

Brussels, 12 February 2018

# Subject: Proposed amendments to the Draft Report on the proposal to reform the Eurovignette Directive - 2017/0114 (COD)

Dear Member of the European Parliament,

I am writing on behalf of FIA Region I with regard to the draft report by MEP Christine Revault d'Allonnes Bonnefoy on the proposal for a directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures.

FIA Region I is of the opinion that the European Union <u>does not have the legal basis</u> to extend the Directive to passenger cars and that Member States are in the best position to decide upon national charging systems for passenger cars. In addition, FIA Region I believes that a European proposal to mandate distance-based charging is not an effective approach to road pricing.

Therefore, FIA Region I considers as critical to include in the draft report the following amendments:

Original Text: Commission proposalAmendment proposedAmendment 1Recital 3(3) All heavy duty vehicles have significantDeletedimpact on road infrastructure and contributeto air pollution, while light duty vehicles areat the source of the majority of the negativeenvironmental and social impacts from roadtransportrelatedtoenvironmental and social impacts ofequaltreatment and fair competition, it should be

ensured that vehicles so far not covered by the framework set out in Directive 1999/62/EC of the European Parliament and of the Council in respect of tolls and user charges are included into this framework. The scope of that Directive should therefore be extended to heavy duty vehicles other than those intended for the carriage of goods and to light duty vehicles, including passenger cars.



# **Justification of Amendment 1:**

There is no legal basis for including passenger cars under the legislation, nor is it a suitable approach to implementing road charging schemes. It is the member States who have the responsibility to set excise duty, fuel taxes, registration and circulation taxes as well as the level of VAT on fuel. It is essential therefore that Member States are allowed to set the approach (be it time or distance based) and price in their territory and in consideration of their own individual geographical social and economic context.

### Amendment 2

### **Recital 4**

(4) Time-based user charges do by nature Deleted not accurately reflect infrastructure costs actually induced and, for similar reasons, are not effective when it comes to incentivising cleaner and more efficient operations, or reducing congestion. They should therefore be gradually replaced by distance-based charges, which are fairer, more efficient and more effective.

# **Justification of Amendment 2:**

The study by FIA Region I on road charges showed that existing charges on road transport are substantial, easily covering infrastructure costs and in fact provides European governments with a €108 billion surplus. In addition, spending on road infrastructure as a percentage of GDP has fallen across the EU since 1995. Therefore, Member States should be incentivised to make better use of the revenue currently being generated. For more information, see the FIA Region I study <u>here</u>.

# Amendment 3

# **Recital 11**

(11) Light duty vehicles generate two thirds Deleted of the negative environmental and health impacts of road transport. It is therefore important to incentivise the use of the cleanest and most fuel-efficient vehicles through the differentiation of road charges based on conformity factors defined in Commission Regulation (EU) 2016/646, and Commission Regulation (EU) 2017/xxx.



# Justification of Amendment 3:

Member States are best placed to decide on the type of road pricing scheme and the associated costs that are put on road users.

### Amendment 4

Recital 12

(12) In order to promote the use of the Deleted cleanest and most efficient vehicles, Member States should apply significantly reduced road tolls and user charges to those vehicles.

### **Justification of Amendment 4:**

Incentivising the uptake of cleaner cars is necessary, but the focus of this proposal on having differentiated charges for road usage is not an effective nor efficient approach. The focus should be on operating such a system at the point of purchase and/or yearly circulation taxes combined with fair fuel taxation schemes (a Member State responsibility). Furthermore, the newest and cleanest vehicles available on the market are often not affordable to low and middle-income consumers and therefore it is unlikely that differentiated road charges will induce a behaviour change amongst such consumers.

#### **Amendment 5**

#### **Recital 13**

(13) Road congestion, to which all motor Deleted vehicles contribute in different proportions, represents a cost of about 1% of GDP. A significant part of this cost can be attributed to interurban congestion. A specific congestion charge should therefore be allowed, on condition that it is applied to all vehicle categories. In order to be effective and proportionate, the charge should be calculated on the basis of the marginal congestion cost and differentiated according to location, time and vehicle category. To maximise the positive effect of congestion charges, corresponding revenues should be allocated to projects addressing the sources of the problem.



# **Justification of Amendment 5:**

Imposing an additional congestion charge on vehicles is akin to double regulation – the motorist will be harmed by the very creation of the congestion due to negative impacts such as loss of time and then will be impacted by an additional financial cost. There is no evidence to suggest that such an EU requirement can/will lead to a reduction in congestion, considering that many motorists do not have an alternative travel option. Again, Member States are best positioned to consider the appropriateness of putting in place a specific congestion charge.

# **Amendment 6**

Article 1 – Paragraph 1 – Point 1

(1) the title is replaced by the following: Deleted "Directive 1999/62/EC of the European Parliament and of the Council of 17 June 1999 on the charging of vehicles for the use of road infrastructures";

# **Justification of Amendment 6:**

There is no legal basis for including passenger cars under the legislation, nor is it a suitable approach to implementing road charging schemes. It is national government who have the responsibility to set excise duty, fuel taxes, registration and circulation taxes as well as the level of VAT on fuel. It is essential therefore that Member States can set the approach (be it time or distance based) and price in their territory considering their own individual geographical social and economic context.

Amendment 7

Article 1 – paragraph 1 – point 2 Deleted

Article 1 – paragraph 1 b

This Directive applies to:

(b) tolls and user charges imposed on vehicles.

# Justification of Amendment 7:

There is no legal basis for including passenger cars under the legislation, nor is it a suitable approach to implementing road charging schemes.

Amendment 8

Article 1 – paragraph 1 – point 2 Deleted

Article 2 – point 19

(19) 'light duty vehicle' means a passenger car, a minibus or van;



# **Justification of Amendment 8:**

There is no legal basis for including passenger cars under the legislation, nor is it a suitable approach to implementing road charging schemes.

# Amendment 9

Article 1 – paragraph 1 – point 2 Deleted

Article 2 – point 20

(20) 'passenger car' means a vehicle with four wheels intended for the carriage of passengers but not more than eight passengers, in addition to the driver;

# **Justification of Amendment 9:**

There is no legal basis for including passenger cars under the legislation, nor is it a suitable approach to implementing road charging schemes.

Amendment 10

Article 1 – paragraph 1 – point 2

Article 2 – point 21

Deleted

(21) 'minibus' means a vehicle intended for the carriage of more than eight passengers, in addition to the driver, and having a maximum permissible mass not exceeding 3,5 tonnes;

# Justification of Amendment 10:

There is no legal basis for including passenger cars under the legislation, nor is it a suitable approach to implementing road charging schemes.

# Amendment 11

Article 1 – paragraph 1 – point 2 Deleted

Article 2 – point 22

(22) 'van' means a vehicle intended for the carriage of goods, and having a maximum permissible mass not exceeding 3,5 tonnes;

# Justification of Amendment 11:

There is no legal basis for including passenger cars under the legislation, nor is it a suitable approach to implementing road charging schemes.



Amendment 12

Article 1 – paragraph 1 – point 3

Article 7 – point 1

Deleted

1. Without prejudice to Article 9 (1a), Member States may maintain or introduce tolls and user charges on the trans-European road network or on certain sections of that network, and on any other additional sections of their network of motorways which are not part of the trans-European road network under the conditions laid down in paragraphs 3 to 9 of this Article and in Articles 7a to 7k.

# Justification of Amendment 12:

The condition laid down in Article 7 point 7 goes against the principle of subsidiarity. Member States should be able to decide their approach to road charging.

Amendment 13

Article 1 – paragraph 1 – point 3

Article 7 – point 4

Deleted

4. Tolls and user charges shall not discriminate, directly or indirectly, on the grounds of the nationality of the road user, the Member State or the third country of establishment of the transport operator or of registration of the vehicle, or the origin or destination of the transport operation.

#### **Justification of Amendment 13:**

Discrimination is already prohibited under European legislation by the Treaty on the Functioning of the European Union (Art. 18 TFEU). Therefore, there is no need for additional requirements under the Eurovignette Directive.

Amendment 14

Article 1 – paragraph 1 – point 3

Article 7 – point 7

Deleted

7. From [the date of entry into force of this Directive], Member States shall not introduce user charges for light duty vehicles. User charges introduced before that date shall be phased out by 31 December 2027.



# Justification of Amendment 14:

Member States should be free to apply their approach to road charging. In addition, there is no legal basis for including passenger cars under the legislation, nor is it a suitable approach to implementing road charging schemes.

# Amendment 15

Article 1 – paragraph 1 – point 3

Article 7 – point 10

Deleted

10. Tolls and user charges for heavy duty vehicles on the one hand and for light duty vehicles on the other may be introduced or maintained independently from one another.

### Justification of Amendment 15:

There is no legal basis for including passenger cars under the legislation, nor is it a suitable approach to implementing road charging schemes.

### Amendment 16

Article 1 – paragraph 1 – point 4

Article 7a – point 1

Deleted

1. User charges shall be proportionate to the duration of the use made of the infrastructure

# Justification of Amendment 16:

Member States should be free to decide on the adequate charging of passenger cars and minibuses for a given infrastructure. Moreover, discrimination is already prohibited by the TFEU (Art. 18 TFEU). Thus, there is no need to replicate on this in the Directive. Further clarification was already provided by the EC in guidelines on vignettes published in 2012.

# Amendment 17

Article 1 – paragraph 1 – point 4

Article 7a – point 3

Deleted

3. Insofar as user charges are applied in respect of passenger cars, the use of the infrastructure shall be made available at least for the following periods: 10 days, a month or two months or both, and a year. The two-monthly rate shall be no more than 30 % of the annual rate, the monthly rate shall be no more than 18 % of the annual rate, and the 10-day rate shall be no more than 8 % of the annual rate. Member States may also make the use of the infrastructure

available for other periods of time. In such cases, Member States shall apply rates in accordance with the principle of equal treatment between users, taking into account all relevant factors, in particular the annual rate and the rates applied for the other periods referred to in the first subparagraph, existing use patterns and administrative costs. In respect of user charge schemes adopted before 31 May 2017, Member States may maintain rates above the limits set out in the first subparagraph, in force before that date, and corresponding higher rates for other periods of use, in compliance with the principle of equal treatment. However, they shall comply with the limits set out in the first subparagraph as well as with the second subparagraph as soon as substantially amended tolling or charging arrangements enter into force and, at the latest, from 1 January 2024.

# Justification of Amendment 17:

Member States should be free to decide on the adequate charging of passenger cars and minibuses for a given infrastructure. Moreover, discrimination is already prohibited by the TFEU (Art. 18 TFEU). Thus, there is no need to replicate this in the Directive. Further clarification was already provided by the European Commission in guidelines on vignettes published in 2012.

#### **Amendment 18**

Article 1 – paragraph 1 – point 4

Article 7a – point 4

Deleted

4. For minibuses and vans, Member States shall comply either with paragraph 2 or with paragraph 3. Member States shall however set higher user charges for minibuses and vans than for passenger cars as from 1 January 2024 at the latest.";

#### **Justification of Amendment 18:**

Member States should be free to decide on the adequate charging of passenger cars and minibuses for a given infrastructure. Moreover, discrimination is already prohibited by the TFEU (Art. 18 TFEU). Thus, there is no need to replicate on this in the Directive. Further clarification was already provided by the European Commission in guidelines on vignettes published in 2012.



Amendment 19

Article 1 – paragraph 1 – point 5

Article 7c

Deleted

# Justification of Amendment 19:

FIA Region I supports an efficient and effective use of alternative policies to counter balance the negative effects of road transport. Economic instruments, such as charging, have an uncertain impact on consumer behaviour. Their use shifts money from private motorists to public budgets but does not provide any certainty of added value. Consumers have shown that they are ready to shift to greener vehicles and in this regard, it is financial incentives such as lower registration and circulation taxes that should be the focus of supporting such a transition.

As passenger cars are not explicitly exempted from an external cost-charge, this article should also be deleted.

# Amendment 20

Article 1 – paragraph 1 – point 6

Article 7da

Deleted

# Justification of Amendment 20:

Most of today's congestion is linked to the way society is organised. Increasing road charges at peak traffic hours entails the risk of denying access to the infrastructure to some parts of the population when they need it the most (e.g. commuting, taking children to school etc.). Motorists are in turn caught in congestion and penalised three times: being stuck in traffic, having to pay additional fees to be on the road at that time, and suffering from a lack of investment in the road network.

The use of information and communication technologies contributes to less congestion without penalising users. Dynamic navigation, adaptable speed limits, traffic management, real time traffic information and lane management systems offer solutions that Member States should better invest in.

# Amendment 21

# Article 1 – paragraph 1 – point 7

Article 7f

Deleted

# Justification of Amendment 21:

The rules to apply mark-ups should be left to the discretion of Member States. Motorists already cover their costs through existing taxes and charges on owning and using a vehicle. Mark-ups account for a double financial penalty. Member States should be incentivised to better use the money already being generated to resolve infrastructure issues and cover negative externalities.

As passenger cars are not explicitly exempted from mark-ups, FIA proposes to delete this article.



Amendment 22Article 1 - paragraph 1 - point 7Article 7gDeleted

# Justification of Amendment 22:

As passenger cars are not explicitly exempted from mark-ups, FIA proposes to delete this article.

#### Amendment 23

Article 1 – paragraph 1 – point 8

Article 7ga

Deleted

#### **Justification of Amendment 23:**

Incentivising the uptake of cleaner cars is necessary, but the focus of this proposal on having differentiated charges for road usage is not an effective nor efficient approach. The focus should be on operating such a system at the point of purchase and/or yearly circulation taxes combined with fair fuel taxation schemes (again, a Member State responsibility). Furthermore, the newest and cleanest vehicles available on the market are often not affordable to low and middle-income consumers and therefore it is unlikely that differentiated road charges will induce a behaviour change amongst such consumers. In addition, FIA Region I has significant reservations about the proposal to base emissions classes on the air pollutant emissions and CO<sub>2</sub> emissions of vehicles. It is unclear how such a classification scheme would work on the basis that air pollutant and CO<sub>2</sub> emissions are not correlated. This approach could therefore lead to negative unintended consequences, particularly when considering how Member States themselves devise their own incentive schemes for the purchase and use of vehicles.

Moreover  $CO_2$ -emissions are already tackled in the most effective and efficient way by fuel taxes as there is an exact correlation between  $CO_2$ -emissions and taxation. Pollutant emissions should be tackled by ambitious targets and stringent type-approval regulations.

As Annex VII has a crucial impact on the tolls and user charges consumers are facing, the changes of the Annex should not be possible by delegated acts, but they should also remain in the critical hands of the European Parliament.

#### Amendment 24

Article 1 – paragraph 1 – point 12

Article 7k

Deleted

#### Justification of Amendment 24:

This article should be deleted, as it results from the proposed phasing out of time-based charging. The proposal from the Commission clearly goes against the principle of subsidiarity in the first place; Member States should be the ones deciding on what is an adequate road charging scheme.



Amendment 25

Article 1 – paragraph 1 – point 18 b (concerning the annexes)

Deleted

(b) Annexes V, VI and VII are added as set out in the Annex to this Directive

# Justification of Amendment 25:

As FIA rejects the introduction of congestion charges and the toll and user charge variation for passenger cars, the Annexes concerned should be deleted.

Should you have any question, do not hesitate to contact us.

Yours sincerely,

Chris Carroll Policy Director, FIA Region I