

Hearing at European Parliament, 4 November, 2014 – remarks by Jos Dings, director, Transport & Environment

Thank you very much, Mr Chairman, for organising this timely event and for inviting us to share our views with you. I represent T&E, Transport & Environment, the Brussels-based federation of 45 environmental organisations working for sustainable transport. Today I will share with you our views on user-pays systems for cars. I will not comment on the German case – much ink has been spilled over it already.

What I can say in general is that we are not terribly interested in car motorway vignettes, ie time-based fees. Environmentally you can achieve the same thing, or more, with smart car taxes, as quite a few member states are doing actually. They do not influence car use at all. And they are inevitably discriminatory – because foreigners nearly always use roads less than nationals, yet have to pay the same. So for us it's OK if the Commission takes quite a tough approach on them.

We are much more interested in use-based pricing – kilometre charging, congestion charging. Why? Because only such systems give incentives to reduce the social costs of traffic while keeping its benefits: less congestion, less emissions, less accidents. Today you will hear some stakeholders say that existing charges and taxes already pay for more than the infrastructure costs. These kinds of statements are true but they answer the wrong question. The right questions are: 1) whether user charges cover social costs of transport – which means not just infrastructure, but also the external costs, and 2) whether they give incentives to reduce these costs. And the answer to both is no. There is a very clear case for both higher and smarter user charges for cars.

Let's start with the biggest user charge there is – the fuel tax. It is a very important tax because it encourages people to use less oil, which is good for Europe, and good for the climate too. It is so much better for Europe to tax (mostly imported) oil than to tax jobs. But the fuel tax has two weaknesses. First, it does not encourage people to avoid congestion, to reduce air pollution, noise, or accidents. Second, revenues from fuel taxes are falling fast – by around 2% per year. And this trend will likely accelerate, not slow down. One reason for that is that many countries feel that if they raise fuel taxes, many vehicles, especially lorries, will avoid it by filling up abroad more often.

For these reasons, governments have been, and will be, looking at other forms of smart user charges. Since I do not see this Commission proposing a Europe-wide scheme, the question is: what can it do as a second-best?

In short, it should help by taking away some key obstacles, and avoid creating new ones.

A first obstacle is common to all and can be tackled by the EU – it is the high investment cost of setting up a system. Money. My home country, the Netherlands, was looking at a multi-billion-euro investment; it was one of the key reasons it did not move ahead. Here the EU can help. Unfortunately it is still a lot easier to get EU money for 'old' solutions – new road capacity – than 'new' solutions such as congestion or kilometre charging systems. In this context the €300bn Juncker investment package is a big opportunity that should not be missed – invest now, reap benefits for decades to come.

The EU could also help to lower costs by having more interoperability of systems. But it must tread carefully because technologies become obsolete very quickly and wrong standards create a new obstacle instead of removing one.

A second obstacle is common to all as well and the EU can help as well – privacy. Generic EU data protection rules have not proven strong enough to address these anxieties, so it is probably wise to have some specific assurances for what data tolling systems can and cannot collect and store, and what can be done with this data.

A third obstacle is disagreements on the key purpose of the systems, how high rates should be, how they should be structured, how revenues should be used, etc. On this, the EU should best stay silent. The national political discussion to get agreement on these issues is difficult enough without European interference and restrictions.

So our key message is: Europe, take financial, technical and privacy concerns away, but leave the rest of the political discussion to the member states.

Thank you.

Further information

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