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## UEAPME Transport Forum

### Position on Eurovignette

**UEAPME Transport Forum** is a co-operation platform set up by UEAPME (The European Association of Craft, Small and Medium-sized Enterprises) and bringing together representatives of European branch confederations, SMEs from road transport, manufacturing and repair of road vehicles. It aims to gather different stakeholders and develop joint positions on all road transport-related issues such as sustainable transport, organisation of the supply chain, road safety, and infrastructure efficiency.

#### Background:

In July 2016, the European Commission launched a public consultation on a Review of Directive 1999/62/EC ("Eurovignette") as amended, on the charging of heavy goods vehicles for the use of certain roads.

The Eurovignette Directive is the legal framework for charging heavy goods vehicles (hereafter referred to as HGVs) for the use of certain infrastructures, namely roads of the trans-European transport network (TEN-T) and motorways. The harmonisation of vehicle taxes and the promoting of a fair infrastructure charging system are the main goals of the Directive, which lead to the protection of competition among road freight operators. The Directive has been amended twice: in 2006 the vehicle scope was extended including good vehicles having a maximum permissible laden weight between 3.5 and 12 tonnes with the possibilities of national derogations and in 2011 containing measures related to traffic-based air pollution and noise as well as congestion. The impending modification of the Eurovignette Directive aims to enhance and establish a fairer and more efficient road infrastructure charging for all road transport users at European level.

#### Our position:

UEAPME Transport Forum welcomes the discussion on the revision of the Directive on Eurovignette. It stresses the importance of re-evaluating, modifying and strengthening the uniform application of EU rules and thus creating a common legal framework that will ensure a single level playing field for all road users in the road haulage sector.

The Transport Forum hopes to contribute substantially to developing a fairer road infrastructure charging for the European road freight operators. The aim is to present such policy options that will make the current state of the road transport sector more effective and competitive.

- **Financing road infrastructure:** It has been clearly indicated that in the EU there is a decline in spending on the maintenance of road infrastructure; hence the quality of toll (and free) roads have over the last years slightly and in some Member States significantly deteriorated. The Transport Forum is expressly against the investments of road charges revenues to other transport modes (railway, public transport). Therefore, it is more than crucial to be addressed at EU level that the revenues from transport taxes and charges are strictly earmarked to finance the road transport sector (cover transport related expenditures) and thus cover mainly the cost of constructing, developing, operating and preserving road infrastructure. Users who pay for the use of a specific transport infrastructure are entitled to good infrastructure in terms of travel time and safety.

- **EU-wide harmonised framework for tolls:** Road users pay a number of different taxes, the levels of which may however differ a lot from one country to the other. In addition, road charges (time-based vignettes or distance-based tolls) are applied in many countries for the use of certain parts of the network, which also differentiate even between neighbouring Member States. The Transport Forum thus calls for a further harmonisation of rules and the establishment of a common EU-wide legal framework for the road charging scheme linked to the use of road infrastructure of EU importance (TEN-T roads, motorways and national roads carrying significant international traffic).
- **Road charging of transport vehicles:** The Eurovignette Directive sets the framework for road infrastructure charges to apply to HGVs and vehicles between 3.5 and 12 tonnes. No such EU legislation exists for buses, light good vehicles or cars. The Transport Forum supports that the EU should make sure that all vignette prices are set proportionately to the use made of the given road network by a given type of vehicle. Regarding the road pricing for freight transport, the Transport Forum supports phasing out vignettes for HGVs (12 tonnes and more) (only distance-based charging to be allowed but optional).
- **Congestion charges:** Tolls are considered as incentives to combat congestion through avoiding times of high traffic volume in order to reduce the charges to be paid. This leads to reductions in the time spent on the road for those that pay the higher peak time tolls. However, congestion is caused mostly by passenger cars, which are the main reason of traffic jams during rush hours, and not good transports. Transport companies are thus intrinsically motivated to avoid traffic jams by planning a more efficient logistic process in order to eliminate additional costs including loss of time and resources as well as to meet the reliability of delivery times. This can lead road haulers sometimes to avoid congestion by diverting to alternative free roads and hence to wait hours before delivering, without being always reimbursed for these waiting hours. When companies deliver during times with high traffic volume, it is because there is no viable alternative to the respective time and route. The Transport Forum clearly disagrees with the enforcement of congestion charges on freight operators. It also supports that congestion is not an externality and is already paid by the sector internally.
- **Full application of the "user pays" principle:** The implementation of the "user pays" principle can provide an additional, fair and efficient way to ensure the adequate financing of transport infrastructure. It can also contribute to achieving a higher level of emission reduction targets and allowing a greater proportion of infrastructure costs to be covered. The Transport Forum supports that road charges should be applied in line with the 'user pays' principle, meaning that the user of an infrastructure should cover a proportionate part of the costs related to the maintenance (and construction) of that infrastructure.
- **Internalisation of external costs:** UEAPME Transport Forum rather disagrees that the overall price of transport (including taxes and infrastructure charges) should cover all transport externalities (i.e. the full cost of infrastructure use and negative environmental and health impacts of transport) for heavy-duty vehicles. External-cost charges are generally internalised through fuel taxation and other taxes on insurance, roads, tunnels, and bridges. The risk of double charging still prevails and additional costs will damage

the road transport sector. In addition, internalization of additional cost elements will increase the price of transport which, in the end, will be passed on to the consumer.

- CO<sub>2</sub>-emissions reduction for HGVs:** Road transport is as well responsible for increasing the CO<sub>2</sub>-emissions at EU level. Although EU legislation of harmful emissions (Euro IV standard) has contributed substantially to decreasing toxic emissions from HGVs, the technology used to meet these standards, led to increased fuel consumption, resulting in an ineffective reduction of CO<sub>2</sub> emissions. UEAPME Transport forum stresses the importance of an integrated approach towards the decrease of CO<sub>2</sub> emissions and is totally opposed to any enforcement of additional measures against road haulers for driving euro VI vehicles. Since the issue of the high level of CO<sub>2</sub>-emissions is a global problem, the right incentives should be set to curb emissions through encouraging real business initiatives for road transport operators to apply cleanest innovative transport technologies, best practices and training. The Transport forum suggests that the EU should not address the issue of CO<sub>2</sub> emissions in the Eurovignette Directive. CO<sub>2</sub> emissions are generally internalised through fuel taxation and thus this type of charging could lead to double taxation. Transport Forum also considers completely inadequate phasing out and replacing the current differentiation of charges according to EURO classes by differentiation of infrastructure charges according to CO<sub>2</sub> emissions of vehicles. Differentiate vehicle taxes according to CO<sub>2</sub> emissions of vehicles it is not considered as an effective measure in addressing the problem of CO<sub>2</sub> emissions of HGVs. On the other hand, Transport Forum considers rather adequate to promote HGVs running on low carbon fuels as well as the use of equipment helping to reduce fuel consumption (e.g. aerodynamic devices, low rolling-resistance tyres etc.) through reduced road charges.

#### **Our proposal:**

At the EU level, we ask for a higher level of harmonization. More attention has to be given to the fair treatment of all transport operators. In order to better face these important issues in the European transport scheme, we propose the following policy actions:

- 1. Strict earmarking to reinvest back into the road infrastructure.**
- 2. Harmonisation of EU rules for the road infrastructure charging.**
- 3. All vignette prices are set proportionately to the use made of the given road network by a given type of vehicle.**
- 4. Phasing out vignettes for HGVs (only distance-based charging to be allowed but optional).**
- 5. Avoiding congestion charges on freight operators.**
- 6. Uniform implementation of the ‘user pays’ principle.**
- 7. No extension of external cost charges on HGVs to prevent double taxation.**
- 8. The issue of CO<sub>2</sub> emissions should not be included in the Eurovignette Directive.**