

# The European Union Legal Framework as a Model for Road Transport

## 1. White Paper

Speaking generally about transport in the Euro-Mediterranean context, one should bear in mind that the Mediterranean area is vast and that the countries are closely linked with each other with many ties. In the economy, trade is growing each year. In this goods transport plays a crucial role.

Therefore the European Union gives great importance to transport as a key factor in modern economies. Two of the fundamental freedoms have connections with transport: there could not be free movement of goods without a well functioning transport system. Transport systems couldn't be effective without the freedom of providing transport services.

In facilitating commercial, economic and cultural exchanges, transport also contributes to the achievement of integration. The successful transport policy of the European Union has achieved considerable progress in fighting the negative effects of long distances that the peripheral countries are encountering. It even may be said that thanks to transport and the internal market, there are no really peripheral countries in the European Union.

Transport policy is one of the European Union's most important common policies. However, an analysis of the transport sector today reveals a somewhat mixed performance. While market integration has undoubtedly made progress over the last ten or so years, with positive effects on the mobility of goods and people, it has not been accomplished harmoniously:

- the modal split is slanted towards road transport - which currently accounts for 44% of the carriage of goods and 79% of passenger transport - while rail transport, with a market share of barely 8% and 6% respectively, is in decline;
- the European transport system is prey to growing congestion and pollution.
- finally, with demand for mobility growing and sustainable development compel us to make new choices.

This uncompromising analysis is the point of departure for the proposals in the White Paper to change the direction of European transport policy in order to adapt our mobility system to the new challenges.

In order to promote a transport policy that sacrifices neither economic growth in an enlarged Europe nor freedom of movement, the essence of the challenge is not to restrict mobility as such, particularly since people in our society increasingly view mobility as their right, but to make the mobility system more balanced, smarter and more environment-friendly.

The White Paper proposes to do this by gradually breaking the link between transport growth and economic growth, principally in three ways:

- changing the modal split in the long term,

- eliminating bottlenecks and tackling congestion,
- placing safety and quality at the heart of transport policy,

For example, if action is not taken, congestion will quickly go from bad to worse. The demand for mobility will not diminish, regardless of the state of the economy, however bad it may be. Consequently, the increase in transport demand is a key constant. There are two reasons for this:

- firstly, the spectacular rise in car ownership, a veritable symbol of freedom for every European of driving age.
- secondly, the emergence of an economy in which “just-in-time” is the order of the day and stocks have been shifted on to the roads.

If no action is taken to distribute the predicted increase more evenly between the different modes, HGV traffic could increase by 50% by 2010 compared with its 1998 level.

There is nothing inevitable about this, however: in the United States, the railways have a market share of 40% and they carry 30% of passengers in Japan.

The very real risk that the predominance of road transport will be perpetuated highlights the need to act quickly in order to reconcile transport with sustainable development. Road transport bears a particularly heavy responsibility, since it generates 84% of all CO<sub>2</sub> emissions attributable to the transport sector. In addition, if we fail to act, CO<sub>2</sub> emissions from transport are likely to increase by half as much again between 1990 and 2010.

In order to restore genuine mobility and limit environmental nuisance, it is essential to promote transport modes which have unused capacities, such as the railways and waterways.

I would like to stress that we are proud to say that the European Union is the most advanced and successful achievement in economic and political integration of sovereign countries at a continental level and that the transport policy is one of the European Union’s most important common policies. But, once more, the way transport is carried out shows a remarkable imbalance in the modal split: in EU-25 land transport of goods is 72% by road, and only 16.4% by rail, 6% by inland waterways and 5.6% by pipelines. The success of road transport is undeniable, and much of the EU economic performance is based on the reliability, customer-friendliness and flexibility of road transport. But the price to pay for this success is congestion, road accidents, and a considerable negative contribution to climate change. These were therefore the main challenges the Commission tried to tackle when designing a transport policy for the EU in a White Paper it published in 2001<sup>1</sup>. Congestion costs amount to more than 1% of GDP (coincidentally, the same amount as the EU budget this year!), CO<sub>2</sub> pollution adds to the warming of the atmosphere, while road accidents take away some tens of thousands human lives every year in the EU-25. The White Paper included a programme of more than 60 measures that at

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<sup>1</sup> “European transport policy for 2010: time to decide” COM (2001) 370 of 12/09/2001.

the time was largely endorsed by the European Parliament, and also backed by the Council of EU Ministers for a significant number of measures.

A number of measures were planned to rebalance the modal split among the different modes and to improve the service offered. The most important groups of measures concerned market opening, notably of railways, investment in infrastructure (the so-called trans-European networks), introduction of charges for the use of the infrastructure and a tightening of safety and quality requirements.

The White Paper recognises the success of the road transport industry over the last ten-fifteen years and tries to set it in a comprehensive and integrated context together with the other modes, highlighting their complementary roles. What the White Paper attempts to do is **to set the scene for a sustainable transport policy** that will allow the progress of recent years to continue, but with a reduced level of environmental nuisances, will ensure fair conditions of competition (a level playing field) across all modes and will address the really serious problem of congestion that is starting to impact on the efficiency of transport operations.

The road transport industry in the European Union is enormous both by size and capacity. It has more than 2 million employees in goods transport and nearly 1,5 million in passenger transport, forming over 70 % of employment in the whole transport market. The number of companies is over half a million in goods transport and it is approximately quarter of a million in passenger transport, which is 97 % of all the transport companies. Goods transport by road totals in more than 1.500 billion ton-kilometres a year with a turnover of more than 200 billion euros. It is clear that road is the backbone of all logistic chains and there are nearly no operations without the involvement of road transport.

In order to further promote efficiency in supply, I would like to note one major project here, namely the European satellite navigation project Galileo. The future impact of Galileo is enormous for road transport of goods both by helping to find optimal routes and having a track of the movement of merchandise at all times. I am pleased to note that Morocco has just joined the Galileo programme as the first African country.

## **2. Evolution and main features of the regulatory framework of transport in the EU.**

To start, I would like to recall the 3 roles of the European Commission:

- it has the sole right of initiative to propose new legislation - it is the driving force of the EU
- it is the executive body implementing the EU budget and the common policies like transport policy and programmes adopted by the Parliament and Council
- it is the Guardian of Treaties, seeing that the legislation is correctly applied by Member States.

It is important to bear in mind that the Community legislation concerning road transport is based on the principle of fair and equal treatment. Its main components may be summarised under four headings

- Liberalisation of Market Access

- Harmonisation of social legislation
- Technical harmonisation of the vehicles
- Establishment of a common framework for road infrastructure charging

Now I would like to tackle more in detail the road transport legislation in the EU.

The liberalisation of the transport market inside the EU is total since 1998, both for goods and for passengers. There are only two requirements to be fulfilled for an EU operator to be able to carry goods between any EU countries: being recognised as a professional road transport operator and holding a community licence. The basic rules on admission to the occupation of road transport operator are set out in legislative texts [Council Directive 96/26/EC as amended by Council Directive 98/76/EC] which apply in the same way throughout the EU.

In the EU there are three qualitative criteria for accession to the profession:

- good repute
- financial standing (a minimum of 9000 € for the first vehicle and 5000 € for each additional vehicle)
- and professional competence (Community Certificate of Professional Competence (CPC))

Access to the EU market is open to any EU transport operator who satisfies these three qualitative criteria and who satisfies national market access legislation. The Community certificate is recognised by all Member States. On this basis the transport operators obtain a Community licence [according to Regulation 881/92], with which they can carry out international transport operations on the whole territory of the EU with 25 Member States.

Let's first look at the details. I will start by

**Council Regulation (EEC) No 881/92 on access to the market in the carriage of goods by road within the Community to or from the territory of a Member State or passing across the territory of one or more Member States**

This Regulation liberalises road carriage, i.e. transport of goods for “hire or reward”. Provided that the Community carrier has a “Community authorization” (licence) he can carry out quota-free transport between two Member States, even if the vehicle is not registered in either of those Member States. He can also transit a Member State, while on a journey between another Member State and a third country and between two third countries. The only thing he can not do is to transport goods between another Member State and a third country, e.g. a Dutch haulier between Germany and Morocco. The relevant provisions in bilateral agreements between a Member State and a third country are not affected by the Regulation.

The haulier under Regulation 881/92 needs to have “access to the profession for international road transport” (in accordance with Directive 98/76/EC) and he can then apply to his own national authorities for a Community licence; he needs to carry a certified copy of that license in the vehicle.

The Regulation also covers “own account” transport; but in that case no “Community authorization” is required, nor any other carriage authorization; the “own account” haulier is not subject to Directive 98/76/EC.

A Community licence is also not required if small vehicles (< 6t. gross vehicle weight or 3.5 t. carrying capacity) are used or if the cargo consists of mail, broken down or damaged vehicles or emergency relief.

The Community licence is valid for 5 years; Member States have to inform the Commission each year of the number of valid Community licences and certified copies (corresponding to the number of vehicles).

The access to the profession is covered by

**Council Directive 96/26/EC on admission to the occupation of road transport operator, amended by Directive 98/76/EC.**

The purpose of this Directive is the improvement of road safety, the rationalization of the market and the improvement of quality of service. It also allows for uniform qualitative criteria and mutual recognition of diplomas and certificates in order to facilitate the right to freedom of establishment as transport operator.

There are four excluded categories:

- road haulage operators with vehicles with a permissible payload below 3,5 tonnes
- national haulage operations with minor impact on the market
- non-commercial passenger transport
- undertakings which have a main occupation other than that of road passenger transport operator, insofar as their transport operations have only a minor impact on the transport market.

There are three qualitative criteria to be fulfilled:

- good repute
- financial standing
- professional competence

The aim has been to get away from the quota-based regime for market access that formerly existed between Member States and to make it a quality-based regime.

Between Member States there is provision for mutual recognition of the “certificate of professional competence”.

There is also provision for mutual assistance.

*Good repute* – there are many infringements which will affect “good repute”; not only criminal offences but also serious offences against rules concerning driving and rest periods, road safety, weights and dimensions, the protection of the environment and other rules concerning professional liability.

*Financial standing* - € 9000 for the first vehicle, € 5000 for each additional one.

*Professional competence* - the content and organisation of the training course is defined in order to get a certificate of professional competence.

The knowledge needed for recognition of professional competence must cover subjects such as: civil law, commercial law, social law, fiscal law, management of the undertaking, access to the market, technical standards and road safety.

This knowledge will be established in a compulsory written examination, which may be supplemented by an oral one. Member States may exempt those who have a proven practical experience of at least five years at management level in a transport firm, but they will still have to sit a test.

There will be enforcement of the Directive through regular checks at least every five years to see if the three qualitative criteria are met.

As to the passenger transport, the market access is regulated by

**Council Regulation (EEC) No 684/92 on common rules for the international carriage of passengers by coach and bus, amended by Council Regulation (EC) No 11/98.**

The objectives of this Regulation are:

- to establish common definitions of the various international coach and bus services classified as
  - regular services
  - special regular services
  - occasional services.

The amendment by Regulation 11/98 aimed at simplifying the definitions, thereby making them clearer and giving access to the market of these three kinds of services.

Thus, special regular services include carriage of workers between home and work, pupils and students to/from schools, soldiers to/from the barracks, etc. Occasional services are services which are not regular or special regular services and concern groups of passengers assembled on the initiative of the customer or the carrier himself;

- to apply the principle of freedom to provide services, i.e. market access without authorization for all occasional services, under cover of a journey form (type of service, itinerary and carriers involved), special regular services (provided they are covered by a contract) and all own account transport;
- to maintain the system of authorization for regular services – the period of authorization not exceeding five years – which means that the holder of the authorization may operate these services in the territories of all Member States; there should be agreement with those Member States where passengers are picked up or set down, while Member States, the

territory of which is simply crossed, will receive a copy of the application (and can make comments);

- to introduce the Community licence, drawn up in accordance with a harmonised model, in order to facilitate the inspection of transport services. This licence is needed for international passenger transport operations (while Member States may decide that the Community licence shall also be valid for national transport). Any carrier who meets the conditions on admission to the occupation of road passenger transport and the legal requirements on road safety, is entitled to the Community licence; the authorities of the Member State of the carrier shall verify every five years whether the carrier meets these conditions.

Since working conditions (particularly salaries) still vary between Member States, full liberalisation may lead to competition being distorted if it is not counterbalanced by harmonised social legislation specifically for the sector. This is why we have developed very sophisticated rules on working hours, driving time and rest periods for drivers of professional vehicles that are used for the carriage of goods or passengers by road. The driving time and rest periods are registered by the tachygraph and controls are performed both on roads and in the enterprises. The new generation of tachygraphs is digital. These digital tachygraphs are already being installed on new trucks and this practice will be generalised as of January 2006. It is obvious that this kind of “social” legislation also plays an important role in strengthening road safety.

Therefore I would now like to turn to the details of social legislation and I start with the Regulation on driving times and rest periods:

**Council Regulation (EEC) No 3820/85 on the harmonization of certain social legislation relating to road transport.**

The aims of this Regulation are to avoid distortion of competition, to improve working conditions and to improve road safety by limiting driving time and providing rest periods.

The Regulation covers any driver of a vehicle that is used for the carriage of goods or passengers by road, although there are some exemptions and derogations. It only applies to transport within the Community; as regards the transport to third countries the provisions of the AETR Agreement apply. Member States are free to impose tighter restrictions for drivers of vehicles registered in their territory.

The main provisions are as follows:

- the daily driving period shall not exceed 9 hours, but twice a week it may be extended to 10 hours;
- a total driving period in one fortnight of maximum 90 hours;
- a weekly rest period is prescribed after 6 daily driving periods; but in international non-regular carriage of passengers it is only necessary after 12 daily driving periods;
- breaks of 45 minutes have to be taken after 4½ hours driving, unless a daily or weekly rest commences. This period can be split;

- a daily rest period of at least 11 consecutive hours in every 24 hours period must be allowed. However, this may be reduced to 9 hours, but not more than 3 times a week. Alternatively, the rest period may be taken in 2 or 3 separate periods during the 24-hour period with the minimum period of one break being 8 hours; in that case the minimum total rest time is, however, 12 hours.

Other provisions concern:

- The minimum age of drivers is 18 years if the permissible weight of the vehicle is less than 7,5 tonnes. For all other vehicles the minimum age is 21 years or, alternatively, 18 years, provided the driver has a certificate for a special training course. For drivers engaged in the carriage of passengers the minimum age is 21 years plus a minimum of one-year driving practice or a certificate of a special training course.

The Regulation prohibits the linkage of driver's pay to distances travelled or to the volume of goods carried.

There are general exemptions for light-goods vehicles (under a maximum permissible weight of 3,5 tonnes), passenger carriage under 9 persons, non-commercial carriage of goods, transport by armed forces and special services, transport of circus equipment, milk collection, vehicles with a maximum speed of 30 km/h and regular passenger transport within 50 km; and there are national derogations for vehicles used for transporting less than 17 persons, special services, live animals, short-distance and light-weight vehicles.

As regards enforcement: Undertakings shall organise the drivers' work and ensure that the provisions of the two relative Regulations are observed, i.e. 3820/85 and 3821/85 on the tachograph. For regular national or short distance international passenger transport service the tachograph can be replaced by a copy of the duty roster and the service timetable.

Every two years Member States must submit data, in a standard form, to the Commission. The Commission will then produce a report.

On controls we have:

**Council Directive 88/599/EEC on standard checking procedures for the implementation of Regulation (EEC) No 3820/85 and Regulation (EEC) No 3821/85 on recording equipment in road transport.**

The aim is to lay down minimum conditions for checking

According to the current text of the Directive Member States shall check:

- each year at least 1% of days worked by drivers
- at least 15% of those checks at the roadside
- at least 25% of those checks at the premises of the undertakings.

Member States shall also undertake concerted roadside operations and they shall exchange information every 12 months.

*Roadside checks* will focus on daily driving times, daily rest periods and breaks, all back as far as the previous 8 days. These checks will also concern recording equipment and they will be carried out without discrimination of vehicles or drivers whether resident or not.

*Checks at the premises* of undertakings will focus on weekly and fortnightly driving times and rest periods, compensation for reduced daily/weekly rest periods and the record sheets and organisation of the driver's time. It is, in particular, these kind of checks which will enable the authorities to uncover any infringement of the rather complicated rules on driving time and rest periods.

Based on the information supplied by the Member States the Commission will draw up a report to the Council on the effective, efficient and uniform enforcement of the Regulations. The report will include recommendations for improvement.

The Commission has proposed a modification to this Directive with the aim of strengthening of the quality and the quantity of checks performed, in particular given the forthcoming introduction of the digital tachograph in the beginning of 2006. The proposal also includes a harmonisation of serious offences and provisions for the necessary cross border exchange of information and administrative co-operation.

The electronic tachograph was introduced by

**Council Regulation (EC) No 2135/98 amending Regulation (EEC) No 3821/85 on recording equipment in road transport and Directive 88/599/EEC concerning the application of Regulations (EEC) No 3820/85 and (EEC) No 3821/85**

Another social aspect is the sectoral working time directive – Directive 2002/15/EC which was implemented by 23 March 2005 to mobile workers employed by enterprises, and will be implemented to self-employed drivers by 23 March 2009 at the latest. Before that date, the Commission will deliver a report to Council by 23 March 2007 analysing the consequences of an exclusion of self-employed drivers with regard to road safety, the structure of the profession, as well as competition and social aspects. The Directive lays down a maximum weekly working time limit of 60 hours with an average weekly limit of 48 hours over 4 months. In addition a minimum of 30 minutes break should be taken after 6 hours work.

This Directive comes as a supplement to the general working time Directive 93/104/EC as amended by Directive 2000/34/EC, implemented by 1 August 2003 and for which four elements affect road transport drivers: 'adequate' rest; 48-hour average working week over at most a 12-month reference period; free annual medical check-up for night-time workers; and 4 weeks paid annual leave.

Social rules are important for road safety, and we should not forget that although trucks are implicated in only 6% of accidents, these accidents represent 15% of the deaths, reflecting their general more serious character. The European Commission has made a priority of road safety – in the respect of all users and on all the roads of the EU.

Strong competition in the road transport sector could also lead transporters to cut the costs relative to the maintenance of the vehicles, thereby distorting competition at the expense of road safety. European legislation imposes periodic technical inspection of motor vehicles and their trailers (Council Directive 96/96/EC relating to

roadworthiness tests) as well as technical roadside inspections (un-announced inspections of a technical nature of commercial vehicles circulating within the territory of a Member State carried out on the public highway; Directive 2000/30/EC of the European Parliament and of the Council) ensuring that roadworthiness is maintained at all times.

### **Council Directive 96/96/EC on the approximation of the laws of the Member States relating to roadworthiness tests for motor vehicles and their trailers**

The aim is to achieve similar safety and competitive conditions throughout the EU. The Directive lists the categories of vehicles and the items to be tested and the frequency of the tests.

The provisions of the Directive are minimum requirements and Member States may prescribe more frequent or extended tests.

The tests shall be carried out by the State or under direct supervision of the State.

Each Member State shall recognize the proof of tests issued in other Member States for international circulation but test centres shall not be mutually recognized.

It should be noted that Directive 96/96/EC requires that vehicles should be checked against the standards to which they were originally produced. Old buses, for example, do not need to be modified, as long as the brakes, lights, etc. perform reasonably well, commensurate with the design.

The minimum roadworthiness inspection frequency is:

- *once per year* for heavy commercial vehicles, taxis and ambulances
- *every two years*, once the vehicle is four years old, for light vans and passenger cars – but most Member States test to higher frequencies.

The main items, which are tested, are braking and emissions (both gaseous and smoke capacity). The Directive specifies the inspection of all items and systems where poor maintenance can lead to a safety risk.

### **Parliament and Council Directive No 2000/30/EC of 6 June 2000.**

Directive 2000/30/EC deals with roadside inspection of the roadworthiness of commercial vehicles circulating in the Community, irrespective of their place of registration. This Directive requires Member States to supplement the annual roadworthiness test with unexpected inspections of a representative proportion of the commercial vehicle fleet on their roads each year. These inspections can be carried out at the roadside, at ports, at other locations where vehicles are parked or, more frequently in the case of Public Service Vehicles, at operators' premises.

The directive does not specify the number of vehicles or the proportion of the fleet that Member States need to inspect. This is because the fleet of vehicles circulating on the roads varies between Member States (the fleet being made up of vehicles registered in the Member State, vehicles from other Member States and those from third countries). Also, the frequency and intensity of the regular roadworthiness tests vary between Member States and any other national initiatives, such as roadside

inspections and other controls, will affect the general quality of maintenance of the vehicles on their roads.

It is therefore the responsibility of Member States to determine the scale of the roadside inspection programme bearing in mind that it should relate to the average conditions of the commercial vehicles on its roads.

On technological aims for improving the safety on roads, a directive imposes that as of January 2007, all the heavy goods vehicles which will be registered in the European Union will have to be equipped with rear view mirrors or with additional systems of indirect vision suppressing blind spots.

The potential of passive safety of the vehicles is however not exhausted and some already marketed technologies should be generalised, such as for example safety belt reminders on all seats, « new generation » head-rest and seats avoiding "whiplash" or energy absorbing front and rear under-run protection devices.

Thanks to a recent directive on the initial qualification and periodic training of professional drivers (Directive 2003/59/EC of the European Parliament and of the Council), it will no longer be possible to drive a 40-ton truck or a bus with 50 passengers just with a driving licence and no special training. This Directive ensures that professional drivers possess a solid basis and receive continuous training. These requirements will improve road safety, help people taking up the occupation and boost employment.

On top of these measures we should not forget other areas of harmonisation, most importantly the unified weights and dimensions for lorries and buses in the EU. This ensures not only equal competition, but also access to every corner of the EU. Vehicles are even cheaper thanks to the same specifications.

**Council Directive 96/53/EC laying down for certain road vehicles circulating within the Community the maximum authorised dimensions in national and international traffic and the maximum authorised weights in international traffic, amended by Directive 2002/7/EC of the European Parliament and of the Council**

This Directive allows for the well functioning of the Single Market with harmonized rules. Its aims are to set maximum limits for weights and dimensions of road vehicles and road vehicle combinations. However, the Directive applies the rules in different ways, i.e. as regards vehicle dimensions (as opposed to weight) the scope of the Directive is extended to national transport, as far as it concerns the maximum authorized width and length of lorries. Therefore,

- the Directive lays down the maximum mandatory width of all motor vehicles registered after 16.9.1997 (date on which Member States had to implement the Directive): 2,6 m for refrigerated vehicles and 2,55 m for all other vehicles.
- the Directive lays down the maximum mandatory length of all vehicles, trailers and vehicle combinations for the transport of goods registered after 16.9.1997:

Examples:

- 12 m for motor vehicles
- 12 m for trailers
- 15 m for buses
- 16,5 m for articulated vehicles
- 18,75 m for road trains

For height, free circulation throughout the EU is guaranteed with a height of 4 m.

As regards vehicle weights the Directive does not set an absolute, harmonised maximum throughout the EU. It sets certain limits, which guarantee free circulation throughout the EU.

Examples:

- 18 t for two-axle trailers
- 24 t for three-axle trailers
- 36 t for road trains, consisting of two-axle motor vehicle with two-axle trailer
- 40 t for road trains, consisting of two-axle motor vehicle with three-axle trailer
- 44 t for articulated lorries, consisting of three-axle motor vehicle with two-or three-axle semi-trailer carrying a 40 foot ISO container as a combined transport operation

Examples of maximum authorised axle weights:

- 10 t for a single non-driving axle
- 11,5 t for the driving axle

In short, the free circulation of a 40 tonnes, standard five-axle vehicle is guaranteed throughout the EU, provided the load on the driving axle does not exceed 11,5 tonnes.

The Directive requires that all vehicles shall, for control purposes, be either fitted with a plate or issued with an official document that states the dimensions and maximum permitted weights of the vehicle. Content and way of attachment of the plates are harmonised, so that police officers throughout the EU have an easy proof of compliance.

Environmental issues are also high on the agenda. All vehicles become cleaner all the time. We see two new emission standards appearing, namely euro IV already now from 1 October 2005 and euro V from 1 October 2008.

A key element for an efficient and environmentally cleaner transport sector is the way market prices influence behaviour. Thus the Commission also has a policy and legislation addressing transport taxes and infrastructure charges, across all modes of

transport. In essence, the principle is that transport users should pay the costs that they impose when using infrastructure. So transport taxes and charges should reflect the costs of using infrastructure (such as operating and maintenance costs), the congestion costs they impose, the environmental costs and the cost of accidents. We are on our way to this. The charging is currently regulated by

### **Directive 1999/62/EC of the European Parliament and of the Council on the charging of heavy goods vehicles for use of certain infrastructure**

Directive 99/62/EC sets common rules on annual taxes, distance-related tolls and time-based user charges for heavy goods vehicles of above 12 tonnes for the use of motorways. This legislation is generally called the 'Eurovignette' Directive.

The Directive aims:

- (i) to further develop both the functioning of the internal market and the approximation of the conditions of competition in the transport sector by reducing the differences in the levels and in the systems of road taxes and charges applicable within Member States
- (ii) to take better account of the principles of fair and efficient pricing in transport by providing for greater differentiation of taxes and charges in line with costs associated with road use (including externalities)

The Directive contains two main parts.

- Minimum rates for the annual vehicle tax on heavy goods motor vehicles and vehicle combinations (articulated vehicles and road trains) in accordance with the number and the configuration of axles and with the maximum permissible gross laden weight.
- Rules for tolls and user charges (vignettes). The most important of these conditions are:
  - (1) Tolls shall be levied according to the distance travelled and the type of vehicle. The weighted averaged tolls should be related to the cost of constructing, operating and developing the road infrastructure. Tolls may be differentiated according to vehicle emission classes and time of the day.
  - (2) Both tolls and user charges can only be imposed on users of motorways or multi-lane roads similar to motorways as well as on users of bridges, tunnels and mountain passes.
  - (3) The directive does not permit the imposition of a toll and a user charge at the same time. However, tolls can be levied on networks where user charges are already imposed for the use of bridges, tunnels and mountain passes.
  - (4) Tolls and user charges may not be discriminatory and should be set out in such a way as to cause as little hindrance as possible to the free flow of traffic as well as to avoid mandatory checks at the Community's internal borders.

- (5) The Directive fixes a maximum level for user charges in accordance with the given period and with the environmental performance of the vehicle (based on EURO classes) as follows:

**Annual charge**

Fuel/Weights	3 axles maximum	minimum 4 axles
NON-EURO	€ 960	€ 1550
EURO I	€ 850	€ 1400
EURO II	€ 750	€ 1250

Monthly and weekly charges are proportionate to the duration of the use of the infrastructure. The daily charge is € 8 for all vehicle categories.

- (6) Member States may vary the toll rates according to vehicle emission classes and the time of the day. Therefore, (in consideration of emission classes) tolls should not exceed 50% of those charged for vehicles meeting the strictest emission standards and (as far as time of day is concerned) no toll should be more than 100% higher than a toll levied for the cheapest period of the day.
- (7) Although the application of tolls and user charges is not mandatory for Member States, all framework conditions set out in the directive should be fulfilled in case of their opting for levying such charges. This will ensure that tolls and user charges be applied homogeneously.

The Commission is implementing this policy with sectoral laws – addressing airport charges, rail access charges, port services, vehicle taxes and road tolls for commercial vehicles. In this last case, we hope to shortly conclude amending the directive (that I just explained to you) on road user charges to encourage Member States to use tolls to provide clear price signals to the market to use cleaner, less damaging vehicles, to reduce peak hour congestion levels or even to switch mode of transport.

Developing this harmonised approach to transport taxes and charges will improve the efficiency of the transport market and ensure fairer treatment of users across the different modes. In addition, such taxes and charges generate significant revenues which can be used to finance further transport infrastructure investments – a never-ending need in the ever-growing Union.

**3. The EU model applied in the Mediterranean – introduction of elements of the EU model in the regulation systems**

It is clear that the world economy and people increasingly need transport. A very important issue is how to maintain and further develop a well functioning transport system that is balanced in modes. I would like to emphasise that by the development

of the EU road transport legislation, the establishment of the Trans-European Transport Network and other non-transport initiatives (first and foremost the suppression of internal borders between the Member States of the EU and the creation of the single market), we have a situation where every Member State is centrally located, the economy is strong and relations between peoples from different Member States are flourishing. The same kind of harmonised liberalisation would also boost your economies. My main message is that liberalisation of transport services is good for the economy, but that in the interest of safety, quality and fair competition it must go hand in hand with regulations on professional qualifications, working conditions, technical and environmental standards for vehicles, and road safety.

As to the EU market arrangements for road transport being a model, I leave it to your judgment in the light of your national and regional context, and your needs and aspirations, but it is clear that gradual approximation and familiarisation with the EU law is also the main goal of our cooperation.

What I can surely tell you is that the European Commission is active in all areas of road transport in order to guarantee mobility, accessibility and sustainable transport for everyone, for citizens and for companies, for small and large Member States, wherever they are located, taking due consideration of the negative effects of transport and finding solutions to tackle them. On the basis of our experience, we are always open to work with our neighbours and partners on transport questions and offer advice or technical assistance, if requested.

We have many possibilities to this cooperation in the framework of our existing assistance programmes and in the Neighbourhood Policy.

Naturally, a further aspects in our cooperation are the transport links between your region and the EU. I will not go into them in detail, but I would like to mention the very interesting work which is soon coming to a conclusion on the extension of the major trans-European transport axes to the neighbouring countries and regions.

This is done in the framework of the High Level Group which is working on projects to extend the Trans-European Transport Networks to countries neighbouring the EU, on which I will say now a few words before concluding.

The HLG was set up by the Commission in September 2004, is made up of high officials from more than 40 countries and International Financial Institutions, and is chaired by Ms Loyola de Palacio, former Vice-President and Commissioner for Transport and Energy in the European Commission

The objective of the HLG is to better connect the Union with the neighbouring countries or broader regions by identifying a set of major trans-national transport axes and priority projects on these axes.

In order to enhance efficient use of the transport system and to promote the implementation of common rules, the Group will also make proposals to the Commission on so called "horizontal priorities". These include among others strengthening of regional co-operation, ensuring technical and administrative interoperability, implementation of new technologies like traffic management systems, as well as measures to improve safety and security.

## **Conclusion**

As you can see, we are active in road transport not only in Europe, but also beyond its boundaries. I would like to conclude by stating once again that the European Commission sees itself as a driving force in all areas of road transport in order to guarantee mobility, accessibility and sustainable transport for everyone, for citizens and for companies. We do so inside the EU, we want to cooperate with our partners to promote these values and objectives in the world.

Together we will keep the world rolling!

Thank you for your attention.

### ***Defensive points***

#### **What is your recommendation in order to develop a coherent framework for international transport, in particular road transport?**

I think that the experience of the EU can be taken as an appropriate model for this region, not only for what we have been able to achieve but also to learn lessons from the mistakes we have made. The key word in facilitating transport is harmonisation. The definition of harmonised requirements for access to the market, for social conditions and for technical requirements will ensure that there is fair competition. Starting from compete level playing field it is easy to move to closer cooperation and market opening to provide road transport services. At the same time, it is necessary to pay special attention to the balance between the different transport modes, recognising their respective roles and advantages, and fostering complementarity rather than mutual exclusions between them.

#### **Can there be an order of priority set up when we speak about the need of international harmonisation of basic conditions of road transport? Where to start? Vehicle standards, infrastructure characteristics, access to the profession and to the market?**

The priorities should lie both in vehicle standards and access to the profession and the market. These are the two sides of the coin. I would suggest that you start elaborating harmonised weights and dimensions for vehicles in parallel with unified rules for access to the profession and the market in international transport. This would give a level playing field for your transport operators.

#### **Would the EU be ready to increase "know-how transfer" on policy and regulatory issues?**

We are very proud of our model and we are always ready to promote it. All our legislation is easily accessible on the internet (you can see our internet address on the last slide). We have now started the practical work and we should continue with it. I think a good idea would be to organise specialised seminars or sessions in order to explain in detail how things are done in everyday life.