

# ROAD TRANSPORT: WHO'S IN THE DRIVING SEAT?

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## Russia backs down from costly customs dispute, for now

A letter to the head of Russian customs from the EU's top tax official, Algirdas Šemeta, has put a last ditch and temporary stop to a costly dispute that had seen European cargo emptied at the border, the EU commissioner told EurActiv.

Earlier this year, the Russian Federation decided to forgo a UN convention that guarantees a country's tax revenue from goods travelling through its territory, called TIR, claiming that it was owed 20 billion rubles (€650 million) in unpaid levies.

Russia, Europe's third largest trading partner, then decided to impose its own national guarantees on goods entering the country from the European Union and other territories.

European officials denied that Russia was owed any unpaid taxes, and speculation has been rife as to Russia's motivation for the move.

Sources have openly questioned whether the new national tax guarantees



were designed to temporarily boost the Russian budget or an internal dispute between the customs ministry and the body in charge of dealing with TIR requests, The Association of International Road Transport Carriers (Asmap).

But on Friday (13 September) - the day before a negotiating deadline - Andrey Belyaninov, the head of the Federal Customs Service, announced that the national guarantees would only apply to customs offices "subordinate to the Siberian and Far Eastern regional Customs departments" until 1 December.

In other words, European haulers would no longer have to pay the extra guarantees beyond TIR and have their goods taken out and re-registered at the Russian border.

But the Russian minister may yet re-impose the decision after 1 December, when Asmap's contract with the government runs out.

Šemeta, the European tax and customs commissioner, believes that EU-level pressure brought the temporary end to the dispute.

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"I think it due to direct European pressure that Russia decided to stop the measure," Šemeta told EurActiv at the margins of an International Road Transport Union (IRU) conference in Vilnius, Lithuania.

### Only in Siberia

"I sent a letter on the tenth of September to the Russian customs minister Andrey Belyaninov. The ambassador passed the letter on to the minister on the 13<sup>th</sup> and he decided that the measure would only apply to Siberia and to the Far East from the 13<sup>th</sup>," he said.

The Russian decision to forgo TIR and impose national guarantees was supposed to enter into force on 14 September.

Šemeta hopes that the decision to postpone the measure will buy the EU enough time to settle the issue with Belyaninov. "Until December we have the time to negotiate and have an agreement with Russia," he said.

"I want an agreement that will protect European carriers. The [Russian] measure is clearly against the UN's TIR convention," the EU's top tax official added.

The border dispute has already caused significant disruption, due to European haulers having to pay extra guarantees and cargo arriving hours and sometimes days late.

### TIR system

Under the TIR system, haulers pay an average of \$70 (€52) per trip. While the Russian customs ministry has said that the new national system would be cheaper, the IRU estimates that new national guarantees would cost between \$300 and \$3000, if additional costs such as service brokers were taken into account.

The IRU is one of the largest actors in the TIR system, issuing some three million 'carnets' - or guarantees - around the world every year.

IRU Secretary General Umberto de

Preto expressed dismay at the Russian minister's decisions. "The IRU issues [what equates to] about €1 billion in bank guarantees for haulers every day. Do you think that as the secretary general of this organisation I'm going to allow these to continue in a situation like this?" he said.

"It's really pushing things to the limit."

Part of the Russian Federal Customs Ministry's motivation for halting its compliance with TIR was that the number of customs complaints was rising. To add to the confusion, before the current flare up, the IRU had considered Russia a model of effectiveness under the TIR system due to its low number of payment disputes.

### Increasing disputes

"Russia said the number of disputes was increasing. There are only eight [ongoing] disputes. Eight cargo loads. And you're going to call into question an entire international agreement?" de Preto told EurActiv. "If you want to claim that you are owed €650 million you have to provide documentation."

The IRU secretary-general added that if the dispute continued, many EU countries would have "good grounds" to lodge a complaint with the World Trade Organization, of which Russia only became an official member in August last year.

Lithuania, an important transit region for cargo travelling between the EU and Russia, is the world's highest per-person beneficiary of TIR. Lithuanian officials had therefore lobbied Russia heavily to continue using the international convention.

But within a matter of days, Russia decided to increase controls on vehicles entering the country from Lithuania, pulling cargo out and leaving it by the roadside as customs officials carried out their own checks.

"This appeared to be retribution," said Marek Retelski, the head of the TIR department at the IRU.

# Mega-trucks proposal runs into political roadblock

**A controversial proposal to end cross-border restrictions and length-restrictions for mega-trucks across the EU is looking increasingly unlikely to see the light of day in the current European Commission.**

On 17 September, the European Parliament's transport committee will debate issues including new aerodynamic aspects of the proposal, which unite environmentalists and the road transport lobby.

But it increasingly appears to be an academic exercise, according to the International Road Transport Union (IRU), even though the parliamentary rapporteur, Jörg Leichtfried (Socialist & Democrats, Austria), still expects his report to be adopted at the last plenary of the year in April 2014, a month before the European elections.

"If nothing goes wrong he'll succeed but given the volatility and sensitivity of the whole dossier I doubt it," Marc Billiet, the IRU head of EU goods policy told EurActiv.

"The proposal is pretty controversial for some member states and it also lacks clarity in several aspects. The Irish EU presidency didn't want to touch it. The Lithuanians won't touch it and it remains to be seen if the Greeks and Italians will actually do something with it."

"It is very unlikely that there will be any clear messages coming from the European Council before the parliamentary recess next year," he added.

The proposed new guidelines are part of a wider revision of the EU's 1996 weights and dimensions directive, whose provisions date back to the 1980s.

'Mega-trucks' are vehicles that can be

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up 25-metres long, and weigh 60 tonnes. They can carry larger volumes and the road industry say using them requires fewer trips. Current rules say that European lorries may be no longer than 18.75 metres and weigh no more than 40 tonnes.

MEPs in the European parliament have fought a small-scale guerrilla war against several of the proposal's measures and, in March last year, forced the transport commissioner Siim Kallas to apologise for neglecting to consult them.

The new EU-wide aerodynamics proposals, arguably an environmental sweetener for the legislative expansion of mega-trucks, were presented to Parliament in April, and would add devices to the back

of vehicles hitched up to 45 foot containers.

Environmental campaigners and road hauliers have united to push for a speedy adoption and implementation of these rules.

### Eye to eye

“We see eye to eye [with the IRU] on the need for more fuel efficient transport as it means less pollution and we are on a similar line on aerodynamics as again this is a very simple and cost-effective way of making trucks less polluting,” said Nina Renshaw, the deputy director of Transport and Environment, a green think-tank.

“But we don't see eye to eye on adding another 50% of weight to each truck,” Renshaw cautioned, “it would mean that

trucks could be 60 tonnes rather than the standard 40 tonnes today.”

Environmentalists say that making road vehicles longer and less manoeuvrable, as the IRU proposes, would increase the risk and severity of accidents.

“The safety reservation is a huge one,” Renshaw said. “It is not disputed by anyone that mega-trucks are more dangerous per vehicle, and we don't believe that there will necessarily be less of them out there because of road pricing schemes.”

A report for Transport and Environment by CE Delft found that allowing mega-trucks to cross national borders would make freight transport by lorry 20% cheaper.

But the IRU counters that so far, truck weights have only increased to 60 tonnes in four countries – Denmark, Finland, the Netherlands and Sweden – and their main purpose is to carry an additional volume of goods, rather than an additional weight.

### Empty running

A recent report by Steer Davies Gleave for the European Commission's transport department on EU road cabotage found “no statistical evidence” to support the view that foreign hauliers were involved in more road accidents than domestic ones.

The same paper also noted that ‘empty running’ – lorries driving without a load – was equivalent to about 22% of all vehicle kilometres driven. Reducing this phenomenon “would have a knock-on effect on CO<sub>2</sub> emissions,” the report says.

But passenger car emissions, which account for 12% of all of Europe's CO<sub>2</sub> pollution also underpin the rail sector's case against the EU's mega-trucks.

Unife, the Association of the European Rail Industry argues that any expansion of mega-truck sizes would “shift freight transport from rail back to the road, thereby resulting in a considerable increase of CO<sub>2</sub> emissions from transport”.

The IRU disputes this, arguing that the rail sector is trying hard to block the legislation because of “theoretical estimates” that are rooted in a 3% loss of transport market share by the rail industry.



# Haulier boss: Growth and road transport 'cannot be decoupled'

The new head of the International Road Transport Union (IRU) has mounted a philosophical case that economic growth and transport demand are two sides of the same coin.

In a hat tip to other successful industry campaigns against climate legislation, Umberto de Pretto, the secretary-general of the International Road Transport Union, attacked the 'polluter pays' principle underpinning EU policy as "limited and simplistic".

"The recent economic crisis has definitively showed us that economic growth and transport demand cannot be decoupled," he told EurActiv in an interview (see page 5).

"The main task of governments should not be limited to protecting the environment by suppressing any human activity or by suppressing road transport, upon which modern lifestyle and society depends," he said. "Their task should rather be to optimise all economic and human activities by promoting efficiency, especially in road transport."

Centre-right parties across Europe will fight the next European Parliament elections using variants of the theme that governments should not sacrifice business on the altar of climate change concerns.

But Christian Egenhofer, the head of energy at the Centre for European Policy Studies, told EurActiv that in reality the costs of environmental regulation to business were "very, very small".

"In the argument about reviving



European economic growth, somehow the environment seems to have become a scapegoat," he said.

Studies that CEPS had undertaken for energy intensive industries and the European Commission showed that even reducing environment-related regulatory costs "would not in my opinion make Europe any more competitive," he said, adding: "The real problem with European industry - including road transport and the car industry - is that the [profit] margins are very low or non-existent."

William Todts, a spokesman for Transport and Environment, a green campaign group told EurActiv that a lot more had to be done to force heavy goods vehicles to internalise their 'externalities' or costs to society in the shape of pollution, traffic accidents, and noise.

"You can have both economic prosperity and lower transport emissions as the examples of the UK, Sweden, Germany and Finland show," he said. "Their transport emissions stayed almost flat, while their economies grew by 40-55% over the past 20 years."

The IRU says that it has reduced its emissions by 98% since 1990 and argues that 'mega-trucks' – vehicles that can be up to 25-metres in length – should really be called "greener trucks" because of improved cabotage designs.

A proposal on the vehicles is currently working its way through the European Parliament but looks unlikely to be passed

before parliamentary elections in May 2014.

## Eurovignette

The IRU is also keenly following anticipated road pricing changes by the EU under the rubric of the Eurovignette Directive which introduced the 'polluter pays' and 'user pays' principles, in part to try to shift freight away from roads to less-polluting modes of transport such as railways.

"Every penalty on road transport is an even greater penalty on the economy and the environment as a whole," de Pretto warned. "Making EU road freight transport more expensive will severely harm Europe's competitiveness and cause further delocalisation [outsourcing of contracts]."

Environmental considerations have loomed large in the debates, because roadside emissions are responsible for around 12% of Europe's carbon dioxide pollution.

Earlier this year, the EU's European Environment Agency (EEA) called for road charges to reflect the industry's cost to society – which it estimated at €43-€46 billion per year, in health terms alone.

"Overall, air pollution is estimated to cause 100 million sick days and 350 000 premature deaths in Europe," the EEA found. "Such health effects also have a heavy economic cost."

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## Polluter Pays

But in the absence of an EU in-depth cost-benefit analysis of the balance of loss and gain in further regulation, the road industry contends that EU policy-making is contradictory.

“The problem is that policy-makers consider the internalisation of external costs merely as a panacea and tend to apply the limited and simplistic ‘polluter pays’ principle,” de Pretto said. This was

a “tax collection scheme” approach with a fatal flaw, in his view: “the decision over who should pay has automatically been taken before any cost-benefit analysis or impact assessment can occur!” he said.

Environmentalists counter that ‘Polluter Pays’ has been enshrined as a principle in EU law for over 40 years. “It’s just common sense,” Todts said.

But the argument continues over where the lines should be drawn between the needs of industry to operate at a profit and those of the EU’s citizenry for a clean and safe environment.

Business itself does not take a uniform position on the question, especially where the emerging electric economy is concerned.

“Eurelectric’s view is that, broadly, all sectors must contribute to the decarbonisation process and that electricity can provide a solution for transport,” Jesse Scott, a spokeswoman for Europe’s electricity association told EurActiv.

“Issues of competitiveness have to be looked at from a whole-economy perspective,” she said.

# Interview: Europe must not suppress road transport

Road transport drives progress and prosperity all over the world, allowing trade and thus development to happen, Umberto de Pretto tells EurActiv.



*Umberto de Pretto is the secretary-general of the International Road Transport Union. He sent a written reply to questions from EurActiv.*

**Do you agree with those who say the road haulage sector should ‘internalise its externalities’ – or pay for its knock-on costs such as pollution, road safety, noise etc - in absolute terms?**

Road transport, like every human activity, has an impact on the environment. Few other industries can boast about the environmental improvements achieved by the road transport industry. We have reduced our toxic emissions by up to 98% since 1990. Moreover, we have a commitment to further reduce our CO<sub>2</sub> emissions by 30% by 2030.

The main task of governments should not be limited to protecting the environment by suppressing any human activity or by suppressing road transport, upon which modern lifestyle and society depends. Their task should rather be to optimise all economic and human activities by promoting efficiency, especially in road transport.

The problem is that policy-makers consider the internalisation of external costs merely as a panacea and tend to apply the limited and simplistic ‘polluter pays’ principle. This approach is a tax collection scheme, which is easy to implement. But it is by no means an adequate response to the internalisation debate for a very simple reason: Policy-making should be based on some form of regulatory impact assessment. This should be nothing less than an in-depth cost-benefit analysis, and

it is central to the EU’s “Better Regulation Initiative”. The ‘polluter pays’ principle is in total contradiction with this established approach, since the decision over who should pay has automatically been taken before any cost-benefit analysis or impact assessment can occur!

In economic circles, the shortcomings of the ‘polluter pays’ principle have been exposed time and again. Its suitability as a sound basis for internalisation policies has been superseded by the Cheapest Cost-Avoider Principle (CCAP), for which Economist Ronald Coase received a Nobel Prize. Its fundamental principle is that the party which can best prevent or abate any damage at the lowest cost to the overall economy, should take action.

Local air pollution, noise, CO<sub>2</sub> emissions and accidents are already 99% internalised via various means, including registration, road user and energy taxation and through insurance schemes. Congestion costs are also already internalised by the road transport industry, unlike for other road users, such as private cars, which form the bulk of road traffic!

In this context, any double taxation or charging for road use or external costs is unacceptable for us. Why should the road transport sector be the only mode paying for its externalities? I strongly doubt that railways cover their

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infrastructure costs and externalities, as they are constantly fishing for money leveraged from the road transport sector. Several independent studies have demonstrated that, on average, the rail freight industry covers less than 50% of its external costs. Revenues from road infrastructure charging or internalisation of road externalities should not be used to fill the bottomless pits of railways!

Further charging will result in cleaner transport only if revenue is earmarked for reinvestment in the mode from which it was drawn, to effectively reduce external effects through at-source measures, such as incentives for the introduction of clean vehicle technology and investment in infrastructure.

**A CE Delft report in 2009 found that even when total taxes and charges to HGV operators were considered, the industry paid no more than 45% of its external costs – which they said amounted to €144 billion euros (in 2006). Why are you so opposed to redressing that cited imbalance?**

The CE Delft Report is just one source that was written and used to justify a new Commission proposal to introduce the internalisation of external costs in road freight transport. According to other scientific studies, up to two thirds of the external costs of road transport are already internalised through fuel duties, road tax, insurance premiums, the existing eurovignette and tolls. When congestion is not taken into account, 99% of road transport externalities are already internalised according to various credible studies. Moreover, transport operators already pay for congestion costs through higher fixed and variable costs, time losses and lost opportunity costs. We have requested on several occasions that the Commission carry out a neutral, comprehensive study which identifies who already pays what and how much, in terms of taxes, charges and duties, before a decision is taken on the need to pay more, by whom and how much. Until

now, the Commission has been unwilling to undertake such a study.

**How do you think road charging can best be structured so as to eliminate 'empty riders' which emit the most CO<sub>2</sub> for the least economic gain?**

Firstly, it should be said that hauliers do not make money driving around empty. Secondly, why should we charge road freight transport operators, who do not even decide how goods are loaded? Is that really a sensible approach? Generally, those decisions are taken by our clients, the shippers and the forwarders, and it's up to us to respond to these demands within the limits of the regulatory framework. I think creating a legal framework of joint liability for both the shipper and forwarder would better contribute to more rational decisions concerning the load ratio of trucks.

**More broadly, how can the EU's Eurotoll proposals be structured in a way that is fair to the auto industry, without incentivising more carbon-emitting road transport – that already accounts for 12% of Europe's emissions?**

Well, first and foremost, and based on conservative figures from the European Environment Agency and the United Nations Framework Conference on Climate Change, commercial road transport only accounts for 3% of Europe's total emission. A reminder is also needed that the European road freight industry has taken up its responsibilities and reduced fuel consumption and thereby its CO<sub>2</sub> emissions by 36% compared to a decade ago in absolute terms.

We need to be careful here, because the purpose of the EU road infrastructure charging legislation is not to reduce the CO<sub>2</sub> emissions of road users. Its main purpose is to cover costs relating to the use of road infrastructure and certain externalities like local air pollution and noise. Tackling CO<sub>2</sub> emissions in road transport should be done through

policies primarily aimed at reducing fuel consumption through more aerodynamic vehicle design, for example, encouraging the use of viable alternative fuels, diversifying energy use, and allowing larger capacity HGVs, such as the European Modular System, to operate wherever possible.

Moreover, there is a tremendous untapped potential for further reducing emissions in road transport by supporting and promoting, including via tax incentives, the use of buses, coaches and taxis. The EU/Smart Move public-private High Level Group has recently estimated that doubling the use of collective road transport would cut 40-50 million tonnes of CO<sub>2</sub> every year in the EU alone, at the lowest cost to European taxpayers.

**Environmentalists often say they are worried that megatrucks would allow a situation where, for example, shrimp might be transported from northern Europe to Morocco to be peeled, before being transported back to northern Europe again. Wouldn't cross-border use of mega trucks incentivise that sort of arrangement?**

The 'European Modular' Concept offers better transport, not more road transport. It's the best way to promote modality, which is why environmentalists should not worry about it, but rather support it! If we want to achieve the resource-efficient and sustainable transport system that Commission Vice-President Siim Kallas outlined in his 2011 White Paper, all transport modes will be needed. The Commission itself asserts that road transport will continue to play an instrumental role in such a network. Considering this, it is even more important to encourage road transport to green at source and to innovate. EMS is part of this innovation process and has been discussed extensively within the IRU.

We are willing to talk to the combined transport community to see how we can

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cooperate in ensuring the best possible solutions for combined transport as well. But unfortunately it seems they are unwilling to co-operate and instead follow old ways that have proven not to work as combined transport in the EU today only represent 1,78% of inland transport. If we want to keep serving the EU economy and citizens, innovation in road transport must be encouraged, as it seems that rail remains unwilling to change and thus will remain unreliable.

As for the shrimps' story, we could lose sight of the fact that road transport drives progress and prosperity in every region of the world. Trade happens because of price differences. If we say no to trade, we say no to development.

**If you want cheaper charging for trucks and vans, most literature reviews show that will increase the volume of traffic, and thus carbon emissions, don't they?**

Again, if the objective of making road freight transport more expensive is to support a modal shift policy to so-called cleaner transport modes, this policy is bound to fail, simply because more than 70% of goods transported by road are not price-sensitive. Switzerland is the perfect case study: they have some of the most expensive charging rates in Europe and yet have not achieved any of their forced modal shift targets!

The recent economic crisis has definitively showed us that economic growth and transport demand cannot be decoupled. Increased road transport demand will inevitably lead to faster fleet renewal and cleaner road transport. In this sense, every penalty on road transport is an even greater penalty on the economy and the environment as a whole. Further charging, without real business incentives to expedite the acquisition of cleaner vehicles, is therefore not the solution to make commercial road transport greener. We could moreover argue that making EU road freight transport more expensive will

severely harm Europe's competitiveness and cause further delocalisation, which in turn will generate more road transport from abroad!

**Do mega trucks necessarily increase the severity of road accidents in which they are involved?**

Several official government reports on the use of and trials with the European Modular System have not identified any additional road safety hazard relating to the use of these combinations, and have concluded that there is no negative impact on road safety. These "mega" trucks, as you call them, or "greener trucks", as I would like to call them, actually perform much better than conventional trucks when we look at braking performance, since the weight per axle is distributed much better.

**How would you respond to those who call for 100% coverage of roads in the EU's toll proposals?**

Again, the road freight transport industry is willing to pay its way and willing to internalise externalities, but it must be done in a fair, transparent and non-discriminatory way without double taxation or charging, without increasing the general fiscal burden on the sector and with obligatory earmarking of revenues to road transport projects, which will contribute to greening road transport at source. The priority must be to make road freight transport more sustainable, not more expensive. So, no cross-subsidising of railways - which should also cover their own infrastructure costs and externalities in the first place, as all transport modes should do.

**Should money raised from toll roads – which are effectively carbon charges – be used to further reduce CO<sub>2</sub> emissions?**

Reducing CO<sub>2</sub> emissions is not the first objective of the EU legislation on road infrastructure charging. However,

obligatory earmarking of revenues to road transport projects aimed at greening the sector at source can indeed contribute to reducing fuel consumption and CO<sub>2</sub> emissions. Eco-driving training, R&D in vehicle design, promotion of collective passenger transport by buses, coaches and taxis, further development of alternative fuels and their infrastructure for commercial road transport could all have a very positive impact. All we need is political will and the legal framework to support this!

**You argue that a greater use of megatrucks would not necessarily hurt the rail industry. Why do you think they are not convinced?**

A resource-efficient sustainable transport system will need all transport modes, including rail. The IRU is calling for an efficient rail and combined-transport sector for capacity reasons, but efficiency policies should not be detrimental to the road freight sector. Regrettably, the railways are delaying progress and innovation in all other modes. They refuse to see the advantages of progress and innovation, such as the use of EMS in combined transport. What better way to increase the efficiency of combined transport than bringing two instead of one containers or swap bodies to the train terminal?

Unfortunately, rail is not doing anything constructive with the competitive advantages they receive, nor with the massive public funding and political support. They cannot meet the service required by modern economies and as such are diversifying their activities into other modes, including road freight transport where, in some countries like France and Germany, they have become the largest road transport operators. Don't misunderstand me, there is nothing wrong with such diversification, but it should not be with public money which then creates unfair competitors and it should not delay progress and innovation in this sector!

# After Eurovignette, EU asks: 'For whom the road tolls?'

Seven years after the 'Eurovignette' directive, the European Commission is planning to permanently shift its method for measuring road pricing away from the time that a vehicle has spent on a motorway and towards the distance it has covered, according to a draft directive proposal seen by EurActiv.



Time-based road charging – also known as vignettes or Eurovignettes – for heavy goods vehicles (HGVs) was enabled by a 2006 EU directive. But in the new directive it is dubbed a “suboptimal tool” for applying the ‘user pays’ and ‘polluter pays’ principles which underwrite EU transport legislation.

The costs of the system, its enforcement, compliance obligations, and the administrative burden for hauliers are seen by Brussels as “disproportionate compared to the returns”.

“Vignettes should therefore be gradually replaced by distance-based charges which are fairer and more efficient,” the draft says. The changeover is planned for 1 January 2019.

“Eurovignette doesn’t work to the level we want,” Keir Fitch, the deputy head of cabinet for European Transport Commissioner Siim Kallas told EurActiv. “We need a [new] directive.”

In a measure that will please the road transport industry but prove controversial with several EU states, a substantial share – “at least 70%” – of the monies raised from such charges should be earmarked for reinvestment in roads and road transport and infrastructure, the paper says.

But hauliers may be less happy with

the introduction of “mandatory external-cost charges” to compel the industry to ‘internalise’ the estimated €144 billion a year infrastructure, health and pollution-related costs of HGVs.

“The external-cost charges are more effective for internalising the external costs of air and noise pollution, and are easier to apply,” the draft says. Multipliers would apply for ‘mega-trucks’ (or ‘European Modular Systems’), and for travel across mountain passes.

The law would also allow congestion charges to be levied on top of infrastructure charges, so long as they apply “on a transparent and proportionate basis to heavy goods vehicles, light commercial vehicles and cars”. The city caps would include a ‘multiplier’ factor for charging HGVs of 2.9.

## The future of infrastructure funding

“With public budgets increasingly constrained, we are convinced that the future of infrastructure funding lies in charging the users for the use of the road – just as trains pay track access charges and planes pay airport charges,” Kallas told the International Road Transport

Union (IRU) conference in Vilnius on 16 September.

Kallas added that EU action on congestion would follow the ‘user pays’ principle. “Let there be no doubt,” he said. “If we are not to lose the benefit of a well-functioning infrastructure, we must act soon to end years of chronic underinvestment.”

Other measures in the draft directive would simplify EU states’ notification and reporting requirements, introduce new values for infrastructure and external costs and ensure greater transparency and non-discriminatory rules for tolling schemes.

The proposals received a qualified welcome from Jos Dings, the director of Transport and Environment, a green think tank.

“It is encouraging that the Commission’s proposal aims at loosening up on issues like which type of road can be covered, but its renewed insistence on spending the money on roads is as unhelpful as it is pointless,” he told EurActiv in emailed comments. “National finance ministers, not the European Commission, decide on the best use of public resources.”

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The new proposals would also make it easier and quicker for governments to introduce and adapt toll roads.

It further specifies that all motorways, expressways and major routes used by trucks should be included in tolls - from which governments would have to opt out - rather than opting-in to such schemes, as happens at present.

### Industry concerns

Road transport industry representatives told EurActiv that they supported the inclusion of passenger cars in the congestion charge proposals. "All [road] users should be included said Michael Nielsen, the IRU's general delegate to the EU, at the IRU conference. "We think we're already paying for congestion because our trucks are being blocked. This externality is a cost for us."

Nielsen backed the "earmarking" of charges levied on road use to maintain and build infrastructure, warning that his industry would effectively be "cross-subsidising" air and rail transport if toll revenues leaked away from the hauliers sector.

"If the Commission is making a revision [of the directive], it is crucial that money is earmarked to ensure that funds for infrastructure are made available from the money they collect," he said.

Some EU states may be irked by any revision to the Eurovignette directive. The British government is believed to be in the process of introducing a Vignette system following the EU's last revision of the directive, just two years ago.

But the EU and environmental groups contend that a better model is needed than the current patchwork of national charging systems.

"Smart road tolls make trucks pay for their pollution instead of citizens, and give them incentives to clean up and become more efficient," Dings said. "But the EU law has become a deterrent for member states to introduce such tolls, instead of a stimulus."

## EU public transport could learn from Bogotá, road lobby suggests

The road transport lobby is casting admiring glances at Bogotá's rapid bus transit system as it looks to vastly increase the number of people using public transport in the EU by 2025.



The International Road Transport Union (IRU) wants to give bus and coach travel a leg up by making the doubling of public transport by 2025 an EU policy priority.

As well as creating fertile ground for bus and coach companies, the proposals contain wider benefits for society with more so-called "collective" transport, the road group says.

Encouraging motorists to use more public transport could reduce congestion in a continent choked by rising numbers of road users. The aim is to cut down on fuel consumption, therefore reducing CO<sub>2</sub> emissions, and road accident rates.

The IRU claims that it foresees a place for train travel in its "multi-modal" transport vision but the road lobby makes it clear which direction it wants EU policymakers to take the 'old world's' public transport systems - that of Bogotá, Colombia.

IRU spokespeople make specific reference to the merits of Bogotá's rapid transit system, the 'TransMilenio', which is made up of 1,400 bright-red articulated buses travelling along 11 lines, carrying an estimated 1.4 to 1.7

million passengers per day.

The TransMilenio is seen by some as a model of urban public transport, being cheaper, easier to set up than rival rail projects such as that of Colombia's second city, Medellín, and having congestion-cutting dedicated lanes.

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## Catching up

IRU collective transport expert Oleg Kamberski subscribes to that view, saying that the EU is “behind schedule in transport policies”, compared to projects such as that of Bogotá.

“There is a paradigm shift in collective transport to bus rapid transit systems. It is catching on,” Kamberski told EurActiv. “It is cheaper and easier to implement than rail.”

The IRU’s proposals attempt to make the case for a greater share of buses, as well as coaches and taxis, in the EU public transport mix. “It is in the public interest to place buses coaches and taxis ... at the heart of policy making at EU, national and local levels. Setting a clear policy and business target to increase their use and modal share - indeed double it by 2025 - will facilitate the development of a proactive public, financial, fiscal, legislative, market and operational environment”, the recommendations read.

That the TransMilenio is a public-private partnership may further pique the interest of the road group, whose proposals refer specifically to that sort of funding, which would “enable progressively a legislative, fiscal, market and administrative framework ... and to offer adequate public investment to allow collective road passenger transport to compete successfully with the private car.”

With “adequate public investment”, the IRU hopes that public support for bus transit systems may prevent it from continuing to “cross-subsidise” rail travel through road taxes such as tolls and congestion charges.

The case for bus transit is also growing across the Atlantic. The United States, often pilloried for its public transport systems, may be catching the Bogotá bug.

“Per dollar of transit investment, and under similar conditions, BRT can leverage more [development] investment than LRT [Light Rail Transit] or street cars,” the US and Africa director of the Institute for Transportation and Development policy



said at a Metropolitan Planning Council Roundtable in Chicago this month.

The Cleveland Healthline, a bus transit system in Ohio’s second largest city, has generated nearly \$6 billion in urban development funding, or 114 for each dollar invested. Other city projects have yielded similar results.

But all is not rosy for urban bus travel. Few systems have achieved the status of Bogotá’s BRT, which still has had its problems. It may have been cheaper and easier to set up than rival city Medellín’s now-renowned metro system, but the rising congestion in the Bogotá BRT led to looting and riots this year that created hundreds of thousands of euros worth of damage and left many injured.

The bus rapid transit system has done little to curb Bogotá’s crippling traffic, with rush hour transits often taking over an hour. There are also question marks over the long term “livability” of BRT as the bus exhausts spew pollutants into the city air, contributing to smog. This contrasts with rail systems, which are powered by electricity from energy plants outside the metropolitan area.

## Bus and rail

But there are suggestions that smog can be curbed using more advanced electric or hybrid buses, such as those recently launched by the city of London.

It is over to the transport lobbies to prove that an increase in public transport availability will get more people out of their cars and less CO<sub>2</sub> in the air. For that to be the case it seems that both road and

rail transits will be necessary.

A spokesperson for the The Community of European Railway and Infrastructure Companies (CER) said: “Urban transport – including urban bus - and rail are very complementary”.

The CER and IRU both claim that their modes of transport - urban rail and bus respectively - are less polluting. But they certainly agree on one thing: “Both urban bus and rail are more environmentally friendly than cars.”

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