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17 October 2018
Second edition
The 'EU Legislation in Progress' briefings are updated at key stages throughout the legislative procedure. Please note this document has been designed for on-line viewing.

Revision of the Eurovignette Directive

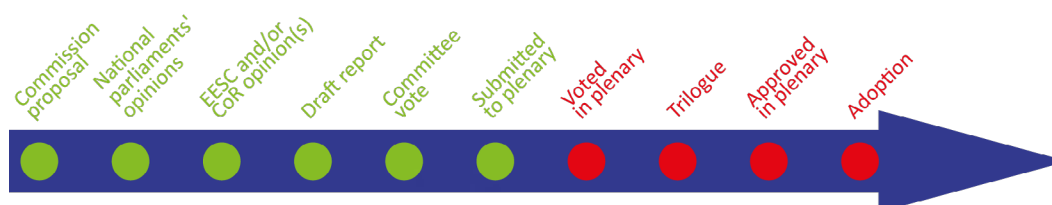
The Commission adopted a legislative proposal for a directive amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (known as the Eurovignette Directive) in May 2017. The initiative is linked to two wider strategies, the energy union strategy, which inter alia envisaged a road transport package, including more efficient infrastructure pricing, and the Commission's strategy for low-emission mobility.

The proposal was presented within the context of the Commission's 'Europe on the move' package that seeks to modernise mobility and transport and includes several legislative proposals. The objective of the Eurovignette proposal, which substantially amends the existing legislation by extending the scope of vehicles covered, is to make progress in the application of the 'polluter pays' and 'user pays' principles.

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, 31.5.2017, 2017/0114(COD), Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')

Committee responsible:	Transport and Tourism (TRAN)
Rapporteur:	Christine Revault d'Allonnes Bonnefoy (S&D, France)
Shadow rapporteurs:	Georges Bach (EPP, Luxembourg) Peter van Dalen (ECR, Netherlands) Dominique Riquet (ALDE, France) Merja Kyllönen (GUE/NGL, Finland) Michael Cramer (Greens/EFA, Germany) Daniela Aiuto (EFDD, Italy) Georg Mayer (ENF, Austria)
Next steps expected:	First-reading vote in plenary





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The issue of road charging and its impact on, or contribution to, the decarbonisation of transport or the shift to more sustainable transport has been recognised for some time by European Union (EU) institutions. As early as 2011, the Commission's [white paper on transport](#) called for a move towards full application of 'user pays' and 'polluter pays' principles as a means to achieve a competitive and resource-efficient transport system.

The current initiative fits within the [energy union strategy](#) that envisages a comprehensive road transport package promoting more efficient pricing of infrastructure, the roll-out of intelligent transport solutions and enhanced energy efficiency. It also builds on the 2016 Commission [European strategy for low-emission mobility](#), which specifically mentioned that 'charging should move towards distance-based road charging systems based on actual kilometres driven, to reflect better the polluter-pays and user-pays principles', and that the Commission would 'revise the directive on the charging for lorries to enable charging also on the basis of carbon dioxide differentiation, and extend some of its principles to buses and coaches as well as passenger cars and vans'. The low-emission mobility strategy also noted that the Commission was developing standards for interoperable electronic tolling systems in the EU, seeking to ease access to markets for new tolling service providers and to reduce overall system costs.

On 31 May 2017, the Commission adopted a [proposal](#) for a directive amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (known as the Eurovignette Directive), together with the [impact assessment](#) and its [summary](#). The proposal was presented within the context of the Commission's 'Europe on the move' package that seeks to modernise mobility and transport. This package includes several legislative proposals, among which are found the parent proposal on the [interoperability of electronic road toll systems](#) and facilitating cross-border exchange of information on the failure to pay road fees in the Union (a recast of Directive [2004/52/EC](#)).

The [2017 Commission work programme](#) announced that revision of the Eurovignette and the European Electronic Toll Service (EETS) Directives would be launched during the second quarter of 2017. The proposal also falls under the Regulatory Fitness Programme (REFIT), as it seeks to update and simplify some provisions of the current legislation.

Proposal to amend Directive 1999/62/EC on vehicle taxation

Together with the proposal presented in this briefing (COM(2017) 275), on 31 May 2017, the Commission also adopted, a [proposal](#) for a Council directive amending Directive 1999/62/EC focusing on certain provisions on vehicle taxation (COM(2017) 276). The purpose of this second proposal is to amend Chapter II of the Directive related to heavy goods vehicle taxes, to give Member States more scope to lower vehicle taxes. It consists of a gradual reduction of the minima to zero, in five steps taken over five consecutive years and each accounting for 20 % of the current minima. The intention is to provide for an incentive to move to distance-based road charging, i.e. the application of tolls. The legislative proposal was assigned to the European Parliament's Committee on Transport and Tourism, which designated Deirdre Clune (EPP, Ireland) as [rapporteur](#). Based on Article 113 of the Treaty on the Functioning of the European Union (TFEU), the proposal follows the consultation procedure, meaning that the Council adopts the act after consulting the European Parliament and without being compelled to follow its opinion. On 4 July 2018, the European Parliament adopted a [legislative resolution](#) on that proposal in plenary.

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Existing situation

The legal framework for charging heavy goods vehicles (HGV)¹ for the use of certain roads is known as the Eurovignette Directive ([Directive 1999/62/EC](#) on the charging of heavy goods vehicles for the use of certain infrastructures). As indicated by its title, it only applies to HGVs, i.e. trucks or lorries over a certain laden weight while other types of vehicles do not fall within the scope of the directive.

Its objective is to eliminate distortions of competition between transport companies by introducing a step-by-step harmonisation of vehicle taxes, and establishing fair mechanisms for infrastructure charging.

As indicated in the European Commission's [impact assessment](#), the Eurovignette Directive did not oblige Member States to introduce user charges for HGVs, but set minimum levels of vehicle taxes for HGVs (with a maximum permissible laden weight of over 12 tonnes), and specified the modalities of infrastructure charging, including the variation of charges according to the environmental performance of vehicles. It notably indicated that if infrastructure charges are implemented, they must be related to the construction, operation, and infrastructure development cost and in doing so, laid down the [foundations](#) for the internalisation of the costs generated by HGVs.

The 'Eurovignette' Directive was first amended in 2006 ([Directive 2006/38/EC](#)) to include vehicles with a maximum permissible laden weight over 3.5 tonnes within its scope (although allowing for a possibility of exempting vehicles between 3.5 and 12 tonnes), and to allow greater possibilities to vary tolls according to environmental or traffic management objectives.

The Directive was amended again in 2011 ([Directive 2011/76/EU](#)), to give Member States the possibility to apply external cost charges related to traffic-based air pollution and noise. This amendment also adapted the possibility to differentiate tolls according to time, type of day, or season, with a view to mitigating congestion.

The impact assessment and evaluation of the current framework led to identification of a number of shortcomings relating to existing provisions and problem areas that road charging could tackle.

That the directive does not oblige Member States to introduce user charges and leaves some room for interpretation on road charging methods results in a situation where there are disparities in national road charging policies and a lack of harmonisation when it comes to the type of charges and type of charge-collecting technologies used. According to the [impact assessment](#), Member States are free to decide if they want to implement road charges, on which part of their road network, and to what extent they want to recover the costs of infrastructure. While 24 Member States have implemented some sort of road charges, only 14 Member States apply distance-based charges to HGVs and only 8 to passenger cars (which are not

1 The term [Heavy goods vehicle](#) (HGV) refers to freight vehicles with a permissible laden weight over 3.5 tonnes, i.e. trucks or lorries.

The term [Heavy-duty vehicle](#) (HDV) refers to freight and passengers vehicles with a permissible laden weight over 3.5 tonnes, i.e. trucks or lorries, buses and coaches.

The term [Light-duty vehicle](#) (LDV) refers to freight and passengers vehicles with a permissible laden weight up to 3.5 tonnes, including minibuses carrying up to 16 passengers, i.e. cars, minibuses and vans.



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covered by the existing legislation). The possibility of exempting vehicles between 3.5 and 12 tonnes leads to an uneven playing field in freight transport, as four Eurovignette countries (Denmark, Luxembourg, the Netherlands and Sweden), as well as the United Kingdom, use this possibility, while in Germany, tolls only affect vehicles over 7.5 tonnes. In addition, the fact that the application of charges to buses, coaches, vans and passenger cars is outside the scope of the current legislation and left to Member States' discretion leads to a situation where road charging is primarily focused on HGVs in most Member States, and does not reflect the 'user pays' and 'polluter pays' principles for all road users. In addition, the requirement under the current legislation to notify the Commission of distance-based systems is perceived by some Member States as over-complicated, and has led a number of them to favour time-based charging systems, which are considered to have lower revenue raising potential.

Other shortcomings identified by the evaluation are notably the wide variety of ways to vary charges according to Euro class.² The disparity between the third of Member States that do not apply such variation at all and the others generates inconsistent price signals to users. Furthermore, only a very limited number of Member States introduced time-varying charges to actually deal with congestion.

Other problems related to the provisions of current legislation are that time-based charges – authorised by the directive – do not seem to be effective in covering infrastructure costs, incentivising cleaner, more efficient operations, or reducing congestion. Moreover, application of external cost charging is too complex and the Euro class variation is not well-defined. Finally, the variation of charges to deal with congestion is also seen as too difficult to implement, and may appear as unfair if addressing HGVs alone.

In addition to the need for simplification and clarification of the directive in certain areas, the current framework for road charging is also seen as deficient in two important areas.

The first area relates to the fact that the Eurovignette Directive covers HGVs only, disregarding other vehicles such as passenger cars, vans and buses. This is an important issue, as these vehicles represent a substantial amount of total transport volumes and also exercise pressure on the environment and upon infrastructure. Even though cars and vans put less strain on road infrastructure than heavier vehicles such as trucks, buses and coaches, passenger cars are the origin of around two thirds of all external costs generated by road transport, or about 1.8-2.4 % of the gross domestic product (GDP). The vehicles not covered by the current directive do not benefit from any rules guaranteeing non-discriminatory road charging. These vehicles, notably passenger cars, are confronted with the risk of comparatively overpriced short-term vignettes, i.e. some form of discrimination vis-à-vis occasional, mostly foreign, users. Conversely, another potential discrimination is compensation of national users in case time-based charges are introduced –an issue relevant to all types of vehicles.

The second area of concern is that the current directive does not cover CO₂ emissions, although it addresses other externalities such as air pollution and noise. CO₂ emissions from road transport are a growing problem, and in 2014 were still 17 % higher than in 1990. Furthermore, over 60 % of these emissions originates from passenger cars (the highest share), and the proportion of CO₂ emissions from HGVs is increasing. While other instruments such as CO₂ emissions standards are expected to provide or lead to substantial

² The term 'Euro class' refers to a vehicle's emission [category](#).



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reductions in CO2 emissions, road pricing could also have an impact in this field by incentivising renewal of the vehicle fleet.

Other issues, such as the degradation of road infrastructure, or congestion within and outside urban areas, also impose costs for society. Decreased public spending on road maintenance (which stood at 0.5 % of GDP in 2013, compared to 1.5 % in 1975), leads to increased vehicle operating costs, pollutant and noise emissions, increased journey times, accidents, and negative effects on the economy, while road traffic peaks amount, according to various sources, to 1 to 2 % of EU GDP, two thirds of which are related to passenger cars.

Parliament's starting position

The European Parliament has consistently supported an increase in sustainability of road transport and has also regularly called for ambitious measures to reduce greenhouse gas emissions in the sector. In an own-initiative [resolution](#) of 9 September 2015 on the implementation of the 2011 white paper on transport, Parliament called on the Commission to submit proposals to provide for the internalisation of the external costs of all modes of freight and passenger transport, and for specific measures to ensure a wider application of the 'user pays' and 'polluter pays' principles. Parliament also called on the Commission to propose a general framework for national road charging schemes for passenger cars and light commercial vehicles, which should be non-discriminatory for third-country residents and prioritise distance-based charging. In this context, Parliament called upon the Commission for 'initiatives to ensure interoperability of electronic road toll systems'.



Proposal

Preparation of the proposal

To prepare this review of the directive, the European Commission used previous evaluations complemented by additional research partly using external expertise. As summarised in the EPRS [Implementation Appraisal](#), evaluations of the Eurovignette Directive were carried out in 2013 (the [ex-post evaluation](#) of Directive 1999/62, as amended, on the charging of heavy goods vehicle for the use of certain infrastructure and the [evaluation of the implementation](#) and effects of EU infrastructure charging since 1995, prepared by the independent consultancy Ricardo-AEA for the European Commission, together with an [update of the handbook](#) on external costs of transport).

Furthermore, a supporting study for the impact assessment was finalised in April 2017.³ EPRS undertook an [initial appraisal](#) of the Commission's [impact assessment](#) accompanying the Commission's proposal.

The proposal took the results of consultations with stakeholders into account. An [open public consultation](#) took place between 8 July and 2 October 2016 and included two types of questions: those addressed to the general public with the objective of understanding users' perception of road charging, and other, more technical, questions directed at experts. The consultation attracted 135 responses, and received 48 additional documents, mostly from transport companies (42 %), consumers/citizens (14 %), public authorities (13 %), the construction industry (7 %), public transport associations (4 %), and tolling service/solution providers (4 %).

Targeted consultations in the form of thematic seminars with stakeholders and Member States took place in September and October 2015, as well as a conference on the road initiatives in April 2016, and some targeted interviews.

The changes the proposal would bring

The proposal, the objective of which is 'to make progress in the application of the "polluter pays" and "user pays" principles, thereby promoting financially and environmentally sustainable and socially equitable road transport', would substantially modify the existing directive.

The first main change proposed relates to the scope of application of the rules on tolls and user charges, which would be extended to cover not only heavy goods vehicles (HGV) but all heavy duty vehicles (HDV) and light duty vehicles (LDV), i.e. in addition to the goods vehicles over the 3.5-tonne limit, the directive would encompass passenger cars, minibuses and vans, as well as coaches and buses.

The proposal would make progress in the application of the 'polluter pays' and 'user pays' principles by gradually phasing out the use of time-based user charges (vignettes) first, for HGVs and buses and coaches (until 31 December 2023) and then for passenger cars and vans (until 31 December 2027). The purpose

³ Ricardo et al., Support study for the impact assessment accompanying the revision of Directive 1999/62/EC, 2017.



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would thus be to gradually replace time-based user charges with distance-based charges, which are considered fairer, more efficient and more effective.

The possibility to exempt HGVs below 12 tonnes from road charging would be removed and as of 1 January 2020, charging would apply to all HDVs.

To ensure that user charges are proportionate to the duration of the use made of the infrastructure, the proposal would introduce upper limits to user charges and to the relative price difference between annual and sub-annual vignettes (drawing a distinction between the different types of vehicles).

The revised directive would also propose to phase out the variation of charges according to the Euro emission class of the vehicle and instead, introduce a variation of charges according to HDV CO₂ emissions. For light duty vehicles, such a variation would be based on emissions of both CO₂ and air pollutants. The Commission text also proposes to allow the application of congestion charges, on top of infrastructure charges, to address the issue of interurban congestion.

Regarding external-cost charging, the proposal mentions that Member States that levy tolls would apply an external-cost charge from 1 January 2021 for heavy duty vehicles on at least part of the network.

Finally, regarding mark-up, the Commission proposes to extend the possibility to use them beyond mountainous regions, but a mark-up would not be additionally applied on road sections where a congestion charge would be applied.

The proposal would also update provisions on reporting requirements on tolls, tolls revenues, and the use of revenues, as well as on the quality of toll roads, and simplify certain provisions such as those relating to the application of external-cost charging for air pollution and noise allowing the use of reference values.

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Views

Advisory committees

Consultation of the European Economic and Social Committee (EESC) and of the European Committee of the Regions (CoR) on the proposal is mandatory ([Article 91](#) of the Treaty on the Functioning of the EU, TFEU). The EESC adopted its [opinion](#) in plenary session on 18 October 2017, while the CoR adopted its [opinion](#) in plenary on 1 February 2018.

National parliaments

The deadline for submitting a reasoned opinion on the grounds of [subsidiarity](#) was 4 September 2017. The chambers of several national parliaments considered the proposal. Chambers from two national parliaments – Italy and the Netherlands – submitted comments for political dialogue, while Austria submitted a reasoned opinion. In this opinion, the European Affairs Committee of the [Austrian Federal Council](#) notably underlined that the Eurovignette Directive primarily serves to eliminate distortions of competition for economic operators and mentioned that it considers it inappropriate to include passenger cars in the scope of the directive. Moreover, the committee noted that, in a regulation governing the use of roads by private individuals, 'national and regional aspects must be taken into consideration, a requirement which can be met more efficiently by the Member States'. The Austrian committee is therefore of the view that the proposal is incompatible with the principle of subsidiarity. It also concluded that the proposed provision to replace existing systems of time-based road charging by systems of distance-based charging is incompatible with the principle of proportionality.

Stakeholders' views⁴

As mentioned in a previous section, the European Commission held consultations targeting both the general public and specific stakeholders.

While [stakeholders](#) were generally supportive of measures to stimulate the use of fuel efficient vehicles and measures to tackle CO₂ emissions, there were some differences between Member States and other type of stakeholders in this area. Some Member States had doubts, notably regarding the feasibility of introducing, in the short-term, a CO₂-based variation and the phasing out of differentiation by Euro emission class.

In contrast with most stakeholders, Member States did not support the measures to ensure the quality of roads infrastructures, notably for subsidiarity reasons, considering that it is up to them to decide how they manage and fund their own road networks.

⁴ This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'EP supporting analysis'.



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Member States and stakeholders' views also diverged regarding the possible measure to avoid discrimination and ensure a level playing field. Member States were divided on the need for further measures to avoid discrimination, and the phasing out of vignettes attracted little support. Stakeholders who replied to the online public consultation were strongly in favour of the 'user pays' and 'polluter pays' principles and in favour of measures to guarantee that vignette prices are set proportionately.



Legislative process

The legislative proposal has been assigned to the European Parliament's Committee on Transport and Tourism (TRAN), which designated Christine Revault d'Allonnes Bonnefoy (S&D, France) as rapporteur. Discussions on the proposal have been ongoing within the Council Working Party on Land Transport.

In November 2017, the Committee on Transport and Tourism (TRAN) organised a public [hearing](#) on the Mobility package, including on road charging, which enabled Members to exchange views with representatives of the road and rail sectors and NGOs. The European Parliament's Committee on the Environment, Public Health and Food Safety adopted an [opinion](#) on 27 March 2018.

TRAN committee members adopted their [report](#) on 24 May 2018 by 35 votes in favour, 2 against and 2 abstentions. The report supports the Commission's proposal but seeks to reinforce the 'user pays' and 'polluter pays' principles in a number of areas.

It notably [says](#) that user charges (vignettes) for heavy duty vehicles and vans intended for the carriage of goods would be replaced by infrastructures charges from 1 January 2023, while vignettes for passenger cars could only be maintained until 31 December 2025, the implication being that by that date (31 December 2025) vignettes for all vehicles would be phased out.

Besides, as of 1 January 2020, tolls and user charges applied to heavy duty vehicles would apply to all of them, as well as to all vans intended for the carriage of goods and fitted with a tachograph.

As for external-cost charges, the report amends the proposal so that from 1 January 2021, Member States that levy tolls will apply an external-cost charge, for traffic-based air or noise pollution, to heavy duty vehicles and to vans intended for the carriage of goods on all parts of the network referred to in Article 7(1)⁵ that are subject to an infrastructure charge. From 1 January 2026 onwards, an external-cost charge imposed on any section of the road network referred to in Article 7(1) would apply in a non-discriminatory manner to all vehicle categories.

The possibility to introduce or maintaining congestion charges independently from infrastructure charges is proposed, though Member States may exempt buses and coaches.

Members also proposed that from the date of entry into force of the directive, zero-emission vehicles would benefit from reduced infrastructure charges, and they amended the provisions on mark-ups.

Members also amended the proposal to allow Member States to provide discounts and reductions for distance-based charging under certain conditions, notably for frequent users, particularly in areas with dispersed settlements and the outskirts of large urban areas.

5 Article 7(1) in the Commission's proposal states: 'Without prejudice to Article 9 (1a), Member States may maintain or introduce tolls and user charges on the trans-European road network or on certain sections of that network, and on any other additional sections of their network of motorways which are not part of the trans-European road network under the conditions laid down in paragraphs 3 to 9 of this Article and in Articles 7a to 7k.'



Regarding the use of revenues, Members proposed that revenues generated from infrastructure and external costs charges, or their equivalent in financial value, be used to carry out road network maintenance and upkeep, and to optimise the entire transport system. They also proposed that revenues from charges be used on the territory containing the road section on which they applied. To promote transparency and acceptability of road charging, Members also requested Member States to provide information on the use of revenue generated from road users, and proposed to set up in each Member State an independent authority to supervise toll systems and to guarantee all road users a high level of information on how revenues are used.

At the June 2018 plenary, Parliament confirmed the TRAN committee decision to enter into interinstitutional (trilogue) negotiations. Nonetheless, with the Council yet to agree on its position, the report is to be debated during the October II plenary session, in order to consolidate Parliament's position.



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