

Press Release
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Charging trucks for pollution will benefit the economy

A new report has shown that EU plans to charge road vehicles for the damage they do to the environment would have a positive effect on the economy, despite claims from opponents who argue the costs of such a policy would be too high. The researchers conclude that *“the overall benefits of charging for external costs outweigh the limited negative price impacts on individual transport operators.”* Indeed, the expected net benefit for the European economy amounts to EUR 2.3 billion a year – very good news for an economy shaken by the economic crisis.

The study, published by the European Commission’s Joint Research Centre (JRC), was requested by the European Council which is currently debating a proposal to change European law (the ‘Eurovignette Directive’) to allow member states to charge lorries for the impact they have on the environment and society through pollution, noise and congestion – the so called “internalisation of external costs.”

In a recent policy paper on the Future of Transport, the European Commission stated that charging heavy goods vehicles according to the “polluter pays” principle is a key policy instrument to reduce the negative impacts of transport on the environment and to incentivise the “decarbonisation” of transport. This view was echoed by the Commissioner-designate for Climate Action, Connie Hedegaard, who stated at her recent Parliamentary hearing that the internalisation of external costs in transport would be a “very appropriate” way to help reduce emissions of CO₂ from the transport sector.

Countries at the geographical periphery of Europe have argued against the measures, fearing that it will impose higher costs on their trade. However, this study shows that these nations will benefit as the shift of international traffic to less congested areas will compensate for increases in the cost of trade. Moreover, if revenues from the internalisation of external costs are re-invested in the transport sector, all transport users (including those from peripheral countries) will benefit from more efficient, sustainable and safe transport systems.

The JRC report claims that additional economic benefits will be generated as changing price signals encourage shippers to use more efficient transport modes, while society will benefit from reduced levels of pollution and congestion as road transport operators seek to become more efficient.

Michael Robson, Secretary General of EIM said: “This valuable study shows that internalising the external costs of road transport will not harm the EU economy or the purchasing power of European citizens, in fact the reverse is true with an expected net benefit of EUR 2.3 billion. We have long been

calling for this policy to be put in place, so that rail – which is accountable for its external costs – is able to compete fairly with other transport modes.”

Johannes Ludewig, Executive Director of CER, said: “This study underlines the extent to which road transport unfairly profits in competition with other transport modes from not paying their external costs. Allowing member states to charge for the external costs of lorries would help ensure that the transport sector takes greater responsibility for its environmental impacts. It would also provide a revenue stream to help fund infrastructure improvements that can create a more sustainable transport system.”

UNIFE Director-General Michael Clausecker stresses that "with this study, EU governments are provided with the evidence that the internalisation of external costs is key to a level-playing field between the modes of transport that would actually benefit the European economy as a whole.”

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Notes to editor:

The revision of the Eurovignette Directive was proposed by the European Commission in 2008 as part of its “Greening Transport Package“. This package would allow EU countries to put the “polluter pays” principle into practice in the freight transport sector and create a more level playing field between transport modes. A broad coalition of representatives of the transport sector, including railways, intermodal transport, logistic and forwarders, have long argued that governments should be able to apply internalisation for road freight transport – as they can already do for other modes of transport and for private cars. The rail sector’s position paper on the revision of the Eurovignette Directive is available at: <http://tinyurl.com/Eurovignette>

The Joint Research Centre is a research based policy support organisation and an integral part of the European Commission. The JRC provides scientific advice and technical know-how to support a wide range of EU policies.

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The association of European Rail Infrastructure Managers (EIM) promotes the interests and views of independent railway Infrastructure Managers in Europe. It acts as a lobbying organisation towards the European Union institutions, and together with industry partners, provides technical expertise to European bodies, such as the European Railway Agency. The association was set up in 2002, following the liberalisation of the European railway market.

EIM's primary goal is promoting the growth of rail traffic and the development of an open, sustainable, efficient, customer focussed rail network in Europe. To learn more visit www.eimrail.org or follow us on twitter at twitter.com/EIM_rail.

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The Community of European Railway and Infrastructure Companies (CER) brings together more than 70 European railway undertakings and infrastructure companies. CER represents the interests of its members towards the European institutions as well as other policy makers and transport actors. CER's main focus is promoting the strengthening of rail as essential to the creation of a sustainable transport system which is efficient, effective and environmentally sound. For more information, see www.cer.be

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