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## **Road charging**

## **10** Green principles



At a time when governments everywhere are struggling with budget constraints, it seems inevitable that road charging for passenger cars will be considered on a broad scale, as governments grapple with decaying infrastructure and look for means to generate additional revenue. In Germany a road charging scheme has been adopted this week with the final signature of the president setting the introduction date to 1 January 2016.

The German transport minister Dobrindt (CSU) proposed the controversial bill in December 2014. It was passed in a record 3 months – despite some controversy – and has now awaited the final presidential signature for another 3 month. The bill introduces a vignette tolling system for private cars on German roads, applicable to all motorways (Autobahnen) and state-run roads. The bill has provoked much opposition however, as German drivers will be compensated for the new road-use fee through a reduction

of their annual vehicle tax (agreed to in a second bill) and only foreign drivers will pay the full charge. Dobrindt is confident that the new toll will raise €500 million per year, but the German Greens question this calculation and instead expect approximately €100 million annually.

In all Green parties, we fully support the principle of passenger car pricing. The monetary cost of using a car simply does not equate with the negative impact cars have on society, including in particular external costs such as air and noise pollution, congestion, loss of human life as well as damage to ecosystems. The True Costs of Automobility: External Costs of Cars Overview on existing estimates in EU-27 is a study from 2012 that was presented at the Greens/EFA Transport event 'A fair deal for cars'; it aggregates the external costs accumulated by one average European car to amount to  $\in$ 1,600 annually. This enormous figure helps to put things in perspective: road charges are not aimed at inconveniencing the average citizen, but at providing incentives for private car users to change their behaviour: to encourage them to drive more efficiently, to opt for alternative modes of transport, and to capitalize on the opportunity to improve their own health and the air quality in their immediate environment.

Despite our endorsement of passenger car pricing, we cannot agree with a blanket approach Germany has chosen to charge only foreigners and to introduce a system that entails not a single economic steering effect to improve the transport sector's sustainability. As the Commission works on a 'road package' for 2016, which will likely contain a revision of the 'Eurovignette Directive', and an intelligent transport system road map (ITS), it is essential that we assert the importance of including the points outlined below when devising road pricing structures across Europe:

- 1. **Polluter-pays principle**: Passenger car pricing must support the polluter-pays principle, which implies that whoever is responsible for damage to the environment caused by the use of cars must bear the costs associated with it.
- 2. **Proportionality**: Such a system must also demonstrate proportionality between investment and revenue, which it to say that the cost of imposing tolls and charges does not exceed the revenue generated as a result.
- **3. Distance-based:** It is imperative that road charges be distance-based, the actual distance travelled and not e.g. calculated for a year without taking actual use into account (linking back to polluter-pays principle) and be applied to all roads, and thus all users of private cars.
- 4. **Interoperability**: Regional and national road toll systems can be implemented as long as they fit into a framework based on European principles. The interoperability of pricing systems is so important because of the free movement across borders in the EU.
- 5. **Intermodality**: The possibility of intermodality, an integral way to improve environmental impact of transport which refers to combining several means of transport during the same journey, should also be taken into consideration.
- 6. **Discrimination**: Discrimination cannot be a basis for a charging system the key issue causing controversy in the case of Germany's new tolls. EU freedom of movement policy dictates that citizens, and therefore drivers, of every member state must be treated equally.
- 7. **Step-wise introduction**: Road charging measures must be introduced step-wise, accompanied by good and easily understandable information to the public and the sector.
- 8. **Transparency/Accessibility**: Transparency and accessibility of charging systems for all road users needs urgent attention, in order to minimize inconvenience and disruption in day to day life.
- 9. **Privacy/Data protection**: time-based charging systems are the ones that are most socially and environmentally just; they do however need to contain the proper implementation of privacy and data protection rules.
- 10. **Technology Neutrality**: a European approach to road charging must subscribe to technology neutrality, as charging is closely and vitally linked to specific objectives such as congestion, air quality, safety, promoting alternative modes of transport and needs to be adapted to specific local concerns.

We argue that the technology employed should not be legislated on, so that each city, region or country may choose the most appropriate tools as they carefully define their target. Interoperability with other available choices is the one compulsory requirement, to ensure a coherent and consistent system.

The German bill caused EU wide discussion on the issue with for instance Flanders proposing a similarly unfair foreigners-only approach to charging heavy goods vehicles on its roads. The Commission has already announced plans to challenge the German system in front of the courts and start an infringement procedure. If Flanders follows the German approach, we can expect more of the same.

The importance of the way in which road toll systems are implemented was highlighted in November last year by the Commission at a European Parliament hearing, as the <u>Commission urged Member States</u> to be 'mindful of the overall coherence' of planned road charge schemes. At present, only tolls for heavy goods vehicles are regulated at European level. While the idea of a universal Europe-wide toll system is more than unlikely at this point, the harmonization of measures and criteria of road charging, in line with the principles laid out in this article are crucial to ensuring high-functioning and efficient systems among Member States.

Transport and Environment Article <u>http://www.transportenvironment.org/news/eu-unveils-distance-based-road-charging-plan</u>

Relevant EU Legislation:

Amended Eurovignette Directive (2011) : <u>http://register.consilium.europa.eu/doc/srv?l=EN&f=PE%2024%202011%20INIT</u>

Communication from the Commission: Implementation of the European Electronic Toll Service<u>http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1427876864837&uri=CELEX:52012DC0474</u>

Greens/EFA opinions:

- www.greens-efa.eu/road-charging-rules-eurovignette-3919.html
- www.greens-efa.eu/eurovignette-iii-3923.html
- www.greens-efa.eu/eurovignette-3850.html

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