

# THE IMPACT OF THE MOBILITY PACKAGE ON ROAD TRANSPORT COMPANIES IN LITHUANIA AND LATVIA *MOBILITĀTES PAKOTNES IETEKME UZ CEĻU TRANSPORTA UZŅĒMUMIEM LIETUVĀ UN LATVIJĀ*

**Juras Tamelis**

Kaunas University of Applied Sciences, juras.tamelis@go.kauko.lt, Kaunas, Lithuania

**Katrina Grietina**

Rezekne Academy of Technologies, kg21006@edu.rta.lv, Rezekne, Latvia

**Laura Liukpetrytė**

Kaunas University of Applied Sciences, laura.liu779@go.kauko.lt, Kaunas, Lithuania

**Liāna Vrubļevska**

Rezekne Academy of Technologies, lv21001@edu.rta.lv, Rezekne, Latvia

**Simona Jankauskaitė**

Kaunas University of Applied Sciences, simona.jankauskaite@go.kauko.lt, Kaunas, Lithuania

*Scientific supervisor Mg.soc.sc. Daina Znotina*

**Abstract.** *Throughout the years, there have been several changes made in logistics sphere and until this day it does not stop. One of the novelties was the Mobility package. It is known that many freights are being carried out by road transport as we are reading this, so it is very clear that new regulations hold a huge impact on transport companies. The research shows that introduction of Mobility package made drastic changes to European Union road transport rules and regulations. It aims to improve safety and working conditions for drivers and to ensure that the entire sector operates on a level playing field. However, emersion of Mobility package made some people questioning. Consequently, this article tries to introduce Mobility package as it is by analysing the impact of it on particular road transport companies of Lithuania and Latvia, operating in European Union.*

**Keywords:** *cabotage, Mobility package, road transport rules and regulations, tachographs, work and rest period.*

## Introduction

The European Union's Mobility package is a comprehensive set of regulations aimed at enhancing road safety, improving working conditions, and reducing the environmental impact of the transportation sector. These regulations have a significant impact on logistics companies operating within the European Union (EU), as they introduce stricter rules on drivers' working hours, mandatory rest periods, and increased monitoring of transportation activities. While these changes may benefit drivers' safety and well-being, they also present challenges for logistics companies in terms of compliance, increased costs, and potential disruptions to their operations. This research aims to examine the effects of the Mobility package on logistics companies and identify strategies they can implement to adjust to these new regulations effectively. It is also important to know how Mobility package affects logistics companies, how new regulations affect the present and near future. Thus, the research was conducted and discussed in this article.

**The aim of the research** is to examine the impact of introducing the new rules and regulations that came with the Mobility package on Lithuanian and Latvian companies.

**Tasks of the research** are:

- to reveal the main Mobility package goals;
- to provide the key points of the package;
- to present the impact of the Mobility package on the Lithuanian and Latvian haulage companies operating in EU.

**The object of the research** is impact of the Mobility package on the Lithuanian and Latvian logistics companies, operating in EU.

**Research methods:** scientific literature analysis, interview method.

The results of the research are provided in the conclusion part of this paper.

### **Introduction of the Mobility package**

The Mobility package was launched by the European Commission in 2017 and only after 3 years of intense debating in 2020 the European Parliament had finally made the decision to approve it (*European Commission, 2020*). This was the final step in the adoption of this legislative package. The main objective of the Mobility package is to improve working and safety conditions for drivers, ensure that the entire sector operates on a level playing field and promote competitive fairness, efficiency and safety (*European Commission, 2020*). It is also known as a common set of rules for transporters operating in countries that are members of European Union. Mobility package consists of: regulations on driving hours, rest periods and tachographs; directives on enforcement and assignment regarding road transport drivers; regulations regarding opportunities to engage in occupational activities and access to the market (*European Commission, 2021*). This package is also essential to ensure good implementation and enforcement of the road transport legislation. All of these new rules governing commercial road transport activities are included in the Workers Post Directive. It is also worth mentioning that there will be a year and a half transition period for the entry into force of the Mobility package. It will be implemented in phases (*Lithuanian transport safety administration, 2022*).

### **Key points of the Mobility package**

After two recent studies the EU Parliament, the Member States and all stakeholders are predisposed to believe that the Mobility package is likely to increase CO<sup>2</sup> emissions (*European Commission, 2020*). One of the negative environmental impacts identified in this commissioned study is the periodic return of trucks to their countries of origin. Cities are home to more than 70 % of the EU's population and account for about 85 % of the EU's gross domestic product (GDP). Certainly, the majority of the journeys begin and end in cities. The studies show that this measure has been found to increase the number of additional trips, in fact many of them will be with empty trucks, resulting in 2.9 million tons of additional CO<sup>2</sup> emissions in 2023 (4.6 % increase in emissions from the current value). The results of this study also suggest that the application of cabotage quotas on international combined transport operations in all Member States would approximately add 397.000 tons of CO<sup>2</sup> emissions and could have a long-term adverse effect on rail and intermodal transport. No matter the scenario, the increase in CO<sup>2</sup> emissions ranges from 0.8 % to 4.6 % (*European Commission, 2020*).

Moving on, another ramification of this package – a capacity shortage across Europe (*Kveten, 2022*). This rule is expected to reduce market capacity as vehicles will be required to return to their home countries and might be forced to run on empty during their returning journeys. Carriers, especially those in Eastern Europe, may be affected by this and may have difficulty securing additional cargo for the return trip due to the lack of market visibility to and from their operating bases. In addition, the cooling-off of cabotage operations is expected to reduce domestic shipping volumes. Another very important thing to remember is that there is a severe driver shortage in Europe and truck manufacturers are also facing their own supply chain issues, especially with regard to the adequate supply of semiconductor chips (*Kveten, 2022*).

The key points of Mobility package are listed below:

1. Minimum wage laws are mandatory for all EU member states. So, for example, if one EU transportation company posts a driver to work in another EU country, it must pay the same wage as the local driver.
2. The new posting rules apply to international road transport operations. However, bilateral operations for the transport of goods, passengers and transit are excluded
3. Drivers are required to return to their country of origin every four weeks for each of three or four consecutive working weeks.
4. A regular weekly rest period (not less than 45 hours) shall be taken at a suitable place of accommodation paid for by the company.
5. Drivers shall have a four-day cooling-off period following the vehicle's return to its home country.
6. Tachographs will be mandatory for all vans/light commercial vehicles from 2.5 to 3.5 tons and light carriers will follow EU norms for transport.
7. Obligation to return trucks to headquarters every 8 weeks.
8. In order to fight letter box companies, transport companies will have to prove their main activities in the country of establishment by: having an effective and stable place of business in the member state; having appropriate financial standing; having the required professional competence (*Move expert, 2020*).

**Changes regarding the procedure for organizing drivers' work and rest time. Regulation (EU) 2020/1054 amending Regulation (EC) No. 561/2006**

From August 20, 2020, new conditions apply that two consecutive shortened weekly rest periods can be used outside the Member State in which the business is conducted. Provided that the driver takes at least four weekly rest periods in four consecutive weeks, of which at least two are regular weekly rest periods. If two consecutive shortened weekly rest periods have been used, the driver shall have rest periods before the next weekly rest period, which is compensation for said two shortened weekly rest periods (*Road Transport Administration, 2022*).

One can turn on the regular daily and weekly rest requirement if the vehicle is transported by ferry or train, the previous condition was that you could only turn on the regular daily rest requirement. The new condition is valid with the provision that during the regular daily rest period or the shortened weekly rest load, the driver of the vehicle has access to sleeping in a car, sleeping place or couch. With regard to the regular weekly rest conditions, the deviations for journeys by ferry or train are indicated only if the expected duration of the journey is 8 hours or more and the driver of the vehicle has a cabin with a sleeping place available on the ferry or a sleeping car on the train.

Drivers carrying out international haulage must return home or to the country of establishment of the company at least every four weeks, but if using two consecutive shortened weekly rest services, at least every three weeks. This condition did not exist before. Transport companies organize the work of drivers in such a way that drivers can return either to the employer's centre of activity, where the employer does business, or to their place of residence. The company documents are filled and kept in the premises to be presented at the request of the control authorities.

45 hours or more of rest may not be used in the vehicle. With the judgment of the Court of the European Union, it was previously prohibited to use 45 hours or more of rest in the vehicle, but now all costs for accommodation outside the vehicle are covered by the employer (*Road Transport Administration, 2022*).

The European Commission will ensure easy access to information on safe and secure parking spaces. Information on safe and secure parking was not available in one place. The

European Commission makes available a list of such parking spaces on a single official website, which is regularly updated (*Road Transport Administration, 2022*).

In exceptional circumstances, the daily and weekly driving time may be extended by not more than one hour to reach the employer's centre of activity or the driver's place of residence for the purpose of using the weekly rest period, or the daily and weekly driving time may be extended by not more than two hours, provided that that a 30 min rest period has been used before the additional driving time in order to use the regular weekly rest period. This condition did not exist before either. The driver of the vehicle shall, at the latest, immediately upon arrival at the destination or at the appropriate stopping place, manually indicate the reasons for such departure in the registration chart of the registration control device or in the printout of the registration control device, or in his work log. Any extension of the driving period shall be compensated by a rest period of equivalent length taken at the same time as any rest period until the end of the third week following the week in question.

**Changes to positioning with the help of tachographs. Regulation (EU) 2020/1054 amending Regulation (EU) No. 165/2014**

As of August 21, 2023, a new condition is applied that equipping new vehicles with the 2nd version of the smart tachograph. Currently, new vehicles are being equipped with version 1 of the smart tachograph (see Figure 1).

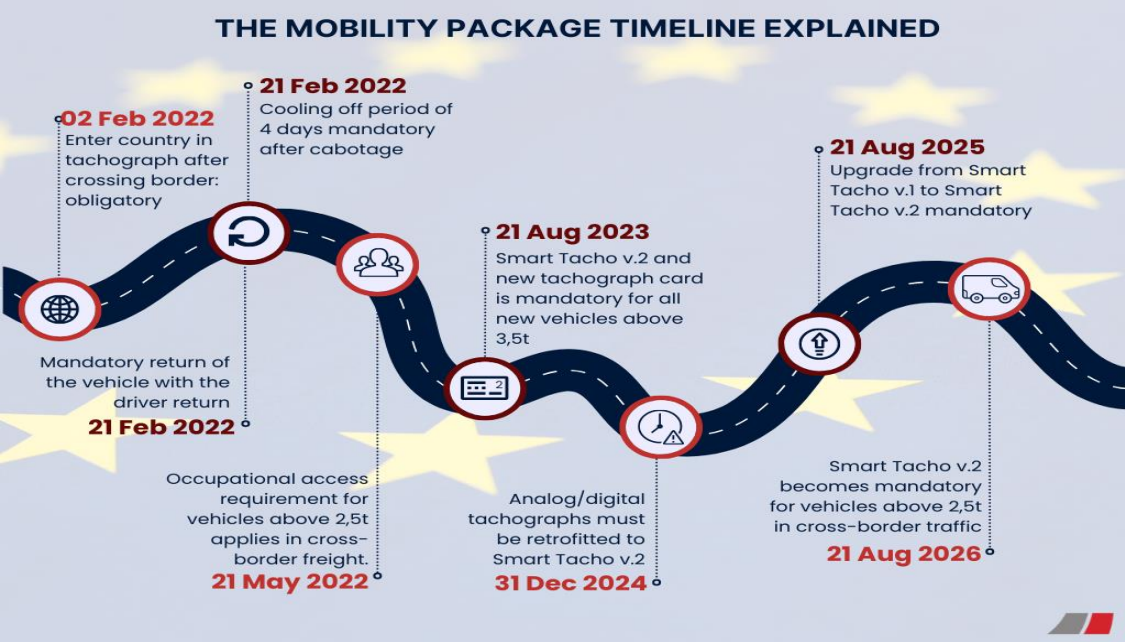


Figure 1. **Mobility package timeline explained** (*Tachografservice, 2022*)

As of December 31, 2024, the condition is applied that analogue and digital tachographs are replaced by smart tachograph version 2 in vehicles used for international transportation. This condition did not exist before. No later than three years from the end of the year in which the detailed regulations have entered into force, smart tachographs version 2 shall be installed in the following categories of vehicles used in a Member State other than the Member State of their registration: vehicles equipped with an analogue tachograph, vehicles equipped with a digital tachograph (*Road Transport Administration, 2022*).

A new condition comes into effect on August 19, 2025: Replacement of smart tachograph version 1 with smart tachograph version 2 in vehicles used for international transportation. No later than four years after the entry into force of the above detailed provisions, the smart tachograph version 2 shall be installed in vehicles equipped with a smart

tachograph and used in a Member State other than the Member State of their registration (*Road Transport Administration, 2022*).

On August 20, 2020, a new condition comes into force, that the driver of a vehicle who drives with an analogue tachograph, also writes in the tachogram the symbol of the country he enters after crossing the border of a member state, as soon as he has stopped in the mentioned member state for the first time. If the border of a member state is crossed by ferry or train, the driver of the vehicle enters the national symbol at the port or station of arrival.

As of February 2, 2022, a new condition is applied: the driver of a vehicle that has a digital tachograph also enters the symbol of the country he is entering after crossing the border of a Member State, as soon as he has stopped in the said Member State for the first time. If the border of a member state is crossed by ferry or train, the driver of the vehicle enters the national symbol at the port or station of arrival.

On December 31, 2024, the condition that the driver of the vehicle must be able to present information about his work and rest time periods for the current day and the previous 56 days comes into force. Previously, there was a condition that the driver of the vehicle must be able to present information about his work and rest time periods for the current day and the previous 28 days (*Road Transport Administration, 2022*).

On July 1, 2026, the condition is applied that drivers who will carry out international or cabotage transport with vehicles whose maximum permissible mass, including a trailer or semi-trailer, will exceed 2.5 tons will have to register work and rest periods using a tachograph. There was no such condition before (*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, 2020*).

To conclude, the newly presented regulations of the Mobility package will come in to action within a time period, setting the new drivers' work and rest time limits and aiming to improve the working conditions. The other new regulations to be implemented relate to tachographs and other tracking systems to be applied in the international haulage process ensuring the return of vehicles to the country of registration under the time limits. Therefore, the aim of this article was to determine the real impact of the new regulations on companies, based in Lithuania and Latvia, operating in EU countries.

### **The interviews review's results**

As part of the study, 3 interviews were conducted to find out how the Mobility package regulations affect their daily work of drivers. 2 Latvian companies and one Lithuanian company were interviewed. During the interview, 10 to 15 questions about the Mobility package were asked, with the aim of finding out what expenses have increased, questions about choosing the country of registration, border crossing, how the daily life of drivers has changed, etc. were analysed.

When studying the information obtained from the interviews, various similarities can be observed in both Latvian and Lithuanian companies, for example, if the changes in driver's workplace costs became higher or lower, respondents claim that Mobility package had nothing to do with it. Respondents mention that they always try to fully charge the vehicle before returning it to the country of registration, however it's not always profitable. 70 % of the companies' vehicles return naturally to the country of origin because of their working niche.

Many differences can also be observed, for example, a Lithuanian company says that thefts of fuel and tent trailers have increased. The respondents also mentioned that sometimes it was significantly more optimal to pay the fine than let a driver go to the hotel for 45 hours for his weekly rest. Simply it prevents theft and less money is lost, while Latvian companies

report that the number of thefts has not increased, the situation was not different even before the Mobility package.

Considering a weekly rest of 45 hours for drivers, Latvian companies have problems finding hotels, especially designated parking spaces for drivers, but Lithuanian companies comment that it is more profitable to stop in parking spaces that are not intended for trucks, receive a fine and pay it than to drive to the hotel and pay. When interviewing Latvian and Lithuanian companies, one can see the differences when talking about the driving time limit for drivers, because the Lithuanian company mostly chooses to exceed the weekly hour limit, while the Latvian ones do it very rarely.

Respondents also comment on the country of registration, whether it causes problems, but other factors are claimed to influence that, not the Mobility package itself. Latvian companies are trying to find a solution, and there are thoughts of changing the country of registration to Central Europe. Latvian companies also pay a lot of attention to border crossing, because factors other than the Mobility package cause problems in this field, so they hope that with the 2025 rule, the tachograph being fully digitized, border crossing will take less time and cause fewer problems.

To conclude, the respondents believe that the Mobility package has more cons than pros. The companies claim that the Mobility package was made to protect internal markets. The European Union is currently having problems with Mobility packages because there are many inaccuracies. As an example, at the beginning it was stated, that not only the vehicle but also the trailer must be returned, in many places it was not defined at all, and now it is said that the trailer does not have to be returned to the country of registration. Therefore, it can be stated, that the law still holds discrepancies and needs to be finalised.

The second biggest problem relates to the hotels, because there are simply none. Mobility package stipulates that the truck must be parked in a guarded parking lot and with several other requirements, but in reality, there are no such possibilities on most of the routes. Overall, there is a need of continuous analysis of the impact of the Mobility package on the haulage companies operating in EU, as it is not fully finalised yet and some of the regulations have not been implemented so far.

## **Conclusions**

1. Literature analysis revealed that Mobility package contains common rules for transporters operating in European Union member countries and the main purpose of this package is to improve working and safety conditions for drivers.
2. The new rules predetermine the longer resting time period for the drivers, the wages based on the minimum wage of the country of operation and the tracking systems to ensure the positioning of the vehicles together with the compliance to the rules.
3. Two biggest downsides of the package are that it has a negative impact on climate and the release of Mobility package further exacerbated the severe driver shortage across Europe. Comparing the Lithuanian and Latvian companies' experience, the biggest difference was that Lithuanian company frequently uses the right to exceed the weekly driving time limit due to effectiveness reasons; meanwhile Latvian companies do that rarely. Mobility package had nothing to do with the cost of the driver's workplace. Nevertheless, it was found that the Mobility package has more cons than pros, and there is a need for further research as most of the rules have not entered into force yet.

## **Bibliography**

1. *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*

- (15.07.2020). The European Parliament and the council regulation (EU) 2020/1054. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R1054>
2. European Commission. (2020). *Mobility and Transport*. [https://transport.ec.europa.eu/index\\_en](https://transport.ec.europa.eu/index_en)
  3. European Commission. (2021). *Mobility Package I – Social rules. Driving and rest times*. [https://transport.ec.europa.eu/system/files/2021-09/qa\\_mobipack\\_part\\_ii\\_en.pdf](https://transport.ec.europa.eu/system/files/2021-09/qa_mobipack_part_ii_en.pdf)
  4. Kveten, P. (2022). *The Mobility Package: Unprecedented challenges or new opportunities for the road freight transport industry?* [https://www.linkedin.com/pulse/mobility-package-unprecedented-challenges-new-road-freight-kveten?trk=public\\_post](https://www.linkedin.com/pulse/mobility-package-unprecedented-challenges-new-road-freight-kveten?trk=public_post)
  5. Lithuanian transport safety administration. (2022). *Mobility package*. <https://ltsa.lrv.lt/en/sector-activities/road-transport-en-ru/mobility-package-paket-mobilnosti>
  6. Move expert. (2020). *Impact of the New Mobility Package*. <https://move-expert.com/new-mobility-package/>
  7. Road Transport Administration. (21.06.2022). *Mobility package - changes to the regulations on driving and rest periods and the use of the tachograph*. <https://www.atd.lv/en/news/mobility-package-%E2%80%94changes-regulations-driving-and-rest-periods-and-use-tachograph-0>
  8. Tachografservice (24.11.2022). *The EU Mobility Package: explained*. <https://tachografservice.dk/en/the-eu-mobility-package-explained/>