

The European Voice of Freight Logistics and Customs Representatives

Brussels, 20th May 2008

RE: Upcoming proposal for a revision of the Eurovignette Directive

CLECAT represents European freight forwarders, logistics service providers and Customs agents. Our members are neutral users of all transport modes. Our organisation has been closely involved in the consultation process that is about to lead to the adoption of a proposal for a revision of Directive 1999/62 on the charging of heavy goods vehicles for the use of certain infrastructure. With the proposal's publication imminent and in the light of the information recently published in the press on the content of the current draft, CLECAT would like to restate a few key points.

Scope

- The inclusion of private cars for congestion charges is a step in the right direction insofar as they substantially contribute to congestion. One may however argue that the same logic applies to air pollution and noise, to which heavy goods vehicles are not the sole contributors. ***Consistency would therefore command including all forms of transport, professional and non-professional (own-account), as well as commercial and private.***

External costs

- ***Accidents costs and climate change costs ought to be excluded.*** Indeed, there is too much uncertainty on the calculation of accidents costs and, in any case, the latter would be (and probably are already) better internalised through insurance schemes. As for climate change costs, they are already partially internalised through air pollution charges and a number of national or local charges; a negotiated international approach would be more efficient, because it would avoid exposing EU companies to unfair competition without compensation.

Levying the toll

- The obligation to use an electronic system is strongly supported. However, this is not enough to guarantee uniformity. In order to cast away the spectre of 27 different systems, there needs to be ***minimum requirements on the interoperability of each national system.***

Use of revenues

- The obligation to earmark revenues from charges is welcome. However, at least 4 arguments can be made for ***stricter rules in favour of an earmarking to the road transport sector.***

- *Commercial fairness*: from a competition point of view, it seems rather unfair that road transport finds itself subsidising its competitors, whilst they still have to come to terms with the internalisation of their own externalities and have a long way to go to prove their efficiency in order to provide an appealing alternative;
- *Consistency*: if the aim is to decrease harmful external effects of transport, 'hard incentives' (charges) must be combined with 'soft incentives' (support to intra-sectoral technological innovation);
- *Acceptability of users*, a very important aspect of tax policies; users may foot the bill less reluctantly if they see their payments are used to directly address the problems; and, last, but certainly not least:
- *Effectiveness*: the internalisation of external costs is first and foremost a system designed to cut down on the externalities with two elements a) pricing and b) adopting measures to fight the causes of externalities. The latter would fail to be achieved, if the resources are not immediately re-invested in addressing the conditions that create externalities (e.g. insufficient infrastructure).

General remarks

- Some may think that internalising external costs in road transport will foster a modal shift. One should be very careful about this idea. ***Making road transport more expensive will not decrease its modal share per se.*** Price is only one of the elements that command the modal choice of shippers and logistics service providers. A modal shift may naturally occur (and in parts it is happening) only as and if other transport modes show the same level of quality, reliability and efficiency. Forgetting this 'fact of (commercial) life' will only lead to additional inflation and severe damage to EU competitiveness.
- ***Road transport is already liable for a large variety of specific taxes***, some of which partly internalise certain external costs. It would be both dangerous and unfair to ignore this reality completely and set up a new system based on the artificial assumption that we start from ground zero. This is not true: a number of charges and taxes are already levied on road transport, both at the source and by means of indirect taxation. Increasing this pressure without real alternatives would create higher inflation, and it would also jeopardise the very existence of many road haulage companies, if they are unable to reflect these charges in their bills – both effects in complete contradiction with the Lisbon Strategy.
- ***The revision of the Eurovignette Directive is only the beginning of a process aiming at internalising external costs in ALL transport modes.*** This must be clearly set in the upcoming proposal. In order to decrease the volume of external costs in transport, whilst maintaining a level playing field, it is clear that the contribution must come from all parts and not only by taxing the road. The proposal should therefore include a timetable on when external costs will be tackled in other transport modes.

In conclusion we dare say it would look more appropriate to prepare a full package on the internalisation of external costs that is not limited to reviewing the "eurovignette" Directive, but it proposes a series of interlinked measures aiming at addressing the problem of externalities in all transport modes. With hindsight, and without prejudice for the opinion Clecat Members expressed on the study that was presented in January, the process that led to the appraisal of the measures and methodology of the internalisation of external costs in road transport was rather (too?) quick, despite the complexity and extension of road transport in Europe. A similar appraisal on other modes of transport, where the number of operators is smaller by far, should in principle be even quicker. We see therefore no reason why this exercise should not be started in a thorough way, if it has to be done.