

Brussels, 8 December 2003

**OPINION**  
of the

Committee of the Regions

of 20 November 2003

on the

**Communication from the Commission**

**Developing the trans-European transport network:  
Innovative funding solutions  
Interoperability of electronic toll-collection systems**

and the

**Proposal for a**

**Directive of the European Parliament and of the Council**

**on the widespread introduction and interoperability of electronic**

**road-toll systems in the Community**

COM(2003) 132 final - 2003/0081 (COD)

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THE COMMITTEE OF THE REGIONS,

Having regard to the Communication from the Commission Developing the trans-European transport network: Innovative funding solutions; Interoperability of electronic toll-collection

systems and the Proposal for a directive of the European Parliament and of the Council on the widespread introduction and interoperability of electronic road toll systems in the Community COM(2003) 132 final - 2003/0081 (COD);

Having regard to the decision of the Council of 19 May 2003 to consult it on this subject, under Article 75 and the first paragraph of Article 265 of the Treaty establishing the European Community;

Having regard to the conclusions of the seminar organised by the Commission for Territorial Cohesion on *The Committee of the Regions and European Transport Policy up to 2010: What are the obligations of the public services and how should transport in Europe be organised? The role of the various parties involved*, on 14 March, in Lyon, France;

Having regard to the decision of its president of 5 May 2003 to instruct its Commission for Territorial Cohesion Policy to draw up an opinion on this subject;

Having regard to the draft opinion (CdR 185/2003 rev. 1) adopted on 12 September 2003 by the Commission for Territorial Cohesion Policy) (rapporteur: **Mr Robert Neill**, Member of the London Assembly (UK, EPP);

Whereas:

1) The development of the trans-European networks (TENs) has not been adequate, resulting in a lack of investment in major infrastructure projects and lack of interoperability between transport modes and between Member States.

2) The Community needs to establish new ways of funding and promoting the development of TENs through an increase in public private partnerships and the introduction of a new framework to encourage simplified involvement of the private sector in infrastructure projects. These must be designed to include full and systematic participation of local and regional authorities and should not be undertaken solely between the Member State and EU level.

3) The wide-scale adoption of infrastructure charging by local and regional authorities requires that measures should be introduced to ensure a greater degree of interoperability.

4) Existing and future road tolls are for the main part operated by local and regional authorities, who should retain management over the level and details of charging, and the technology implemented, albeit with the overall aim of contributing to the interoperability of road tolls throughout the Community.

5) The recommendations of the Committee of the Regions will be completed in the light of the new proposal for a Directive of the European Parliament and of the Council amending Directive 1999/62/EC (*Eurovignette*) on the charging of heavy goods vehicles for the use of certain infrastructures, adopted by the European Commission on 23 July 2003,

**adopted the following opinion unanimously at its 52nd plenary session, held on 19 and 20 November 2003 (meeting of 20 November).**

## **1) The Committee of the Regions' views**

### **The Committee of the Regions**

**considers** that the integration of these two fundamental policies into one Communication is inappropriate. The merging of a proposal for a directive on the interoperability of road tolls with a discussion on methods of financing does not seem wholly appropriate;

**calls into question** this integration on the grounds that whilst these two policies do have certain linkages, their direct integration cannot be easily explained as they deal with separate and distinct issues. Whilst the Communication on trans-European networks does have links to road tolling and the principle of interoperability such direct integration can appear confusing as the second element, the proposal for a directive on electronic road toll, is not confined to roads within the TENs, but will apply to all roads;

**asks** the Commission to undertake a technical dialogue between Commission desk officers and genuine experts/practitioners from local government, nominated by local government itself, to participate in exchanges during policy formulation and the drafting phase of transport policy.

### **New ways of promoting infrastructure development**

#### **The Committee of the Regions**

**welcomes** the Commission's attempts to address the lack of expenditure on TENs projects to meet the Community's objectives of reducing bottlenecks and improving interoperability and cohesion;

**is of the view that the TENs projects need vital injections of funding from both the public, and, where appropriate, the private sector. But believes that this must not come at the expense of local demand management of transport.**

#### **1. Ensuring that safety is not compromised**

1. **urges** the Commission to undertake detailed analysis of the impacts of public sector involvement in major infrastructure projects, in particular the impact on safety of having potentially dispersed management of infrastructure;
2. **considers** that the Commission should undertake similar analysis of the impacts that private sector maintenance contracts could have on the overall safety and reliability of transport networks;

3. **calls** on the Commission to investigate how satellite technology can be adopted to inform road users of most appropriate diversionary routes. In cases of emergency or severe congestion traffic is often diverted to trunk or minor roads unable to cope with traffic volumes, resulting in displacement of congestion and concerns for drivers and pedestrians using those routes.

## 2. **Establishing the right framework for public private partnerships in TENs**

1. **advocates** that any framework for public private partnerships (PPPs) must be designed to ensure that competition principles are upheld throughout. The Committee supports the aim of introducing more private sector investment, but urges the Commission to ensure that efforts are made to prevent private sector companies from adopting monopolistic tendencies in the design of contracts and projects;
2. **expresses support** for the introduction of the European Company statute, but warns that the activities of private sector companies operating public private partnerships must be closely monitored in order to prevent early on any infraction of competition rules;
3. **calls** for emerging EU-wide sustainable construction policies to be incorporated into any framework for public private partnership contracts;
4. **calls** on the Commission to express clear policy statements on the implications of the current arrangements for different tax regimes for those private sector companies involved in public private partnerships. The Committee recognises that taxation is an issue dealt with under unanimity procedures, but nevertheless expresses concern that this could result in companies interested in conducting PPPs being diverted to one or two Member States with the most beneficial tax regime. This could be at the cost of the development of public private partnerships throughout the entire TENs network as local and regional authorities may suffer from lack of access to private sector companies;
5. **recognises** that the reticence of private investors to expose themselves to risk in participating in public transport projects can be a contributory factor in encouraging public private partnerships. Greater means of interaction between the private and public sector should be sought, and where necessary, facilitated by the European Commission;
6. **recognises** that the public sector also has legitimate concerns about the exposure to risk that can be associated with a joint public/private project and the degree of loss of complete control over large-scale infrastructure projects that PPPs can sometimes result in;
7. **calls** on the Commission to publish without delay its green paper on public private partnerships and to ensure that models of financing using the build-operate-transfer model to encourage full life-cycle costing mechanisms from the start of the project. This will be valuable in ensuring that new political administrations within local and regional authorities will have clear medium-

term projections of maintenance costs (which can often be more substantial than initial construction costs).

### 3. **An under-funded network**

1. **calls** on the Commission to provide, as soon as possible, an update on the implications of the proposed increase in Community funding to TENs projects for Structural Funds' programmes and recommendations as to how this should be implemented according to regional priorities. This should include outlining the implications for the next generation of Structural Funds programmes post 2006.

## **Improving the interoperability of electronic road-toll systems**

### 4. **The Committee of the Regions**

#### **Comments on policy objectives**

1. **notes** that many local and regional authorities have, or are, seeking to introduce road charging policies, that operate both distance and time-based schemes including tolls and vignettes<sup>1</sup> respectively;
2. **expresses** its support for measures to influence road use, and to seek to address congestion and the costs of extensive road use;
3. **considers** the publication of the Commission's proposal for a Directive to address the technological issues associated with the introduction of road charging to be timely. Also considers that this Directive must be considered in conjunction with the Commission's latest publication on infrastructure charging, the revision of the eurovignette<sup>2</sup> directive;
4. **asks** the Commission to clarify whether Article 3.1 applies to all charging schemes, including congestion charging. The Committee considers that congestion charging is different from tolls and usage fees, with the central aim of managing demand in urban areas rather than funding infrastructure provision, and this difference should be clearly laid out in the directive. The principle of proportionality should apply: local congestion charging schemes should be subject to more generous implementation conditions given that some are small-scale and have a limited impact on trans-European heavy goods vehicles traffic. Clarification on this should be provided by the Commission without delay to allow local and regional authorities to conduct and plan congestion charging schemes with certainty;
5. **suggests** that the Commission consider the implications of differentiated taxation rates on charging policies. It also considers that the Commission should review policies for differentiated taxation to promote cleaner fuels to ensure that road charging schemes can contribute to the movements towards a low carbon European economy. The Committee notes that the European Commission has expressed its intention to amend the directive to exempt local

and regional charging schemes that do not use electronic tolling equipment from the directive;

6. **questions** whether the existing Community policies in this field are adequate enough to accelerate the use of cleaner technologies and fuels. Considers that the Commission should consider more integration of policies in this field and on infrastructure charging to ensure that both policies contribute directly towards the goals of reducing congestion and lowering levels of harmful emissions;
7. **proposes** that the Commission undertake an impact assessment on the implication of the Directive similar to, or more extensive than, the assessment already undertaken on the impact on small and medium-sized enterprises.

## 5. Technological solutions

1. **recognises** the need to develop a market in charging technology with a degree of stability and certainty for manufacturers, however the balance between encouraging stability and placing the emphasis solely on one type of technology needs greater consideration. The focus on the movement towards satellite technology, and the use of the Galileo system must be carefully managed to ensure that it does not exclude the development of other technologies which may prove more efficient and less costly;
2. **calls on** the Commission to withdraw its insistence on specific types of technology in Articles 1 and 3 as this technology has not yet been proven. The aim of the directive should be to achieve interoperability, not to specify what type of technology is used to achieve this, especially in such an immature market for such technology;
3. **asks** the Commission to provide a detailed assessment of the preparedness of the vehicle manufacturing, retrofitting and on-board unit production industries to ensure that the market is developing well enough to provide on-board units and accompanying Global Positioning Satellite (GPS) technology for vehicles within the specified timeframe. This should include an assessment of the scale of the volume of vehicles that will need to be retrofitted;
4. **suggests** that the Commission looks to the experience gained from the vehicle number plate recognition technology adopted by the London congestion charging scheme as an alternative to satellite based or high frequency microwave technology. The technology was built and brought into operation within 21 months and could be used as an alternative to electronic road tolling for small congestion charging schemes, or to complement electronic systems to cater for vehicles which are not fitted with the necessary on-board units.

## 6. Implementation

1. **calls** for greater flexibility in the proposed implementation periods to allow authorities to make the necessary shift towards the interoperability of electronic toll collection. The vast majority of current tolling systems are based on microwave technology, and its use has not been ruled out by local and

regional authorities currently planning on introducing charging as well. Local congestion charging schemes should be given longer implementation periods if they are to be included within the scope of the directive;

2. **asks** the Commission to clarify the use of the term "operators" in Article 2.2. The Committee questions if this refers to network managers having to provide on-board equipment suitable for use in electronic toll systems. This could imply that network managers, including local and regional authorities, have to be able to provide units for use in other charging schemes across the Community. To facilitate this type of provision the Committee suggests that an action plan is drawn up to improve the interaction between network managers and suppliers of on-board units;
3. **requests** that the Commission clarify in particular the details of its proposed target for 50% of toll lanes to be dedicated to electronic collection by 2005. The Committee asks the Commission to confirm whether proposing this target should mean that 50% of toll lanes must be equipped only for electronic collection, or that those 50% of tolls that are electronic continue to be fitted for manual transactions to apply concurrently;
4. **calls** on the Commission to consider the implications of the 50% target on the provision of lanes in tolling stations. Requiring 50% of lanes to be electronic only may result in network managers having to increase the number of lanes in order to avoid congestion caused by motorists who may not have made the transfer from manual to electronic payment method;
5. **recognises** the right of Member States to exclude toll bridges and tunnels with very low traffic volumes where the income from tolls is too low to support electronic charging equipment. In this instance a cost-benefit analysis could be conducted to assess the viability of installing electronic charging.

## 7. Non-payment of tolls

1. **considers** that the Commission has not paid adequate attention to the different problems identified by existing charging schemes for non-payment of tolls. Non-payment has been a major concern for many existing toll systems;
2. **asks** the Commission to provide evidence on how non-payment will be tackled both within and between Member States. The Commission should make it clear to road users how penalty payments will be instigated, and should seek to provide a degree of harmonisation in penalties across the EU. Widely varying penalties throughout the Community could threaten to compromise the Community's Internal Market;
3. **welcomes** the Commission's intention to establish an information network between the competent national driving licence authorities as proposed in the European road-safety programme (COM(2003) 311). And also suggests that the Commission develop proposals allowing public authorities in Member States to instigate cost-recovery proceedings against vehicles registered in another Member State.

## Privacy

8. **calls** on the Commission to consider the implications of satellite-based monitoring of drivers' movements and any concerns that drivers' may have about privacy and freedom of movement.

## Diversionsary routes

9. **asks** the Commission to use the movement towards satellite-based technology as an opportunity to provide drivers with greater awareness of diversionary routes identified by public authorities to be adopted in cases of emergency and severe congestion. Failure to adequately plan for and inform drivers of these diversionary routes can simply displace congestion and bottlenecks from major routes able to cope with traffic volumes to smaller ones that become easily congested.

## 2) The Committee of the Regions' recommendations

### Improving the interoperability of electronic toll systems

#### Recommendation 1

Recital – delete

<i>Text proposed by the European Commission Directive (whereas n°6)</i>	<b>Proposed amendment</b>
Application of the new satellite positioning (GNSS) and mobile communications (GSM/GPRS) technologies to electronic toll systems will serve to meet the requirements of the new road-charging policies planned at Community and Member State level. These technologies enable the number of kilometres covered per category of road to be counted without requiring costly investment in infrastructure equipment or the construction of new toll stations. They also open the door to new safety and information services for travellers, such as the automatic alarm triggered by a vehicle involved in an accident and indicating its position, and real-time information on traffic conditions, traffic levels and journey times. With regard to satellite positioning, the Galileo project launched by	<del>Application of the new satellite positioning (GNSS) and mobile communications (GSM/GPRS) technologies to electronic toll systems will serve to meet the requirements of the new road-charging policies planned at Community and Member State level. These technologies enable the number of kilometres covered per category of road to be counted without requiring costly investment in infrastructure equipment or the construction of new toll stations. They also open the door to new safety and information services for travellers, such as the automatic alarm triggered by a vehicle involved in an accident and indicating its position, and real-time information on traffic conditions, traffic levels and journey times. With regard to satellite positioning, the Galileo project launched by</del>



the European Union in 2002 will, as of 2008, provide information of higher quality than that provided by the current GPS system and which is optimal for road telematic services. The EGNOS precursor system will already be operational in 2004 providing similar results. However, these innovative systems could raise problems concerning the reliability of checks and with regard to fraud prevention	<del>the European Union in 2002 will, as of 2008, provide information of higher quality than that provided by the current GPS system and which is optimal for road telematic services. The EGNOS precursor system will already be operational in 2004 providing similar results. However, these innovative systems could raise problems concerning the reliability of checks and with regard to fraud prevention.</del>
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## Recommendation 2

Recitals - addition

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	Many local authorities have introduced local congestion charging schemes in urban areas, which have as their objective management of demand rather than funding infrastructure provision. It is in the interest of all road users that these toll systems should also meet the compatibility criteria in the future. However, in accordance with the principle of proportionality local congestion charging schemes should be subject to more generous implementation conditions given that some are small-scale and have a limited impact on the interoperability of roads in the Community.

## Reason

Self-explanatory.

## Recommendation 3

Article 1

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
To achieve the objective set in the first paragraph, a European electronic toll service shall be created. This service must ensure the interoperability, for users, of the electronic toll systems that have already been introduced at national or regional level by the Member State	To achieve the objective set in the first paragraph, a European electronic toll service shall be created. This service must ensure the interoperability, for users, of the electronic toll systems that have already been introduced at national, <del>or regional</del> <b>or local level</b> by the Member State and of those to be introduced in future by <b>national, regional or local level</b>

<p>and of those to be introduced in future throughout the Union's territory.</p>	<p>throughout the Union's territory.</p> <p><u>This Directive does not apply:</u></p> <p><u>(a) to road toll systems for which no electronic means of toll collection exists,</u></p> <p><u>(b) to electronic road toll systems which do not need equipment being installed on board of vehicles,</u></p> <p><u>(c) to small, strictly local road toll systems for which the costs of compliance with the requirements of the Directive would be disproportionate to the benefits.</u></p>
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**Reason**

The text must be clear that it is only national, regional or local governments who have the right to introduce charging policies. Whilst the Community may set the broad policy aims and context it should not have power to introduce charging policies itself.

**Recommendation 4**

Article 2.2

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>A European electronic toll service shall be set up pursuant to Article 3 on 1 January 2005. As of this date, operators must make available to interested users on-board equipment which is suitable for use with all electronic toll systems in service in the Union and in all types of vehicle, in accordance with the timetable set out in Article 3(3), and which is interoperable and capable of communicating with all the systems operating in the territory of the Union.</p>	<p>A European electronic toll service shall be set up pursuant to Article 3 on 1 January <del>2005</del> <b>2008</b>. As of this date, operators must make available to interested users on-board equipment which is suitable for use with all electronic toll systems in service in the Union and in all types of vehicle, in accordance with the timetable set out in Article 3(3), and which is interoperable and capable of communicating with all the systems operating in the territory of the Union.</p>

**Reason**

This extended period is necessary to allow existing microwave toll systems to transfer to the "electronic toll service".

**Recommendation 5**

Article 2.5

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Systems brought into service as part of the European electronic toll service before 1 January 2008 must have abandoned the 5.8 GHz technology by 1 January 2012. A migration strategy for such systems must be formulated and implemented between 1 January 2008 and 1 January 2012.	<u>A study assessing the level of interoperability should be undertaken by the end of 2007. If interoperability has not been achieved, then a migration strategy to improve interoperability should be undertaken.</u>

### Reason

Consultation with local and regional authorities already managing tolls and adopting road-user charges have indicated that the 2012 deadline is too strict. The switch from microwave to satellite technology is not anticipated to be as fast as the Commission proposes. The principle of proportionality should apply, local congestion charging schemes should be subject to more generous implementation conditions given that some are small-scale and have a limited impact on the interoperability of roads in the Community.

### Recommendation 6

#### Article 2.6

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
To satisfy itself that satellite and mobile communications technology meets the needs of the operators of electronic toll systems, the Commission shall, by 31 December 2007, present a report drawn up with the assistance of the Electronic Toll Committee and, if necessary, a proposal to extend the period of use of microwave systems.	To satisfy itself that satellite and mobile communications technology meets the needs of the operators of electronic toll systems, the Commission shall, <b><u>after having consulted with operators of toll systems,</u></b> by 31 December 2007, present a report drawn up with the assistance of the Electronic Toll Committee and, if necessary, a proposal to extend the period of use of microwave systems.

### Reason

The Commission cannot manage the shift towards interoperability without full cooperation with toll operators and infrastructure managers, which tend to be local and regional authorities.

### Recommendation 7

#### Article 2.7

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
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	<i>Insert text</i>
Member States shall take the necessary measures to increase the use of electronic toll systems. They shall ensure <i>inter alia</i> that at least 50% of toll lanes in each toll station are equipped with electronic toll systems by 2005 at the latest.	Member States shall take the necessary measures to increase the use of electronic toll systems. They shall ensure <i>inter alia</i> that at least 50% of toll lanes in each toll station are equipped with electronic toll systems by <del>2005</del> <b>2008</b> at the latest. <b><u>The 50% target will not require that those electronic toll lanes contributing to meeting the 50% target are exclusively electronic. Manual toll collection will be permitted to co-exist with newer electronic technology.</u></b>

### Reason

Toll managers must not be required to provide extra lanes to provide solely electronic toll collection. The provision of such extra infrastructure would prove costly in terms of expenditure and negative impact on the environment and lead to confusion for toll users, which can exacerbate congestion. The extension to this deadline is necessary for consistency with other amendments proposed.

### Recommendation 8

#### Article 3.3

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<ul style="list-style-type: none"> <li>a. for all vehicles exceeding 3.5 tonnes and vehicles carrying more than nine passengers (driver + 8), as of 1 January 2005,</li> <li>b. for all other types of vehicle, as of 1 January 2010 at the latest.</li> </ul>	<ul style="list-style-type: none"> <li>a. for all vehicles <b><u>using tolls other than local congestion charging schemes</u></b> exceeding 3.5 tonnes and vehicles carrying more than nine passengers (driver + 8), as of 1 January <del>2005</del> <b>2008</b>,</li> <li>b. for all other types of vehicle <b><u>using tolls other than local congestion charging schemes</u></b>, as of 1 January <del>2010</del><b>2012</b> at the latest.</li> <li>c. <b><u>for all vehicles using local congestion charging schemes as of 2014 at the latest.</u></b></li> </ul>

### Reason

These extended periods are necessary to allow existing microwave toll systems to transfer to the "electronic toll service". The principle of proportionality should apply, local congestion charging schemes should be subject to more generous implementation conditions

given that some are small-scale and have a limited impact on the interoperability of roads in the Community.

## Recommendation 9

### Article 5

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
The Commission shall be assisted by an Electronic Toll Committee composed of representatives of the Member States and chaired by the representative of the Commission.	The Commission shall be assisted by an Electronic Toll Committee composed of representatives of the Member States, <b><u>local and regional government,</u></b> and chaired by the representative of the Commission.

### Reason

Local and regional government must be included in such discussions given their role in implementing tolls and introducing tolling policies. According to the principle of subsidiarity local and regional government must be able to participate in such discussion as there may be instances when a local or regional authority is seeking to pursue a policy to introduce toll systems which may not be in accordance with Member State level policies.

Brussels, 20 November 2003.

The President  
of the  
Committee of the Regions

The Acting Secretary-General  
of the  
Committee of the Regions

**Albert Bore**

**Gerhard Stahl**

<sup>1</sup> Vignettes are widely used across the Community as a form of toll, often on motorways to allow people to pay for their road use by means of a voucher or permit, otherwise known as a vignette.

<sup>2</sup> Proposal adopted by the Commission on 23/07/2003 [COM(2003) 448] on alignment of the national systems of tolls and of user charges for infrastructure use on common principles.

CdR 185/2003 fin FR-EN/PM/tk