



JOINT INDUSTRY POSITION PAPER ON
Eurovignette III - Charging of Heavy Goods Vehicles Proposal
COM 2008/147(COD)

20 February 2009

We, as European business associations, represent logistics, express, freight forwarder and road transport companies as well as manufacturers, shippers, and retailers.

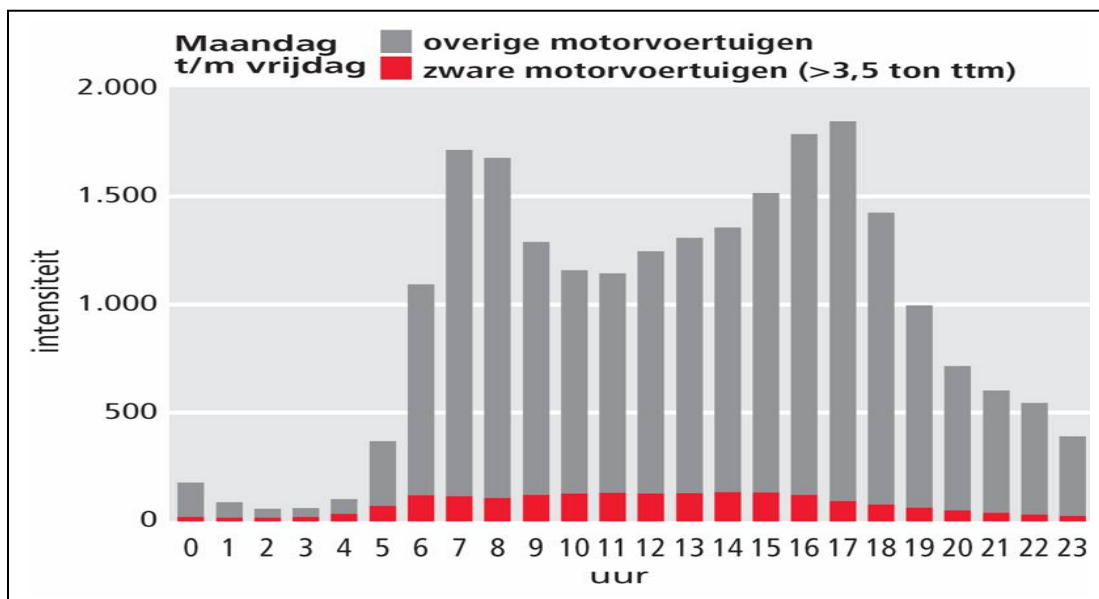
As industry stakeholders we are well aware of our responsibility to contribute to a better environment. We, therefore, welcome any debate aimed at increasing the efficiency and sustainability of transport in accordance with the principle of "co-modality".

In July 2008, the European Commission adopted a Proposal for a Directive amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures - hereafter the "Proposal". The objective of the Proposal is to promote sustainable road transport by reducing its external costs. In principle, we agree with this goal and see potential to achieve this by better regulation providing for completion of the Internal Market and reduction of regulatory and administrative complexity for road freight transport services.

However, we share serious doubts as to whether the Proposal contains the appropriate measures that will actually reduce the external costs of road transport.

- ❑ **The Proposal fails to understand road transport business models, how supply chains are organised and how they function today.** For instance, road transport patterns are determined by customer demands and regulatory requirements that make a shift to the cheapest time zone impossible and disconnected to any business reality.
- ❑ As correctly stated by the Commission in its "*Strategy for the internalisation of external costs*" (cf. COM(2008)435 p.3), road transport is not particularly price sensitive largely due to the lack of alternative solutions. However, **the Proposal is based on the incorrect assumption that a simple increase of costs of road transport would influence road transport patterns and achieve more sustainable transport.**
- ❑ Without viable alternatives, road freight will only become more expensive. **Hauliers unable to absorb or pass on the extra costs will struggle to survive, in particular SMEs which as the main players on the road transport market generate a large part of the employment.**
- ❑ The calculation and methodology of the external cost charges are flawed. Therefore, **the maximum ceilings** applicable to the amount of the charges **must be an absolute provision** to ensure planning certainty and transparency for road freight users.
- ❑ By obliging commercial vehicles to pay for **congestion costs**, the Proposal is **inefficient and discriminatory** since passenger cars are the main contributors to road congestion.

The graph underneath gives the average traffic intensity ("intensiteit") in 2006 on the Dutch motorways from Monday to Friday during the 24 hours of a day. In red is the share of commercial vehicles of more than 3,5t in the overall motor vehicles using the motorways.



Source: Transport Research Center (AVV) – Dutch Ministry of Transport

- ❑ **By eroding the financial capacity of road transport operators to invest in new and cleaner vehicles, Intelligent Transport Systems and training (e.g. eco-driving),** the external cost charges proposed will ultimately have an adverse effect on the greening of road transport.
- ❑ **The Proposal fails to provide for an implementation without delay of interoperable electronic systems for collecting existing and future tolls and user charges.** This must be a prerequisite for the implementation of any new tolls and user charges in order to avoid disruption to the free flow of traffic and barriers to the Community's Internal Market.
- ❑ Without **strict earmarking provision,** the Proposal will be discriminatory vis-à-vis road freight users having paid the external cost charges and who legitimately expect that the revenues concerned will be invested into schemes reducing external costs of road transport.

Therefore, the Proposal would fail to achieve the intended positive impact on both the environment and road transport in Europe.

In addition, the amendments filed by the Rapporteur of the European Parliament regarding the Proposal do not redress the value of the Proposal.

In particular, extending the scope of the external costs to CO₂ emissions and road accidents will be discriminatory and inefficient since:

- ❑ it would lead to pay twice for CO₂ emissions (via a new CO₂ external cost charge and existing taxes on fuel, VAT on fuel etc.); and
- ❑ the primary cause of road accidents is careless driving - not traffic density. Accidents' externalities should be addressed by the scope of insurance schemes.

As stakeholders representing a substantial part of the European industry, we, therefore, ask the European Parliament and the Commission to re-think the strategy for greening road transport for the benefit of both the European industry and society. The objective should be to ensure a fair level playing field between all modes of transport in relation to infrastructure charging and internalisation of external costs.

The very first step towards this new balanced and efficient strategy should be to undertake a comprehensive **impact assessment** taking into account:

- ❑ **all measures already in place for reducing the external costs concerned** (e.g. fuel taxes, tolls, VAT, road tax, etc.) in order to avoid road transport operators paying twice for the same external costs;

- **the positive effects of road transport on Europe's economy and society** (in terms of competitiveness, sustainability and jobs) **as well as the negative effects of road transport on the environment;**
- **other alternatives measures to tackling the external costs of road transport** (e.g. completion of the Internal Market for freight transport services, efficient road traffic management systems, rail freight dedicated network, cleaner fuel and vehicles, eco-driving, fiscal incentives for the cleanest vehicles, noise barriers, etc.); and
- **consistent assumptions and data to establish a formula ensuring accurate cost calculation.**

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Considering the inefficiency of the Proposal, if it goes forward nonetheless, we ask the Members of the European Parliament to endorse the following **recommendations for the plenary vote planned on 11 March 2009:**

SUPPORT any amendment providing for:

- **removal of congestion cost and of the related external charge**
- **strict conditions of earmarking**
- **investment of revenues from external cost charges in projects aiming at reducing external cost of road transport**

REJECT any amendment providing for:

- **extension of the scope to other external costs such as CO₂ emissions and accidents**
- **removal of the maximum ceilings for the charges**
- **further delay in the implementation of interoperable electronic tolling systems**

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This joint industry paper is opened to further signatures of stakeholders sharing the same views on Eurovignette III.

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