

IMPRINT-EUROPE - Charges for Heavy Goods Vehicles
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Trans-Alpine Issues

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1 Introduction

End of August 2003, the Commission of the European Communities presented its proposal for a Directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructure ("Euro Toll Directive"). The IMPRINT-EUROPE seminar in Brussels of 1 October offered the possibility to discuss this proposal from different viewpoints. This paper takes a trans-Alpine perspective. It presents major issues in context of charging of trans-Alpine freight transport and it judges the way these issues are addressed by the proposal of the Commission.

The paper is structured as follows:

- Chapter 2 deals with the question of **road freight transport pricing in sensitive areas**. It presents pricing scenarios taking into account the specific Alpine context. The proposal of the Commission suggests specific pricing measures for road freight transport in such areas and the Alps are explicitly mentioned as an example of a sensitive area.
- **Impacts of new pricing regimes** for trans-Alpine road freight transport as estimated in recent research work are in the centre of interest of chapter 3.
- In chapter 4, we compare - in the sense of **conclusions** - the content of the proposal of the Commissions with recommendations on road freight transport pricing that have been developed within the Thematic Network on Trans-Alpine Crossing ALP-NET.²

2 Alps as sensitive area: Consequences for the pricing of road freight transport

So far, it has never been questioned that the Alps are considered as a sensitive area. The reasoning is normally based on ecological arguments. The Alps are judged as vulnerable and, because of their uniqueness, precious ecological system. Based on this judgement it is

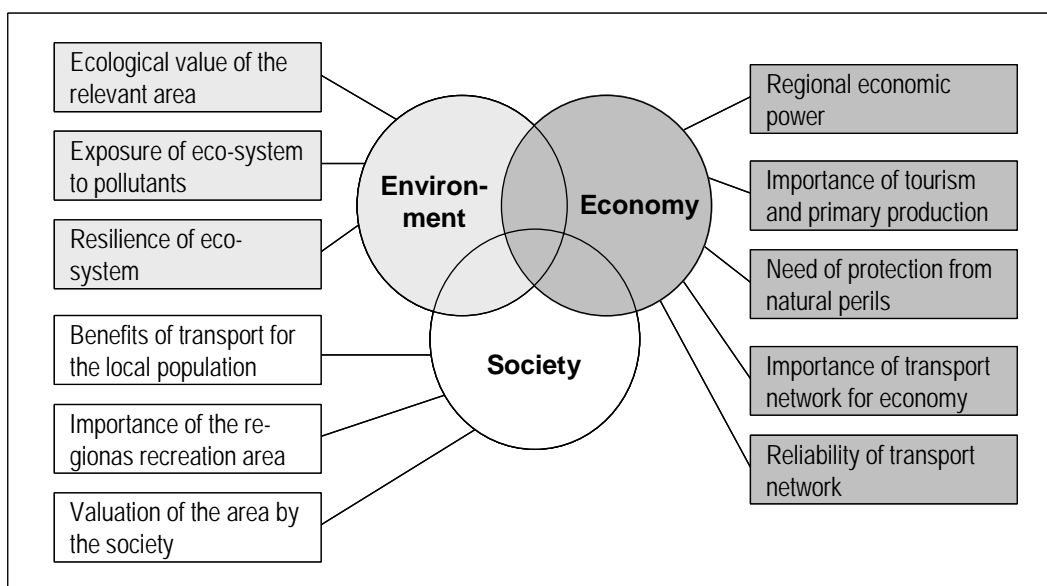
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² Established in 2001 with the support of the 5th Framework Programme "Competitive and Sustainable Growth" of the European Commission DG TREN, ALP-NET looks into the challenges and opportunities facing policy and research on trans-Alpine transport. Pricing and financing of transport is one key issue among others addressed in ALP-NET (<http://www.alp-net.org/>).

argued that there is a need for specific and partly additional policy measure to reduce adverse effects on the Alpine eco-system. This need is especially mentioned in the context of road transport whose emissions represent a considerable burden put on the Alpine environment and on the inhabitants of the Alpine region.

Other regions facing comparable situations might argue in a similar way: In urban areas, for example, residents may suffer even more strongly from negative impacts from the transport system. An open question therefore is: What are sensitive areas? A set of criteria would be helpful to come to a common understanding of the characteristics of a sensitive region. In the context of a research project dealing the with large transport infrastructure projects in a trans-Alpine corridor³, for example, a proposal for such a set has been developed starting from the three pillars of the sustainability concept, i.e. environment, economy and society (see figure 2-1).

Figure 2-1: Possible criteria to define the sensitivity of a region/area



Comments to figure 2-1:

- The criteria for the environment reflect the concerns mentioned above about the vulnerability (lower resilience or lower capacity to cope with ecological burdens) and the precious uniqueness of the Alpine environment (high ecological value of the relevant area).
- The societal criteria refer to the question whether the regional population profits from the relevant transport system in the trans-Alpine corridor. The other two criteria again refer to

³ Working paper to BBT (2002). Another example of a criteria catalogue - however restricted to ecological aspects - is contained in BMLFUW (2000).

the preciousness of the region, this time not judged from a ecological perspective but rather from the viewpoint of the society.

- The economic criteria stress the relevance of the transport system for the regional economy, but also include concerns that deteriorations in the quality of the Alpine environment can have severe economic impacts because
 - of the high dependency on tourism, a sector that benefits from an attractive nature and landscape;
 - of an additional need for expensive safety measure and protection devices;

A set of criteria - and in a next step of indicators to measure the criteria - would help to achieve a transparent procedure to identify sensitive regions in which specific pricing measures could and should be applied. But it would not immediately provide the basis needed to design these pricing measures in an appropriate way.

Starting from the pricing approach that has dominated the research work in the recent years, i.e. from the concept of short-run social marginal cost pricing (SMCP), estimates of the so-called price-relevant costs are needed to design a theoretically well-based pricing strategy for trans-Alpine freight transport. The price-relevant costs comprise three components (see Jansson and Lindberg, 1998):

- producer marginal costs (marginal infrastructure costs, i.e. costs of maintenance activities, wear&tear and of reconstruction/renewal);
- user marginal costs (congestion costs, the transport system internal accident costs);
- transport system external costs (e.g. costs of noise emissions and of air pollution);

In several research projects, attempts have been made to assess these costs for the case of trans-Alpine freight transport.⁴ The calculations show that, due to limits in knowledge and in data availability, it is very difficult to take into account in a quantitative way the several Alpine-specific cost drivers like, for example, the following ones:

- producer costs: impact of road gradients on wear&tear, impact of weather and climate conditions on renewal periods;
- external costs: impact of topographical conditions on the transmission of air pollutants and on the impacts of noise emissions;
- accident costs: more serious consequences of transport accidents in tunnels ;

Because of the difficulties to work in the Alpine-specific cost drivers into the different cost calculation models, available estimates of Alpine-specific price-relevant costs tend to underestimate the "real costs".

Nevertheless, the available cost estimates provide evidence that the price-relevant costs are clearly higher in an Alpine context than in a "European average situation". The table below

⁴ Examples are Arbeitsgemeinschaft Herry / Infrac / Prognos (1995), the QUITs and the PETS project both carried out within the 4th Framework Programme of the Commission of the European Communities.

summarises the estimates derived within the case study on trans-Alpine freight transport of the EU research project PETS "Pricing European Transport Systems" for the year 2010 (see Suter et al., 1999). The substantial uncertainties in the cost calculation are taken into account by defining an low and a high level of estimates. The low level should be understood as an absolute minimum, whereas the high level is a more plausible value and corresponds in its order of magnitude to other available cost estimates. In this paper, we only use this estimate for our argumentation.

Table 2-1: Estimates of price-relevant marginal costs of road freight transport for the year 2010, in €/ 100 tkm, PETS

Marginal cost category	European average		Alpine corridors	
	Low	High	Low	High
Producer costs (infrastructure costs)	0.41	2.04	0.45	2.45
Air pollution	0.33	0.82	0.65	1.63
Noise	0.16	0.29	0.19	0.33
Climate change	0.19	0.54	0.22	0.62
Accidents	0.08	0.16	0.09	0.18
Total	1.17	3.84	1.60	5.21

The figures in the table reveal an Alpine-specific mark-up. It differs between the cost categories:

- producer costs (marginal infrastructure costs): +20%
- accident costs: +13%
- environmental costs: +56%
- total costs: +35%, without environmental costs (+20%)

The cost estimates of table 2-1 - and similar estimates for rail transport - can be used to design transport pricing strategies. In the PETS case study four different pricing scenarios for trans-Alpine freight transport have been defined, including both relevant modes, i.e. road and rail freight transport:

- **Scenario 1:** Unconstrained marginal cost pricing, the „basic PETS scenario,, where economic efficiency is the main determinant of price setting (scenario „**SMCP**“). Both modes are priced according to their social marginal costs.
- **Scenario 2:** Marginal cost pricing subject to a budget constraint. The constraint requires that revenues gained from trans-Alpine freight transport in the base case, i.e. the present revenues, are maintained.
- **Scenario 3:** Average cost pricing where each mode has to cover its full social costs.
- **Scenario 4:** Marginal cost pricing and full cost recovery where transalpine freight transport as a whole has to cover its full Alpine-specific social costs. However, in contrast to sce-

nario 3 where each mode has to cover its costs, there is a cross-subsidisation from road to rail transport - as suggested for sensitive areas in the proposal of the Commission for the amendment of the Euro Toll Directive. In detail: It is assumed that road freight transport bears 75% of the deficit resulting in rail transport whereas the remaining 25% must be covered by rail freight transport (scenario „**SMCP+Fund**“).

In this paper, we only look at the scenarios SMCP and SMCP+Fund.

If social marginal cost pricing were introduced, the existing charging regime for both modes would have to be replaced by a regime whose charge levels are based on the estimates given in table 2-1. This replacement would lead to substantial changes in the charges and tolls levied for trips within and outside the Alpine area.⁵ Table 2-2 illustrates this fact for some selected road freight transport corridors leading through the Alps starting from the higher level of cost estimates of table 2-1. It shows the charge level for a single passage of the relevant Alpine corridors and the change compared to the charge level in the base case⁶.

Table 2-2: Scenario SMCP, charge levels and changes compared to the base case for selected trans-Alpine corridors for road freight transport for the year 2010, PETS

Trans-Alpine corridor	€/ passage	Ch'ange in %
Ventimiglia (F)	90.0	+82%
Mont Blanc	128.9	-23%
Gr. St. Bernard (CH)	85.5	-55%
Gotthard	121.9	-21%
Brenner (A)	118.7	-19%
Schoberpass	92.5	+107%

Table 2-2 shows massive differences between the corridors. They originate from

- the large differences in the road user charges and tolls of the base case (comparably high heavy vehicle fee in Switzerland, substantial existing passage charges for the Mont Blanc tunnel and for the Brenner corridor, low charge levels on the Ventimiglia corridor and the Schoberpass);
- the different lengths of the corridors within the Alpine region.

Outside the Alpine area, the introduction of a pricing regime starting from the price-relevant cost estimates of table 2-1 (high value) would lead to a substantial increase in the level of

⁵ In the PETS case study it is assumed that the new charging regimes are not only introduced in the trans-Alpine road and rail corridors but in the rest of Europe too.

⁶ The base case is the year 2010. It is assumed that there is no change in the charging regime between the end of the nineties (year of analysis of PETS) and 2010.

charges and tolls for road freight transport. An average level of 47.1 € / 100 vehicle-kilometres has been derived in the PETS case study which corresponds to more than a doubling of the average charge level in the base case.

In the scenario SMCP+Fund, the SMCP scenario is completed by a fixed passage charge valid for all corridors. The level of the fixed passage charge is defined by the need for additional revenues to achieve full cost recovery as assumed for the scenario SMCP+Fund. For road freight transport, a fixed passage charge of 94 € has been calculated.⁷

3 Impacts of new charging regimes

What would be the impacts of such a change in the charging regime for trans-Alpine freight transport? Within the PETS-project a transport model developed by the Institut für Wirtschaftspolitik und Wirtschaftsforschung, University of Karlsruhe, has been used to assess the likely effects on mode and route choice

The figure below shows the effects on modal split in trans-Alpine freight transport of the two scenarios SMCP and SMCP+Fund. The effects are shown in comparison to a reference case, the base case 2010:

- The effects on modal split are limited if a charging regime is introduced starting from the cost estimates given in table 2-1, the modal split of total transalpine freight transport remains more or less unchanged. The results do not confirm hopes that a change in the direction of social marginal cost pricing for road and rail freight transport would be beneficial for the latter. The reason is that with the social marginal cost estimates assumed in the PETS case study, rail would have to face an increase in infrastructure user charges too. The increase is first of all caused by the inclusion of external costs in the charging regime for rail (e.g. noise costs).
- For both scenarios there are considerable differences between the corridors: Whereas the share of rail transport slightly increases in the Austrian and French corridors in the case of the SMCP scenario, the Swiss corridors experience a substantial decrease. Under a social marginal cost pricing scenario starting from the figures of table 2-1, Switzerland would lose the achievements of the rail-friendly transport policy of the last decades. The results for the scenario SMCP+Fund show that this decrease can be stopped through additional pricing measures.
- The results confirm the approach for sensitive areas outlined in the proposal of the Commission for the amendment of the Euro Toll Directive: A charging regime containing cross-subsidisation from road to rail transport could contribute to achieve environmentally more friendly modal split in freight transport through a sensitive area like the Alps.

⁷ Per ton of goods transported, the passage charge amounts to 7.6 €. The passage charge for rail freight transport is lower: 4.1 € per ton of goods transported (not only road but also rail must contribute to full cost recovery).

Figure 3-1: Assessment of the change in modal split for the two scenarios SMCP and SMCP+Fund, PETS

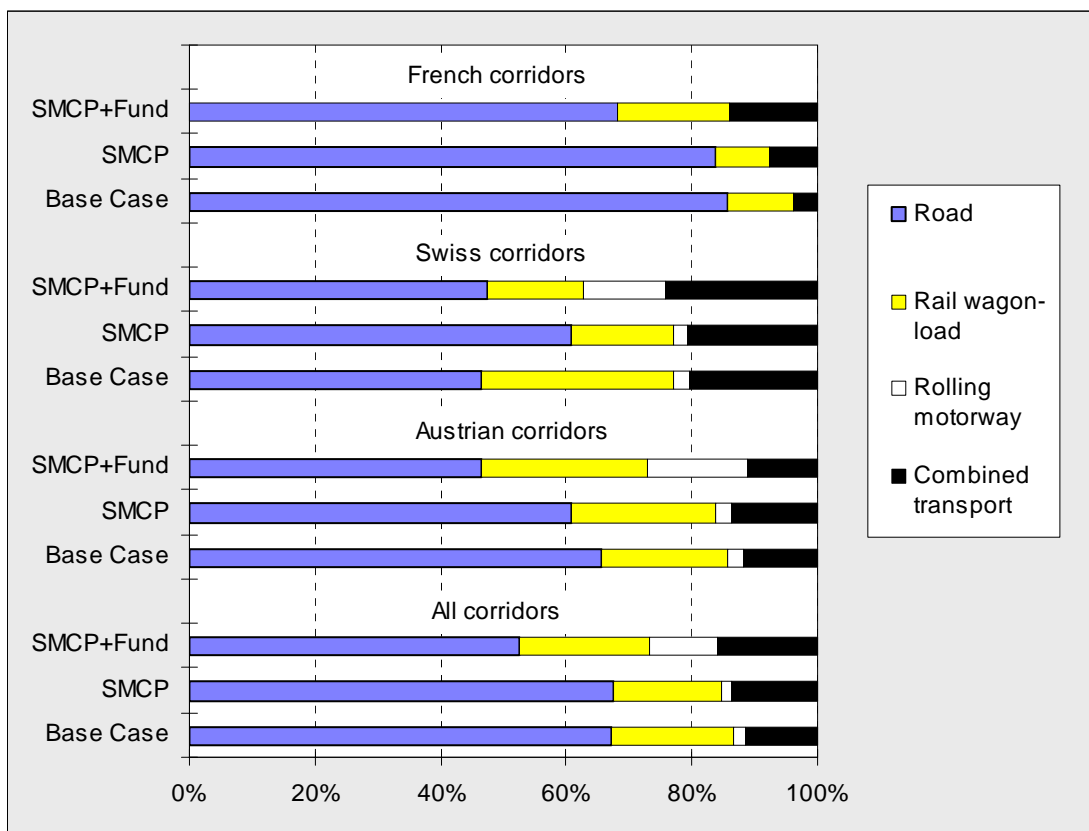
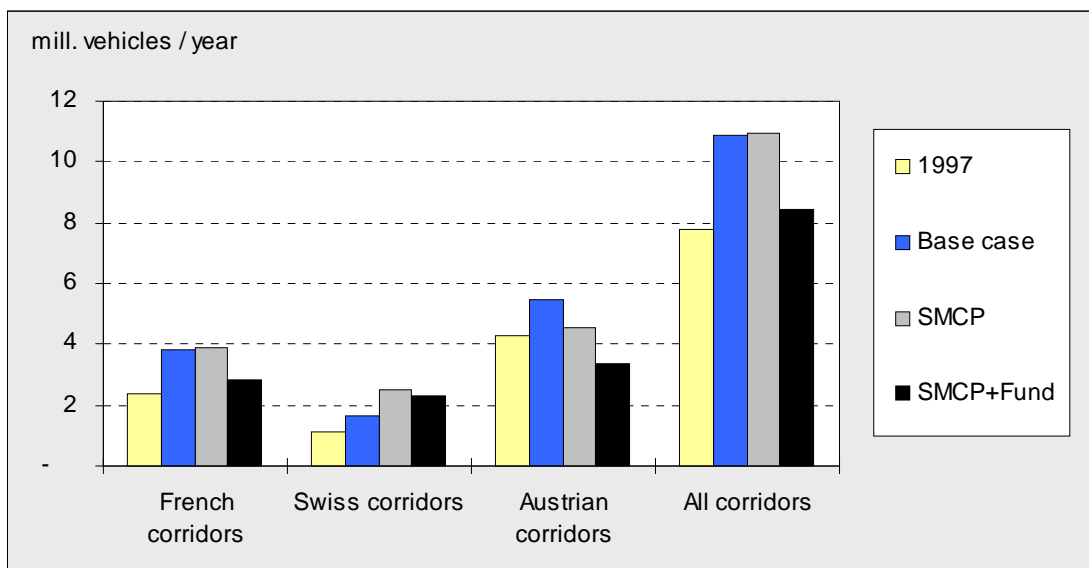


Figure 3-1 shows the relative shares of the different transport modes as calculated by the transport model for the year 2010. With regard to the political discussion even more relevant is the question of the development of the road freight transport volume measured in number of trucks passing the Alpine corridors. In the next decade, a substantial increase of total transport volume must be expected. Therefore, a decrease of the share of road transport does not necessarily result in a reduction of the number of HGV passing the Alps. Figure 3-2 summarises the estimates for the base case 2010 and the two scenarios SMCP and SMCP+Fund. They are compared with the situation observed in 1997.

The results suggest that even in the case of the „rail-friendly“ pricing scenario SMCP+Fund an increase of transalpine road freight traffic volume is assessed. Again, large differences between the corridors can be observed: Whereas the volume of the traffic using Austrian corridors decreases, an increase is assessed for the French and Swiss corridors. These results make also clear that there is a strong need for a co-ordinated procedure between the Alpine countries because changes in freight transport volumes in these orders of magnitude are a politically delicate subject.

Figure 3-2: Number of HGV passing the Alpine corridors, 1997, base case 2010 and the scenarios SMCP and SMCP+Fund, PETS



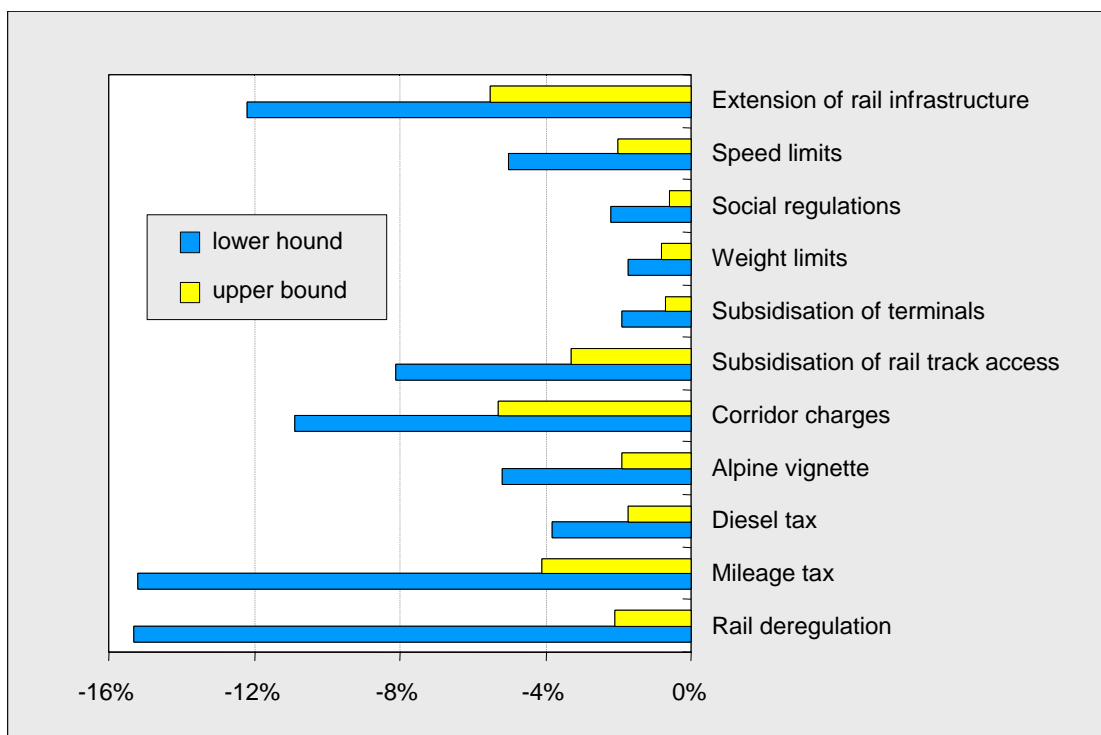
From the figures above one can conclude that the introduction of a politically realistic new charging regime or of a charging regime based on the new proposal of the Commission⁸ will not be enough to protect the sensitive area Alps sufficiently from the negative impacts caused by emissions from HGV. An effective package of policy measures would have to include additional non-pricing measures.

The potential of pricing and non-pricing measures to contribute to a more sustainable freight transport through the Alps has been analysed in the EU research project STEMM "Strategic European Multi-Modal Modelling" (Ecoplan and MDStansmodal, 1998). Figure 3-3 shows the lower and the upper bound of the effectiveness of different freight transport policy measures with regard to road freight transport volumes in trans-Alpine corridors as assessed in the STEMM-project:

- Improvements of efficiency and productivity in the rail sector are crucial to reach the objective of a more sustainable freight transport through the Alps. In the case of the upper bound of "rail deregulation" a successful liberalisation of the rail sector is assumed resulting in rail services through the Alps of a substantially higher quality level (e.g. higher punctuality, higher average speed).

⁸ When this paper was written, it was not clear what charging levels would be acceptable under the new proposal of the Commission. However, the proposal does not allow to include environmental costs to determine charge levels. Table 2-1 shows that these costs contribute significantly to the charge levels in the PETS case study. Against this background one can assume that the higher cost estimates of the PETS case study (table 2-1) is rather at the higher end of charge levels that will be tolerated under the new directive.

Figure 3-3: Potential changes in trans-Alpine road freight transport volumes caused by different transport policy instruments, relative changes in number of HGV compared to the base case 2010, STEMM



- The extension of the rail network is an important condition to make the switch from road to intermodal services possible. The effects on the Swiss corridors show that an attractive Rolling Motorway service, for example, can attract a substantial part of TAFT. The unwelcome side effect is that this service competes not only with „pure“ road transport but also with unaccompanied combined transport.
- The figure confirms the high importance of appropriate pricing measures in the road transport sector. The potential of these measures is assessed to be higher than of non-pricing measures. Nevertheless, the later contribute to an effective policy package too.

Our **interim conclusions** draw from the analysis above go as follows:

- Looking at the available estimates of the price-relevant costs, a need for action can be identified in the field of road freight transport pricing. The current pricing schemes (charges and tolls) do not accurately reflect these costs. Particularly, the non-inclusion of non-covered accident and of environmental costs give reasons for this need for action. The need for action does not only refer to road freight but also to rail freight transport (e.g. because of substantial noise costs).
- If we look in detail at trans-Alpine road freight transport, a more differentiated picture has to be drawn:

- The relatively high existing charges and tolls in the Alpine area come rather close to price-relevant cost estimates as produced in the PETS-project.
- However, road freight transport is heavily underpriced at the „European level,, (i.e. outside the Alpine corridors). If the PETS-estimates (the more realistic high level of the estimates) are used as basis to determine charge levels, the existing charges and tolls for road freight transport should be somewhat more than doubled. Thus, even from an Alpine perspective the need for action is in first priority at the European level followed by trans-Alpine corridors with currently low charges and tolls (e.g. Ventimiglia and the corridors in Eastern Austria).
- The PETS pricing scenario based on social marginal cost estimates does not lead to a substantial increase in rail transport. The change in relative prices is not high enough to induce road transport to switch extensively to rail transport. For Switzerland even the opposite effect is likely to occur: Switzerland cannot hold its high share of rail transport if a pricing regime were introduced starting from currently available social marginal cost estimates.
- The results calculated suggest that pricing based on economic efficiency objectives alone will not save rail - if it starts from the price-relevant cost rates as assessed in the PETS-project. Substantially higher productivity gains than assumed in the case study are needed if rail wants to increase its market share; by the way in a market where rail should be able to play its trump (bundled and - on average - rather long-distance transport flows).
- The results for the scenario SMCP+Fund provide evidence that the political goal of the transport policy of Alpine countries, namely to change the modal split in favour of rail, can only be achieved with additional pricing measures in favour of rail. Cross-subsidisation - as also proposed by the Commission - seems to be one possible and effective approach. Reasons in favour of such an approach can be found:
 - The analysis in PETS neglects the likelihood that the capacity of the trans-Alpine road network will become scarce if the increases of road freight transport as predicted in the case study must be managed in reality. Extensions of the road network (i.e. new tunnels) might be more expensive than the costs of increasing the rail share of total trans-Alpine freight transport (e.g. by a better use of existing Rolling Motorway services, by using more productive rolling stock in these services).
 - In chapter 2 we have argued that external cost estimates tend to systematically underestimate the real external costs of road freight transport in an Alpine context because a range of Alpine-specific cost factors is not taken adequately into account. This fact reveals the limits of a solely cost-based pricing approach in those cases where the calculation of the price-relevant costs is not sufficiently reliable. In such a situation, sustainability and/or existence value considerations could lead a step forward. The suitable pricing approach would then be based on politically defined targets and not on rather tentative cost estimates. The argument is similar with the one in climate change policy: Because it is that difficult to assess the costs of climate change, the level of CO₂-charges is rather oriented at politically defined reduction targets than at cost estimates of the damages caused by climate change.

This basic difference in the pricing approach is one of the core issues in the next chapter where the proposal of the Commission to amend the Euro Toll Directive is judged from an Alpine perspective.

4 Conclusions: Recommendations from an Alpine perspective with regard to the amendment of the Euro Toll Directive

As mentioned in chapter 1, the Alpine perspective taken here corresponds with the position on pricing and financing coming out of the Thematic Network on Trans-Alpine Crossing ALP-NET. The position has been elaborated in form of recommendations on the ALP-NET Workshop on Pricing and Financing of Trans-Alpine Transport Infrastructure held in Berne on 12 and 13 September 2002.⁹

In the following sections, we first summarise the ALP-NET position and we then identify the main points where the new proposal of the Commission is conflict with the ALP-NET-recommendations. We concentrate on the four most important ALP-NET-recommendations with regard to pricing issues:

- the role of social marginal cost pricing;
- the Alps as sensitive area: consequences for a suitable pricing strategy;
- the question of cross-financing;
- the question of harmonisation of pricing schemes;

The role of social marginal cost pricing

The position of ALPT-NET in brief:

- There is much evidence, the SMCP approach does not live up to the challenges of a complex real world. It requires preconditions that cannot be met in the real world (e.g. sophisticated implementation instruments).
- A strict application would lead to counterproductive price-signals and undesired incentives. Charges on low quality roads, for example, would be higher than on the high quality roads because of lower marginal infrastructure costs in the case of the later.
- Full cost recovery – which is often not reached with SMCP – is considered as vital for adhering to the "user pays principle". The need for a pricing scheme that guarantees full cost recovery is emphasised within ALP-NET.
- However, the core principles of SMCP are important 'signposts' in the direction of a pricing system that is more differentiated according to time, location and environmental perform-

⁹ The ALP-NET recommendations are summarised in Deliverable 6 of ALP-NET (Ecoplan, 2002).

ance of the vehicle, which will contribute to a more efficient and environmentally friendly use of existing infrastructure.

To a large extent, the proposal of the Commission agrees with the ALP-NET-recommendations:

- The approach of social marginal cost pricing is of much less immediate importance than in previous documents on pricing published by the Commission.
- On the other hand, cost recovery issues have become much more important, even though it looks somewhat arbitrary that capital costs can only be taken into account for infrastructures that have been realised in the last 15 years.
- Very much in line with the ALP-NET-recommendations is the emphasis the Commission puts on more differentiated infrastructure user charges.

The Alps as sensitive area: consequences for a suitable pricing strategy

The position of ALP-NET in brief:

- As chapter 2 of this paper, ALP-NET raises the issue of the definition of sensitive areas and questions whether only mountain regions like the Alps and the Pyrenees should be considered as sensitive.
- These sensitive areas need special protection from the negative impacts of transport. ALP-NET shares in this context the view stated in the interim conclusions of chapter 3: A so called target-oriented pricing approach is advocated to make trans-Alpine freight transport more sustainable:
 - quantitative targets (limits with regard to capacity and ecological burden) should be set in a democratic process within the European Union or the Member States;
 - charging regimes should then be used to reach these targets;
 - it is not necessary to calculate the “exact” costs of transport which proved to be very difficult in practice;
 - pricing is just one measure among others;

These two concerns of ALP-NET are not in line with the approach stated by the Commission in the new proposal:

- It is certainly positive that the Alps are considered as a sensitive area, but the proposal remains unspecific with regard to the general definition of sensitive areas. Criteria, as for example proposed in chapter 2 of this paper, are missing.
- The reason for this lack of clarification might be put down to the way the Commission intends to treat sensitive areas. Sensitive areas are not sensitive, because they deserve special protection with regard to the ecological or social system - what would basically correspond with the idea of the target-oriented pricing approach. Sensitive areas are rather marked by the fact that building alternative, i.e. non-road transport infrastructure is more expensive than in non-sensitive areas. This additional financing need can be covered with a 25% mark-up on the price-relevant costs calculated according to the rules set out in the

proposal. Altogether, there is no evidence that a target-oriented pricing-approach could be more suitable for sensitive areas.

It is probably in this point where the largest differences between the recommendations of ALP-NET and the standpoint outlined in the proposal of the Commission can be found.

The question of cross-financing

The position of ALPT-NET in brief:

- The position is influenced by the emphasis of a target-oriented pricing approach. Following this approach, cross financing from road to rail and combined transport can be useful or even necessary for the Alpine region, since railways and combined transport are vital elements to reach the relevant objective, namely a sustainable trans-Alpine transport system. According to a solely efficiency-oriented pricing approach - like SMCP in its puristic form - cross financing from road to rail should not be allowed because it penalises road transport and leads to a distorted competition between the modes.
- The examples of Switzerland and the Brenner show that user charges for new railway tunnels will cover only a very small part of the investment and operation costs. These projects need large amounts of funds from other sources (state and/or cross finance). Analysis for Switzerland in the EU research project UNITE (see Wickart et al., 2002) come to the conclusions that the efficiency or welfare effects of cross-financing schemes in the transport sector should not be overestimated.
- ALP-NET sees different possibilities for the use of revenues from road pricing schemes, cross financing from road to rail just being one of them:
 - It is recommended to consider the possibility to earmark revenues to projects for environmental improvements or for compensations for inhabitants or regions suffering from transport externalities.
 - According to the subsidiarity principle the use of revenues from road pricing should be entirely up to the Member States. This includes cross financing across regions and modes.
 - Revenue from road pricing should not be exclusively earmarked to the transport sector. It might also be wise to reduce other taxes such as non-wage labour costs.
- Finally, the ALP-NET-recommendations stress the need to define clear preconditions for cross-financing:
 - no relief of the pressure to increase productivity in the railway sector;
 - co-ordination between the Alpine countries in the extension of the trans-Alpine railway infrastructure to prevent over-capacities;
 - limitation in time and periodical evaluation of the rationale behind the earmarking-/cross-financing-scheme;
 - restriction of cross-financing to dedicated and specific projects;

The Commission proposal is more restricted when it comes to cross-financing: The proposal is based on the principle that the revenues from road tolls and user charges must be used to cover the costs for maintenance and reconstruction/renewal work in the road network where the tolls and charges are levied or in the transport sector as a whole. As mentioned above, the latter is especially relevant in the context of the mark-up in sensitive areas. The revenues from this mark-up should only be used to improve the existing road transport infrastructure or to develop alternative, in most cases rail infrastructure.

Thus, the proposal allows for cross-financing but only within the transport sector. In contrast to the existing Euro Toll Directive 1999/62/EC the Member States cannot not use the revenues for other public expenditures (e.g. health care). According to ALP-NET, the Member States should have this option.

The question of harmonisation of pricing schemes

The position of ALPT-NET in brief:

- It is recognized that the territoriality principle ("pay where you use the infrastructure") should play a more important role in future charging regimes. And, flat taxes should be replaced by mileage related charges in order to increase incentive effects. These charges should be levied on the whole and not only on the main road network.
- Non-discrimination is confirmed as an important principle, but it must be understood correctly:
 - all nationalities have to be treated equally, it is not allowed to charge similar foreign vehicles at a higher rate than domestic vehicles;
 - but non-discriminations does not mean equal prices throughout Europe: price differences are possible due to different costs and traffic levels;
- A harmonisation of cost calculation methodology across countries is advocated.
- It is agreed that the following costs should be reflected in an appropriate transport pricing scheme:
 - infrastructure costs (=producer costs)
 - congestion costs (=user costs)
 - external costs (air pollution, traffic noise, accidents, health costs, etc.)
- No agreement was found whether lower and upper boundaries of charge levels should be defined at EU level.

In many respects, the proposal of the Commission does not correspond with these recommendations:

- There is no obligation for the Member States to introduce road user charges. Thus, there is also no lower limit for the charge levels.
- The objective of the proposal is to prevent too high charge - if charges are introduced at all.

- A substantial difference consists in the relevance of environmental costs for charging: According to ALP-NET, they should immediately affect the charging levels. In the proposal of the Commission they only play a role as basis to define useful differentiations of charges.
- The proposal refers to charging of the TEN-network. However, it is somewhat unclear in this context: On one hand, Member States need the approval of the Commission if they want to introduce a charging scheme on trunk roads with a potential for diverting traffic. On the other hand, in accordance with the principle of subsidiarity, the Member States are free to charge whatever they want on road that are not part of the main road network.

ALP-NET considered the new proposal of the Commission to amend the Euro Toll Directive 1999/62/EC as chance to make a step ahead, as an opportunity window to improve the general set-up for road freight transport pricing in Europe. In the four preceding sections, especially those points have been highlighted where ALP-NET recommended other, in most cases more far-reaching solutions. This discussion should not give a wrong impression: From the point of view of ALP-NET, the new proposal presents a progress compared to the legislation actually in force. This progress is mainly seen in four points:

- explicit support of kilometre charging for heavy goods vehicles;
- inclusion of all heavy goods vehicles not only of those with a total weight of more than 12 tons;
- inclusion of some external costs (uncovered accident costs);
- emphasis of the need to implement more strongly differentiated charging schemes.

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