Briefing

Initial Appraisal of a European Commission Impact Assessment

European Parliament

September 2017

Revision of the 'Eurovignette' directive

Impact assessment (SWD(2017)180, SWD(2017)181(summary)) of a Commission proposal for a directive of the European Parliament and the Council amending directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures COM(2017)275 and a Commission proposal for a Council directive amending directive 1999/60/EC on the charging of heavy goods vehicle for the use of certain infrastructures, as regards certain provisions on vehicle taxation COM(2017)276

Background

This note seeks to provide an initial analysis of the strengths and weaknesses of the European Commission's impact assessment (IA) accompanying the above proposals, adopted on 31 May 2017 and referred to Parliament's Committee on Transport and Tourism (TRAN).

Directive 1999/62/EC, known as the 'Eurovignette' directive, provides rules for charging heavy goods vehicles over 12 tonnes for the use of certain roads (TEN-T[1] and motorways). It has been amended twice: first in 2006, to allow Member States to include vehicles with laden weight above 3.5 tonnes and to introduce the mandatory differentiation of charges according to Euro classes; then, in 2011, to provide for the possibility to apply external cost charges related to air pollution and noise caused by traffic and for a time-based differentiation of tolls to attenuate congestion (IA, p. 2). A third revision, envisaged in 2013, was not adopted for 'political opportunity reasons' (Annex 1, p. 7).[2] Although the directive does not oblige Member States to apply road charges, the Commission's ex post evaluation of 2013 showed that 24 Member States have already implemented some form of infrastructure pricing.[3] According to this evaluation, and to another external evaluation of 2014 on the effects of EU infrastructure charging since 1995, the implementation of the directive has led to major inconsistencies of pricing systems across the EU, due to divergent choices by the Member States (IA, p. 3).

The 2011 white paper on transport called not only for a harmonisation of road infrastructure financing, but also for the full application of the 'polluter pays' and 'user pays' principles. The IA notes that, in 2014, transport in general caused 23 % of CO_2 emissions in the EU – 73 % of these by road transport – and estimates that road freight activity will increase by about 35 % by 2030 (IA, p. 5-6, Annex 4, p. 32). It highlights that heavy goods vehicles caused around 25 % of these emissions, while the highest share came from passenger cars (60 %). To tackle these issues, the 2016 European Strategy for Low-Emission Mobility announced a revision of the directive, firstly to take account of CO_2 emissions and, secondly, to extend it to buses, coaches, vans and passenger cars (IA, p. 1). Both aspects feature in the proposed revised directive. Furthermore, to allow for compensation of distance-based road charging, the Commission suggests amendments of certain vehicle taxation provisions in a proposed new Council directive, also covered by this IA, as it complements the revised Eurovignette directive.

[1] Trans-European Transport Network as defined in Regulation (EU) NO 1315/2013.
[2] Inception impact assessment, 17.11.2016, p. 2. An IA was carried out in 2013, but remained unpublished, as the proposal was not adopted. It had different options and no focus on CO_2 emissions.
[3] SWD(2013) 1 final.

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Problem definition

Since the current directive does not cover the reduction of CO_2 emissions, the issue was not dealt with in the evaluation phase. The IA nevertheless points out that the relevance of such emissions has increased sharply in recent years and was also frequently raised by stakeholders (IA, pp. 3-5). The IA identifies **four problems** and presents the underlying drivers for each of them (IA, pp. 5-18):[4]

1) Insufficient contribution of road transport to overall CO_2 emission reduction

The EU has had CO_2 standards for passenger cars and light commercial vehicles since 2009 and 2011 respectively, but not for heavy goods vehicles – the possibilities under the current Eurovignette directive relate either to the Euro emission class or to the time of infrastructure use (IA, pp. 11-12). According to the IA, other existing charges, such as registrations and road taxes, do not provide sufficient price incentives to increase the uptake of low CO_2 vehicles and renew the car fleets across the EU to reduce CO_2 emissions. Moreover, the high numbers of cars and buses and their strain on the environment (and infrastructure) are not covered by the directive (IA, p. 1).

2) Deteriorating quality of road infrastructure

The IA points out that between 2006 and 2013, public spending on road infrastructure has decreased by about 30 % in the EU, while revenues from infrastructure charges represented only 16 % of total road infrastructure costs (IA, p. 13). Due to repeated postponement of road maintenance, the backlog in some Member States reportedly equates to several billions of euros, entailing major macroeconomic impacts.[5] The IA notes the following consequences of deteriorating road quality: increased vehicle operating costs, increased journey times, increased risk of accidents and more traffic noise (IA, pp. 7-8). It also underlines that the currently optional 'earmarking' of revenues from road charging for re-investments in the transport sector has not been used by Member States in a systematic way (IA, p. 14). Finally, it considers the four yearly reporting requirements on such investments to be inappropriate for a proper follow-up of revenue re-use for transport infrastructure.

3) Discrimination against occasional/non-resident road users and unfair distribution of costs via road charging

The current directive only covers heavy-duty vehicles and leaves it to the Member States to decide if and how they apply road charging, including many exemptions (IA, pp. 14-15). Consequently, a patchwork of divergent national systems exists, with 14 Member States applying distance-based charges on heavy-duty vehicles and 8 on passenger cars (Annex 5, pp. 54-59). Since there are currently no EU rules for proportionate road pricing for cars, vans or buses, discriminatory vignette systems have been introduced, with disproportionately expensive short-term vignettes for non-resident drivers.[6] The IA finds the current notification requirements for distance-based systems excessive, entailing high initial investment costs and preventing Member States from putting them into practice (IA, pp. 14-15).

4) High levels of air pollution, noise and congestion

According to the IA, the current rules are too cumbersome and do not provide clear price signals on pollution and congestion (IA, p. 15). OECD data suggests that air pollution by nitrogen oxides and dioxides (NOx) from diesel cars cost up to 2 % of GDP to society (IA, p. 10). Hence, the IA sees as a 'fundamental' problem the fact that the current directive allows for two competing tools: charging according to the Euro classes and charging for the external costs of air pollution and noise (IA, p. 18). In addition, for the Euro class differentiation, no exact harmonised method exists and many exemptions are allowed (IA, p. 18).

The IA notes that all current road-charging systems together cover only a limited share of the EU road network (IA, p. 14). Generally, it argues that distance-based charges are more effective than time-based systems to

[4] A problem tree illustrates the links between problem drivers, the problems and the objectives for political action (IA, p. 4).
[5] For example, in Germany, macroeconomic impacts of 4 % of GDP due to vehicle wear and tear, accidents and congestion (IA, p. 8).
[6] The IA, p. 9, notes that even despite the closure of the case by the Commission in May 2017, after the amendments to the German laws ('Maut'), other Member States consider the system discriminatory.

foster sustainable transport behaviour because they reflect the user and polluter principles, whereas vignettes are not linked to real infrastructure use (IA, p. 16).[7] The IA considers the entire EU population to be affected by problems 1 and 4 (CO_2 emissions and pollution), and large segments of EU society and the economy by the impact of deteriorating road infrastructure and discriminatory road charging (problems 2 and 3). It refers to all road users, the European automotive industry, road hauliers and logistic companies, road operators, electronic toll equipment manufacturers and Member State administrations (IA, pp. 18-19, Annex 3, pp. 19-21). The problem description structure sometimes makes it difficult for the reader to link elements, for instance the (five) drivers of the (four) problems, or the references to current legislation, dealt with in separate chapters for three of the five problem drivers. Some details lack precision or explanation, especially when the analysis jumps between different vehicle categories (heavy good vehicles, heavy-duty vehicles (freight) vans, (mini-)buses, coaches, trucks, cars)[8] (IA, p. 19) and emissions (NOx, CO_2), or would need further references to quantified information.[9]

Objectives of the legislative proposal

According to the IA, the **general objective** of the proposals is to promote financially and environmentally sustainable and socially equitable road transport through wider application of the 'user pays' and 'polluter pays' principles, i.e. by fair and efficient pricing of road infrastructure usage (IA, p. 25). It develops four **specific objectives**:

1) contribute to the reduction of CO_2 emission in transport via road charging;
2) contribute to adequate quality of roads;
3) ensure fair and non-discriminatory road pricing;
4) make use of road charging as an effective tool in reducing air pollution and congestion.[10]

These objectives derive directly from the four identified problems. They are also closely linked to other legislative initiatives on heavy-duty vehicle fuel consumption, [11] CO_2 emissions from cars and vans, and electronic tolling (EETS)) – all part of the Energy and Climate Policy Framework for 2030 (IA, p. 25). The IA emphasises that they are also in line with the Charter of Fundamental Rights, by ensuring non-discriminatory application of road charges, reflecting environmental performance of vehicles and promoting free movement of citizens (IA, p. 25). As required by the better regulation (BR) guidelines,[12] a number of **operational objectives** are defined based on the preferred policy option (IA, pp. 63-64):

1) Phase-out time-based charges for heavy-duty vehicles: no vignette systems (as of 2023);
2) Introduce differentiation of road charges according to CO_2 emissions for heavy duty vehicles (as soon as technically feasible – the IA assumes 2019-2020);
3) Increase the application of external cost charging for heavy-duty vehicles for at least half of the Member States (as of 2020);
4) Introduce differentiation of road charges according to CO_2 emissions and pollutants for light duty vehicles (passenger cars, minibuses, vans up to 3.5 tonnes) (as of 2020);
5) Ensure more proportionate pricing for all heavy-duty vehicles and light vehicles (as of 2020);
6) Increase application of time-differentiated charging to address inter-urban congestion in at least eight Member States (not specified; as of 2023);
7) Introduce requirements for all Member States to monitor and report on toll revenues, expenditures on maintenance and on road quality indicators (as of 2020).

These operational objectives appear to fulfil the 'S.M.A.R.T.' criteria of the BR guidelines, i.e. to be specific, measurable, achievable, relevant and time-bound.

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[7] Malmersjo, G., The Eurovignette and the framework to promote European electronic toll service (EETS), implementation appraisal, EPRS, European Parliament, March 2017, p. 4.
[8] Heavy-duty, heavy goods freight and light duty vehicles (laden weight above or up to 3.5 tonnes), see IA, Glossary.
[9] The IA, p. 13, mentions that revenues from infrastructure charges amount to €30 billion, but the exact time reference is unclear.
[10] The IA specifies that both CO_2 and pollutant emissions should be taken into account, as the most fuel-efficient vehicles might not be the cleanest in terms of CO_2. Incentivising fuel-efficiency only could lead to further 'dieselisation', p. 25.
[11] Vettorazzi, S., Monitoring and reporting of CO_2 emissions and fuel consumption of new heavy-duty vehicles, initial appraisal of a Commission impact assessment, EPRS, European Parliament, September 2017.
[12] SWD (2017) 350 final (Better Regulation Guidelines, 7.7.2017), p. 20.

Range of options considered

According to the IA, under the **baseline scenario** (no action) the described problems would persist and entail a further decline in road quality, as well as the maintenance of investment backlogs and the trend towards the less efficient vignette systems (IA, pp. 19-22, Annex 4, pp 27-38).[13] The baseline is well developed, as it builds on the regularly updated EU reference scenario 2016,[14] projecting EU and Member States' energy, transport and emission-related developments up to 2050 (IA, Annex 4, p. 27-38). The IA clearly does not consider it as an option, but uses it consistently as a benchmark for the assessed options. Equally, the IA indicates that soft law solutions used in the past to address the problems were discarded at an initial stage of the process, as was the other extreme – the full internalisation of external costs – because it seemed (currently) not achievable due to excessive implementation costs and subsidiarity concerns (IA, p. 26). Additionally, the IA lists nine other discarded measures, explaining the reasons for discarding them (IA, p.27, Annex 11, pp. 82-84).

The IA considers **four policy packages as options,**[15] addressing each specific objective with a number of measures, to be combined in different ways (IA, p. 36). The options build on one another in a cumulative pattern, as illustrated in the table below:

Specific objectives (SO)	**Policy option 1:** Minimum adjustments with rules for vehicles, including passenger cars	**Policy option 2:** Rules for all vehicles and progressing the 'polluter/user pays' for heavy duty vehicles	**Policy option 3a:** Reduce CO_2 and other externalities from all vehicles	**Policy option 3b:** Reduce CO_2 and other externalities from all vehicles	**Policy option 4:** Optimisation of tolls for all vehicles
	Baseline scenario +	**Policy option 1 +**	**Policy option 2 +**		**Policy option 3b +**
	Measures *added* to the previous policy option				
SO1 Contribute to reducing CO_2 emissions in transport	- Promote zero-emission vehicles by allowing reduced toll rates for heavy duty and light duty vehicles[16]	- Mandatory differentiation of infrastructure charges for heavy-duty vehicles, according to CO_2 (method to be defined by implementing or delegated act based on certification data available 2019/2020)	No additional measures	- Mandatory differentiation of tolls and user charges (time and distance-based) for buses and passenger cars, according to CO_2 and pollutants (from 2020) *Covers also SO4*	- Mandatory differentiation of infrastructure charges for all vehicles, according to CO_2 and pollutant emissions
SO2 Contribute to adequate quality of roads	- Regular monitoring and reporting by Member States on toll revenues and use, expenditures,	- Extend rules on tolls and user charges to buses and coaches;	No additional measures		- Phase out vignettes for vans (allow only distance-based charging)

[13] Estonia and Finland are planning to introduce time-based road charging systems, Latvia and UK did so recently, see IA, p. 19, 21.
[14] ICCS-E3MLab et al (2016), EU Reference Scenario 2016: energy, transport and GHG emission - Trends to 2050.
[15] The IA mentions two further 'sensitivity cases' for policy options 2 and 4, relating to certain Member States planning to introduce road charges or experiencing highest levels of transit traffic, pp. 30-31. For reasons of clarity, these alternate options are not featured in the above table, as they simply extend implementation to certain additional Member States in the future.
[16] The IA, p. 27 and 32, indicates this measure for heavy duty and light duty vehicles, whereas Annex 4, p. 38, says it would apply to heavy goods vehicles.

	maintenance and quality of roads - Common quality indicators	- Phase out vignettes for heavy duty vehicles (after 5 years) - allow only distance-based charging - Remove minimum levels of vehicle circulation taxes for heavy goods vehicles above 12 tonnes;		- Phase out vignettes for passenger cars - allow only distance-based charging
SO3 Ensure fair and non-discriminatory road pricing	- Remove exemptions for heavy duty vehicles below 12 tonnes (after 5 years); - Extend rules on tolls and charges to buses and coaches; - Introduce non-discrimination and proportionality requirements for light duty vehicles		No additional measures	
SO4 Use road pricing as effective tool in reducing pollution and congestion	- Simplification: Merge charging of noise costs with costs of air pollution, use proportionate values, remove requirement for Member States to notify the Commission; - Review maximum values for external costs charging; - Extend option to use mark-ups (15-25%) beyond mountain regions	- Phase out differentiation of infrastructure charges for heavy goods vehicles according to Euro classes (while keeping option of external cost charging)	- Optional genuine congestion charging for all vehicles, on top of road charging in distance-based environment (with revenues generated by congestion charging to be invested in road maintenance to raise the level of acceptability by users)	- Mandatory external costs charging on tolled TEN-T network for all heavy-duty vehicles

Source: IA, author

As with the problem definition, the options screening could have been more transparent. Options, packages and measures are referred to with little or no background information on their context or possible interdependencies – the many measures are not numbered or otherwise referenced, despite sometimes addressing more than one specific objective. A lot of information is provided in the annexes, but a clear listing of measures under each option would have been useful in the main text to be able to follow its reasoning.[17] Without the comprehensive summary table (IA, p. 32), featuring the relation between measures, options and objectives, it would be challenging to identify the different policy packages from the analysis itself. Stakeholder views are presented for each option, mostly supporting (or not contesting) the proposed measures, except for the opposition of some Member States to mandatory earmarking of revenues for infrastructure maintenance and the phasing out of vignettes. Notwithstanding, the IA underlines that the 'polluter/user pays' principle is widely supported (IA, p. 28, 30-31).

[17] Moreover, the descriptions of the measures in Annex 4 do not correspond to the references given in the main text, as they focus on the modelling assumptions instead (Annex 4, pp. 38-53).

Scope of the impact assessment

The IA analyses the potential impacts of the four policy packages in a number of specific areas. The **economic impacts** are assessed as regards transport costs (including consumer prices), congestion costs, SMEs, Member States' budgets (revenues from tolling, costs for authorities), compliance costs for road users, road quality, regional distribution of impacts, macroeconomic environment, competitiveness of the EU economy, functioning of the internal market and the impact on third countries. **Environmental impacts** are checked in the following areas: CO_2 emissions, air quality, noise, land use (habitat loss linked to congestion). The **social implications** are analysed as regards employment, public health, social inclusion and distributional impacts, and equal treatment.

The IA provides qualitative elements for all the above-mentioned areas, as well as quantifications of the scale of the potential impacts of each policy option for 2030, compared to the baseline scenario (IA, p. 33).[18] According to the IA, transport **costs** would gradually increase at EU level under all options, between 0.2 % under option 1 and 1.3 % to 2 % under option 4 (IA, pp. 34-35), while the increase in prices for consumers is estimated to be negligible (between 0.02 % and 0.25 %), even if 100 % is passed on to them (IA, p. 37). In turn, compliance costs for road users (for on-board units) would amount to €8 million per year from 2020 to 2025 and to €320 million from 2025 to 2030 when charging systems would be adapted (IA, p. 43). If passenger cars were included, annual compliance costs would be €850 million. The estimated total costs for authorities for the set-up of electronic, distance-based road charging systems would be between €1.2 to €1.3 billion under options 2 and 3 and €1.3 to €2.1 billion under option 4 (IA, p. 42). The IA identifies macroeconomic benefits for individual Member States and notes that if 100 % of additional revenues compared to the baseline scenario were reinvested in road maintenance, the economic benefit at EU level would be between €6.1 billion under option 1 and €190.2 billion under option 4 (IA, p. 45). The IA quantifies pollution costs under the baseline scenario at around €27 billion in 2030 (IA, p. 22). Option 1 would have no impact, but for the other options external cost savings are assumed to be potentially between €0.3 billion to €0.7 billion by 2030 (IA, p. 49). Differentiation of charges for vans and passenger cars would lead to a reduction of road diesel consumption of 1.3 % to 1.8 %, and an increase in the use of electricity in road transport of around 3.4 % relative to the baseline in 2030 (IA, p. 49). According to the IA, the **social impacts** of the options, especially on employment, depend on the impact on transport costs for businesses. Based on another IA (for the TEN-T guidelines) and OECD sources, the IA estimates the direct or indirect creation of 21 260 new jobs per €1 billion of public spending on transport infrastructure (IA, p. 51).[19] The IA concludes that, although road pricing may affect lower-income groups, these impacts are expected to be 'negligible', while, on the other hand, the non-discriminatory approach of distance-based charging would promote equal treatment of citizens, also benefiting third countries (IA, pp. 48, 53-54). It considers that public health and safety would benefit by 0.3 % to 0.6 % under options 1 to 4 (IA, p. 52).

The varying use of different categories and references throughout the IA ((multi-)annual absolute figures and percentages, national and EU related) is quite confusing and makes comparisons difficult. The assessment of environmental impacts appears rather brief and mainly based on prior research, not tailored to this proposal (IA, pp. 48-50). The options comparison shows the trade-off between increased transport costs on the one side and increased revenues and reduced emissions, pollution and congestion on the other (IA, pp. 55-57). The IA checks the options against the criteria of effectiveness, efficiency and coherence (IA, pp. 57-60). Option 3b is the preferred option (IA, 60-61), but if higher revenues from distance-based charging and benefits from reduced emissions could balance its higher costs, this would be option 4, as the IA sees it as the most effective.[20]

Subsidiarity / proportionality

The principles of subsidiarity and proportionality are considered in the IA, highlighting the cross-border dimension of CO_2 emissions, air pollution, congestion due to international traffic and the discrimination against non-residents, as well as the need for concerted action to overcome these problems effectively (IA, p. 23). The IA

[18] For details, see Ricardo et al. (2017), Support Study for the Impact Assessment Accompanying the Revision of Directive 1999/62/EC.

[19] Between 12 978 jobs (option 1) and 151 734 (option 4/404.305 (option 4 'sensitive case', see footnote 15), all numbers assuming that 30 % of revenues from road charges would be reinvested into transport infrastructure (IA, pp. 51-52).

[20] It would reduce congestion costs by €9-22 billion by 2030, increase revenues by €10-63 billion and boost investments in roads by 25-260 % compared to the baseline, see explanatory memorandum of the proposal, COM(2017)275, p. 8.

concludes some of them are best addressed at local level and therefore argues that the EU should harmonise tools used by Member States as proposed by the directives, without mandating actions at the local level, which is why preference was given to option 3b (IA, p. 19 and 23). By the subsidiarity deadline (4 September 2017), one reasoned opinion was received (from the Austrian Federal Council). It considered the proposal incompatible with the principle of subsidiarity regarding the extension of the scope to passenger cars, and with the proportionality principle concerning the phasing-out of vignette systems. The Dutch House of representatives noted similar doubts expressed by several parliamentary groups in the framework of the political dialogue with the Commission, without attaining a majority to issue a reasoned opinion.[21]

Budgetary or public finance implications

According to the explanatory memorandum, the proposal has no budgetary implications for the Union. However, Member States' budgets are expected to experience administrative costs (see p. 6).

SME test / Competitiveness

In view of the assertion that nearly all companies affected by the proposal are SMEs (IA, p. 38), the impact of the different options on SMEs could have been analysed more substantially, including implications in different countries. The IA concludes that while SMEs would share a (small) part of the increases of transport cost (which would be passed on to clients), they would benefit in the long term from the promotion of zero-emission vehicles (Annex 14, pp. 96-98). The proposal for a Council directive allowing the reduction of circulation taxes for vehicles above 12 tonnes in case of introduction of distance-based charging is expected to lead to a decrease of 63 %, or over €2 billion of burden for SMEs (IA, p. 29, 61). A minor benefit for the competitiveness of SMEs – and the EU economy at large – is expected to come from CO_2 differentiated charges, higher uptake of zero-emission vehicles and reduced congestion (IA, p. 47, Annex 13, pp. 90-93).

Simplification and other regulatory implications

The IA points out that the proposals simplify and update current provisions, in order to reduce the burden for national authorities and businesses (IA, pp. 23-24, 61). The former would benefit from the simpler application of external costs charging, a harmonised CO_2 emission-based modulation of charges and an easier application of congestion charges, the latter from lower tax burden.

Quality of data, research and analysis

The IA builds on the EU Reference Scenario 2016, which is a regular exercise by the Commission to project energy, transport and emissions-related developments up to 2050. It further uses a combination of state of the art modelling tools, starting with the PRIMES-TREMOVE model (Annex 4, pp. 22-23), calibrated on transport and energy data up to 2013 from Eurostat and other sources (Annex 4, pp. 27-28). To cover the period after 2013, a support study was commissioned for the IA to provide updated data on light duty vehicles. Moreover, the IA uses the TRUST model, projecting average daily loads on roads in Europe and neighbouring countries (IA, p. 25). For the quantification of impacts of the options and the indicators, the IA refers to the ASTRA model (IA, p. 26-27). In addition, the IA drew on research conducted for the 'European strategy for low-emission mobility' and the IA accompanying the proposal on TENT-T guidelines (IA, p. 49, 51). The IA explains the models, assumptions and uncertainties of the analysis in detail (Annex 4, pp. 22-53). Overall, the availability of recent data on transport and on road infrastructure charging systems in place appears to be very good (Annexes 5 to 10), as does the level of research underpinning the IA, coming from academia and international organisations such as OECD, the European Environment Agency, the European Parliament or the World Bank.

Stakeholder consultation

The IA considers a very wide range of stakeholders to be affected by the proposals (see problem definition, p. 3). Between 8 July and 5 October 2016, an online public consultation was organised, complemented by targeted interviews, seminars and a conference with specific stakeholders and Member States throughout the IA process (Annex 2, pp. 8-18). The public consultation received 135 responses and 32 relevant additional documents

[21] Letter to Commissioner V. Bulc, 12 July 2017, pp. 5-7.

(Annex 2, p. 12), 42 % from transport undertakings, 14 % from consumers/citizens, 13 % from public authorities and 7 % from the construction industry, with the majority of responses from EU-15 Member States. The IA notes a high number of coordinated responses (27 %). The public consultation showed that most stakeholders consider road charges for light vehicles to be generally too low (IA, p. 17), but also that Member States were generally not supportive of measures for road quality or the phasing-out of vignettes to avoid discrimination (Annex 2, p. 14, 18). Overall, the analysis of the answers to the variety of questions in this complex consultation would need to be done case-by-case, as a number of issues received rather divided feedback. The IA notes that the least popular ideas were discarded after the initial screening and the retained measures were then grouped with increasing level of regulatory intervention (Annex 2, p. 18).

Monitoring and evaluation

In view of proper monitoring and a proposed evaluation after five years of application, the IA provides a list of core indicators to benchmark against the projected situation of the baseline scenario in 2025 (IA, p. 63-64). The proposed indicators, related to the preferred option, seem pertinent for (mostly) annual reporting and comparisons between different years (IA, pp. 62-64).

Commission Regulatory Scrutiny Board

The Regulatory Scrutiny Board (RSB) gave an overall positive opinion with reservations on the draft IA, criticising, inter alia, the lack of explanation of the problems and the link to CO_2 emissions. Many recommendations of the RSB have been addressed in the final IA (the deficiencies of the current legislation and the reasons for discarding a number of measures, mostly due to extensive implementation costs). However, as regards the focus on CO_2 emissions, the content of the options and the contribution to the simplification of rules, the IA could have been more exhaustive. It does not provide country-specific information concerning the environmental and social impacts, which are, as indicated above, analysed rather briefly compared to the economic implications.

Coherence between the Commission's legislative proposal and IA

The legislative proposals largely follow the IA recommendations, retaining a mixture of option 3b and option 4.

Conclusions

The IA contains a wealth of information, data and research, both internal and external, but some parts of the complex analysis lack clarity and coherence. The extensive quantitative estimations are not always comparable in structure and thus difficult to relate to each other. The potential contribution of the options to the reduction of CO_2 emissions and to the REFIT exercise remains vague, as well as their impact on SMEs. The IA concludes that higher revenues, better road quality and considerable environmental and social benefits would compensate for the regulatory and compliance costs of the initiatives. At the same time, it acknowledges that under all options the impacts of the proposals are uncertain because the introduction of tolls remains voluntary and subject to national policy orientations.