

INFRADAY

Internalisation of External Costs within Road Charging Go-ahead for a sustainable development of HGV-traffic in the EU

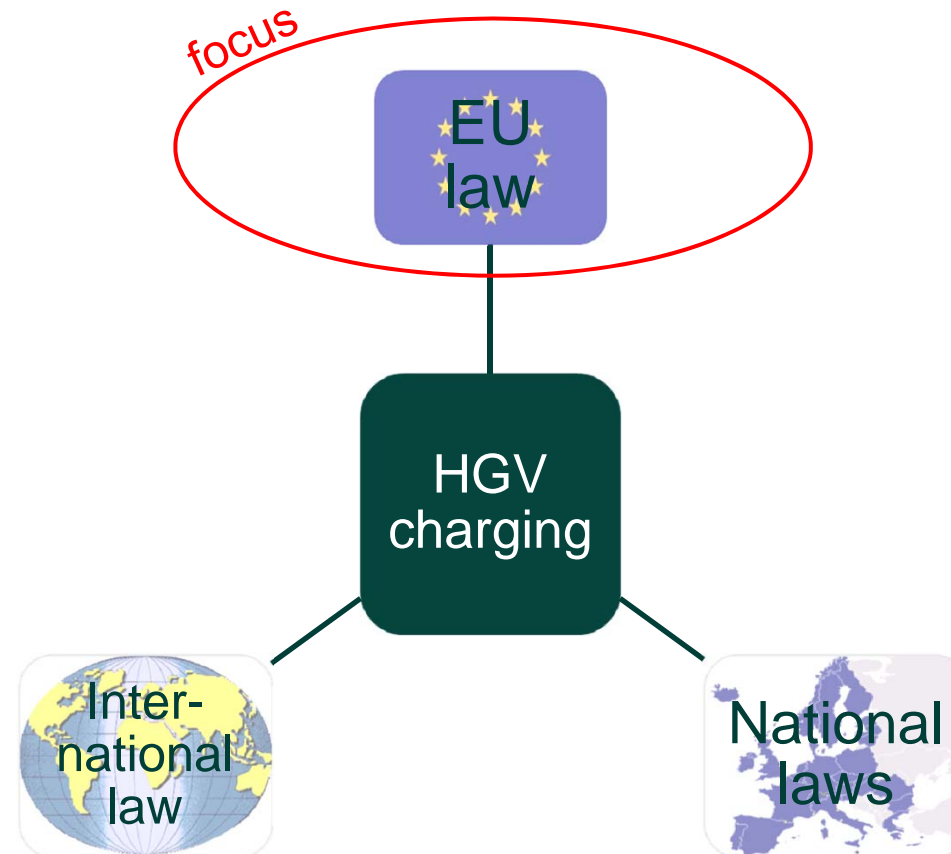
8 October 2011, Berlin

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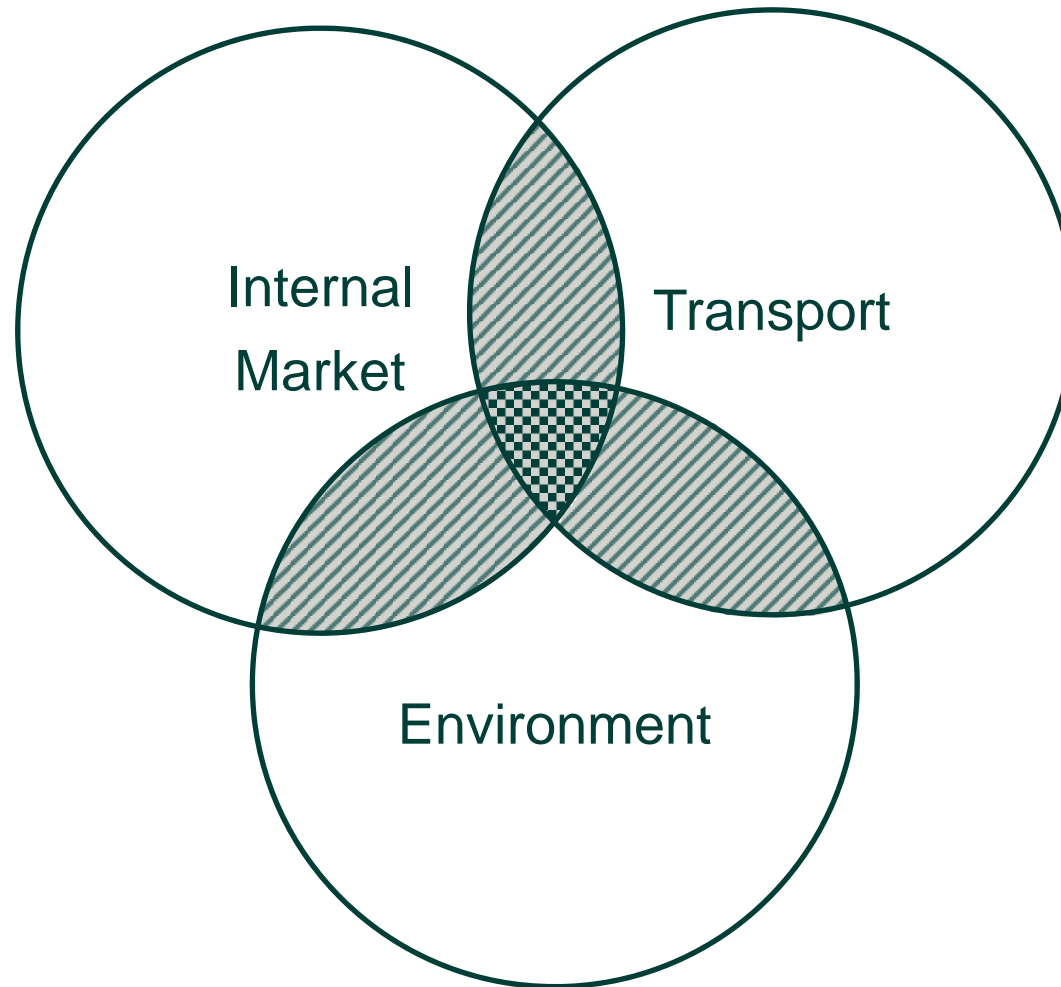
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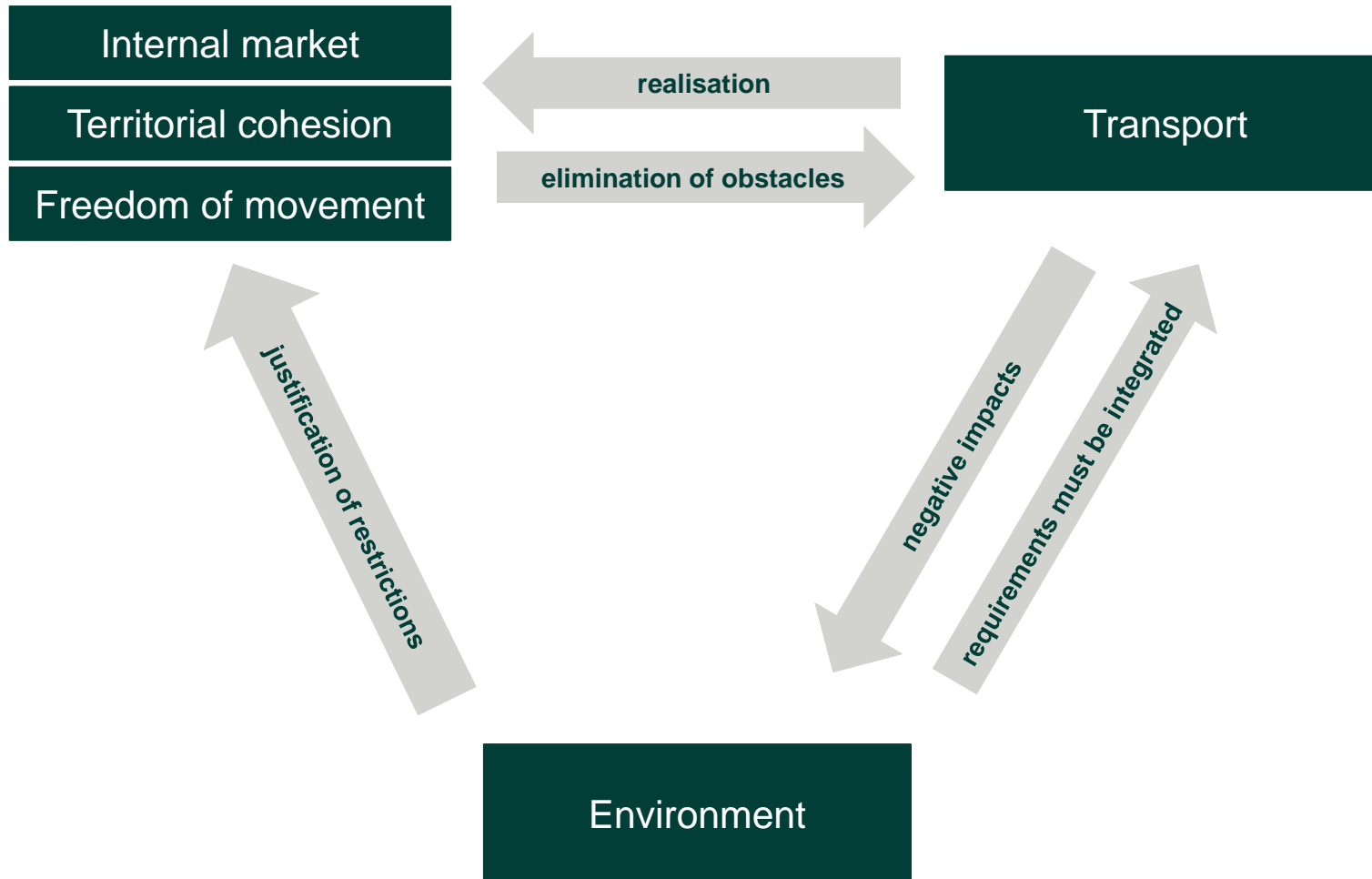
Relevant legal framework for the charging of hauliers



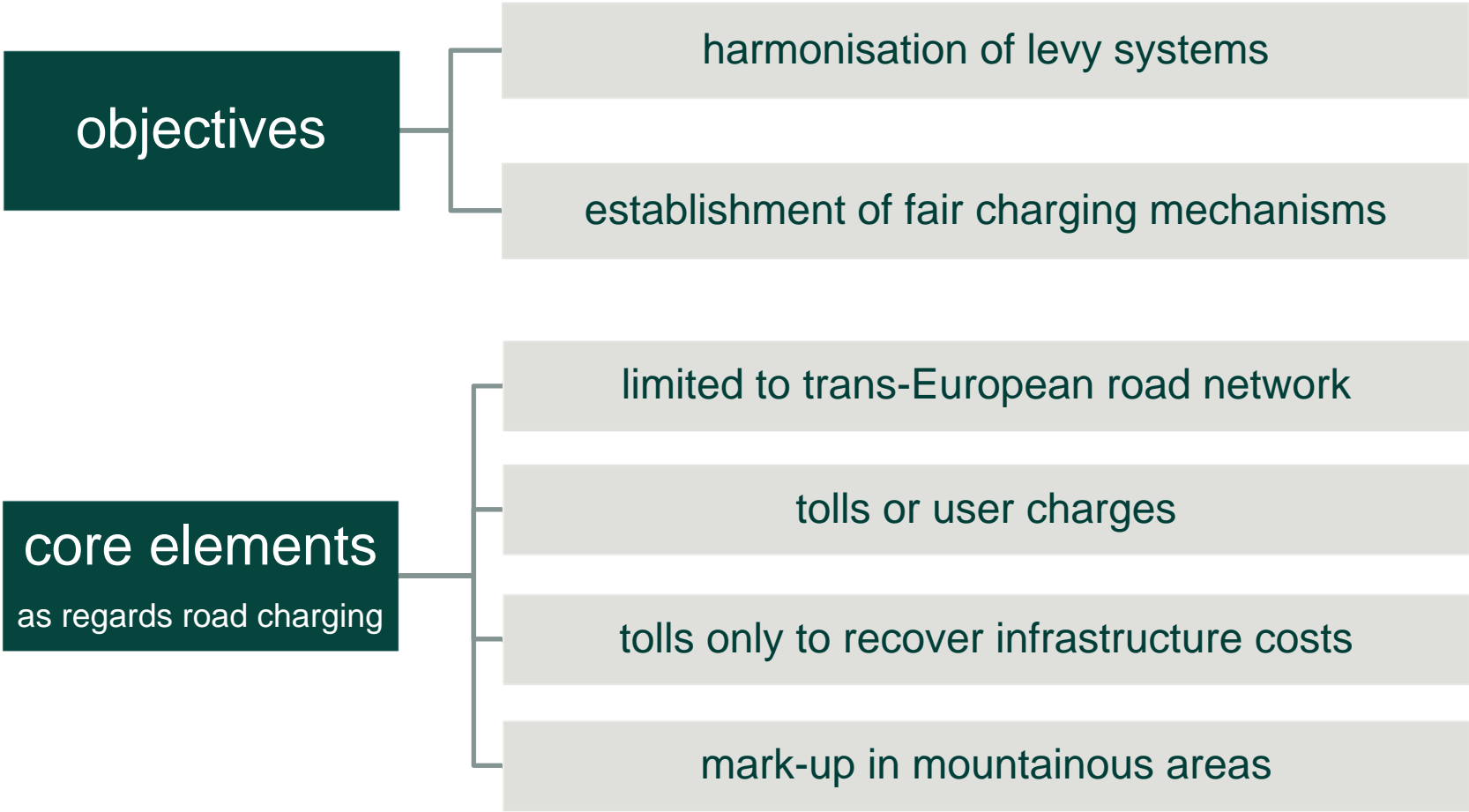
HGV charging affects three vital EU policy areas



Translation into a triangle of topical crosslinks

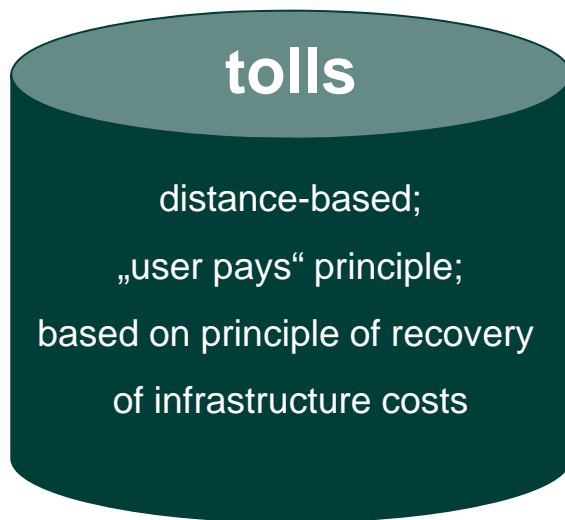


Core features of the Eurovignette-Directive 1999/62/EC (prior to the revision)

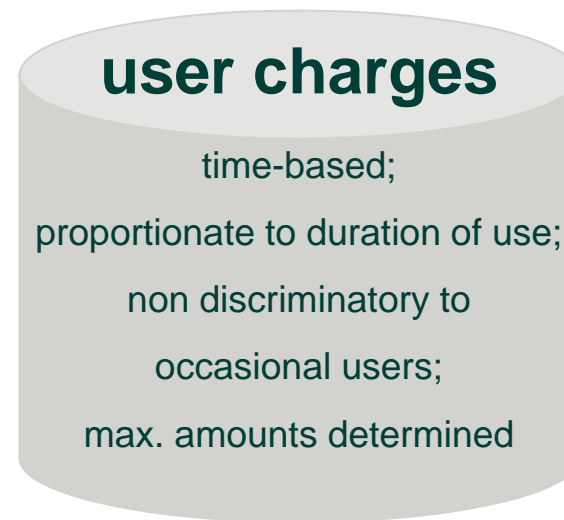


HGV* charging on a single road section

Basic principle:
Member States may choose between „tolls“ and „user charges“



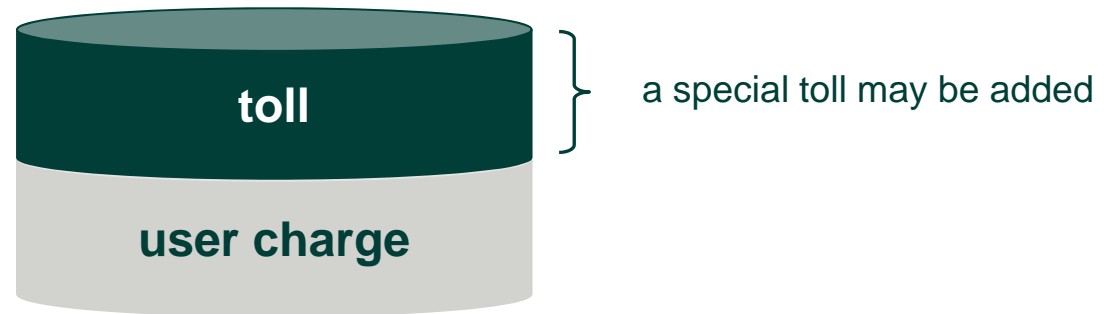
or



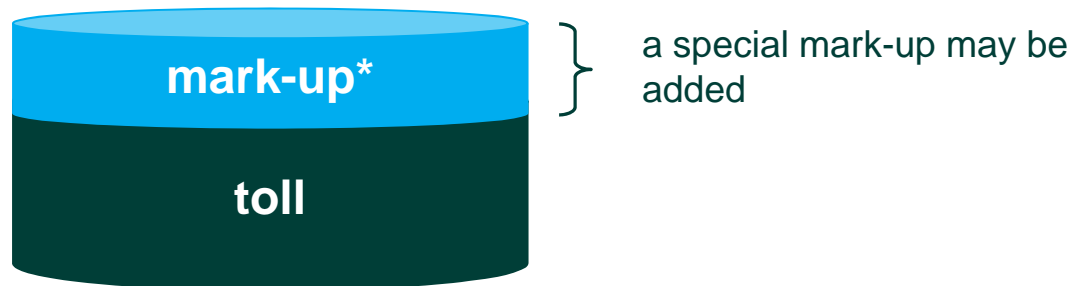
* i.e. vehicles having a max. permissible laden weight of over 3,5 t

Two exceptions from the basic principle apply

1. Use of bridges, tunnels and mountain passes



2. Specific road sections in mountainous regions suffering from acute congestion or significant environmental damage



* Condition: revenues from mark-up must be earmarked to specific TEN priority projects

The current system blocks optimal pricing

shortcomings

no effective incentives for the reduction of harmful environmental damage of HGV traffic

tolls are limited to the recovery of infrastructure costs only („infrastructure cost-cap“ applies)

fails to align charges with main cost drivers (time periods, place, types of vehicles)

restriction to the trans-European network (problem of traffic diversion)

Tailored strategy on the internalisation of external costs

Commission proposal of 2008

Mandate (of EP and Council)

- present a model for the assessment of all external costs
- provide an impact analysis of the internalisation of external costs and a strategy for a stepwise implementation of the model for all modes of transport

Objectives

- enable more efficient and greener road pricing
- improve efficiency and environmental performance of road freight transport by sending the right signals

Instrument features

- feasibility to set right transport prices reflecting real use of vehicles and external costs caused in terms of pollution, congestion and climate change, where they occur

Findings

- tolling as the instrument of choice

Legislative process for the revision of the Directive

Procedural milestones

- legislative proposal of the Commission in 2008
- first reading in Parliament in March 2009
- first reading in Council in February 2011
- inter-institutional compromise in May 2011
- second reading in Parliament in June 2011
- final Council approval and adoption on 12 September 2011

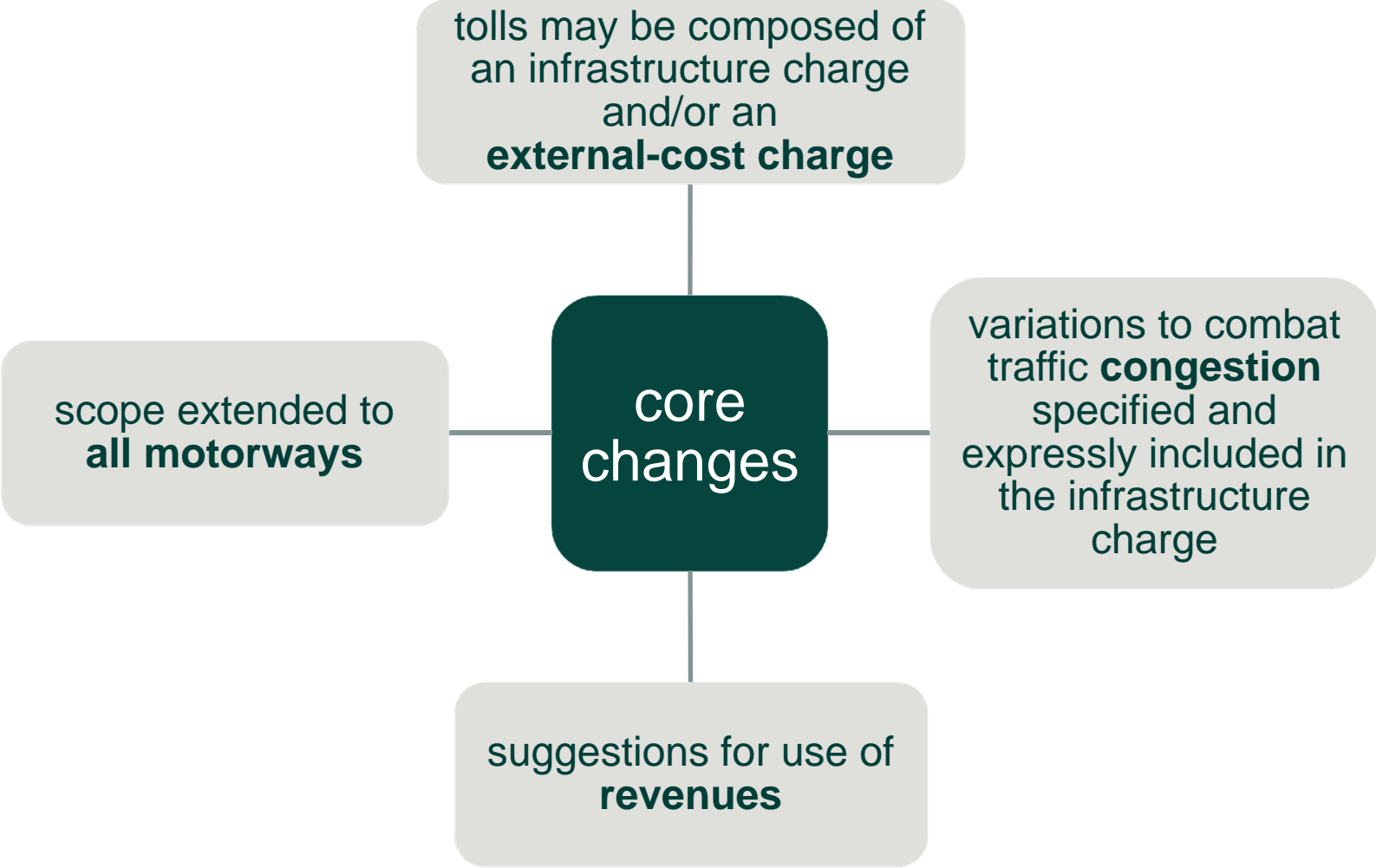


Contentious topics

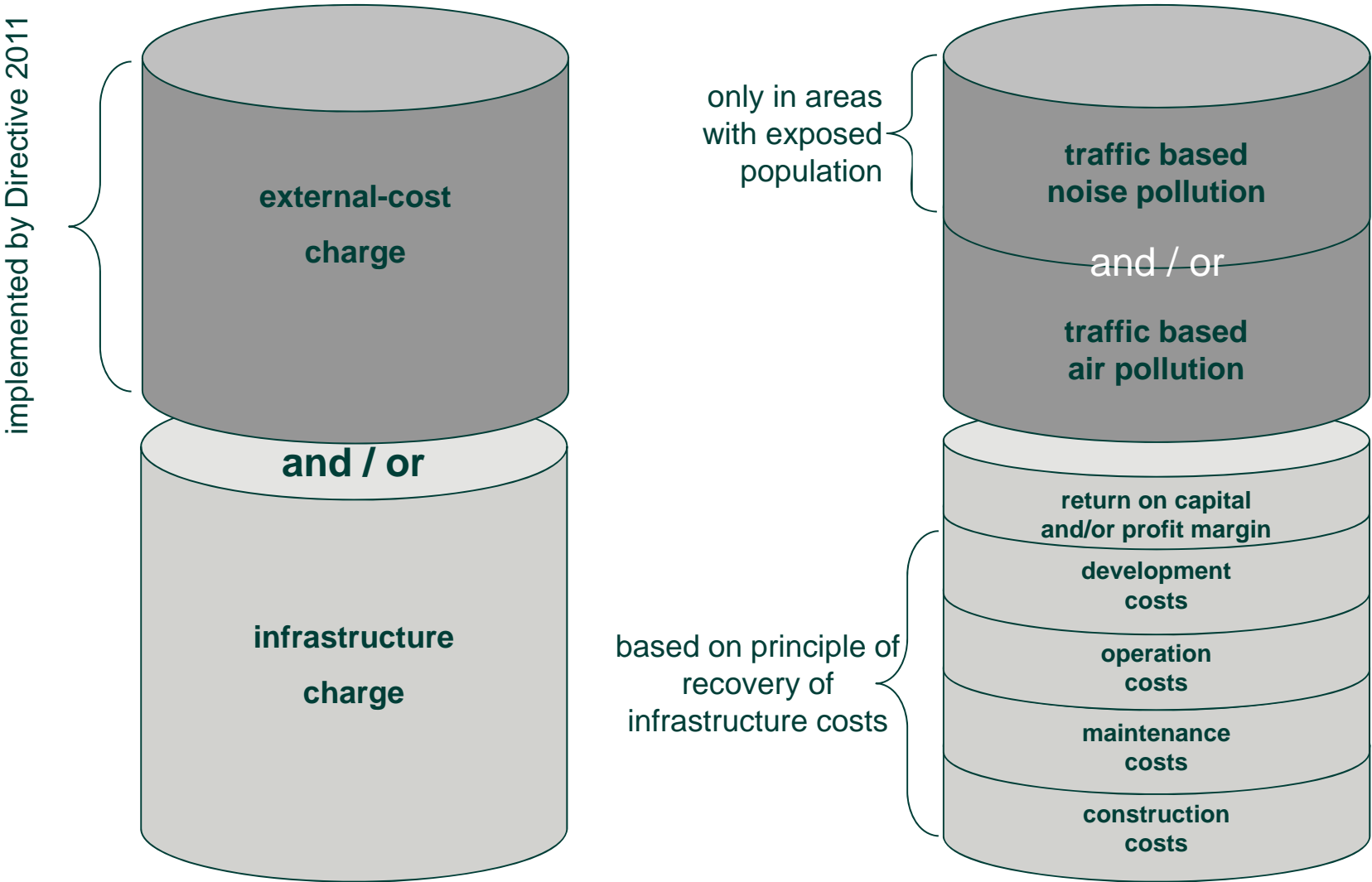
- mandatory vs. optional approach
- pollutants covered
- breadth of flexibility thresholds
- revenue application
- charge-setting by an independent authority



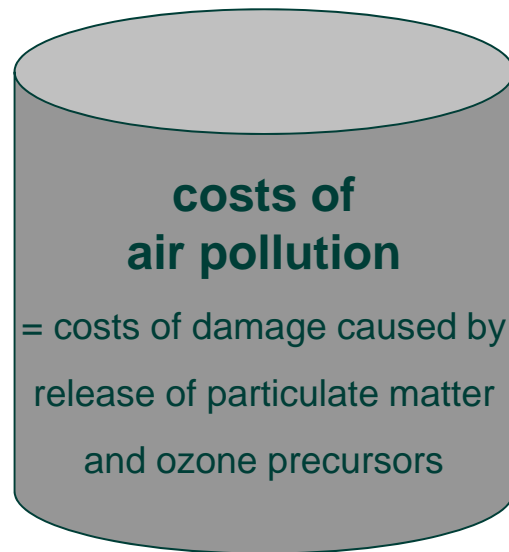
Key features of the revised Eurovignette-Directive 2011



The functioning of the new differentiated toll system

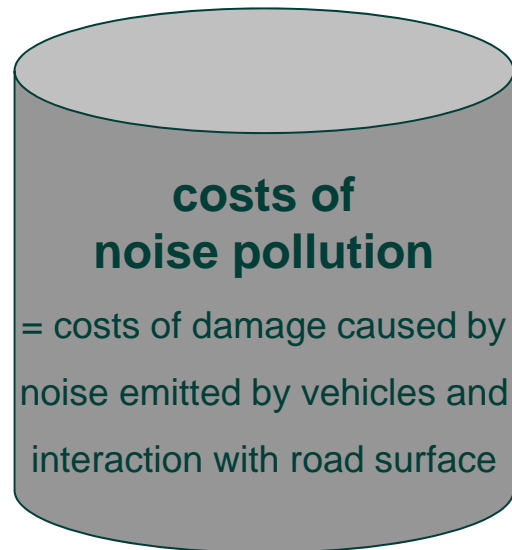


Specific provisions on the internalisation of costs of traffic based air pollution



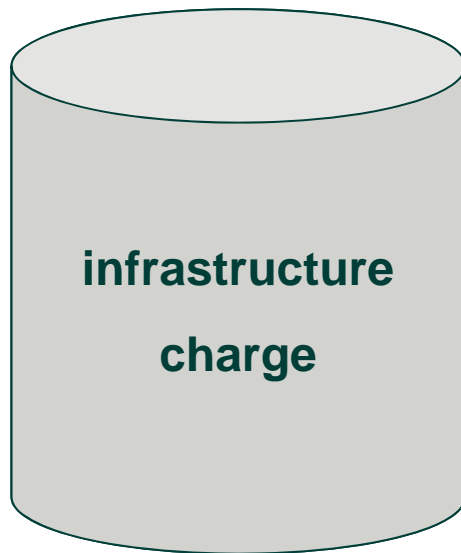
- charge setting in accordance with minimum requirements and methods of Annex IIIa
- respect maximum cost set out in Annex IIIb
- vehicles complying with Euro V and VI emission standards are temporarily exempted
- vehicles complying with most stringent EURO emission standards (less polluting than EURO VI) are permanently exempted
- multiplication by a factor up to 2 in mountain areas under certain conditions
- in qualifying mountainous regions, an external cost charge may not be levied unless a mark-up is applied
- mark-up to be deducted from external cost charge except for EURO 0, I ,II, and (from 2015) III

Specific provisions on the internalisation of costs of traffic based noise pollution



- restriction to areas with population exposed to noise pollution
- charge setting in accordance with minimum requirements and methods of Annex IIIa
- respect maximum values set out in Annex IIIb
- maximum chargeable noise cost differs according to the type of road (suburban or interurban)
- multiplication by a factor up to 2 in mountain areas under certain conditions

Conversely, congestion costs may only be reflected within the infrastructure cost regime



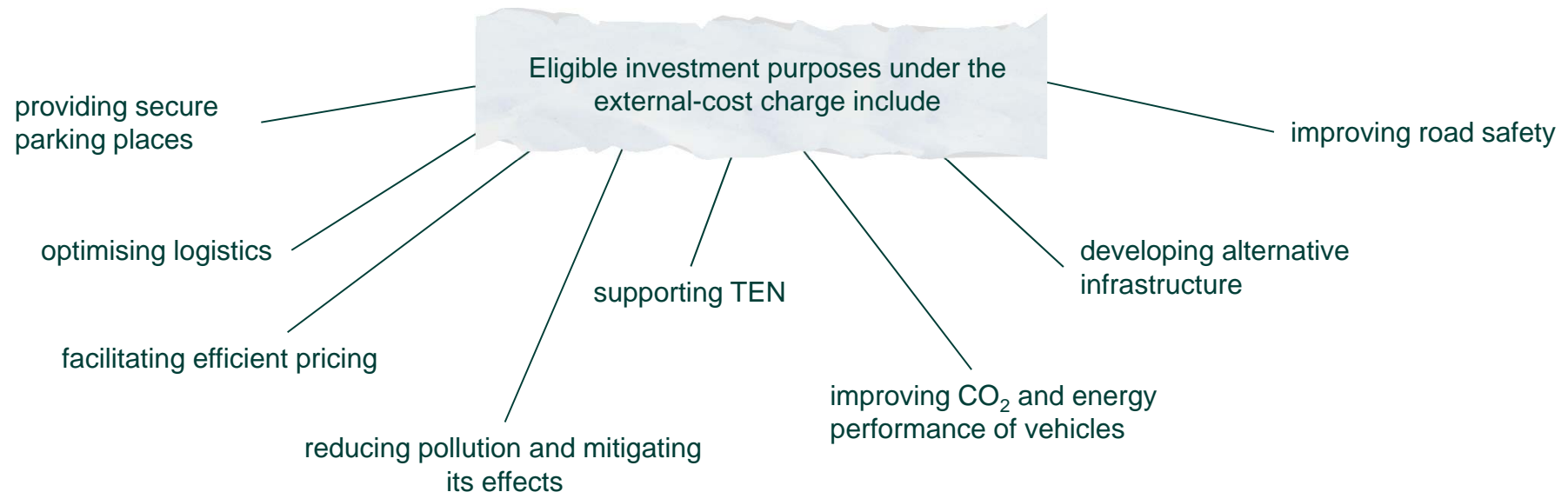
- shall be varied according to **EURO emission classes**
- may be varied for the purpose of
 - reducing **congestion**
 - minimising **infrastructure damage**
 - **optimising the use** of the infrastructure
 - promoting **road safety**
- conditions for variation:
 - transparent, made public and available to all users on equal terms
 - application according to time of day, type of day or season
 - maximum 175%-flexibility threshold applies
 - peak periods for a maximum of 5h / day

variation must respect revenue neutrality / infrastructure cost-cap

MS enjoy a wide discretion on revenue application

Revenues generated from infrastructure and external-cost charges should be used to benefit the transport sector, and optimise the entire transport system (Art. 9 para. 2 sent. 2 Directive 2011).

In particular, revenues generated from external-cost charges should be used to make transport more sustainable (Art. 9 para. 2 sent. 3 Directive 2011).



However, revenues generated by the simultaneous application of a mark-up and external cost charges shall be invested in financing priority projects of European interest!

What MS opting for an (external-cost) charge should consider ...

Checklist

<ul style="list-style-type: none"> • implementation on only parts of the MS network of motorways needs to be justified and accompanied by a scientific impact assessment 	✓
<ul style="list-style-type: none"> • application only to vehicles having a max. permissible laden weight of not less than 12t must be justified and notified to the Commission 	✓
<ul style="list-style-type: none"> • as a basic principle external cost charges (toll) and time-based user charges (vignettes) may not be combined 	✓
<ul style="list-style-type: none"> • charging schemes must be transparent, proportionate and non-discriminatory 	✓
<ul style="list-style-type: none"> • no discrimination on grounds of nationality of the haulier, the Member State or the third country of establishment of the haulier or of registration of the vehicle or the origin or destination of the transport operation 	✓
<ul style="list-style-type: none"> • designated authority responsible for charge-setting shall be legally and financially independent from the organisation in charge of managing or collecting the charge 	✓
<ul style="list-style-type: none"> • calculation of external-cost charge according to given formulas or alternative scientifically proven calculation methods must respect maximum values 	✓
<ul style="list-style-type: none"> • collection of charges shall hinder traffic as little as possible and shall not disadvantage non-regular users; collection through electronic tolling systems if feasible 	✓
<ul style="list-style-type: none"> • MS cooperation re the introduction of a common system must be open to third countries 	✓
<ul style="list-style-type: none"> • ensure Commission information and approval before the implementation of a new infrastructure charge and/or external-cost charge tolling arrangement 	✓
<ul style="list-style-type: none"> • cross-check for possible infringements with concession agreements in place 	✓
<ul style="list-style-type: none"> • in qualifying mountainous regions, application of an infrastructure charge mark-up precedes external-cost charge 	✓

Example of France



1. Concession tolls (blue)

- most of the French motorway network
- concession toll = infrastructure charge
- French regulations modified in 2008 and 2010 to transpose Eurovignette-Directive principles

2. French Eco Tax (PPP - red and yellow)

- considered as an infrastructure charge
- applied on network not subject to concession
- 2013: step 1 Alsace and step 2 whole territory

3. Next step: external-cost charge?

- Eurovignette-Directive revision was part of the priorities of the 2008 French EU presidency
- implementation issues, e.g.:
 - territorial scope of the external cost charge
 - obligation to increase concession tolls on qualifying mountainous regions