

Mr El Khadraoui
Member of the European Parliament
European Parliament
Rue Wiertz,60
1047 Brussels

21 October 2008

Dear Mr. El Khadraoui,

BUSINESSEUROPE welcomes the opportunity to submit comments on the working document 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.

BUSINESSEUROPE understands the need for a sustainable transport policy that includes the economic, environmental and social needs of society and we therefore support cleaner and more efficient transport. We believe that under certain conditions there is a case for charging for the use of transport infrastructure. However, a series of non-fiscal options are also available to achieve the objectives of the Eurovignette Directive amendments. It is important to strike the right balance in order not to obstruct the efficient and rapid movement of goods across Europe.

We urge the European Parliament to exert caution in its report and would like to provide some comments to the following points outlined in your working document:

Externalities: methodology and calculation

Internalisation of external costs using market-based instruments is one way of addressing the external effects of transport. This is the basis for the concept of marginal social cost pricing, which involves charging users for the costs that arise from an increment in traffic. These encompass additional wear and tear costs plus marginal external costs linked to noise, air pollution and so on. Most economists agree that pricing according to this rule can contribute to encouraging efficient use of existing infrastructure.

In this context, BUSINESSEUROPE believes that there is a case for charging for the use of infrastructure provided that (1) the level of charging is not higher than the marginal social costs (2) it applies to all transport modes, (3) Double charging is avoided: taxes and charges already paid have to be taken into account, (4) the charging is part of the financing mechanism for infrastructure and of an integral policy aimed at a competitive European economy.

However, we find that the quality of the available data and the underlying methodological processes on the table do not sufficiently take account of the above-mentioned points and suffer from significant uncertainties in some cases. The assessment of the costs is the result of broad estimates rather than scientific calculations of the costs.

Furthermore, we believe that the methodology should adopt a more integrated approach taking into account economic, social and environmental dimensions, with a view to safeguarding the competitiveness of the European economy, especially considering the present turbulent financial situation.

Earmarking

We share your concern about earmarking revenues from road charging leading to a possible reduction in transport policy budgets from other sources and strongly believe that the revenue generated should not disappear into the state's general budget. We strongly support the principle of co-modality and believe that possible revenues from supplements to the lorry road toll for charging external costs should be earmarked for investment into reducing the externalities of transport and/or for extending existing infrastructures or new-build.

It is important to note that the various modes of transport have different utilisation and quality profiles. In general cross-subsidisation to make non-road modes more competitive cannot be justified; their quality of service must be improved through opening up national markets to greater competition.

Mandatory versus optional

In accordance with the principle of subsidiarity and considering the above-mentioned concerns with the methodology, BUSINESSEUROPE sees no justification for considering mandatory options. In order to fully comprehend the impact of the revision of the Eurovignette proposal, a comprehensive cost/benefit analysis is required. In tandem with assessing the external costs of transport, external benefits should be considered.

Expected impact

Whilst BUSINESSEUROPE fully understands the need to cope with external effects of transport, we find that this section of the document underestimates the possible negative consequences that the proposal may have for the ability to move goods efficiently and rapidly. The Commission's impact assessment¹ clearly confirms the negative effects of its pricing strategy on the economy. For instance page 61 of the report states that 'the increase in transport costs leads to a negative evolution of exports and consumption'.

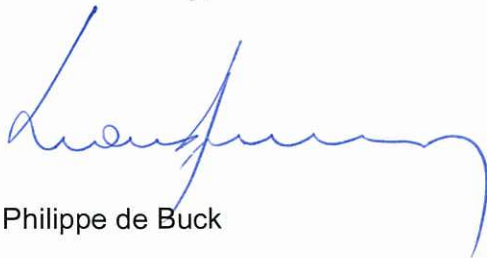
¹¹ Impact assessment on the internalisation of external costs, SEC (2008)2208, pages 59-66

We believe that if certain elements in the methodology are not properly addressed and if a level playing field between all modes of transport is not developed, this could generate a negative impetus for economic growth and the efficiency of Europe as a location for business.

Last but not least the wide range of innovative solutions to which industrial undertakings have contributed so far to reduce the negative impacts of transport, must not be forgotten. In this context, other options are available to achieve the objectives of the Eurovignette Directive amendments. Emission standards and measures to improve efficiency, such as legislation allowing for the optimum use of vehicle weights and heights, will contribute to reductions in transport emissions and promote the efficient movement of people and goods. Such an integrated approach could significantly reduce Europe's carbon emissions and at the same time enhance competitiveness. Much enhanced measures to incentivise the uptake of modern technology will also eliminate or reduce transport externalities.

We hope these comments are useful and we would be happy to discuss this with you further.

Yours sincerely,



Philippe de Buck