



Coach Tourism and the loss of the 12 Day Derogation

12 days
to save European coach tourism

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The case for reintroducing the 12 day driving period to EU driving and rest time rules

What is the 12 day derogation and who wants it restored?

11 April 2007: A black day for coach tourism

On 11 April 2007 new EU Driving and Rest Time Rules entered into force, removing the so called 12 day derogation from the legislation, and thereby changing completely the face and future of coach tourism in Europe. Before 11 April 2007, the 12 day derogation, which allowed drivers engaged in occasional international coach tours to drive for up to 12 consecutive days before taking a weekly rest period, underpinned the EU coach tourism model. Since 11 April 2007, coach tour costs have risen by up to 30% and profit margins have declined by 25 – 30%.

Overnight, this regulatory-induced crisis has put at risk the popular, affordable, European coach holiday lasting more than six days. For most companies operating such services, the future is uncertain. Moreover, the far-reaching implications of 11 April 2007 have negatively affected the wider tourism industry, the salaries and working conditions of drivers, and road safety.

The EU must act now to reverse this crisis.

On 28 January 2008, the IRU presented the European Union Transport Commissioner Jacques Barrot with a petition, bearing the signatures of 20,000 coach companies and drivers, demanding the reinstatement of the 12 day derogation to EU driving and Rest Time Rules.

Recognition that deleting the 12 day derogation was a mistake is steadily gaining ground and authority. But every day of inaction places an ever greater financial burden on the EU coach tourism industry. To avert this crisis the following action must be taken immediately:

- The European Commission must urgently propose an amendment of Regulation 561/2006/EC to reintroduce the 12 Day Derogation.
- The European Parliament and the Council of Ministers must adopt this draft proposal without delay.

Fortunately, the European Parliament is already calling for change. In October 2007, the Parliament adopted a draft report on a Renewed EU tourism policy, clearly highlighting the benefits of coach holidays for lower income tourists and for regions not serviced by airports or railways. It requested the European Commission to examine the possibilities for reintroducing the 12 day derogation to driving and rest time rules. In early 2008, a dedicated Parliamentary study on this issue will be published. The IRU remains confident that its conclusion must be that the deletion of the 12 day derogation must be reversed.

Why are 12 days so important to EU Coach Travel and Tourism?

The 12 day tour is at the heart of the European Coach Tourism Model

According to a recent survey of Austrian coach operators, 66% of the international tours they operate last longer than 6 days. Incoming tourists, particularly from outside the EU – such as those from Asia or North America – typically need more than six days ‘to see Europe’. The 12 day derogation enabled the EU coach and tourism industry to offer these and other visitors a convenient, economic, environmentally-friendly and safe way to experience a large variety of European tourist destinations. Its suppression will make much of this type of tourism a thing of the past, due to manifold operational and cost implications. The negative economic consequences of this loss will not only affect coach companies and drivers but, also, the entire European travel and tourism industry.

The Absence of Satisfactory Operational Solutions

The serious financial, service quality, safety and social consequences of losing the 12 day derogation stem from a lack of practical operational responses to the new situation. The reality is that companies are largely forced either to hire local drivers, local driver and vehicle or to send a second company driver to take over the tour in progress: all these options entail extensive additional costs and operational problems.

Hiring locally is a Blow to Quality and No Solution

The average European cost for hiring a driver and vehicle locally is estimated between EUR 450-1200 per day in peak season. Worse, insurance companies are largely unwilling to provide cover for such drivers and, in some countries, it is simply illegal to hire drivers out to foreign companies.

But above all companies are reluctant to risk the quality of services they provide by entrusting their clients to unknown drivers. The coach tour model is very much based on an all inclusive customer care focus, especially when tour groups are composed of older or mobility impaired passengers. The driver fulfils an essential role as assistant, guide and companion. All of these responsibilities are based on trust between the driver and customers, and experience has shown that the introduction of a locally hired driver, with potential language barriers, thoroughly undermines this role. Finally, it is often impossible to ensure that a hired in vehicle matches the comfort and quality standards guaranteed by a companies’ own coaches.

Why are 12 days so important to EU Coach Travel and Tourism?

Sending a replacement driver doubles costs

Sending an additional company driver to take over a tour in progress entails high average daily replacement costs. Wages and social charges amount to about EUR 150 per driver per day, coupled with an additional EUR 100/day to cover food and lodging. Naturally, local subsistence costs would depend greatly on the destination. Another example given to the IRU, includes the price of sending a driver by plane costs a total of EUR 1420 (two flights costing around EUR 600, plus two night's accommodation and two extra days of work). In most cases the costs of sending a second driver are prohibitively expensive.

Extra costs will Cripple Coach Tourism

Since the introduction of the new Regulation, data provided by companies and associations have shown increased costs for operators of up to 25-30%. The derogation produced a need for 20% more drivers to carry out the same level of activity. Subsequently 60% of the new costs faced by companies comprise the additional wages for extra drivers, 20% for additional transport planning, 10% for the driver's travel and accommodation, and 10% for other costs. Companies will try to pass these costs on to clients in order to remain solvent. But this will not always be possible and it is estimated that absorbing these extra costs would result in a loss of market share for coach tourism of 10 to 30%, as clients switch to other modes of transport, including private cars or opt to visit other tourist destinations. Such impacts will particularly affect geographically peripheral regions of Europe, and those with less developed transport networks and infrastructure.

The worst impacts of these high additional costs will be borne by micro-sized companies (between 2 and 10 vehicles), which represent 50% of the industry, in particular those who have specialised in this particular market segment. Bankruptcies and massive company withdrawals from this sector are looming. Based on demand elasticity typical for long distance trips, it is estimated that the business activity of coach companies in Belgium could drop by between 6.7 - 11.25%. Similar trends are expected throughout the EU.

A worse deal for drivers: deteriorating social conditions

In theory the end of the 12 day derogation was supposed to benefit drivers through improved working and social conditions. However, in practice drivers' conditions have worsened.

Lost Income and Less stable Employment

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Weekends away: Worsening Work Life balance

More significantly, disrupted working patterns and the requirement to take more weekly rest away from home and family - due to the derogation's loss - threaten to ruin a driver's work life balance. Under the old rules, drivers could look forward to extended periods of weekly rests at home, further lengthened by compensations for reduced rest periods.

Decreased Job Satisfaction

Coach drivers are by the nature of their work, sociable individuals. Those conducting long distance tours will often find themselves building a rapport and becoming part of the tour group. The legal requirement to change drivers after six days through a tour will undermine this driver-client relationship adding further to the deterioration of job satisfaction. Moreover, coach drivers develop a close association with their vehicles, taking pride in its condition and maintenance. In future, a regular rotation of drivers using the same vehicle will weaken that bond and source of job satisfaction as well as breaking down the interaction between the driver and a tour group.

The Net-Effect on drivers

Reports received in October 2007 indicate that, in some cases, 20% of company drivers were considering leaving the occupation due to the deterioration of working conditions since the new rules entered into force. This possibility is even more worrying, in view of the severe driver shortage of drivers. Consequently, far from improving social conditions, from a financial, job satisfaction and work-life balance perspective, the loss of the 12 day derogation is a retrograde step.

Road safety reduced by 12 day rule deletion

One of the chief arguments made against the continuation of the 12 day derogation was that it was against road safety and that coach drivers, should -like those engaged in road freight - take a weekly rest after a maximum of six 24-hour driving periods. However, this simplistic view failed to take into account the coach industry's excellent safety record and was thus based on supposition rather than fact.

It is clear that the dynamic of a coach driver's day is very different from that of a truck driver. Unlike the latter, a coach driver's work consists of frequent and lengthy stops while passengers visit tourist attractions or eat at a restaurant. Safety is of paramount importance to coach tourism, a fact attested to by vehicle standards, legislation and most crucially of all, the sector's safety record itself. Studies have shown that coach travel is the safest form of collective passenger transport.

No evidence has ever been produced to show that driving for more than six consecutive days in coach operations posed a danger to road safety. In fact, a recent survey of Austrian coach operators covering 17,000 tours undertaken during 2006 - when the 12 day derogation was still in use - showed that 97% of trips over 6 days were completed without any accident occurring. Trips under 6 days showed similar results with 96% completed without any accident.

In fact, a majority of stakeholders claim that the deletion of the 12 day derogation will negatively impact on the coach sector's excellent road safety record. This seems particularly likely if local drivers are hired to drive an unfamiliar vehicle (a fact that is already confirmed by insurers' unwillingness to accept such replacement schemes). More generally, the quality of rest that drivers take away from home mid-way through a tour is much poorer than that of rest taken at home, which naturally translates into more alert and safer drivers.

Political problems

Since 1971, the AETR agreement has ensured that equivalent rules on driving and rest periods apply to most international road transport across the EU, the wider European continent and beyond. With the entry into force of the new EU rules, a divergence between the EU and AETR regulatory frameworks has emerged, which all parties are trying to resolve by amending the AETR.


However, at the time of writing, this process is blocked. One of the principal obstacles to the successful conclusion of this process is the proposal to delete the 12 day derogation within the AETR as well. The derogation is as important for non-EU coach operators as for their counterparts within the EU. It is highly unlikely that the former will accept its loss. It would be in the interest of all concerned to accept that the 12 day derogation is more important than it was given credit for by EU decision-makers and to accept that its continuation within the AETR and its restoration within the EU should be made a political priority.

Who has gained from the derogation's deletion?

In short no one.

From all perspectives, the deletion of the 12 day derogation from EU Driving and Rest Time Rules was a mistake that needs to be remedied urgently. The economic impact on the sector was hugely underestimated during the co-decision process (without any appropriate impact analysis). Moreover, the road safety and social arguments against the derogation were equally misguided and incorrect. Both in terms of road safety and of social working conditions of drivers the deletion of the 12 day derogation is likely to have a deeply negative impact. Its introduction has also helped to damage the external dimension of the EU's transport policy due to the rift between the EU and its neighbouring countries over the AETR agreement.

In the interests of:

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- a sustainable and prosperous coach industry and European tourism,
 - better working conditions for drivers, improved road safety, and
 - a regulatory level playing field between the Union and third countries

the EU Institutions must restore the 12 day derogation without delay