

# ERAA NEWSLETTER

May 2021

## Our association is undergoing profound changes

*Jaak Kivisild, President of ERAA*



**Dear members of ERAA,** I am pleased to welcome you in the first edition of the newsletter ERAA Teataja. The issue of the newsletter is one of the activities through which ERAA should become more visible, open and necessary than before for both its members and the wider public.

ERAA is undergoing major and important changes. On 21 January the Secretary-General/CEO changed - Andres Tootsman assumed the office. On 26 March I was elected the new President, Chairman of the Supervisory Board of ERAA. We have set the goal of transforming ERAA into a road transport competence centre in Estonia.

Unfortunately, the development of the organization came to a halt during the previous management. The number of members decreased, public image faded and the economic activities were also confusing and non-transparent. It will undoubtedly take time to correct the mistakes that have been made, but I am pleased to say that it is being actively pursued. In doing so, we have paid particular attention to enhancing the capacity of the secretariat of ERAA in the fields of public relations and law.

Today, we are in a situation where the international competitiveness of the Estonian transport sector is declining. Unlike neighbouring countries, Estonia faces the changes that directly damage the economic activities of carriers. Together with our partner organizations we have been lobbying hard during last months against the increase in excise duty of diesel fuel. This work will undoubtedly continue actively. But we have mapped out a number of different drawbacks of the transport sector that need to be brought to the attention of politicians and the wider public in the near future.

The success of the carriers' organization certainly depends not only on the activities of the managing bodies and secretariat, but also on active members whose information and feedback are vital for the development of all of us and the transport sector as a whole.

We will be holding the **general assembly of ERAA** already on **9 June**. The invitation of the assembly has been sent to all members and the agenda can also be found in this newsletter. I invite you all to participate in order to keep track of the activities of our common organization and to have a compelling say. See you at the general assembly!

# The secretary-general shall report

*Andres Tootsman, Secretary-General of ERAA*



I started in January this year without realizing how complicated and exciting it all was going to be. There was no opportunity to settle in and adjust - I found out about taking the office one day in advance and it turned out on the spot that my predecessor had left with several key employees, including the chief accountant. So the position and the related responsibilities had to be accepted without anyone handing me anything. I can confirm that the lawyer's education and previous management experience were helpful this time as well.

The sudden change in the situation had had a frightening and devastating impact on the hard-working staff who are the greatest value of ERAA. First of all, it was necessary to provide employees with peace of mind and confidence so that the day-to-day work of ERAA could continue.

The ordered IT audit revealed shortcomings in all parts of the system, including network security and user convenience in the workplace. The members as well as the public did not have an overview of the activities of the secretariat. The statutes of the ERAA dated back to 2002 and needed immediate updating. Etc., etc., etc.

The contemporary ERAA should be a transparent and open organization representing the transport sector and being a competence centre for its members, which also includes legal, information technology and communication competences in addition to the existing transport sector. It was therefore necessary to fill quickly the posts which are essential for the performance of those tasks.

Since February our chief accountant is bubbly and cheerful **Mare Haljak**.

IT manager **Sten Paal** started upgrading our computer and communication networks in April and we will have new hardware and servers in the coming weeks. The fiber optic cable will be installed in the house, new website will be completed by Midsummer's Day and the whole work environment should be transferred to the new programs by the end of the year. In addition, Sten has to deal with our problematic MobiCarnet - time will tell if and how we will move forward with this IT platform.

The public relations adviser **Indrek Lindsalu**, information specialist **Elo Tambur** and lawyer **Kristina Liiv** joined us in May.

Indrek launched the ERAA Facebook page on the first working day. He will be also editing the ERAA Teataja. With the help of Indrek, the messages of ERAA will be clear and effective, our voice will resonate far and we will become an authoritative leader in the entire sector of transport.

Elo's task is to process various applications and issue documents. Kristina should become our legal support in preventing and solving all kinds of problems.

As of today, the secretariat of ERAA is fully staffed and in the near future the workplaces of all employees will be technically upgraded. I can confirm that it is a pure pleasure to work with the best employees here. We also have an active and competent president.

The outcome of the reforms may not be immediate, but we simply need to do these things. The prerequisite for success is the participation and support of the members of ERAA. Our goal is also to increase the membership in order to contribute together and in all possible ways to the success of the Estonian carriers at the international transport market.

# TOPICAL: Road Transport Act and activity licenses

*Ermo Perolainen, Head of the ERAA Office*

## The Road Transport Act is changing

The Ministry of Economic Affairs and Communications has prepared the amendment draft to the Road Transport Act, which will comply the act with the provisions of the European Union Mobility Package.

The most important change resulting from the Regulation 2020/1055 is that the requirement for a Community license and a certified true copy of it also covers cars and combinations of vehicles with a maximum permissible laden weight of within more than 2500 kilograms up to 3500 kilograms.

The amendment affects the companies which organize international carriage of goods for fee by such cars or combinations of vehicles. For these vehicles, the equity requirement is lower than for the vehicles with the gross weight of more than 3.5 tons, namely 1800 euros for the first vehicle and 900 euros for each subsequent vehicle (for vehicles with the gross weight of more than 3.5 tons, these amounts are 9000 euros and 5000 euros respectively).

Pursuant to the Regulation 2020/1055, the carrier's chief executive officer (in addition to the applicant for the license and transport manager) should also meet the good reputation requirement, and the regulation also imposes liability on the shipper, freight forwarder and contractor if they order non-compliant freight transport.

In order to combat shell companies, the electronic registers of carriers of the Member States, which are integrated into a single ERRU system across Europe, should include the number of people employed by each carrier. The compliance with this requirement is resolved in Estonia by entering the necessary data from the employment register into the register of economic activities by means of the x-road.

In case of the paid freight transport, the driver should have a freight document along, which may also be electronic and which should be submitted to the supervisory official. It also lays down the minimum information to be entered to the freight document.

The act should enter into force on 21 February 2022.



## The license of another company may not be used

In the first days of May the Ministry of Economic Affairs and Communications sent a memorandum to 263 companies, as they do not have an activity license to transport goods by truck.

According to the register of economic activities (MTR), 3353 companies currently have an activity license for organizing the paid freight transport in Estonia. The analysis carried out at the beginning of 2021 indicated that 263 companies do not have the required license for various reasons, but still engage in paid freight transport.

A number of companies that have received the memorandum drive, so to speak, "under another company", in other words use the activity license of another company (so-called subcontracting). However, pursuant to subsection 5 (3) of the Road Transport Act the transfer of an activity license to another person (company) is not permitted. Every company providing the transport service should have own activity license.

It is possible to apply for an activity license and a certified copy thereof from ERAA. The application can also be submitted to the ERAA via the register of economic activities: <https://mtr.mkm.ee/> (login possible through [eesti.ee](https://eesti.ee)).

# Let us communicate and make the information flow

*Indrek Lindsalu, Public Relations Adviser of ERAA*

It is a common truth that whoever has information has power. It can also be reworded like this: whoever has information has the ability. For an organization like ERAA information gives the ability to effectively promote its field of activity, protect the interests of its members and assist them.

In my job, having started in ERAA on 4 May, I consider that one of the central tasks is to improve information flows both inside and outside ERAA. The basic principle of successful public relations is that the members are informed about the work of the managing bodies and secretariat of ERAA, and that we in this office are also well informed about the actions, thoughts, concerns and wishes of the members.



So, I invite all of you to communicate more and exchange information. If you have any thoughts or suggestions while following the ERAA Newsletter, our FB page or media coverage, let me know. Any constructive criticism is also welcome, as it takes life forward. However, if you need help communicating with the media, or if you have a problem that requires public relations assistance, I am ready to help. You can find my contacts at the end of this newsletter.

The issue of diesel excise duty has been topical in the public relations of ERAA within last months. Together with several other organizations we have made contacts and organized meetings, on the basis of which several articles have appeared in the media.

The topic of excise duties will probably continue more actively in autumn, when the government will start compiling the 2022 state budget. During our meetings with various factions of the Riigikogu we have sensed that nothing is finally in place and new serious disputes lie ahead. Let's keep our fingers crossed and be also active ourselves. For my part, I promise that you will be kept informed of all developments.

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