FEDERATION INTERNATIONALE DE L'AUTOMOBILE
REGION I - EUROPE, THE MIDDLE EAST AND AFRICA

POLICY POSITION ON ROAD PRICING

MOBILITY

Executive Summary

Road infrastructure is the backbone of a successful European economy. If well-maintained, it delivers efficiency and safety benefits for the European population. There is therefore a need to provide sufficient funding for infrastructure investment and maintenance. While infrastructure requires regular maintenance to perform properly, a decline in public funding has led to a deterioration of the overall condition of the road network in many parts of Europe.

In fact, recent research shows that the rise of taxes and charges is mostly reinvested in consolidating national revenue for priorities other than transport. Increased taxes, without earmarking conditions, will not lead to improvement of the infrastructure. Europe shows a diversity of historically grown national systems of road infrastructure funding. A variety of taxes linked to the purchase or the use of the vehicle are already levied on private users in different EU Member States. Nevertheless, if implemented, road pricing should neither lead to additional costs for road users, nor be used as a demand management tool. It should only be designed as an infrastructure financing instrument.

FIA Region I believes that the decision whether to introduce road pricing, and in which form, should remain the sole responsibility of Member States, in full respect of the subsidiarity principle. Although FIA Clubs are concerned about the growing impact of differing national financing systems for car drivers, they do not support the introduction of generalised road pricing in Europe.

FIA Region I Position

European citizens need safe and affordable mobility. Before introducing road pricing measures, a thorough analysis should be made of whether it is the most appropriate measure to tackle defined mobility challenges. The current taxation burden is already high on private motorists.

European citizens need safe and affordable mobility

European motorists accept the 'user pays' principle. When discussing the user pays principle, the whole range of fiscal burdens, which already exist in the Member States, must be considered. FIA Region I believes that a discussion on road pricing at EU level should focus on common principles to protect consumers of unfair treatments. Pricing systems, when introduced, should fulfil minimum European standards ensuring a non-discriminatory treatment of citizens when travelling across Europe, and be designed as an infrastructure financing instrument, not as a demand management tool. Nevertheless, FIA Region I does not support the introduction of generalised road pricing in Europe.

Road pricing

Direct charges levied for the use of roads, including road tolls and distance or time based fees

Road user acceptance is key in transport policy. To address this issue satisfactorily, Member States need to organise a proper debate with relevant national stakeholders, and inform users on how pricing resources are used. More spending should be dedicated to positively influence individual behaviours, rather than penalising them. Road pricing schemes, if adopted by single Member States based on national circumstances, should therefore remain revenue neutral for motorists.

Rising mobility costs

Household spending on transport has steadily increased in the past years to reach up to 48% of a household's budget, according to the OECD. Considering duties imposed on fuels and taxation of personal mobility, the user pays principle already applies in various EU Member States. Recent research confirms that motorists more than cover the impact that their vehicles have on the infrastructure. European governments have progressively lowered spending on road infrastructure, leading to an increasing gap between the revenue coming in from motorists and the government outlay on road infrastructure.

Revenues generated by road users should be used to increase mobility's sustainability, rather than to further increase the overall burden on motorists

Almost all Member States have fixed revenue from vehicle taxation and a more flexible revenue linked to the use of the vehicles, such as through fuel taxes and duties. While purchasing costs for vehicles generally went down in recent years, operating costs (repair and maintenance, insurance, etc.) are on the rise. Personal mobility creates surplus revenues for governments through taxation and generates prosperity. Revenue generated by road users should be used to increase mobility's sustainability, rather than to further increase the overall burden on motorists.

Charging and infrastructure funding

In most countries, car taxation is an important contributor to government revenue and therefore is used to fund expenditure outside the mobility sector. Any change in taxation to cover for infrastructure funding and/or maintenance, should be based on a thorough evaluation of the current taxation revenues and be earmarked, partly or wholly, to fulfil the announced objective. It should remain revenue neutral. In the past, Member States have shown great reluctance in accepting this principle, even though it is key to gain consumer acceptance.

In the current context, motorists too often experience an increase in taxation as an additional burden, which does not lead in an improvement to overall mobility. This is not acceptable from a users' perspective. While some alternatives to private cars may exist in the urban environment, the situation is quite different in rural and suburban areas. Motorists, who depend on their car for their daily mobility, should not be unduly penalised.

Additionally, the introduction of road pricing may have unintended negative consequences. As an example, the introduction of pricing on highways would most likely divert part of the traffic to secondary road networks, which, in general, are not as safe as highways. This may have dire consequences on road safety and the environment, as alternative routes would most likely not be as safe and direct, and with increased exposure to the population.

Road pricing is currently presented as an opportunity to achieve several goals: contributing to the maintenance of existing infrastructure, but also addressing mobility challenges faced by users or challenges in terms of the environmental impact of mobility. We believe that, rather than presenting road pricing as a solution for many of these challenges, a bottom-up approach should be taken. Governments should seek to identify the challenges and then look for the right tool to make the change happen. Demand management, i.e. managing limited infrastructure quality and capacity, cannot replace the necessary investments in maintaining the road infrastructure, and adapting it to the new demand situation.

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Future mobility growth can only effectively be addressed when all modes of transport are used in an optimal way. Consumers should be able to make a fair and efficient choices regarding which transportation mode to use, without restrictions. Currently, the revenue from road users are largely collected through taxes on vehicles and fuel. Considering potential changes with regard to vehicle use (e.g. car sharing and car-pooling) and vehicle technology (e.g. automation and electrification), a discussion about the adaptation of funding mechanisms may be necessary to take such evolutions into account.

Charging and congestion: consumers are penalised three times

Given the population and traffic growth that has occurred since the completion of major road networks in many countries, FIA Region I calls on the authorities concerned to adapt the capacity of these networks in a targeted way. This can be done through bottleneck elimination programmes, instead of only considering pricing, in order to manage or reduce demand. Congestion is a growing concern for motorists. Most of today's congestion is linked to the way society is organised and timed. Increasing charges at peak hours entails the risk of denying access to the infrastructure to some part of the population when they need it most (to go to work, bring children to school, etc.). Thus, motorists caught in congestion would be penalised three times, by: being stuck in traffic; having paid the taxes to be on the road at that time; and suffering from a lack of investment in the road network. Therefore, introducing road pricing should not be used to add extra charges. Additional congestion charging in the context of lacking alternatives, skims the consumer benefit without incentivising governments to invest in providing more efficient infrastructure.

The use of Information and Communication Technologies contributes to alleviating congestion, without penalising users. Systems such as dynamic navigation systems, dynamic traffic management, real-time traffic information and lane management improve the overall system performance. The growing potential of such Smart Mobility solutions should be investigated more closely by Member States.

Charging externalities

In many Member States, cars are already taxed according to their environmental impact. This approach promotes behaviour changes towards low carbon technologies by involving the users.

Instead of road pricing, governments should use of a set of alternative policies to counter-balance the negative effects of road transport

FIA Region I supports intelligent use of a set of alternative policies to counter-balance the negative effects of road transport, mainly on traffic accidents, environmental issues and congestion. A balanced set of measures, including ambitious safety policies, challenging limits and robust regulations for vehicle emissions, the promotion of low emission technologies and clean vehicles, as well as a smart traffic management, are preferable for reducing externalities. The effective implementation of existing legislation would already help to reduce pollution from motorised traffic substantially.

When discussing externalities, benefits of different modes of transportation should be considered. A sustainable development of transport should look into the costs of each transport mode as compared to its benefits for society. In this respect, the direct and indirect government subsidies (the uncovered costs for infrastructure and operations) should be taken into account in the discussion to a full and fair assessment of all modes of transport. Road transport accounts in most countries higher cost coverage compared to other modes of transport. A more holistic perception of the benefits of road transport for society and the economy should be the basis for discussion. Road transport's undisputed social acceptance for more than a century is a clear indicator of its value to society.

Economic instruments, such as charging, have an uncertain impact on behaviour. Their use shifts money, for instance, from private motorists to public budgets, but do not create value. It is therefore important to be careful, when choosing the tools to be applied.

Consumers have demonstrated that they are ready to shift to greener engines. They have embraced financial incentives when available, such as lower registration and circulation taxes, and now benefit from more fuel efficient vehicles. FIA Region I believes that a strategy for fair taxation should include promoting cleaner fuels and vehicle technologies to reduce emissions. Demonstration programmes should raise awareness on the alternatives available and green procurement schemes. Cars will continue to be an integral component of daily life, since few alternatives offer the convenience and flexibility of personal transportation.

Cars will continue to be an integral component of daily life

Charging: transparency and data protection

Member States should be free to decide on whether or not to introduce road charging systems and in which form (i.e. vignette or tolling system). Electronic tolling poses important data protection implications, as well as high set-up and running costs, which should be considered before implementation. On the other hand, vignette systems should be fair and avoid any discrimination between national residents and other European citizens.

In the case that a Member State decides to introduce road pricing, a minimum level of transparency would be required, for the system to be accepted and understood by users. The revenue should be collected on a fair basis and proportional to the use of the infrastructure. Existing mechanisms to set road pricing are extremely complicated and there is a clear risk for these systems to be used to create extra revenue for the companies managing the operations. Key issues are: revenue earmarking; clarity of the system and reasoning behind it; and long term consistency of the rules. Any changes must be made with a great deal of warning and consultation.

When a Member State justifies the introduction of a pricing scheme with the need to fill a specific gap, i.e. lack of fund for infrastructure maintenance, a clear share of the revenue generated by the system should be earmarked for this purpose.

Any data collected by the operators in view of levying charges, must be kept in full observance of national and European data protection law. As a minimum, the data should be used by the defined operator for its purpose, limited in scope and kept for the minimum time necessary. It should be made available for independent oversight of the system. It may not be used for commercial purposes without the specific consent of the user. The European Commission should explore what legal guarantees can be given against the potential abusive use of electronic registered data. FIA Region I would welcome provisions ensuring the anonymity of drivers and the prompt deletion of all trip-related data after billing.

Car driver and vehicle data should be used by the defined operator for its specific purpose, limited in scope and kept for the minimum time necessary

Interoperability

Where Member States opt to introduce distance-based electronic road pricing on motorways, interoperability of the systems should be a requirement. Motorists should be able to use a single on-board unit with a single contract to drive through the European road pricing areas. As clearly demonstrated in the framework of the Eurovignette Directive, the challenge is a political one rather than a technical one.

The European Commission should play a key role in setting a single standard and specifications for road operators for the benefits of citizens.

The European Commission should play a key role in setting a single standard and specifications for road operators for the benefits of citizens. Current hurdles such as the need to have a bank account in a specific country to get an on-board unit should be banned and all complexity avoided for citizens.

Fédération Internationale de l’Automobile (FIA) Region I office

FIA Region I is a consumer body representing 112 Motoring and Touring Clubs and their 37 million members from across Europe, the Middle East and Africa. The FIA represents the interests of our members as motorists, riders, pedestrians and passengers. FIA Region I is working to ensure safe, affordable, clean and efficient mobility for all.

Learn more at www.fiaregion1.com

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