

MINUTES

of the Swiss - Latvian Joint Committee meeting on international Road Transport held on 20 - 21 April 2017 in Basel, Switzerland

related to the

Agreement on International Road Transport for Passengers and Goods (signed on 28 April 1998, in force since 13 December 1998)

The members of the delegations are listed in the Annex of the Protocol.

At the beginning of the meeting, the delegations agreed on the following agenda:

1. Exchange of statistics, trade volume and transport
2. Freight traffic:
 - i. Review of regulation 1071/2009 and 1072/2009
 - ii. Road transport fiscal system (road charge) : Latvian Road User Charge, Swiss Heavy Vehicle Fee
3. Passenger traffic
4. ECMT multilateral quota system
5. Miscellaneous

1 Exchange of information on road transport and trade volumes between Switzerland and Latvia

The Swiss and Latvian delegations exchanged information and statistical data on the development of trade as well as on road transport of goods between the two countries.

The balance of trade between the two countries is, like in previous years, in favour of Switzerland. Still, a few changing tendencies could be noticed.

According to Swiss statistics, from 2014 to 2016, Latvian export to Switzerland decreased in terms of weight but increased slightly in terms of monetary value by 10% (EUR) or -2% (CHF), depending on the currency. Swiss export also decreased slightly in terms of weight and increased in terms of monetary value by 37% (EUR) or 24% (CHF). These figures correspond largely to the Latvian statistics.

According to the information provided by the Swiss delegation, in 2016, transports from Latvia to Switzerland were mainly carried out by Latvian vehicles (72%), while only around 2% were carried out by Swiss hauliers. Third country vehicles were responsible for 26% of the transport operations, compared to 18% in 2014.

A strong increase of Swiss vehicles transporting goods from Switzerland to Latvia could be noticed within the last two years: 2014, only 16 Swiss vehicles were operating (3% of all good transports by road from Switzerland to Latvia), 2015 there were 206 Swiss vehicles running (44%) and 2016 even 262 vehicles (53%). This increase of Swiss vehicles has led to a decrease of Latvian and third country vehicles: in 2014, they represented both a bit more than 48%, while in 2016, Latvian vehicles represented 30% and third country vehicles only 17%.

Another change of tendencies concerns the means of transport: while the biggest part of goods from Switzerland to Latvia was transported by road (68%) in 2016, its share was much lower than in 2012, when 80% were transported by road. Last year, over 31% of the goods were exported by air. For transports from Latvia to Switzerland, there is still a large majority transported by road (97%), as in the previous years.

Major Latvian export articles to Switzerland in 2016:

- vehicles
- machinery and mechanical appliances, electrical equipment
- wood and articles of wood, furniture
- precious metals, jewellery

Major export articles from Switzerland to Latvia in 2016:

- pharmaceutical and chemical products
- machines, apparatus
- optical instruments, watches, precision instruments

While in the first semester of 2012, 28.3% of the Latvian trucks running in Switzerland belonged to the category EURO IV and 54.2% to the category EURO V, in 2016, the category EURO IV only represented 3.7%, EURO V 43.8% and for the first time, EURO VI represented the highest share with 50.2%.

Latvia informed the Swiss delegation about the distribution of the Latvian fleet by emission standards involved in the international transport operations, as at 31 December 2016: 21% of the fleet belonged to the category EURO VI, 36% to EURO V and only 6% to EURO IV. In freight transport, the number of licensed freight transport operators in Latvia has decreased in the last 9 years, but the number of vehicles holding vehicle license cards and community licence copies increased considerably.

2 Freight traffic:

Review of regulation 1071/2009 and 1072/2009

Latvia has participated in the consultation on the Review of Regulation (EC) No 1071/2009 on access to the occupation of road transport operator and Regulation (EC) No 1072/2009 on access to the international road haulage market. The EU Commission might launch a first proposal for a review at the end of May 2017 (EU Commission initiatives). Its content is most likely connected to last year's public consultation and the public consultation on the enhancement of

the social legislation in road transport. Latvia noted that the following topics could be part of the Commission's proposal:

- Access to the profession: Existence of letterbox companies and additional criteria on the establishment of companies
- Cabotage: there are several proposals on cabotage on the table. They are also connected to the minimum wage issue.
- Review of Directive 2006/1/EC on the use of hired vehicles for the carriage of goods by road: there was a proposal to extend it to passenger vehicles.
- Minimum permissible weight limit for the use of Community license system - discussions about lowering the weight limit to 2.8 tons.
- Smart tachograph (in connection with minimum wages, in order to track the trips).

The Swiss delegation presents the new developments in transport policy, especially some elements related to EU transport policy such as taking over of EU acquis and a possible new institutional agreement. In the road transport section, Switzerland has adopted around 80% of the acquis. The first EU Road Package transposed to Swiss law entered into force on 1 January 2016, which made Switzerland EU and ECMT Charter compatible. Open questions with the EU concern the driver license (duration and exchange) and intermodal transport.

Switzerland plans to transpose the Regulation 2016/403 on classification of serious infringements but has not done so yet. Concerning the Regulation 2016/480 on the interconnection of national electronic registers on road transport undertakings, Switzerland reports that it has created its own national register, which is online. In order to test the exchange, information about the focal points in the EU are awaited. The European Commission is supposed to send this information to the Swiss delegation.

Switzerland reminds that cabotage is excluded from the Land Transport Agreement. This concerns freight and passenger transport.

Road transport fiscal system (road charge): Latvian Road User Charge, Swiss Heavy Vehicle Fee

Latvian road user charge

The Latvian road user charge was introduced on 1 July 2014. Latvia lowered the weight level for vehicles to which the vignette applies: Previously, it was for vehicles with a gross weight exceeding 3.5 tons. From 1 January 2017, it applies already to vehicle with a gross weight exceeding 3 tons. Very few Swiss vehicles have registered for the Latvian vignette so far. The website for the electronic service system is www.lv vignette.eu.

Heavy vehicle fee LSVA

The Swiss delegation presented the distance-related heavy vehicle fee (LSVA). It has been levied in Switzerland since 1 January 2001. The charge must be paid on all Swiss and foreign vehicles (i.e. those registered outside Switzerland) used for freight transport whose total maximum permitted weight exceeds 3.5 tonnes. It is levied on all public roads in Switzerland. The amount charged is based on the

mileage covered, the total maximum permitted weight and the emission rating (Euro class) of the vehicle in question.

Since the 1st January 2017, the rate amounts between 2.28 and 3.10 cents per tkm.

Currently applied rates

Tax category	Euro category	Rate
I	Euro 3*, 2*, 1 and 0	3.10 ct./tkm
II	Euro 4 and 5 (EEV)	2.69 ct./tkm
III	Euro 6	2.28 ct./tkm

* 10% discount for vehicles retrofitted with particle filter systems, which keeps the particle limit value Euro 4 (0,02 g/kWh)

3 Passenger traffic

Regular bus services between Switzerland and Latvia require authorisations (article 18 paragraph 4 Land Transport Agreement Switzerland-EU).

Switzerland has approved the issuing of the following authorisation:

- E(LV)-8476(06)-01: SIA "Norma-A", route Riga (LV) – Bern (CH), valid till 18 May 2019

At the present, this regular service is the only one operational. The regular bus service Riga-Berne is operated in cooperation with a Lithuanian, Estonian, Bulgarian and a Polish company and operates regularly twice a week.

The Latvian delegation informed that the competent authority for regular bus permits is the Latvian Road Transport Administration, Valnu street 30, Riga, LV-1050, Latvia, e-mail: daiga.ancane@atd.lv, phone: +371 67686493, fax: +371 67036412.

As already mentioned, the Land Transport Agreement regulates the transport between Switzerland and the EU countries. Compared with Non-EU member countries, this Agreement simplifies freight and passenger transport operations with Switzerland.

Recently, within different ministries in Switzerland, namely the Federal Department of the Environment, Transport, Energy and Communications, the Federal Department of Justice and Police and the Federal Department of Economic Affairs, Education and Research as well as the Federal Department of Foreign Affairs, discussions have been going on whether the Land Transport Agreement automatically allows drivers to offer their service in Switzerland or if they need to register before entering the country, as the Agreement on the Free Movement of Persons foresees it.

Finally, the decision was taken by the Ministry of Justice and Police that, for regular bus services, up to 90 effective working days per calendar year, a prior submission of a notification form is required. For services to be rendered beyond this 90-day threshold, a work permit is required. Bus drivers have to be registered at least 8 days before their trip to Switzerland. This registration can be done online:

Notification procedure

(https://www.sem.admin.ch/sem/en/home/themen/fza_schweiz-eu-efta/meldeverfahren.html). The notification procedure allows the Swiss authorities to control working and social conditions of the foreign road transport companies.

This applies only to regular bus services, as they are predictable. According to the State Secretariat of Migration of the Department of Justice and Police, this rule has already been applied since the entering into force of the Agreement on the Free Movement of Persons. The control procedures at the border have been intensified in the last few months.

4 ECMT multilateral quota system

Both delegations discussed about the ECMT quotas, with focus on the Quality Charter and the future development of the quota. The drafting group is going to meet in July and Latvia and Switzerland are willing to contribute. Latvia is going to take the presidency of the ITF in 2018 and is planning the content of the summit in Leipzig.

A very interesting and important question is the enlargement of the ITF (to Kazakhstan and Morocco). This possibility and the Brexit are raising questions concerning the maximum number of permits within the ECMT quota system and other issues such as the geographical definition of the system.

5 Miscellaneous

The Latvian delegation pointed out that road transport control functions inside the country are executed by the State Police Central Public Order Police Department, Traffic Safety Department, Traffic Surveillance and Coordination Bureau, Road Haulage Supervision Unit (address: Stabu street 89, Riga, LV- 1009, Latvia; Phone: +371 67208377; fax: +371 67274789; e-mail: kanceleja.cpp@vp.gov.lv).

It was noted that special authorizations for carriage of abnormal freight loads:

- in Latvia - State joint - stock company "Latvian State Roads" (address: Gogola street 3, Riga, LV-1743; phone/fax: +371 67036412; e-mail: maris.ankorins@lvveli.lv and lvceli@lvceli.lv).
- in Switzerland - Federal Roads Office (FEDRO), postal address: CH-3003 Berne, Phone no.: 058 462 94 11, Fax: 058 463 23 03, info@astra.admin.ch.

The contact address concerning issued cards of Digital Tachograph system:

- in Latvia - Road Transport Administration, Valnu Street 30, LV-1050, Riga, Latvia, e-mail: atd@atd.lv, phone: +371 67686462, fax: +371 67686490.
- in Switzerland - Federal Roads Office (FEDRO), postal address: CH-3003 Berne, Phone no.: 058 462 94 11, Fax: 058 463 23 03, info@astra.admin.ch.

The meeting was held in a friendly and constructive atmosphere with mutual understanding.

The Latvian delegation proposed to hold the next Swiss-Latvian Joint Committee meeting on international Road transport in Latvia within 2-3 years.

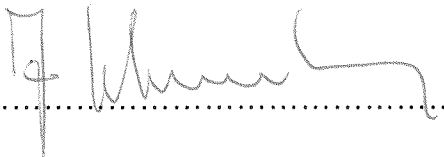
Done at Basel on 21 April 2017 in two originals in English.

FOR THE SWISS DELEGATION:

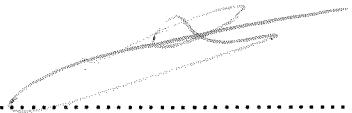
FOR THE LATVIAN DELEGATION:

Mr. Jean-Claude Schneuwly

Ms. Annija Novikova



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