## **Open Letter**

Of European Scientists in the Field of Transport and Economy Research

To

The Members of the European Parliament, The Transport Ministers of the EU Member States and the Council of the EU The Commissioner for Transport, vice-president of the European Commission M. Jacques Barrot

Internalisation of external costs in the scope of the new "Directive on Charging of Heavy Goods Vehicles" (1999/62/EG)

Dear Ladies and Gentlemen.

2.11.2005

With great interest, we follow the current revision of the "Directive on Charging of Heavy Goods Vehicles" (1999/62/EG). According to our information some members of the European Parliament and the Council of Ministers argue that an accepted method for the internalisation of external costs does not exist. Therefore, the European Parliament and the Council of Minisiters conclude that the concrete internalisation of external costs cannot be part in the current revision.

We, European scientists and experts in this field of research ask you to accept the following comments:

- 1. There is a wide agreement among scientists that external costs should be internalised in order to make the economy more efficient.
- 2. An enormous amount of research has taken place into the measurement of external costs in recent years, as a result of which a broad consensus on the appropriate approach to measurement now exists. It is not true that a uniform calculation method for the charge of external costs is impossible. Scientifically, a reliable and uniform method for charging external costs can be agreed on within a short time and we regard this to be indispensable.
- 3. There is a broad basic consensus among the scientists in Europe concerning the minimum level of external costs. The most cautious studies estimate total external costs for air pollution, noise and accidents at a level of 60 % of the infrastructure costs. Only the upper limits need still more examination.

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<sup>&</sup>lt;sup>1</sup> See e.g. UNITE

- 4. There is still a need for further research and discussions, and it is certain that agreement will not be absolutely unanimous, which is not even the case for commercial accounting conventions. However, this does not justify any further delay for taking concrete measures. It is better to internalise external costs based on a non perfect model than to neglect them completely. Any further delay has negative impacts on the economy as a whole. Continuous discussions and improvements characterise any serious research and policy applications.
- 5. Reflecting these results, we recommend the immediate implementation of the polluter pays principle into the framework of the Directive. This could be realised by using a phase-in of charging for external costs, e.g. an annual increase of the fee, e.g. of  $5-8\,\%$  p.a., over a period of 5-10 years. This period should be used for continuing research and adaptation of the common method for the internalisation of external costs and examination of its effects.
- 6. Besides, we recommend a convincing communication strategy including all stakeholders, in order to increase the acceptance of the taken measures. An important content should be estimates of the benefits of such a pricing policy in terms of reduced congestion and environmental improvement.
- 7. The sciences have made their contribution to this overdue process; a serious political will to introduce the polluter pays principle is now needed.

## **Summary**

External costs of the road transport sector can and should be internalised within a short time. It is scientifically possible, and long overdue to decide on a method for a step wise implementation of charging for external costs and to introduce this into the current revision of the "Directive on charging of heavy vehicles" now.

If the inclusion of external costs should be adopted we will be happy to contribute to the development of a uniform method for charging external costs.

Yours sincerely

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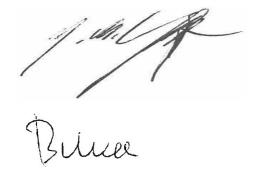
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