



Road pricing and electronic tolling in Europe

revision of existing directives

MBUFA webinar, 25 Feb 2020

Outline

- State of play: why tolling? evolving EU policy objectives
- Evolution of road charging, rules and practices in place, revision of Directives, changing policy context
- **Rules on price setting:** scope, ways of charging, modulation (environment, congestion), use of revenues – part 1
- New rules on the interoperability of electronic tolling – part 2

Road transport taxes and charges in the EU

- Revenues from taxes and charges: 2.35% of GDP (2016)
- Fuel (and electricity) tax: 1.3%
- Vehicle taxes: 0.4%
 - Registration tax: 0.1%
 - Annual ownership or circulation tax: 0.3%
- **Road charges: 0.23%**
 - Tolls (distance-based)
 - User charges or vignettes (time-based)

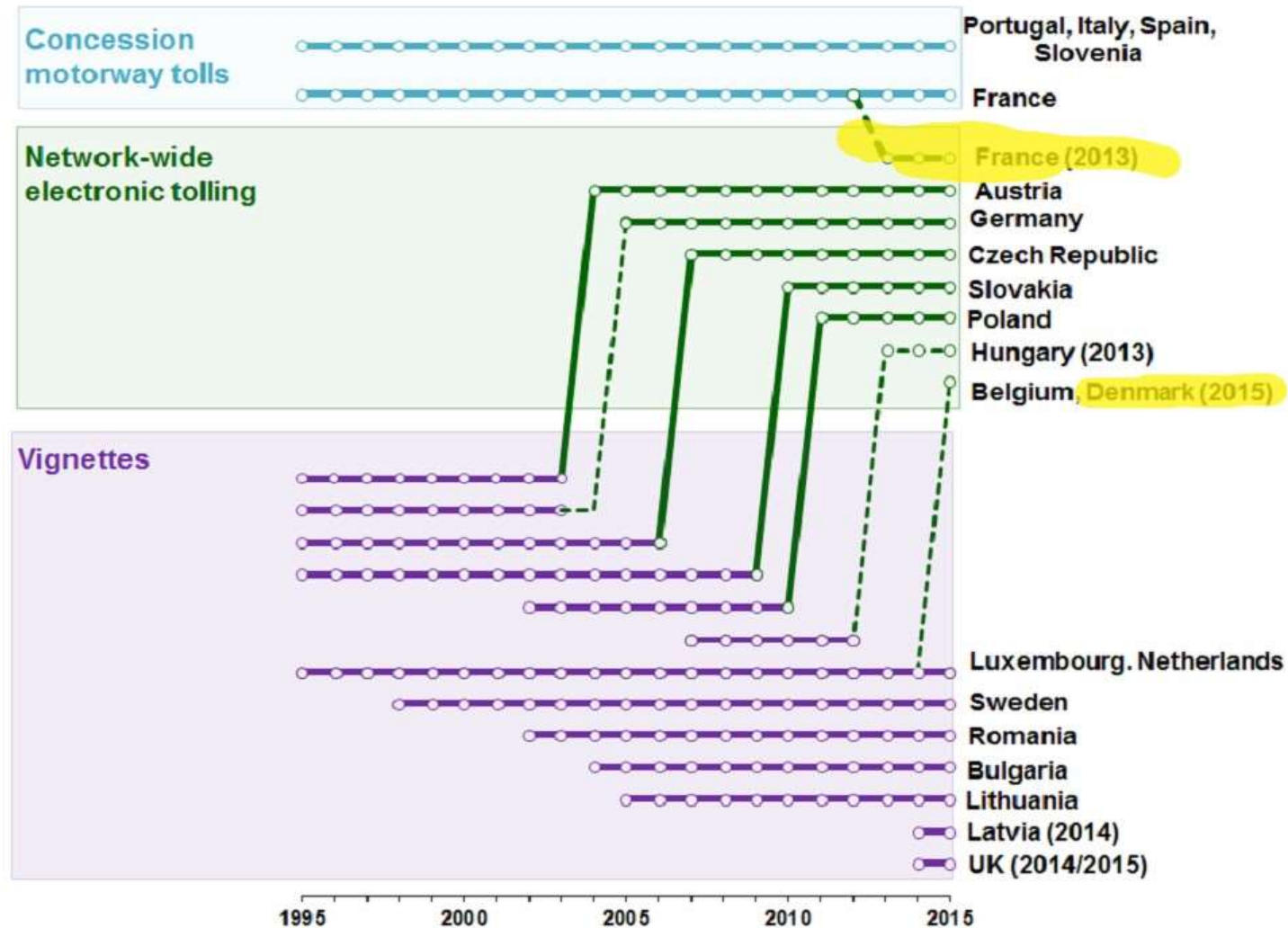
Objectives of the existing legislation

- **Elimination of distortions of competition** between transport undertakings in the Member States
- **Fairer system of charging**, based on the '**user pays**' and '**polluter pays**' principles (Treaty)
- Recovery of **infrastructure costs**
- Promotion of **sustainable transport** and reducing negative impacts of transport

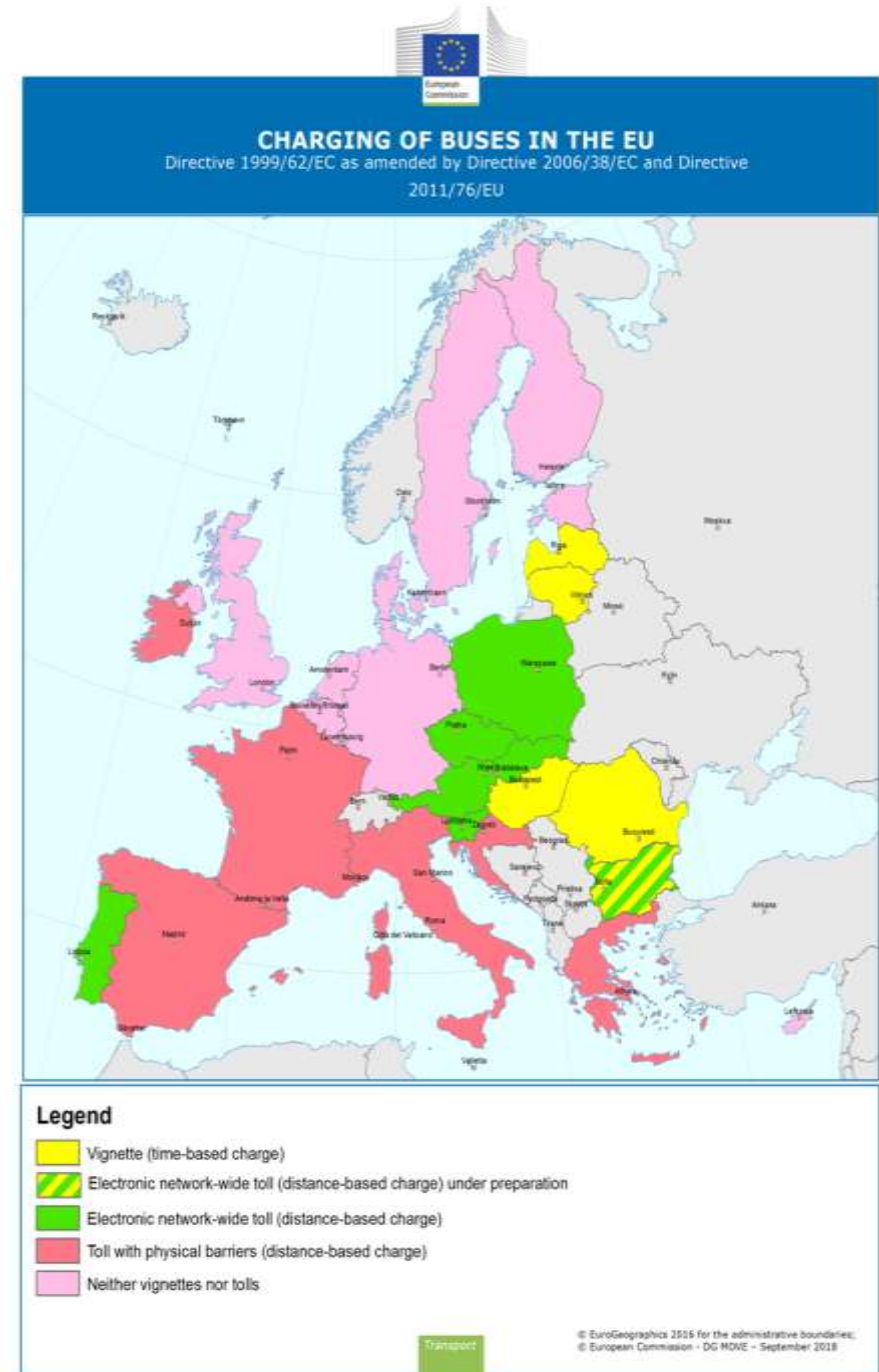
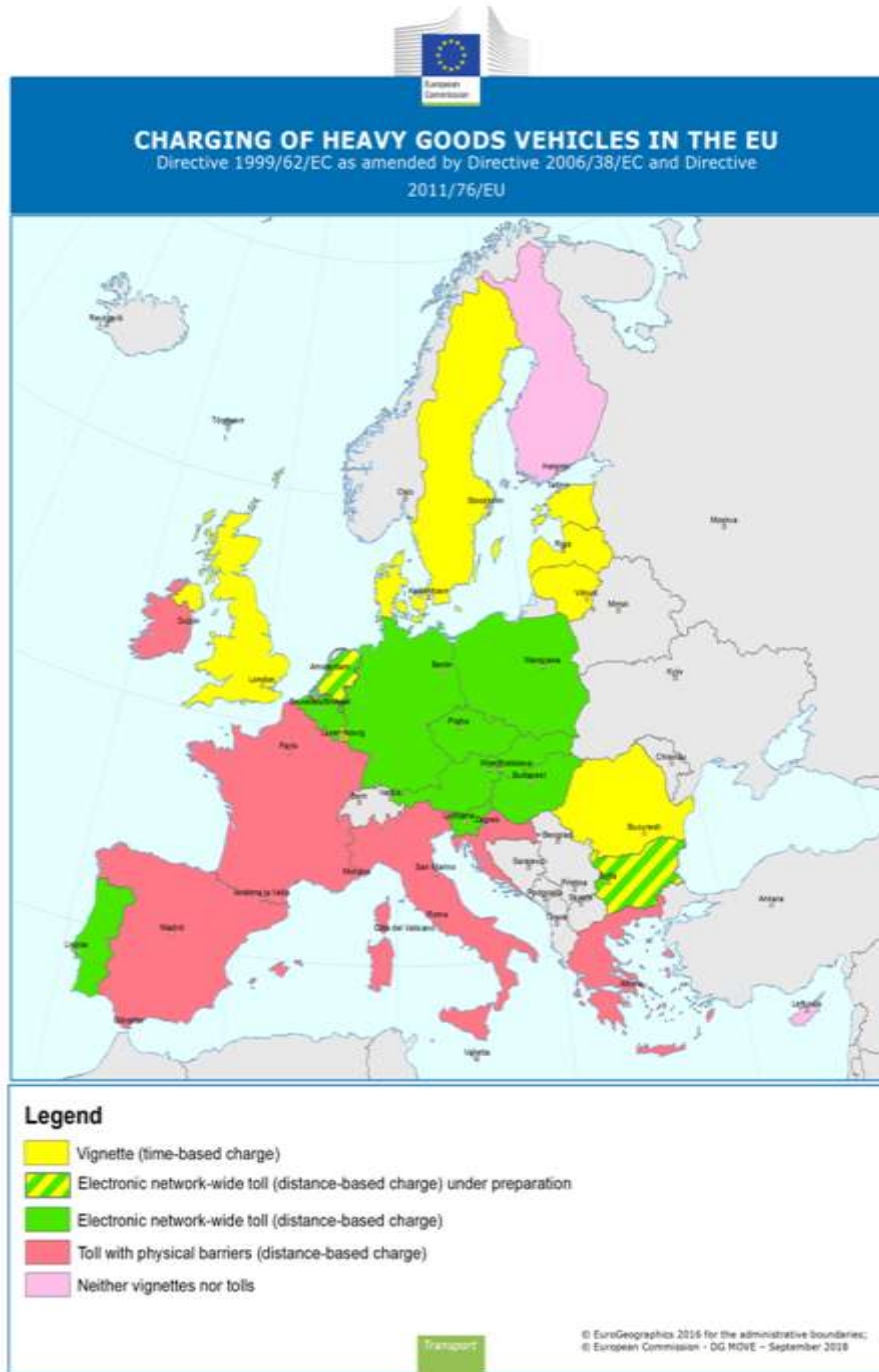
EU road pricing legislation

- “Eurovignette” Directive *on the charging of **heavy goods vehicles** for the use of certain infrastructures* – in place since the 1990’s
- Amended in 2006 and 2011
- Directive [being revised](#) following Commission proposal of 2017:
 - European Parliament position (Oct 2018)
 - Council (Member States) position (Dec 2020)
- Revised electronic tolling directive adopted in 2019 – part 2

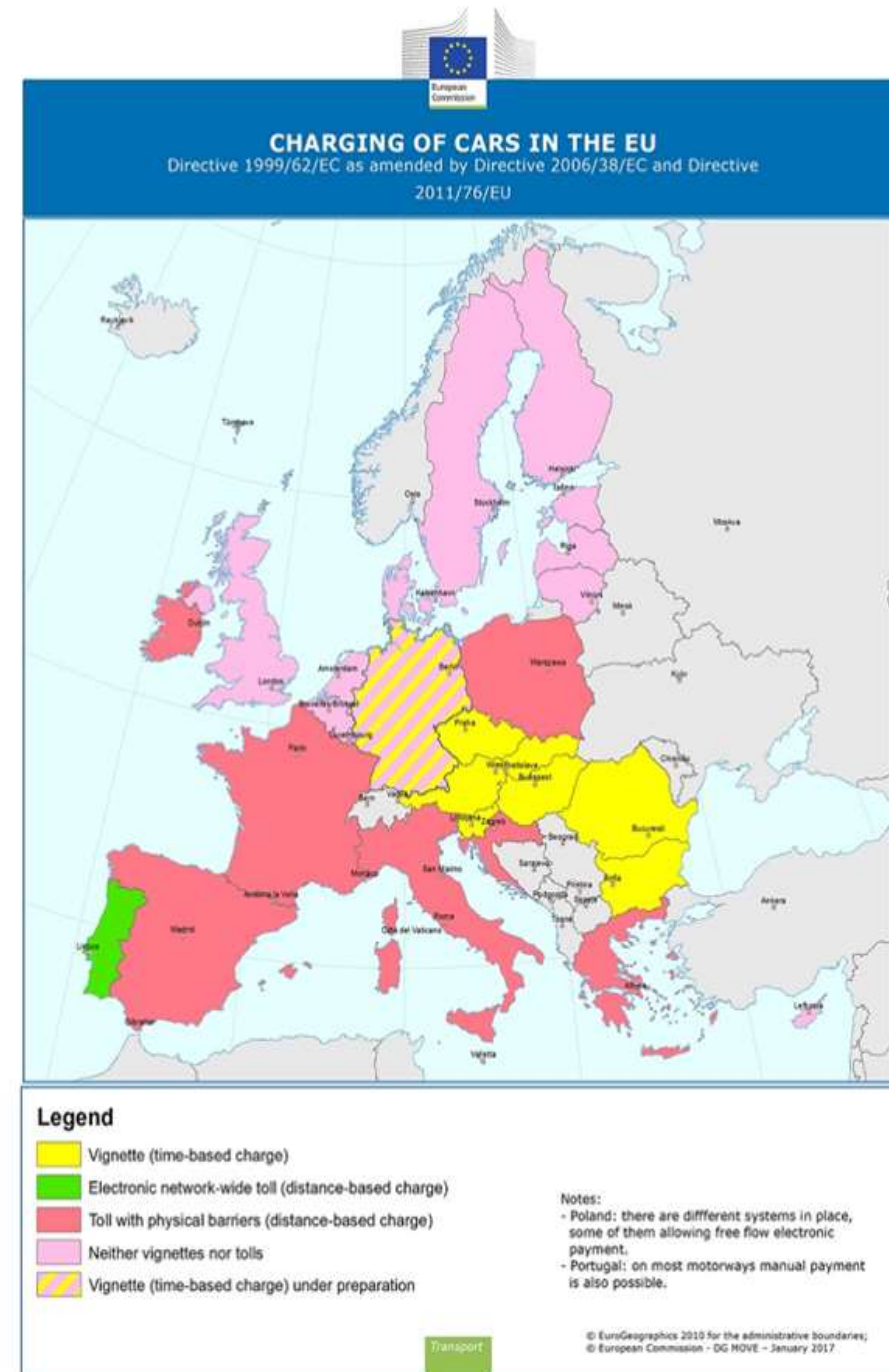
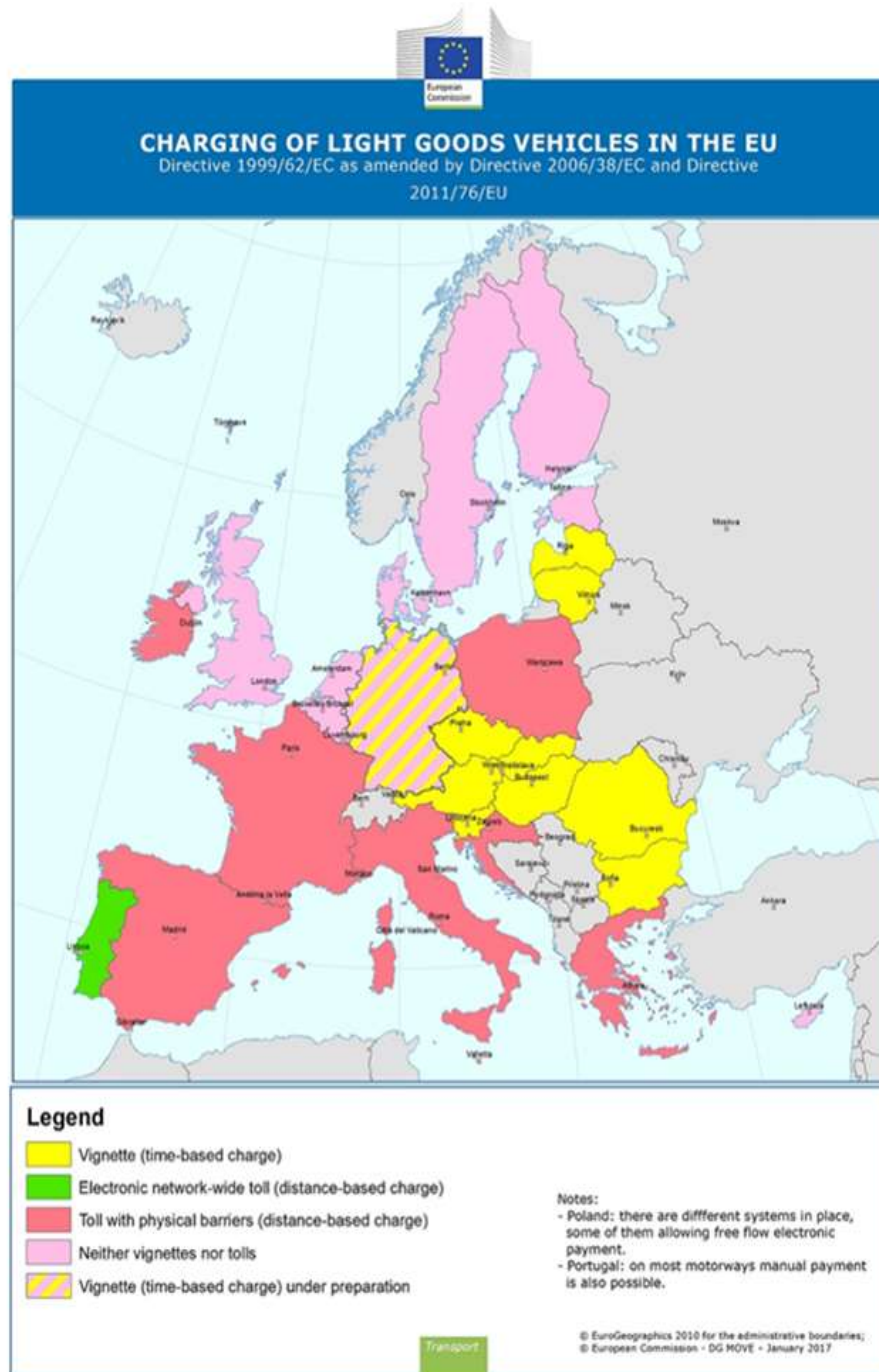
Evolution of infrastructure charging systems for heavy goods vehicles in Europe 1995-2015



Heavy vehicles



Light vehicles



Setting the charges – current rules for trucks

Tolls:

- **Infrastructure charge** based on cost of construction, maintenance and operational costs
 - may be varied based on emission class and time of day/week
- **External cost charge** for air and noise pollution (optional, limited)
- **Mark-up** – option in mountainous areas to finance alternatives

User charges (time-based vignettes):

- Annual (limited price)
 - may be varied by emission class
- Monthly (10%)
- Weekly (5%)
- Daily (2%)

Today's challenges

- Climate change
- Air pollution
- Road maintenance
- Congestion
- Risk of discrimination,
ensuring fair competition

Main objectives of the revision, new policy context

- Contribute to **Paris Agreement** through a **reduction of CO2 emissions** from road transport
- Progress on the application of the *polluter pays* and *user pays* principles, incl. contribution to infrastructure financing, the quality of roads and avoiding undue discrimination
- Policy instruments:
 - Emission trading
 - Energy and vehicle taxation
 - Infrastructure pricing

Revision of the Directive – scope, ways of charging

Scope extension

- All HGVs above 3,5t: removing exemptions
- For the first time, EU legislation would cover:
 - **Buses and coaches (similar rules to trucks)**
 - **Light vehicles (cars, vans, minibuses)**



Choice of charging instrument: tolls or vignettes, proportionality of charges

Possibility to provide compensation when introducing tolls

- Commission proposed to gradually reduce annual vehicle tax (HGVs>12t)

Revision of the Directive – toll variation

Environmental performance

- **HDVs:**
 - Variation of infra charge based on CO₂ (2019 emission standards) instead of pollutant emissions (EURO emission classes)
 - Easier but compulsory external-cost charges (pollution and noise)
- **Cars and vans:** Variation based on CO₂ and real-driving pollutant emissions
- **Toll reduction (50-75%) for all ZEV**

*New option to charge for **congestion** on top of the infrastructure charge on the inter-urban network:*

- Only if applied to all vehicles in a proportionate manner (possibility to exclude buses)
- Only on regularly congested stretches and congested hours

Revision of the Directive – investment in infrastructure

TODAY

- Earmarking of revenues only from **mark-ups** of 15-25% (only in mountainous regions)

PROPOSAL

- Possibility to apply mark-ups in all sensitive areas
 - **EP & Council: up to 50%**
- **Earmarking of revenues** from mark-ups and congestion charges to develop alternative transport infrastructure and services
 - **EP: earmark all toll revenues**
 - **Council: no earmarking!**

Electronic tolling in the EU

Electronic tolling in the EU

- **Legislative framework existing since 2004** but limited progress only
- Incomplete standardisation framework
- Lack of a genuine market for electronic toll services
- No mechanism for exchange of data on toll evaders between member states of the EU

NEW European Electronic Toll Service (EETS) Directive

- **Directive (EU) 2019/520** of 19 March 2019 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 (RECAST): <https://eur-lex.europa.eu/eli/dir/2019/520/oj>
- Interoperability of electronic road toll systems inside the EU: one contract & one single device
- Non-discriminatory access to EETS market and increased competition
- Harmonisation of technologies and interfaces
- Additional toll revenues & Savings for road users and toll chargers
- Cross-border enforcement

Main concepts of the European Electronic Toll Service (EETS) Directive

- **EETS:** *“the toll service provided under a contract on one or more EETS domains by an EETS provider to an EETS user”*
- **EETS provider:** *“an entity which grants access to EETS to an EETS user and transfers the tolls to the relevant toll charger”*
- **Toll Charger:** *“a public or private entity which levies tolls for the circulation of vehicles in an EETS domain”*
- **EETS user:** *“a natural or legal person who has a contract with an EETS provider in order to have access to EETS”*
- **EETS domain:** *“a road, a road network, a structure, such as a bridge or a tunnel or a ferry, where tolls are collected using an electronic road toll system”*

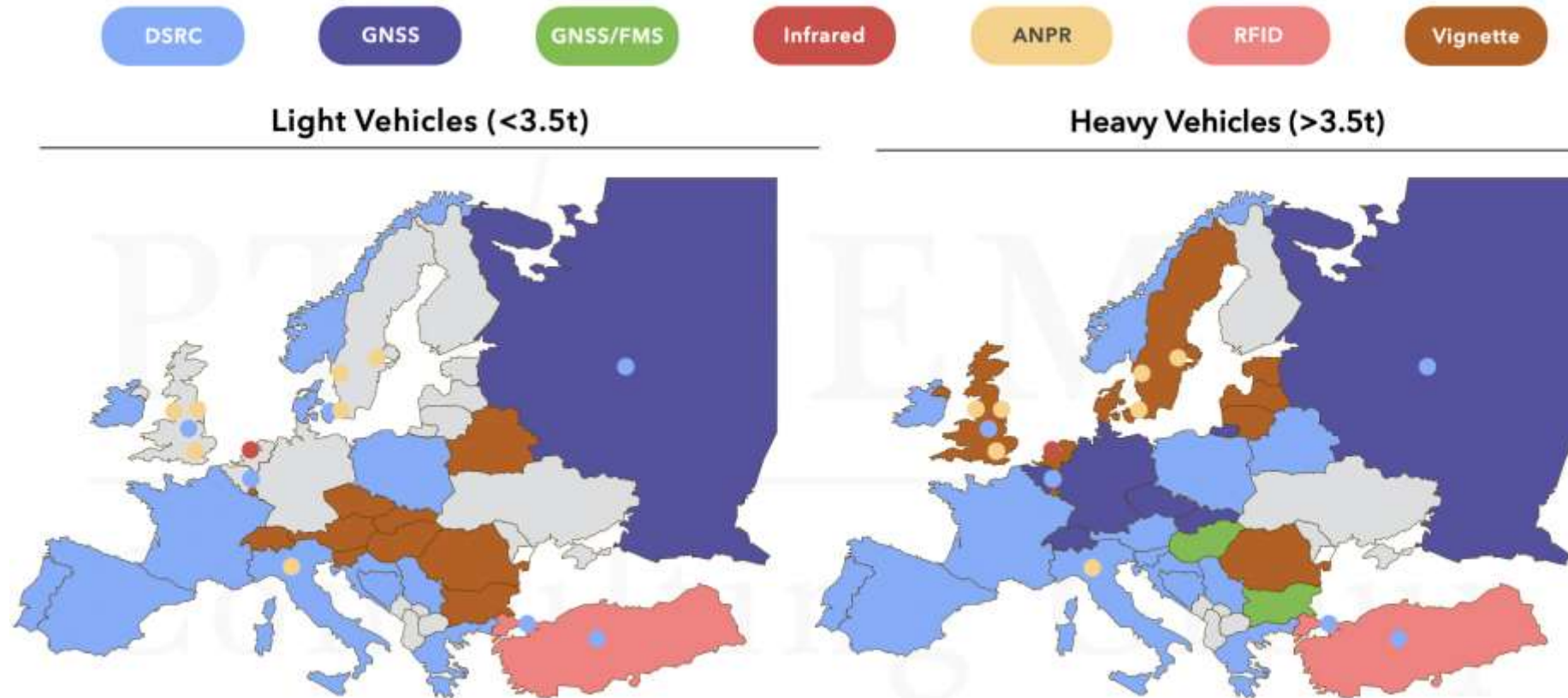
Access to the market for EETS providers

- **Requirements in terms of geographical coverage to be ensured by EETS providers:**
 - 4 member States within 3 years
- **Rights of EETS providers:**
 - Right to remuneration (methodology for defining remuneration shall be transparent, non-discriminatory and identical for all EETS providers)
 - Right to enter toll domains from beginning
 - Right to non-discriminatory treatment
- **Reference to established standards for toll charger/EETS provider interfaces**

Technology

- **3 main technologies for Electronic road toll systems using an On Board Equipment (OBE)**
 - Satellite positioning
 - Mobile communications
 - 5,8GHz microwave technology
- **The scope of the legislation is extended to video tolling systems (ANPR)**
- **Users will have one counterpart (the EETS provider) to pay any electronic toll, whatever the technology applied**
- **EETS allowed, until 2027, to serve cars with simple and cheap DSRC OBE**

European schemes by technology



Source: Electronic Tolling Global Study - PTOLEMUS Consulting Group - Dec. 2020

Cross-border enforcement

- **Key factor to ensure toll revenue and fairness between road users**
- **Applies to all kinds of tolling**, also time-based systems, light vehicles etc.
- **Automatic mechanism for the exchange, between Member States, of information on the identity of the owners or holders of vehicles for which a toll is suspected of not having been paid:** with this information, Member States will be able to follow up cases of tolls not paid by non-resident drivers
- **Simple system of exchange of information:** To reduce costs and administrative burden, the mechanism used will be the same as for the exchange of information on road-safety-related traffic offenses

Thank you



© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

Slide 16: "*European schemes by technologies*" by **PTOLEMUS Consulting Group**

