

The current rules and opportunities for road user charging

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www.transportenvironment.org

Freight demand challenge

+ 43%

Freight transport volume growth in Europe (1990-2003)

Double the rate of passenger transport growth

Outpacing GDP growth of 30%

+ 52%

Projected growth road freight transport demand (2000-2020)

78%

Road freight transport share of inland transport markets (2004) at the expense of rail and inland shipping



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Source: EEA TERM Report 2007.

www.transportenvironment.org

Barcelona leads Europe in long-distance road freight transport

Top 20 regions with the highest number of long-distance journeys (> 500 km, departing journeys), 2004.

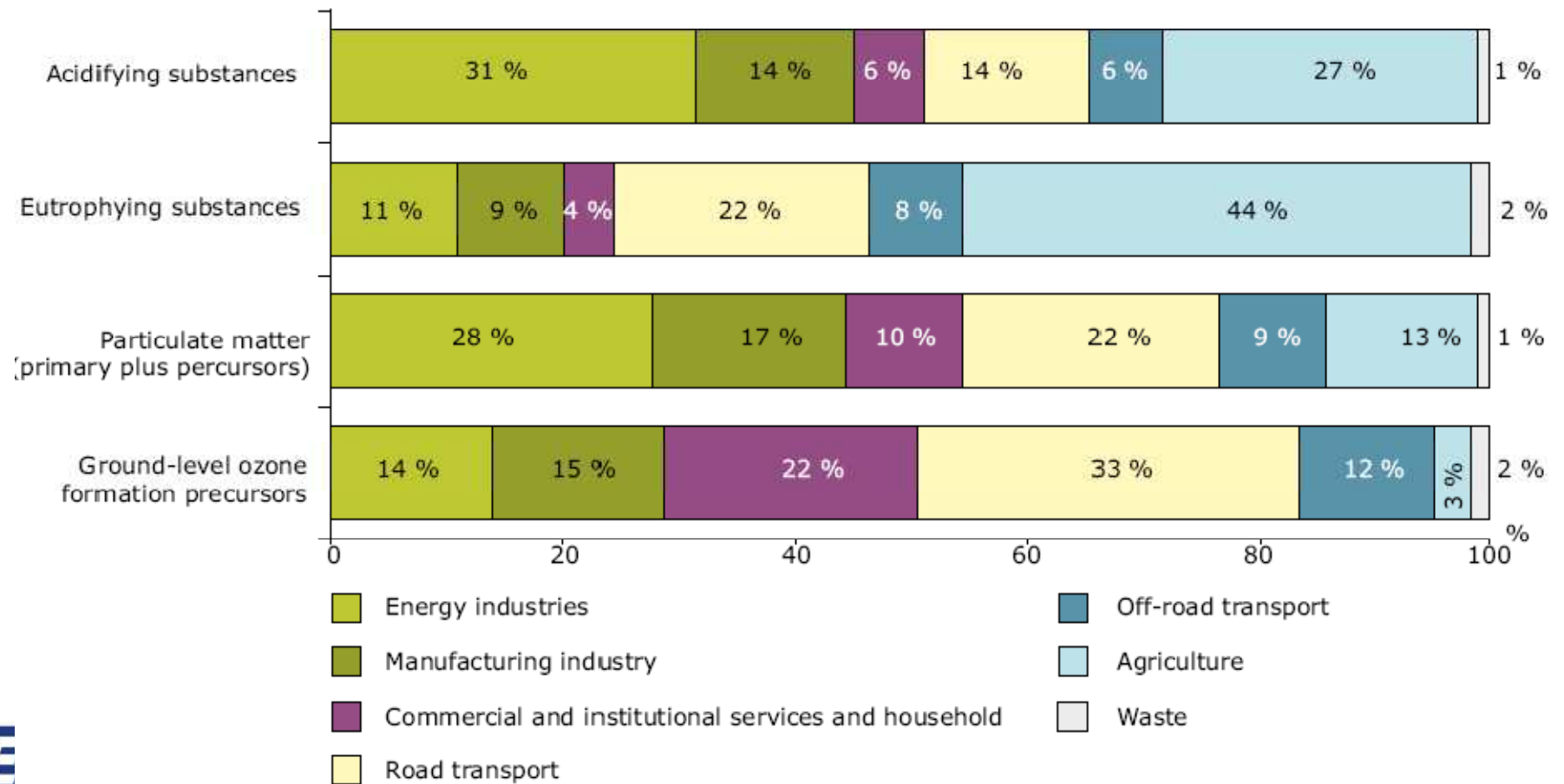
Region	Country	No. Long distance journeys	% long distance journeys of all departures
Barcelona	Spain	957 029	3.7
Madrid	Spain	573 548	2.7
Valencia	Spain	365 823	2.2
Milano	Italy	285 542	4.9
Nord	France	250 707	2.6

Air pollution from transport

Air pollution responsible for 370,000 deaths in EU

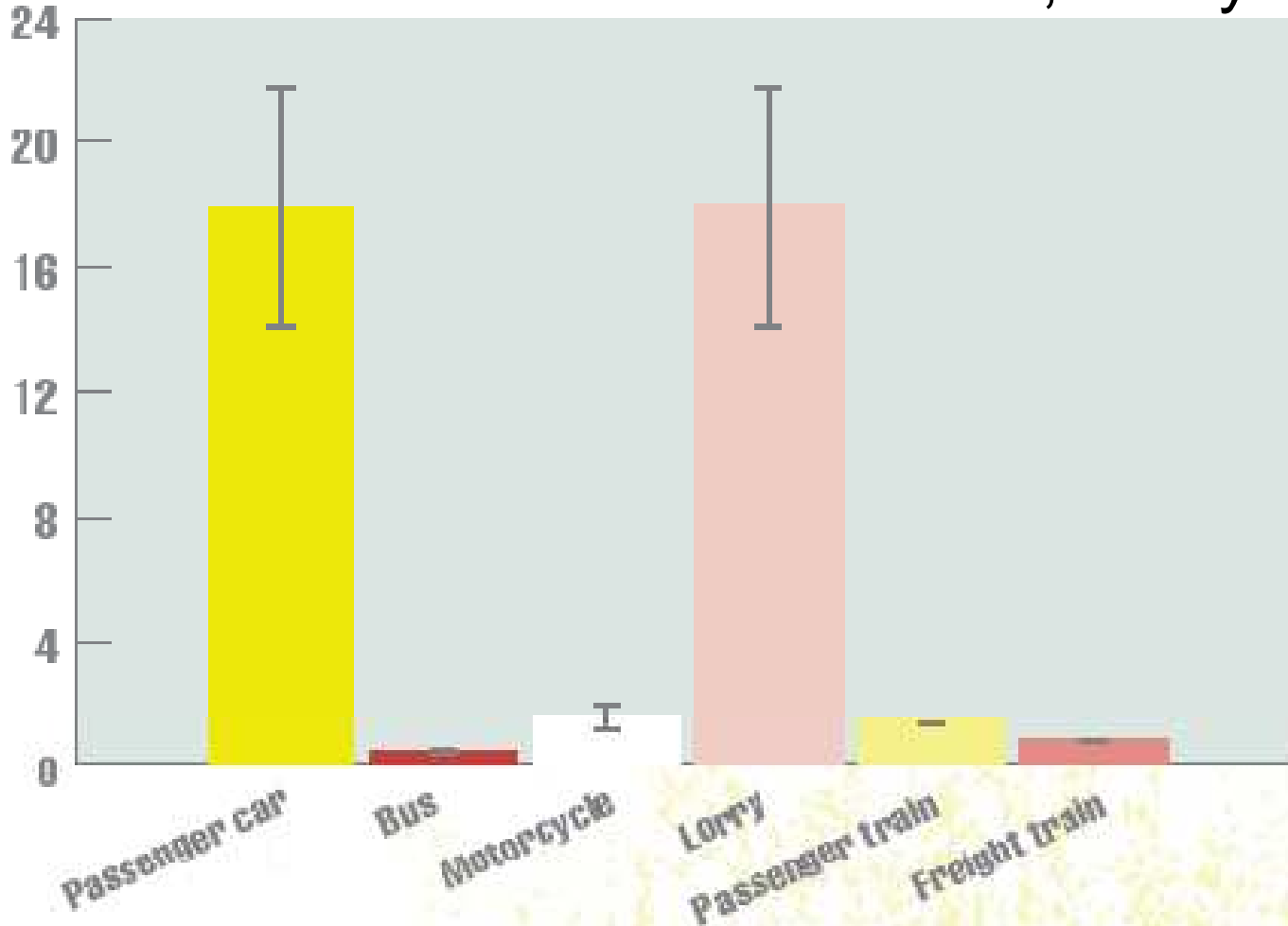
Share of road transport in air pollution 14 - 33%

Road transport AT LEAST 80,000 deaths



Transport Noise

Social costs of traffic noise for EU22, €bn/yr

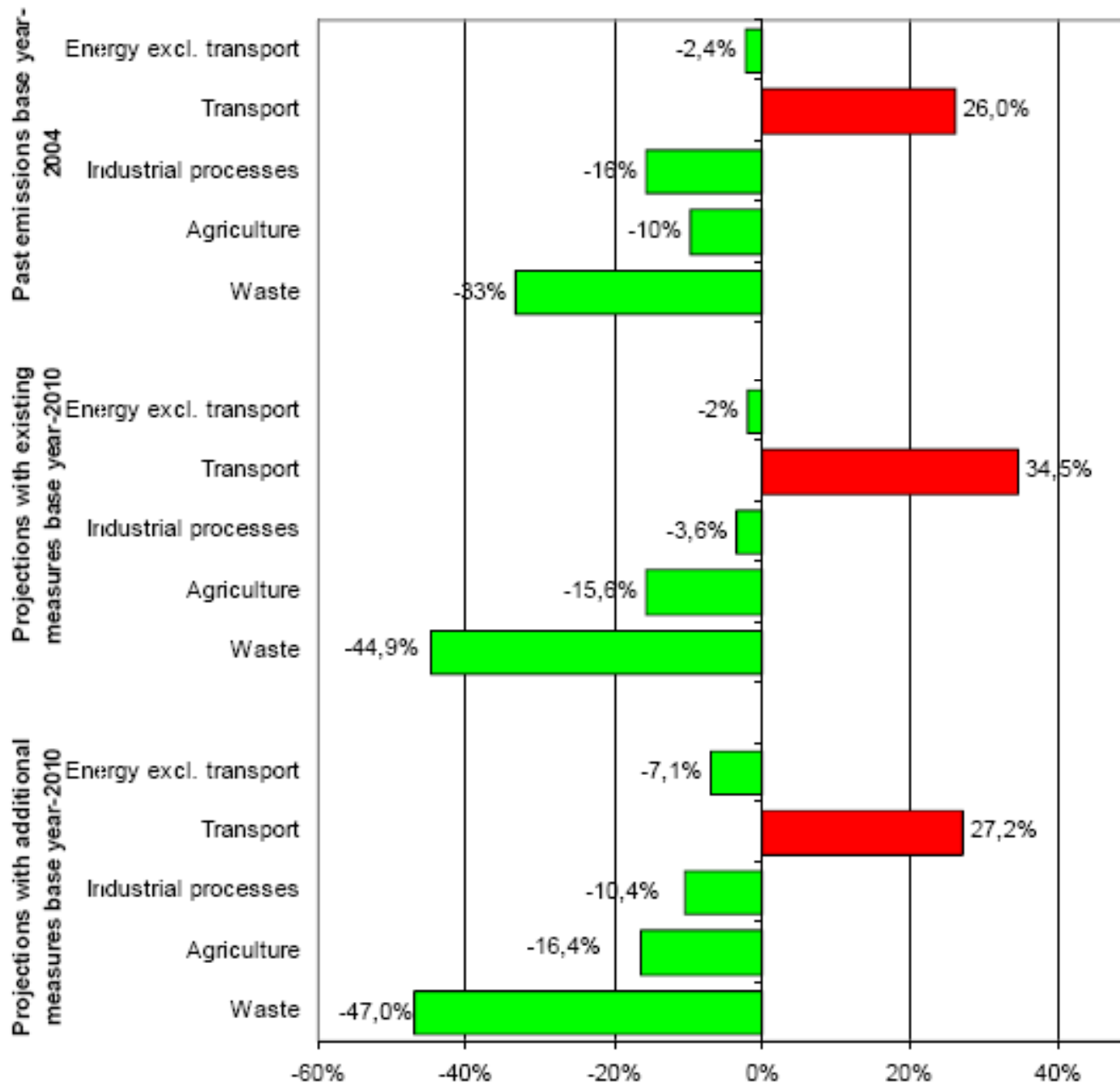


Transport and Climate

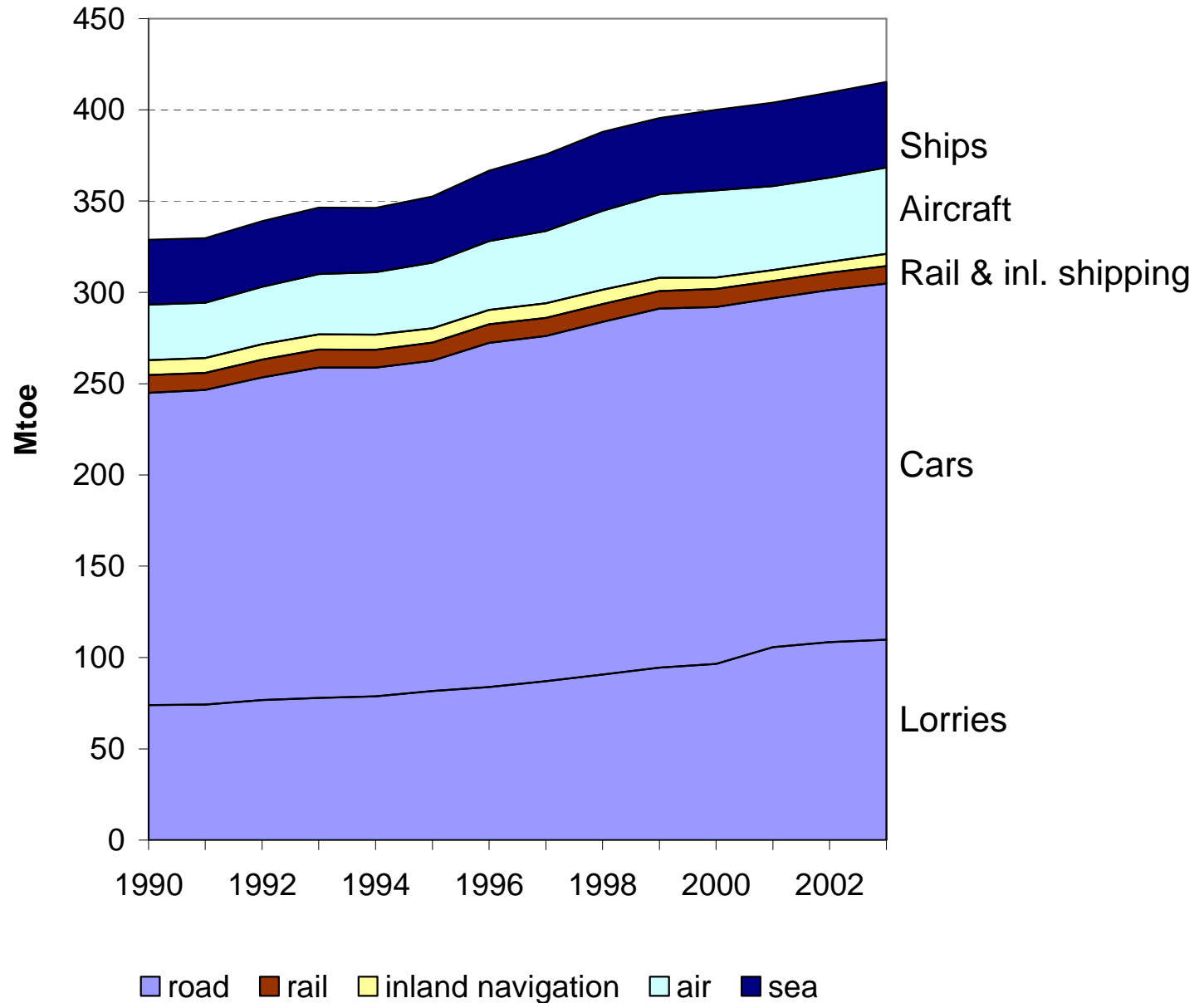
The only sector undermining European climate targets!



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Oil consumption in transport



Directive 2006/38/EC



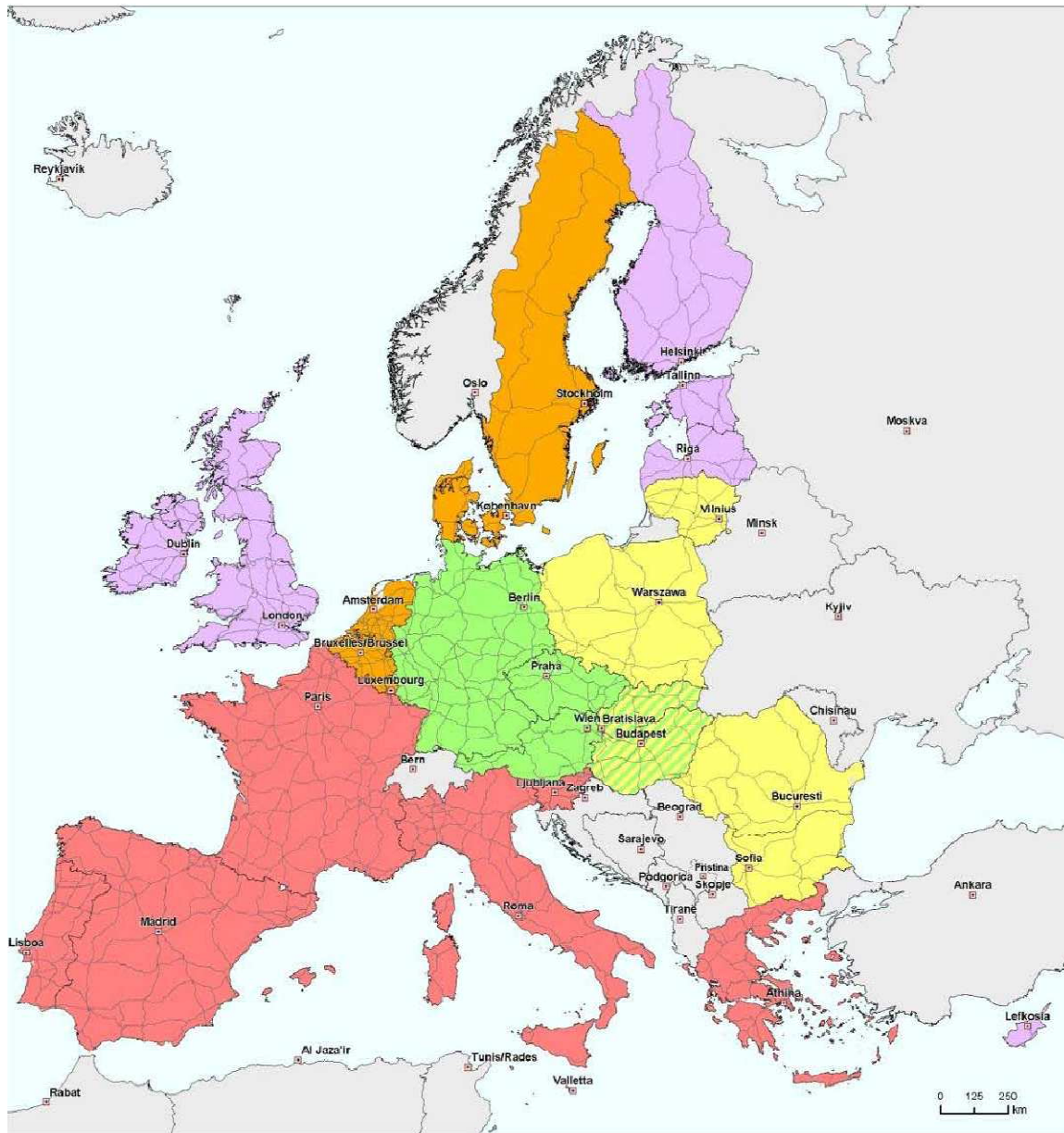
An enabling framework...

Allows - does not oblige - countries to levy charges or tolls on the entire road network

EU rules (from 1999) introduced a methodology linked to infrastructure costs, to limit to road charges levied by Member States.

Current rules allow both **time-based vignettes** and **distance-based tolls**.

Current charging schemes



- **Distance-based Charging** (Green): AT, DE, CZ
- **Time-based Eurovignette** (Orange): SE, DK; Benelux (HU and SK under preparation)
- **National Vignettes** (Yellow): RO, BG, PO, LT
- **Toll collection with physical barriers** (pink): GR, SI, IT, FR, SP, PT
- **No charges** (purple): UK, IE, FI, EE, LV
- nb. **Switzerland** – non-EU, own rules: distance-based charges with external cost internalisation on all national road network.

Experience of km-charging

Benefits found include: (CH, DE, AT, CZ)

- Better load factor, reduced empty driving
- Cleaner (newer) fleet composition
- Reduced emissions
- Revenues / Fast cost payback
- No effect on consumer prices

But... traffic diversion, modal shift moderate.

System design – Rules and choices



Scope

No obligation to charge lorries, so options include...

Tolls, vignettes, user charges or no scheme.

Eurovignette rules do NOT apply:

- To vehicles under 3.5t
- Outside the Trans-European road network (m-ways)
- Urban areas, parallel roads

Eg. London, Stockholm, Milan free to design schemes.



Toll / user charge calculation

Tolls must be based on recovery of infrastructure costs only (including construction, operation, maintenance, development costs)

Weighted average fee (total revenues/total vehicle km) must not exceed costs on the tolled network.

Important exceptions: Regulatory charges and Mark-ups



Mark ups



Surcharge permitted in specific cases

- Mountainous areas & TEN-T corridors (higher infrastructure costs)
 - subject to acute congestion and / or
 - suffering significant environmental damage

Motivation: Revenues for TEN-t project in same corridor
15% mark-up in national sections / 25% cross-border
+ Protection of designated areas
+ Potential safety benefits

Possibly applicable: Pyrenees?

Regulatory charges

Important new opportunity since 2006!

Top-up charges may be permitted in addition to weighted average fee (TEN-r roads)

- To combat traffic congestion and
- Local environmental impacts

Suggested use in urban areas to tackle congestion, improve air quality (Barcelona, Girona, port area?)

Very flexible Article - Open interpretation

Can be added to mark-ups

Fee variation

Variation of fees *permitted* on basis of time of day, day of the week

- + Traffic management
- + Reduced congestion
- + Managing pollution / noise peaks

Variation of fees *obligatory* on 'Euro' emissions classes or PM/NOx emissions from 2010

- + Environmental incentives & awareness
- + Cleaner fleet renewal
- + Air quality objectives

Use of revenues and implementation

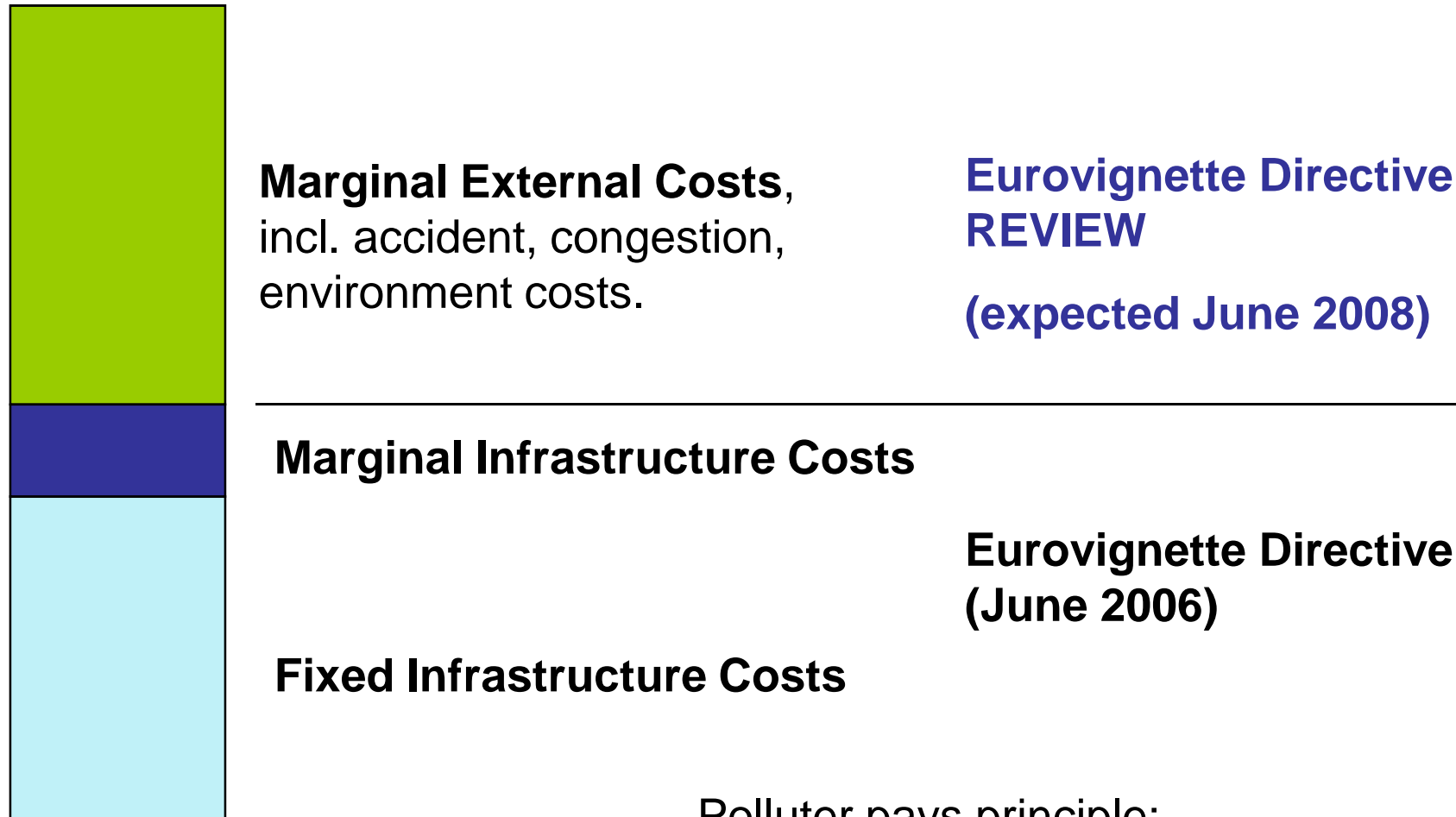
Use of revenues at **Member States' discretion**

Recommendation for use to benefit transport sector and optimise transport system

Use for non-transport purposes permitted

Member States obliged to ensure proper implementation, including effective, disuasive penalties.

Major gap in current rules

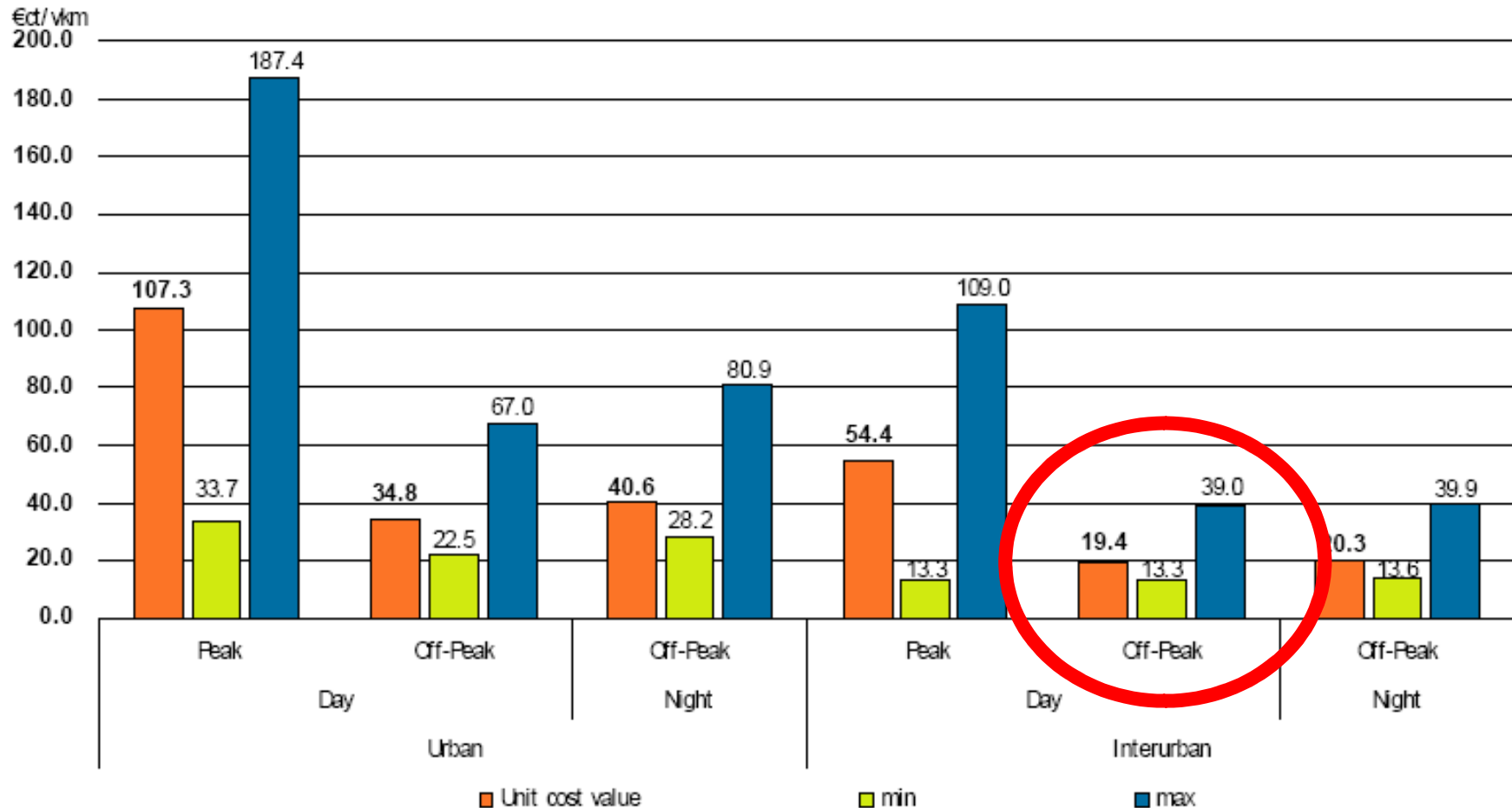


Polluter pays principle:

“environmental damage should as a priority be rectified at source and that the polluter should pay.” (EU Treaty)

Typical external costs HGV

€0.2 per km, off-peak, interurban



Summing up



Key benefits of road charging

- **Economic**

- Improved efficiency and innovation in road freight sector
- Reduced congestion
- Revenues (double dividend)

- **Social**

- Who suffers from noisy and polluted roads? Who are the victims of climate change?
- Reduced pressure on oil prices

- **Environmental**

- Improved air quality, less noise, reduced GHG emissions, cleaner fleet, local differentiation.

Possibilities for action!

Outside Eurovignette rules:

Urban areas, light vehicles, non TEN roads –
Regions/cities can charge as they want for local objectives – Solution for Barcelona?

Within current Eurovignette rules: Recovering infrastructure costs plus further opportunities...

Mark-ups for the Pyrenees (to fund Pyrenean link)?
Regulatory charges for congested and polluted/sensitive areas - Port? Natural areas? Mountains?

Towards smart charging

An opportunity to – finally - allow Member States to internalise of external costs in road tolls ('Eurovignette')

Scientists/economists have done their job:
IMPACT Handbook on external costs

Thank you

For more information on the current Directive:
,A Price Worth Paying' T&E 2007
- also available in Spanish

www.eurovineta.es

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