

## English Translation from original by Friends of the Earth Italy

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**Antonio Tajani**

Vicepresident of the European Commission

Brussels 19 Sept. 2008

Dear Ms. Filippini,

I would like to thank the "Amici della Terra" for the interest and support expressed in the letter of last July 17th, regarding the "Greening of Transport" package and in particular, the proposal for a modification of the Directive concerning the taxation of heavy vehicles.

The primary objective of the European Commission is that of rendering the transportation sector sustainable. This requires the involvement of Europe's citizenry, as rightly underscored by the "Amici della Terra." I fully share the opinion regarding the opportunity of using, within viable means, instruments of economic persuasion.

One of the most important instruments proposed by the European Commission, in this regard, is a revision of the Directive relating to the taxation of heavy vehicles. It represents a giant step towards a matching indemnity for the costs imposed on society by the users of the transportation systems. It is our intention to introduce, in this manner, the principle of "he who pollutes must pay" in the transportation sector and to allow the pricing system to supply the more correct signals, with resultant benefits both economical and environmental.

A common methodology for the calculation of external costs is necessary for the purpose of guaranteeing proportionality and transparency, while at the same time avoiding any risk of discrimination based on the nationality of the transporter. Furthermore, the limitations on the applicable tariffs are conceived in such a manner as to avoid that the selfsame tariffs represent an unjustified obstacle to freedom of movement and ultimately, to avoid an excessive added cost.

It is the European Commission's intention to favor talks with and among the Member States regarding the effective application of the Directive in question, in particular, the value limits that it will be possible to attribute to the item "external costs." Said values will be updated on the basis of the scientific and technological progress which is bound to make an improved quantification possible.

Furthermore, the European Commission intends to use a flexible approach, leaving the Member States free to decide, on the basis of their local and national characteristics, if and on which segments of their road network they intend to introduce the tariffs connected to the external costs. The Member States will also be free to decide whether to introduce the tariffs based on the distances covered or on the period of use of the infrastructure, in order to reflect the variations of traffic density; the cost for the external costs will nevertheless always and only be based on the covered distances. In any case, I would like to stress that the proposal doesn't exclude the possibility of the

debiting method for the external costs being applied to road segments presently granted in concession.

Concerning private motor-vehicles, there is no Community obligation concerning the introduction of tariffs on the part of the Member States. Therefore, the proposal concerning heavy vehicles, in large measure equalizes the situation of said vehicles with that of light vehicles. For reasons of subsidiarity, the Commission does not intend, for the moment, to deviate from this approach. Because auto-vehicular transportation is predominantly concentrated in and around urban areas, we nevertheless intend to support those efforts of the local authorities tending towards improving the conditions of urban transportation. Concrete measures will be singled out in the Action Plan for Urban Transportation which is set to be published towards the end of this coming November.

The proposal regarding the taxation of heavy vehicles, aims for the internalization of costs connected to congestion, atmospheric and acoustic pollution. As far as the CO2 emissions are concerned, they can be internalized more efficiently through taxation on energy use. To that end, the Commission soon intends to propose a modification of the Directive regulating the taxation of energy products with the objective of better correlating the excises on fuels with CO2 emissions.

As rightly underscored by the "Amici della Terra," tariff policies cannot be fully efficacious without alternative solutions to the problem of mobility. And this is one of the main arguments in favor of the re-utilization within the transportation system itself of the revenues deriving from the internalization of external costs. The European Union favors this modal carry-over through various instruments (the trans-European networks, and the Marco Polo and Civitas programs), but simultaneously, it stresses the need to improve the efficiency of each and every singular mode of transportation. In the case of auto-vehicles, the quality of the available alternatives will be improved thanks to the initiative focused on introducing obligatory limits on the median CO2 emissions of new vehicles introduced to the market. The emission level of the heavier cars will have to be reduced, more than proportionately vis-à-vis the lighter vehicles. We intend to adopt the same approach towards light utility vehicles, but not towards trucks, in consideration of the fact that the transportation companies are already subject to legislation (Eurovignette, speed limitations) which limits traffic and CO2 emissions.

Overall, the approach adopted by the Commission is of a gradual nature. We thought it opportune to start by extending to heavy road transportation the possibility of demanding tariffs proportional to the external costs; the legislation being prepared regarding the emission limits on cars and light utility vehicles will guarantee a further lowering of CO2 emissions. Furthermore, we have already proposed to include aviation into the exchange system of emission permits, and we are studying the possibility of applying the same principle to maritime transportation. In any case, for aviation and maritime transportation, the measures must be framed in the context of the initiatives being pursued at a global level.

The bulk of the measures of an environmental nature applicable to transportation included in the Greening of Transport package proves that, despite the obvious difficulties of reaching compromises, much has been done to reduce the negative consequences of transportation on the environment. I am trusting that this policy will allow for further progress, thanks to the important initiatives proposed by the Commission to increase sustainability in the sector.

Should you wish for further details about this legislative package or, more in general, about the actions undertaken by us to reduce the negative impact of transportation on the environment, I kindly bid you to contact Dr. Mattia Pellegrini, Member of my Cabinet and in charge of environmental matters (e-mail: [mattia.pelligrini@ec.europa.eu](mailto:mattia.pelligrini@ec.europa.eu)).

kindest regards,

Antonio Tajani.