



IRF Press Release

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Eurovignette – a flawed deal

Europe's transport ministers have ended a two year deadlock by agreeing to a flawed text meant create a new regulatory instrument for truck tolls that bears little resemblance to the Commission's initial proposal and will do little to tackle Europe's pressing transport problems. The compromise agreement reached at Thursday's transport council is a missed opportunity for making real progress.

Although it fortunately abandons the attempt to jeopardize existing toll road concessions, it makes the European legislator a handyman for governments trying to misuse new tolls as a tax, i.e. a new revenue sources for cash strapped finance ministers. As emphasized in previous position papers on infrastructure charging and Eurovignette, the IRF insists that road users already pay more than enough charges (fuel tax in particular, external costs being outweighed by indirect benefits and often being internalized through existing measures). Therefore, tolls have to be conceived as a price for a service to the users, who urgently need efficient mobility and transport.¹

The amended directive fails to provide a harmonised, economically justified and efficient European approach to road charging. Although it establishes a number of principles for the setting of toll rates, particularly in terms of infrastructure cost recovery mechanisms, it makes these principles obsolete by

- offering member states the liberty to vary toll levels based on a multitude of factors;
- rendering the common methodology for calculating the cost of construction and maintenance to be recovered irrelevant, as it allows that the funds are not then dedicated to this effect.

The failure to impose any system of control over the expenditure of generated revenues is a failure to address Europe's crucial transport problems. Solutions to issues such as road safety, environmental damage and congestion cannot be achieved if revenues are not reinvested into making much needed improvements to transport infrastructure. Thus, the European legislator risks to provide finance ministers with new pretexts for squeezing out more funds from the road user's purse, without remedying the problems it pretends to address.

The only positive aspect of the agreement is the allowance made for private concessions, which now seems to be the only system of ensuring that receipts generated by the road are reinvested into their improvement, rather than being siphoned off to general budgets. However, it is doubtful, if the common methodology for fixing toll rates is operational for developing new Public Private Partnerships for the road and transport sector.

The flimsy deal is a missed opportunity to make real progress in Europe's transport system and offer a fair deal to European road users. It fails to address the real issues of increasing traffic flows and under investment in road infrastructure.

For further information, contact the IRF Brussels office.

¹ (See the IRF position paper: "EU Infrastructure charging: current fallacies and a constructive approach", November 2002).

The International Road Federation (IRF) is a not-for-profit worldwide federation of public and private entities promoting road development to improve the socio-economic benefits. Its membership extends across more than six continents. To the community of road professionals, the IRF acts as a source of support and information for national road associations, advocacy groups, companies and institutions dedicated to the development of road infrastructure.

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