

**19 January 2005**

**Rt. Hon Alistair Darling MP**  
Secretary of State for Transport

Department for Transport  
Great Minster House  
76 Marsham Street  
LONDON SW1P 4DR

Dear Minister,

### **The Road Transport Directive**

We write to warn you that the above directive, which takes effect in the UK on 25 March 2005, has the potential to bring about the loss of a large part of our domestic aggregate industry. Although we acknowledge that it might not be possible to stop this legislation completely, there are a number of factors which support the case for a derogation for the aggregates sector.

The British Aggregates Association represents the interests of privately-owned and independent quarry companies throughout the UK operating out of over 100 individual sites with some 10% of national output. Some of our members also have asphalt and ready-mix concrete facilities and/or operate landfill sites. We also represent 20 associate companies who supply services and equipment to our industry.

The Working Time Directive, WTD, was adopted under Article 118a of the Treaty establishing the European Community on 23 November 1993. The Working Time Directive has been implemented in Great Britain through The Working Time Regulations 1998 (SI 1998 No. 1833) on 1 October 1998. Due to the profound effect that this directive has on the financial viability of businesses and individuals alike, most UK employees have the ability to opt out from the regulations.

However, the road transport industry opt out is to be withdrawn from March 2005 although the reasons being given do not stand scrutiny and are riddled with contradictions. Unfortunately, this legislation has split the transport sector neatly down the middle and we are concerned that not enough has been done to alert the government to difficulties ahead. The two major trade bodies, the RHA and the FTA are caught between two camps as most of their larger members believe that the RTD will make it extremely difficult for small operators to survive. Owner drivers are of course to be exempt until 2009 but their derogation is so heavily qualified as to be virtually worthless. For most owner drivers to qualify rules would have to be bent, especially with regard to locally working tippers and truck mixers, and this will in turn leave these people vulnerable to being reported to the authorities by competitors who are themselves caught by the legislation.

With few quarries being rail connected, our industry is heavily dependent on road transport. UK road haulage charges are already high as haulage contractors do not receive any rebate on their fuel, unlike other industries, and the cost of delivery can often equal or surpass the cost of the aggregate itself. Rates have also been elevated over recent years by the escalating cost of fuel and the reduction of capacity within the haulage industry itself.

Therefore, because of the high weight to price ratio of aggregate (our is the cheapest freight on the highway) any haulage cost increase has a disproportionate effect. The net result of the Working Time Directive on road haulage will be to increase the delivered price of UK produced aggregates by up to 30% and we are becoming extremely concerned about our ability to compete against imported aggregates. Most of our large conurbations are on the coast and have operational ports with established facilities for unloading, dispersing and processing aggregates and it can already cost more to deliver to these cities by road than to ship in bulk from countries like Norway. A significant incentive to locate concrete works and asphalt facilities in the docklands is that much of our cement and all our bitumen arrives by sea.

Most of the higher end of the stone market has already been lost to imports with almost 100% of granite slabs, setts, paviers and gravestones coming from Spain, Portugal or China. Similarly Spanish slate has started to dominate the roofing market. Imports of aggregates are steadily rising and Network Rail (Railtrack) has now bought Norwegian track ballast.

A large part of the quarry industry will accordingly struggle to remain competitive if haulage gets transformed into a sellers market by the RTD and, given the current acute shortage of HGV drivers, this is well nigh inevitable. Even if the quarry industry moves from hired in to in house haulage the problem will remain due to the above shortage of drivers and we could end up being cut off from many of our customers. Marine transport is very cost effective, it will not be affected by the Working Time Directive and one country, Norway, already boasts that it has sufficient coastal quarry capability to meet the entire UK requirement.

The UK is rich in mineral reserves and the extraction and processing of this material is one of our few remaining primary industries. UK stone for UK construction is good for the environment, it is good for all sorts of local and national industries and I would sincerely hope that government still considers it to be good for our balance of payments.

We therefore ask that Government delays the implementation of the Road Transport Directive until such times as its effects can be properly understood. However in the event that this is not possible we request that urgent consideration be given to granting the aggregates sector a derogation by allowing it to remain governed by the current regulations which are widely recognised as being robust, safe and practical.

Our representatives are available to explain in detail the problems that the Road Transport Directive will cause to the UK aggregates industry and we look forward to your response.

Yours sincerely,

Robert Durward

Director.

**cc. Tony McNulty MP Minister of State**

**David Jamieson MP Parliamentary Under Secretary of State**