EU Legislation in Progress



Ordinary legislative

(Parliament and Council

formerly 'co-decision')

procedure (COD)

on equal footing –

Revision of the Eurovignette Directive

OVERVIEW

The European Parliament and the Council as co-legislators have adopted changes to Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructure (known as the Eurovignette Directive). Vignettes for heavy goods vehicles will have to be phased out across the core trans-European transport network from 2030 and replaced by distance-based charges (tolls). With a number of other changes, this should help make road pricing fairer and more efficient.

The European Commission put forward a legislative proposal to amend the directive in May 2017, as part of its first 'mobility package' seeking to modernise mobility and transport. The aim of the proposal was to move away from a time-based model of charging (vignettes) to a distance-based one – that better reflects the polluter-pays and user-pays principles – and to include other vehicles.

In Parliament, the Committee on Transport and Tourism (TRAN) took the lead. Parliament adopted its first-reading position in October 2018, without agreement with the Council. After the 2019 European elections, Giuseppe Ferrandino (S&D, Italy) took over as rapporteur. The Council adopted its position in December 2020. Interinstitutional negotiations in the first half of 2021 paved the way for an agreement, subsequently approved formally by both the Council and the Parliament.

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

Committee responsible: Transport and Tourism (TRAN) .COM(2017) 275

31.5.2017 Giuseppe Ferrandino (S&D, Italy)

Rapporteur: 2017/0114(COD) Barbara Thaler (EPP, Austria) Shadow rapporteurs:

Dominique Riquet (Renew, France)

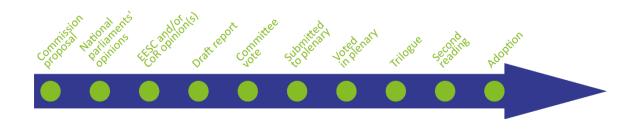
Anna Deparnay-Grunenberg (Greens/EFA,

Germany)

Roman Haider (ID, Austria) Tomasz Piotr Poreba (ECR, Poland) João Pimenta Lopes (The Left, Portugal)

Procedure completed. Directive (EU) 2022/362

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Introduction

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

The current initiative fits within the <u>energy union strategy</u>, which envisaged a comprehensive road transport package promoting more efficient infrastructure pricing, the roll-out of intelligent transportsolutions and greater energy efficiency. It also builds on the Commission's 2016 <u>European strategy for low-emission mobility</u>, 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'.

On 31 May 2017, the Commission adopted a <u>proposal</u> 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 <u>impact assessment</u> and its <u>summary</u>. The proposal was presented within the context of the Commission's first '<u>mobility package</u>', aimed at modernising mobility and transport. This package included several legislative proposals, among them also the related proposal on the <u>interoperability of electronic road toll systems</u> and facilitating cross-border exchange of information on the failure to pay road fees in the Union.¹

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 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 the second proposal was to amend Chapter II of the directive relating to heavy goods vehicle taxes, to give Member States more scope to lower vehicle taxes. It consists of a gradual reduction of the minimum levels to zero, in five steps taken over five consecutive years, each accounting for 20 % of the current minimum levels. The intention is to provide an incentive to move to distance-based road charging, i.e. tolls. The legislative proposal was assigned to the European Parliament's Committee on Transport and Tourism, which appointed 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, in plenary, adopted a legislative resolution on that proposal. This file is still awaiting final adoption by the Council.

The legislative proposal to amend the Eurovignette Directive was aligned with the European Green Deal, adopted in December 2019. The Green Deal strives to build a resource-efficient economy and supports, among other things, a quicker shift to sustainable mobility. The revision of the Eurovignette Directive also ties in with the Commission's sustainable and smart mobility strategy of December 2020. Aiming to deliver a 90 % reduction in transport emissions by 2050, the strategy proposes to introduce a better carbon-pricing policy and make progress on effective charging on infrastructure use. It also seeks to internalise the costs of damage to infrastructure, incentivise zero-emission vehicle uptake and address other externalities such as air pollution and noise.

Existing situation

This section describes the situation existing at the start of the revision of the Eurovignette Directive. In the EU, road charging is a national choice. If, however, Member States decided to levy charges on heavy goods vehicles (HGVs)² on their territory for the use of certain infrastructure, they had to follow the common rules set by the 1999 Eurovignette Directive (<u>Directive 1999/62/EC</u> on the

charging of heavy goods vehicles for the use of certain infrastructures). The directive only applied to HGVs, i.e. trucks or lorries over a certain laden weight; other vehicle types were not covered. The directive was designed to eliminate distortions of competition between transport companies by introducing step-by-step harmonisation of vehicle taxes, and establishing fair mechanisms for road pricing.

The 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 not less than 12 tonnes), and specified the modalities for infrastructure charging, including the variation of charges according to vehicle emission classes. It indicated that if infrastructure charges were implemented, they had to relate to construction, operation, and infrastructure development costs. In doing so, the directive laid the <u>foundations</u> for the internalisation of the costs generated by HGVs.

The directive was first amended in 2006 (<u>Directive 2006/38/EC</u>) and extended to 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 second amendment entered into force in 2011 (<u>Directive 2011/76/EU</u>) and gave Member States the possibility to apply external cost charges related to traffic-based air pollution and noise. This amendment also offered 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.

As the directive did not oblige Member States to introduce user charges and left some room for interpretation on road charging methods, the resulting situation led to 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. The directive also left it up to Member States to decide if they want to implement road charges, on which part(s) of their road network, and to what extent they want to recover the costs of infrastructure. According to the impact assessment, while a majority of Member States had implemented some sort of road charges, only a minority applied distance-based charges to HGVs, and only a few of them to passenger cars (which were not covered by the existing EU legislation).

The possibility of exempting vehicles between 3.5 and 12 tonnes gave rise to an uneven playing field in freight transport. In addition, the fact that the application of charges to buses, coaches, vans and passenger cars was beyond the scope of the EU legislation and left to Members States' discretion has resultedin a situation where road charging is focused primarily 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 to notify the Commission of distance-based systems was perceived by some Member States as over-complicated, and 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 Commission's evaluation included the wide variety of ways to vary charges according to Euro class.³ The disparity between the third of Member States that do not apply such a variation at all and the remaining two thirds that do has generated inconsistent price signals to users. Furthermore, only a very limited number of Member States have introduced time-varying charges to deal with congestion.

Another problem identified was 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 was too complex and the Euro class variation not well defined. Finally, the variation of charges to deal with congestion was also seen as too difficult to implement, and could be perceived as unfair if addressing HGVs alone.

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

The first area relates to the fact that the Eurovignette Directive covered HGVs only, disregarding other vehicles. This matters, as passenger cars, vans and buses represent a substantial share of total transport volumes and also exercise pressure on the environment and on 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, representing about 1.8 to 2.4% of gross domestic product (GDP). The vehicles not covered by the directive did not benefit from any rules guaranteeing non-discriminatory road charging. These vehicles, notably passenger cars, have been confronted with the risk of comparatively overpriced short-term vignettes, i.e. a form of discrimination vis-à-vis occasional, mostly foreign, users. Conversely, another potential source of discrimination was seen in the compensation of national users in cases where time-based charges were introduced – an issue relevant to all types of vehicle.

The second area of concern was that the directive did not cover CO_2 emissions, although it addressed other externalities such as air pollution and noise. CO_2 emissions from road transport were growing, and in 2014 were still 17 % higher than in 1990. Furthermore, over 60 % of these emissions originated from passenger cars and the proportion of CO_2 emissions from HGVs was increasing. While other instruments such as CO_2 emissions standards were expected to lead to substantial reductions in CO_2 emissions, road pricing could also have an impact 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 on society. Decreased public spending on road maintenance in the EU (which stood at 0.5% of GDP in 2013, compared to 1.5% in 1975), has led to increased vehicle operating costs, pollutant and noise emissions, increased journey times, accidents, and negative effects on the economy. Meanwhile, according to various sources, road traffic peaks amount to 1 to 2% of EU GDP, two thirds of which relates to passenger cars.

Parliament's starting position

The European Parliament has been a consistent advocate of more sustainable road transport and has also called regularly for ambitious measures to reduce greenhouse gas emissions in the sector. Prior to the proposal, in an own-initiative <u>resolution</u> 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 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'.

Preparation of the proposal

To prepare the review, the Commission used previous evaluations complemented by additional research partly using external expertise, as summarised in the EPRS <u>implementation appraisal</u>. Furthermore, a supporting study for the impact assessment was finalised in April 2017. EPRS undertook an <u>initial appraisal</u> of the Commission <u>impact assessment</u> accompanying the proposal.

Between 8 July and 2 October 2016, the Commission ran an open public consultation,⁵ including both questions addressed to the general public and more technical questions directed at experts. The consultation attracted 135 responses, and received 48 additional documents, mostly from transport companies (42 %), consumers and citizens (14 %), public authorities (13 %), the

construction industry (7%), public transport associations (4%), and tolling service and solution providers (4%). It was complemented by targeted consultations in the form of thematic seminars with stakeholders and Member States, a conference on road initiatives, and some targeted interviews. The proposal took the results of consultations with stakeholders into account.

The changes the proposal would bring

This section discusses the changes the Commission had proposed. With the proposal, the Commission sought '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'. This would mean modifying the existing directive substantially. The proposed changes would not modify the fact that road charging remains a national matter and applies in cases where Member States decide to apply road pricing.

The scope of application of the rules on tolls and user charges was to 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 was to encompass passenger cars, minibuses and vans, as well as coaches and buses.

The application of the 'polluter pays' and 'user pays' principles was to be strengthened by the replacement of time-based user charges with distance-based charges, which are considered fairer, more efficient and more effective. The time-based user charges (vignettes) were to be gradually phased out, first for HGVs and buses and coaches (by 31 December 2023) and then for passenger cars and vans (by 31 December 2027). The possibility to exempt HGVs below 12 tonnes from road charging was to be removed and charging applied to all HDVs.

To make user charges proportionate to the duration of the use made of the infrastructure, the proposal introduced 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 variation of charges according to the Euro emission class of the vehicle was to be phased out, replaced by variation of charges according to HDV CO_2 emissions. For light duty vehicles, this variation was to be based on emissions of both CO_2 and air pollutants. To address the issue of interurban congestion, congestion charges could be applied on top of infrastructure charges.

It was proposed that the Member States that levy tolls would have to apply an external-cost charge for HDVs on at least part of the network.

Finally, the possibility to use additional charges in mountainous regions ('mark-ups') was to be extended beyond mountainous regions, but a mark-up could not be additionally applied on road sections where a congestion charge was applied.

The reporting requirements on tolls, tolls revenues, and the use of revenues, as well as on the quality of toll roads were to be updated, and provisions relating to external-cost charging for air pollution and noise would be simplified, allowing the use of reference values.

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). In its opinion of 18 October 2017 (Alberto Mazzola, CCMI, Italy), the EESC considered that the introduction of a fair, transparent and non-discriminatory road charging system would contribute to the fight against the deterioration of road infrastructure, congestion and pollution. It underlined that despite the fact that investment in road infrastructure was crucial for growth and employment, spending on its maintenance hadfallen. In EESC's view, revenues from the use of road infrastructure should be allocated to cover the costs of building, developing, operating and maintaining road infrastructure. Revenues from external costs should be earmarked

to mitigate the negative effects of road transport and improve its performance in particular through innovative infrastructure and traffic management systems. Finally, the EESC was convinced that allocating revenues derived from the application of the new legislation could generate additional employment for more than half a million workers.

In its <u>opinion</u> of 1 February 2018 (Ivan Žagar, EPP, Slovenia), the CoR observed that a low level of infrastructure maintenance in many EU regions could lead to the deterioration of territorial and social cohesion. In the CoR's view, road charging should be based on distance and encourage the use of infrastructure at off-peak times. It pointed out that the calculation of tolls should take into account differences between regions in terms of traffic density and distance between residential centres and businesses. The CoR underlined that road tolls and external cost charges collected in one region should, in principle, be reinvested in the transport infrastructure of that region, in close cooperation with the competent local and regional authorities. It also stressed that as modifications to road charging were introduced by Member States and regions, they would inevitably lead to increased use of local road networks. This would have adverse effects on safety, the environment and the costs of maintaining the local road network.

National parliaments

The deadline for submitting reasoned opinions on the grounds of <u>subsidiarity</u> was 4 September 2017. France, Italy, the Netherlands, Czechia and Romania submitted comments for political dialogue, while <u>Austria</u> submitted a reasoned opinion. There, it underlined that the directive served primarily to eliminate distortions of competition for economic operators and considered the inclusion of passenger cars inappropriate, noting 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'. To the Austrian Federal Council, the proposal is incompatible with the principle of subsidiarity and the replacement of time-based road charges by distance-based charges is incompatible with the principle of proportionality.

Stakeholder views⁶

The European Commission held consultations targeting both the general public and specific stakeholders. While <u>stakeholders</u> were generally supportive of measures to stimulate the use of fuelefficient vehicles and measures to tackle CO₂ emissions, there were some differences between Member States and other types of stakeholder. Some Member States had doubts 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 road infrastructure quality, mainly for subsidiarity reasons, considering that it was up to them to decide how to manage and fund their own road networks.

Member States and stakeholders' views also diverged regarding possible measures 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 in favour of the 'user pays' and 'polluter pays' principles and of measures to guarantee that vignette prices were set proportionately.

The IRU – International Road Transport Union – which represents mobility operators, including almost a million in Europe, and logistics services, expressed its opinion in its <u>position paper</u> on the Commission's 2017 mobility package. In the IRU's view, under the existing Eurovignette Directive, HGVs already cover their infrastructure and external costs through direct taxes, charges and duties. According to the IRU, making road transport more expensive for freight and passengers would deprive the sector of the necessary financial means to invest in cleaner and more efficient vehicles. IRU also opposed the inclusion of buses and coaches in the directive, as they provide more sustainable mobility than individual cars. It proposed to exempt HDVs from any congestion-charging scheme. In September 2020, the IRU published an open letter to EU transport ministers in

which it reiterated its position. Concerning CO_2 differentiation of truck charging rates, it called for a scheme that would not favour any technology in particular. It suggested implementing a well-to-wheel approach, which it considered fairer and more effective than a policy based on tailpipe emissions. According to the IRU, CO_2 differentiation would offer battery electric technology an unfair advantage compared with other alternative fuels.

In September 2017, Clecat, a European organisation representing the logistics, freight forwarding and customs services industry, published its <u>position paper</u> on both Eurovignette files. It considered them to be in line with their view that road charging should reflect the emissions performance of all vehicles and not discriminate against goods traffic. It supported the expansion of the Eurovignette Directive to all vehicles, applied in a non-discriminatory manner and to other roads beyond the TEN-Ts, such as motorways and national roads with significant international traffic. To Clecat, road charging revenues should be invested in infrastructure to increase efficiency and relieve congestion.

In its <u>position paper</u> of October 2017, the European Express Association (EEA) – representing the providers of express transport services for documents, parcels and freight – supported the proposed harmonisation and interoperability of the Eurovignette as a way to incentivise the greening of road transport and contribute to its growth and competitiveness. Moreover, it considered that no other element than air and noise pollution should be considered to determine the level of infrastructure charges. Lastly, it agreed with the idea that congestion charges should be applied to all road users.

The European Automobile Manufacturers Association (ACEA) gathering Europe-based car, van, truck and bus manufacturers, published its <u>first position paper</u> in October 2017 and an <u>updated version</u> in November 2019. The ACEA considered that the main objective of the revision should be to improve clarity, transparency and charging differentiation to encourage the uptake of cleaner vehicles. It believed that national authorities were better placed to decide between distance-based and time-based charging approaches. Road charging revenues should be used to improve infrastructure, including intelligent transport systems (ITS). Moreover, the ACEA did not support cross-subsidisation of other transport modes using the fees paid by road users. Finally, it strongly supported the differentiation of infrastructure charges according to CO₂ emissions, using fine-scale bands allowing for the amortisation of transport operators' investments over one to two years.

In its <u>position</u> of March 2019, the Electro-mobility Platform, which promotes electro-mobility in European transport, supported distance-based charging, the phasing out of Euro emission class variation and the introduction of CO₂ differentiation for all vehicles, using congestion charges to support e-mobility, and further incentivising the deployment of zero-emission vehicles. In parallel, the Electro-mobility Platform called on Parliament and the Council to phase out vignettes for HDVs and LDVs earlier and to reduce the exemptions for external costs charging.

Legislative process

The European Parliament and the Council are co-legislators for this file.

In the European Parliament, the proposal was assigned to the Committee on Transport and Tourism (TRAN), which designated Christine Revault d'Allonnes Bonnefoy (S&D, France) as rapporteur.

In November 2017, the TRAN committee organised a public <u>hearing</u> on the mobility package files, enabling Members to exchange views with representatives of the road and rail sectors and non-governmental organisations. Parliament's Committee on the Environment, Public Health and Food Safety (ENVI) provided an opinion in March 2018. TRAN committee members adopted their <u>report</u> on 24 May 2018, supporting the proposal but seeking to reinforce the 'user pays' and 'polluter pays' principles.

At the June 2018 plenary session, Parliament confirmed the TRAN committee decision to enter into interinstitutional (trilogue) negotiations. Nonetheless, with the Council yet to agree on its position, the report was debated during the October plenary session, in order to consolidate Parliament's position. The plenary adopted its <u>first-reading position</u> on the draft rules on <u>25 October 2018</u>, by

398 votes in favour, 179 against and 32 abstentions. The text insisted that road charging imposed by Member States would need to become distance-based, from 2023 for heavy duty vehicles and larger goods vans and from the end of 2027 for light-duty vehicles, meaning vans and minibuses. Passenger cars were removed from the definition of light duty vehicles, and thus exempted.

In September 2019, following the European elections, the TRAN committee appointed Giuseppe Ferrandino (S&D, Italy) as rapporteur, and voted in favour of opening negotiations with the Council on the basis of the Parliament's first-reading position.

In the Council, discussions continued in the Working Party on Land Transport. The Transport Council held a debate on the proposal on 5 December 2017. While discussions were at a near standstill for over a year, they resumed in 2019, and a progress report was presented on 6 June 2019. However, in December 2019, EU transport ministers did not adopt the proposed Council general approach.

The <u>Commission</u>, in its December 2019 <u>European Green Deal</u>, called on the European Parliament and Council to maintain the high level of ambition of its original proposal but also expressed its readiness to withdraw the proposal if necessary and to propose alternative measures. It also included the proposal in its 2020 <u>work programme</u> as a 'priority pending proposal' (<u>Annex III</u>).

Both the Croatian Presidency of the Council (in the first half of 2020) and the German Presidency (second half) proposed tentative compromise texts for the Member States' consideration. On 18 December 2020, Coreper approved the Council's mandate for negotiations with Parliament on the final wording of the rules, based on the compromise proposal of the German Presidency. Only Austria opposed it. In the adopted text, the Council abandoned the idea of banning the use of time-based charging (vignettes) and gave Member States the possibility to choose between a time-based and a distance-based charging model. Under specific conditions, Member States would be able to reduce tolls and user charges or exempt vehicles from paying them. The main change was a new provision asking Member States to modulate infrastructure and user charges for HDVs on the basis of CO_2 emissions, while they would also be able to continue applying charge variation based on the vehicle's Euro emission class. Lastly, the Council agreed with the proposal allowing Member States to apply higher mark-ups (up to 50 %) to the infrastructure charge levied on highly congested road sections, provided that a prior agreement was reached with all Member States affected.

Technical and political trilogue negotiations took place between January and June 2021. A <u>provisional agreement</u> was reached on 15 June 2021. The TRAN committee confirmed the <u>agreement</u> on 12 July 2021 and the Council adopted it formally on <u>9 November 2021</u> at first reading.

With the adopted changes, the rules will be as follows:

Member States will be free to apply tolls and user charges for different categories of vehicles independently of each other and also to choose not to charge some categories at all.

Type of charging (tolls and/or vignettes)

a) Heavy duty vehicles (HDVs)

Eight years after the entry into force of the amended directive (i.e. in 2030) Member States will have to phase out vignettes for HDVs on the core trans-European transport network ($\overline{\text{TEN-T}}$), where most international transit of trucks takes place, and start applying distance-based charges (tolls). On other parts of the network, the use of vignettes can continue.

Some exemptions or temporary derogations to charging rules have been kept, for instance for existing concession contracts, people with disabilities and in sparsely populated areas.

Countries that already have tolls in place on (at least parts of) their core TEN-T roads will be able to introduce vignettes (a 'combined charging system'), thus impose user charges on roads or vehicles categories that are not currently tolled, under certain conditions.

b) Light duty vehicles (LDVs)

Member States will be able to maintain or introduce vignettes for private cars, vans and minibuses. Where passenger cars are charged, vans will have to be charged equally or more. If vignettes are used, they will have to be made available for shorter periods. However, the use of the daily vignette can be limited to transit purposes.

Variation of charges based on environmental performance

a) HDVs

The variation based on Euro class will be replaced by a mandatory variation based on CO_2 emissions, following the <u>2019 CO_2 standards</u> (while air polluting emissions will be covered by external cost charging). Initially, it will apply to the largest trucks but it can gradually be extended to other HDVs, following technological progress. If vignettes are used, these will have to reflect the variation, too.

b) LDVs

The variation of charges for passenger cars remains optional. Where technically practicable, variation of tolls or user charges based on environmental performance will apply to vans and minibuses from 2026. Member States can apply reductions or exemptions to zero-emission vehicles. As requested by Parliament, review clauses are included on the rules for LDVs in general and specifically for vans.

External cost charging

External cost charging for air pollution will become mandatory for HDVs on the entire tolled network four years after the entry into force of the rules (derogations possible). Review clauses are included to prevent duplication of carbon pricing linked to the 'fit for 55' legislation (still under discussion).

Congestion charging (optional)

Member States will be free to introduce congestion charges on any section of their roads that is subject to congestion but, as demanded by Parliament, minibuses, buses and coaches may be exempt.

Mark-up (additional charges)

While mark-ups of maximum 25% used to apply in mountainous regions only, they will now be applicable in any regularly congested or sensitive area. They can be raised to 50% if all Member States involved on the given TEN-T corridor agree. However, mark-ups cannot apply to a road section on which a congestion charge is levied.

Use of revenue and reporting

The revenue generated by mark-ups will have to be invested in the development of transport services or in the construction or maintenance of transport infrastructure that alleviate congestion or environmental damage in the same corridor. In addition, Member States will have to use the revenue collected from congestion charges for reducing congestion or developing sustainable transport.

As demanded by Parliament, Member States will have to report on tolls and user charges levied on their territory and on the use of these revenues three years after the entry into force (and every five years thereafter).

The text was approved by the Parliament plenary on 17 February 2022. The <u>final act</u> was published in the Official Journal of the EU on 24 February 2022 and came into force on 24 March 2022. Member States have two years to incorporate the new provisions into their national law, i.e. until 25 March 2024.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

Kramer E., <u>Revision of the 'Eurovignette' Directive</u>, Initial appraisal of a European Commission impact assessment, EPRS, European Parliament, 2017.

Malmersjo G., <u>The Eurovignette and the framework to promote a European electronic toll service (EETS)</u>, Implementation appraisal, EPRS, European Parliament, March 2017.

Pillath S., Road charges for private vehicles in the EU, EPRS, European Parliament, May 2016.

Debyser A., <u>Revision of the European Electronic Tolling Service (EETS) Directive</u>, EPRS, European Parliament, April 2019.

OTHER SOURCES

<u>Charging of heavy goods vehicles for the use of certain infrastructures</u>, Legislative Observatory (OEIL), European Parliament.

ENDNOTES

- ¹ A recast of Directive 2004/52/EC, proposal, already adopted and published in the Official Journal on 29 March 2019.
- 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 passenger 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.
- The term 'Euro class' refers to a vehicle's emission category.
- ⁴ Ricardo et al., Support study for the impact assessment accompanying the revision of Directive 1999/62/EC, 2017.
- ⁵ After an overhaul of the Commission's DG MOVE website in 2021, links to some older documents became disfunctional.
- 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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