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COMMISSION STAFF WORKING DOCUMENT

IMPACT ASSESSMENT REPORT

Rules on breaks and rest periods rules in occasional bus and coach transport

Accompanying the document

Proposal for a Regulation of the European Parliament and of the Council

amending Regulation (EC) No 561/2006 as regards minimum requirements on minimum breaks and daily and weekly rest periods in the occasional passenger transport sector

{COM(2023) 256 final} - {SEC(2023) 197 final} - {SWD(2023) 138 final}

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Glossary

Term or acronym	Meaning or definition
ACEA	European Automobile Manufacturers' Association
AETR	European Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport
CONFEBUS	Confederación Española de Transporte en Autobús
CORTE	Confederation of Organisations in Road Transport Enforcement
COVID-19	Coronavirus disease 2019 SARS-CoV-2
CPC	Certificate of professional competence
ECR	Euro Contrôle Route
ELA	European Labour Authority
EPTO	European Passenger Transport Organisation
ETF	European Transport Workers Federation
ETSC	European Transport Safety Council
EU	European Union
EU-OSHA	European Agency for Safety and Health at Work
EWCS	European Working Conditions Survey
FeSMC-UGT	Federación de Servicios, Movilidad y Consumo - Unión General de Trabajadores de España
FSC-CCOO	Federación de Servicios a la Ciudadanía - Comisiones Obreras

GVA	Gross Value Added
IA	Impact assessment
ISSG	Inter-service steering group
IRU	International Road Transport Union
ITF	International Transport Forum
OECD	Organisation for Economic Co-operation and Development
PRM	Persons with Reduced Mobility and other disabilities
ROADPOL	European Roads Policing Network
SME	Small and medium-sized enterprises
SWOV	Institute for Road Safety Research
TIS	Consultores em Transportes Inovação e Sistemas, S.A.
TUI	Touristik Union International
UNECE	United Nations Economic Commission for Europe

1. 1. INTRODUCTION: POLITICAL AND LEGAL CONTEXT

1.1. 1.1. Political context

This Impact Assessment accompanies a legislative proposal for a revision of Regulation (EC) No 561/2006[1], which establishes rules on driving times, breaks and rest periods for professional drivers. It focuses on the rules on the organisation of breaks and rest periods of drivers engaged in occasional services of carriage of passengers.

The objectives of Regulation (EC) No 561/2006, as amended by Regulation (EU) 2020/1054[2], are to harmonise the conditions of competition between modes of inland transport, especially with regard to the road sector, and to improve working conditions and road safety[3] for road transport operators in the passenger and freight transport sectors. The achievement of these policy objectives depends greatly on compliance with the EU rules by all actors in the transport operation chain, and in particular by drivers and operators.

The occasional bus and coach sector[4] represented 3.3% of the total number of passengers in the bus and coach sector in 2019 at EU level. It generated a total turnover of approximately EUR 6.3 billion in 2019[5], which accounts for roughly 11% of the total turnover of road passenger transport[6]. It employs around 202,600[7] people, accounting for approximately 28%[8] of the total number of persons employed in the road passenger sector. The number of companies operating in the occasional bus and coach sector is estimated at 6,032[9]. Occasional services are defined in point 4 of Article 2 of Regulation (EC) No 1073/2009, the main characteristic of which being the carriage of groups of passengers constituted on their own initiative or on the initiative of the carrier. These may be trips to carry out passengers to a ski resort and/or back, school and adult excursions of one single-day or multi-day tours. Most passenger transport operators provide both single-day and multi-day trips' services.

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[1] Regulation (EC) No 561/2006 of the European Parliament and of the Council of 15 March 2006 on the harmonisation of certain social legislation relating to road transport and amending Council Regulations (EEC) No 3821/85 and (EC) No 2135/98 and repealing Council Regulation (EEC) No 3820/85 (OJ L 102, 11.4.2006, p. 1).

[2] Regulation (EU) 2020/1054 of the European Parliament and of the Council of 15 July 2020 amending Regulation (EC) No 561/2006 as regards minimum requirements on maximum daily and weekly driving times, minimum breaks and daily and weekly rest periods and Regulation (EU) No 165/2014 as regards positioning by means of tachographs (OJ L 249, 31.7.2020, p. 1).

[3] Recital (1) of Regulation (EU) 2020/1054 amending Regulation (EC) No 561/2006 confirms that the aim of the Regulation is to ensure good working conditions for drivers and fair business conditions.

[4] Occasional bus and coach services are defined in Article 2(4) of Regulation (EC) No 1073/2009 of the European Parliament and the Council of 21 October 2009 on common rules for access to the international market for coach and bus services and amending Regulation (EC) N° 561/2006 (Recast) (OJ L 300, 14.11.2009, p. 88) as services which do not fall within the definition of regular services, including special regular services, and the main characteristic of which is the carriage of groups of passengers constituted on the initiative of the customer or the carrier himself

[5] Expressed in 2021 prices. Source: Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006.*

[6] Based on data from Eurostat, the road passenger transport generated approximately EUR 59.5 billion in 2019 (expressed in 2021 prices).

[7] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006.*

[8] Based on data from Eurostat, 728,004 people were employed in the road passenger sector in 2019.

[9] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006.*

The legislation in force applies equally to the road transport operators and their drivers, regardless of whether they are involved in the carriage of passengers or goods or of whether, as regards the carriage of passengers, the transport is regular or occasional. The **appropriateness of "one-fit-all" rules** has been challenged by the occasional bus and coach sector for many years. For the occasional passenger transport sector, there are distinct service particularities (e.g. high seasonality) and needs that are not present in freight transport or regular passenger transport, including the need to accommodate passenger requests for flexibility, e.g. regarding additional stops, changes of route, changes in departure times, etc. Industry representatives argue that more flexibility in the application of the rules to deal with **specific characteristics of occasional passenger transport** operations and/or specific external circumstances is desired and would help to comply with the rules.

Box 1: *Specific characteristics of occasional bus and coach transport.*

Occasional passenger transport is characterised by a high seasonality (peaks in demand for passenger trips in certain seasons of the year, in particular during winter and summer holidays). Its main purpose from a business perspective is not to maximise the number of kilometres in a given time (as in the road transport of goods) or the number of passengers on the basis of a useful itinerary (as in the regular road transport of passengers) but to build an attractive touristic package. It is characterised by different driving lengths depending on the touristic activities undertaken by passengers such as visits and therefore by longer trips at the beginning and end of the tour and by shorter duration of driving time when the touristic activities take place. It needs to accommodate on the spot reasonable passenger requests in terms of additional stops, changes of routes, changes of schedule. There is less driving than in freight transport or in regular bus services. At the same time, drivers spend time to take care of passengers such as giving advice, selling snacks or taking photos.

The issue of inadequacy of the current social rules for the occasional bus and coach sector has gained political importance in the context of the negotiations on the legislative proposal modernising the driving and rest time rules, as part of Mobility Package I. During the negotiations, the EU occasional bus and coach sector has been strongly advocating for recognising the inherent differences between the freight and regular passenger transport services on the one hand, and the occasional passenger transport on the other hand. They called for adapting the EU legal framework to the operational specificities of this segment (e.g. high seasonality) and those of the work of occasional bus and coach drivers (e.g. meeting needs of passengers and their touristic programs).

The proposal for a revised Regulation (EC) No 561/2006, adopted by the Commission as part of the Mobility Package I in May 2017[10], focused on the issues concerning mainly freight transport and did not address the particular issues of occasional passenger transport by bus and coach. As a result, on 15 July 2020, Article 8(10) of Regulation (EC) No 561/2006, was adopted by the European Parliament and the Council[11]. It requires the Commission to assess whether more appropriate rules for drivers engaged in occasional services of carriage of passengers, as defined in point 4 of Article 2 of Regulation (EC) No 1073/2009, can be adopted. Hence, this initiative is a response to the legal requirement in Article 8(10) of Regulation (EC) No 561/2006.

The initiative contributes towards Sustainable Development Goal (SDG) 8 ("Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all") by making

[10] https://ec.europa.eu/transport/modes/road/road-initiatives/fair-competition-workers-rights_en

[11] Regulation (EU) 2020/1054 of the European Parliament and of the Council of 15 July 2020 amending Regulation (EC) No 561/2006 as regards minimum requirements on maximum daily and weekly driving times, minimum breaks and daily and weekly rest periods and Regulation (EU) No 165/2014 as regards positioning by means of tachographs (OJ L 249, 31.7.2020, p. 1) and Directive (EU) 2020/1057 of the European Parliament and of the Council of 15 July 2020 laying down specific rules with respect to Directive 96/71/EC and Directive 2014/67/EU for posting drivers in the road transport sector and amending Directive 2006/22/EC as regards enforcement requirements and Regulation (EU) No 1024/2012 (OJ L 249, 31.7.2020, p. 49).

transport operations more efficient and competitive and by improving working conditions for drivers. It is also in line with the EU's policy objectives of a swift recovery of the hardest hit sectors from the COVID-19 pandemic, a strong EU Single Market, conducive to high levels of growth and jobs and road safety.

1.2. 1.2. Legal context

Under the current EU legal framework, professional drivers involved in the occasional carriage of passengers by bus and coach are subject, except limited exceptions, to the same rules on the organisation of driving times, breaks and rest periods as truck drivers involved in the regular carriage of passengers and the carriage of goods (Regulation (EC) No 561/2006, as amended by Regulation (EU) No 2020/1054). Regulation (EC) No 561/2006 applies to the transport of goods by vehicles whose mass exceeds 3,5 tonnes (it will apply as of 1 July 2026 also to vehicles beyond 2,5 tonnes in international transport operations) and the transport of passengers by vehicles which are constructed or permanently adapted for carrying more than nine persons, including the driver. It does not apply to the short-distance transport of passengers (less than 50 km). The Regulation applies, irrespective of the country of registration of the vehicle, to carriage by road undertaken exclusively within the EU or between the EU, Switzerland, and the parties to the Agreement on the European Economic Area.

The scope of the initiative is limited to occasional passenger services and does not cover regular passenger services. The definitions of occasional passenger services and regular (scheduled) passenger services are provided by Regulation (EC) No 1073/2009. According to Article 2(2) of the Regulation, 'regular services' mean services which provide for the carriage of passengers at specified intervals along specified routes, passengers being picked up and set down at predetermined stopping points. 'Regular services' also include 'special regular services' (Article 2(3) of the Regulation), which provide for the carriage of specified categories of passengers to the exclusion of other passengers, notably the carriage of workers between home and work, and the carriage of school pupils and students to and from the educational institution.

As regards occasional passenger services, Article 2(4) of Regulation (EC) No 1073/2009 defines these services as those which do not fall within the definition of regular services, with the main characteristic being the carriage of groups of passengers constituted on the initiative of the customer or the carrier.

It is also important to indicate that Directive 2002/15/EC[12] complements Regulation (EC) No 561/2006 as it establishes the requirements on maximum weekly working times, minimum breaks in work and night time work. It applies to drivers within the scope of Regulation (EC) No 561/2006. More specifically, Directive 2002/15/EC in Article 3(a) defines 'working time' as including all transport activities, such as: driving; loading and unloading; cleaning and technical maintenance; all other work intended to ensure safety of the vehicle, its cargo and passengers or to fulfil the legal or regulatory obligations directly linked to the specific transport operation; the times during which the driver cannot dispose freely of his/her time and is required to be at his/her workstation, ready to take up normal work, e.g. during periods awaiting loading or unloading where their foreseeable duration is not known in advance. As stipulated in Article 4 of Directive 2002/15/EC, the average weekly working time may not exceed 48 hours. However, the maximum weekly working time may be extended to 60 hours if, over four months, an average of 48 hours a week is not exceeded. Despite the clear complementarity of the two legal acts (i.e. Directive 2002/15/EC and Regulation (EC) No 561/2006), this initiative will not affect working times, since no policy measures introduce any change in the maximum weekly working time.

[12] Directive 2002/15/EC of the European Parliament and the Council of of 11 March 2002 on the working timeof persons performing mobile road transport activities (OJ L 80,23.3.2002, p. 35).

The same rules also apply regarding working time (Directive 2002/15/EC). Compliance with these rules is controlled by the Member States authorities at the roadside and at the premises of the companies in line with the minimum requirements for enforcement set out in Directive 2006/22/EC[13]. The main source of information about driver's compliance with the driving and resting time provisions is a tachograph installed in the bus, coach or truck in accordance with the requirements on the installation and the use of the recording equipment established by Regulation (EU) No 165/2014[14].

The implementation of the provisions of Regulation (EC) No 561/2006 is monitored by the Commission through: (i) regular national implementation reports submitted by Member States every two years, (ii) regular meetings with the representatives of the national authorities, with the EU enforcement community and representatives of the industry and of the workers in the framework of the Committee on Road Transport and the Commission Enforcement Working Group, as well as (iii) on a case by case basis as a result of complaints or enquiries submitted to the Commission.

The implementation reports prepared by the Commission every two years, based on the national submissions by the Member States, show gradual improvement in compliance level. Still the number of infringements by drivers and road transport operators against the social provisions remains high: nearly 3.5 million offences were detected in the reporting period 2017-2018[15]. The infringements committed in the bus and coach sector constituted almost 5% of all infringements detected in the road sector. Breaks represented 17% of all infringements detected in the passenger transport and rest periods represented 28%, against 16% and 22% respectively in freight transport. The figures provided in the implementation reports do not, however, provide the breakdown of the infringements by type of transport service, which would show the share of infringements committed in the occasional passenger transport sector out of the total number of the detected infringements.

Table 1 presents the rules for the occasional passenger transport relevant for this initiative[16]. As shown in the table, the driver is required to take an interrupted break of at least 45 minutes after 4.5 hours of driving. This break can be replaced by a break of at least 15 minutes followed by a break of at least 30 minutes, each break distributed over the period as to ensure that the driver takes the required amount of break after 4.5 hours of driving. A break of at least 30 minutes followed by a break of at least 15 minutes is not a qualifying break. For example, if the driver takes first a break of 40 minutes and another break of 30 minutes at the end of 4.5 hours of driving, only 15 minutes of the first break may be taken into account as a qualifying break. The maximum daily driving period is 9 hours (for example under the following scheme: 4.5 hours of driving + 45 minutes' break + 4.5 hours of driving), with an exemption twice a week when it can be extended to 10 hours. Daily rest periods are to last at least 11 hours and can be reduced to 9 hours no more than three times between any two weekly rest periods. A driver must complete a daily rest period within the 24 hours, meaning that daily rest periods must fall within the 24 hours since the start of

[13] Directive 2006/22/EC of the European Parliament and the Council of 15 March 2006 on minimum conditions for the implementation of Council Regulations (EEC) N° 3820/85 and (EEC) N° 3821/85 concerning social legislation relating to road transport activities and repealing Council Directive 88/599/EEC (OJ L 102, 11.4.2006, p. 35).

[14] Regulation (EU) N° 165/2014 of the European Parliament and the Council of 4 February 2014 on tachographs in road transport, repealing Council Regulation (EEC) N° 3821/85 on recording equipment in road transport and amending Regulation (EC) N° 561/2006 of the European Parliament and the Council on the harmonisation of certain social legislation relating to road transport (OJ L 60, 28.2.2014, p. 1).

[15] Report from the Commission to the European Parliampent and the Council on the implementation in 2017-2018 of Regulation (EC) No 561/2006 on the harmonisaton of certain social legislation relating to road transport and of Directive 2002/15/EC on the organisation of the working time of persons performing mobile road transport activities, COM(2021)610 final.

[16] These are general rules, which apply to freight transport, and regular and occasional passenger transport, except for the 12-day rule which applies only to international occasional passenger transport.

duty. Weekly rest must be taken after six days of working (i.e. 6 x 24-hour periods), except for coach drivers engaged in a single occasional service of international transport of passengers who may postpone their weekly rest period for up to 12 days (so called '12-day rule').

Table 1: Current rules on breaks, driving times and rest periods under Regulation (EC) No 561/2006

Breaks (Article 7)	Breaks of at least 45 minutes shall be taken after 4.5 hours of driving. A break can be split into two periods, the first being at least 15 minutes and the second at least 30 minutes (which must be completed over 4.5 hours driving)
Rests (Article 8)	Daily rest periods shall be at least 11 hours, which can be reduced to 9 hours no more than three times between any two weekly rest periods. Daily rest can be split into 3 hours of rest followed by 9 hours of rest, to make for a total of 12 hours of daily rest. Weekly rest must be at least 45 continuous hours, which can be reduced every second week to 24 hours. Compensation arrangements apply for reduced weekly rest period. Weekly rest is to be taken after six days of working (i.e. 6 x 24-hour periods), except for coach drivers engaged in a single occasional service of international transport of passengers who may postpone their weekly rest period for up to 12 days (i.e. 12 consecutive 24-hour periods).
Driving times (Articles 6 and 12)	Daily driving period shall not exceed 9 hours, with an exemption of twice a week when it can be extended to 10 hours. Daily and/or weekly driving times may be exceeded in exceptional circumstances by up to one hour to enable the driver to reach his/her place of residence or the employer's operational centre in order to take a weekly rest period. Exceeding the daily and/or weekly driving times by up to two hours is also allowed to enable the driver to reach his/her place of residence or the employer's operational centre in order to take a regular weekly rest period.
12-day rule (Article 8)	By way of derogation from paragraph 6, a driver engaged in a single occasional service of international carriage of passengers, as defined in Regulation (EC) No 1073/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international market for coach and bus services, may postpone the weekly rest period for up to 12 consecutive 24-hour periods following a previous regular weekly rest period, provided that: (a) the service lasts at least 24 consecutive hours in a Member State or a third country to which this Regulation applies other than the one in which the service started; (b) the driver takes after the use of the derogation: - either two regular weekly rest periods; or - one regular weekly rest period and one reduced weekly rest period of at least 24 hours. However, the reduction shall be compensated by an equivalent period of rest taken en bloc before the end of the third week following the end of the derogation period.

1.3. 1.3. Synergies with other EU policy instruments

The initiative presents synergies with Regulation (EU) No 165/2014[17], Directive 2002/15/EC[18] and

[17] Regulation (EU) No 165/2014 of the European Parliament and of the Council of 4 February 2014 on tachographs in road transport, repealing Council Regulation (EEC) No 3821/85 on recording equipment in road transport and amending Regulation (EC) No 561/2006 of the European Parliament and of the Council on the harmonisation of certain social legislation relating to road transport (OJ L 60, 28.2.2014, p. 1).

[18] Directive 2002/15/EC of the European Parliament and of the Council of 11 March 2002 on the organisation of the working time of persons performing mobile road transport activities (OJ L 80, 23.3.2002, p. 35).

Directive 2006/22/EC[19]. These legal acts contribute to reaching the objectives of Regulation (EC) No 561/2006. Regulation (EU) No 165/2014 sets out the requirements on the installation and the use of tachographs in the vehicles in scope of Regulation (EC) No 561/2006, while Directive 2002/15/EC lays down rules on the organisation of the working time of drivers and Directive 2006/22/EC determines minimum levels of checks of drivers and undertakings in the road transport sector. The initiative also presents synergies with Regulation (EC) No 1073/2009[20] which establishes common rules for access to the international market for coach and bus services, both regular and occasional services.

Moreover, the initiative presents synergies with other EU policies, notably those aiming directly at increasing road safety, in particular Regulation (EU) 2019/2144[21] which requires motor vehicles for the carriage of passengers to be equipped with certain advance vehicle systems, including driver drowsiness and attention warning (DDAW) safety systems, as well as with some EU funding projects[22].

1.4. 1.4. Evaluation of the Regulation

The adequacy of the road transport social rules and efficacy of their enforcement for the occasional bus and coach transport were, among other aspects, subject to the 2017 ex-post evaluation[23]. The evaluation concluded that some of the rules on the organisation of breaks and rest periods may not be fit for the occasional passenger transport sector because of the distinct service needs.

Based on the findings of the ex-post evaluation, the Commission considered several policy options to address the identified problems in the impact assessment accompanying the 2017 proposal for the revision of Regulation (EC) 561/2006[24], including those related to difficulties with compliance and high regulatory costs which result from rules not fitting the specific characteristics of the passenger transport. One of the policy options analysed in the impact assessment contained specific rules for occasional passenger transport. However, at that time it was decided to pursue a policy option addressing the most acute problems affecting mainly the freight transport, i.e. long periods away from home by drivers, inadequate

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[19] Directive 2006/22/EC of the European Parliament and of the Council of 15 March 2006 on minimum conditions for the implementation of Council Regulations (EEC) No 3820/85 and (EEC) No 3821/85 concerning social legislation relating to road transport activities and repealing Council Directive 88/599/EEC (OJ L 102, 11.4.2006, p. 35).

[20] Regulation (EC) No 1073/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international market for coach and bus services, and amending Regulation (EC) No 561/2006, OJ L 300, 14.11.2009, p. 88.

[21] Regulation (EU) 2019/2144 of the European Parliament and the Council of 27 November 2019 on type-approval requirements for motor vehicles and their trailers, and systems, components and separate technical units intended for such vehicles, as regards their general safety and the protection of vehicle occupants and vulnerable road users, amending Regulation (EU) 2018/858 of the European Parliament and of the Council and repealing Regulations (EC) No 78/2009, (EC) No 79/2009 and (EC) No 661/2009 of the European Parliament and of the Council and Commission Regulations (EC) No 631/2009, (EU) No 406/2010, (EU) No 672/2010, (EU) No 1003/2010, (EU) No 1005/2010, (EU) No 1008/2010, (EU) No 1009/2010, (EU) No 19/2011, (EU) No 109/2011, (EU) No 458/2011, (EU) No 65/2012, (EU) No 130/2012, (EU) No 347/2012, (EU) No 351/2012, (EU) No 1230/2012 and (EU) 2015/166 (OJ L 325, 16.12.2019, p. 1).

[22] For example, PANACEA, which is part of a Horizon funded project, focuses on fitness to drive of commercial drivers.

[23] SWD(2017)184 final, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52017SC0184

[24] Commission Staff Working Document Impact Assessment accompanying the document 'Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) 561/2006 as regards minimum requirements on maximum daily and weekly driving times, minimum breaks and daily and weekly rest periods and Regulation (EU) 165/2014 as regards positioning by means of tachographs and Proposal for a Directive of the European Parliament and of the Council amending Directive 2006/22/EC as regards enforcement requirements and laying down specific rules with respect to Directive 96/71/EC and Directive 2014/67/EU for posting drivers in the road transport sector', SWD(2017)186 final.

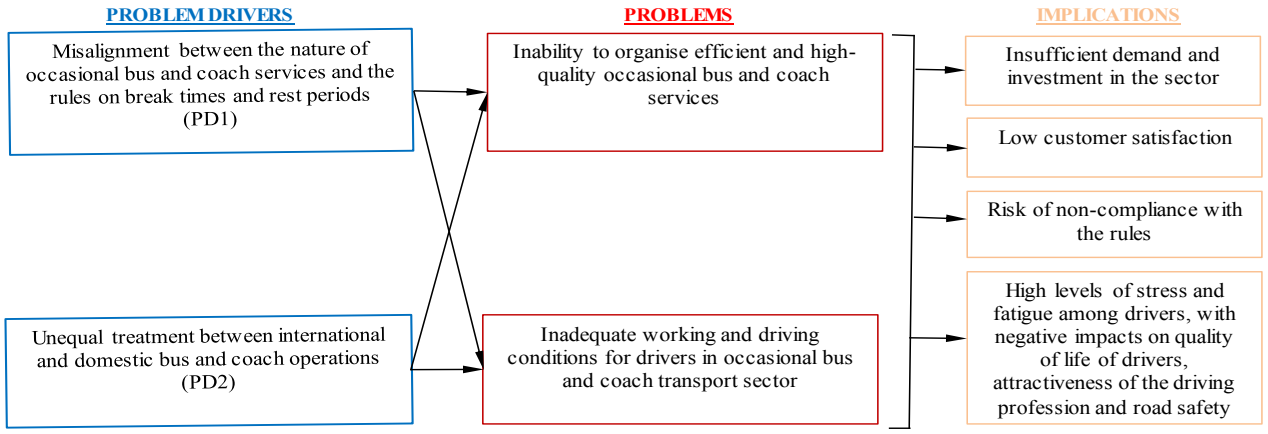
working and resting conditions, distortions of competition, unfair employment practices, and ineffective enforcement. Therefore, the legislative proposal for a targeted revision of Regulation (EC) No 561/2006 adopted by the Commission as part of the Mobility Package I and in force since 20 August 2020[25] focused on the issues concerning freight transport. It did not address the particular issues of occasional transport by bus and coach.

2. 2. PROBLEM DEFINITION

2.1. 2.1. What are the problems?

The underlying problems, problem drivers and implications that are relevant for this initiative are presented in Figure 1. The evidence underpinning the problems and their drivers draw on the external support study[26] that has been carried out to support this Impact Assessment.

Figure 1: Problem tree



2.1.1. 2.1.1. Problem 1: Inability to organise efficient and high-quality occasional bus and coach services

This section presents Problem 1 from the perspective of **business associations, operators and self-employed drivers** who provided most detailed feedback and who are directly more concerned as regards the organisation of occasional passenger services than other stakeholders groups. It was not possible to estimate quantitatively the size of the problem with regard to breaks and rest periods (including the 12-day derogation), due to lack of data. The evidence for this problem therefore relies on **feedback received** during various consultation activities[27].

Employed drivers, trade unions and enforcement authorities were also asked about this problem during the consultations. However, these groups did not provide detailed feedback on how the rules affect service quality and efficiency, but rather focused on working conditions and road safety. Therefore, their perspective is presented in Problem 2 (section 2.1.2).

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[25] For more information see the Commission's dedicated page at: Mobility Package I (europa.eu).
[26] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006*.
[27] Consultation activities consisted in feedback to the inception impact assessment, public consultation, targeted interviews and case studies. A summary of these activities can be found in Annex 2 and detailed results in *Tetra Tech et al*. study.

Operators acknowledged being unable to organise services that are efficient and of high quality, due to the misalignment of the rules with the specific characteristics of occasional bus and coach services. The rules on breaks and rest times were designed with freight transport services in mind, but compared to freight transport or regular (scheduled) passenger transport, occasional passenger transport presents different operational and driving patterns. It is in large part dependent on holiday schedules, which are characterised by a high seasonality (peaks in demand for passenger trips in certain seasons of the year, in particular during winter and summer holidays). Tourism tours are often a combination of several breaks when tourists take part in holiday activities and different driving lengths, i.e. longer trips at the beginning and end of long-distance tours and shorter duration of driving time during touristic visits. Overall, bus and coach drivers usually spend much less time driving than drivers in freight transport or in regular bus services. According to figures provided by the International Road Transport Union (IRU) members, the average daily driving time of a coach driver during a typical tourism trip is around 4.5 hours a day, while for drivers engaged in freight and regular passenger transport it is 9 hours a day.

The need to fit occasional passenger transport into the same framework as freight and regular passenger transport, despite its specific characteristics, presents operators and drivers with an unenviable choice. Either they arrange services in a way that is inefficient and not in line with the demands of some customers, or they risk non-compliance in order to maintain sufficient quality and meet customer demands.

Breaks

Unlike in scheduled passenger and in goods services, occasional transport rarely aims to maximise the number of kilometres driven in a certain time, but rather **involves frequent, irregular stops,** including unexpected ad-hoc stops requested by passengers. During the course of a day, a typical tourist tour may focus on a specific city or region, involving stops at several touristic sites of varying time length. In principle, these would provide drivers with ample opportunities for breaks. However, if the timing and length of the stops does not fit the precise requirements of the rules, even though accumulated breaks exceed the required quantity, then additional stops must be arranged, regardless of whether these fit adequately into the itinerary. For example, a coach may depart at 10:00, stop for an early lunch at 12:00, then continue to another location. However, since only 15 minutes of the stop for the lunch can be counted as qualified first split break, another stop of 30 minutes, after 2.5 hours of additional driving time, would be necessary within the original 4.5 hours, even if otherwise inconvenient.

During the public consultation[28], 2 of the 12 business associations that replied to the question on breaks considered that the rules need major changes while 10 of them that the rules need minor refinements. 20 of the 78 companies that replied considered that the rules need major changes while 51 of them that the rules need minor refinements. As regards self-employed drivers, 13 of the 32 drivers that replied to the public consultation believed that the rules need major changes while 16 of them that the rules need minor refinements.

In addition, all the 12 business associations and 7 bus and coach operators participating in targeted interviews considered the rules insufficiently adapted to the needs of the occasional sector and stressed their importance for the tourism industry. The **main complaint was that the break requirements were difficult to fit into trip itineraries, which in turn necessitated additional stops and delays.** These were time-consuming and difficult for customers to understand. One of the main motivations for customers to choose organised trips is to take advantage of many touristic attractions in a limited time. The interviewed

[28] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006*.

stakeholders confirmed the feedback on the inception impact assessment, where the prevailing view of business associations was that the rules on breaks are an obstacle to aligning breaks for drivers with the natural stops on touristic trips.

Rest periods, including 12-day rule

Unlike scheduled passenger and goods services, occasional services **often involve only short and sporadic amounts of driving**. Trips may consist of an early morning journey followed by little-to-no daytime driving and an evening return that would often slightly exceed the duty cycle for a single driver, when passengers still need to be transported, e.g. back to the hotel after a day of sightseeing. Under the current rules, **trips of over six days** (i.e. the limit at which a weekly rest is required) **must be staffed with two drivers**, if a trip involves driving beyond six days.

This means either refusing to schedule such trips or bringing on a second driver at significant expense, while rendering certain trips unviable either on economic grounds or if extra drivers cannot be found. Alternatively, a trip can be organised in a less appealing way, e.g. by forcing passengers to bring their evening to an unexpectedly early conclusion. Moreover, since occasional transport is tourism-dependent and thus highly seasonal, the current rules may exacerbate driver shortages during peak periods, further reducing the service offer and putting upward pressure on prices.

The current 12-day rule, according to which the weekly rest period may be postponed up to 12 days for drivers engaged in a single service of occasional passengers, is only available for *international* trips. This creates an uneven playing field between providers of domestic and international services and is also not allowing for domestic trips a potential part-solution to the issue of driver availability for longer trips. Importantly, according to stakeholders, trips of 7-8 days are fairly typical tours, rather than less common ones of 11-12 days.

During the public consultation[29], 4 of the 12 business associations that replied to the question on rest periods considered that the rules need major changes while 6 of them that the rules need minor refinements. 18 of the 76 companies that replied considered that the rules need major changes and 54 of them that that the rules need minor refinements. 10 of the 31 self-employed drivers that replied answered that the rules need major changes while 19 of them that the rules need minor refinements.

All the 12 business associations and 7 occasional bus and coach operators taking part in the targeted interview, thought that the rules on rest periods harm the efficiency and quality of services. **Criticism of the 12-day rule was the most severe and widespread:** all 19 interviewees stated that being able to benefit from the derogation only in case of international trips was inappropriate and detrimental to their businesses. The reason given was that this makes domestic trips of over six days (which may be of the same or even longer distance than international ones) considerably more expensive than similar international trips, leading to higher prices for consumers and rendering some longer domestic trips unviable (see example in Box 2).

Box 2: *Domestic vs international trips and the 12-day rule – an example from Sweden and Denmark*
Tourists from both side of the Danish / Swedish border often take similar ski trips to the north of Sweden. A typical tour lasts eight days, with long-distance travel (about 750 km) on days 1 and 8, with short journeys back and forth to the slopes on the other days. Since the trips from Denmark to the north of Sweden are international, the driver can benefit from the 12-day rule. This means that it is possible to carry out the whole trip with one driver, who then gets a compensatory weekly rest at the end of the trip. Similar trips in terms of distance and duration, carried out from south

[29] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006*.

to north of Sweden are domestic operations, meaning that the driver is not entitled to the 12-day rule. This means that an additional driver is needed for the first and last days of the trip. This increases the cost and consumer price by about 20%. It also has a negative impact on the Swedish economy, since similar trips to ski resorts on the Norwegian side of the border can use the 12-day rule to lower costs.
Source: Confederation of Swedish Enterprises

All the 19 interviewees were also consistent in pointing out that the daily rest rules made it difficult to organise trips in a logical way and to deal with unforeseen delays or events, and that complying with the weekly rest rules made drivers unavailable at peak seasonal periods, contributing to widespread driver shortages. However, most of the interviewees believed that a situation where 12 consecutive days of work becomes the norm should be avoided. In addition, all of the 13 business associations and 8 companies providing feedback on the inception impact assessment stressed that the current rules did not allow operators to tailor services to the needs of specific trips and customers.

The inability to organise efficient and high-quality occasional bus and coach services results in **low customer satisfaction, and insufficient demand and investment in the sector**. The levels of customer satisfaction and demand in the sector are not only influenced by the rules on breaks and rests time but also by other factors like customer experience, comfort, fares, etc. It should however be emphasised that as regards these other factors operators compete while the rules on breaks and rest times are a legal constraint on which limited competition takes place. As explained above, some potentially attractive services may be deemed unviable economically and not take place at all, such as a domestic trip where the 12-day derogation is unavailable since involving a second driver (although potentially not necessary to prevent fatigue) is too costly.

In the context of the public consultation, 25 of 154 respondents considered that the existing rules do 'not at all' contribute to high-quality services or contribute 'only to a limited extent' (78 of 154 respondents). There was little difference in views between stakeholders groups. The 12 business associations and 7 occasional bus and coach operators taking part in the targeted interviews expressed similar views and also mentioned **that the rules lead to inconvenience during services and tend to reduce the offer of services**, while also putting upward pressure on prices. While acknowledging the vital importance of harmonised standards for health and safety, the findings nonetheless suggest that industry stakeholders consider the rules difficult to deal with.

It must be acknowledged that European consumer and passenger associations declined to participate in the interviews, despite being contacted several times, due to their limited knowledge of the sector and the way services are organised. Research on the topic is also very limited, and mostly focuses on urban public transport and commuting services. Nevertheless, interviewees with a variety of profiles were selected (e.g. employed versus self-employed drivers, small versus larger operators, different Member States), and interviews were conducted in national languages. Findings were also triangulated between different groups of stakeholders and data collection tools.

Feedback received during the targeted interviews and public consultation emphasised that the occasional bus and coach sector is small and characterised by SMEs operating on low margins. **Factors that negatively affect business performance, such as costs, staffing shortages and reduced service offer** engendered by the current rules, would make it more difficult to compete with other transport means such as flights and private cars[30], and thereby depress demand and investment. Indeed, for **smaller businesses**

[30] For example, a passenger may decide to get to a ski resort with an occasional coach service as part of a package with e.g. daily transport to and from the mountain. If the package offered is not sufficiently satisfactory, the passenger would rather opt for taking a flight, train, or scheduled bus service, and deal with other than transport aspects on his own. He

the staffing of trips that require multiple drivers is an important issue. Second drivers were often unavailable to replace those who exceed their daily duty cycle, with negative impact such as changes to the itinerary (with related customer dissatisfaction) or the inability to take on additional orders, especially at peak season. Examples provided during the targeted interviews showed that small companies are also more likely than their larger counterparts to focus on domestic trips, which in turn gives them relatively limited access to the 12-day rule (since this can only be used for international travel). Overall, small companies were poorly-equipped to develop complex logistics plans involving drivers and operations in different locations.

In contrast, **larger companies** still experienced the problems described, but **the impacts were less pronounced**, and they were relatively better prepared to take mitigating measures. For example, large companies tend to have drivers and operate in different locations, meaning that they can find additional drivers with different 'home bases' if needed due to seasonal factors or due to issues that arise during the trip. Although large companies agreed that the rules increased costs and prices, and caused some logistical issues that negatively affect the service quality (e.g. the need to take a break at an inconvenient moment), the scale of the problems was manageable for them.

The operators participating in the interviews and public consultation consistently attributed the current rules on breaks and rest periods to their difficulties to organise high-quality services that meet customer demand. In other words, restricted adaptability to client's needs may force operators to present a less attractive package for a tour. It is then understandable that customer satisfaction is lower than it would be if the services were better. Moreover, while it was not possible to gather evidence to compare customer satisfaction and demand between occasional and regular passenger services, all decribed problems relate to the specificities of the occasional passenger transport only.

The occasional bus and coach sector has also suffered disproportionately from the impacts of the COVID-19 pandemic. According to the International Road Transport Union (IRU), revenue for bus and coach services related to tourism fell by 82% in 2020[31]. Although data on the post-COVID recovery is scarce, to a certain extent the sector is also negatively affected by more recent high energy prices and staff shortages. This may exacerbate the inability to organise efficient and high-quality occasional bus and coach services.

The links between occasional bus and coach services and tourism imply that **occasional bus and coach transport –** and hence the consequence of insufficient demand and investment in the sector – **would be more prevalent in Member States with a high concentration of touristic activity**. As shown in Figure 2, tourism activities are highly concentrated in a few Member States. The tourism revenues are by far the highest in Spain, France, Italy and Germany, while in terms of share of GDP, tourism revenues are also especially important in other southern EU Member States, including Portugal, Greece, Croatia, Cyprus and Malta. Occasional bus and coach operators in these countries are expected to especially experience the problem and its effects.

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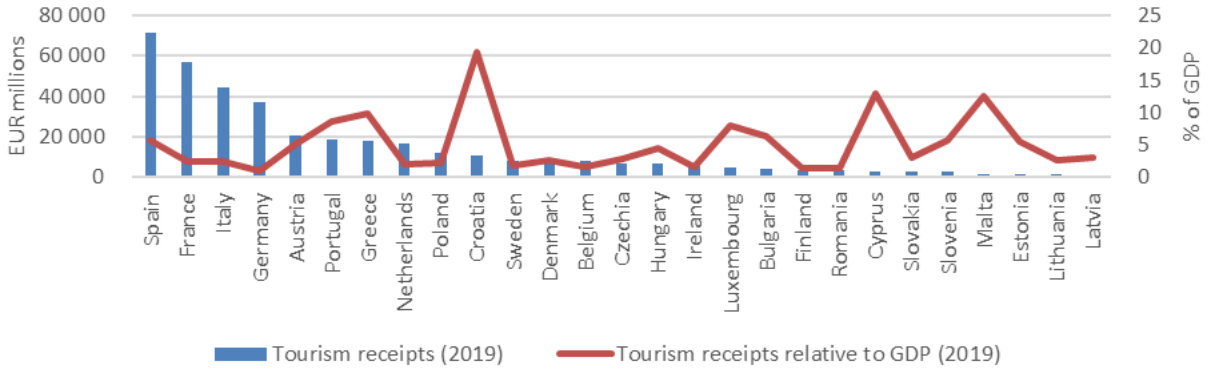
could also when available opt for a package where other modes of transport than coach are included. However, no quantified evidence is available to substantiate the frequency of this problem.

[31] IRU, 2020, No end in sight to pandemic-induced passenger transport crisis, https://www.iru.org/resources/newsroom/no-end-sight-pandemic-induced-passenger-transport-crisis

Figure 2: Tourism activity in the EU, 2019



Source: Tetra Tech et al.; Eurostat (bop_c6_q, bop_eu6_q and nama_10_gdp)

2.1.2. 2.1.2. Problem 2: Inadequate working and driving conditions for drivers in occasional bus and coach transport

This section presents Problem 2 from the perspective of **drivers, trade unions and public authorities**[32], who made most comments as regards the working and driving conditions[33]. Like for Problem 1, it was not possible to estimate quantitatively the size of the problem, due to lack of data. Therefore, the evidence underpinning this problem relies on the feedback received during different consultation activities[34]. While it was relatively easy to interview trade unions and business associations, it was extremely difficult to reach out to drivers, despite extensive consultation efforts.

Problems related to working conditions and to the driver fatigue and stress can be mainly attributed to other factors that are beyond specific characteristics of occasional passenger transport. These other factors are for example monotonous driving (e.g. driving on motorways for several hours), loneliness on the road, exposure to vibration, etc. This Impact Assessment mainly focuses on factors directly related to the issues in the scope of the occasional passenger segment such as difficulties to comply with the rules, customer demands that cannot be met, pressure to take on tasks during break time, etc.

The mismatch between the existing rules and the specific characteristics of the occasional passenger transport also plays a role, as confirmed by the drivers who responded to the consultation activities, who consider that more flexible rules would make them more relaxed and less stressed[35].The targeted interviews and public consultation highlighted several elements, which show that, despite the vital role of mandated breaks and rest periods, the inflexibility of the rules may worsen working and driving conditions rather than improve them:

- **Difficulties to benefit from the required breaks**: the break requirements often oblige drivers to take breaks at inconvenient moments, and the dynamics of occasional activities often place expectations on the driver to spend break time with passengers, by taking photos, giving advice on restaurants or sites,

[32] However, public authorities were most concerned about compliance.
[33] Industry stakeholders' views on the topic do not constitute the main part of the analysis in this section, since the experiences and interests of these stakeholders naturally differ from employed drivers and trade unions.
[34] Consultation activities consisted in feedback to the inception impact assessment, public consultation, targeted interviews and case studies. A summary of each of these activities can be found in Annex 2 and detailed results in *Tetra Tech et al*. study.
[35] For example, one of the interviewed trade unions mentioned occasional services in an Eastern non-Schengen Member State, where drivers had to wait for hours to cross the border and then to immediately take a break to comply with the rules, causing anger and confusion among tourists on-board.

etc., even though the rules stipulate that breaks should be free of such tasks. This issue can be exacerbated if a break takes place not when passengers are busy with touristic activity, but rather are idle because the stop is being made only for the purpose of the driver's break, leading to stress and pressure either to face dissatisfied and aggressive customers or to ignore the rules. Three of the 6 interviewed drivers[36] noted this issue, underlining the importance of being able to organise breaks at more convenient times. During the public consultation[37], all the 14 employed drivers that replied to the question on breaks considered that the rules need changes (1 referred to the need of major changes and 13 to minor changes). 2 of the 6 trade unions that replied consider that the rules need major changes while 4 of them that the rules should not been changed. Public authorities were more reluctant as regards the changes, since 4 of the 10 public authorities that replied believe that only minor changes are needed and 6 of them that no changes are needed.

- **Excessive time away from home**: since the 12-day derogation is only available on international trips, drivers on domestic trips of over 6 days (which occur frequently) can be obliged to take a weekly rest while away from home. While respecting maximum driving times and minimum break times, which are essential for health and safety purposes, 3[38] of the 6 interviewed drivers would prefer to work more days without taking rest periods, and benefit from additional time off afterwards, at home with their families and friends. During the public consultation[39], 15 of the 16 employed drivers that replied to the question on rest periods consider that the rules need changes (3 that major changes are needed and 12 that minor changes are needed). 3 of the 6 trade unions that replied consider that the rules need changes (2 that major changes are needed and 1 that minor changes are needed). 3 of the 10 public authorities believed that the rules need only minor changes while 7 of them that no changes are needed.

- **Inability to adapt the workload to seasonal demand**: for a number of personal and lifestyle reasons (e.g. to earn more money during peak season, and take time off during lighter months) some drivers, especially the self-employed ones, would prefer to work more than the weekly rest periods allow during some periods, meaning that the current rules constrain their freedom in choosing working patterns and scheduling. This view was expressed by two self-employed Bulgarian drivers taking part in the targeted interviews. In addition, 29 out of the 31 self-employed respondents to the public consultation supported changes to the existing rules on rest periods, with ten of them citing an inability to work as desired.

- **Difficulties to stay within the duty cycle**: in order to organise trips with broad touristic programme but in a limited time, as required by customers, drivers are often faced with unexpected issues. In addition to the issues that also occur in freight transport, such as traffic jams, drivers in the occasional passenger services are also faced with other issues, for example a tourism activity going over time, waiting for tourists, or delays to passengers' upstream transport (e.g. delays of airplanes or ferries). This can in turn force drivers to rush at the end of a journey in order to avoid exceeding the maximum amount of time on-duty, regardless of the amount of actual driving that day. Aside from compromising safety (e.g. by speeding), such a dynamic leads to stress and harms drivers' relation with passengers, which is important because the chance to meet people and engage in friendly relations is seen as a selling point for the job. Among interviewed drivers, this issue was raised by two self-employed Bulgarian drivers (out of 6 drivers interviewed), who thought that it would cause problems for drivers'

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[36] Namely, employed drivers from the Netherlands, Spain and Sweden.
[37] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006*.
[38] Namely, one employed driver from Spain and two employed drivers from Sweden.
[39] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006*.

working conditions.

As a consequence, besides the driver shortages that were reported by nearly all of the 12 business associations and 7 occasional bus and coach operators interviewed, the high **level of stress and fatigue** reduces the attractiveness of work in the sector. Fatigued and distracted drivers are also more prone to accidents, with negative impact on road safety. Working conditions and road safety are interrelated, as difficult working conditions contribute to the drivers' fatigue and fitness-to-drive[40]. Driver fatigue may be caused by factors other than working conditions, for example monotonous activities, such as driving on motorways for many hours. Establishing the actual proportion of accidents caused by driver fatigue is difficult, and one of the reasons may be the fear of negative consequences if drivers admit to driving while fatigued[41]. Therefore, the link between the rules and the stress and fatigue of drivers seems to be only one factor among many others. Moreover, in response to the public consultation question on whether the rules contribute to minimising stress and fatigue for drivers, the respondents replied that this was the case either 'to a great extent' or 'to some extent' across all stakeholder groups, ranging from around 80% for business associations and public authorities (10 out of 11 and 8 out of 10 responses, respectively), to just under 60% for self-employed drivers (15 of 26 responses). Nonetheless, difficulties to comply with the rules, customer demands that cannot be met, the pressure to take on tasks during break time, etc. can also play a contributing role in stress and fatigue among drivers, implying a reduced quality of life for drivers.

It is also important to stress that there are other initiatives and legal acts, which directly aim at increasing road safety, in particular Regulation (EU) 2019/2144[42] which requires motor vehicles for the carriage of passengers to be equipped with certain advance vehicle systems, including driver drowsiness and attention warning safety systems.

The inadequate working and driving conditions for drivers in occasional bus and coach transport also results in **risks of non-compliance with the rules**. This negative consequence is expected to be experienced more acutely in the Member States where tourism activities play a larger role. The nature of the occasional passenger services makes compliance more difficult than for regularly scheduled passenger services or freight services. Combined with limited staff and financial resources of enforcement authorities of Member States[43], this could lead to pressure on operators and drivers not to respect the rules.

The results of the public consultation[44] showed that 10 out of the 11 business associations that responded believe that the current rules pose difficulties for enforcement and compliance (3 to a great extent and 7 to some extent). Similarly, 22 out of the 25 self-employed drivers that responded to the public consultation expressed the view that the current rules pose difficulties for enforcement and compliance (13 to a great extent and 9 to some extent). The only exceptions were trade unions and public authorities, whose views

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[40] Katrin Vitols and Eckhard Voss, wmp consult, on behalf of ETF (2021), 'Driver fatigue in European road transport'.
[41] Katrin Vitols and Eckhard Voss, wmp consult, on behalf of ETF (2021), 'Driven to distraction? Bus and Coach drivers in the EU'.
[42] Regulation (EU) 2019/2144 of the European Parliament and the Council of 27 November 2019 on type-approval requirements for motor vehicles and their trailers, and systems, components and separate technical units intended for such vehicles, as regards their general safety and the protection of vehicle occupants and vulnerable road users, amending Regulation (EU) 2018/858 of the European Parliament and of the Council and repealing Regulations (EC) No 78/2009, (EC) No 79/2009 and (EC) No 661/2009 of the European Parliament and of the Council and Commission Regulations (EC) No 631/2009, (EU) No 406/2010, (EU) No 672/2010, (EU) No 1003/2010, (EU) No 1005/2010, (EU) No 1008/2010, (EU) No 1009/2010, (EU) No 19/2011, (EU) No 109/2011, (EU) No 458/2011, (EU) No 65/2012, (EU) No 130/2012, (EU) No 347/2012, (EU) No 351/2012, (EU) No 1230/2012 and (EU) 2015/166 (OJ L 325, 16.12.2019, p. 1).
[43] Report on the implementation of Regulation (EC) No 561/2006, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0610
[44] Tetra Tech International et al. (2022), Study supporting the Bus and Coach Impact Assessment.

were more mixed.

All the 5 trade unions and 6 drivers interviewed claimed that non-compliance with the rules was widespread in occasional bus and coach transport. This was due to the fact that they considered organising occasional services and dealing with unexpected issues (e.g. traffic, events running over time) within the framework imposed by the rules to be impossible in some cases[45], but also invoked other types of infringements that go beyond the scope of the initiative (e.g. the lack of records for other work than driving or misuse/manipulation of tachographs). According to the latest Commission report[46] on the implementation of the Regulation, the offences regarding breaks constituted 17% of all offences detected, while the offences against rest periods constituted 23% of all offences detected.

2.2. 2.2. What are the problem drivers?

2.2.1. 2.2.1. Problem driver 1: Misalignment between the nature of occasional bus and coach services and the rules on break times and rest periods

Problem driver 1 is linked to both problem 1 and problem 2, and is driven by the specific characteristics of occasional bus and coach services and the fact that the current rules on breaks and rest periods were not designed with this in mind. When it comes to freight transport, the way in which breaks and rest periods are organised – while very important for ensuring driver welfare and road safety – is only material insomuch as it affects the overall amount of time needed for a service. In other words, as long as customers know when their goods depart from point A and when they arrive at point B, it is not relevant for them how the driver organises his/her time while en route. In contrast, the occasional bus and coach transport services are tailored to the needs and schedules of individual customers. This may sometimes mean moving a group from point A to point B (e.g. transporting by coach a group to a resort). But more often it is about tailored itineraries that are highly variable in terms of length of time and amount of driving.

During the targeted interviews, operators and business associations, but also some drivers, described some ways in which this misalignment manifested itself:

- Services are often irregularly placed and timed, and hence do not necessarily lend themselves to the required break and rest times.
- Services frequently entail non-driving demands, such as providing touristic advice, eating meals together and cleaning the coach, which according to the rules cannot be combined with official ‘breaks’. Indeed, breaks must be organised at other times or that there are risks of non-compliance.

[45] It should also be noted that all the interviewed authorities (Germany, the Netherlands and Sweden, as well as CORTE and Euro Contrôle Route) considered that the rules were difficult to enforce, but attributed this to the irregular rhythms in occasional transport, which are not conducive to monitoring with digital tachographs (since these cannot measure aspects like whether a driver is fully unoccupied during a break, or whether a driver needs to conduct additional tasks after parking the bus at the end of a day, or drive for a long time to get home). These authorities saw such issues as more important causes of problems for enforcement than the rules as such. Similarly, all five interviewed trade union representatives (covering the EU level as well as the Netherlands, Spain and Sweden) considered enforcement to be an issue for a variety of reasons, and felt that the existing rules should either be maintained or made stricter.

[46] Report from the Commission to the European Parliament and the Council on the implementation in 2017-2018 of Regulation (EC) No 561/2006 on the harmonisaton of certain social legislation relating to road transport and of Directive 2002/15/EC on the organisation of the working time of persons performing mobile road transport activities, COM(2021)610 final.

- Unlike regular transport, occasional services involve adapting to customers' schedules, e.g. in case of delayed upstream transport or other sources of uncertainty that may occur when drivers are already 'on the clock'. This can result in difficulties to stick to the duty cycle.
- Many occasional services are seasonal, meaning high demand at certain times of the year, followed by much lighter months. Dealing with mandated rest periods may thus make it difficult for operators to staff services at peak season, especially when the specifics of a service require two drivers.
- The rules differ depending on the length of the drive: if the drive is longer than 50km, the EU rules on driving time apply. This distinction is useful for differentiating long-haul and local goods transport but is reportedly difficult for tour coach drivers to adapt to. The application of different rules depending on the precise details of a service can make scheduling and staffing difficult for operators.

The overarching principle was that occasional bus and coach services are typically not about covering a certain number of kilometres, but rather **involve integrating transport services within a wider array of activities**, such as visits to a number of locations during a tour.

2.2.2. 2.2.2. Problem driver 2: Unequal treatment between international and domestic bus and coach operations

Problem driver 2 is linked to both problem 1 and problem 2. One of the stated aims of Regulation (EU) No 561/2006, as defined in Article 1, is to "harmonise the conditions of competition between modes of inland transport, especially within the road sector". While this is the case for most aspects of the rules on breaks and rest periods, there is one specific rule for which treatment differs depending on whether a service is domestic or international.

More specifically, Article 8 of the Regulation states that a 'weekly rest' should begin no later than at the end of six 24-hour periods from the end of the previous weekly rest. However, there is also a derogation, known as the '12-day rule', which allows drivers engaged in a single occasional service international carriage of passengers to postpone the weekly rest for up to twelve 24-hour periods, provided that two consecutive weekly rests are then taken. The purpose of the derogation is to facilitate the organisation of longer trips, while compensating drivers with additional time off. It can however result in unequal treatment for similar trips, solely based on whether they are of a national or international nature.

Since a driver's rest needs are completely unrelated to the crossing of borders, the derogation places international and domestic services on an uneven playing field. As explained in section 2.1.1 (see box 2), it is hard to justify why a company transporting tourists from Denmark to the Swedish mountains can benefit from the derogation while different, stricter rules apply to a similar service departing from southern Sweden. Domestic services, expressed in passenger-kilometres, account on average for 68% of the transport activity of the occasional bus and coach sector[47].

The **unequal treatment between international and domestic services has been criticised as arbitrary and unfair** by operators and business associations, as well as self-employed drivers. The results of the public consultation[48] showed that 12 of the 17 employed drivers that responded believe that the current rules do not contribute to fair competition between domestic and international services or only contribute to a little extent (11 believe that they do not contribute at all and 1 that they contribute to a little extent). 7

[47] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006*.
[48] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006*.

of the 17 business associations that responded also consider that the current rules do not contribute to fair competition between domestic and international services or only contribute to a little extent (5 believe that they do not contribute at all and 2 that they contribute to a little extent). Similarly, 33 of the 60 companies that replied believe that the current rules are not favourable to fair competition or only favourable to a little extent (23 believe that they do not contribute at all and 10 that they contribute to a little extent). Only public authorities that responded to the public consultation expressed positive views, with 7 out of 10 respondents believing that the rules contributed to fair competition either 'to a great extent' or 'to some extent'.

During the targeted interviews, the **12 business associations, 7 occasional bus and coach operators and 2 Bulgarian self-employed drivers agreed that the current application of the 12-day rule leads to unfair treatment** between domestic and international services. The other stakeholders taking part in the interviews (drivers, trade unions and authorities) either agreed, or did not express a view on this topic[49]. Interviewees from Germany, Spain and Sweden were more critical, since in these countries, domestic trips exceeding the current limit of six days of driving before a weekly rest are common. The 2017 ex-post evaluation[50] and the 2017 impact assessment[51] reached a similar conclusion. In addition, the interviews with operators showed that occasional bus and coach transport is more important in peripheral areas, where rail connections are less developed, making occasional transport play a more important role.

It should be highlighted that the larger operators carry out in general both domestic and international bus and coach transport services[52]. In addition, the current rules on breaks and rest times may lead to competition problems. As reported by the Confederation of Swedish Enterprises, the two services may be in direct competition, for example for trips such as those described in Box 2, where Swedish passengers, leaving close to the Danish border prefer to buy trips sold by Danish operators to travel from south to north of Sweden. Moreover, the evidence suggests that domestic trips of around one week are very frequent. The proportion of domestic services that would potentially benefit from the 12-day rule would then have a meaningful impact on the market. In any case, the providers of domestic services face disadvantageous conditions compared to international services, which means that there is no level playing field between the two sectors.

2.3. 2.3. How likely is the problem to persist?

Problem 1 - Inability to organise efficient and high-quality occasional bus and coach services. Without mandatory rules at the EU level which are well adapted to the occasional passenger sector, the inability to organise efficient and high-quality occasional bus and coach services is likely to persist. While some changes are expected in the coming years, with the adoption of technologies to organise trips more effectively, these changes are not expected to have a significant impact on the occasional passenger transport. This is because of the specific characteristics of the sector, entailing heterogeneous itineraries, frequent and irregular stops and a high degree of seasonality. As a consequence, the low customer satisfaction, demand and investment in the sector is likely to persist, also considering the sector's reliance

[49] It should also be noted that all five trade union representatives that were interviewed felt that the 12-day derogation was incompatible with good working conditions, and that ensuring a level playing field should be achieved by abolishing the derogation rather than extending it.

[50] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52017SC0184

[51] https://eur-lex.europa.eu/resource.html?uri=cellar:f81a95b9-4627-11e7-aea8-01aa75ed71a1.0001.02/DOC_1&format=PDF (Part 1/2)
https://ec.europa.eu/transport/sites/transport/files/swd20170186-ia-part2-driving-times.pdf (Part 2/2)

7 https://ec.europa.eu/transport/modes/

[52] This seems to indicate a single relevant market from a supply side perspective. As to SMEs, most of their activity is domestic.

on tourism, susceptible to fluctuations of the fuel prices, and difficulties to attract and retain staff. In turn, the low investments in the sector may make it even more difficult for operators to provide high quality services and attractive working conditions.

Problem 2: Inadequate working and driving conditions for drivers in occasional bus and coach transport. Without EU level intervention, the issues related to inadequate working and driving conditions for drivers, related to existing rules on breaks and rest periods, are likely to persist. Drivers would continue to be under stress and fatigue, notably due to inadequate mandatory rules and customers' dissatisfaction.

3. 3. WHY SHOULD THE EU ACT?

3.1. 3.1. Legal basis

The EU competence for this initiative derives from Title VI 'Transport' of the Treaty on the Functioning of the European Union (in particular Article 91). The applicability of Title VI to road transport is stipulated in Article 100. The Union competence represented by these Treaty articles is shared with the Member States.

Within this legal framework, the EU provides for coordinated and harmonised rules on breaks and rest periods for the occasional bus and coach sector, protecting working conditions for drivers and road safety for all users across the Union. This initiative considers the adjustment of the current rules, regulated at the EU level. Drivers, road transport operators and citizens in general can benefit from high standards on breaks and rest periods for occasional bus and coach services across the Union.

3.2. 3.2. Subsidiarity: Necessity of EU action

Under the principle of subsidiarity, in areas which do not fall within its exclusive competence, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States. Since transport is not an exclusive Union competence pursuant to Article 4(2)(g) TFEU, the subsidiarity principle applies.

In the absence of amendments to Regulation (EC) No 561/2006, the identified problems are likely to persist, putting at risk the competitiveness and working conditions of occasional bus and coach sector. The identified problems apply across the entire Union and have the same underlying causes. Thus, EU level action is needed to ensure high standards for social rules in order to improve working conditions, road safety, and prevent distortions of competition on the European market.

3.3. 3.3. Subsidiarity: Added value of EU action

The 2017 ex-post evaluation of Regulation (EC) No 561/2006 recognised the EU-added value and EU-wide positive results from harmonising the minimum working conditions, for drivers and operators engaged in domestic and cross-border transport activities in the EU.

EU-level action would contribute to achieving well-fitted rules for road occasional passenger transport sector and also contribute to reducing the shortage of drivers, which is however a wider issue going beyond this initiative. EU-level action is expected to have a positive impact on travel and tourism operators. It will enable the operators and drivers to organise transport operations more efficiently, while ensuring high standards for the working conditions for drivers, and enforcing the existing rules effectively and consistently across borders. Member States are responsible for the enforcement of the breaks, rest and driving times rules under Regulation (EC) No 561/2006. They are notably required to carry out checks at the roadside and at the premises. The checks aim to determine the number and types of offences detected which depend of course on the number of vehicles and drivers in the undertaking concerned. As explained

in section 1.2, the Commission prepares the implementation reports on the checks and their results every two years, based on the national submissions by the Member States. These reports show that there are differences between Member States on how the current rules are enforced. A more consistent enforcement could be achieved by well-fitted rules.

4. 4. OBJECTIVES: WHAT IS TO BE ACHIEVED?

4.1. 4.1. General objectives

In view of the problems identified in section 2, the general objectives of this initiative are:

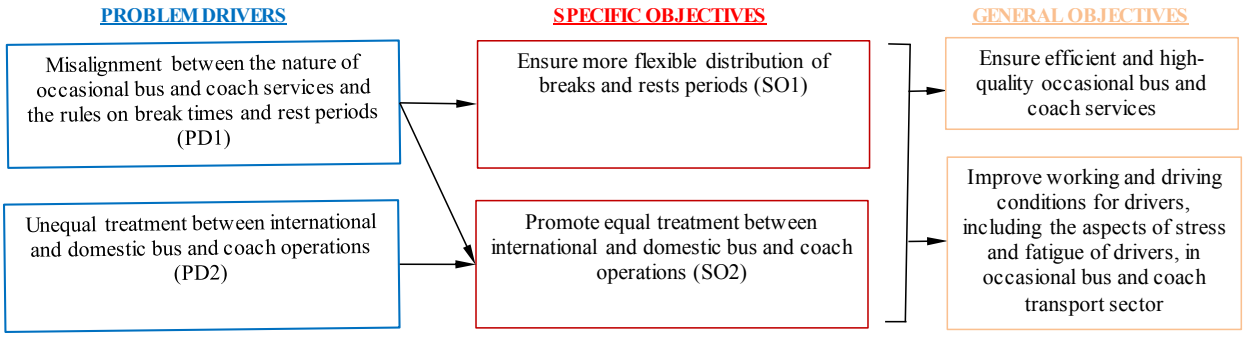
- Ensure efficient and high-quality occasional bus and coach services;
- Improve working and driving conditions for drivers, including the aspects of stress and fatigue of drivers in occasional bus and coach transport.

The initiative is linked and fully consistent with the ambition of the Sustainable and Smart Mobility Strategy[53] with respect to the need of helping the sector and relevant ecosystems of the occasional passenger transport value chain – such as travel and tourism operators – to bounce back better from the COVID-19 pandemic and become more resilient while fostering a more attractive working environment for transport workers. More broadly, the initiative contributes to the Sustainable Development Goal (SDG) 8 ("Promoting economic growth, productive employment and decent work")[54].

4.2. 4.2. Specific objectives

The specific objectives (SOs) and their correspondence with the problem drivers are presented in Figure 3.

Figure 3: Correspondence between the objectives and the problem drivers



SO1: Ensure more flexible distribution of breaks and rest periods. Aligning the relevant rules on breaks and rest periods to the specific characteristics and needs of occasional bus and coach sector is essential to allow operators to provide better customer-oriented services and to reduce the level of stress and fatigue for drivers.

SO2: Promote equal treatment between international and domestic bus and coach operations. While the international bus and coach operations benefit from the 12-day rule, this is not available for

[53] European Commission, *Sustainable and Smart Mobility Strategy – putting European transport on track for the future*, 2021, https://transport.ec.europa.eu/transport-themes/mobility-strategy_en

[54] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Next steps for a sustainable future, European action for sustainability, COM(2016) 739 final.

domestic operations. Allowing access for domestic coach and bus operations to the 12-day rule would guarantee that all services are subject to the same regulatory framework and is expected to improve the level playing field between companies. This would also address the misalignment between the nature of occasional bus and coach services and the rules on rest periods, in particular in relation to the 12-day rule.

5. 5. WHAT ARE THE AVAILABLE POLICY OPTIONS?

5.1. 5.1. What is the baseline from which options are assessed?

The EU Reference scenario 2020 (REF2020) is the starting point for the impact assessment of this initiative. The REF2020 takes into account the impacts of the COVID-19 pandemic that had a significant impact on the transport sector. More detailed information about the preparation process, assumptions and results are included in the Reference scenario publication[55]. Building on REF2020, the baseline has been designed to include the initiatives of the 'Fit for 55' package. More details are provided in Annex 4.

The baseline scenario assumes no further EU level intervention beyond the current Regulation (EC) 561/2006, as amended by Regulation (EU) 2020/1054. Without EU level intervention, the rules on breaks and rest periods will remain unchanged over time. The issues related to inadequate working and driving conditions would likely persist. Drivers would continue to be under stress and fatigue, among other factors due to inadequate mandatory rules and customers' dissatisfaction. Thus, the problems that occasional bus and coach companies face with the organisation of their services are expected to continue. While some changes are expected in the coming years, with the adoption of technologies to organise travel more effectively, these changes are not expected to have a significant impact on the occasional passenger transport. This is because of the specific characteristics of the sector, entailing heterogeneous itineraries, frequent and irregular stops and a high degree of seasonality. As a consequence, the low customer satisfaction, demand and investment in the sector is likely to persist, also considering the sector's reliance on tourism, susceptible to fluctuations in the fuel prices, and difficulties to attract and retain staff.

Indeed, the road transport sector has been struggling for several years to fill in vacant positions. The Covid-19 restrictions and the Russian aggression in Ukraine have further exacerbated the problem. According to the "Driver Shortage European Report 2022" of IRU[56], in 2021, there were 12,000 unfilled bus and coach driver positions in the six European countries studied[57,58] and in the baseline this shortage is expected to grow in parallel with the growing demand.

The fluctuations in the fuel prices also play a significant role in the occasional bus and coach sector, especially for SMEs, which operate on low margins. Fuel prices represent around 30% of the total operational costs in the bus and coach sector[59]. When the prices for a holiday programme have been fixed,

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[55] https://energy.ec.europa.eu/data-and-analysis/energy-modelling/eu-reference-scenario-2020_en
[56] https://www.iru.org/resources/iru-library/driver-shortage-european-report-2022
[57] Denmark, Germany, Poland, Romania, Spain and Sweden.
[58] For example, in September 2022, the main recruitment website/platforms registered a total of 6,601 open position, including 1,677 vacancies in Germany. The average age of bus and coach drivers is higher than in the entire transport sector. Moreover, about 30% of bus and coach drivers are expected to retire in five years.
[59] For instance, according to CONFEBUS, on average and according to prices of July 2022, fuel costs account for 27.9% of the overall operational costs of bus and coach companies operating vehicles with more than 55 seats (http://www.confebus.org/documentos/categoria/1/observatorios).

the operators have little margin to change the price for the passengers. If the operators have to cancel tours, this can highly disappoint and damage customer confidence.

In turn, the low investments in the sector may make it even more difficult for operators to provide high quality services and attractive working conditions.

The analysis incorporates throughout its dimensions relevant foresight tools. It does so to build a robust, future-proof evidence base for its likely impact. The baseline therefore incorporates foresight Megatrends[60] and developments captured in the 2022 Strategic Foresight report[61]. Among others, it captures the trend of increasing demand for transport as population and living standards grow, the links between digital technologies and greening road transport by making it more efficient, and the shift towards zero-emission vehicles, etc. In particular, the projected transport activity draws on the long-term population projections from Eurostat and GDP growth from the *Ageing Report 2021*[62] by the Directorate General for Economic and Financial Affairs. Another megatrend that specifically impacts how the problems will likely evolve is "Shifting health challenges". As Europeans are living longer and healthier lives, the challenges that come with it affect their fitness to drive at different ages and would be a positive driver for the demand of occasional bus and coach services.

The COVID-19 pandemic had a major impact on tourism and the occasional bus and coach sector in 2020, which only partially recovered in 2021, before a boom in summer 2022 in certain markets, due to relaxed travel restrictions within Europe, continued reticence to travel further afield and currency fluctuations that pulled in visitors from North America. At the same time, the war in Ukraine has caused unexpected shifts in travel patterns in Central and Eastern Europe.

The number of passengers in the occasional bus and coach sector is estimated to have decreased by 86% in 2020 relative to 2019. By 2025, at EU level the number of passengers in the occasional bus and coach sector is projected to recover close to pre-pandemic levels, driven by the recovery of the tourism sector. This is however not expected to be the case in all Member States (i.e. Eastern European Member States, in particular, still showing lower numbers of passengers in the occasional bus and coach sector by 2025 relative to 2019). The number of passengers in the occasional bus and coach sector is projected to grow by 15% by 2030 and 38% by 2050, relative to 2019. Transport activity in the occasional bus and coach sector, expressed in passenger-kilometres, is projected to follow a similar trend and would grow by 16% by 2030 relative to 2019 (41% increase for 2019-2050).

The passengers in the occasional bus and coach sector represented 3.3% of the total number of passengers in the bus and coach sector in 2019 at EU level. Due to the pandemic, the share plummeted to 0.5% in 2020. Nonetheless, the share of occasional bus and coach sector is projected to reach 2.4% by 2025, driven by the partial recovery of the sector, and remain relatively stable over time reaching 2.4% by 2030 and 2.6% by 2050.

The turnover for the occasional bus and coach sector is projected to grow in line with the number of passengers in the sector and is estimated to reach EUR 7.5 billion by 2030 and EUR 8.9 billion by 2050. Operating costs are estimated to represent around 10% of the turnover.

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[60] https://knowledge4policy.ec.europa.eu/foresight/tool/megatrends-hub_en#explore

[61] https://ec.europa.eu/info/strategy/strategic-planning/strategic-foresight_en

[62] The 2021 Ageing Report : Underlying assumptions and projection methodologies The 2021 Ageing Report: Underlying Assumptions and Projection Methodologies | European Commission (europa.eu)

5.2. 5.2. Description of the policy measures and policy options

As a first step, a comprehensive list of possible policy measures was established after extensive consultations with stakeholders, expert meetings, and independent research in the context of the impact assessment support study[63] and the Commission's own analysis.

The list of policy measures was further refined, and complemented with compensatory measures (PM4, PM5, PM7 and PM8) to address specific concerns expressed by stakeholders. These relate in particular to measures that would allow drivers involved in long services to postpone the start of the daily rest period. The purpose of these measures is to allow drivers to extend the working day only in certain circumstances. Stakeholders' view was essential in this respect. This list was subsequently screened based on the likely effectiveness, efficiency, proportionality and coherence of the proposed measures in relation to the given objectives, as well as their legal, political and technical feasibility.

Trade unions also voiced to remove the 12-day rule. As explained below, this measure has been discarded.

As regards the need of longer breaks after 4.5 hours of driving, trade unions also voiced for longer than existing minimum breaks or for keeping at least 30-minutes breaks. However, one 30-minute break is justified in case of freight and regular passenger transport where working day is mostly dedicated to driving. Occasional passenger drivers usually drive half of that time. They have many opportunities to have breaks (to walk, read, or take a nap) when passengers participate in touristic activities. The current rules do not allow these breaks to be fully considered as qualifying breaks. For the same reason, longer than current 45 minutes breaks after 4.5 hours driving would not be justified for the occasional passenger segment. As explained above, the driving of occasional coach drivers is less tiring than the driving of lorry drivers and drivers engaged in regular passenger transport as they drive much less.

Discarded policy measures

One policy measure has been discarded, namely, the measure removing the 12-day rule. This measure would completely remove any differences between occasional passenger services and other road transport segments. It was then decided not to explore such a measure, as this runs counter to the 2017 ex-post evaluation, which recognised distinct occasional passenger services needs, and consequently to the mandate established under Article 8(10) of the Regulation, i.e. to assess whether more appropriate rules in occasional passenger services can be adopted.

Retained policy measures and policy options overview

The retained policy measures have been grouped in 3 policy options (PO A, PO B and PO C) as presented in Table 14. The table presents the links of the retained policy measures with the specific policy objectives and the POs.

The policy options diverge in terms of the flexibility granted to breaks rules, the eligibility criteria for postponing daily rest periods, and the need to cater for adaptable weekly rest periods. PO B, in particular, allows rest periods to be concentrated at times when the demand for services is lower. Further to this, PO C includes a specific measure that would allow bus and coach operators to organise more services during the peak season, by removing the obligation of taking two regular weekly rest periods after using the 12-day derogation and by removing the ´single service condition´ when using the 12-day rule (PM10).

[63] Tetra Tech International et al. (forthcoming), Study supporting the Bus and Coach Impact Assessment.

Table 2: Links between policy measures, policy options and specific objectives

Specific objective	Policy measure (PM)	Policy option		
		PO A	PO B	PO C
Breaks				
SO1	**PM1:** Allow drivers to split their break of minimum 45 minutes into 30 + 15 or 15 + 15 + 15 minutes.	√		
	PM2: Allow drivers to flexibly split their break of minimum 45 minutes over the period of 4h30 driving time.		√	√
Daily rest periods				
SO1	**PM3:** Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 1 hour provided that they do not drive more than 7 hours.			√
	PM4: Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 1 hour provided that they do not drive more than 7 hours. This could only be used once during a trip and not every day of the same trip.	√		
	PM5 Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 1 hour provided that they do not drive more than 7 hours. This could only be used twice during a trip and not every day of the same trip.		√	
	PM6: Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 2 hours provided that they do not drive more than 5 hours.			√
	PM7: Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 2 hours provided that they do not drive more than 5 hours. This could only be used once during a trip and not every day of the same trip.	√		
	PM8: Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 2 hours provided that they do not drive more than 5 hours. This could only be used twice during a trip and not every day of the same trip.		√	
Weekly rest periods – 12-day rule				

Specific objective	Policy measure (PM)	Policy option		
		PO A	PO B	PO C
SO2, SO1	**PM9:** Allow bus and coach drivers in domestic occasional carriage of passengers to postpone the weekly rest period for up to 12 consecutive 24-hour periods following a previous regular weekly rest period.	√		√
SO2, SO1	**PM10:** Removal of the single service condition when using the 12-day rule, to allow for a driver to drive multiple tour groups (in addition to extending 12-day rule to domestic occasional carriage of passengers).			√
	PM11: Removal of the obligation of taking two regular weekly rest periods after using the derogation (in addition to extending 12-day rule to domestic occasional carriage of passengers).			√
	PM12: Flexible distribution of weekly rests over a 10-week reference period, to allow that more 24-hour rest periods could be taken in a row and compensated later.		√	

5.2.1. 5.2.1. Policy Option A: Restricted adaptation to occasional passenger services

Policy option A (PO A) consists in introducing some flexibility to what concerns the distribution of breaks, by bringing them more in line with the rhythm of typical occasional passenger operations. This would allow drivers to split their breaks of minimum 45 minutes not only as currently allowed into 15+30 minutes, but also into 30+15 minutes or 15+15+15 minutes (PM1).

In addition, PO A allows drivers engaged in services lasting at least 8 days and longer to postpone the start of their daily rest period by 1 hour, provided that the total daily driving time on that day does not exceed 7 hours (PM4). In addition, under this policy option, drivers engaged in services that last at least 8 days and longer may be allowed to postpone the start of their daily rest period by 2 hours, provided that the total daily driving time that day does not exceed 5 hours (PM7). To avoid any increase in stress and fatigue levels (which would in turn jeopardise road safety), a restriction was introduced to mitigate potential negative effects. Access to either of these two measures can only be used once during a single service lasting at least 8 days, making it impossible to use the flexibility on a regular basis. The rationale is that such multi-day services normally have very limited daily driving time, except for the first and last day of the journey.

Policy option A additionally includes changes to the 12-day derogation, which currently represents a restricted postponement of the weekly rest period that allows drivers of domestic services to postpone their weekly rest periods for up to 12 consecutive 24-hour periods, as long as they have had a previous regular weekly rest period. This provision is currently only available for companies operating international services. Its extension to domestic services (PM9) would place domestic services on a level-playing field with international services, allowing them to organise long domestic operations under the same conditions as international services (e.g. obviating the need to staff certain trips with two drivers), while drivers could

increase their workload if desired (e.g. during peak seasons) and make it easier to organise rest periods at home with their families rather than at a distant location during a trip.

How does the policy option PO A address the specific objectives?

SO1 – Ensure more flexible distribution of breaks and rest periods
This option addresses SO1 by allowing drivers to split their breaks more flexibly (PM1). Higher levels of adaptability can be especially relevant when drivers carry out trips without a pre-determined itinerary, which is often the case in excursions. These services make drivers' break times unpredictable, and they must cater to the customers' needs and schedules. PO A foresees a provision that would allow drivers engaged in services that last at least 8 days to postpone the daily rest period by one hour, provided they do not drive more than 7 hours and they use this provision only once during a tour (PM4). They would also be able to postpone the start of the daily rest period by 2 hours provided they do not drive more than 5 hours and they use this not more than once during a tour (PM7). The extension of the 12-day derogation (PM9) additionally contributes to SO1.

SO2 - Promote equal treatment between international and domestic bus and coach operations
The extension of the 12-day derogation (PM9) ensures that all operators are bound by the same regulatory framework, favouring particularly those more reliant on domestic services. It therefore would be expected to have a strong impact on the level playing field between companies, favouring particularly those more reliant on domestic services. It may also be beneficial to Member States such as Germany and Bulgaria, facilitating longer domestic services.

5.2.2. 5.2.2. Policy Option B: Semi-flexible adaptation to occasional transport operations

Policy option B (PO B) includes further levels of flexibility to meet the occasional passenger sector's needs. It would allow drivers to split their breaks in a completely flexible manner (PM2), which can be especially relevant for unpredictable trips. It also brings the possibility for drivers involved in services lasting at least 8 days to distribute their weekly rest periods over 10 consecutive weeks (PM12). PM12 would have a significant impact on businesses, particularly on coach operators and self-employed drivers, who would be able to avoid prolonged inactivity (i.e. from longer resting periods) during the peak season.

PO B would also give operators and drivers access to provisions that postpone daily rest periods whenever the driving time has not reached certain thresholds. In this regard, the policy option foresees a provision that would allow drivers engaged in services that last at least 8 days to postpone the daily rest period by one hour, provided they do not drive more than 7 hours and they use this provision not more than on two occasions during a tour (PM5). They would also be able to postpone the start of the daily rest period by 2 hours provided they do not drive more than 5 hours and they use this not more than on two occasions (PM8). While ensuring working conditions, these measures would enable operators to organise services more efficiently (particularly avoiding the need for multiple drivers on certain trips) and in line with customer needs, as well as giving self-employed drivers the opportunity to take on more work during busy peak periods.

How does the policy option PO B address the specific objectives?

SO1 – Ensure more flexible distribution of breaks and rest periods
PO B addresses this objective as it allows operators and drivers to have greater control of the driving schedule and become fully able to organise stops according to service needs (PM2), which may include mini breaks of 5 minutes, thus aiming to reduce the stress and anxiety related to catering to passenger demands within rigid patterns of 30 and 15 minutes of break. The changes to rest time period rules (PM5

and PM8) also address SO1. PM12 would increase flexibility for weekly rests, allowing more services to be organised during peak seasons.

SO2 - Promote equal treatment between international and domestic bus and coach operations
PM12 would make it easier for companies providing domestic services (and thus not having access to the 12-day rule) to adapt weekly rests to operational needs, despite the fact that the 12-day rule would remain accessible only for international services.

5.2.3. 5.2.3. Policy Option C: more flexible adaptation to occasional transport operations

Policy option C (PO C) aims to full adaptation of the rules to meet market needs with regard to distributing breaks, daily rests and arrangements and for relaxing the needs for weekly rest for bus and coach drivers involved in domestic and international tours. Besides expanding the 12-day derogation (PM9), this policy option would remove the obligation to take two regular weekly rest periods after using the 12-day derogation (PM11). The combination of these provisions on rest periods is a crucial feature of this policy option, as it would allow bus and coach operators to schedule more tourist groups during the peak season. Moreover, this option would allow drivers to split their breaks in a completely flexible manner (PM2) and give them access to provisions that postpone daily rest periods whenever the driving time has not reached certain thresholds (PM3 and PM6). Finally, PO C also removes the single service condition when using the 12-day rule (PM10), allowing coach companies to organise multiple tour groups while making use of the 12-day derogation.

It is however important to emphasise that owing to the provision of less restrictive rules, the proposed measures could also be expected to have a negative impact on working condition and driver stress levels / fatigue and consequently face strong opposition of trade unions.

How does this policy option address specific policy objectives?

SO1 – Ensure more flexible distribution of breaks and rest periods
PO C addresses this objective as it allows operators and drivers to have greater control of the driving schedule and become fully able to organise stops according to service needs, which may include mini breaks of 5 minutes, thus aiming to reduce the stress and anxiety related to catering to passenger demands within rigid patterns of 30 and 15 minutes of break (PM2). PO C would also give operators and drivers access to provisions that postpone daily rest periods whenever the driving time has not reached certain thresholds. In this regard, the policy option foresees a provision that would allow drivers engaged in services that last at least 8 days to postpone the daily rest period by one hour, provided they do not drive more than 7 hours (PM3) or up to two hours provided they do not drive more than 5 hours (PM6), without any use limit during a trip. PM9, PM10 and PM11 additionally contribute towards SO1.

SO2 - Promote equal treatment between international and domestic bus and coach operations
PO C addresses this objective by extending the 12-day rule to domestic services (PM9) and removing the obligation for it to be employed only to a single service, opening it up to greater use (PM10). It also removes additional compensatory rest, allowing drivers to work more during the peak periods instead of having a prolonged rest after using the 12-day derogation (PM11). This can be particularly relevant for SMEs, as they typically rely on a smaller pool of available drivers, and it can also benefit self-employed drivers.

6. 6. WHAT ARE THE IMPACTS OF THE POLICY OPTIONS?

This section summarizes the main expected economic, social and environmental impacts of each policy option (PO)[64]. The proposed measures are assumed to be implemented from 2025 onwards, so the assessment has been undertaken for the 2025-2050 period and refers to EU27. Costs and benefits are expressed as present value over the 2025-2050 period, using a 3% discount rate. Further details on the methodological approach and impacts on costs and benefits by measure for the policy options are provided in Annex 4.

Overall, the assessment of impacts mostly relies on stakeholders' views. Only the costs related to familiarising with the new rules and the benefits related to the reduction in operational costs were possible to quantify. For the working conditions only a qualitative assessment was possible. As explained above, this is because research on the topic is very limited and mostly focuses on urban public transport and commuting services.

The scarcity of quantitative, granular data on the occasional bus and coach sector, limited the extent of the quantitative assessment to the impacts on costs and benefits. Given the small size of the occasional bus and coach sector[65] and the relatively limited scope of the rules under review, a proportionate analysis was conducted in line with the Better Regulation toolbox.

To ensure the validity of the results, to the extent possible this consisted of objective and factual input and concrete examples. Stakeholders on a wide geographical basis were consulted. This was done through the inception impact assessment, public consultation, targeted interviews and case studies. For the targeted interviews, the selection of interviewees was based on specific profiles to ensure that the main groups of stakeholders were covered and interviewees with a variety of profiles were selected (e.g. employed versus self-employed drivers, small versus larger operators, different Member States, trade unions). Findings were also triangulated between different groups of stakeholders and data collection tools. Overall, this has allowed the results to be presented with sufficient confidence, for a sufficiently broad and detailed insight to be gathered, with the main stakeholder groups being covered and geographical diversity being respected. Nonetheless, the statistically representative samples method was only used in a few cases.

6.1. 6.1. Economic impacts

This section provides the economic impacts of the POs on bus and coach operators. It also provides an assessment of impacts on small and medium enterprises (SMEs), the functioning of the internal market and competition, and on competitiveness. It also covers the impact on compliance with the rules and the impact on public authorities. The assessment of economic impacts draws on multiple data sources, including the targeted interviews and the public consultation, and findings from desk research.

A quantitative assessment of the impacts of the policy measures and options on adjustment costs for bus and coach operators and on public authorities has been performed (see more details in Annex 4). This should however be regarded as a rough estimate, drawing on the replies to the stakeholders' consultation.

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[64] The analysis is based on the Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006,* and on the analysis of stakeholders' feedback.

[65] It should be noted that the size of the occasional bus and coach sector is small. In 2019 it represented 3.3% of the total number of passengers in the bus and coach sector at EU level and generated roughly 11% of the total turnover of road passenger transport. The sector is estimated to employ around 202,600 people.

This is complemented, at the level of policy options, by a qualitative[66] assessment of the combined impacts of the policy measures included in each PO.

6.1.1. 6.1.1. Impact on bus and coach operators

Administrative costs for bus and coach operators. None of the policy options introduces changes in the reporting relative to the baseline. Therefore, none of the policy options entail administrative costs relative to the baseline.

Adjustment costs for bus and coach operators. All three policy options entail minor adjustments to the rules, that require bus and coach operators in the sector to familiarise themselves with the changes[67]. These entail one-off adjustment costs for bus and coach operators in 2025 (when the new rules are expected to be in force). The workload required to familiarise with the new rules is estimated at 4 hours per company. The average cost per hour at EU level is estimated at EUR 24.9[68] in 2021 prices and it is assumed to remain constant over time. The total number of occasional bus and coach companies in 2025 is estimated at 6,032. Thus, the one-off adjustment costs for transport operators in the occasional bus and coach sector in 2025 are estimated at EUR 0.6 million relative to the baseline (see Table 3). This should be regarded as an upper-bound estimate, as it is very likely that familiarising with the new rules would take place in the context of the regular activities performed by the bus and coach operators.

Cost savings from greater flexibility (adjustment costs savings) for bus and coach operators. All policy options enable to meet better the customer demand and improve the quality of services provided. They all result in adjustment costs savings for the bus and coach operators.

More specifically, the higher ***flexibility of breaks*** relative to the baseline (i.e. measure PM1 in PO A, and PM2 in PO B and PO C) is expected to lead to higher passenger satisfaction. It would also allow transport operators to organise better passenger services, leading to a reduction in operation costs. For PM1, six bus and coach operators interviewed in the context of the targeted consultation estimate that this would generate operation cost savings of approximately 0.5% relative to the baseline. In turn, operators estimate that PM2 could lead to operation cost savings of 0.5 to 1% relative to the baseline. These cost savings are expected to reach their maximum effect in the first two years of implementation of the new rules, and then decrease gradually over time, up to zero in the long-term (by 2050) relative to the baseline. For PM1 (included in PO A), the adjustment costs savings are estimated at EUR 3.2 million in 2025, EUR 2.7 million in 2030 and EUR 1.4 million in 2040, while for PM2 (included in PO B and PO C) they are estimated at EUR 3.2 to 6.4 million in 2025, EUR 2.7 to 5.5 million in 2030 and EUR 1.4 to 2.7 million in 2040 (see Table 3). Over 25 years of implementation, the adjustment costs savings related to the flexibility of breaks are estimated at EUR 35.5 million for PO A and at EUR 35.5 to 70.9 million for PO B and PO C, expressed as present value over 2025-2050 relative to the baseline (in 2021 prices).

The higher ***flexibility of taking daily rest periods*** (i.e. measures PM4 and PM7 in PO A, PM5 and PM8 in PO B, and PM3 and PM6 in PO C) are expected to lead to a small but positive impact on the ability of companies to meet customer needs. All policy measures on daily rest periods would also likely help to cope with the overall shortage of drivers, guaranteeing a good service performance with one single

[66] To mark the direction (positive or negative) and the scale of the impact, a scoring system is used to compare the options with the baseline scenario. From "-----" (significant negative impact) through "0" (no difference from baseline) to "+++++" (significant positive impact).

[67] It is not possible to split the one-off adjustment costs for bus and coach operators, for familiarising with the new rules, by measure. Therefore, these costs are presented by policy option and cover the time needed for bus and coach operators to familiarise themselves with the changes related to all measures.

[68] Source: Eurostat database, Labour Cost Survey, ISCO 4 (Clerks)

driver. In addition, all measures are expected to lead to greater flexibility in tour planning, thus leading to a reduction in operation costs. The two measures related to daily rest periods included in each option (e.g. measures PM4 and PM7 in PO A) are expected to have a large degree of overlap in terms of reduction in the operation costs and are thus assessed together. Six bus and coach operators interviewed in the context of the targeted consultation estimated that the measures would generate operation cost savings of 0.5 to 1% relative to the baseline. These cost savings are expected to reach their maximum effect in the first two year of implementation of the new rules and then gradually decrease over time, with savings expected to be zero in the long-term (by 2050) relative to the baseline. The operation costs savings due to daily rest periods are expected to be relatively similar between PO A, PO B and PO C. No further distinction between these costs was possible. Thus, the adjustment costs savings for PO A, PO B and PO C are estimated at EUR 3.2 to 6.4 million in 2025, EUR 2.7 to 5.5 million in 2030 and EUR 1.4 to 2.7 million in 2040 relative to the baseline (see Table 3). Over 25 years of implementation, the adjustment costs savings related to daily rest periods are estimated at EUR 35.5 to 70.9 million for all policy options, expressed as present value over 2025-2050 relative to the baseline (in 2021 prices).

As regards ***weekly rest periods (12-day rule)***, the impact of PM9 in PO A and PO C on customer demand was found to be only indirect and limited. Nonetheless, allowing bus and coach drivers in domestic occasional carriage of passengers to use the 12-day rule would facilitate companies to offer longer domestic services, thus extending the range of available tourist tours. It would also ensure greater flexibility in driver assignment, thus reducing operation costs. Similarly, PM10 and PM11 in PO C and PM12 in PO B are also expected to have a positive impact on the business performance, by allowing to organise services more flexibly, particularly during peak seasons when driver shortages are most acute. In this regard, six bus and coach operators interviewed estimated that PM9, PM10 and PM11 would each generate operation cost savings of approximately 0.5% relative to the baseline, while PM12 would lead to operation cost savings of 0.5 to 1%. These cost savings are expected to reach their maximum effect in the first two years of implementation of the new rules, and then gradually decrease over time with savings expected to be zero in the long-term (by 2050) relative to the baseline. Thus, the adjustment costs savings related to weekly rest periods (12-day rule) are estimated (see Table 3) to be the highest in PO C (EUR 9.5 million in 2025, EUR 8.2 million in 2030 and EUR 4.1 million in 2040 relative to the baseline), followed by PO B (EUR 3.2 to 6.4 million in 2025, EUR 2.7 to 5.5 million in 2030 and EUR 1.4 to 2.7 million in 2040 relative to the baseline), and PO A (EUR 3.2 million in 2025, EUR 2.7 million in 2030 and EUR 1.4 million in 2040). Over 25 years of implementation, the adjustment cost savings related to weekly rest periods (12-day rule), are estimated at EUR 35.5 million in PO A, EUR 35.5 to 70.9 million in PO B and EUR 106.4 million in PO C, expressed as present value over 2025-2050 relative to the baseline[69].

Overall, PO A results in adjustment costs savings for bus and coach operators of EUR 106.4 to 141.9 million, expressed as present value over the 2025-2050 period relative to the baseline, while PO B results in adjustment costs savings of EUR 106.4 to 212.8 million and PO C in adjustment costs savings of EUR 177.3 to 248.3 million.

Table 3: Costs and costs savings for bus and coach operators by policy option and measure relative to the baseline (in million EUR), in 2021 prices

	Difference to the baseline											
	PO A				PO B				PO C			
	2025	2030	2040	2050	2025	2030	2040	2050	2025	2030	2040	2050
Adjustment costs	0.6				0.6				0.6			

[69] While it was not possible to estimate the proportion of services that would benefit from extending the 12-day rule, this is expected to be significant based on the large proportion of services that are domestic and popularity of trips of around one full week.

	Difference to the baseline											
	PO A				PO B				PO C			
	2025	2030	2040	2050	2025	2030	2040	2050	2025	2030	2040	2050
Adjustment costs savings												
PM1	3.2	2.7	1.4	0.0								
PM2					3.2-6.4	2.7-5.5	1.4-2.7	0-0	3.2-6.4	2.7-5.5	1.4-2.7	0-0
PM3 and PM6									3.2-6.4	2.7-5.5	1.4-2.7	0-0
PM4 and PM7	3.2-6.4	2.7-5.5	1.4-2.7	0-0								
PM5 and PM8					3.2-6.4	2.7-5.5	1.4-2.7	0-0				
PM9	3.2	2.7	1.4	0.0					3.2	2.7	1.4	0.0
PM10									3.2	2.7	1.4	0.0
PM11									3.2	2.7	1.4	0.0
PM12					3.2-6.4	2.7-5.5	1.4-2.7	0-0				

Source: Tetra Tech International et al. (2022), Impact assessment support study

Net costs savings for bus and coach operators. Considering both the adjustment costs and the adjustments costs savings discussed above, the net costs savings for the bus and coach operators are estimated to be the highest in PO C (EUR 176.7 to 247.7 million), followed by PO B (EUR 105.8 to 212.2 million) and PO A (EUR 105.8 to 141.3 million), expressed as present value relative to the baseline.

With regard to competitiveness and the level of responsiveness to customer demand, all policy options are expected to lead to benefits, although PO C and PO B would offer greater benefits than PO A, as shown in Table 4. However, the impacts were hard to pin down in all cases, with stakeholders that responded to the consultation activities tending to suggest that only limited benefits could be expected from any of the proposed options.

Table 4: Impacts of policy options on operational costs, service quality, demand and competitiveness

	PO A	PO B	PO C	Reasoning
Breaks	0/+	+	+	Operators and business associations favoured changes to make the break time rules more flexible and provided examples of how these would improve the level of services and help to increase the level of compliance. Nevertheless, a somewhat stronger positive benefit is expected for PM2 (included in PO B and PO C) relative to PM1 (included in PO A), given its greater flexibility relative to the current rules.
Daily rest periods	+	+/++	++	Increased levels of eligibility for postponing daily rest periods in PO B and in particular in PO C may provide better customer-oriented services and make it easier to set attractive occasional bus and coach services. All policy options are also expected to lead to cost savings related, for instance, to the need to staff a second driver during a service.
Weekly rest periods	+	+	++	While it was not possible to estimate the proportion of services that would benefit from extending the 12-day rule, this is expected to be significantly based on the large proportion of services that are domestic and popularity of trips of around one full week. This would make such trips easier to organise, especially for SMEs, and thereby improve service quality and business performance. Both PO A and PO B are expected to generate benefits in terms of reduced operational costs. These would likely be higher for PO C, since, without the requirement for compensatory rest after using the 12-day rule and the single-service condition, drivers could be deployed more often.
Overall	++/+++	+++/++++	+++++	*All three options got support from bus and coach operators, business associations and self-employed drivers that responded to the consultation activities, as*

	PO A	PO B	PO C	Reasoning
				ways to adapt the rules to occasional services, thereby making it easier to ensure service quality at lower cost. The benefits are expected to be somewhat higher for PO C, since this option would make it easier to deal with unexpected events (e.g. traffic, late-running activities), without resorting to costly solutions like additional drivers or reducing service quality. The benefit of the 12-day rule within PO C would be expected to be greater and more costs could be saved thanks to the lack of compensatory measures to limit the use of the extended duty cycle, the provision of more flexible breaks and the possibility to generalise the use of the extended duty cycle.

Source: Tetra Tech International et al. (2022), Impact assessment support study

6.1.2. 6.1.2. Impacts on small and medium enterprises (SMEs)

SMEs play a significant role in the occasional bus and coach transport market. Therefore, the initiative is considered relevant for the SMEs and the SME test has been performed.

The affected businesses (*step 1 of the SME test*) were estimated to account for around 85% of the occasional passenger transport drawing on studies by International the Road Transport Union (IRU)[70] and the European Transport Workers' Federation (ETF)[71].

SMEs were targeted explicitly in the consultation activities *(step 2 of the SME test)*, both through dedicated questions in the public consultation and two case studies, one focused on small enterprises for Portugal and another one focused on medium enterprises for Germany and the Netherlands[72]. SMEs are more affected than larger businesses by the problems related to the current rules, e.g. because they have a smaller pool of drivers to deal with a complicated scheduling and trips requiring multi-manning. It is important to note that 108 out of 158 of the responses to the public consultation were provided by micro or small companies. This comes out of the case studies performed.

In relation to the measurement of the impact on SMEs *(step 3 of the SME test),* as shown in Table 5, measures on breaks (PM1 and PM2) would equally benefit SMEs and larger operators, while measures targeting daily rest periods (i.e. PM3 to PM8) and weekly rest periods (i.e. PM9 to PM12) would benefit SMEs more than larger companies. Indeed, the problems are experienced most acutely by SMEs, as such companies tend to operate with very little margin – they have a limited pool of drivers and buses, while the resources that they do have are geographically concentrated. They also face higher risks of non-compliance, as companies fight to address driver shortages, and the need to deal with unforeseen issues at distant locations.

Given the particular difficulties faced by SMEs in dealing with the current rules, the analysis has shown that the simplifications would benefit more than larger operators from increased flexibility with regard to the weekly rest rules[73]. Table 5 summarises the impacts in relative terms. Importantly, the scores

[70] TRT on behalf of IRU, 2015. A Pilot Study on Specific Driving and Rest Time Rules for Bus and Coach Drivers in the EU, https://www.transportforetagen.se/globalassets/rapporter/buss/pilot-study-on-specific-driving-and-rest-time-rules-for-bus-and-coach-drivers-in-the-eu?ts=8d98cb9e34dc900.

[71] ETF Report, 2018, Driven to distraction? Long-distance coach and bus drivers in the EU, https://www.etf-europe.org/wp-content/uploads/2018/09/ETF-report-on-woking-conditions-of-bus-and-coach-1.pdf.

[72] Tetra Tech International et al. (2022), Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006, in particular Annex 7.

[73] The role that these measures can play for SMEs has been illustrated in specific case studies focused on this business segment, notably a case study on medium-sized companies based in north-western EU Member States and a case study

presented in the table depict the impacts relative to those foreseen for the occasional bus and coach sector as a whole, and not the absolute impacts. All three policy options are expected to lead to larger benefits for SMEs than for larger operators in the sector, with greater relative benefits expected for PO C due to the importance of PM11 (on removing the need for compensatory rest after using the 12-day rule) for SMEs.

Table 5: Impacts of policy options on SMEs

	PO A	PO B	PO C	Reasoning
Break times	0	0	0	While SMEs would benefit from more flexible break times, these benefits would be similar to those expected for the larger operators in the sector.
Daily rest periods	+	+	+	Increased levels of eligibility for postponing daily rest periods would improve the economic performance of SMEs and allow them to compete with larger companies that have more available resources, particularly when it comes to the availability of drivers to cover services that are typically organised at late-night or early-morning periods and that exceed their regular duty service. PM5 and PM8 in PO B and PM6 in PO C are also expected to enable cost savings related, for instance, to the need to staff a second driver during a multi-day service, as they can be applied with less restrictions provided that drivers are engaged in services lasting at least 8 days. In all cases, the benefits are expected to be more important for SMEs than for larger operators in the sector.
Weekly rest periods	+	+	++	Similar to daily rest periods, the measures for increased flexibility on weekly rest periods would benefit more to SMEs than to larger overators in the sector, due to their limited resources. This was found especially to be the case for PM11, which makes PO C especially beneficial for SMEs, relative to larger operators in the sector.
Overall	++	++	+++	*All three policy options are expected to lead to larger benefits for SMEs than for larger operators in the sector, with greater relative benefits expected for PO C due to the importance of PM11 (on removing the need for compensatory rest after using the 12-day rule) for SMEs.*

Source: Tetra Tech International et al. (2022), Impact assessment support study

As explained in section 6.1.1, all policy options are expected to result in net costs savings for occasional bus and coach operators, estimated at EUR 176.7 to 247.7 million in PO C, followed by PO B with net costs savings estimated at EUR 105.8 to 212.2 million and PO A with net costs savings estimated at EUR 105.8 to 141.3 million, expressed as present value relative to the baseline. Considering the large share of SMEs in the occasional bus and coach transport market a significant share of these net costs savings are expected to be attributed to them although the available data did not allow a split of operational costs between the two groups of occasional bus and coach operators (i.e. SME and others).

In relation to minimizing negative impacts on SMEs *(step 4 of the SME test),* it should be noted that none of the proposed changes was identified to have negative impacts on SMEs, or to provide less benefits to SMEs than to other operators. On the contrary, the simplifications and benefits of the initiative are expected to be felt more strongly by SMEs than by the sector as a whole.

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that looked more in depth to the specificities of small companies based in peripheral countries with high tourism flows, such as Portugal. More information is available in Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006.*

6.1.3. 6.1.3. *Impact on the functioning of the internal market and competition*

The measures on breaks (PM1 and PM2) and the measures on daily rest periods (i.e. PM3 to PM8) would equaly benefit domestic and international services in all policy options. On the other hand, the measures targeting weekly rest periods (i.e. PM9 to PM12), are expected to have an impact on the competition between international and domestic services[74]. The current 12-day rule distorts competition, by giving advantages to providers of international services over those providing domestic services. It also affects companies differently: whereas a larger company would be able to send another driver in order to ensure the continuity of service provision, SMEs – especially during peak season – do not have similar opportunities due to their limited pool of drivers.

PM9 is expected to have a strong positive impact on levelling the playing field for companies reliant on domestic services. PM10 and PM11 would apply equally to domestic and international services and would also help to leverage a fair treatment of all operators regardless of the nature of the service they provide[75]. PM12 would contribute to a large extent to tackle the negative effects on competition between operators of domestic and international services, encouraging coach and bus companies to be more efficient, thereby creating more choice for consumers and ultimately reducing consumer prices and improving the quality of services. However, PM12 would not align fully domestic services with international services.

Since PM9, which is expected to have a strong positive impact on domestic occasional services, and significantly leverage the number of passengers in this sector, is included in two alternative policy options (i.e. PO A and PO C), the benefits on the functioning of the internal market and competition is expected to be similar in PO A and PO C. However, the impact would be somewhat higher for PO C, since it will benefit from the combined effects of removing the obligation of taking two additional compensatory rest periods after using the derogation (PM11) and removing the single service condition when using the 12-day rule (PM10), allowing for scheduling more passenger groups with the same driver. Table 6 presents the impacts of the policy options on the functioning of the internal market and competition between providers of international and domestic occasional bus and coach services.

Table 6: Impacts of policy options on competition between providers of international and domestic occasional bus and coach services

	PO A	PO B	PO C	Reasoning
Break times	0	0	0	The measures are expected to benefit domestic and international services equally.
Daily rest periods	0	0	0	The measures are expected to benefit domestic and international services equally.

[74] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006,* estimated that international services, expressed in passenger-kilometres, account on average for 1.6% of the total bus and coach sector. During the public consultation 21 out of the 58 coach companies that responded mentioned that they operate exclusively domestic occasional services, 3 coach companies stated that they carry out only international services, whilst the remaining 34 companies that responded to the public consultation informed that they provide both domestic and international services.

[75] To have a positive impact on levelling the playing field, these policy measures are implemented in conjunction with PM9. If implemented on their own, the impact would be small (since only a small proportion of trips are international) and negative (since they would exacerbate the differences in treatment between domestic and international occasional services).

Weekly rest periods	++	+	+++	Extending the 12-day rule to domestic services (PM9) as in PO A would level the playing field by ensuring that both international and domestic services face the same weekly rest time rules. PM12 (in PO B) does not cater for the harmonisation of rules but can make the organisation of domestic services easier for occasional domestic operators. Providers of domestic services would get a further significant benefit if – as in PO C and besides PM9 – the requirement for compensatory rest is also removed from the rule (PM11) and the single service condition is abolished (PM10), as this would allow them to schedule more services at peak times. PM10 and PM11 would apply to both international and domestic occasional bus and coach services and thus ensure equal treatment.
Overall	++	+	+++	*The measures related to weekly rest periods would have a more significant postitive impact on the functioning of the internal market and competition. This impact is more pronounced in policy options that entail further levels of adaptability on weekly rest periods, and is expected to be the highest in PO C, followed by PO A.*

Source: Tetra Tech International et al. (2022), Impact assessment support study

6.1.4. 6.1.4. Impacts on compliance with the rules

While the evidence on compliance was limited, it suggested that the impacts would differ depending on the nature of each policy measure. Overall, more derogations from the general rules pose more challenges to enforcement authorities in terms of compliance. Every control of a derogation starts from checking whether the conditions for the derogation are fulfilled (e.g. the trip is occasional, lasts more than 8 days, etc.). If the conditions for derogations are not fulfilled, the enforcement officers look at general rules and ascertain infringement of the general rules.

As regards rules on breaks under PO A, they would be easy to enforce and would improve the compliance by reducing the number of situations where drivers face pressure to contravene the rules (e.g. due to the need to reach a hotel after spending time in unexpected traffic), as long as compensatory measures were in place to ensure that the measures were only applied in exceptional circumstances (PM4 and PM7). On the contrary, rules on breaks under PO B and PO C would be more difficult to report on and enforce.

Concerning rules on daily and weekly rest periods, the enforcement becomes very complex in case of drivers who are involved in mixed-activities, that is on some days they perform transport of passengers falling under general rules (e.g. regular services or occasional trips of less than 8 days) and on other days they perform transport operations benefitting from derogation (e.g. occasional trip of more than 8 days). For instance, under PO B and PO C, drivers performing mixed activities, could in some weeks benefit from flexible arrangements of the weekly rest over a period of 10 weeks and in other weeks they would have to follow the general rule on a weekly rest. This would make the compliance more difficult for drivers and more complex for enforcement officers which would have to first verify the type of operation in which the driver was involved over the past weeks to conclude in which weeks drivers should follow general rules and in which weeks they could derogate from those rules. In contrast, the enforcement of the derogation regarding daily rest periods under PO A is easy to control, since there is only once a derogation during the entire journey.

The 12-day derogation was designed to address the compliance challenge of drivers performing longer trips with a group of passengers where the driver is expected to stay at the service of passengers over the length of the trip, which makes the compliance with the general rule on weekly rest a challenge. Removing single service obligation would be in contradiction to the key issue that the derogation aimed to

solve. On the enforcement side, it would be challenging to verify whether a driver can benefit from the 12-day derogation if the driver is involved in a number of consecutive occasional trips of shorter duration, including identifying after which trip the driver would be obliged to take a postponed weekly rest. Removing the obligation of compensatory rest after the 12-day derogation, does not make enforcement easier or more difficult. The tachograph records on the duration of rest period (after 12-day rules was used) are equally easy to analyse. Removing these two obligations could lead to abuse by employers making their drivers engage in a number of consecutive occasional trips and systematically delaying their weekly rest by 12-days.

Overall, this means that the impacts of PO A would be positive, while PO B and PO C are expected to have negative impacts on compliance with the rules.

Table 7: Impacts of the policy options on compliance with the rules

	PO A	PO B	PO C	Reasoning
Breaks	+	-/0	-/0	Increased flexibility of breaks would reduce pressure on drivers to engage in non-compliant behaviour, generating positive impacts under PO A. However, increased flexibility would make break times more difficult to report on and enforce, offsetting any benefits from facilitated compliance and leading to neutral impacts overall.
Daily rest periods	+	-/0	-/0	Extending the duty cycle in exceptional circumstances would reduce pressure on drivers to engage in non-compliant behaviour, generating positive impacts under PO A. However, more flexible rules under PO B and PO C could make non-compliance more difficult to detect, leading to marginally negative impacts.
Weekly rest periods	0	-	-	While extending the 12-day rule to domestic transport in PO A would not affect compliance, the increased flexibilities in PO B and PO C could increase complexity and difficulties with enforcement, opening the door to abuse and leading to negative impacts.
Overall	+	**-/--**	**-/--**	*PO A would help to address the current issues with compliance difficulties while avoiding changes that would make the rules more difficult to report on and enforce, thus generating a net positive impact. For PO B and PO C, any benefits would be more than offset by increased difficulties for the authorities to enforce the rules and would be expected to reduce compliance levels overall.*

Source: Tetra Tech International et al. (2022), Impact assessment support study

6.1.5. 6.1.5. Impact on public authorities

All three policy options entail minor adjustments to the rules, that require Member States authorities to familiarise themselves with the changes. These entail one-off adjustment costs for Member States authorities. The time required per enforcement officer to familiarise with the new rules and implement those in their planning is estimated at 4 hours. The average cost per hour at EU level is estimated at EUR 24.9[76] in 2021 prices and it is assumed to remain constant over time in real prices. The total number of enforcement officers involved in checks is estimated at 54,679[77] at EU level. Thus, the one-off adjustment costs for Member States authorities in 2025 are estimated at EUR 5.4 million relative to the baseline (in 2021 prices).

This should be regarded as an upper-bound estimate, as it is very likely that familiarising with the new

[76] Source: Eurostat database, Labour Cost Survey, ISCO 4 (Clerks)

[77] Report from the Commission to the European Parliampent and the Council on the implementation of Regulation (EC) No 561/2006 *(forthcoming)*.

rules would take place in the context of the regular activities performed by the enforcement officers. In addition, the Commission will prepare an addendum on new rules to be incorporated into the existing guidelines and, if necessary, together with European Labour Authority (ELA), will organise a workshop for control officers and business organisations, to facilitate the understanding of the revised rules. This would not entail additional costs for the EU budget, as these costs can be accommodated under the current budgets of the Commission and the ELA. On the basis of the Commission's guidelines, Member States will disseminate information about new rules to their controllers and operators (via information published on their websites or in internal circulars).

On the other hand, none of the policy options introduces changes in the reporting or enforcement modalities relative to the baseline. Therefore, no change in administrative costs and enforcement costs are expected for the Member States authorities relative to the baseline. Nevertheless, as explained in section 6.1.4, while PO A would avoid changes that would make the rules more difficult to enforce, PO B and PO C may lead to increased difficulties for the authorities to enforce the rules and may reduce compliance levels overall.

6.2. 6.2. Social impacts

This section assesses the impacts of the policy options on fundamental rights, on working conditions of drivers (including the impacts on gender equality), on driver's stress and fatigue and road safety. The evidence was mainly provided by trade unions (as representatives of many employed drivers) and individual drivers (self-employed and employed) during targeted interviews and the public consultation. Industry stakeholders that replied to the consultation activities largely supported almost all of the proposed changes, but due to their specific role and interests, their motivation was mostly economic and presented in section 6.1. It was not possible to quantify the social impacts, due to the lack of data available for the sector. Hence, the impacts are discussed in terms of expected direction of the changes and their likely magnitude, relative to the baseline scenario.

6.2.1. 6.2.1. Impacts on fundamental rights

The policy options were assessed to determine if they have an impact on the fundamental rights and/or equal treatment of EU citizens. The starting point for the assessment of the fundamental rights is the Charter of Fundamental Rights of the European Union[78]. All three POs were assessed having regard to the relevant EU instrument and it was concluded that they maintain full respect for human and fundamental rights and none will have any negative impact thereon.

6.2.2. 6.2.2. Impacts on working conditions

Overall more flexibility in arranging breaks and rest periods could improve working conditions of drivers, or at least avoid causing harm. Difficult working conditions contribute directly to the drivers' fatigue and fitness-to-drive and have a negative impact on road safety[79].

In relation to working conditions, it should be noted that the trade unions that replied to different consultation activities and some interviewed drivers were overall negative on all policy measures, mainly on the grounds that the currently proposed modification of rules would pave the way for further changes in the future, and not necessarily in relation to the merits or disadvantages of the proposed measures. Consultation results also show (see Table 8) that drivers that responded, including employed drivers, are

[78] OJ C 326 of 26.10.2012 p.2
[79] Katrin Vitols and Eckhard Voss, wmp consult, on behalf of ETF (2021), 'Driver fatigue in European road transport'.

generally more positive than trade unions regarding the proposed measures and their impacts on working conditions. This may be explained by the fact that trade unions represented drivers across all road transport segments, and mostly drivers employed in regular passenger and freight services, which are predominant in the road transport sector.

Improving the ***flexibility of breaks*** under PM1 (in PO A) is expected to enable drivers to avoid taking breaks at inconvenient times and thus lead to a slight improvement in working conditions. In contrast, more flexible rules on breaks under PM2 (in PO B and PO C) would increase autonomy and reduce work stress of drivers. However, they could result in drivers taking mostly or only breaks that are too short to recuperate sufficiently, which is likely to lead to a negative impact on working conditions.

While none of the five trade unions taking part in the targeted interviews advocated for either PM1 or PM2, views were relatively neutral on the former and strongly opposed to the latter. The trade unions also emphasised that at least one longer break every 4.5 hours of driving was needed. These views were echoed by six interviewed drivers who did not explicitly oppose PM1, but were against PM2, because they thought that longer breaks were needed to avoid situations where time that should be devoted to breaks would instead be fully consumed with activities such as helping passengers on and off the bus, giving advice, offering drinks, etc.

In the public consultation, the views of trade unions were similar to those from the targeted interviews: out of the six trade unions expressing an opinion, one supported PM1, while none were in favour of PM2. Drivers (both employed and self-employed) that expressed an opinion were more positive, even though few drivers opposed both measures (see Table 8).

Table 8: Support for PM1 and PM2 among trade unions and drivers taking part in the public consultation

	Self-employed drivers	Employed drivers	Trade unions
PM 1: Allow drivers to split their break of minimum 45 minutes into 30+15 or 15+15+15 minutes	16 / 4	15 / 0	1 / 5
PM 2: Breaks can be split in a fully open manner their break of minimum 45 minutes over the period of 4h30 driving time	16 / 7	10 / 0	0 / 6

Source: public consultation; Legend: each cell is presented as: "Number supporting / number opposing"

As regards ***postponement of daily rest periods***, all policy measures (i.e. PM3 to PM8) related to this aspect would lead to an improvement of working conditions. The current rules were found to affect working conditions adversely mainly because of unexpected issues (e.g. traffic, an activity taking longer than foreseen or delays to passengers' upstream transport) and could force drivers to rush or impose stops that passengers perceive as inconvenient. In particular, these policy measures would make it easier for drivers to maintain positive relations with their passengers, which all six drivers taking part in the targeted interviews saw as of key importance for the job. Since the amount of driving time on long occasional trips (except for first and last day) is often far from daily driving limit, more flexibility can be allowed without harming working conditions.

However, six drivers and five trade unions taking part in the targeted interviews opposed both PM3 and PM6, arguing that, despite not reaching maximum driving times, the current duty cycle already entailed a long day of working, involving a range of both driving and non-driving tasks. They were concerned that the extension of the duty cycle would regularly subject drivers to excessive working hours. It thus seems that, on balance, PM3 and PM6 would have more negative impacts on working conditions than benefits. As for the rules on breaks, all trade unions taking part in the public consultation were opposed to PM3 and PM6, while employed and self-employed drivers that took part in the public consultation were largely positive (Table 9).

Table 9: Support for PM3 and PM6 among trade unions and drivers taking part in the public consultation

	Self-employed drivers	Employed drivers	Trade unions
PM 3: Allow drivers on trips lasting 8 days and longer to postpone the start of the daily rest period by 1 h in certain conditions	16 / 8	15 / 1	0 / 6
PM 6: Allow drivers on trips lasting 8 days and longer to postpone the start of the daily rest period by 2 h in certain conditions	11 / 10	13 / 3	0 / 6

Source: public consultation; Legend: each cell is presented as: "Number supporting / number opposing"

To address the concerns expressed by drivers and trade unions, the initial policy measures were complemented by measures to ensure that extensions to the duty cycle are applied only in exceptional circumstances. These policy measures (i.e. PM4 to PM8) were defined after the consultation activities and thus could not be tested with stakeholders. Nonetheless, PM4 and PM7, which limit the usage of these measures to once per trip are expected to have a positive impact on working conditions.

The policy measures related to ***weekly rest periods*** (i.e. PM9 to PM12) address a key concern related to working conditions, namely that of excessive time away from home that the current rules cause when weekly rest is required in the middle of a long trip. Spending more time with family and friends is thereby expected to improve the quality of life of drivers. This would benefit especially to women bus drivers, and thereby have a small positive impact on gender equality, since they are more likely than men to have family obligations that are incompatible with time away from home.

However, positive impacts on working conditions from the three policy measures (PM10, PM11 and PM12) relate essentially to driver's autonomy and discretion to decide how much work to take on, an issue that is especially important given the seasonal nature of occasional transport services. While none of these measures would address core issues with working conditions in occasional bus and coach sector, they would generate some positive impacts by giving drivers more control over their lives, as well as making it possible to drive more during peak seasons and increase their earnings. However, all these three policy measures have some drawbacks for working conditions. The removal of the single-service condition under PM10 would generalise the use of 12-day rule, while PM11 would mean that the use of the 12-day rule would not be compensated with extra time off. Under PM12 drivers could be scheduled for consecutive trips over a series of weeks with only 24 hours of rest between them. Therefore, PM10, PM11 and PM12 would have significant negative impacts on working conditions.

The slightly net positive impact on working conditions for PM9 and the considerable net negative impacts for PM10, PM11 and PM12 was also shown by the feedback from trade unions and drivers. In the targeted interviews, none of the policy measures were actively supported by any of these stakeholders. However, the opposition was much weaker for PM9. For example, the five trade unions taking part in the interviews mainly expressed concern that extending the scope of the 12-day rule would be a slippery slope that would open the door to further liberalisation, rather than criticising the measure itself. The six drivers were neutral with regard to PM9, seeing both benefits and minor drawbacks. For the other three policy measures (PM10, PM11 and PM12), all interviewed drivers and trade unions were strongly opposed, primarily because of their expected negative impacts on working conditions.

Trade unions responding to the public consultation did not support any of the measures on weekly rest periods. Those that replied identifying themselves as drivers (either employed or self-employed) were to a large extent positive (see Table 10).

Table 10: Support for PM9, PM10, PM11 and PM12 among trade unions and drivers taking part in the public consultation

	Self-employed drivers	Employed drivers	Trade unions

	Self-employed drivers	Employed drivers	Trade unions
PM 9: Extension of the 12-day rule to domestic transport operations	25 / 2	15 / 1	1 / 5
PM 10: Removal of the single-service condition when using the 12-day rule	18 / 5	14 / 1	0 / 6
PM 11: Remove the compensatory rest after use of the 12-day rule	22 / 5	16 / 0	0 / 6
PM 12: Flexible distribution of weekly rests over a 10-week reference period	17 / 4	15 / 1	0 / 6

Source: public consultation; Legend: each cell is presented as: "Number supporting / number opposing"

Given the way the policy measures are grouped into policy options, compared to the baseline scenario, positive impacts on working conditions would only be expected for PO A. PO A is also expected to contribute towards Sustainable Development Goal (SDG) 8 ("Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all") by improving working conditions for drivers. On the other hand, PO B and PO C are expected to have negative impacts on working conditions (see Table 11).

Table 11: Impacts of policy options on working conditions

	PO A	PO B	PO C	Reasoning
Breaks	0/+	-	-	PO A would enable drivers to avoid taking breaks at inconvenient times. In PO B and PO C flexible rules on breaks would increase autonomy and reduce work stress. However, they could result in drivers getting mostly or only breaks that are too short to recuperate sufficiently, leading to a negative impact on working conditions.
Daily rest periods	0/+	-	--	Extending the duty cycle could improve drivers' interactions with passengers, marginally improving working conditions. Under PO A, compensatory action would ensure that any countervailing negative effects is minimal, leading to a net positive impact on working conditions. In contrast, extensions of the duty cycle could be used frequently in PO B and PO C, meaning that the impact on working conditions would be negative.
Weekly rest periods	+	-	--	Extending the use of the 12-day rule under PO A would allow drivers to avoid excessive time away from home during long trips, generating a meaningful benefit to working conditions, while preserving the single-service condition and compensatory rest would minimise any negative impacts. PO B and PO C would both entail significant changes to the rules on weekly rest periods, leading to negative impacts on working conditions that would more than offset any benefit from increased driver autonomy and freedom over their workload.
Overall	+/++	**---**	**-----**	*PO A would address the problems that the current rules cause for working conditions while using compensatory action to mitigate the risks. Thus PO A is expected to have a postive impact on working conditions. PO B and PO C would also address these problems, but may create new issues that would have negative impacts on working conditions.*

Source: Tetra Tech International et al. (2022), Impact assessment support study

6.2.3. 6.2.3. Impacts on driver's stress and fatigue, and road safety

Difficult working conditions were found to contribute to driver stress, fatigue and fitness-to drive, which in turn reduce drivers' quality of life and the attractiveness of work in the sector, and also have a negative

impact on road safety[80]. A study conducted on behalf of European Transport Workers' Federation (ETF)[81] shows the impact of fatigue on road safety following a survey where the respondents were asked whether they had experienced an accident owing to driver fatigue in the previous 12 months. 5% of bus and coach drivers reported being involved in an accident at least once in that period owing to fatigue. The survey covered 673 bus and coach drivers but it does not distinguish between the occasional and regular bus and coach sector. The study also does not quantify the relationship between the working conditions and road safety, although it acknowledges to be one factor out of others. Another study conducted on behalf of IRU[82] also recognises that other factors beyond working conditions, for example monotonous activities such as driving for many hours, can contribute to drivers' fatigue and fitness-to-drive. Customers' dissatisfaction, or even aggressive behaviour, may also increase drivers' stress and may potentially lead to an accident. Therefore, the link between the rules and the stress and fatigue of drivers was presented as only one factor among many others.

The consultation activities did not provide much evidence on how the policy measures would be expected to affect stress and fatigue. For this reason, the impacts are considered mainly in terms of the combined effects of each measure on working conditions and compliance, as drivers for stress and fatigue. As already said, the assessment of impacts mostly relies on stakeholders' views. As explained above, this is because research on the topic is very limited and mostly focuses on urban public transport and commuting services and quantified data are scarce. Nevertheless, interviewees with a variety of profiles were selected (e.g. employed versus self-employed drivers, small versus larger operators, different Member States, trade unions). Findings were also triangulated between different groups of stakeholders and data collection tools.

PO A consists only of policy measures (PM1, PM4, PM7 and PM9) that are expected to have a positive or neutral impact on working conditions and compliance. Therefore, it is also expected to reduce driver stress and fatigue to some extent, with potential positive impact on road safety. PO B and PO C would both lead to negative impacts on working conditions and compliance, especially due to the inclusion of policy measures PM10 and PM11 in PO C and PM12 in PO B, which increase the amount of time worked between extended rest periods. Thus, both PO B and PO C are expected to lead to more stress and fatigue for drivers, with potential negative impact on road safety. The impacts are summarised in Table 12. In deriving qualitative scores for each option, the impacts on working conditions have been weighted more than the impacts on compliance, due to their predominant role on driver stress and fatigue.

Table 12: Impacts of the fully fledged policy options on driver stress and fatigue

	PO A	PO B	PO C	Reasoning
Breaks	0/+	-	-	The positive impact of PM1 on working conditions, which is included in PO A, would translate into a small reduction in stress and fatigue, as drivers would be able to organise breaks more easily. PO B and PO C would also produce this benefit, but this would be offset by a reduction in the quality of breaks and increased enforcement difficulties.
Daily rest periods	+	-	--	Extending the duty cycle in exceptional circumstances in PO A would reduce stress among drivers by allowing them to handle unforeseen events better and avoid issues with compliance. However, more flexible rules in PO B

[80] Katrin Vitols and Eckhard Voss, wmp consult, on behalf of ETF (2021), 'Driver fatigue in European road transport'.
[81] Katrin Vitols and Eckhard Voss, wmp consult, on behalf of ETF (2021), 'Driver fatigue in European road transport'.
[82] TRT on behalf of IRU, 2015. A Pilot Study on Specific Driving and Rest Time Rules for Bus and Coach Drivers in the EU, https://www.transportforetagen.se/globalassets/rapporter/buss/pilot-study-on-specific-driving-and-rest-time-rules-for-bus-and-coach-drivers-in-the-eu?ts=8d98cb9e34dc900

	PO A	PO B	PO C	Reasoning
				and PO C, could lead to excessively long working days on a regular basis, as well as making compliance more difficult to enforce. This would add to drivers' stress and fatigue.
Weekly rest periods	+	--	--	The only change to weekly rest periods in PO A is PM9 on the extension of the 12-day rule, which would improve working conditions by making it easier for drivers to take weekly rests at home, where they can recuperate better from long periods of driving. This was seen as neutral from the perspective of enforcement, leading to a positive impact overall. PO B and PO C both include measures that would be detrimental to working conditions (because they would normalise long working weeks) and compliance (because they would render this more complex and difficult for authorities), thus adding to drivers' stress and possibly resuling in negative impacts on road safety.
Overall	++/+++	----	-----	*By improving working conditions and facilitating compliance to a certain extent, PO A strikes the right balance between flexibility and maintaining the principles of the current rules, thereby leading to reduced driver stress and fatigue. Both PO B and PO C would have negative impacts on working conditions and compliance, increasing the risk that drivers would be unable to rest properly, and generating high levels of stress.*

Source: Tetra Tech International et al. (2022), Impact assessment support study

6.3. 6.3. Environmental impacts

All policy options may generate an increase in services volume, albeit to a minor extent that has not been possible to quantify. Since at least some of this increase would be expected to result from passengers shifting to bus and coach from other means of transport, particularly private cars, it follows that the impact on the environment would be marginally positive. Marginal reductions in greenhouse gas emissions and other air pollutants would be expected, although not possible to quantify. Following the analysis above, no significant harm is expected on the environment by any of the policy options. All policy options are consistent with the environmental objectives of the European Green Deal and the European Climate Law[83].

7. 7. HOW DO THE OPTIONS COMPARE?

7.1. 7.1. Effectiveness

The assessment of effectiveness looks at the extent to which the general and specific objectives (SO) of the intervention, as previously described, are met. Table 13 presents the link between policy objectives and assessment criteria.

Table 13: Link between objectives and assessment criteria

General objectives	Specific objective	Assessment criteria
The general objectives are: (i) to ensure efficient and high-quality occasional bus and coach services, (ii) to	**SO1** – Ensure more flexible distribution of breaks and rest periods	Expected improvement in operators' ability to meet customer demand and provide high-quality services Expected improvement in working conditions for drivers

[83] Regulation (EU) 2021/1119 of the European Parlaiment and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L243, 9.7.2021, p1).

General objectives	Specific objective	Assessment criteria
improve working and driving conditions for drivers	**SO2** – Promote equal treatment between international and domestic bus and coach operations	Expected improvement in providing increased competitiveness of domestic bus and coach operations

All three policy options are expected to make progress towards the specific objectives compared to the baseline scenario. Despite the lack of quantitative data, the analysis of impacts showed clear differences in their likely effectiveness. These differences relate primarily to the level of flexibility offered by each policy option, and the need to balance between economic and social considerations.

All three policy options are expected to generate some progress towards the **general objectives** by *ensuring efficient and high-quality services*. PO C would be more effective in ensuring efficient and high-quality services than PO A and PO B, since it would eliminate the difference between international and domestic services and provide operators and drivers with maximum flexibility for the organisation of occasional bus and coach services. PO A and PO B are also effective in ensuring efficient and high-quality services because they would reduce the number of situations where operators and drivers need to alter trip itineraries and take on additional drivers in order to comply with the rules. On the other hand, with respect to *improving working conditions for drivers*, progress is only expected for PO A. This is because PO A will combine the aspects of increased flexibility - that would be beneficial for working conditions (e.g. the extension of the daily duty cycle to allow better relations with passengers, and the use of the 12-day rule to allow drivers to take more weekly rests at home) - with restrictions that would ensure high working standards. In contrast, both PO B and PO C are expected to extend daily duty cycles, which would offset other benefits, leading to a negative impact overall.

Concerning **SO1**, PO A would allow breaks and daily rests to be organised more in line with trip itineraries, while avoiding the risk that drivers would be given insufficient time to recuperate during breaks. For weekly rest periods, in PO A the extension of the 12-day rule to domestic trips, while other conditions of its use would be kept in order to maintain good working conditions, is expected to improve the operators' ability to meet customer demand and provide high-quality services. For both daily and weekly rests, the increased flexibility will have a greater impact on SMEs, which are less equipped than larger companies to staff trips with multiple drivers.

PO B would allow the greatest flexibility to operators in terms of break times (which could be organised with almost full flexibility). While these would increase autonomy and reduce work stress they could result in drivers getting mostly or only breaks that are too short to recuperate sufficiently, leading to a negative impact on working conditions. PO B would also allow daily rests to be organised more in line with trip itineraries. At the same time, PO B would bring a major change in weekly rest periods, allowing the flexibility in their distribution over a 10-week reference period, greatly enhancing drivers' ability to work during busy peak seasons and helping to address driver shortages, albeit while opening the door to circumstances where drivers would be working for consecutive weeks without extended weekly rest. The improvement in operators' ability to meet customer demand and provide high-quality services is expected to be higher in PO B relative to PO A.

PO C offers the greatest flexibility to operators in terms of break times (which could be organised with almost full flexibility), daily rests (which could be used with minimum restrictions regarding the length of the daily duty cycle) and weekly rests (where the 12-day rule would be extended to domestic trips, as well as being no longer subject to the single-service condition and compensatory extra rest). PO C is expected to generate the largest positive impacts in terms of improving operators' ability to meet customers demand and provide efficient and high-quality services. On the other hand, it is expected to lead to negative impacts on the working conditions. Therefore, when considering both the expected improvement in operators' ability to meet customer demand and provide high-quality services, and the expected

improvement in working conditions for drivers, PO A is assessed to be most effective in addressing SO1, followed by PO B and PO C.

Concerning **SO2**, both PO A and PO C extend the use of 12-day rule to domestic trips, thereby fully addressing this specific objective. In contrast, the 12-day rule will remain accessible only to international trips under PO B. However, PM12 in PO B will greatly increase the flexibility for weekly rests, by allowing them to be freely distributed over a 10-week reference period. Since this would reduce operators' and drivers' need for the 12-day rule, the disparity between international and domestic services is be expected to decrease somewhat, albeit to a lesser extent than under PO A and PO C. Thus, PO A and PO C are more effective than PO B in addressing SO2. A more detailed presentation is provided in Annex 5.

7.2. 7.2. Efficiency

Efficiency concerns "the extent to which objectives can be achieved for a given level of resource/at least cost". The costs and benefits are summarised in Table 14.

All three policy options would consist of adjustments to the current rules, while leaving the current reporting and enforcement mechanisms intact. ***Total costs*** are estimated at around EUR 6 million in all policy options, expressed as present value over 2025-2050 relative to the baseline. The main part of these costs (EUR 5.4 million) represents one-off adjustment costs for Member States authorities, for familiarising themselves with the new rules. The rest of the costs represent one-off adjustment costs for bus and coach operators, for familiarising themselves with the new rules.

Total benefits are estimated to be the highest in PO C (EUR 177.3 to 248.3 million), followed by PO B (EUR 106.4 to 212.8 million) and PO A (EUR 106.4 to 141.9 million). The benefits are related to a reduction in operational costs for bus and coach operators, driven by the new rules. More specifically, the largest adjustment costs savings category in PO A relates to measures to improve the flexibility of taking daily rests although the costs savings for measures leading to higher flexibility of breaks and those addressing weekly rest periods are only slightly lower than those for daily rests periods. For PO B the costs savings are equally distributed between the three groups of measures, while in PO C the largest adjustment costs savings category relates to measures addressing weekly rest periods.

The impacts on working conditions were not possible to quantify, although a qualitative assessment is provided in section 6.2.2 and reflected in Table 14. PO A would address the problems that the current rules cause for working conditions while using compensatory action to mitigate the risks. Thus PO A is expected to have a postive impact on working conditions. PO B and PO C would also address these problems, but create new issues that would have negative impacts on working conditions.

Table 14: Summary of costs and benefits of policy options – present value for 2025-2050 compared to the baseline (in million EUR), in 2021 prices

	Difference to the baseline		
	PO A	**PO B**	**PO C**
Member States authorities			
Adjustment costs	5.4	5.4	5.4
Businesses			
Adjustment costs	0.6	0.6	0.6
Adjustment costs savings	106.4-141.9	106.4-212.8	177.3-248.3
Impacts on working conditions			
Impacts on working conditions	+/++	---	-----
Total costs	6.0	6.0	6.0
Total benefits	106.4-141.9	106.4-212.8	177.3-248.3
Net benefits	100.4-135.8	100.4-206.8	171.3-242.2

Source: Tetra Tech International et al. (2022), Impact assessment support study

All policy options would result in ***net benefits*** relative to the baseline. Net benefits are estimated to be the highest in PO C (EUR 171.3 to 242.2 million), followed by PO B (EUR 100.4 to 206.8 million) and PO A (EUR 100.4 to 135.8 million). PO C also shows the highest benefit to cost ratio, followed by PO B and PO A. However, there is large uncertainly regarding these estimates, which rely on input provided by six bus and coach operators. To acknowledge the uncertainty, the impacts have been provided in ranges.

In addition, it should be noted that the quantified benefit to cost ratio does not reflect the impacts on the working conditions. This is because the impacts on the working conditions could not be quantified. The qualitative assessment on the working conditions indicates that the benefit to cost ratio of PO A would be higher than actually quantified.

7.3. 7.3. Coherence

Coherence is considered in terms of internal coherence among the measures under consideration and coherence with other relevant EU objectives and policies.

Internal coherence. The internal coherence concentrates on how the different elements within the Regulation work together to achieve the objectives. Although all three POs address the identified problems, they do so in different ways. While PO A and PO C fully address the two problem drivers, PO B only partly addresses problem driver 2 on unequal treatment between international and domestic occasional services. Regarding working conditions, PO A is expected to have a positive impact on working conditions by addressing the problems caused by the current rules while using compensatory action to mitigate the risks. PO B and PO C would also address these problems, but may create other issues, so their impact on working condition is negative.

External coherence. The external coherence concentrates on the compliance of the Regulation with key EU policy objectives and policies. Both PO A and PO C eliminate the current disparities in treatment between international and domestic services, contributing to the aims of the Single Market. PO B is less coherent, since disparities would remain to a certain extent. The coherence can also be examined in terms of impacts on gender equality. While none of the policy options were found to have significant impacts in this area, extension of the 12-day rule in PO A and PO C will allow drivers to spend more time at home rather than being forced to take weekly rests at a distant location. This could generate marginal positive impacts on gender equality, since women drivers are likelier than men to have family obligations that would make time away from home difficult. The marginal positive impact of all three options on the environment means that no issues with coherence were found in this area.

7.4. 7.4. Subsidiarity and proportionality

The revision of the Regulation is required since, in the absence of EU level action, the problems identified would most likely persist. As highlighted in section 3 above, the identified problems have the same underlying causes across the EU. The flexibility on breaks and rest periods for occasional passenger transport services constitute significant added value by providing businesses and drivers with well-fitted rules, enabling them to organise transport operations more efficiently and ensuring high standards for the working conditions of drivers. These problems cannot be addressed by Member States individually. The subsidiarity requirement is fulfilled for all options, as they all ensure harmonisation of the legal framework. All options are also considered proportionate, because they will not alter the scope of the rules. However, in terms of the balance between measures providing more flexibility in organising breaks and rest periods, on the one hand, and maintaining drivers' working conditions, on the other hand, PO A is considered more proportionate than PO B and to a greater extent than PO C.

8. 8. PREFERRED OPTION

8.1. 8.1. Identification of the preferred policy option and stakeholders views

Although each of the policy options addresses the problems identified, their drivers and the specific objectives, some options are more effective in achieving the specific and general objectives. Based on the assessment done, PO B and PO C would be more effective in addressing the general objective related to *efficient and high-quality services*, but at the expense of negative impacts on working conditions. On the other hand, with respect to *improving working conditions for drivers*, a positive impact is only expected for PO A. PO A is also more effective in addressing SO1 (Ensure more flexible distribution of breaks and rest periods) than PO B and PO C. With respect to SO2 (Promote equal treatment between international and domestic bus and coach operations), PO A and PO C are equally effective and more effective than PO B. Considering the elements above, PO A is consider as the most effective policy option.

With respect to **efficiency**, all policy options result in net benefits relative to the baseline, with PO C showing the highest net benefits and the highest benefits to costs ratio. PO B is also somewhat more efficient than PO A. As explained in section 7.2, this is however expected to be counterbalanced to some extent by the positive impacts of PO A on working conditions, which however could not be quantified.

On internal **coherence**, PO A is the most coherent with the objectives of Regulation (EC) No 561/2006 of harmonising the conditions of competition between modes of inland transport, notably equal treatment between international and domestic occasional services, and of improving working conditions. It is also the most coherent with the objective (albeit to a minor extent) of gender equality. External coherence will be guaranteed for all policy options, although PO B is less externally coherent, since disparities between domestic and international occasional services will remain to a certain extent. The marginal positive impact of all three options on the environment means that no issues with coherence were found in this area.

The subsidiarity requirement is fulfilled for all options. All options are also considered proportionate. However, in terms of the balance between measures providing more flexibility in organising breaks and rest periods, on the one hand, and maintaining drivers' working conditions, on the other hand, PO A is considered more proportionate than PO B and to a greater extent than PO C.

Overall, the difference in terms of net benefits between PO A on the one hand and PO B and PO C on the other hand would be partially counterbalanced by the positive impacts of PO A on working conditions, which however could not be quantified. On the other hand, improving working conditions is one of the general objectives of the initiative. The impact assessment does not provide for road safety as an explicit objective, but rather as a constraint. The choice of the preferred policy option relies on the fact that PO A is considered as the most effective policy option and the policy option that is the most coherent with the objective of Regulation (EC) No 561/2006 of improving working conditions. Thus, PO A is selected as the preferred policy option despite its lower benefit to cost ratio relative to PO C and PO B. It should however be emphasised that the calculated benefit to cost ratio does not reflect the impacts either on working conditions or on environment and that the quantitative and qualitative assessments need to be combined to allow a fully informed view. The qualitative assessment on the working conditions indicates that the benefit to cost ratio of PO A would be higher than actually quantified.

Industry stakeholders taking part in the targeted interviews and in the public consultation generally support all the proposed measures, since they would increase their ability to organise services according to operational and customer needs. Trade unions, drivers and authorities were more reluctant. All those that responded to the consultation opposed certain measures, in particular the removal of the single-service condition and compensatory rest when using the 12-day rule (which are part of PO C) and the flexible distribution of weekly rests across a 10-week reference period (which is part of PO B).

While the measures included in PO A did not receive outright support from trade unions, drivers and authorities, opposition of those that replied to the consultation activities was far less pronounced. The measures included in PO A would also address their main concerns. More specifically, PM1 on breaks will address the concern that 5 minutes breaks are too short to allow proper recuperation. PM4 and PM7 would ensure that extensions of the duty daily cycle will be used only in exceptional circumstances, addressing a concern that the proposed changes would increase the length of the working day. The extension of the 12-day rule to domestic trips (PM9), while preserving other conditions for its use, will prevent extra-long weeks from becoming the norm, a key concern of trade unions and drivers. Overall, this suggests that PO A may be more accepted, while PO B and PO C would only appeal to industry stakeholders.

On the basis of what precedes and the analysis above it can be concluded that PO A is the preferred policy option.

8.2. 8.2. REFIT (simplification and improved efficiency)

The initiative, by adapting the current rules to the specificities of the occasional bus and coach sector, will make it easier for operators and drivers to organise efficient and high quality services, which will have positive impact on their business performance, including costs savings and increased service offer. The net costs savings for businesses are estimated at EUR 105.8 to 141.3 million, expressed as present value over 2025-2050 relative to the baseline. Particularly SMEs, which tend to operate with a limited pool of drivers and buses, will benefit most from the proposed measures. Public administrations may incur some limited costs for getting familiar with the new rules, estimated at EUR 5.4 million, expressed as present value over the 2025-2050 period relative to the baseline. At the same time positive impacts are expected in addressing current compliance difficulties, although the benefits could not be quantified.

8.3. 8.3. Application of the 'one in, one out' approach

As explained in section 6.1.1, the preferred policy option is not expected to result in additional administrative costs for the private sector, or for the citizens. PO A is estimated to result in adjustment costs of EUR 0.6 million, linked to the need of getting familiar with the new rules. These will be however more than offset by the adjustment costs savings estimated at EUR 106.4 to 141.9 million, expressed as present value over 2025-2050 relative to the baseline.

9. 9. HOW WILL ACTUAL IMPACTS BE MONITORED AND EVALUATED?

The Commission services will monitor the application and effectiveness of this initiative through a number of actions that will measure progress towards achieving the general and specific objectives. Both economic impacts, as well as the impacts on working conditions and drivers' well-being will be monitored and evaluated, with due involvement from the Member States and social partners, to confirm that the changes do not negatively affect social conditions in particular. Actions foreseen for verifying implementation include:

- National monitoring reports according to the existing requirements will monitor infringement detection rates. These reports will be included and assessed in the Commission's biennial reports on the application of Regulation (EC) No 561/2006, under Article 17 of the Regulation.
- The Commission will also undertake an evaluation survey on the level of drivers' fatigue and stress to assess how the new rules contributed to reduction of drivers' stress and improvement in working conditions.
- The Commission services will also monitor the development in the level of passenger transport activity, both domestic and international, in terms of passenger-kilometres (Eurostat). For the sake of completeness, impacts on road safety will be also monitored.

- The implementation and enforcement of the new rules will be also regularly monitored and assessed by the Committee on Road Transport, and via direct contacts with social partners and Commission's registered correspondence/complaints with different stakeholders.

Two operational objectives have been identified: (i) provide for uniform interpretation and application of break and rest period rules that are adapted to occasional bus and coach transport and ease compliance (linked to SO1) and (ii) facilitate the organisation of domestic and international bus and coach activities via harmonised rules (linked to SO2). Table 15 presents the indicators and data sources proposed for the two operational objectives. Data for some of these indicators should be available and it should be possible to include this data in the biennial implementing reports submitted by national authorities or collected directly by the Commission services. Other aspects will have to be covered as part of the evaluation of the Regulation, where surveys and other tools could be used to collect relevant information.

Table 15: Proposed indicators for monitoring and evaluation of the preferred policy option

Operational objective	Main indicator	Source(s) of information
OO1: Provide for uniform interpretation and application of break and rest period rules that are adapted to occasional bus and coach transport and ease compliance	Infringement detection rates	National monitoring reports
	Level of satisfaction with the rules with regard to compliance costs and working conditions	Targeted surveys and interviews of business associations, bus and coach operators, authorities, drivers' representatives and drivers
	Level of driver stress and fatigue	Targeted surveys and interviews of drivers' representatives and drivers
OO2: Facilitate the organisation of domestic and international bus and coach activities via harmonised rules	Level of road occasional passenger transport activity (domestic and international operations) in passenger-kilometres	Eurostat
	Number of operators engaged in domestic and international coaching services, particularly SMEs	Eurostat and interviews of business associations and bus and coach operators
	Number of operators using the 12-day derogation for domestic use	Targeted surveys and interviews of business associations and bus and coach operators

ANNEX 1: PROCEDURAL INFORMATION

1. Lead DG, Decide Planning/CWP references

Directorate-General for Mobility and Transport (DG MOVE), Unit C1: Road Transport Policy, is the lead DG for this legislative proposal aimed at esnuring fair, efficient and high quality occasiona bus and coach services and imrpoving working and driving conditions for drivers, including the aspects of stress and fatigue of drivers, and road safety. This initiative's DECIDE reference number is PLAN/2019/5424. The Inception Impact Assessment was published in Janaury 2021[84].

2. Organisation and timing

The impact assessment accompanying the legislative proposal for a revision of Regulation (EC) No 561/2006 has been consulted within the Inter-Service Steering Group (ISSG) comprising the following members: Secretariat-General, Legal Service, Directorate-General for Mobility and Transport (MOVE), Directorate-General for Employment, Social Affairs and Inclusion (EMPL), Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (GROW), Directorate-General for Climate Action (CLIMA), Directive-General of Regional and Urban Policy (REGIO), Directorate-General for Economic and Financial Affairs (ECFIN), In total, 5 meetings were organised to discuss this impact assessment. Many written consultations of the ISG took place by email at various stages and on various drafts of this impact assessment. The last ISG meeting took place on 10 November 2022.

3. Consultation of the Regulatory Scritiny Board (RSB)

The draft report was submitted to the RSB on 16 November 2022. On 16 December 2022, the RSB issued a positive opinion with reservations. The RSB comments were addressed in the revised IA report as follows:

	RSB comments	Modification of the IA report
1	The report should better describe how the evidence and the contributions from stakeholders were combined to draw conclusions on the low customer satisfaction and demand and how this is impacted by the driving and rest times. It should identify any further factors that contribute to these problems and indicate how significant the contribution of the flexibility of driving and rest times is. It should provide evidence that confirms the specificities of occasional bus and coach transport services compared to regular bus and coach services and to road freight services. It should demonstrate with evidence to what extent there is a meaningful competition or level playing field problem	Section 2.1.1 better explains that the evidence mostly relies on the feedback from stakeholders. Nevertheless, interviewees with a variety of profiles were selected and findings were also triangulated between different groups of stakeholders and data collection tools. Since the current rules on breaks and rest periods were attributed by stakeholders to their difficulties to organise high-quality services that meet customer demands, it was concluded that customer satisfaction is lower than it would be in case of high-level services. Section 2.1 identifies other factors than the rules on breaks and rests time, which contribute to the low customer satisfaction and demand in

[84] Source: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12488-Bus-and-coach-drivers-EU-rules-on-driving-and-rest-times_en

	between domestic and international bus transport services given that, from a demand side perspective, these services seem to represent different relevant markets.	the sector, like customer experience, comfort or fares. Moreover, it was emphasised that as regards these other factors operators compete while the rules on breaks and rest times are a legal constraint on which limited competition takes place. A new Box (i.e. Box1), summarising the main characteristics of the occasional bus and coach sector was added in section 1.1. More explanation on the legal specific characteristics of the occasional bus and coach transport services has been provided in section 1.2 and section 2.1.1 presents the factual characteristics of these services, like heterogeneous itineraries, frequent and irregular stops and a high degree of seasonality. Section 2.2 better explains competition/level playing field problem between domestic and international bus and coach services. All consulted stakeholders agreed that the current application of the 12-day rule leads to unfair treatment between domestic and international services, or did not express a view on this topic. Beyond stakeholders views there is very little evidence on the occasional bus and coach segment. This has been better acknowledged in the revised report.
2	The report should better describe the baseline, by considering additional factors impacting the identified problems on top of the evolution of the traffic. It should better explain how the options were designed, including by clarifying if they were suggested by stakeholders.	Section 5.1 has been revised to better describe the baseline. It considers additional factors, such as megatrends. Section 5.2 better explains how the policy options were identified, i.e. in consultation with stakeholders, in particular regarding mitigation measures (PM4, PM5, PM7 and PM8).
3	The report should better justify the choice of the preferred policy option. It should emphasise that the calculated Benefit Cost Ratio does not reflect the impact on working conditions and that the quantitative and qualitative assessments need to be combined to allow a fully informed view.	Sections 7.2 and 8.1 have been revised to address this comment. The qualitative impacts on the working conditions have been better reflected in in the efficiency section (section 7.2). In addition, section 8.1 of the revised report has been reinforced, also explaining that PO A is the policy option that is most coherent with the objective of Regulation (EC) No 561/2006 of improving working conditions.
4	The report should better explain how stakeholders' contributions, relevant experts'	Section 6 has been revised to better explain how stakeholders' contributions and studies

	views and studies were integrated in the assessment of the impact of the policy options on the working conditions, competition, and road safety (including on the relationship between driving and rest times and road safety). The analysis should highlight uncertainties and clearly describe the underlying assumptions.	were integrated in the assessment of the impacts of the policy options, including the uncertainties and underlying assumptions. In particular, section 6.2.3. better explains the little evidence available on working conditions and the relationship between driving and rest times and road safety. The scarcity of evidence for quantification of impacts is also highlighted in section 6.
5	The report should ensure that stakeholders' views are taken into account in a sufficiently balanced way reflecting adequately the often small samples of replies received. In particular, it should clarify how the views of employed bus and coach drivers and unions were taken into account in the analysis.	Section 6 explains better that due to the small size of the occasional passenger sector and limited nature of the proposed changes, a proportionate analysis was conducted. To taken into account in a sufficiently balanced way the stakeholders' views, reflecting adequately the often small samples of replies received, interviewees were selected based on specific profiles allowing to guarantee that the main groups were covered. Annex 4 explains how factual input and concrete examples contributed to ensure the validity of the results. Findings were also triangulated between different groups of stakeholders and data collection tools.
6	The report should further develop the SME test given the importance of SMEs for occasional bus and coach services. It should highlight the information on SMEs contained in the relevant annexes and in the support study (e.g. case studies) and it should describe the specific consultation activities carried out on SMEs.	Section 6.1.2 has been improved to detail all stages of SMEs test. It also better reflects the consultation activitiers carried out relevant for SMEs and makes reference to the impact assessment support study.

4. **Evidence, sources and quality**

The impact assessment is based on a several sources, using both quantitative and qualitative data, collected from Member States and industry. This includes:

- The 2017 ex-post evaluation SWD(2017)184 final[85]

[85] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52017SC0184

- Stakeholder consultation activities (see Annex 2)
- External support study carried out by an independent consultant (Tetra Tech International et al.)
- Commission experience in monitoritung and implementing the Directive.

ANNEX 2: STAKEHOLDER CONSULTATION

1. INTRODUCTION

This annex provides a summary of the outcomes of the consultation activities which have been carried out for the review of Regulation (EC) No 561/2006, including in the context of the external support study[86]. It notes the range of stakeholders consulted, describes the main consultation activities and provides a succinct analysis of their views and the main issues they raised.

The objective of the consultation activities was to collect information and opinions of stakeholders on the key problems and associated drivers, definition of relevant policy objectives linked to those problem areas and the identification, definition and screening of policy measures that could eventually be incorporated into policy options for this Impact Assessment, as well as gather information and opinions on their likely impacts.

2. METHODOLOGY

The consultation strategy[87] was developed from the start of the impact assessment process and included three types of consultation activities: consultation on Inception Impact Assessment, public consultation and targeted interviews, including three case studies. Across the different consultation activities, input was sought from the following types of stakeholders, which were mapped early in the process:

- Business associations: employer organisations and operator representatives at EU and national levels;
- Bus and coach operators: individual bus and coach companies that organise occasional passenger services, including both SMEs and larger groups;
- Trade unions: representatives of employed drivers at EU and national levels;
- Drivers: employed and self-employed individuals who work on occasional passenger services;
- Authorities: including organisations at EU and national levels with both policy and enforcement responsibilities for working conditions in general and for the specific rules under review;
- Experts: the study was also open to input from other experts, on topics such as fatigue and road safety;
- Non-governmental organisations (NGOs) and citizens in the EU-27, other EEA countries, Switzerland and UK.

In addition, the Commission discussed the initiative with ETF on 21 June 2022, where ETF expressed its opposition to the proposed changes, mainly on the grounds that they would pave the way for further changes in the future. Another meeting on occasional passenger transport was organised by the European Labour Authority on 5 October 2022. This meeting gathered social partners and national authorities.

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[86] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006*.

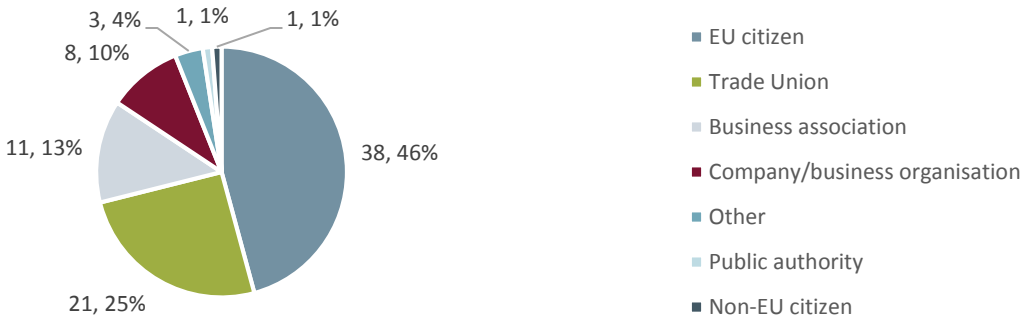
[87] Source : https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12488-Bus-and-coach-drivers-EU-rules-on-driving-and-rest-times_en

2.1. Feedback on the Inception Impact Assessment

The Commission received 79 responses[88] to the Inception Impact Assessment for this initiative between 21 January 2021 and 18 February 2021.

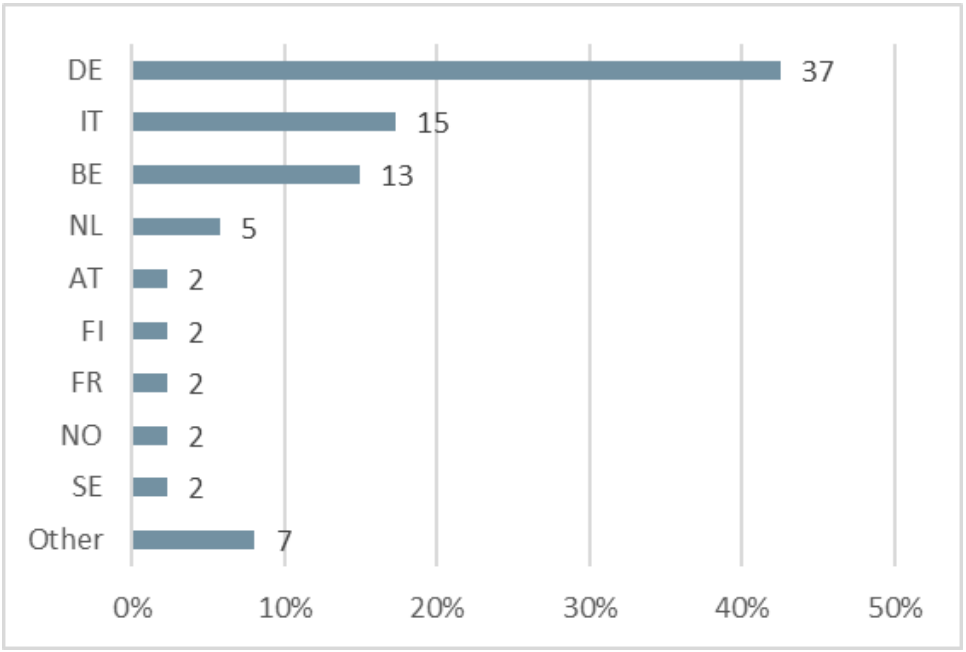
The following stakeholder categories provided feedback to the Inception Impact Assessment.

Figure 4: Feedback received by category of respondent



In terms of country coverage (Figure 5), the majority of respondents were from Germany (37), followed by respondents from Italy (15) and Belgium (13).

Figure 5: Country of origin of respondents[89]



Respondents seem to be split into two groups. On the one side, trade unions and EU citizens (who were probably drivers in many cases) expressed resistance to changes to the current provisions on breaks and rest periods, which were reported as seen as harmful to occasional bus drivers' wellbeing and in terms of

[88] The number of total valid feedback replies received amounts to 87, some of them came from the same public/private entities.

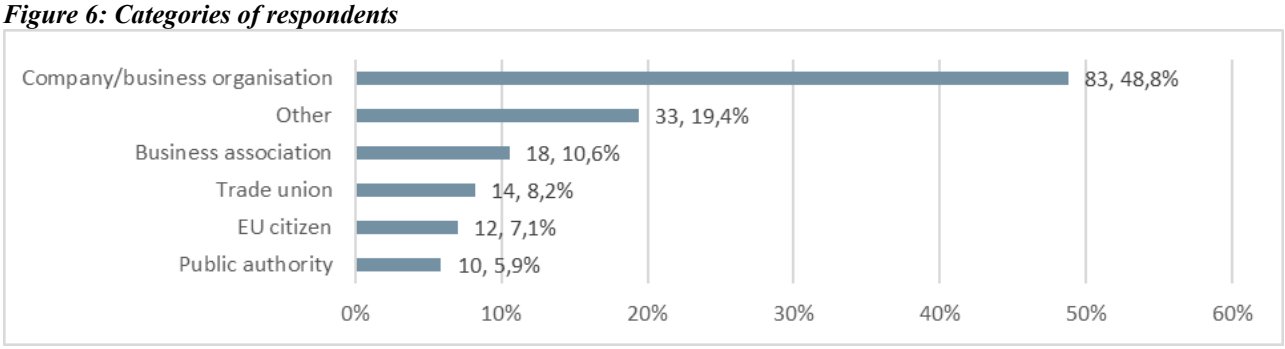
[89] "Other" includes respondents from: CZ, DK, ES, SK, RO, UK and an international organisation. "EU" includes respondents from Europe-wide organisations (e.g. EU Trade Unions and business associations).

road safety. On the other side, companies and business associations were in favour of introducing specific solutions for the sector, which they felt would help to better respond to the needs of coach and bus drivers, to increase passengers satisfaction, and to increase profit margins. The only public authority who provided feedback in the consultation shared some of the concerns expressed by trade unions and citizens, while recognising the need to increase the flexibility of legislation.

2.2. Public consultation

The Commission received 170 responses to the public consultation, which was open between 23 November 2021 and 18 February 2022. The set of questions contained both general questions addressed at all interested parties, and more detailed questions aim at 'specialist' respondents who have a good knowledge of the topic, such as trade unions, drivers, operators and business associations. Figure 6 presents the distribution of responses across categories[90].

Figure 6: Categories of respondents



Source: Public consultation (170 respondents)

In terms of country of origin, 77 respondents came from Germany, followed by Austria (17), Italy (16), Belgium (11) and the Czech Republic (8). Among third country residents, responses were submitted from the United Kingdom, Norway and Switzerland. Table 15 presents the respondents' country of origin.

Table 16: Respondents' country of origin

Country of origin	No of responses	% of responses	Country of origin	No of responses	% of responses
Germany	77	45.3%	Slovenia	2	1.2%
Austria	17	10.0%	Romania	2	1.2%
Italy	16	9.4%	Latvia	1	0.6%
Belgium	11	6.5%	Hungary	1	0.6%
United Kingdom	8	4.7%	Slovakia	1	0.6%
Czech Republic	8	4.7%	Ireland	1	0.6%
France	6	3.6%	Estonia	1	0.6%
Spain	4	2.4%	Switzerland	1	0.6%
Sweden	3	1.8%	Bulgaria	1	0.6%
Luxembourg	2	1.2%	Norway	1	0.6%

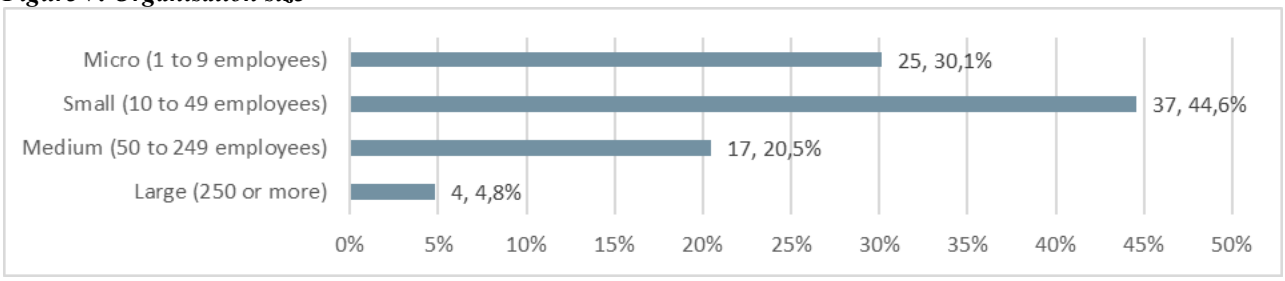
[90] As the main profile question is pre-defined for all public consultations, it was not possible to include a choice for 'drivers'. Instead, drivers were asked to select 'other' (which 24 out of 33 'other' respondents did), and then to confirm their status as a driver in the next question, as well as to indicate whether they were employed or self-employed. Some drivers misunderstood the instructions, indicating themselves to be drivers even though they did not identify themselves as 'other' in the first profile question. Overall, there were 57 drivers among the respondents, of whom 34 were self-employed, 21 employed, and 2 did not answer.

Netherlands	2	1.2%	Finland	1	0.6%
Greece	2	1.2%	Poland	1	0.6%

Source: Public consultation

Out of the 83 companies that participated in the public consultation, 62 (i.e. nearly 75%) employed between 1 and 49 employees (i.e. they were either micro or small companies), whilst 21 medium and large companies accounted together for 25.3% of all businesses that took part to the public consultation (Figure 7).

Figure 7: Organisation size



Source: Public consultation (83 respondents)

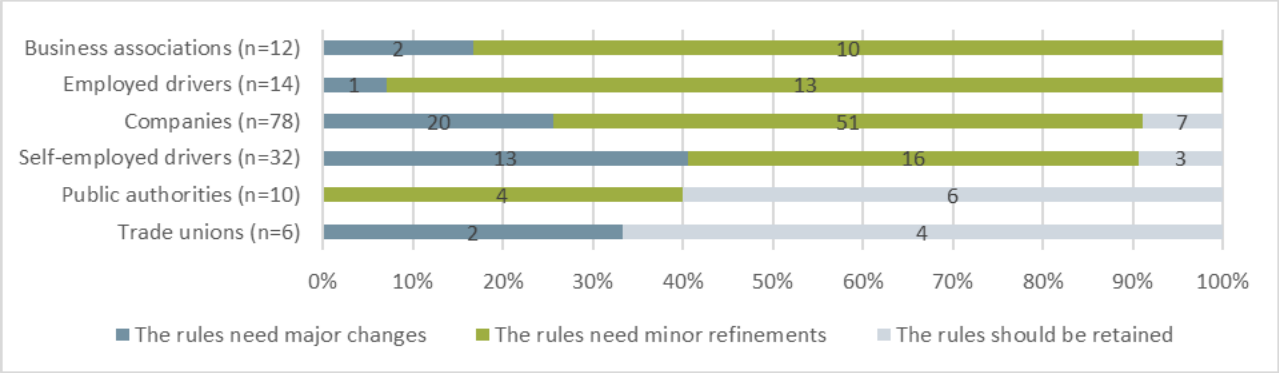
It must be noted that some of the responses were of a campaigning nature, whereby several clusters of responses were received that were nearly identical in terms of both closed and open questions. These entailed three clusters identified as business associations and companies (i.e. from Austria and Germany (24 respondents), Italy (5 responses), and Belgium, Sweden and the UK (4 responses), as well as 9 responses identified as trade unions (i.e. from Belgium, Norway, Romania and Slovenia). While the number of campaign responses was fairly small, it was meaningful in light of the overall number of responses (170), which made it necessary to take action to avoid skewing the results. For this purpose, each cluster of coordinated replies was counted only once in the quantitative analysis of the public consultation responses.

Importantly, the analysis was also done in a way that avoided risks of under-reporting on the views of certain groups. This involved disaggregating the findings by stakeholder group throughout the analysis, and pointing out their similarities and differences.

It was observed that the views of respondents identifying themselves as drivers (particularly employed drivers) in the public consultation were inconsistent with the findings from the targeted interviews, whose driver identities were carefully checked.

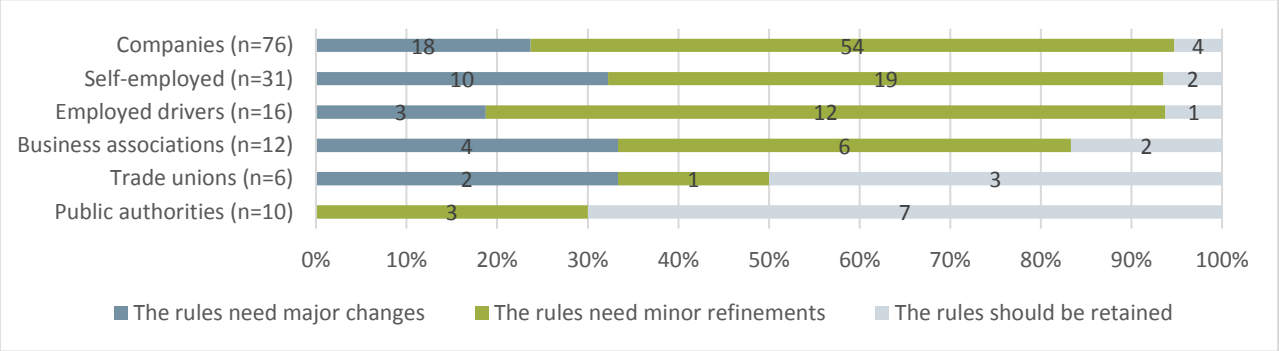
With regard to the current rules, nearly all consulted stakeholders considered at least minor changes necessary. In open-text replies, companies, associations and drivers considered the current rules to be insufficiently adapted to the needs of the occasional passenger sector. As for trade unions and authorities, they were more likely to support keeping the current rules in place, while open-text replies focused on enforcement measures and/or making the rules stricter.

Figure 8: Overall, do you think that the existing rules on break times are appropriate, or should they be changed?



Source: Public consultation

Figure 8: Overall, do you think that the existing rules on rest periods are appropriate, or should they be changed?



Source: Public consultation

With regard to potential changes, stakeholder views were similar to those expressed on the current rules, i.e. with strong support for change from business associations, companies and self-employed drivers, moderate support from employed drivers, and trade unions and authorities opposing all proposed changes (Table 16).

Table 17: Views by stakeholder group of the proposed policy measures

	Business associations	Companies	Self-employed	Employed drivers	Trade unions	Public authorities
PM 1: Allow drivers to split their break of minimum 45 minutes into 30+15 or 15+15+15 minutes	9 / 2	38 / 9	16 / 4	15 / 0	1 / 5	2 / 8
PM 2: Breaks can be split in a fully open manner their break of minimum 45 minutes over the period of 4h30 driving time	5 / 6	30 / 25	16 / 7	10 / 0	0 / 6	1 / 9
PM 3: Allow drivers on trips lasting 8 days and longer to postpone the start of the daily rest period by 1 h in certain conditions	7 / 3	37 / 18	16 / 8	15 / 1	0 / 6	4 / 6
PM 6: Allow drivers on trips lasting 8 days and longer to postpone the start of the daily rest period by 2 h in certain conditions	5 / 6	32 / 20	11 / 10	13 / 3	0 / 6	2 / 8
PM 9: Extension of the 12-day rule to domestic transport operations	10 / 1	55 / 2	25 / 2	15 / 1	1 / 5	3 / 7
PM 10: Removal of the single-service condition when using the 12-day rule	7 / 2	45 / 8	18 / 5	14 / 1	0 / 6	3 / 7
PM 11: Remove the compensatory rest after use of the 12-day rule	9 / 2	47 / 10	22 / 5	16 / 0	0 / 6	0 / 10
PM 12: Flexible distribution of weekly rests over a 10-week	7 / 4	42 / 11	17 / 4	15 / 1	0 / 6	0 / 10

reference period						

Source: Public consultation; Legend: each cell is presented as: "Number supporting / number opposing"

2.3. Exploratory interviews and targeted interviews

The targeted interviews took place in two steps, namely 9 exploratory interviews with stakeholders at the European and international levels, which served to gather initial input and identify relevant stakeholders, and a second step consisting of 29 interviews in five Member States (Bulgaria, Germany, the Netherlands, Spain and Sweden), which were selected on the basis of geographical diversity and the importance of tourism (as a proxy for the importance of occasional bus and coach transport). The interviews covered both the current situation and potential changes to the rules. In addition, about ten more interviews were conducted with stakeholders to feed into the three thematic case studies (focused on small, medium-sized and large operators), and to elicit additional information and clarifications during the latter stages of the work.

The interviews were carried out between June 2021 and January 2022. In-depth interviews were a crucial source of information considering the technical nature of the rules and niche status of *occasional* bus and coach transport, as well as the lack of evidence. Due to factors such as survey fatigue, an unfamiliarity with foreseen policy development and consultation, and limited knowledge of occasional services, it was difficult to gather feedback from certain target groups. Thus, while it was possible to interview trade unions in 3 Member States and business associations in all five Member States, individual drivers were extremely difficult to reach for the targeted interviews, despite extensive information activities.

Table 18: Breakdown of the targeted interviews

	Business associations	Bus & coach operators	Trade unions	Authorities	Drivers	Experts and others	Total
EU	5	-	1	2	-	1	**9**
Bulgaria	2	2	-	-	2	-	**6**
Germany	1	2	-	1	-	-	**4**
Netherlands	1	1	1	1	1	-	**5**
Spain	1	1	2	-	1	-	**5**
Sweden	2	1	1	2	2	1	**9**
Total	**12**	**7**	**5**	**6**	**6**	**2**	**38**

Source: Tetra Tech International et al. (2022), Impact assessment support study

In terms of key findings and conclusions, the consultation exercise also showed that views on the current rules and potential changes are highly polarised between employers and employees and small companies versus large companies.

With regard to the current rules, five trade unions, four employed drivers and five Member States enforcement agencies/authorities tend to support the maintenance of the status quo, or even ask for stricter rules (e.g. removal of the existing "12-day derogation"). While there are some exceptions (e.g. certain self-employed drivers, who desire greater autonomy/flexibility to define their schedules), these stakeholders feel that fairly stringent rules and rigorous enforcement are needed to ensure adequate working conditions. In contrast, most operators, especially small ones, believe that certain refinements of the rules are needed in order to ensure a high quality and efficient service provision.

There is a similar polarisation with regards to potential changes to the rules. For the most part, the interviewed trade unions and most (employed) drivers are against new flexibilities in the organisation of the work and rest periods of bus and coach drivers, because they feel that these would deteriorate working

conditions. Nonetheless, drivers show willingness for some changes in the rules, for instance on extension of the 12-day rule to domestic occasional trips and – to a lesser extent – adjustments to the rules on break times with regard to splitting mandatory breaks. The most vocal opposition concerns the changes to the distribution of daily and weekly rest time periods. In contrast, the large majority of bus and coach operators and their representatives favour extensive changes to the rules on the distribution of breaks, daily and weekly rest periods in order to address the specificities of this segment (e.g. high seasonality) and accommodate better the needs of passengers.

2.4. Case studies

Three case studies were carried out within the targeted interviews: Case study 1 focused on small bus operators; Case study 2 on large EU-wide operators and Case study 3 on medium-sized operators. They confirmed that smaller companies, which mostly operate only occasional passenger services, are much more dependent on occasional passenger services than medium or large-size companies, the latter being characterised for running different types of services simultaneously (i.e. occasional and regular passenger services). In contrast, large companies face relatively fewer issues with the current legislation than their smaller competitors, notably thanks to the ability to deploy more drivers to work within the framework of the rules, resulting in fewer issues with the compliance. This does not mean that larger companies do not experience problems in similar ways, but only that their financial performance would be impacted less significantly from changing the rules.

ANNEX 3: WHO IS AFFECTED AND HOW?

1. Practical implications of the initiative

The preferred option (PO A) entails adjustments to the breaks and rest period rules that will apply only to drivers in the occasional transport of passengers by bus and coach. While these rules will differ from the ones that are currently applicable, they will not involve changes to the nature of the rules. More specifically, drivers will still be subject to requirements in terms of the amount of breaks for every 4.5 hours of driving, a minimum length of the daily rest periods, and the length of weekly rest periods. The amount of total driving time per day will remain unchanged, as well as the arrangements for operators and drivers to demonstrate compliance with the rules. For this reason, the implementation modalities for the preferred option would be essentially the same as for the current rules. As such, no changes in the administrative or enforcement costs are foreseen relative to the baseline.

The preferred option has implications for the following stakeholders' groups:

- Occasional bus and coach operators
- Drivers driving within occasional bus and coach operations
- Public authorities responsible for implementing rules on breaks and rest periods
- Passengers of occasional bus and coach operations.

Occasional bus and coach operators will be affected in the following way: firstly the rules for operators will be less restrictive than this is currently the case, meaning that the operators will benefit from an improved regulatory environment for arranging occasional bus and coach services, which (albeit to a limited extent) may lead to increased service volumes and revenues. The preferred option is also expected to facilitate compliance with the rules and to lead to significant operation costs savings for the occasional bus and coach operators.

Drivers: PO A will affect drivers directly. The improvements in terms of autonomy and the ability to take breaks, daily and weekly rests at convenient times outweigh the longer daily working cycle and postponed weekly rests that would occur in some circumstances (e.g. from the 12-day rule). The adjusted rules will also facilitate compliance. This may lead to some reduction in drivers' levels of stress and fatigue, which may also have a positive impact on road safety. Drivers (especially those who are self-employed) are expected to experience economic benefits, because they would be able to take on a greater workload – during peak seasons.

Public authorities are not expected to change reporting and enforcement modalities, but minor improvements in compliance with the rules among occasional bus and coach operators may reduce enforcement burden on public authorities to a limited extent. On the other hand, public authorities would incur some limited costs for getting familiar with the new rules.

Consumers: since it is envisaged that the rules will make it easier for operators to arrange services in a high-quality and efficient way, consumers are expected to experience benefits in the form of a better and / or cheaper service offering.

2. Summary of costs and benefits

I. Overview of Benefits (total for all provisions) – Preferred Option ***(Policy option A)***		
Description	***Amount***	***Comments***

I. Overview of Benefits (total for all provisions) – Preferred Option *(Policy option A)*		
Description	***Amount***	***Comments***
Direct benefits		
Adjustment costs savings for occasional bus and coach operators, expressed as present value over 2025-2050 relative to the baseline	EUR 106.4 to 141.9 million	The preferred policy option would reduce the need for stops and other changes to itineraries solely for the purpose of complying to the rules, as well as increasing the proportion of itineraries that could be staffed with a single driver (rather than two drivers). The result would be reduced operation costs for occasional bus and coach operators, especially SMEs, who are less well-equipped than larger companies to handle the current rules.
Positive impact on the functioning of the internal market and competition	-	Allowing bus and coach drivers in domestic occasional carriage of passengers to postpone the weekly rest period for up to 12 consecutive 24-hour periods, following a previous regular weekly rest period, is expected to have a strong positive impact on levelling the playing field for companies reliant on domestic services and thus is expected to have a positive impact on the competition between the international and domestic services, and the functioning of the internal market.
Positive impact on compliance with the rules	-	The preferred policy option would help to address the current issues with compliance difficulties, while avoiding changes that would make the rules more difficult to report on and enforce, thus generating a net positive impact.
Positive impact on working conditions	-	The preferred policy option would address the problems that the current rules cause for working conditions, while using compensatory action to mitigate the risks. Thus the revised rules are expected to have a positive impact on working conditions.
Positive impact on driver's stress and fatigue	-	By improving working conditions and facilitating compliance with the rules, the preferred policy option strikes the right balance between flexibility and maintaining the principles of the current rules, thereby leading to reduced driver stress and fatigue for drivers.
Indirect benefits		
Higher-quality and cheaper occasional bus and coach services for consumers	-	The revised rules are expected to make it easier for operators to arrange services in a high-quality and efficient way. To a certain extent, reduced costs for operators are expected to be passed on the consumers in the form of reduced prices for occasional services.
Administrative cost savings related to the 'one in, one out' approach*		
-	-	-

II. Overview of costs – Preferred option ***(Policy option A)***							
		Citizens/Consumers		**Businesses**		**Administrations**	
		One-off	**Recurrent**	**One-off**	**Recurrent**	**One-off**	**Recurrent**
Direct adjustment costs		-	-	For occasional bus and coach operators: EUR 0.6 million in 2025	-	For Member States administrations: EUR 5.4 million, expressed as present value relative to the baseline	-
Direct administrative costs		-	-	-	-	-	-
Direct enforcement costs		-	-	-	-	-	-
Costs related to the 'one in, one out' approach – the initiative has no 'one-in, one-out' implications							
Total	Direct adjustment costs	-	-	For occasional bus and coach operators: EUR 0.6 million in 2025, for getting familiar with the new rules. Overcompensated by the adjustment costs savings for the sector.	-		
	Indirect adjustment costs	-	-	-	-		
	Administrative costs (for offsetting)	-	-	-	-		

3. Relevant sustainable development goals

III. Overview of relevant Sustainable Development Goals – Preferred option (Policy option A)		
Relevant SDG	**Expected progress towards the Goal**	**Comments**
SDG no. 8 – promoting economic growth, productive employment and decent work	Limited positive impact on the business performance of the occasional bus and coach sector and positive impact on working conditions for drivers in occasional bus and coach transport.	PO A is expected to improve the business performance of the occasional bus and coach operators, which could in turn contribute to economic growth and employment. Moreover, it would improve working conditions for drivers in occasional bus and coach transport, contributing to decent work.

ANNEX 4: ANALYTICAL METHODS

1. Description of the analytical methods used

The main model used for developing the baseline scenario for this initiative is the PRIMES-TREMOVE transport model by E3Modelling, a specific module of the PRIMES models. The model has a successful record of use in the Commission's energy, transport and climate policy assessments. In particular, it has been used for the impact assessments underpinning the "Fit for 55" package[91], the impact assessments accompanying the 2030 Climate Target Plan[92] and the Staff Working Document accompanying the Sustainable and Smart Mobility Strategy[93], the Commission's proposal for a Long Term Strategy[94] as well as for the 2020 and 2030 EU's climate and energy policy framework. Building on the PRIMES-TREMOVE model results, the baseline projections for the number of passengers in the occasional bus and coach sector have been developed by Tetra Tech International et al. in the context of the impact assessment support study[95].

For the assessment of the impacts of the policy options, an excel-based tool has been developed by Tetra Tech International et al., which draws on the Standard Cost Model. The proposed measures which involve the amendment of the Regulation are assumed to be implemented from 2025 onwards, so that the assessment has been undertaken for the 2025-2050 period and refers to EU27. Costs and benefits are expressed as present value over the 2022-2050 period, using a 3% discount rate.

PRIMES-TREMOVE model

The PRIMES-TREMOVE transport model projects the evolution of demand for passengers and freight transport, by transport mode, and transport vehicle/technology, following a formulation based on microeconomic foundation of decisions of multiple actors. Operation, investment and emission costs, various policy measures, utility factors and congestion are among the drivers that influence the projections of the model. The projections of activity, equipment (fleet), usage of equipment, energy consumption and emissions (and other externalities) constitute the set of model outputs.

The PRIMES-TREMOVE transport model can therefore provide the quantitative analysis for the transport sector in the EU, candidate and neighbouring countries covering activity, equipment, energy and emissions. The model accounts for each country separately which means that the detailed long-term outlooks are available both for each country and in aggregate forms (e.g. EU level).

In the transport field, PRIMES-TREMOVE is suitable for modelling *soft measures* (e.g. eco-driving, labelling); *economic measures* (e.g. subsidies and taxes on fuels, vehicles, emissions; ETS for transport when linked with PRIMES; pricing of congestion and other externalities such as air pollution, accidents

[91] Delivering the European Green Deal | European Commission (europa.eu)
[92] SWD(2020)176 final.
[93] EUR-Lex - 52020SC0331 - EN - EUR-Lex (europa.eu)
[94] Source: 2050 long-term strategy (europa.eu)
[95] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006.*

and noise; measures supporting R&D); *regulatory measures* (e.g. CO_2 emission performance standards for new light duty vehicles and heavy duty vehicles; EURO standards on road transport vehicles; technology standards for non-road transport technologies, deployment of Intelligent Transport Systems) and *infrastructure policies for alternative fuels* (e.g. deployment of refuelling/recharging infrastructure for electricity, hydrogen, LNG, CNG). Used as a module that contributes to the PRIMES energy system model, PRIMES-TREMOVE can show how policies and trends in the field of transport contribute to economy-wide trends in energy use and emissions. Using data disaggregated per Member State, the model can show differentiated trends across Member States.

The PRIMES-TREMOVE has been developed and is maintained by E3Modelling, based on, but extending features of, the open source TREMOVE model developed by the TREMOVE[96] modelling community. Part of the model (e.g. the utility nested tree) was built following the TREMOVE model.[97] Other parts, like the component on fuel consumption and emissions, follow the COPERT model.

Data inputs

The main data sources for inputs to the PRIMES-TREMOVE model, such as for activity and energy consumption, come from EUROSTAT databases and from the Statistical Pocketbook "EU transport in figures[98]. Excise taxes are derived from DG TAXUD excise duty tables. Other data comes from different sources such as research projects (e.g. TRACCS project) and reports.

In the context of this exercise, the PRIMES-TREMOVE transport model is calibrated to 2005, 2010 and 2015 historical data. Available data on 2020 market shares of different powertrain types have also been taken into account.

Model for the occasional bus and coach sector

The PRIMES-TREMOVE model provides projections for the buses and coaches sector but does not distinguesh the ocassional buses and coaches sector. For this reason, a multi-variate regression model[99] has been established by Tetra Tech International et al. in the context of the impact assessment support study[100], aimed at 'translating' the PRIMES-TREMOVE projections to the occasional bus and coach sector. In practice, this meant identifying and assessing the relationship (i.e. correlation) between a key 'dependent variable' which is related to the occasional bus and coach sector – in this case the number of

[96] Source: https://www.tmleuven.be/en/navigation/TREMOVE

[97] Several model enhancements were made compared to the standard TREMOVE model, as for example: for the number of vintages (allowing representation of the choice of second-hand cars); for the technology categories which include vehicle types using electricity from the grid and fuel cells. The model also incorporates additional fuel types, such as biofuels (when they differ from standard fossil fuel technologies), LPG, LNG, hydrogen and e-fuels. In addition, representation of infrastructure for refuelling and recharging are among the model refinements, influencing fuel choices. A major model enhancement concerns the inclusion of heterogeneity in the distance of stylised trips; the model considers that the trip distances follow a distribution function with different distances and frequencies. The inclusion of heterogeneity was found to be of significant influence in the choice of vehicle-fuels especially for vehicles-fuels with range limitations.

[98] Source: https://ec.europa.eu/transport/facts-fundings/statistics_en

[99] A multi-variate regression model looks at the relationship between multiple independent variables to explain and estimate a particular dependent variable. It is a tool widely used for forecasting parameters over time, establishing descriptive and causal inferences.

[100] Tetra Tech International et al. (2022), *Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006.*

passengers – and a relevant number of independent variables, for the countries for which data on the occasional bus and coach sector is available. If a strong correlation (i.e. a high goodness of fit) is obtained, the behaviour of the independent variables can be correlated to the dependent variable. This assessment was important to establish the behaviour of the dependent variable.

The potential correlations, which took into account as independent variables the GDP and tourism activity served as the basis to project the number of passengers in the occasional buses and coaches sector until 2050. This in turn allowed to estimate the market share of the occasional transport within the overall bus and coach market, drawing on PRIMES-TREMOVE model projections and the multi-variate regression model.

For countries where data on the occasional bus and coach sector is not available, estimates had first to be prepared for the base year. Based on data available for 9 countries (Belgium, Czech Republic, Estonia, Germany, Hungary, Lithuania, Poland, Portugal and Romania) and considering 2019 as base year, data on transport activity (in terms of passenger-kilometres and thousands of passengers) was extrapolated to the remaining 18 EU Member States. First, the share of national occasional bus and coach transport activity and international occasional bus and coach transport activity in the total bus and coach activity was estimated for 2019. In order to establish a correlation between the countries with data available for 2019 and those with missing data, some relevant indicators from EUROSTAT were considered to determine similarities between the use of land transport and the effect it has on occasional bus and coach transport, namely: i) GDP per capita; ii) motorisation rate (per 1,000 inhabitants); iii) rail passengers per inhabitant. In the following step, projections for the transport activity for these 18 Member States were established building on the results of the multi-variate regression model.

The correlations established on the market share of occasional bus and coach sector were used to make projections for other relevant indicators (employment levels and turnover). These projections were carried out taking into account the behaviour of the independent variables over time and the evolution of the market share over the years. It was not possible to project the fleet size for the occasional bus and coach sector. This is because the sector's fleet is typically characterised by a mix of vehicles that operate in regular and occasional services.

Data inputs

The main data sources, for the number of bus and coach passengers and for the number of persons employed in the passenger land transport, are EUROSTAT database and the Statistical Pocketbook "EU transport in figures"[101]. Other data comes from different sources such as UNECE, World Tourism Organisation, national databases and some national/social representatives' reports. In relation to the ***evidence gathered***, it should be noted that the size of the occasional bus and coach sector is small. In 2019 it represented 3.3% of the total number of passengers in the bus and coach sector at EU level and generated roughly 11% of the total turnover of road passenger transport. The sector is estimated to employ around 202,600 people.

Given the small size of the occasional bus and coach sector and the relatively limited scope of the rules under review, a proportionate analysis was conducted in line with the Better Regulation toolbox. While this means that the data collection exercise was not extensive, it still allowed for

[101] https://transport.ec.europa.eu/media-corner/publications_en

sufficiently broad and detailed insight to be gathered, covering the main stakeholder groups as well as accounting for geographical diversity.

The scarcity of quantitative, granular data on the occasional bus and coach sector, limited the extent of the quantitative assessment to the impacts on costs and benefits for operators and costs for public administrations. To ensure the validity of the results, to the extent possible this consisted of objective and factual input and concrete examples. Findings were also triangulated between different groups of stakeholders and data collection tools. Overall, this has allowed the results to be presented with sufficient confidence. Nonetheless, it should be noted that few of the findings are based on statistically representative samples. Stakeholder groups on a wide geographical basis were consulted. Stakeholders have been consulted on all elements of the impact assessment, including the policy measures. This was done through the inception impact assessment, public consultation, targeted interviews and case studies. For the targeted interviews, the selection of interviewees was based on specific profiles to ensure that the main groups of stakeholders were covered.

2. Baseline scenario

In order to reflect the fundamental socio-economic, technological and policy developments, the Commission prepares periodically an EU Reference Scenario on energy, transport and GHG emissions. The socio-economic and technological developments used for developing the baseline scenario for this impact assessment build on the latest "EU Reference scenario 2020" (REF2020)[102]. The same assumptions have been used in the policy scenarios underpinning the impact assessments accompanying the "Fit for 55" package[103].

Main assumptions of the Baseline scenario

The main assumptions related to economic development, international energy prices and technologies are described below.

Economic assumptions

The modelling work is based on socio-economic assumptions describing the expected evolution of the European society. Long-term projections on population dynamics and economic activity form part of the input to the model and are used to estimate transport activity, particularly relevant for this impact assessment.

Population projections from Eurostat[104] are used to estimate the evolution of the European population, which is expected to change little in total number in the coming decades. The GDP growth projections are from the Ageing Report 2021[105] by the Directorate General for Economic and Financial Affairs, which are based on the same population growth assumptions.

Table 19: Projected population and GDP growth per Member State

	Population			GDP growth	
	2020	2025	2030	2020-'25	2026-'30

[102] EU Reference Scenario 2020 (europa.eu)
[103] Policy scenarios for delivering the European Green Deal (europa.eu)
[104] EUROPOP2019 population projections: Eurostat - Data Explorer (europa.eu)
[105] The 2021 Ageing Report : Underlying assumptions and projection methodologies The 2021 Ageing Report: Underlying Assumptions and Projection Methodologies | European Commission (europa.eu)

	Population			GDP growth	
	2020	2025	2030	2020-'25	2026-'30
EU27	447.7	449.3	449.1	0.9%	1.1%
Austria	8.90	9.03	9.15	0.9%	1.2%
Belgium	11.51	11.66	11.76	0.8%	0.8%
Bulgaria	6.95	6.69	6.45	0.7%	1.3%
Croatia	4.06	3.94	3.83	0.2%	0.6%
Cyprus	0.89	0.93	0.96	0.7%	1.7%
Czech Republic	10.69	10.79	10.76	1.6%	2.0%
Denmark	5.81	5.88	5.96	2.0%	1.7%
Estonia	1.33	1.32	1.31	2.2%	2.6%
Finland	5.53	5.54	5.52	0.6%	1.2%
France	67.20	68.04	68.75	0.7%	1.0%
Germany	83.14	83.48	83.45	0.8%	0.7%
Greece	10.70	10.51	10.30	0.7%	0.6%
Hungary	9.77	9.70	9.62	1.8%	2.6%
Ireland	4.97	5.27	5.50	2.0%	1.7%
Italy	60.29	60.09	59.94	0.3%	0.3%
Latvia	1.91	1.82	1.71	1.4%	1.9%
Lithuania	2.79	2.71	2.58	1.7%	1.5%
Luxembourg	0.63	0.66	0.69	1.7%	2.0%
Malta	0.51	0.56	0.59	2.7%	4.1%
Netherlands	17.40	17.75	17.97	0.7%	0.7%
Poland	37.94	37.57	37.02	2.1%	2.4%
Portugal	10.29	10.22	10.09	0.8%	0.8%
Romania	19.28	18.51	17.81	2.7%	3.0%
Slovakia	5.46	5.47	5.44	1.1%	1.7%
Slovenia	2.10	2.11	2.11	2.1%	2.4%
Spain	47.32	48.31	48.75	0.9%	1.6%
Sweden	10.32	10.75	11.10	1.4%	2.2%

Beyond the update of the population and growth assumptions, an update of the projections on the sectoral composition of GDP was also carried out using the GEM-E3 computable general equilibrium model. These projections take into account the potential medium- to long-term impacts of the COVID-19 crisis on the structure of the economy, even though there are inherent uncertainties related to its eventual impacts. Overall, conservative assumptions were made regarding the medium-term impacts of the pandemic on the re-localisation of global value chains, teleworking and teleconferencing and global tourism.

International energy prices assumptions

Alongside socio-economic projections, transport modelling requires projections of international fuel prices. The projections of the POLES-JRC model – elaborated by the Joint Research Centre and derived

from the Global Energy and Climate Outlook (GECO[106]) – are used to obtain long-term estimates of the international fuel prices. The table below shows the oil prices assumptions of the baseline and policy options of this impact assessment.

Table 20: Oil prices assumptions

in $'15 per boe	2015	2020	2030	2040	2050
Oil	52.3	39.8	80.1	97.4	117.9
in €'15 per boe	2015	2020	2030	2040	2050
Oil	47.2	35.8	72.2	87.8	106.3

Source: Derived from JRC, POLES-JRC model, Global Energy and Climate Outlook (GECO)

Technology assumptions

Modelling scenarios is highly dependent on the assumptions on the development of technologies, both in terms of performance and costs. For the purpose of the impact assessments related to the "Climate Target Plan" and the "Fit for 55" policy package, these assumptions have been updated based on a rigorous literature review carried out by external consultants in collaboration with the JRC[107]. Continuing the approach adopted in the long-term strategy in 2018, the Commission consulted on the technology assumption with stakeholders in 2019. In particular, the technology database of the PRIMES and PRIMES-TREMOVE models (together with GAINS, GLOBIOM, and CAPRI) benefited from a dedicated consultation workshop held on 11th November 2019. EU Member States representatives also had the opportunity to comment on the costs elements during a workshop held on 25th November 2019. The updated technology assumptions are published together with the EU Reference Scenario 2020[108]. The same assumptions have been used in the context of this impact assessment.

Policies in the Baseline scenario

Building on the EU Reference scenario 2020, the baseline scenario for this impact assessment has been designed to include the initiatives of the 'Fit for 55' package[109]. The Baseline scenario assumes no further EU level intervention beyond the current rules on breaks and rest periods established by Regulation (EC) No 561/2006, as amended by Regulation (EU) 2020/1054.

Baseline scenario results

Evolution of the number of passengers in the occasional bus and coach sector. The COVID-19 pandemic had an unprecedented impact on the passenger transport sector and on tourism, with touristic-related activities reaching a standstill throughout most of 2020. The number of passengers in the occasional bus and coach sector is estimated to have decreased by 86% in 2020 relative to 2019 (see Table 21). By 2025, at EU level the number of passengers in the occasional bus and coach sector is projected to recover close to pre-pandemic levels, driven by the recovery of the tourism sector. This is however not expected to be the case in all Member States (i.e. Eastern European Member States, in particular, still showing lower number of passengers in the occasional bus and coach sector by 2025 relative to 2019). The number of passengers in occasional bus and coach sector is projected to grow by 15% by 2030 and 38% by 2050, relative to 2019.

[106] https://ec.europa.eu/jrc/en/geco
[107] JRC118275
[108] EU Reference Scenario 2020 (europa.eu)
[109] Delivering the European Green Deal | European Commission (europa.eu)

Table 21: Projected evolution of the number of passengers in the occasional bus and coach sector in the baseline scenario

	2019	2020	2025	2030	2050
AT	4,521	901	4,973	5,749	7,062
BE	3,511	1,016	3,511	3,822	4,051
BG	15,857	4,366	13,479	15,873	17,388
CZ	72,472	25,449	55,804	69,674	88,839
CY	6,851	1,624	6,919	8,920	9,906
DE	130,040	25,913	143,044	165,352	203,111
DK	152,322	30,353	167,554	193,684	237,913
EE	8,428	1,286	7,164	8,436	9,241
ES	51,682	3,255	54,576	62,217	76,929
EL	86,900	6,737	89,507	115,394	128,144
FI	14,655	2,920	15,387	17,787	21,849
FR	73,304	14,607	73,304	84,736	104,085
HR	23,949	1,714	19,159	23,121	26,899
HU	166,279	15,870	133,023	160,528	186,758
IE	5,604	1,117	5,884	6,802	8,355
IT	180,268	8,972	190,363	217,015	268,333
LV	735	56	603	710	777
LT	13,871	1,141	11,374	14,664	16,284
LU	2,317	132	1,900	2,196	2,698
MT	2,723	224	2,778	3,581	3,977
NL	36,231	7,220	39,854	46,069	56,590
PL	22,438	1,712	19,072	22,459	24,603
PT	21,883	1,054	23,109	26,344	32,574
RO	54,704	2,086	46,498	54,756	59,982
SE	7,331	1,461	7,519	8,692	10,676
SI	8,794	963	7,475	9,637	10,702
SK	15,130	3,015	12,860	14,866	18,260
EU27	1,182,801	165,164	1,156,695	1,363,082	1,635,988

Source: Tetra Tech International et al. (2022), Impact assessment support study

The passengers in the occasional bus and coach sector represented 3.3% of the total number of passengers in the bus and coach sector in 2019 at EU level. Due to the pandemic, the share plummeted to 0.5% in 2020. Nonetheless, the share of occasional bus and coach sector is projected to reach 2.4% by 2025, driven by the partial recovery of the sector, and remain relatively stable over time reaching 2.4% by 2030 and 2.6% by 2050.

Evolution of transport activity in the occasional bus and coach sector. The transport activity in the occasional bus and coach sector is projected to follow a similar evolution to the number of passengers in the sector. Transport activity expressed in billion passenger-kilometers is estimated to have decreased by 88% between 2019 and 2020 and would grow by 16% by 2030 relative to 2019 driven by the post-COVID recovery (41% increase for 2019-2050).

Table 22: Projected evolution of transport activity (in Gpkm) in the occasional bus and coach sector in the baseline scenario

	2019	2020	2025	2030	2050
AT	2.6	0.5	2.9	3.4	4.1
BE	3.2	0.4	3.2	3.5	3.7
BG	1.5	0.2	1.3	1.5	1.6

	2019	2020	2025	2030	2050
CZ	5.6	1.1	4.3	5.4	6.9
CY	0.3	0.0	0.3	0.4	0.4
DE	16.5	3.3	18.2	21.0	25.8
DK	1.7	0.3	1.9	2.2	2.7
EE	0.6	0.1	0.5	0.6	0.7
ES	9.2	0.6	9.7	11.1	13.7
EL	3.5	0.3	3.6	4.7	5.2
FI	2.1	0.4	2.2	2.5	3.1
FR	14.3	2.9	14.3	16.6	20.4
HR	1.4	0.1	1.1	1.3	1.6
HU	6.7	0.6	5.4	6.5	7.5
IE	3.1	0.6	3.2	3.7	4.6
IT	30.9	1.6	32.6	37.1	45.9
LV	0.2	0.0	0.2	0.2	0.2
LT	0.6	0.1	0.5	0.7	0.8
LU	0.4	0.0	0.4	0.4	0.5
MT	0.1	0.0	0.1	0.1	0.2
NL	1.5	0.3	1.7	2.0	2.4
PL	4.7	0.4	4.0	4.7	5.2
PT	1.9	0.1	2.0	2.3	2.9
RO	2.5	0.1	2.1	2.5	2.7
SE	2.5	0.5	2.5	2.9	3.6
SI	0.8	0.1	0.7	0.9	0.9
SK	1.5	0.3	1.2	1.4	1.8
EU27	120.0	14.9	120.2	139.6	169.0

Source: Tetra Tech International et al. (2022), Impact assessment support study

Turnover for the occasional bus and coach sector. The turnover for the occasional bus and coach sector is projected to grow in line with the number of passengers in the sector and is estimated to reach EUR 7.5 billion by 2030 and EUR 8.9 billion by 2050. Operating costs are estimated to represent around 10% of the turnover.

Table 23: Projected evolution of the turnover for the occasional bus and coach sector in the baseline scenario (in EUR million)

	2019	2020	2025	2030	2050
AT	332.1	66.2	365.3	422.3	518.7
BE	92.4	26.7	92.4	100.6	106.6
BG	49.8	13.7	42.3	49.8	54.6
CZ	105.2	36.9	81.0	101.1	128.9
CY	10.0	2.4	10.1	13.0	14.4
DE	657.3	131.0	723.0	835.8	1,026.6
DK	87.0	17.3	95.7	110.6	135.9
EE	21.7	3.3	18.4	21.7	23.8
EL	153.1	9.6	161.7	184.3	227.9
ES	1,004.9	77.9	1,035.1	1,334.5	1,481.9
FI	133.8	26.7	140.5	162.4	199.4
FR	1,711.0	340.9	1,711.0	1,977.8	2,429.5
HR	83.9	6.0	67.2	81.0	94.3
HU	247.1	23.6	197.6	238.5	277.5
IE	133.4	26.6	140.0	161.9	198.8

IT	556.4	27.7	587.6	669.8	828.3
LV	1.2	0.1	1.0	1.2	1.3
LT	15.4	1.3	12.7	16.3	18.1
LU	48.3	2.7	39.6	45.8	56.2
MT	20.1	1.7	20.5	26.4	29.3
NL	312.1	62.2	343.3	396.8	487.4
PL	56.4	4.3	48.0	56.5	61.9
PT	144.8	7.0	152.9	174.3	215.5
RO	140.2	5.3	119.2	140.4	153.8
SE	76.3	15.2	78.2	90.4	111.1
SI	47.5	5.2	40.4	52.1	57.8
SK	34.2	6.8	29.1	33.6	41.3
EU27	6,275	948	6,353	7,499	8,981

Source: Tetra Tech International et al. (2022), Impact assessment support study

Number of companies in the occasional bus and coach sector. The number of companies in the occasional bus and coach sector is estimated at 6,032 in 2019 and is projected to remain stable over time.

3. Costs of individual policy measures

This section explains the inputs used and provides the assessment of costs of the policy measures included in the policy options. It also provides the common costs of the policy options for Member States authorities and bus and coach operators, for familiarising with the new rules.

The estimation of the costs draws on the impact assessment support study[110], including input collected through desk research and stakeholder interviews during the impact assessment process. It should be however noted that these costs and costs savings should only be regarded as an estimation of the order of magnitude, drawing mainly on stakeholder interviews. The presentation distinguishes between different stakeholders groups (transport operators and Member States authorities) and between one-off and recurrent (annual) costs, and provides the present value for 2025-2050 assuming a discount rate of 3%.

Common costs to all policy options

All three policy options entail minor adjustments to the rules, that require Member States authorities and bus and coach operators in the sector to familiarise themselves with the changes. These entail one-off adjustment costs for Member States authorities and for bus and coach operators. On the other hand, none of the policy options introduces changes in the reporting or enforcement modalities relative to the baseline. Therefore, no change in administrative costs and enforcement costs are expected for the Member States authorities relative to the baseline.

It is not possible to split the one-off adjustment costs for Member States authorities and for bus and coach operators, for familiarising with the new rules, by measure. Therefore, these costs are presented below by policy option and cover the time needed for Member States authorities and for bus and coach operators to familiarise themselves with the changes related to all measures.

[110] Tetra Tech International et al. (2022), Support study for an impact assessment for a possible revision of Regulation (EC) No 561/2006.

Adjustment costs for Member States authorities

The time required per enforcement officer to familiarise with the new rules and implement those in their planning is estimated at 4 hours. The average cost per hour at EU level is estimated at EUR 24.9[111] in 2021 prices and it is assumed to remain constant over time in real prices. The total number of enforcement officers involved in checks is estimated at 54,679[112] at EU level. Thus, the one-off adjustment costs for Member States authorities in 2025 are estimated at EUR 5.4 million relative to the baseline (in 2021 prices). This should be regarded as an upper-bound estimate, as it is very likely that familiarising with the new rules would take place in the context of the regular activities performed by the enforcement officers.

Adjustment costs for transport operators

The workload required by bus and coach companies to familiarise with the new rules and implement those in their planning is estimated at 4 hours per company. The average cost per hour at EU level is estimated at EUR 24.9[113] in 2021 prices and it is assumed to remain constant over time in real prices. The total number of occasional bus and coach companies in 2025 is estimated at 6,032. Thus, the one-off adjustment costs for transport operators in the occasional bus and coach sector in 2025 are estimated at EUR 0.6 million relative to the baseline (in 2021 prices). As for the Member States authorities, this should be regarded as an upper-bound estimate, as it is very likely that familiarising with the new rules would take place in the context of the regular activities performed by the bus and coach companies.

Policy measures addressing flexibility of breaks

PM1: Allow drivers to split their break of minimum 45 minutes into 30 + 15 or 15 + 15 + 15 minutes

Adjustment costs savings for transport operators

The increase in the flexibility of breaks relative to the baseline scenario, driven by PM1 (in PO A), is expected to lead to higher passenger satisfaction as a result of greater adaptability to breaks. It would also allow transport operators to better organise passenger services. According to stakeholders' feedback, the drivers' breaks will be more in line with the customers' needs and companies are also expected to benefit financially from this increased flexibility.

For PM1, six out of the six interviewed companies argue that on average this would lead to savings in operation costs of approximately 0.5% relative to the baseline. These cost savings are expected to have full effect in the first two years of implementation of the new rules (i.e. 2025 and 2026) and decrease gradually over time until 2050, when the effect would be zero relative to the baseline[114]. The adjustment

[111] Source: Eurostat database, Labour Cost Survey, ISCO 4 (Clerks)

[112] Report from the Commission to the European Parliampent and the Council on the implementation of Regulation (EC) No 561/2006 *(forthcoming)*.

[113] Source: Eurostat database, Labour Cost Survey, ISCO 4 (Clerks)

[114] To estimate the likely savings due to the policy measures, a questionnaire exercise was carried out with the main sectoral association, based on input from their members. It appeared that the factors that determine operational costs are uncertain and cannot be assumed to remain stable over the coming decades. To reflect this growing uncertainty, the methodological choice was to assume maximal savings during the first two years of implementation of the new rules (i.e. 2025 and 2026) and then to reduce the estimated savings gradually over time until zero in 2050. In this way, the

costs savings for transport operators are estimated at EUR 3.2 million in 2025 relative to the baseline, EUR 2.7 million in 2030 and zero by 2050. Expressed as present value over 2025-2050, the adjustment costs savings are estimated at EUR 35.5 million.

Table 24: Adjustment costs savings for transport operators due to PM1 in PO A, relative to the baseline (in million EUR)

Costs savings relative to the baseline (in million EUR), in 2021 prices	2025	2030	2040	2050
Operation costs savings for occasional bus and coach companies	3.2	2.7	1.4	0

Source: Tetra Tech International et al. (2022), Impact assessment support study

PM2: Allow drivers to flexibly split their break of minimum 45 minutes over the period of 4h30 driving time

Adjustment costs savings for transport operators

As for PM1, the increase in the flexibility of breaks relative to the baseline scenario driven by measure PM2 (in PO B and PO C) is expected to lead to higher passenger satisfaction as a result of greater adaptability to breaks. Although it would be harder to introduce PM2 due to the greater opposition from national authorities, trade unions and employed drivers, this measure is expected to lead to slightly larger positive impact on business performance than PM1. According to stakeholders' feedback, the drivers' breaks will be more in line with the customers' needs and companies are also expected to benefit financially from this increased flexibility.

For PM2, six out of the six interviewed companies argue that on average this will lead to operation cost savings of 0.5-1% relative to the baseline. These cost savings are expected to have full effect in the first two years of implementation of the new rules (i.e. 2025 and 2026) and decrease gradually over time until 2050, when the effect would be zero relative to the baseline. The adjustment costs savings for transport operators are estimated at EUR 3.2 to 6.4 million in 2025 relative to the baseline, EUR 2.7 to 5.5 million in 2030 and zero by 2050. Expressed as present value over 2025-2050, the adjustment costs savings are estimated at EUR 35.5 to 70.9 million.

Table 25: Adjustment costs savings for transport operators due to PM2 in PO B and PO C, relative to the baseline (in million EUR)

Costs savings relative to the baseline (in million EUR), in 2021 prices	2025	2030	2040	2050
Operating costs savings for occasional bus and coach companies				
Low	3.2	2.7	1.4	0.0
High	6.4	5.5	2.7	0.0

Source: Tetra Tech International et al. (2022), Impact assessment support study

Policy measures addressing daily rest periods

PM3: Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 1 hour provided that they do not drive more than 7 hours

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input from stakeholders was fully taken into account, while maintaining an appropriate degree of caution and avoiding overestimating the impacts. The same method has been used across all policy measures.

Adjustment costs savings for transport operators

Changes to the rules on daily rest periods affect the way that operators organise occasional services and thereby affect their operation costs. For example, if a trip that requires two drivers under the current rules could be carried out with one driver due to changes to the rules, this would lead to a reduction in operation costs.

PM3 and PM6 ("Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 2 hours provided that they do not drive more than 5 hours"), both included in PO C, are expected to have a large degree of overlap in terms of reduction in operation costs and are thus assessed together. Estimates in terms of impacts expected were provided by the IRU, in terms of percentage changes compared to the baseline. The reduction in operation costs is estimated at 0.5-1% relative to the baseline, and is expected to have full effect in the first two years of implementation of the new rules (i.e. 2025 and 2026) and decrease gradually over time until 2050, when the effect would be zero relative to the baseline. The adjustment costs savings for transport operators are estimated at EUR 3.2 to 6.4 million in 2025 relative to the baseline, EUR 2.7 to 5.5 million in 2030 and zero by 2050. Expressed as present value over 2025-2050, the adjustment costs savings are estimated at EUR 35.5 to 70.9 million.

Table 26: Adjustment costs savings for transport operators due to PM3 and PM6 in PO C, relative to the baseline (in million EUR)

Costs savings relative to the baseline (in million EUR), in 2021 prices	2025	2030	2040	2050
Operating costs savings for occasional bus and coach companies				
Low	3.2	2.7	1.4	0.0
High	6.4	5.5	2.7	0.0

Source: Tetra Tech International et al. (2022), Impact assessment support study

PM4: Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 1 hour provided that they do not drive more than 7 hours. This could only be used once during a trip and not every day of the same trip

Adjustment costs savings for transport operators

PM4 and PM7 ("Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 2 hours provided that they do not drive more than 5 hours. This could only be used once during a trip and not every day of the same trip"), included in PO A, are also expected to lead to a reduction in operation costs for the operators. Similar to PM3 and PM6, due to the large degree of overlap expected in terms of impacts, these two measures have been assessed together. In addition, the impacts on costs are assessed to be relatively similar to those of PM3 and PM6, based on input from stakeholders, although the precise difference cannot be assessed. Thus, the adjustment costs savings for transport operators in PM4 and PM7 (included in PO A) are estimated at EUR 3.2 to 6.4 million in 2025 relative to the baseline, EUR 2.7 to 5.5 million in 2030 and zero by 2050. Expressed as present value over 2025-2050, the adjustment costs savings are estimated at EUR 35.5 to 70.9 million.

PM5: Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 1 hour provided that they do not drive more than 7 hours. This could only be used twice during a trip and not every day of the same trip

Adjustment costs savings for transport operators

PM5 and PM8 ("Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 2 hours provided that they do not drive more than 5 hours. This could only be used twice during a trip and not every day of the same trip"), included in PO B, are also expected to lead to a reduction in operation costs for the operators. Similar to PM3 and PM6, due to the large degree of overlap expected in terms of impacts, these two measures have been assessed together. In addition, the impacts on costs are assessed to be relatively similar to those of PM3 and PM6, based on input from stakeholders, although the precise difference cannot be assessed. Thus, the adjustment costs savings for transport operators in PM5 and PM8 (included in PO B) are estimated at EUR 3.2 to 6.4 million in 2025 relative to the baseline, EUR 2.7 to 5.5 million in 2030 and zero by 2050. Expressed as present value over 2025-2050, the adjustment costs savings are estimated at EUR 35.5 to 70.9 million.

PM6: Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 2 hours provided that they do not drive more than 5 hours

The adjustment costs savings for transport operators in PM6 have been assessed together with PM3 and are provided above.

PM7: Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 2 hours provided that they do not drive more than 5 hours. This could only be used once during a trip and not every day of the same trip

The adjustment costs savings for transport operators in PM7 have been assessed together with PM4 and are provided above.

PM8: Allow drivers involved in services lasting at least 8 days to postpone the start of the daily rest period by 2 hours provided that they do not drive more than 5 hours. This could only be used twice during a trip and not every day of the same trip

The adjustment costs savings for transport operators in PM8 have been assessed together with PM5 and are provided above.

<u>Policy measures addressing weekly rest periods – 12-day rule</u>

PM9: Allow bus and coach drivers in domestic occasional carriage of passengers to postpone the weekly rest period for up to 12 consecutive 24-hour periods following a previous regular weekly rest period

Adjustment costs savings for transport operators

As regards weekly rest periods (12-day rule), the impact of PM9 (included in PO A and PO C) on customer demand was found to be only indirect and limited. Nonetheless, allowing bus and coach drivers in domestic occasional carriage of passengers to use the 12-day rule would facilitate companies to offer longer domestic services, thus extending the range of available tourist tours. During the targeted interviews, bus and coach operators argued that this measure will allow for greater flexibility in driver assignment, thus reducing operation costs, especially with regard to driver shortages in high season periods.

For PM9, six out of the six interviewed operators argue that on average this will lead to operation cost savings of approximately 0.5% relative to the baseline. These cost savings are expected to have full effect in the first two years of implementation of the new rules (i.e. 2025 and 2026) and decrease gradually over

time until 2050, when the effect would be zero relative to the baseline. The adjustment costs savings for transport operators are estimated at EUR 3.2 million in 2025 relative to the baseline, EUR 2.7 million in 2030 and zero by 2050. Expressed as present value over 2025-2050, the adjustment costs savings are estimated at EUR 35.5 million.

Table 27: Adjustment costs savings for transport operators due to PM9 in PO A and PO C, relative to the baseline (in million EUR)

Costs savings relative to the baseline (in million EUR), in 2021 prices	2025	2030	2040	2050
Operation costs savings for occasional bus and coach companies	3.2	2.7	1.4	0

Source: Tetra Tech International et al. (2022), Impact assessment support study

PM10: Removal of the single service condition when using the 12-day rule, to allow for a driver to drive multiple tour groups (in addition to extending 12-day rule to domestic occasional carriage of passengers)

Adjustment costs savings for transport operators

PM10 (included in PO C) is expected to have an additional positive impact for the business performance in the sector, relative to PM9, due to the removal of the single service condition when using the 12-day rule (to allow for a driver to drive multiple tour groups). The impacts will be more important for SMEs, especially small companies, which are less able than larger companies to cope with peak tourist periods (e.g. by pulling drivers from other services). Bus and coach companies argue that this measure will require less drivers, thus decreasing operation costs.

For PM10, six out of the six interviewed companies argue that on average this will lead to operation cost savings of approximately 0.5% relative to the baseline. These cost savings are expected to have full effect in the first two years of implementation of the new rules (i.e. 2025 and 2026) and decrease gradually over time until 2050, when the effect would be zero relative to the baseline. The adjustment costs savings for transport operators are estimated at EUR 3.2 million in 2025 relative to the baseline, EUR 2.7 million in 2030 and zero by 2050. Expressed as present value over 2025-2050, the adjustment costs savings are estimated at EUR 35.5 million.

PM11: Removal of the obligation of taking two regular weekly rest periods after using the derogation (in addition to extending 12-day rule to domestic occasional carriage of passengers)

Adjustment costs savings for transport operators

PM11 (included in PO C) is expected to have an additional positive impacts for the business performance in the sector relative to PM9 and PM10, due to the removal of the obligation of taking two regular weekly rest periods after using the derogation. Moreover, the impacts will be more important for SMEs, especially small companies, which are less able than larger companies to cope with peak tourist periods (e.g. by pulling drivers from other services). Bus and coach companies argue that this measure will lead to greater flexibility in driver assignment, thus reducing operating costs.

For PM11, six out of the six interviewed companies argue that on average this will lead to operation cost savings of approximately 0.5% relative to the baseline. These cost savings are expected to have full effect in the first two years of implementation of the new rules (i.e. 2025 and 2026) and decrease gradually over time until 2050, when the effect would be zero relative to the baseline. The adjustment costs savings for transport operators are estimated at EUR 3.2 million in 2025 relative to the baseline, EUR 2.7 million in

2030 and zero by 2050. Expressed as present value over 2025-2050, the adjustment costs savings are estimated at EUR 35.5 million.

PM12: Flexible distribution of weekly rests over a 10-week reference period, to allow that more 24-hour rest periods could be taken in a row and compensated later

Adjustment costs savings for transport operators

PM12 (included in PO B) is expected to have a positive impacts for the business performance in the sector, due to the flexible distribution of weekly rests over a 10-week reference period. Similarly to PM10 and PM11, the impacts will be more important for SMEs, especially small companies, which are less able than larger companies to cope with peak tourist periods (e.g. by pulling drivers from other services). Bus and coach companies argue that this measure will lead to greater flexibility in driver assignment, thus reducing operation costs.

For PM12, six out of the six interviewed companies argue that on average this will lead to operation cost savings of 0.5-1% relative to the baseline. For the present calculations, a cost saving of 0.6% was selected. These cost savings are expected to have full effect in the first two years of implementation of the new rules (i.e. 2025 and 2026) and decrease gradually over time until 2050, when the effect would be zero relative to the baseline. The adjustment costs savings for transport operators are estimated at EUR 3.2 to 6.4 million in 2025 relative to the baseline, EUR 2.7 to 5.5 million in 2030 and zero by 2050. Expressed as present value over 2025-2050, the adjustment costs savings are estimated at EUR 35.5 to 70.9 million.

Table 28: Adjustment costs savings for transport operators due to PM2 in PO B and PO C, relative to the baseline (in million EUR)

Costs savings relative to the baseline (in million EUR), in 2021 prices	2025	2030	2040	2050
Operating costs savings for occasional bus and coach companies				
Low	3.2	2.7	1.4	0.0
High	6.4	5.5	2.7	0.0

Source: Tetra Tech International et al. (2022), Impact assessment support study

As shown above, all measures (i.e. PM1 to PM12) are expected to lead to greater flexibility in driver assignment, thus reducing operating costs, especially with regard to driver shortages in high season periods. Operators argue that this will save money on planning and other planning-related overhead costs, while not jeopardising safety.

ANNEX 5: EFFECTIVENESS OF THE DIFFERENT POLICY OPTIONS

The table below provides a detailed assessment on the effectiveness of the policy options in relation to the general and specific objectives and related assessment criteria.

Key: Impacts expected					
××	×	O	✓	✓✓	
Strongly negative	Negative	No or negligible impact	Positive	Strongly positive	Unclear
	PO A		PO B		PO C
SO1 – Ensure more flexible distribution of breaks and rest periods					
Expected improvement in operators' ability to meet customer demand and provide high-quality services	PO A would allow breaks and daily rests to be organised more in line with trip itineraries. For weekly rest periods, in PO A the extension of the 12-day rule to domestic trips is expected to improve the operators' ability to meet customer demand and provide high-quality services.		PO B would allow the greatest flexibility to operators in terms of break times (which could be organised with almost full flexibility). PO B would also allow daily rests to be organised more in line with trip itineraries. PO B would bring a major change in weekly rest periods, allowing the flexibility in their distribution over a 10-week reference period, greatly enhancing drivers' ability to work during busy peak seasons and helping to address driver shortages. Thus, the improvement in operators' ability to meet customer demand and provide high-quality services is expected to be higher relative to PO A.		PO C offers the greatest flexibility to operators in terms of break times (which could be organised with almost full flexibility), daily rests (which could be used with minimum restrictions regarding the length of the daily duty cycle) and weekly rests (where the 12-day rule would be extended to domestic trips, as well as being no longer subject to the single-service condition and compensatory extra rest). PO C is expected to generate the largest positive impacts in terms of improving operators' ability to meet customers demand and provide high-quality services.
Expected improvement in working conditions for drivers	PO A would enable drivers to avoid taking breaks at inconvenient times. Extending the duty cycle could improve drivers' interactions with passengers, marginally improving working conditions. At the same time, compensatory action would ensure that		In PO B flexible rules on breaks would increase autonomy and reduce work stress. However, they could result in drivers getting mostly or only breaks that are too short to recuperate sufficiently, leading to a negative impact on working conditions. The		In PO C flexible rules on breaks would increase autonomy and reduce work stress. However, they could result in drivers getting mostly or only breaks that are too short to recuperate sufficiently, leading to a negative impact on working conditions. The

Key: Impacts expected					
××	×	O	✓	✓✓	
Strongly negative	Negative	No or negligible impact	Positive	Strongly positive	Unclear
	PO A		PO B		PO C
	any countervailing negative effects is minimal, leading to a net positive impact on working conditions. Extending the use of the 12-day rule under PO A would allow drivers to avoid excessive time away from home during long trips, generating a benefit in terms of working conditions. Preserving the single-service condition and compensatory rest would minimise any negative impacts.		extension of the duty cycle could be used frequently in PO B, meaning that the impact on working conditions would be negative. PO B would entail significant changes to the rules on weekly rest periods, leading to negative impacts on working conditions that would more than offset any benefit from increased driver autonomy and freedom over their workload.		extension of the duty cycle could be used frequently in PO C, meaning that the impact on working conditions would be negative. PO C would entail significant changes to the rules on weekly rest periods, leading to negative impacts on working conditions that would more than offset any benefit from increased driver autonomy and freedom over their workload.
SO2 – Promote equal treatment between international and domestic bus and coach operations					
Expected improvement in providing increased competitiveness of domestic bus and coach operations	PO A extends the use of 12-day rule to domestic trips, increasing the competitiveness of domestic bus and coach operations and ensuring equal treatment between the domestic and international bus and coach operations.		In PO B, the 12-day rule will remain accessible only to international trips. However, PM12 (Flexible distribution of weekly rests over a 10-week reference period, to allow that more 24-hour rest periods could be taken in a row and compensated later) in PO B will greatly increase the flexibility for weekly rests, by allowing them to be freely distributed over a 10-week reference period. Since this would reduce operators' and drivers' need for the 12-day rule, the disparity between international and domestic services is be expected to decrease somewhat, albeit to a lesser extent than under PO A and PO C.		PO C extends the use of 12-day rule to domestic trips, increasing the competitiveness of domestic bus and coach operations and ensuring equal treatment between the domestic and international bus and coach operations.