1 Introduction

In 1992 the Commission presented its White Book on the future of the Common Transport policy; a global approach to the construction of a Community framework for sustainable mobility. Since then considerable progress has been made. However, at this moment important questions still need to be tackled and solved.

One of the outstanding problems is the great diversity of infrastructure charging systems in the European Union. For example, we have 9 different charging systems for railway infrastructure, with cost recovery ratios varying between 0% and 100%. Annual vehicle taxes on trucks can vary from 350 to over 4000 ECU\(^1\) and only 4 Member States levy tolls on significant parts of their motorway network. Furthermore, the treatment in terms of VAT imposition and energy taxation (fuel taxes), differ widely across modes and between Member States.

This undermines the efficiency and the sustainability of the Union’s transport system as it gives rise to significant distortions of competition within and between modes, and between Member States, often on the basis of the nationality of the transport provider. It also limits the incentives to reduce the environmental costs and holds back the efficient provision of transport infrastructure.

The title of this speech, and indeed of this session, is derived from the European Commission’s 1995 Green Paper, Fair and Efficient Pricing in Transport. This discussion document outlined an economic approach, using pricing signals to deal with the transport sector’s problems, and to achieve the general goal of sustainable mobility in the EU. It analysed the current problems of the transport sector (traffic jams and congestion, air and water pollution, noise, poor quality and lack of infrastructure and accidents), and proposed a general solution. The Green Paper called

\(^{1}\) 1994 figures for Portugal and UK respectively, PETS D1, p64.
for greater co-ordination and harmonisation of charging approaches, and for the internalisation of external costs – that is, the incorporation of social costs into the transportation sector, the subject of this conference.

Consultations on this discussion paper with the various stakeholders led to some very useful seminars and conferences on transport pricing and a report on best practice and charges in freight transport, amongst other things. The Commission also appointed a High Level Advisory Group made up of senior business and academic transport experts, to provide specific advice on infrastructure charging. The report of this High Level Group was published in June this year.

I am pleased to be able to say that the Commission adopted in July a policy paper of even greater relevance to this session of the conference. The White Paper is entitled “Fair Payment for Infrastructure Use: A phased approach to a common transport infrastructure charging framework in the EU”. It defines concepts and detailed policy responses, and addresses the issue of public acceptance and implementation – the very subject of this session.

In my presentation I will explain the approach taken to these issues in current Commission policy – in “Fair Payment for Infrastructure Use”.

2 The White Paper

The White Paper addresses the key problems of the transport sector on which a considerable amount of research has been produced since Jules Dupuit in the 19th century:

- Efficiency of the use of existing infrastructure
- Provision of efficient levels of infrastructure
- Financing of the necessary investments.

The perspective of the White Paper is at the European level. And the Commission’s recommended solutions to the transport problems clearly uses an economic framework rather than more traditional regulatory command and control measures and standards or simple political decision making processes. The Commission believes the inefficiencies of the transport sector can be addressed more clearly and rationally by using economic policy instruments at the most appropriate decision-making level

- Appropriate pricing, marginal cost pricing, to achieve efficiency in use and a sustainable mobility patterns