

Brussels, 18 March 2019

Electro-Mobility Platform position on the proposal of 31 May 2017 by the European Commission for a revised 'Eurovignette' Directive (1999/62/EC) on road charging

Member States have until March 20th to provide comments to the Romanian presidency on the Eurovignette Directive. It's important within the context of this legislative reform to consider the binding targets that were developed for reducing emissions at the Paris COP21. European transport emissions have grown to represent 27% of the EU's total greenhouse gas emissions<sup>1</sup>.

On 31 May 2017, the European Commission published a <u>proposal</u> for a revised Eurovignette Directive, which defines how Member States can toll certain vehicles for their use of road infrastructure. The Directive's review offers an opportunity to make road tolls better reflect the 'user pays' and 'polluter pays' principles, in accordance with the 2011 Transport White Paper, via financial incentives for decarbonisation and specifically electrification of transport, but also via rules in support of distance-based charging.

The Electro-Mobility Platform welcomes the ambition in some important elements of the Commission proposal, see items 1) to 8) below. They could help Europe's road transport to better meet the Treaty requirement that "the polluter should pay" (TFEU art. 191.2) and support a fast transition to low-emission and zero-emission vehicles. At the same time, a number of other desirable improvements remain to be addressed – see items A. to F. below. We urge Member States to adopt these elements and include them in the revision of the Directive.

Specifically, the Platform welcomes the Commission proposal's broad agreement with the Platform's four calls made in its <u>position paper</u> of 20 April 2017:

- 1. Phase out the 'Euro' emission classes differentiation (by end of 2020) and introduce instead a mandatory CO2 differentiation of tolls for all vehicles, with a 75% discount for ZEVs (zero-emission vehicles; art. 7g and Annex VII).
- Give more freedom to Member States for increased external-cost charging (caps replaced by reference values, for facilitated charging; annexes IIIa+b). To go even further in implementing 'polluter pays', set minimum values for HDV external-cost charging, as proposed by the European Parliament in its <u>first-reading position</u> of 25 October 2018.
- 3. Promote distance-based charging (by phasing out time-based vignettes; art. 7.6, 7.7).
- 4. Use congestion-charges revenue that is available for transport for purposes related to embility (art. 9.3: collective transport, alternative infrastructure for transport users).

<sup>&</sup>lt;sup>1</sup> https://www.eea.europa.eu/publications/approximated-eu-greenhouse-gas-inventory-2016



The Platform also welcomes the following elements in the Commission proposal:

- 5. Make external-cost charging mandatory where HDVs are tolled although we regret that this would apply only to HDVs and only where there is above-average environmental damage (art. 7c.5).
- 6. Make tolling of all HDVs (incl. coaches) mandatory where trucks are tolled already (art. 7.9).
- 7. Allow applying the principles of this Directive in a way that incentivises the deployment of all categories of ZEVs (art. 1).
- 8. Allow congestion charging that is genuine (i.e. not revenue-neutral) (art. 7da).

All these elements 1) to 8) are supported by good reasons, as discussed in the introduction of the Commission's proposal and, regarding items 1) to 4), also in the Platform's April paper.

Despite these positive elements of the Commission proposal, the Platform calls on the Council to further improve the Directive in the following ways, in order to still better implement the 'user pays' and 'polluter pays' principles:

- A. Phase out vignettes (time-based charging) earlier: for HDVs in 2022 (instead of 2023) and for LDVs in 2025 (instead of 2027) in art. 7. Reason: It is feasible for Member States to implement distance-based charging within a few years, so related incentives should be made strong, in support of 'user pays'.
- B. Promote external-cost charging in principle of all vehicles by reducing scope for exemptions (see item 5) above).
  Specifically, for HDVs (which are in the scope of the Commission proposal), delete the first bullet point ("vehicles' use of...") in annex IIIa.1 and the "higher than the average" qualification in art. 7c.5. Moreover, by adding a "shall" clause to art. 7c.1, make external-cost charging mandatory for HDVs everywhere, from 2023 except for those parts of the road network where the exceptional circumstances described in annex IIIa.1 apply.
  - Reason: Better implementing 'polluter pays' in this way is feasible for Member States. In the 2011 Transport White Paper the deadline for making external-cost charging mandatory was even 2020.
- C. Incentivise a faster transition to clean vehicles, and especially ZEVs, by reducing from 4 to 3 years the time for which the most stringent 'Euro' emission class enjoys an exemption from external cost-charging (art. 7c.3).
  - Reason: As long as the transition to full application of 'polluter pays' is not completed, incentives to speed up the technological transition are an important driver of change.



- D. Ensure revenue-neutrality for the CO2 differentiation of tolls (see "although" in item (1) above), in line with the Platform's call in its April position paper. Thus, toll variations must not only not increase toll revenue (a rule included in the Commission's proposal for art. 7g.5) but also not decrease it (not yet included in proposed art. 7g.5). To show relevant variations over time, annual reporting by Member States should also include toll revenues per vehicle-km, by weight and axle category (art. 11.2f).

  Reason: The intended effect of the CO2 differentiation of tolls is to incentivise users to switch to cleaner vehicles, leading to decreased tolls overall. Such a decrease should be offset by a higher level of tolls (average toll rate), in respect of 'user pays', but also for the sake of fair competition with other transport modes such as rail.
- E. Add an explicit rule in art. 7g.4 to stipulate that ZEV toll rates must not exceed 50% of equivalent toll rates of any non-ZEV.

  Reason: This would not be a new rule, but simply explicit wording to confirm the existing implicit rule in art. 7g.4, as proposed by the Commission. If other art. 7g.4 wording changes, the 50% advantage of ZEVs should remain to incentivise carbon-free transport.
- F. The 75% discount for ZEVs should be separate from the Delegated Act that will define the methodology for CO2 differentiation, and it should come into immediate effect once the reviewed Directive enters into force.

  Reason: The carbon-free nature of ZEVs is independent of VECTO. Therefore, to introduce ZEV discounts there is no reason to wait until VECTO values are available.

The EU should encourage tolls as a smart taxation system promoting sustainable transport behaviour. The Council is therefore called upon to support items 1) to 8) and to address items A. to F.

The Electro-Mobility Platform unites organisations from across civil society, industries, and transport modes. Its members are committed to promote electro-mobility and strive to collectively develop solutions to electrify European transport, and to promote those solutions to the EU institutions and Member States.

Website: www.platformelectromobility.eu