



## **FSB Briefing Note – The EU Roadworthiness Package, 2012/0184 (COD)**

### **Proposal for a regulation on periodic roadworthiness tests for motor vehicles and their trailers repealing Directive 2009/40/EC**

#### **Introduction**

The Federation of Small Businesses (FSB) is the UK's leading business organisation. It exists to protect and promote the interests of the self-employed and all those who run their own business. The FSB is non-party political, and with around 200,000 members, it is also the largest organisation representing small and medium sized businesses in the UK.

In July 2012 the European Commission launched the **Roadworthiness Package**, a series of measures intended to improve road safety and environmental standards across the EU. The Roadworthiness Package would update existing EU legislation on periodic roadworthiness tests (i.e. the MOT test in the UK), technical roadside inspections and vehicle registration across Europe.

While the FSB agrees that road safety is paramount, we are concerned that the burdens the proposals will place on micro and small businesses, particularly in rural areas, have been grossly under-estimated by the Commission and would severely impair their ability to create growth and jobs.

This briefing note provides key information on the proposal and how it would affect the UK's small businesses.

#### **What is the Roadworthiness Package?**

The Commission's Roadworthiness Package includes two draft Directives and a draft Regulation. We are most concerned by the draft **Regulation on the periodic roadworthiness tests for motor vehicles and their trailers**, which would make it compulsory for the first time to register and test the UK's tractors, light trailers and modified vehicles. Under the current rules, Member States are free to set higher standards and indeed, the UK already carries out a higher frequency of testing for cars and motorbikes than many other EU countries, which we support.

#### **Where are the proposals?**

MEPs on the Transport Committee are currently considering the Roadworthiness Package. The Transport Council agreed a **General Approach** on a draft Directive on 20 December which revokes the most unworkable elements of the Commission's proposal. We believe their approach is justified and that changing the legal instrument from a Regulation to a Directive will give the Member States greater flexibility to align the new requirements with their existing testing regimes.

#### **How will the proposals affect the UK's small businesses?**

##### **1. Access to testing garages**

There are currently over 20,000 MOT testing stations across the UK. In Great Britain most of these are small or micro businesses, although in Northern Ireland all MOT testing takes place in a limited number of government-owned and operated stations.

Given the difficulties small and micro businesses are having throughout Europe in accessing credit and expanding, the Commission seem misguided in thinking that small garages will benefit from the new business opportunities offered by testing a wider range of vehicles more frequently. Instead, we would expect to see trade migrate to larger 'chain' garages, who would be able to afford the extra space and



expensive testing equipment that will be required, such as rolling roads. This inevitably will lead to fewer testing centres which will cause problems for rural parts of the UK.

Rural businesses reliant on trailers and tractors will face disproportionate cost and time burdens. A longer journey to a testing centre will mean even more valuable time away from the business. For businesses with more than one trailer, it will require numerous journeys. The FSB would like to see it made easier for people to set up and run rural businesses, not obstacles placed in their way.

## **2. Light trailers**

We recognise that unsafe trailers are a danger to their owners and others on the roads, and UK law requires that trailers are properly maintained and kept in a roadworthy condition. Trailers also need to be regularly serviced and inspected for insurance purposes. Therefore, a responsible business will already be undertaking and meeting the costs of maintenance. However, the proposal assumes light trailers (up to 3500 kg) are already subject to registration which is not the case in the UK.

Under the Commission's proposals trailer owners would face a series of additional burdens: the new costs of registering the vehicle, the bureaucratic costs of dealing with a new registration scheme and paperwork, and the time lost when staff and the trailer are away from the business.

We are concerned that there is a lack of evidence to support the inclusion of lighter trailers in a testing regime. According to the UK's Department for Transport (DfT), "*most accidents involving lighter trailers are caused by the way that the towed vehicle was connected or by inappropriate driving behaviour for the conditions.*"<sup>1</sup> Yet, this would not be checked as part of an MOT. Only more stringent enforcement will tackle issues such as overloading and poor driving, not periodic testing.

A DfT study in 2009 also estimated a national registration scheme for trailers would cost £237 million. While notionally Government will pick up the initial costs, it will feed through to UK businesses and consumers, potentially in the costs of road tax or a more expensive MOT test.

Many small businesses use trailers very infrequently, perhaps to transport goods to a particular customer. This new regime could mean the costs of running the trailer exceed the benefits of doing business with that customer. Our members have stressed the detrimental effects on the rural tourism economy, for example the camping and outdoor pursuit industry are both reliant on trailers.

We therefore support the Council's position in removing all light (category O1 and O2) trailers from the scope of the proposals.

## **3. Agricultural vehicles**

The wording of the current Commission proposal has led to much confusion around the type of tractor and agricultural vehicle that would fall into scope of the new testing regime. As written, it captures the vast majority of the UK's tractors, even if they rarely use public roads or travel at 'high speeds', as modern tractors are built with design speeds higher than 40kph. This would place significant and unfair costs and burdens on rural communities.

If there is evidence to suggest that tractors are replacing trucks in cross-border activities, then different requirement levels should capture those in competition with hauliers. This could be achieved by raising the proposed speed limit threshold for testing tractors, so that only the fastest (circa 60kph and above) are included.

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<sup>1</sup> <http://www.betterregulation.gov.uk/ideas/viewidea.cfm?proposalid=4486975cfab5492791cbd00a9139fa28>



MOT testers will have to familiarise themselves with new testing procedures, and it is a worry as to how few will have the knowledge, competency or space to cope with agricultural vehicles in rural areas.

We support the distinction drawn by the Council to allow exemptions for “vehicles used for agricultural, horticultural, forestry, farming or fishery purposes only operating on the territory of the Member State”.

#### **4. Automobile aftermarket industry**

The Commission has proposed to test roadworthiness against type approval data which we do not see the rationale for. We agree with the Council's view that the purpose of a roadworthiness test is to check that a vehicle is safe to be used on the roads and that it meets specific environmental standards.

The aftermarket industry is a vast market in the UK, dominated by SMEs. Many FSB members who service and modify both modern and historic vehicles believe the Commission's intentions would lead to fewer spare parts sold and fewer companies fitting them. A vehicle may be of poor design, and consumers and businesses should be able to upgrade or change a vehicle to meet their own needs, providing it meets safety and environmental requirements.

Restrictive conditions that discourage modification may perversely lead to less safe vehicles and could also mitigate against the innovation that has underpinned many parts of the automotive industry in the UK.

#### **Conclusion**

We remain very concerned by the robustness of the Commission's evidence base to support the major changes they propose to the EU's periodic testing regime. As the European Parliament's own Impact Assessment points out:

*“The basic assumption that better and more frequent technical inspections would lead to fewer defects in vehicles seems not to be supported by evidence at all.”<sup>2</sup>*

We hope the Parliament will retain the flexibility of the Council's General Approach and not extend the scope of testing to light trailers, agricultural vehicles and modified vehicles. They are far less likely to be used in cross-border transport and we feel it is more appropriate that Member States continue to determine the testing regime for these vehicles, taking account of national circumstances.

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#### **For further information**

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<sup>2</sup> <http://www.europarl.europa.eu/committees/en/studiesdownload.html?languageDocument=EN&file=78491>