

Draft Law amending and supplementing DahirNo.1.63.246 of November 12,
1963 regarding transport on roads by motor vehicles

PRESENTATION NOTE

The HIGHNESS ROYAL DIRECTIVES have repeatedly emphasized the need to upgrade the national economy by developing its competitiveness. That comes through the attraction of productive investment, and by creating a climate of fair competition, entrepreneurial freedom and equal opportunity including the fight against the rentier economy system privileges and any other distortion of the principles above.

Historically, since the independence, the transport sector has been plagued by the rentier economy system in many activities that constitute it. To fight against this, the Ministry of Equipment and Transport has implemented and led several reforms; and that since 2002 to phase out its rules akin.

Thus, it was proceeded to:

- The removal of the licence agreement of freight transport in 2003.
- The submission to the mandatory tender and specification of any authorization of concession in the port sector (Law 15-02 reform port) in 2005.
- The liberalization of the maritime transport licences in 2007 and of the air in 2006 (open-sky agreement with the European Union).
- The submission to the mandatory tender and to the specification of vehicle inspection centre.
- The suppression of the commission for granting authorization for driving schools by substituting the specifications without discrimination to any investor(Law 52-05) in 2010.

This draft law aims to complete these reforms by reorganizing profoundly the public passenger transport which still prevails heavily in the rentier economy system with its negative impact on the community: economically, socially and with respect to road safety.

The reform of public passenger road transport has set the following objectives:

- The abolition of the licence agreement system: suppression of this system which is distributing rents in a discriminatory manner unrelated to the investments or the work required to operate the transport services.
- The professionalization of the sector: defining fair and transparent conditions to anyone accessing this profession, and conditions to have a fair competition. This legislation will allow the retention of all revenues from road transport in this sector, and thus, encouraging investment and its upgrade.
- The improvement of passengers transport services: increase in supply for a better response to the needs of intercity travel; that is in the interest of better

quality, better cost, safer roads taking into account the protection of environment and disabled specificities.

To achieve these objectives, the draft law covers the following:

- Cessation of the granting approvals: it must take act from the beginning of the reform and then be translated by dissolution of the Transport Committee.
- Establishment of conditions to operate regular or non-regular public passengers transport: inscription in a specific registered profession based on technical and financial capacity of the transporter.
- Establishment of a classification and qualification system for transporters.
- Attribution by tender of the exploitation rights with signing of an agreement and specifications: tenders will be opened to all transport operators registered. The classification and the qualification certificate will certify their skills and abilities. Their offers will be evaluated based on the amount of royalties payable to the State. The execution of regular public services will be provided by two transporters. The attribution will be for a line or a network of lines.
- Creating of a welfare fund: It will be supplied by 50% of royalties. The remaining 50% will be invested in the support of transport reforms.
- Establishment of a transportation plan by the Transport's regulatory authority: transport plans will focus on the identification of lines or networks economically viable.
- Redefinition of road transport services for passengers and associated concepts: detailed and updated definitions of urban and non-urban transport, perimeters of urban transport services (regular and non-regular) including tourist transport, private services organized at no cost and services of international road transport.

Concerning the licence agreements at the date of implementation of the reform, a transition period of three years is provided by draft law. It will allow gradual migration of the existing system to the target one.