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Towards a new "Eurovignette" Directive

An interview with **Mr. Dominique Riquet**, shadow rapporteur

Since 2017, the Commission has presented a series of proposals to modernise **land transport** and support its transition towards digitisation and greener standards.

Among proposals, the revision of a <u>1999 directive</u> related to the charging of heavy goods vehicles for the use of certain infrastructures, the **"Eurovignette directive"** (as a reference to an optional e-system of vignettes for Member States). Presented in May 2017, the <u>revision</u> aims at :

- Extending the rules on tolls and user charges beyond heavy goods vehicles to all vehicles
- Phasing out the use of time-based user charges
- Earmarking the revenues for the transport sector

We interviewed **Mr Dominique Riquet**, Vice President of the Transport Committee in the EU Parliament, ALDE shadow rapporteur on the proposal.

LYSIOS: The Commission proposes to extend the scope of the directive to other types of vehicles. In her <u>report</u>, the Rapporteur [Mrs Revault d'Allonnes] adds two-wheel vehicles. Do you think this extension will make consensus in the Parliament and among Member States? Should all vehicles be charged?

D. Riquet: The extension of the scope of the directive is necessary. I share Mrs

Revault d'Allonnes' views on this matter in the sense that to guarantee an equal treatment for every type of vehicles, the directive needs to be broadened. Concretely, this is translated into the taxation of every vehicle, whether heavy duty or two-wheel, for goods and passengers transportation, for private or professional use and applicable to every type of road, from national highways to smaller regional roads. This is necessary to



ensure the equal and fair application of the two fundamental principles: the "user pays" and the "polluter pays" principles. Widening the scope entails the inclusion of internalities, such as the use of the road infrastructure, but also externalities, such as polluting emissions, noise pollution and congestion.

Furthermore, it is important to note that in line with the "polluter pays" principle, tolls will not be the same for all vehicles: zero emissions vehicles will have a tax reduction rate which needs to be flexible to respond to the different levels of clean vehicles in each Member State but still remains significant to incentivise a shift of the flee toward a more environmental friendly one in the long run.

The European Parliament has been a fierce advocate of the "polluter pays" and the "user pays" principles in the

> past, which will undoubtedly be included in the Parliament's position despite some technical disagreements between political groups. The hurdle might rather come from the discussion with the Council of Ministers.

> LYSIOS: What is the rationale for phasing out the time-based taxation system into a tolling distance-based one? Is it necessary to make this replacement mandatory, as proposed by the Rapporteur in the <u>draft report</u>?

> **D. Riquet**: The current time-based taxation system revealed insufficient

when it comes to the "polluter pays" and the "user pays" principles, as it does not cover the effective infrastructure costs of vehicles' usage.

The distance-based system on the other hand is a more accurate and fair scheme to show the actual use of road infrastructure and thus better at tackling the fragmentation of the common market as well as discriminatory practices across the Member States. LYSIOS: During the December Transport Council, the Ministers opposed the idea to earmark the revenues to road infrastructures. How could a compromise be reached on this issue?

D. Riquet: I have always been a fierce advocate of earmarking for transport infrastructures but truthfully, and despite the obvious advantages of earmarking the revenues to the transport sector, it is likely to be blocked in the Council of Ministers. The principle of earmarking revenues as brought by the European Parliament into the Commission's proposal, to benefit the transport sector, was met by large consensus after negotiation between the rapporteur and the shadow rapporteurs. Nonetheless, disagreements still exist on the beneficiaries of those incomes (only on the road or with all transport modes) and the purpose of the investment (all for infrastructures or also for vehicles and R&D).

The history between the principle of earmarking and the Council has been bleak. Despite the clear benefits for transport infrastructure, Member States continue to block earmarking, which they consider as a sovereignty loss. However, this principle would help to significantly reduce the gap between the transport sector, which highly contributes to Members States revenues, and the low amount of investments it gets in return for its existing and new infrastructure.

LYSIOS: The <u>draft report</u> mentions the creation of a European Road Transport Agency. According to you, how

should the subsidiarity principle be applied in the transport sector?

D. Riquet: I have always supported the creation of a European Road Transport Agency; for this directive, I actually wrote a few amendments to call upon the Commission and the Member States to create such an agency. To be clear, the Eurovignette Directive's aim is to create a harmonised framework across the Member States. Indeed, the latter, and as I advocate, local organising authorities of mobility as well, should be the only decision makers when it comes to implement traffic tolls or not, which is fully in line with the respect of the subsidiarity principle. The creation of a European Road Transport Agency does not contradict the responsibility of Member States per se. Its role would have to be collegially decided by the Member States and the European Parliament, but it could be, for instance, only in charge of coordination.

BIOGRAPHY

Doctor of Medicine, Urological surgeon and former Head of the urological service of Valenciennes Hospital, Dominique Riquet held several political mandates as Deputy-Mayor and Mayor of Valenciennes (1989-2014). Since his first election in the European Parliament in 2009 (EPP group) and following his reelection in 2014 (ALDE group), he has been very active on transport issues and on investments. He is Vice-Chair of the Transport committee and President of an <u>Intergroup dedicated to Long-term Investments</u>.

