

AmCham EU's response to the consultation on the Review of the Eurovignette Directive on the charging of heavy goods vehicles for the use of certain roads

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AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €2 trillion in 2015, directly supports more than 4.3 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

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CONSULTATION RESPONSE

19 September 2016

Section A: Information about the respondent

***1. Are you replying as/on behalf of:**

- Private person
- Road transport worker (e.g. driver)
- Company engaged in transport/logistics activity
- Non-governmental organisation/association
- Public authority (e.g. national transport regulator, national competition authority)
- Non-EU public authority
- Academia
- Other (please specify)

Please specify "other"

Industry association

***2. Is your organisation registered in the Transparency Register of the European Commission and the European Parliament?**

- Yes
- No

***If yes, please indicate your organisation's registration number in the Transparency Register.**
5265780509-97

***3. What is your country of residence?**

Belgium

***4. Please indicate your contact details (name, email).**

American Chamber of Commerce to the European Union (AmCham EU)

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***5. Do you consent to the publication of your response by the European Commission?**

- Yes
- Yes, but anonymously
- No

Section B: General questionnaire

B.1 Identification of the problems

The purpose of the questions in this section is to verify the existence and, where applicable, importance of the issues identified by the Commission at this stage, and to identify any possible additional problems which have not been considered yet.

B.1.1 Infrastructure quality

Recent experience in several EU Member States and a number of studies indicate a decline in spending on maintenance of the road infrastructure and thus in the surface quality of existing roads (even though the length of the network might have increased in some countries through investment in new infrastructure). Financing of the road infrastructure through taxes (conventional fuel and vehicle taxes) may become more and more difficult with ever more efficient vehicles, the introduction of alternative fuel technologies and lower levels of car ownership among younger generations coupled with the expansion of ridesharing and alternative mobility services.

***Please answer the following questions for the EU in general and for a country of your choice (you know best):**

Other

***Please specify ‘other’**

AmCham EU will only reply for the EU as a whole.

***1.a How would you rate the quality of toll roads (where a toll or user charge is to be paid) in the country you selected under B.1.1 ?**

- Very badly maintained
- Rather badly maintained
- Rather well maintained
- Very well maintained
- I don't know / no opinion

***1.b How would you rate the quality of toll roads (where a toll or user charge is to be paid) in the EU in general?**

- Very badly maintained
- Rather badly maintained
- Rather well maintained
- Very well maintained
- I don't know / no opinion

***2.a How would you rate the quality of free roads in the country you selected under B.1.1 ?**

- Very badly maintained
- Rather badly maintained
- Rather well maintained
- Very well maintained
- I don't know / no opinion

***2.b How would you rate the quality of free roads in the EU in general?**

- Very badly maintained
- Rather badly maintained
- Rather well maintained
- Very well maintained
- I don't know / no opinion

***3.a In your view has the quality of toll roads changed over the last 10 years in the country you selected under B.1.1 ?**

- Yes, the quality of toll roads has deteriorated significantly
- Yes, the quality of toll roads has slightly deteriorated
- No, the quality of toll roads has not changed
- Yes, the quality of toll roads has slightly improved
- Yes, the quality of toll roads has improved significantly
- I don't know / no opinion

***3.b In your view has the quality of toll roads changed over the last 10 years in the EU in general?**

- Yes, the quality of toll roads has deteriorated significantly
- Yes, the quality of toll roads has slightly deteriorated
- No, the quality of toll roads has not changed
- Yes, the quality of toll roads has slightly improved
- Yes, the quality of toll roads has improved significantly
- I don't know / no opinion

***4.a In your view has the quality of free roads changed over the last 10 years in the country you selected under B.1.1 ?**

- Yes, the quality of free roads has deteriorated significantly
- Yes, the quality of free roads has slightly deteriorated
- No, the quality of free roads has not changed
- Yes, the quality of free roads has slightly improved
- Yes, the quality of free roads has improved significantly
- I don't know / no opinion

***4.b In your view has the quality of free roads changed over the last 10 years in the EU in general?**

- Yes, the quality of free roads has deteriorated significantly
- Yes, the quality of free roads has slightly deteriorated
- No, the quality of free roads has not changed
- Yes, the quality of free roads has slightly improved
- Yes, the quality of free roads has improved significantly
- I don't know / no opinion

5. If road quality is a problem, what in your opinion are the consequences of the issue and how would you rate their significance?

	High	Moderate	Low	No opinion
Increased vehicle operating costs	X			
Increased journey times	X			
Higher discomfort of journeys	X			
Higher risk of accidents	X			
More noise		X		

Any other?

B.1.2 General questions on taxes and charges in the area of road transport

Motorists pay a number of different taxes: fuel tax (in all countries), vehicle taxes including registration tax (in about 20 out of 28 EU Member States for cars; only 4 countries apply such tax for lorries (heavy goods vehicles with a total permissible laden weight above 3.5 tonnes)) and annual ownership or circulation tax (in 24 countries for cars; and in all countries for lorries as it is a requirement of the "Eurovignette" Directive). The levels of these taxes may however differ a lot from one country to the other: e.g. the registration tax of a mid-sized car in Denmark is around €30.000 while there is no such tax in Germany; the registration of a modern 40-tonne lorry costs €6.000 in Greece while there is no such tax in most other countries. Annual taxes also differ a lot, in some cases by over €3.000 for the same type of lorry. Some of the revenues from these taxes may be used to build/maintain roads but often they go to the general budget of the country, and are thus not necessarily spent on maintaining transport infrastructure.

At the same time road charges (time-based vignettes or distance-based tolls) are applied in many countries for the use of certain parts of the network. For lorries, such charges are applied on about 20-25% of the motorway and other main road network in Europe. Again, the prices charged for similar roads/routes can be very different even between neighbouring Member States. Most Member States apply road charges to lorries over 3.5 tonnes, but some exempt those weighing less than 12 tonnes.

All these can distort competition among hauliers and may lead to the diversion of traffic to alternative free roads that are not always designed for heavy traffic, with additional negative impacts on the local environment.

While in a number of countries most of the revenues from road charges are reinvested in transport, they represent only about 10% of the cost of road infrastructure, the rest of which has to be financed from other sources (like the general budget). In addition, road charges – or the lack thereof – rarely reflect real cost related to road use: infrastructure, air pollution, noise, climate change or accidents. A large part of these costs, representing a few % of the Gross Domestic Product (GDP) in the EU, are borne by society (tax payers or those suffering from negative effects of road transport) and not by the user/polluter.

***6. Do you think that existing differences in transport taxes and charges across Member States can favour or disadvantage certain road users (e.g. citizens of different nationalities, occasional road users)?**

- Fully agree
- Rather agree
- Rather disagree
- Fully disagree
- Don't know / No view

***7. How do you, as a road user, assess the level of road charges paid for the use of roads compared to the quality of the service?**

- In general fees are too high
- In some cases fees are too high
- In general fees are adequate
- In some cases fees are too low
- In general fees are too low
- Difficult to assess/ Don't know

***8. In your opinion, is there a problem of traffic diversion to parallel roads due to road charges?**

- Not at all
- To some extent

- Yes, it is a significant problem
- Yes, it is a very significant problem
- Don't know / No view

***9 How do you assess the price paid, in the form of road charges, by heavy goods vehicles (HGVs) for their use of roads (road space) and damage (road damage, air pollution, noise, accidents) they cause in your area/country (in line with the 'user pays' and 'polluter pays' principles)?**

The 'polluter pays' principle is set out in the Treaty on the Functioning of the European Union (Article 191(2) TFEU), and is recognised in international conventions and national laws. It means that those who cause environmental pollution should cover the environmental costs attributable to their operations or consumption (e.g. air pollution caused by vehicles or recycling costs of plastic bags). The 'user pays principle' means, by analogy, that the user of an infrastructure should cover a proportionate part of the costs related to the maintenance (and construction) of that infrastructure. Both are considered to be fair ways of allocating costs that would otherwise be borne by society at large (tax payers), including by those who never make use of the given infrastructure or do not cause pollution.

- The price paid by HGVs is much too high
- The price paid by HGVs is a bit too high
- The price paid by HGVs is adequate
- The price paid by HGVs is a bit too low
- The price paid by HGVs is much too low
- I don't know / no opinion

***10. How do you assess the price paid, in the form of road charges, by light vehicles (motorcycles, passenger cars and light goods vehicles (with total permissible laden weight up to 3.5 tonnes)) for their use of roads (road space) and damage (road damage, air pollution, noise, accidents) they cause in your area/country (in line with the 'user pays' and 'polluter pays' principles)?**

- The price paid by light vehicles is much too high
- The price paid by light vehicles is a bit too high
- The price paid by light vehicles is adequate
- The price paid by light vehicles is a bit too low
- The price paid by light vehicles is much too low
- I don't know / no opinion

B.1.3 Vignettes

Road user charges in the form of vignettes are paid in function of the time period the vignette gives access to the use of a certain part of the road network. The prices thus do not depend on the actual distance driven, which makes it relatively cheap for the regular user but can be disproportionately expensive for the occasional user (possibly using just a short section of the charged network for a very short period of time).

For heavy goods vehicles (lorries), the "Eurovignette" Directive requires that short-term vignettes (daily, weekly, monthly) are available and priced in proportion to the duration while taking administrative costs into account: "the monthly rate shall be no more than 10% of the annual rate, the weekly rate shall be no more than 5% of the annual rate and the daily rate shall be no more than 2% of

the annual rate." Such clear definition does not exist for passenger cars, buses (Vehicles designed to carry at least 8 passengers in addition to the driver) and light goods vehicles. This may result in an inconsistent application of the 'user pays' and 'polluter pays' principles, and potential disadvantage to the occasional user, especially in the case of cars and vans, where daily vignettes do not exist and the prices of short-term vignettes may be relatively high.

***11.a How do you assess the prices of short-term vignettes (weekly or monthly) for cars and vans, especially in comparison to long-term vignettes in the country you selected under B.1.1 ?**

- Disproportionally high
- Rather high
- Adequate
- Rather low
- Disproportionally low
- I don't know / No view

***11.b How do you assess the prices of short-term vignettes (weekly or monthly) for cars and vans, especially in comparison to long-term vignettes in the EU in general?**

- Disproportionally high
- Rather high
- Adequate
- Rather low
- Disproportionally low
- I don't know / No view

B.1.4 Congestion

Road congestion represents a huge economic loss to society (loss of time, travel time reliability, increased fuel consumption and pollution) not only in urban areas but also in the inter-urban road network in many European countries. Several studies have investigated the issue and the cost of congestion is estimated to be between 1-2% of GDP in the EU.

12. In your opinion, is road congestion a problem?

	Not at all	To some extent	It is a significant problem	It is a very significant problem	Don't know/no view
*in your area of residence/establishment (A.3.postal code)					X
*in the country you selected under B.1.1					X
*in the EU in general				X	

B.1.5 Possible additional issues

13. Do you see other problems related to road infrastructure charging that may need to be addressed at EU level?

AmCham EU fully supports the ‘user pays’ principle, because it contributes to a level playing field. AmCham EU does foresee an issue here, because the current revision of legislation only deals with road transport which could lead to unfair competition between road and rail transport, for example. AmCham EU does also foresee an issue with the fact that only commercial road transport companies would be affected by the road charging scheme, rather than all road users. Whatever scheme is being put in place, it should, in AmChamEU’s opinion, be interoperable, EU-harmonised and cost-effective. Additionally, it should be transparent in terms of disclosing the revenue generated by the scheme, which should be invested in road transport. In addition, double charging, such as through the implementation of mark-ups, adding a carbon dioxide (CO2) component to the scheme, or similar additions, should be avoided at all times.

B.2 The role of the EU

The European Union has a transport infrastructure policy to connect people and markets across the continent. It aims to level out differences in Member States' transport networks and remove bottlenecks by providing financing for the completion of the Trans-European Transport Networks (TEN-T) including major transport corridors of European importance.

At the same time, it is the role of Member States to set taxes, road charges and maintain the road network in good condition to ensure that road users benefit from the best possible service in terms of travel time and safety at a fair price.

Existing EU legislation (the "Eurovignette" Directive) sets the framework for road infrastructure charges to be applied by Member States on the TEN-T and motorways, as well as for vehicle taxes for lorries (heavy goods vehicles with a total permissible laden weight above 3.5 tonnes). No such EU legislation exists for buses (Vehicles designed to carry at least 8 passengers in addition to the driver), light goods vehicles or cars.

***14. In your opinion, what should be the scope (as far as vehicles types are concerned) of EU legislation in the area of charges linked to the use of roads?**

- All types of road vehicles (both freight and passenger transport, heavy- and light-duty vehicles)
- Freight transport only (both heavy and light goods vehicles)
- All heavy duty vehicles, i.e. lorries and buses
- Heavy freight transport only (goods vehicles of more than 3.5 tonnes)
- The EU should not set any rules in this respect
- No opinion / I don't know

***15. In your opinion, what should be the geographic scope of EU legislation in the area of charges linked to the use of roads?**

- All main or national roads
- Road infrastructure of European importance (TEN-T roads, motorways and national roads carrying significant international traffic)
- The TEN-T road network
- The EU should not set any rules in this respect
- No opinion / I don't know

While some cities have introduced various policies to reduce urban congestion and pollution (access restrictions, low emission zones or congestion charging), different solutions have been implemented on a few congested sections of the tolled inter-urban road network (e.g. lower charges outside rush hours or increased ones on Friday afternoons for lorries). Some of these schemes have proved to be successful in reducing congestion and shifting traffic to less congested periods, thus ensuring a more efficient use of the infrastructure.

The "Eurovignette" Directive allows the differentiation of road charges according to time of the day, type of day (weekday or weekend day), or season for lorries. At the same time, it requires that such differentiation be revenue neutral, i.e. if increased tolls are applied in rush hours, they have to be decreased below average outside rush hours. This makes the option less interesting for Member States and concessionaires.

In addition, no such rule exists for cars, that is, Member States are free to set congestion charges for cars. This can lead to unequal treatment of passenger and freight transport, which can not only be perceived as discriminatory but would not be the most efficient way to reduce congestion either.

***16. In your opinion, should the EU act to address the issue of congestion?**

- No, it is a problem to be dealt with by Member States / local authorities
- Yes, but only on the TEN-T network
- Yes, on TEN-T network, motorways and parallel interurban roads

B.3 Overall approach to addressing the problems

A number of possible approaches could be taken to address the challenges identified above. Please rate the different policy principles according to your preference.

***17.1 Do you think that, taking account also of the taxes paid by motorists, transport charges should be applied in line with the 'polluter pays' principle?**

- Fully agree
- Rather agree
- Rather disagree
- Fully disagree
- Don't know / No view

***17.2 Do you think that, taking account also of the taxes paid by motorists, transport charges should be applied in line with the 'user pays' principle?**

- Fully agree
- Rather agree
- Rather disagree
- Fully disagree
- Don't know / No view

***18. Do you think 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)?**

- Fully agree
- Rather agree

- Rather disagree
 Fully disagree
 Don't know / No view

***19. Do you think the revenues from transport taxes and charges should be used for covering transport related expenditures (e.g. infrastructure development)?**

- Fully agree
 Rather agree
 Rather disagree
 Fully disagree
 Don't know / No view

***20. Do you think 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?**

- Fully agree
 Rather agree
 Rather disagree
 Fully disagree
 Don't know / No view

***21. Do you think that dynamic road pricing (depending on time of day or level of congestion) should be applied on congested interurban roads if it allowed more reliable/shorter travel times in peak hours?**

- Fully agree
 Rather agree
 Rather disagree
 Fully disagree
 Don't know / No view

22. Would you like to make any other comment or suggestion?

AmCham EU is in favor of a distance-based charging scheme. Furthermore, the scheme should apply to all road users, be interoperable, EU-harmonised and cost-effective as well as transparent in terms of disclosing the revenue generated by the scheme, which should be invested in road transport. In addition, double charging, like through the implementation of mark-ups, adding a CO2 component to the scheme, or similar additions, should be avoided at all times.