

## **Fuel and transport prices: Briefing for policymakers**

On 28 November 2000 the European Federation for Transport and Environment (T&E) and Heidi Hautala MEP held a seminar in the European Parliament on the potential synergy between the demands of environmentalists and fuel price protesters.

The recent widespread protests over fuel prices have led to a public debate on transport tax levels and how the money raised should be used. Meanwhile there has been an intensive expert debate on transport and the economy for several years that has explored ways of making the transport pricing system fairer, more efficient, and environmentally sound. The seminar looked at the potential overlap between the apparently opposing views of environmentalists and fuel price protesters.

The seminar highlighted the problems of reliance on fuel taxation as the major fiscal instrument either to raise revenue, improve the transport sector or improve, its environmental performance. The seminar arrived at consensus views that may be summarised as follows :

- Economic efficiency is not being served by increased dependency on oil in general and transport in particular;
- Taxation of transport should be based on considerations of equity and fairness between modes, and within society as a whole;
- There is general agreement that fuel taxes are a blunt instrument and an inappropriate measure to internalise external costs on their own;
- Changing transport patterns requires a combination of measures at different levels that together offer flexibility;
- A level playing field in the freight sector is most easily achieved with electronic road pricing;
- The road freight sector needs to be better regulated to conform to social as well as environmental norms;
- There is a need to initiate a broad participatory debate on these issues engaging all policy makers, experts, the transport sector and the public.

*Alongside this summary for policymakers there is a pack of background information available from the seminar on the T&E web site ([www.t-e.nu](http://www.t-e.nu)). This pack includes:*

- *Background document – overview written by T&E*
- *Oil prices and taxes in the year 2000 – EIA fact-sheet*
- *Comparative data – on fuel prices and taxation across Europe*
- *Fuel taxes – a good environmental instrument?*
- *Principles for fair and efficient infrastructure charging*
- *TERM – report on transport & the environment from the EEA*
- *Details of concessions already agreed*
- *Information on road pricing*
- *Previous T&E fuel price news release*

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