## **EUROPEAN COMMISSION**



Brussels,28.9.2017 C(2017) 6472 final

Mr Edgar MAYER
President of the Bundesrat
Dr Karl Renner-Ring 3
A-1017 WIEN

## Dear President.

The Commission would like to thank the Bundesrat for its Reasoned Opinion on the Proposal for a Directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures {COM(2017) 275 final}.

This proposal forms part of a broader package of initiatives designed to increase the efficiency of the transport system, scale up the use of low-emission alternative energy sources and move towards zero-emission vehicles, as outlined in the European Strategy for Low-Emission Mobility adopted by the Commission in 2016.<sup>1</sup>

The proposed changes are in line with the goal of moving towards full application of the 'polluter pays' principle which is enshrined in the Treaty on the Functioning of the European Union and the 'user pays' principle in order to ensure more sustainable transport and infrastructure financing.

The Commission acknowledges the concerns expressed by the Bundesrat as regards the compatibility of the Proposal with the principle of subsidiarity, in particular that the extension of the scope of the Directive to vehicles other than heavy goods vehicles with a maximum permissible laden weight above 3.5 tonnes, and in particular to passenger cars, is not justified by the initial objective of the Directive, i.e. the elimination of distortions of competition among transport undertakings. The Bundesrat also considers that the proposed measure to phase out existing time-based charging schemes is disproportionate.

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<sup>&</sup>lt;sup>1</sup> COM(2016) 501 final.

The Commission explained its approach on subsidiarity in the explanatory memorandum and in the impact assessment accompanying the proposal. The objectives of the Directive have evolved since it was first adopted in 1993<sup>2</sup>. The aim of encouraging the use of less polluting vehicles was introduced by Directive 1999/62/EC, and the objective of environmental protection was further reinforced in subsequent revisions. The promotion of sustainable transport through the application of distance based pricing (the 'polluter pays' and the 'user pays' principles), the internalisation of external costs to reduce the negative impacts of transport, including climate change, air pollution, noise and congestion have gradually become equally important objectives of the Directive.

The objectives of the current revision are fully in line with this evolution. While distortions of competition among hauliers and the impact of heavy vehicles on road infrastructure have been largely dealt with within the current scope, the impact of all types of vehicles, heavy as well as light vehicles, cannot be ignored when addressing climate change, air pollution or congestion. In addition, recent experiences with national discriminatory pricing practices affecting foreign users of light vehicles is another reason for the inclusion of these vehicles in the scope of the Directive.

The Commission therefore remains of the view that the proposal respects the principle of subsidiarity by limiting European Union level action to those areas where a coordinated approach can be more effective than action by individual Member States.

In response to the more technical aspects raised in the Reasoned Opinion, the Commission would like to refer the Bundesrat to the attached annex.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Bundesrat and looks forward to continuing the political dialogue in the future.

Yours faithfully,

Frans Timmermans First Vice-President Violeta Bulc Member of the Commission

<sup>&</sup>lt;sup>2</sup> Council Directive 93/89/EEC of 25 October 1993 on the application by Member States of taxes on certain vehicles used for the carriage of goods by road and tolls and charges for the use of certain infrastructures.

## Annex

The Commission has carefully considered each of the issues raised by the Bundesrat in its Reasoned Opinion and would like to offer the following observations grouped by topic.

As far as the inclusion of buses and coaches in the scope of the Directive is concerned, the Commission considers that this is justified by the fact that these vehicles have an impact on roads comparable to that of heavy goods vehicles, and that they are often in direct competition with inter-urban and cross-border rail transport, which is subject to track access charges. This extension, however, would not have a direct impact on Austria since it already treats buses and coaches like heavy goods vehicles. At the same time, in a number of other Member States buses and coaches are either exempted from road charging or are subject to time-based charges, which can lead to a distortion of competition among passenger transport operators.

Regarding passenger cars and light commercial vehicles, the intention of the Commission is to address the objectives identified for this proposal, and recalled above in this reply, by:

- harmonising national practices of time-based charging (vignette schemes), in order to prevent discrimination of occasional users, as a first step;
- promoting the application of truly proportionate pricing as soon as possible, in order to reflect the socio-economic and environmental impacts of these vehicles, which are, in terms of external costs, 3 to 4 times larger than the impacts of heavy duty vehicles.

*The proposed measures would however not prevent Member States from:* 

- selecting the parts of their network on which they choose to apply distance-based charging for light vehicles if they so wish;
- applying time-based road charging outside the trans-European transport network or motorways;
- ensuring that national and regional factors are taken into account when designing such road charging schemes, including the provision of compensation, where this is considered appropriate.

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