

# Consultation on Fees for the Issue of Digital Tachograph Cards

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## Introduction

1. This is a Driver and Vehicle Licensing Agency (DVLA) and Driver Vehicle Licensing Northern Ireland (DVLNI) consultation document referring to digital tachograph cards. It invites views on the proposed fee structures developed by DVLA and DVLNI in preparation for the introduction and issue of digital tachograph cards. The options presented in this document are intended to stimulate discussion and both Agencies welcome as many suggestions as possible from institutional and individual customers alike.
2. The consultation period will run from 21 December 2004 to 15 February 2005. A press release will be issued summarising the responses following completion of the consultation and a summary of the findings will also be available on DVLA's website.
3. We believe that this document complies in all respects with the Government's Code of Practice on Written Consultations reproduced at Annex D. If you consider that the consultation criteria have not been met, please write to the address provided in that annex.

## EXECUTIVE SUMMARY

4. The current chart based analogue tachograph is to be replaced by digital units that use driver-specific digital tachograph cards. As a result of European legislation each Member State is required to issue the digital tachograph card needed to effectively operate the new system in their country.
5. The Driver and Vehicle Licensing Agency (DVLA) and the Driver Vehicle Licensing Northern Ireland (DVLNI) have developed the systems and technology required to be able to issue cards, which has resulted in additional costs to both Agencies, estimated at around £72 million for the years up to 2009-10. In common with the principle already established for driver licensing and vehicle registration, the fee structure for digital tachograph cards aims to recover expenditure through fees levied.
6. There are two fee proposals (Annex B), which involve drivers and companies paying a fee for cards in line with the principle that the 'user pays'. Both options allow DVLA and DVLNI full cost recovery. The proposed fee structures affect all vocational drivers and vehicle company operators subject to the relevant EU Regulation. The changes apply to England, Scotland, Wales and Northern Ireland.

7. A separate consultation exercise will be carried out on the enforcement powers and penalties necessary to implement digital tachographs.

### **Regulatory Impact Assessment**

8. The Agency has prepared a draft Regulatory Impact Assessment (RIA), which can be found at Annex A. The RIA will be developed in light of any comments received in response to this Consultation Document.

### **Your invitation to comment**

9. Your views are sought on the proposed fee structure developed by DVLA and DVLNI in preparation for the issue of digital tachograph cards.

10. Your views are important to the Agency. Please send any comments on any issues raised in this document, including the draft RIA to the address below. Responses may be sent by post, fax or e-mail by 15 February 2005. A response form can be found at Annex C of this document. I must advise that no acknowledgements will be sent unless requested and that DVLA will be unable to reply to individual responses. However, a summary of the responses will be sent to responders at the end of the consultation period.

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## **BACKGROUND**

11. Most drivers of large commercial vehicles are subject to what are known as the "EU drivers' hours rules"<sup>1</sup>. These rules limit continuous driving time and require drivers to take minimum breaks and rest periods. This helps to reduce the risks of drivers becoming involved in fatigue-related accidents and thus improves road safety.

12. In order to enforce the drivers' hours rules, it is important to have a record of drivers' activities. Therefore, vehicles subject to the EU drivers' hours rules have to be fitted with a tachograph. This is a device, which automatically records driving.

13. Existing tachographs create paper record sheets. In 1998, the EU adopted a Regulation<sup>2</sup>, which paved the way for the introduction of digital tachographs. These will store records of driver activities in digital memory rather than on paper.

14. EU Regulation 3821/85 as amended by EU Regulation 2135/98 requires each Member State to issue the digital tachograph cards needed to effectively operate the new system in their country.

15. DVLA and DVLNI have developed the systems and technology required to be able to issue four types of card:

- **Driver card** – to be used by any driver subject to the relevant regulations when driving any vehicle fitted with the digital tachograph system. It will record data such as driver's hours and rest periods.
- **Company card** – to be used by owners of vehicles fitted with the digital tachograph system to download the data relating to their company and to control access to data in the digital tachograph.
- **Workshop card** – for use by accredited workshop fitters primarily to install, repair and calibrate the on-board vehicle units.
- **Control card** – to be used by the Vehicle Operator Service Agency (VOSA) in Great Britain, the Driver and Vehicle Testing Agency (DVTA) in Northern Ireland and Great Britain (GB) and Northern Ireland (NI) police to gain access to data stored in digital tachographs.

<sup>1</sup> These rules are set out in EEC Regulation 3820/85

<sup>2</sup> Council Regulation (EEC) 2135/98 which amends Council Regulation (EEC) 3821/85

## **FEE STRUCTURE**

16. The increase in operation costs to DVLA and DVLNI is estimated at around £72 million for the years up to 2009-10. This cost could be recovered in two ways:

- (i) from the users of the system i.e. the drivers and companies needing the cards; or
- (ii) subsidised by other DVLA and DVLNI customers via an increase in fees for certain other driver or vehicle transactions.

17. The second suggestion (ii) would not be popular with ordinary driving licence holders or vehicle keepers, as they would be paying for a service from which they would derive little or no benefit. The fees would have to be recouped from first driving licence applications, vehicle first registration applications or both driver and vehicle applications.

18. If the first driving licence application transaction fee were raised to a level to also cover the cost of the digital tachograph system, the fee would need to be raised from £38 to £54. This new fee has been calculated using current transaction volumes. If the vehicle first registration transaction were used, the fee would increase from £38 to £43. If costs were recouped from both transactions, the current fees would need to be increased from £38 to £42.

19. There are two fee proposals, which involve drivers and companies paying a fee for cards in line with the above suggestion (i) that “the user pays”. Both options allow DVLA and DVLNI full cost recovery.

20. In considering the fee structure DVLA and DVLNI have taken account of the costs of setting up the system, creating a record, issuing the card, including the material and administration costs and the on-going costs of maintaining an accurate record.

21. Also, the fee contributes towards the TACHOnet system, which facilitates the data exchange for card status enquiries between EU Tachograph Card Issuing authorities and enforcement bodies. VOSA, DVTA and GB and NI police will use TACHOnet for roadside checks on workshop and driver card status notifications.

22. The two proposed fee structures are illustrated at Annex B. Both options illustrate a proposed fee for each card by transaction type.

23. The transactions are defined as follows:

- **Card application** – this covers the issue of a card and subsequent additional company cards for those companies who find that they need additional cards.
- **Renewal** – this covers the issue of a new card on the expiry of the existing card. Driver and Company cards renewed every 5 years, Workshop cards every year and Control cards every 2 years.
- **Exchange** – the issue of a new card bearing the same expiry date of that card which it replaces if the personal details on the existing card change.
- **Replacement** – to replace a card that has been lost or stolen.
- **Malfunction** – to replace a faulty card.

#### Option

24. This option provides for some subsidy of driver fees by the companies, for example, exchange transactions.

Transaction	Driver Card	Company Card	Workshop Card	Control Card
Card Application	£38	£38	£0	£0
Renewal	£19	£19	£0	£0
Replacement -lost/stolen	£19	£19	£0	£0
Exchange – change of details	£0	£38	£0	£0
Malfunction	£0	£0	£0	£0

25. The total number of drivers that are estimated to apply for a digital tachograph card between 2005-06 and 2009-10 is 1.4 million at £38 each. This will result in an estimated cost of £53.2 million over a 5-year period.

26. It is expected that 220,000 company cards will be issued in the first year (as initially only new vehicles will be fitted with the new type digital tachograph) with a take up of 45,000 per year afterwards. This assumes therefore that the total cost to industry for a volume of approximately 400,000 at £38 each will be £15.2 million.

#### Card Application

27. DVLA and DVLNI propose to charge a fee of £38 in respect of driver and company card applications including any additional company cards. The fee covers the cost of setting up the record and contributes to the maintenance of that record.

#### Renewals

28. Option one proposes charging a reduced fee of £19 for subsequent card renewals. Driver and Company cards will be renewed every 5 years as EC Regulation 2135/98 stipulates that driver cards should not be valid for more than 5 years. Whilst further costs will be incurred in producing renewal cards these costs will be lower than producing initial cards, given that records will have previously been created.

#### Replacements – if lost or stolen

29. It is also proposed to charge a smaller fee of £19 for replacement cards. If no fee is attached to the card there is a

risk that drivers in particular may apply for more cards than they actually need, thus presenting a very real security risk to the system.

Exchanges

30. Drivers will be issued with a free card on notification of a change of personal details. This is necessary to ensure that drivers’ personal details remain accurate and up-to-date on the database and on the driver’s card. Accurate driver details are important to both companies and enforcement agencies.

31. It is planned to charge a fee of £38 to update any company card with new details. Company card exchanges will be issued following receipt of notification of change of business details e.g. company name and/or address. This fee will contribute to the maintenance of accurate driver and company records.

Other Transactions and Card Types

32. All other transaction types and all workshop and control cards will be issued free of charge.

33. Workshops are accredited by VOSA and DVTA and will not be required to pay for a card. Workshop cards will be used solely in the fitting, calibration and repair of digital tachograph instruments. Providing these free of charge to authorised workshops will help to reduce the cost to the industry since any fee imposed at this point would almost inevitably be passed on to the customer.

34. No charge will be made to VOSA, DVTA or GB and NI police to obtain the control cards that are necessary for them to carry out their statutory duties in ensuring compliance.

35. The numbers of control and workshop cards needing to be issued are small compared with the number of driver cards. It is estimated that there are over a million vocational drivers whilst it is expected that the number of workshop and control cards needing to be issued will amount to only a few thousand.

Option 2

36. This option provides for a greater degree of subsidising of the system by the driver.

<b>Transaction</b>	<b>Driver Card</b>	<b>Company Card</b>	<b>Workshop Card</b>	<b>Control Card</b>
Card Application	£44	£20	£0	£0
Renewal	£20	£20	£0	£0
Replacement -lost/stolen	£20	£20	£0	£0
Exchange – change of details	£0	£20	£0	£0
Malfunction	£0	£0	£0	£0

37. The total costs incurred by drivers and operators in obtaining cards (based on the estimated volumes above) under Option two is roughly the same. However, the cost incurred by drivers under this option is around £61.6 million whereas the cost incurred by operators via company cards is approximately £8 million.

Card Application

38. A fee of £44 in respect of first applications for driver cards and £20 for company cards. The fee covers the cost of setting up the record and contributes to the maintenance of that record.

Renewals

39. Option two proposes charging a fee of £20 for subsequent driver and company card renewals. Driver and Company cards will be renewed every 5 years as EC Regulation 2135/98 stipulates that driver cards should not be valid for more than 5 years. Whilst further costs will be incurred in producing renewal cards these costs will be lower than producing initial cards, given that records will have previously been created.

Replacements – if lost or stolen

40. It is also proposed to charge a smaller fee of £20 for replacement cards. If no fee is attached to the card there is a risk that drivers in particular may apply for more cards than they actually need, thus presenting a very real security risk to the system.

Exchanges

41. Drivers will be issued with a free card on notification of a change of personal details. This is necessary to ensure that drivers’ personal details remain accurate and up-to-date on the database and on the driver’s card. Accurate driver details are important to both companies and enforcement agencies.

42. It is planned to charge a fee of £20 to update any company card with new details. Company card exchanges will be issued following receipt or notification of change of business details e.g. company name and/or address. This fee will contribute to the maintenance of accurate driver and company records.

Other Transactions and Card Types

43. See comments under Option 1.

# REGULATORY IMPACT ASSESSMENT

44. A regulatory impact assessment is at Annex A.

## INVITATION TO COMMENT

45. Your views are important to the Agency. Please send any comments on any issues raised in this document, including the draft RIA to the address below. Responses may be sent by post, fax or e-mail by 15 February 2005. A response form can be found at Annex C of this document. I must advise that no acknowledgements will be sent unless requested and that DVLA will be unable to reply to individual responses. However, a summary of the responses will be sent to responders at the end of the consultation period.

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46. Comments received after the date given above will only be taken into account in exceptional circumstances.

47. **Please note:** in order to ensure that one of the proposed fee structures, if implemented, is in place well before DVLA and DVLNI receive applications for digital tachograph cards, and so not to cause any delay, it has been decided that the period given for replies to the consultation paper **should be shorter than the 12 weeks normally allowed.**

48. A copy of this document can be found on DVLA's Internet website at:

**<http://www.dvla.gov.uk>**

49. If you have any questions about the consultation or require clarification of any matters in this document you may send them to Sarah Steadman by post, fax or e-mail to the address above.

50. A list of all those being consulted is at Annex E. If you know of anyone whom you consider would be interested in receiving a consultation document please contact us by post, fax or e-mail to the DVLA address above.

51. Representative groups are asked to provide comments that summarise the views of the people and the organisations they represent. It would be helpful if, when responding, representative groups could indicate the number of people and organisations they represent.

### **DISCLOSURE OF INFORMATION**

52. Those who wish to submit comments to the DVLA in relation to this issue are asked to note that we may decide to publish all or some of the comments we receive. Please note that if DVLA receives a request from any third party for sight of such comments, we may be obliged by law (for example, under the Freedom of Information Act 2000 once it is fully in force) to disclose such information to the applicant. If there are particular reasons why you would not wish your comments to be published or disclosed, please will you let us know. Although your wishes in this respect may not override any statutory requirement to disclose, they will be taken into account so far as possible. If you reply by e-mail, the above overrides any confidentiality disclaimer generated by your IT system.

## ANNEX A

### PARTIAL REGULATORY IMPACT ASSESSMENT (RIA)

#### CARD ISSUING FEE FOR DIGITAL TACHOGRAPH CARDS

#### Objective

The objectives of the introduction of Digital Tachograph card fee are:

- Meet EU Directive 3820/85, 3821/85, 2135/98 and 1360/2002
- For DVLA and DVLNI to cover the cost of system development and card production
- Improved Road Safety

53. This discussion document considers how the Card Issuing fee will be implemented in England, Scotland, Wales and Northern Ireland.

### Background

54. Most drivers of large commercial vehicles are subject to what are known as the "EU drivers' hours rules"<sup>3</sup>. These rules limit continuous driving time and require drivers to take minimum breaks and rest periods. This helps to reduce the risks of drivers becoming involved in fatigue-related accidents and thus improves road safety.

55. In order to enforce the drivers' hours rules, it is important to have a record of drivers' activities. Therefore, vehicles subject to the EU drivers' hours rules have to be fitted with a tachograph. This is a device which automatically records driving and other activities.

56. Existing tachographs create paper record sheets. In 1998, the EU adopted a Regulation<sup>4</sup>, which paved the way for the introduction of digital tachographs. These will store records of driver activities in digital memory rather than on paper.

57. EU Regulation 2135/98 requires each Member State to issue the digital tachograph cards needed to effectively operate the new system in their country.

58. The Driver and Vehicle Licensing Agency (DVLA) the Driver Vehicle Licensing Northern Ireland (DVLNI) have developed the systems and technology required to be able to issue cards. DVLA and DVLNI will be issuing four types of card:

- **Driver card** – to be used by any driver subject to the relevant regulations when driving any vehicle fitted with the digital tachograph system. It will record data such as driver's hours and rest periods.
- **Company card** – to be used by owners of vehicles fitted with the digital tachograph system to download the data relating to their company and to control access to data in the digital tachograph.
- **Workshop card** – for use by accredited workshop fitters primarily to install, repair and calibrate the on-board vehicle units.
- **Control card** – to be used by the Vehicle and Operator Service Agency (VOSA), the Driver and Vehicle Testing Agency (DVTA) and Great Britain (GB) and Northern Ireland (NI) police to gain access to data stored in digital tachographs.

<sup>3</sup>These rules are set out in EEC Regulation 3820/85

<sup>4</sup>Council Regulation (EEC) 2135/98 which amends Council Regulation (EEC) 3821/85

59. This partial regulatory impact assessment (RIA) considers the introduction of a fee for the issue of digital tachograph cards for Great Britain (GB) and Northern Ireland (NI). An order would be required under section 102 of the Finance (No2) Act 1987 or section 56 of the Finance Act 1973 for GB and article 3 of the Fees &c (Northern Ireland) Order 1988 for NI.

60. The proposed fee structures illustrate a fee for each card by transaction type. The transactions are defined as follows:

- **Card application** – this covers the issue of a card and subsequent additional company cards for those companies who find that they need additional cards.
- **Renewal** – this covers the issue of a new card on the expiry of the existing card. Driver and Company cards will be renewed every 5 years, Workshop cards every year and Control cards every 2 years.
- **Exchange** – the issue of a new card bearing the same expiry date of that card which it replaces if the personal details on the existing card change.
- **Replacement** – to replace a card that has been lost or stolen.
- **Malfunction** – to replace a faulty card.

61. Businesses that consider they would be affected by the proposals are invited to: -

- briefly describe the activities they undertake
- explain how each of the options would affect them
- describe the costs and/or benefits that would arise from each of the options
- provide views on the implementation
- identify any unintended consequences.

### Risk assessment

62. We have no option but to introduce the system, otherwise Great Britain and Northern Ireland would contravene the EU Directive.

63. The estimated costs associated with the implementation and operation of the digital system over 5 years (until 2009-10) is £72 million.

64. Implementation of a fee for the digital tachograph card is vital in funding the card issuing system and to enforcement. Without the funding from the scheme, DVLA and DVLNI costs would have to be recovered from elsewhere, which would mean an increase in fees for other DVLA and DVLNI transactions. This in turn would mean that the digital tachograph card production and Drivers Hours' roadside enforcement would be wholly

subsidised by other motorists through driver first licence applications, vehicle first registration applications or both driver and vehicle applications.

65. If the driver first licence application transaction fee were raised to a level to also cover the cost of the digital tachograph system, the fee would need to be raised from £38 to £54. This new fee has been calculated using current transaction volumes. If the vehicle first registration transaction were used, the fee would increase from £38 to £43. If costs were recouped from both transactions, the current fees would need to be increased from £38 to £42.

66. None of the above scenarios would be popular with ordinary driving licence holders or vehicle keepers, as they would be paying for a service from which they would derive little or no benefit. Therefore, the only viable option is to look at levying a fee on those motorists obliged to use the digital tachograph.

67. Also, if no fee is attached to the card there is a risk that drivers in particular may apply for more cards than they need, thus presenting a very real security risk to the system. In addition if replacement cards were provided free of charge, their estimated numbers may escalate leading to increases in costs.

68. As other European Union Member States will be charging a fee for the digital tachograph cards it may be seen as unfair competition if GB and NI issues the cards to its drivers and operators free of charge. It is easy to construe this as a hidden subsidy to GB and NI transport industry.

69. The regulation is estimated to effect 1.4 million drivers and 120,000 companies between the financial periods 2005-06 and 2009-10.

## **Options**

### **Option 1**

70. Option one proposes a charging structure for the various types of card needed under the scheme. The table below gives the proposed fees for the various different card types:

<b>Transaction</b>	<b>Driver Card</b>	<b>Company Card</b>	<b>Workshop Card</b>	<b>Control Card</b>
Card Application	£38	£38	£0	£0
Renewal	£19	£19	£0	£0
Replacement -lost/stolen	£19	£19	£0	£0
Exchange – change of details	£0	£38	£0	£0
Malfunction	£0	£0	£0	£0

71. This option proposes to cover the costs of the card-issuing scheme over the 5-year period. It also provides for some subsidy of driver fees by companies, for example, exchange transactions.

#### *Card application*

72. DVLA and DVLNI propose to charge a fee of £38 in respect of driver and company card applications including any additional company cards. The fee covers the cost of setting up the record and contributes to the maintenance of that record.

#### *Renewal cards*

73. A fee of £19 is proposed for renewal cards. Issuing renewal cards will result in additional costs. It is anticipated that these costs will be lower than costs associated with issuing the cards initially, given that records have previously been created. Hence the level of the fee for the renewal card is lower.

#### *Replacement cards*

74. A fee of £19 is proposed for replacement cards. It is hoped that the fee for cards which are lost or stolen will help minimise the risk associated with drivers having more than one legitimate card whilst not placing too onerous a burden on drivers or companies who need to obtain replacements.

#### *Exchanges*

75. Drivers will be issued with a free card on notification of a change of personal details. This is necessary to ensure that drivers' personal details remain accurate and up-to-date on the database and on the driver's card. Accurate driver details are important to both companies and enforcement agencies.

76. It is planned to charge a fee of £38 to update any company card with a new address. Company card exchanges will be issued following receipt or notification of change of business details e.g. company name and/or address. This fee will contribute to the maintenance of accurate driver and company records.

#### *Workshop cards and Control cards*

77. The numbers of control and workshop cards needing to be issued are small compared with the number of driver cards. It is estimated that there are over a million vocational drivers whilst it is expected that the number of workshop and control cards needing to be issued will amount to only a few thousand.

78. It is proposed that all workshop and control cards will be issued free of charge. Workshops pay a yearly fee and are accredited by VOSA and DVTA and will not be required to pay for a card. No charge will be made to VOSA,

DVTA or GB and NI police to obtain the control cards that are necessary for them to carry out their statutory duties in ensuring compliance.

Option 2

79. Option two proposes a different charging structure for the various types of card needed under the scheme. The difference is mainly that drivers will absorb more of the costs associated with the card-issuing scheme than operators. The table below gives the proposed fees for the various different card types:

Transaction	Driver Card	Company Card	Workshop Card	Control Card
Card Application	£44	£20	£0	£0
Renewal	£20	£20	£0	£0
Replacement Lost/Stolen	£20	£20	£0	£0
Exchange – change of details	£0	£20	£0	£0
Malfunction	£0	£0	£0	£0

80. This option again proposes to cover the costs of the card-issuing scheme over the 5-year period. However, this option provides for a greater degree of subsidising of the system by the driver.

*Card application*

81. A fee of £44 in respect of first applications for driver cards and £20 for company cards. The fee covers the cost of setting up the record and contributes to the maintenance of that record.

*Renewal cards*

82. A fee of £20 is proposed for renewal cards. Issuing renewal cards will result in additional costs. However, it is anticipated that these costs will be lower than costs associated with issuing the original cards, given that records have previously been created.

*Replacement cards*

83. A fee of £20 is proposed for replacement cards. It is hoped that the fee for cards which are lost or stolen will help minimise the risk associated with drivers having more than one legitimate card whilst not placing too onerous a burden on drivers or companies who need to obtain replacements.

*Exchanges*

84. Drivers will be issued with a free card on notification of a change of personal details. This is necessary to ensure that drivers' personal details remain accurate and up-to-date on the database and on the driver's card. Accurate driver details are important to both companies and enforcement agencies.

85. It is planned to charge a fee of £20 to update a company card with a new address. Company card exchanges will be issued following receipt or notification of change of business details e.g. company name and/or address. This fee will contribute to the maintenance of accurate driver and company records.

*Workshop cards and Control cards*

86. The numbers of control and workshop cards needing to be issued are small compared with the number of driver cards. It is estimated that there are over a million vocational drivers whilst it is expected that the number of workshop and control cards needing to be issued will amount to only a few thousand.

87. It is proposed that all workshop and control cards will initially be issued free of charge. Workshops are accredited by VOSA and DVTA and will not be required to pay for a card. No charge will be made to VOSA, DVTA or GB and NI police to obtain the control cards that are necessary for them to carry out their statutory duties in ensuring compliance.

**Benefits**

88. The key benefit of charging a fee for the digital tachograph card is that it offers a self-funding solution to the card issuing and enforcement problems.

Option 1

89. The key benefit associated with this proposal is that Option one offers a fair distribution of the costs of the system with the company providing for some subsidy of driver fees, such as, exchange transactions.

Option 2

90. The key benefit under Option two is that company costs will be lower than under Option one. The fact that company costs are low however has the contrasting effect of making driver costs high in order to cover the shortfall in costs.

91. The introduction of the digital tachograph card fee will affect businesses and individuals subject to the EU Drivers' Hours Regulation. Most vocational drivers, companies/operators and accredited workshop fitters are required to comply with EU Directives 3820/85, 3821/85 and 1360/2002.

92. The key business sectors affected will be the heavy goods vehicle operators and coach industry. It is estimated that this represents around 120,000 companies.

93. In addition approximately 1.4 million drivers within these sectors will be affected.

**Costs**

94. In considering the fee structure DVLA and DVLNI has taken account of the costs of setting up the system, creating a record, issuing the card, including the material and administration costs and the on-going costs of maintaining an accurate record.

95. Also, the fee contributes towards the TACHOnet system, which facilitates the data exchange for card status enquiries between EU Tachograph Card Issuing authorities and enforcement bodies. VOSA, DVTA and GB and NI police will use TACHOnet for roadside checks on workshop and driver card status notifications.

96. The increase in operation costs to DVLA and DVLNI is estimated at around £72 million for the years up to 2009-10. This is recovered through the proposed fee under both options over a number of years and the scheme becomes self-funding in 2009-10.

Option 1

97. The total number of drivers that are estimated to apply for a digital tachograph card between 2005-06 and 2009-10 is 1.4 million at £38 each. This will result in an estimated cost of £53.2 million over a 5-year period.

98. It is expected that 220,000 company cards will be issued in the first year (as initially only vehicles first put into service will be fitted with the new type digital tachograph) with a take up of 45,000 per year afterwards. This assumes therefore that the total cost to industry for a volume of approximately 400,000 at £38 each will be £15.2 million.

Option 2

99. The total costs incurred by drivers and operators in total in obtaining cards (based on the estimated volumes above) under Option two is roughly the same. However, the cost incurred by drivers under this option is around £61.6 million whereas the cost incurred by operators via company cards is approximately £8 million.

**EQUITY AND FAIRNESS**

100. The development of the system and the card production processes in preparation for this initiative has resulted in additional costs to both DVLA and DVLNI. In common with the principle already established for driver licensing and vehicle registration, the fee structure for digital tachograph cards continues with the principle of fair and equitable distribution of costs and seeks to cover costs in the fairest way possible.

**SOCIAL EXCLUSION ISSUE**

101. DVLA and DVLNI do not believe that any social exclusion is likely to arise from these proposals.

**RACE RELATIONS ISSUE**

102. It is not considered that these proposals will have any race equality impact.

**HUMAN RIGHTS**

103. We believe that these regulations will have no impact on human rights.

**CONSULTATION WITH SMALL BUSINESSES**

104. [To be completed following consultation].

**SMALL FIRMS IMPACT TEST**

105. DVLA and DVLNI believe that the impact on small businesses will be insignificant.

**COMPETITION ASSESSMENT**

106. The proposed fee structures affect all vocational drivers subject to the relevant EU regulation in England, Scotland, Wales and Northern Ireland. The vehicle company operators subject to the relevant EU regulation are all broad-based with no one firm or small group of firms, holding a pronounced market share. No firm would be affected to any greater degree than any of its competitors of comparable size. The costs would fall in direct relation to the size of the business.

**ENFORCEMENT AND SANCTIONS**

107. A separate consultation exercise will be carried out on the enforcement powers and penalties necessary to implement digital tachographs.

**MONITORING AND REVIEW**

108. DVLA and DVLNI monitor its own financial position continuously. Interested parties are consulted as part of this review process.

# ANNEX B

## PROPOSED FEE STRUCTURES

Option 1		Option 2

Transaction	Fee		Transaction	Fee
<b>Driver Cards</b>			<b>Driver Cards</b>	
Card Application	£38		Card Application	£44
Renewal	£19		Renewal	£20
Replacement if lost, stolen or destroyed	£19		Replacement if lost, stolen or destroyed	£20
Malfunctioning	Free		Malfunctioning	Free
Exchange	Free		Exchange	Free

Company Cards			Company Cards	
Card Application	£38		Card Application	£20
Renewal	£19		Renewal	£20
Replacement if lost, stolen or destroyed	£19		Replacement if lost, stolen or destroyed	£20
Malfunctioning	Free		Malfunctioning	Free
Exchange	£38		Exchange	£20

Workshop Cards			Workshop Cards	
Card Application	Free		Card Application	Free
Renewal	Free		Renewal	Free
Replacement if lost, stolen or destroyed	Free		Replacement if lost, stolen or destroyed	Free
Malfunctioning	Free		Malfunctioning	Free
Exchange	Free		Exchange	Free

Control Cards			Control Cards	
Card Application	Free		Card Application	Free
Renewal	Free		Renewal	Free
Replacement if lost, stolen or destroyed	Free		Replacement if lost, stolen or destroyed	Free
Malfunctioning	Free		Malfunctioning	Free
Exchange	Free		Exchange	Free

**Note: Free = zero fee**

## ANNEX D

### THE CONSULTATION CRITERIA

This consultation document aims to comply in all respects with the criteria contained in 'Code of Practice on Written Consultations' issued by the Cabinet Office, set out below. If you consider that this has not been achieved, please write setting out the areas where you feel the document departs from the criteria. The address is:

**Mrs Anne McAleer**  
 Consultation Co-ordinator  
 DVLA  
 Swansea Vale 2  
 Sandringham Park  
 Swansea  
 SA7 0EU  
 FAX: 01792 765210  
**Consultation Criteria**

- Allow sufficient time for considered responses from all groups with an interest. Twelve weeks should be the standard minimum period for a consultation, although there will sometimes be circumstances that require a consultation period of less than twelve weeks.
- Be clear about what the proposals are who may be affected, what questions are being asked and the timescale for responses.
- Ensure that the consultation is clear, concise and widely accessible.
- Give feedback regarding the responses received and how the consultation process influenced the policy.
- Monitor the department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.
- Ensure the consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.

## ANNEX E

### LIST OF CONSULTEES

A1 COACH TRAVEL  
 AA MOTORING TRUST  
 ABJET TRANSPORT  
 A & B TAXIS & MINIBUS HIRE  
 ACTIA  
 ALAN CAPPER – REFRIGERATED TRANSPORT  
 ALAN FRANCEY MINI BUS HIRE  
 ALAN WRIGHT  
 ALLEN LOGISTICS NI LTD  
 ALLIANCE OF SMALL FIRMS & SELF EMPLOYED PEOPLE  
 ALLINGHAM TRANSPORT  
 ANDERSON HAULAGE LTD  
 ANFIELD TRANSPORT  
 ARMAGH CITY & DISTRICT COUNCIL  
 ARRAS BUS COMPANY  
 A R MCKAY & SONS  
 ASHTON COACHES  
 ASSOCIATION OF BRITISH CHAMBERS OF COMMERCE  
 ASSOCIATION OF BRITISH DRIVERS  
 ASSOCIATION OF CHIEF POLICE OFFICERS (ENGLAND)  
 ASSOCIATION OF CHIEF POLICE OFFICERS (SCOTLAND)  
 ASSOCIATION OF CHIEF POLICE OFFICERS (WALES)  
 ASSOCIATION OF INDUSTRIAL ROAD SAFETY OFFICERS  
 ASSOCIATION OF LOCAL BUS MANAGERS  
 ASSOCIATION OF LOCAL GOVERNMENTS  
 ASSOCIATION OF LONDON AUTHORITIES  
 ASSOCIATION OF LONDON BOROUGH ROAD SAFETY  
 ASSOCIATION OF NATIONAL MOT TESTERS  
 ASSOCIATION OF ROAD TRANSPORT LAWYERS  
 ASSOCIATION OF TRANSPORT CO-ORDINATING OFFICERS  
 ASSOCIATION OF VEHICLE RECOVERY OPERATORS  
 AUTOMOBILE ASSOCIATION  
 AUTOMOBILE ASSOCIATION (NI)  
 AYRSHIRE TRANSPORT TRAINING ASSOCIATION  
 BALLYMENA BOROUGH COUNCIL  
 BALLYMORE FREIGHT SERVICES LTD  
 BANBRIDGE COACHWORKS LTD  
 B & C COACHES  
 BELFAST BUS COMPANY  
 BELFAST HARBOUR POLICE  
 BIRDS GROUPAGE SERVICES LTD  
 BLAIR INTERNATIONAL

B P MCKEEFRY  
BRADFORD TRANSPORT TRAINING  
BRAKE  
BRIAN DONALDSON COMMERCIALS  
BRIAN HUGHES & SON  
BRIDGE COMMERCIALS  
BRITISH ASSOCIATION OF REMOVERS  
BRITISH ENERGY  
BRITISH GAS PLC  
BRITISH INDUSTRY MOTOR TRADE ASSOCIATION  
BRITISH INDUSTRIAL TRUCK ASSOCIATION  
BRITISH PETROLEUM  
BRITISH RETAIL CONSORTIUM  
BRITISH SAFETY COUNCIL  
BRITISH TRANSPORT POLICE  
BRITISH VEHICLE SALVAGE FEDERATION  
BROWNS COACHWORKS LTD  
BROXWOOD  
BT FLEET LTD  
BULK SERVICES  
BUSH TRAINING CENTRE  
BVRLA  
CABINET OFFICE REGULATORY IMPACT UNIT  
CAHILL MOTOR ENGINEERING LTD  
CAPPER TRADING LTD  
CARN EUROPEAN FREIGHT SERVICES  
CARRICKFERGUS BOROUGH COUNCIL  
CHAMBERS COACH HIRE LTD  
CHARTERED INSTITUTE OF LOGISTICS & TRANSPORT  
CHIEFTAIN TRAILERS LTD  
CHRISTIAN ROAD SAFETY ASSOCIATION  
CIVIL ENGINEERING CONTRACTORS ASSOCIATION  
COACH OPERATORS FEDERATION  
COLD STORAGE AND DISTRIBUTION FEDERATION  
COLERAINE BOROUGH COUNCIL  
COMBER COMMERCIAL CENTRE  
COMMERCIAL MOTOR MAGAZINE  
COMMISSION FOR INTEGRATED TRANSPORT  
COMMUNITY TRANSPORT ASSOCIATION  
CONFEDERATION OF BRITISH INDUSTRY (CBI)  
CONFEDERATION OF BRITISH INDUSTRY (CBI) SCOTLAND  
CONFEDERATION OF BRITISH INDUSTRY (CBI) WALES  
CONFEDERATION OF PASSENGER TRANSPORT UK  
CONSTRUCTION PLANT HIRE ASSOCIATION  
CONSUMERS ASSOCIATION  
CONVENTION OF SCOTTISH LOCAL AUTHORITIES  
CONVERY TRANSPORT  
COOKSTOWN DISTRICT COUNCIL  
CORRIGANS  
COSTCUTTER LLV'S LTD  
COULTER TRUCK & VAN  
COUNCIL FOR THE PROTECTION OF RURAL ENGLAND  
COUNTY ROAD SAFETY OFFICERS ASSOCIATION  
CRAIGAVON BOROUGH COUNCIL  
DAIRY INDUSTRY FEDERATION  
DAF TRUCKS LTD  
DARRAGH'S COACHES  
DAVID GORDON & SONS  
D & B TRANSPORT  
D CURRAN & SONS  
DEPARTMENT OF AGRICULTURE & RURAL DEVELOPMENT  
DEPARTMENT OF TRADE AND INDUSTRY

DEREK HUME INTERNATIONAL TRANSPORT LTD  
DERG COMMERCIALS  
DERRY CITY COUNCIL  
DERRY REFRIGERATED TRANSPORT  
DIAL-A-BUS  
DONNELLY BUSES  
DRD ROADS SERVICE  
DRIVING STANDARDS AGENCY  
DRIVING AND VEHICLE TESTING AGENCY  
DRUMACK COACHWORKS  
DRUMATEE FREIGHT LTD  
DVLNI  
DVTA  
EAMON LEONARD & SONS  
EASTERN TRAFFIC AREA OFFICE  
EASY COACH  
ENTERPRISE TAXIS COACH T/A EASY COACH  
ENVIRONMENTAL TRANSPORT ASSOCIATION  
EQUALITY COMMISSION  
ERF LTD  
ESSO  
FEDERATION OF MILK GROUPS  
FEDERATION OF PETROLEUM SUPPLIERS  
FEDERATION OF SMALL BUSINESSES  
FELDBINDER UK LTD  
FERMANAGH DISTRICT COUNCIL  
FLEET DRIVER TRAINING ASSOCIATION  
FLEET SOLUTIONS (IRELAND) LTD  
FODEN TRUCKS  
FOOD AND DRINK FEDERATION  
FORESTRY CONTRACTING ASSOCIATION  
FORUM OF PRIVATE BUSINESSES  
FREIGHT TRANSPORT ASSOCIATION  
FREIGHT TRANSPORT ASSOCIATION LTD (NI)  
FRY TRANSPORT  
GEMINI COACHES  
GENERAL CONSUMER COUNCIL FOR NORTHERN IRELAND  
GEORGE NEILL  
GIFFORD TACHOGRAPH SERVICES LTD  
GILFORD VAN HIRE LTD  
GRAY & ADAMS IRELAND LTD  
HANNON TRANSPORT LTD  
HAULAGE SERVICES LTD  
HAWK COACH HIRE  
HEAVY TRANSPORT ASSOCIATION  
HEAVY TRANSPORT CONSULTANTS  
HERON TRANSPORT  
HOLLAND EUROPE LTD  
HOMOLOGATION SERVICES  
HOUSE OF COMMONS LIBRARY  
HOUSE OF LORDS LIBRARY  
HUGHES TRANSPORT  
INSTITUTE OF LGV DRIVING INSTRUCTORS  
INSTITUTE OF LOGISTICS AND TRANSPORT  
INSTITUTE OF MECHANICAL ENGINEERS  
INSTITUTE OF ROAD TRANSPORT ENGINEERS  
INSTITUTE OF TRANSPORT ADMINISTRATION  
INSTITUTION OF HIGHWAYS & TRANSPORTATION  
INSTRUMENT REPAIR SERVICES  
INTERPOINT DISTRIBUTION  
ISAAC AGNEW VAN CENTRE

ISLE OF MAN GOVERNMENT  
ISUZU TRUCK UK  
JAMES STEEN  
J & J CONVERSIONS LTD  
J & J CURLEY  
J M WINTER  
J MURRAY & SONS  
JOHN CRILLY TRANSPORT  
JOHNSON INTERNATIONAL  
JOSEPH BAIRD TRANSPORT  
JOSEPH GILLILAND  
J & S MCNEILL  
JUSTICE CLERKS' SOCIETY  
K HUGHES TRANSPORT  
K T TAXI & MINI BUS HIRE  
LANDMARK  
LEYLAND VEHICLES  
LEYLAND TRUCKS LTD  
LIFE (NI)  
LIMAVADY BOROUGH COUNCIL  
LISBURN CITY COUNCIL  
LOANE TRANSPORT LTD  
LOCAL GOVERNMENT ASSOCIATION  
LOGANS EXECUTIVE TRAVEL  
LOUGHSHORE AUTOS LTD  
LYONS EUROPEAN LTD  
MAGHERAFELT DISTRICT COUNCIL  
MAN SELECT  
MAN TRUCK AND BUS LTD  
MASSEY TANKERS LTD  
MAR-TRAIN HAULAGE  
MCALONAN TRANSPORT  
MCANULTYS  
MCBURNEY COACHES  
MCBURNEY TRANSPORT  
MCERLEANS COACH HIRE  
MCGEOWN INTERNATIONAL  
MCPEAK & SONS LTD  
MERCEDES-BENZ TRUCK & VAN HIRE (NI)  
MERVYN WILLIAMSON MECHANICAL SERVICES  
MESSERS B & P MCCROSSAN  
MID TYRONE ACCESSIBLE COMMUNITY TRANSPORT  
MILK DISTRIBUTION SERVICES  
MILKTRANS  
MILLFARM TRANSPORT LTD  
MILLS COACH HIRE  
MINI COACH  
MOLEY COACHES  
MOTOR INDUSTRY RESEARCH ASSOCIATION  
M R COMMERCIALS  
MULDOON TRANSPORT SYSTEMS LTD  
MULGREW HAULAGE LTD  
MULLIGAN COACHWORKS  
NATIONAL ASSEMBLY FOR WALES  
NATIONAL ASSEMBLY FOR WALES LIBRARY  
NATIONAL ASSOCIATION OF AGRICULTURAL CONTRACTORS  
NATIONAL BREAKDOWN  
NATIONAL COUNCIL FOR VOLUNTARY ORGANISATIONS  
NATIONAL COUNCIL ON INLAND TRANSPORT  
NATIONAL FARMERS UNION  
NATIONAL FARMERS UNION OF SCOTLAND  
NATIONAL FREIGHT CONSORTIUM

NATIONAL TRAILER AND TOWING ASSOCIATION  
NEWPORT TRANSPORT LTD  
NEWRY & MOURNE DISTRICT COUNCIL  
NIACRO  
NIC-ICTU  
NI ECONOMIC COUNCIL  
NIGEL JONES TRANSPORT  
NILGA  
NIPSA  
NI TRUCKS LTD  
NOEL ZWECKER INTERNATIONAL TRANSPORT LTD  
NORFOLKLINE  
NORTHERN IRELAND ASSEMBLY  
NORTH DOWN COACH HIRE  
NOVADATA TACHOGRAPH ANALYSIS BUREAU  
NUMMY TRANSPORT  
NU TRACK  
OLIVER TRANSPORT SERVICE LTD  
OIL INDUSTRY ENERGY COMMITTEE  
O'REILLY TRANSPORT (IRELAND) LTD  
PANELTEX LTD  
P J O'KANE TRANSPORT  
P & K COACH HIRE  
P U COMMERCIALS  
PARCELFORCE  
PARLIAMENTARY ADVISORY COUNCIL FOR TRANSPORT  
PEDLOW TRANSPORT LTD  
PEPPER (DROMORE) LTD  
PETROLEUM INDUSTRIES ASSOCIATION  
PLANT TRADE ASSOCIATION  
PLAYBOARD  
POLAR INTERNATIONAL LTD  
POLICE FEDERATION OF ENGLAND & WALES  
POLICE FEDERATION FOR NORTHERN IRELAND  
POLICE SERVICE OF NORTHERN IRELAND  
POOTS COACH HIRE LTD  
PSNI  
PUBLIC AFFAIRS DEPARTMENT  
PUBLIC CARRIAGE OFFICE  
QUARRY PRODUCTS ASSOCIATION  
RAC FOUNDATION  
RAC MOTORING SERVICES  
RAIL MARITIME AND TRANSPORT WORKERS UNION  
RALPH LONEY  
RAYMOND HOUSTON TRANSPORT  
RAYS COACH HIRE  
REID TRANSPORT  
RENAULT TRUCKS UK LTD  
RETAIL MOTOR INDUSTRY FEDERATION  
RETAIL MOTOR INDUSTRY FEDERATION (NI)  
R G BARKLEY & SONS  
R G C INTERNATIONAL  
R J DOUGLAS & SON  
R J G BULLICK  
R J WILSON  
ROAD OPERATORS SAFETY COUNCIL  
ROAD HAULAGE ASSOCIATION LTD  
ROAD FERRY GROUP  
ROAD OPERATORS SAFETY COUNCIL  
ROAD RESCUE RECOVERY ASSOCIATION  
ROAD SAFETY COUNCIL FOR NORTHERN IRELAND  
ROAD SAFETY COUNCIL OF WALES

ROAD SERVICE  
ROAD TRANSPORT ASSOCIATION  
ROYAL MAIL  
ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LTD  
ROY HAMILTON RECOVERY & WINDSCREEN SERVICES  
R W CALVIN & SON HAULAGE  
SAFWAYS STORES PLC  
SAINSBURYS  
SAMUEL CONNOLLY & SONS  
SAWYERS TRANSPORT LTD  
SAUDERSON COACHES  
S D C TRAILERS LTD  
SEAMUS MCBENNETT TRANSPORT  
SEDDON ATKINSON VEHICLES LTD  
SCHOOL TRAVEL ADVISORY GROUP  
SCOTTISH COMMUNITY TRANSPORT  
SCOTTISH MOTOR TRADE ASSOCIATION LTD  
SECURICOR VEHICLE MANAGEMENT LTD  
SHELL UK LTD  
SHORELINE COACHES  
SILVER ARROW COACHES LTD  
SIMPSON TRANSPORT  
SLANE COACH/TAXI HIRE  
SLOANE BROTHERS/ WILWOOD SHAVINGS  
SOCIETY OF MOTOR MANUFACTURERS & TRADERS  
SOCIETY OF OPERATIONS ENGINEERS  
SOMERFIELD STORES LTD  
S PATTERSON  
STONERIDGE  
SUPERINTENDENTS ASSOCIATION FOR NORTHERN IRELAND  
SUREFREIGHT LTD  
SWIFT TRANSPORT TRAINING LTD  
TARGET TRANSPORT LTD  
T B F THOMPSON  
TELECOMMUNICATIONS INDUSTRY ASSOCIATION  
TESCO  
TEXACO  
T J HOOD TRANSPORT LTD  
THE GENERAL COUNCIL OF THE BAR OF NI  
THE OMNIBUS PARTNERSHIP  
THOMAS BARRY HAULAGE  
TOTAL HAULAGE (NI) LTD  
TRAFFIC COMMISSIONERS  
TRANSPORT AND HEALTH STUDY GROUP  
TRADING STANDARDS  
TRANSLINK  
TRANSPORT TRAINING SERVICES  
TRANSPORT 2000  
TRANSPORT & GENERAL WORKERS UNION  
TRANSPORT ASSOCIATION  
TRAVELWISE COACHES  
TRUCK & DRIVER  
TRUTAC LTD  
TVAC LANCASHIRE ENTERPRISE BUSINESS  
T W KIRKPATRICK & SONS  
T W WAITE (HAULAGE)  
UK COAL PLC  
UK FOREST PRODUCTS ASSOCIATION  
UK PETROLEUM INDUSTRY ASSOCIATION  
UNICORN FREIGHT (NI) LTD  
UNIGATE DAIRIES LTD

UNISON  
UNITED ROAD TRANSPORT UNION  
VANS IRELAND FLEET RENTAL LTD  
VDO (BIRMINGHAM)  
VEHICLE CERTIFICATE AGENCY  
VEHICLE INSPECTORATE EXECUTIVE AGENCY  
VEHICLE INDUSTRY CONSULTANTS  
VEHICLE AND OPERATOR SERVICES AGENCY  
VILLA TAXIS & COACH HIRE  
VOLVO TRUCK AND BUS LTD  
WALTER GRAHAM HAULAGE WASTE DISPOSAL ASSOCIATION  
WATER UK  
W D O'NEILL TRANSPORT LTD  
WELSH LOCAL GOVERNMENT  
WELSH OFFICE OF THE ASSOCIATION OF DISTRICT COUNCILS  
W G DONALDSON  
WHITELINE COACHES  
WILSON MCCURDY HAULAGE  
W J F WILSON  
WOOLSEY CARSON  
WRIGHTBUS LTD  
YELLOW LINE COACHES