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STANDING COMMITTEE OF THE EFTA STATES

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SUBCOMMITTEE II ON THE FREE MOVEMENT OF CAPITAL AND SERVICES

EEA EFTA Comment

on the Commission 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 – COM(2017) 275

1. EXECUTIVE SUMMARY

- The EEA EFTA States welcome the proposal on the revision of the Eurovignette Directive. To achieve a fairer, more sustainable and more competitive transport system in the EEA, they support the increased focus on the development of climate-friendly transport solutions, as well as the application of the "user pays" principle to road charging schemes.
- The EEA EFTA States firmly believe that common environmental goals will be best achieved if the revised Eurovignette Directive allows for flexibility. Instead of mandatory measures, it should provide a toolbox of different measures for Member States to choose from freely while respecting the general principle of non-discrimination.
- In the view of the EEA EFTA States, the revised Eurovignette Directive should also take into account the differences in the existing charging models in Europe, including systems that are not based on time or on distance, and systems providing for toll revenues to be used to build new infrastructure.
- The Eurovignette Directive addresses general infrastructure charges for external and internal use of infrastructure. In the view of the EEA EFTA States, the revised Directive should moreover elaborate on the distinction between general infrastructure charges and asset specific charges.
- The EEA EFTA States consider it important to encourage desirable practices, such as the rollout of zero-emission vehicles and onboard units or other suitable alternatives for toll charging. This can be achieved by allowing Member States sufficient flexibility concerning discount rates for zero-emission vehicles and frequent road users. Toll discounts may be used to incentivise desirable practices, but they can also have detrimental consequences if not sufficiently adjusted to national, regional or local conditions.

2. INTRODUCTION

- 1. In the <u>EEA EFTA Comment on the European Strategy for a Sustainable and Smart Mobility</u>, the EEA EFTA States welcomed the increased attention on the environmental dimension of road transport in the European Economic Area.
- 2. On 31 May 2017, the European Commission adopted its 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 (Eurovignette Directive).
- 3. The European Parliament adopted its first-reading position on 25 October 2018. In September 2019, the European Parliament voted in favour of opening interinstitutional negotiations (trilogues) based on this first-reading position.
- 4. The Council's negotiating mandate on the revision of the Eurovignette Directive was adopted in COREPER on 18 December 2020. The first trilogue took place on 29 January 2021 and the second on 23 March 2021.

3. A NEED FOR FLEXIBILITY FOR MEMBER STATES

- 5. The EEA EFTA States welcome the proposal on the revision of the Eurovignette Directive, and support the application of the "user pays" principle to road charging schemes to achieve a fairer, more sustainable and more competitive transport system in the EEA.
- 6. The EEA EFTA States appreciate the increased ambition to develop climate-friendly transport solutions, which will be central to achieving the goal shared by EEA EFTA States and EU Member States of reducing CO₂ emissions. This is in line with the ambitions set out in the European Green Deal and the European Strategy for Sustainable and Smart Mobility.
- 7. While the EEA EFTA States acknowledge the potential to reduce CO₂ emissions through road charging, the revised Eurovignette Directive should allow sufficient flexibility for Member States. The EEA EFTA States firmly believe that common environmental goals will be best achieved if the framework allows Member States to choose the specific and appropriate type and mix of measures regarding road charging, while respecting the general principle of non-discrimination.
- 8. The EEA EFTA States propose that the revised Eurovignette Directive should provide a toolbox of different measures for Member States to choose from freely, instead of applying specific measures that are mandatory. This would be the most effective solution, as national authorities are best placed to recognise national, regional and local variations in the transport system and subsequently decide on the need for tailor-made measures.

- 9. Furthermore, some regions in Europe lack the adequate infrastructure for walking, cycling and public transport as tangible alternatives to travelling by private car, and for rail and sea/waterways to replace the transport of goods by car.
- 10. The EEA EFTA States do not support the mandatory differentiation of road charging rates in relation to CO₂ emissions. Member States should have the flexibility to address their specific geographic and social situations when it comes to road charging.
- 11. In the view of the EEA EFTA States, a European transport policy must be perceived as being fair to all, including to citizens who live outside urban areas and for whom a car is their only means of transport. It will be challenging to reach a balance in this regard, but this is nevertheless important in order to achieve an inclusive, sustainable and effective legal framework.

4. TAKING INTO ACCOUNT ALTERNATIVE ROAD CHARGING MODELS

- 12. The EEA EFTA States are aware that in most Member States, revenues collected from road tolls are to a large extent used to finance the maintenance and operation of existing infrastructure, such as stretches of road, bridges and tunnels. This is reflected in the charging models defined in the proposal for a revised Eurovignette Directive.
- 13. In the view of the EEA EFTA States, a revised Eurovignette Directive should also take note of and clarify the scope of the directive in relation to the existence of alternative toll charging models in Europe. One such model is the use of toll revenues to build new infrastructure, rather than to fund the maintenance and operation of existing infrastructure. Under this model, the charging of tolls ends once the project has been fully paid for.
- 14. The proposal for a revised Eurovignette Directive, supported by the negotiating positions of the European Parliament and the Council, addresses both time-based user charges, which are applied by a number of EU Member States, and distance-based user charges following the internalisation of external costs.
- 15. However, some European tolling models are neither distance-based nor time based, and consequently do not fit into either of the charging models referred to above. In the view of the EEA EFTA States, a revised Eurovignette Directive should clarify the relation to tolling systems that are based on charging for the passing of a toll station.
- 16. The Eurovignette Directive addresses general infrastructure charges for external and internal use of infrastructure. The revised Directive should elaborate on the distinction between general infrastructure charges and asset specific charges, such as in limited time public-private partnership projects or in limited time investment recovery projects.
- 17. The EEA EFTA States believe that a revised Eurovignette Directive should, in general, better reflect the variety of tolling systems in Europe, rather than be restricted to narrow predefined models for toll charging. It should be possible for Member States to decide on the measures that are best suited to their own country.

5. ENCOURAGING DESIRABLE PRACTICES THROUGH DISCOUNT RATES

- 18. The EEA EFTA States consider it important for the European framework for road charging to allow sufficient flexibility for Member States concerning the discount calibration for zero-emission vehicles and the discount level for frequent road users. Indeed, toll discounts can be used to incentivise desirable practices, such as the rollout of zero-emission vehicles and onboard units for toll charging.
- 19. The revised Eurovignette Directive should reflect the possibility for Member States to incentivise the rollout of zero-emission vehicles by providing discounts on toll rates, or even toll exemptions. The EEA EFTA States therefore welcome the more flexible approach to the discount for zero-emission vehicles taken by the Council's negotiating mandate.
- 20. Indeed, a mandatory high discount for zero-emission vehicles in the form of a reduction in toll charges would have a greater impact on the revenues of Member States, as it would combine a very high number of zero-emission vehicles with extensive use of road tolls. Thus, as the need to introduce a discount may differ vastly between Member States, a revised Eurovignette Directive should also be flexible in this respect.
- 21. Furthermore, discounts on toll charges may be used by Member States to increase the use of onboard units for toll charging. These devices make toll collection more efficient, decrease congestion and reduce the administrative costs of toll charges. The EEA EFTA States are therefore of the opinion that Member States need flexibility to introduce discounts that reflect actual savings in the administrative costs connected with charging frequent users in comparison with occasional users. The EEA EFTA States welcome the European Parliament's position that the level of reduction for frequent users should be increased from 13% to 20%.
- 22. The EEA EFTA States do not provide any comments on the rules on the internalisation of external costs and earmarking of revenues, nor on the rules on congestion charges, which are considered to be matters of taxation and therefore fall outside the scope of the EEA Agreement.