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IRU Position on the EU Mobility Package – Technical analysis and recommendations relating to road infrastructure charging

Additional technical analysis and IRU recommendations to European legislators on the Commission proposal to modify EU rules on road infrastructure charging

I. BACKGROUND

IRU for a road infrastructure charging framework that truly incentivises cleaner and more efficient road transport

Road infrastructure charging is a very sensitive topic for the European commercial road transport sector because it directly impacts the finances of private companies. In order to assess the acceptability of the European Commission (EC) [proposal](#), IRU used the following three elements:

a) Transparency and fairness

One of the aims of the infrastructure and external cost charging legislation must be to establish a level playing field between competing modes of transport in order to avoid distortions of competition and ensure an optimal balance of the different transport modes. IRU has repeatedly asked the EC to undertake a scientific study clarifying the current coverage of their infrastructure and external costs by all modes of transport and road users via taxes, charges and duties. Only with this transparency will European decision makers and stakeholders be able to have informed debates and take informed decisions.

b) Impact of the proposal on the level of taxation

The EC proposal must not result in an increase of the fiscal burden on commercial road transport operators. IRU has evidence that, in the existing Eurovignette framework, heavy goods vehicles (HGVs) already cover more than 130% of their infrastructure and external costs via taxes, charges and duties. In the freight transport market, where intermodal competition remains limited, the only result of making road freight transport artificially more expensive would be the reduced investment power of operators. In the passenger transport market, where intermodal competition is very high, making bus and coach transport artificially more expensive would incentivise people to use private cars over coaches, which would contradict the objective of the EC to promote coach transport via the recently tabled revision of bus and coach market rules. In both cases, road infrastructure charging would not play its role of incentivising cleaner and more efficient transport operations.

c) Use of charging revenues

Road infrastructure charging can play a role in incentivising cleaner, more efficient road transport operations only if all charging revenues are reinvested in the road transport sector. With the “polluter pays principle” and the internalisation of external costs, the polluter pays but the problem stays. There is indeed very little potential for modal shift and no guarantee to reduce road traffic via fiscal means. IRU proposes to effectively tackle externalities at source by earmarking the revenues of infrastructure and external cost charging to road infrastructure, including secure and equipped

parking areas, and to sustainable road transport measures, such as the deployment of cleaner and safer vehicle technology.

II. DIRECTIVE 1999/62/EC ON ROAD INFRASTRUCTURE CHARGING

1. Moving towards a level playing field between competing modes of transport

One of the aims of the infrastructure and external cost charging legislation must be to establish a level playing field between competing modes of transport. In order to avoid distortions of competition and ensure an optimal balance of the different transport modes, EU legislation must guarantee that the taxation level applied to all competing transport modes is comparable. IRU proposes that the objective of level playing between competing modes of transport, taking into account all relevant taxes, charges and duties, be included in the revision of the Directive.

2. Legal base of the EC proposal: Charges or taxes?

The revenues of vignettes and tolls must be earmarked for a particular use and used for specific service provision in order to fall within the definition of a “charge”. If these conditions are not met, vignettes and tolls will fall within the definition of a “tax” and, as such, the proposal to amend the Eurovignette Directive will have to fall under the Fiscal Chapter of the TFEU, rather than under the Transport Chapter.

3. Earmarking the only condition to cleaner and more efficient road transport

IRU proposes that the revenue of infrastructure charging be earmarked for road infrastructure maintenance and development. In particular, IRU proposes that a dedicated fund be created to finance the building, maintenance and operation of secured and equipped parking areas and that the cost of their use by commercial road transport operators be covered by tolls and vignettes.

Regarding the revenues of external cost charges, congestion charges and mark-ups, IRU proposes that they be allocated to road transport-related measures such as incentives for the deployment of cleaner and safer vehicle technology, alternative fuel, and ITS infrastructure and training. In particular, IRU proposes that a share of these revenues be allocated to support the purchase by private road transport operators of new vehicles, in accordance with the targets of Directive 2009/33/EC on the promotion of clean and energy-efficient road transport vehicles (Articles 7, 7a, 7c, 7da, 7f and 7k).

4. Bus and coach transport: Part of the solution, not of the problem

On 8 November, the EC proposed to revise bus and coach market access rules (Regulation 1073/2009/EC). The EC expects that a 1% increase of the market share of bus and coach transport will bring significant benefits to the European people in terms of environmental protection, social inclusion, road safety, and the economy. IRU considers that it would not make sense to remove barriers on the one hand while creating others via an increase in the fiscal pressure on European bus and coach operators. In order to ensure that there is a consistent approach that recognises the positive externalities of the sector, IRU proposes that buses and coaches are exempt from the Eurovignette framework. In light of the positive role that buses and coaches play as a collective mobility service, Member States should be prevented from imposing externalities charging on the sector. If they are not exempt, buses and coaches should at least be subject to similar treatment as private cars, in terms of transitional periods and specific exemptions (Articles 7.9, 7.10 and 7c).

5. Member States must retain their freedom

IRU opposes mandatory phasing-out of vignette systems. Initial investment and maintenance costs for electronic tolling systems are much higher than those for vignette systems. Cost increases for Member States will be passed on to road users

and, as a consequence, increase the fiscal burden on commercial road transport operators. Member States must remain free to choose between vignettes or tolls in accordance with their specific needs, constraints and objectives (Articles 7.6 and 7.7).

For IRU, external cost charging should not be mandatory. The decision should be left to Member States, as is currently the case. For the sake of transparency and fairness, IRU proposes that reference values of the external cost charge be turned into maximum values (Article 7c and Annexes IIIa and IIIb).

6. No congestion charging for commercial fleets

IRU proposes that HDVs be exempt from any congestion charging scheme. Congestion costs are already borne by the commercial road transport sector itself in terms of loss of resources, time, and in terms of additional costs and taxes. In the passenger transport sector, buses and coaches already contribute to mitigating the adverse effects of congestion and making the European mobility system more sustainable by replacing more than 30 cars on the road. Concrete, alternative options to avoid congestion should be offered to the road freight transport sector, such as the use of infrastructure during off-peak periods instead of seeking to introduce a wider scope to charge for congestion. Without the provision of such alternatives, IRU sees the new congestion charge as yet another attempt to increase the fiscal burden on commercial road transport without an attempt to address the cause of congestion (Article 7da and Annexe V).

7. Moving towards CO₂ standards for HDVs

IRU welcomes that the variation of infrastructure charges according to the EURO class of vehicles will be replaced by a variation according to the CO₂ standards of vehicles and stresses that variations of infrastructure charges must be designed in a revenue-neutral way. In order to avoid any type of discrimination among road users, IRU proposes that variations according to the EURO emission class of vehicles remain applicable until CO₂ performance standards are introduced for all vehicle categories and until all vehicles in use have gone through CO₂ certification (Article 7g). IRU will also monitor the future CO₂ legislation to ensure that a CO₂ emissions target is not included in the Eurovignette framework as an additional external cost to be internalised. This would be a clear double payment as CO₂ emissions are already generally internalised through fuel taxation.

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