents asked whether a secondary registration plate would require lighting as required for the primary registration plate. Retrofitting of lighting equipment to such a plate was expected to require significant investment.

- 43 The placement of the registration plate was also a matter on which respondents sought more detail. In part, due to the range of trailers which will be subject to registration and the different styles of trailers not allowing for a uniform location for the second registration plate.

- 44 The importance of the registration plate for insurance claims was also noted. An additional registration plate was perceived to increase the risk of insufficient details being taken to process claims of registered trailers involved in collisions.

- 45 Respondents who focused on the impact of registration on non-commercial trailers were concerned that the attachment of a registration plate may risk causing damage to the body of trailer units.

- 46 There was also concern that the additional plate may be a cause of confusion when enforcing the requirements of both this scheme and other road traffic offences.

- 47 The importance of flexibility to meet this requirement was sought from respondents, but also that guidance should be forthcoming to help communicate this to trailer keepers.

*Q20 – Do you envisage any problems arising from the trailer registration certificate being a secure document? Please give your reasons.*

- 48 Many respondents noted the challenges associated with using a secure registration document. Primarily this was due to the risk of theft, lost documents and the costs and delay associated with replacing them.

- 49 Respondents requested that the process for obtaining a replacement document be straightforward so that where these are necessary, they can be accessed quickly.

- 50 Respondents also outlined that access to an acceptable digital version of the document could reduce the risks of enforcement action.

*Q21 – Will the indicative fee level affect your decision to register trailers for international journeys? Please give your reasons.*

- 51 Overall, the indicative fee level of below £55 was accepted as being a relatively "nominal figure" compared to other operating costs and may be an encouragement to register, subject to the expected benefits.
- 52 Some respondents indicated that the fee level will affect their decision on how many trailers to register beyond the minimum requirement to fulfil their current levels of international operations.
- 53 Both individuals and industry associations stressed the importance of clarity on the precise level of the fee at the earliest opportunity. This is important to allow operators to budget ahead of the requirement coming into force.
- 54 Respondents also noted the costs of the registration plate and fitting, and that all relevant factors should be considered in setting the level of the fee.

*Q22 – Do you envisage any problems with ensuring that your trailers are registered under the new scheme and meeting the registration requirements?*

- 55 Respondents reiterated existing concerns regarding registration, particularly the timescale associated with registration, and matters including the placement of the registration plate and use of a secure document.
- 56 In addition, clear guidance was needed on the service to outline the scope of registration and how keepers and users can meet these requirements.

*Q23 – Do you agree that the offences should be enforceable by fixed penalty notices? Please give your reasons.*

- 57 Respondents supported the use of fixed penalty notices as the primary means of enforcement and agreed that this approach was proportionate with existing motor vehicle offences.
- 58 Some respondents raised concerns that a trailer may be subject to enforcement action in the UK and internationally on the same journey for a similar offence and were concerned this could be overly costly.

*Q24 – Are there other impacts we should consider?*

- 59 Respondents also sought clarity on the process for transfer of ownership of trailers, as this typically occurs several times throughout the life of a trailer. It is important this is a straightforward process and not prohibitively expensive.
- 60 Respondents also raised the importance of clarity on how the registration plate will interlink with insurance and that the identity of the trailer and the towing vehicle must be absolutely clear.