

# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Directive	2008/0147(COD) Procedure completed
Charging of heavy goods vehicles for the use of infrastructure: differentiated charging Amending Directive 1999/62/EC	<a href="#">1996/0182(COD)</a>
Subject 2.70.02 Indirect taxation, VAT, excise duties 3.20.05 Road transport: passengers and freight 3.70.02 Atmospheric pollution, motor vehicle pollution	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>TRAN</b> Transport and Tourism	S&D <a href="#">EL KHADRAOUI Saïd</a> Shadow rapporteur PPE <a href="#">WORTMANN-KOOL Corien</a> ALDE <a href="#">STERCKX Dirk</a> Verts/ALE <a href="#">LICHTENBERGER Eva</a> ECR <a href="#">ZĪLE Roberts</a>	24/01/2011
	Former committee responsible		
	<b>TRAN</b> Transport and Tourism	PSE <a href="#">EL KHADRAOUI Saïd</a>	26/08/2008
European Parliament	Former committee for opinion		
	<b>ENVI</b> Environment, Public Health and Food Safety <b>ITRE</b> Industry, Research and Energy	The committee decided not to give an opinion.	15/09/2008
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">General Affairs</a>	<a href="#">3109</a>	12/09/2011
	<a href="#">Education, Youth, Culture and Sport</a>	<a href="#">3066</a>	14/02/2011
	<a href="#">Transport, Telecommunications and Energy</a>	<a href="#">2935</a>	30/03/2009
	<a href="#">Transport, Telecommunications and Energy</a>	<a href="#">2913</a>	08/12/2008
European Commission	Commission DG	Commissioner	
	<a href="#">Mobility and Transport</a>	KALLAS Siim	

Key events			
08/07/2008	Legislative proposal published	<a href="#">COM(2008)0436</a>	Summary
02/09/2008	Committee referral announced in Parliament, 1st reading		
08/12/2008	Debate in Council	<a href="#">2913</a>	Summary
11/02/2009	Vote in committee, 1st reading		Summary
18/02/2009	Committee report tabled for plenary, 1st reading	<a href="#">A6-0066/2009</a>	
10/03/2009	Debate in Parliament		
11/03/2009	Results of vote in Parliament		
11/03/2009	Decision by Parliament, 1st reading	<a href="#">T6-0113/2009</a>	Summary
30/03/2009	Debate in Council	<a href="#">2935</a>	Summary
14/02/2011	Council position published	<a href="#">15145/1/2010</a>	Summary
17/02/2011	Committee referral announced in Parliament, 2nd reading		
12/04/2011	Vote in committee, 2nd reading		Summary
25/05/2011	Committee recommendation tabled for plenary, 2nd reading	<a href="#">A7-0171/2011</a>	
07/06/2011	Debate in Parliament		
07/06/2011	Decision by Parliament, 2nd reading	<a href="#">T7-0252/2011</a>	Summary
12/09/2011	Act approved by Council, 2nd reading		
27/09/2011	Final act signed		
28/09/2011	End of procedure in Parliament		
14/10/2011	Final act published in Official Journal		

Technical information	
Procedure reference	2008/0147(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Amending Directive 1999/62/EC <a href="#">1996/0182(COD)</a>
Legal basis	Treaty on the Functioning of the EU TFEU 091-p1
Stage reached in procedure	Procedure completed
Committee dossier	TRAN/7/05295

Documentation gateway					
Legislative proposal		<a href="#">COM(2008)0436</a>	08/07/2008	EC	Summary

Document attached to the procedure		<a href="#">COM(2008)0435</a>	08/07/2008	EC	Summary
Document attached to the procedure		<a href="#">SEC(2008)2207</a>	08/07/2008	EC	
Document attached to the procedure		<a href="#">SEC(2008)2208</a>	08/07/2008	EC	
Document attached to the procedure		<a href="#">SEC(2008)2209</a>	08/07/2008	EC	
Committee draft report		<a href="#">PE414.029</a>	15/10/2008	EP	
Amendments tabled in committee		<a href="#">PE415.350</a>	25/11/2008	EP	
Amendments tabled in committee		<a href="#">PE416.359</a>	25/11/2008	EP	
Amendments tabled in committee		<a href="#">PE416.367</a>	26/11/2008	EP	
Amendments tabled in committee		<a href="#">PE416.368</a>	27/11/2008	EP	
Amendments tabled in committee		<a href="#">PE416.360</a>	11/12/2008	EP	
Committee opinion	ITRE	<a href="#">PE415.127</a>	16/12/2008	EP	
Committee of the Regions: opinion		<a href="#">CDR0272/2008</a>	12/02/2009	CofR	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A6-0066/2009</a>	18/02/2009	EP	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T6-0113/2009</a>	11/03/2009	EP	Summary
Commission response to text adopted in plenary		<a href="#">SP(2009)3060</a>	04/06/2009	EC	
Economic and Social Committee: opinion, report		<a href="#">CES1947/2009</a>	16/12/2009	ESC	
Council statement on its position		<a href="#">05767/2011</a>	01/02/2011	CSL	
Council position		<a href="#">15145/1/2010</a>	14/02/2011	CSL	Summary
Commission communication on Council's position		<a href="#">COM(2011)0069</a>	15/02/2011	EC	Summary
Committee draft report		<a href="#">PE458.661</a>	18/02/2011	EP	
Amendments tabled in committee		<a href="#">PE460.939</a>	22/03/2011	EP	
Committee recommendation tabled for plenary, 2nd reading		<a href="#">A7-0171/2011</a>	25/05/2011	EP	
Coreper letter confirming interinstitutional agreement		GEDA/A/(2011)007141	30/05/2011	CSL	
Text adopted by Parliament, 2nd reading		<a href="#">T7-0252/2011</a>	07/06/2011	EP	Summary
Commission opinion on Parliament's position at 2nd reading		<a href="#">COM(2011)0550</a>	19/07/2011	EC	Summary
Draft final act		<a href="#">00024/2011/LEX</a>	28/09/2011	CSL	

#### Additional information

National parliaments

[IPEX](#)

European Commission

[EUR-Lex](#)

#### Final act

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

The Commission presented a communication on a Strategy for the internalisation of external costs. The internalisation of external costs is part of a package of initiatives intended to make transport more sustainable. For a number of years, the European Commission has been highlighting the need for a transport pricing system that is more efficient and more accurately reflects the true costs involved. Transport generates negative externalities that involve a cost to society and the economy. By internalising those external costs, the intention is to give the right price signal so that users will bear the costs they create and will thus have an incentive to change their behaviour in order to reduce those costs. If nothing is done in the next few years, the environmental costs (air pollution, CO<sub>2</sub> emissions) could reach EUR 210 billion by 2020.

More intelligent prices: transport users have to pay costs that are directly related to the use of their mode of transport (fuel, insurance, etc.). Such costs are considered private in the sense that they are paid directly by the user. However, transport users also generate negative externalities that involve a cost to society, such as delays to other drivers as a result of congestion, health problems caused by noise and air pollution and, in the longer term, the effects of greenhouse gas emissions on climate change, but users do not bear those costs directly (external costs). The sum of the private and external costs of transport gives its social cost. Only a price based on the total social costs generated by the transport user will help give the right price signal and take account of the services used and the consumption of scarce resources. Furthermore, each external cost has specific characteristics which require the use of the appropriate instruments. The use of differentiated charging is the best way of taking those variations into account. Lastly, setting common principles for all Member States should prevent any discrimination and ensure market transparency.

General principles for the internalisation of external costs: giving transport users the right signals involves setting prices that do not lead to overexploitation of resources, but do not damage the transport sector, or ultimately the economy, either. According to economics literature, 'social marginal cost charging' achieves that balance and is therefore being proposed as the general principle for internalisation. According to this approach, transport prices should correspond to the additional short-term cost created by one extra person using the infrastructure. In theory, this additional cost should include the costs to the user and the external costs. Social marginal cost charging would therefore lead to efficient use of the existing infrastructure.

Strategy for internalising costs for all modes of transport: it is difficult to imagine an internalisation mechanism that would be generally applicable to all forms of transport, as these involve different technologies, different numbers of operators, existing legal and regulatory frameworks, etc. The same principle should be applied using different instruments. Based on the results of the impact assessment, it will be possible to adapt the overall strategy to the characteristics of each mode of transport. The main points tackled are as follows:

- the road haulage sector accounts for three quarters of freight transport, and internalising the external costs could help cut the cost to the environment by some EUR 1 billion in comparison with the reference scenario in which no action is taken. The Commission is therefore proposing to make it possible to internalise some of the external costs in the road haulage sector;
- the revision of Directive 1999/62/EC is proposed in order to allow charges to include external costs. The revision process will focus primarily on the following areas: (1) taking account of the external costs of air pollution, noise pollution and congestion; (2) setting up Community coordination mechanisms with a common methodology and ceilings for the calculation of charges; (3) allocating revenue to the transport sector. To be effective, tolls should vary depending on the vehicle concerned, the type of route and the time, and payments should be made via electronic toll systems in order to prevent tailbacks at the toll booths;
- it is important to promote internalisation through the use of technology, via the Intelligent Transport System Action Plan to be proposed in autumn 2008;
- in order to encourage more sustainable car use, the charging principles proposed could usefully be extended to private cars. For reasons of subsidiarity, Member States retain the freedom to choose whether to do so or not. The Urban Mobility Action Plan, to be proposed in autumn 2008, will also look at how to improve mobility in urban centres and will consider the added value of Community action. Passing on the various experiences gained with charging systems in European cities, developing harmonised criteria for urban traffic restrictions and promoting technological interoperability could help harmonise strategies for the internalisation of external costs in urban areas across Europe. Lastly, a proposal on the taxation of private cars is currently under discussion in the Council;
- other modes of transport also have their part to play in improving people's quality of life, and each one presents specific challenges: noise pollution for rail transport, air pollution and climate change for maritime transport and noise pollution, air pollution and climate change for air transport. Internalising the external costs will also make it possible to use the most suitable instruments to encourage users to adopt more sustainable behaviour. The Commission suggests a series of measures in this regard.

Using the revenue generated by internalisation: international road transport accounts for almost a quarter of all road transport in Europe, with that figure rising above 50% in seven Member States (and even reaching 74% in Belgium, 76% in Luxembourg and 85% in Estonia). The revenue generated by internalisation should also be earmarked for the transport sector and the reduction of external costs, always on the basis of cost-benefit studies or similar analyses which guarantee that the chosen uses maximise the net benefits to society. The proposed revision of Directive 1999/62/EC envisages just such an approach.

The Commission will carry out an evaluation of these measures in 2013 and draw up a report on the progress made towards internalising external costs. A legislative proposal on road transport is being put forward as part of this package of initiatives. The evaluation of external costs will be updated to take account of research and scientific work in the field. If necessary and depending on how much progress has been made, other external costs such as those relating to biodiversity, nature and the countryside or land use may be included in the analysis.

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

PROPOSED ACT: Directive of the European Parliament and of the Council.

BACKGROUND: transport plays a crucial role in the economy and society but it relies heavily on oil and its use produces costs on society. With the exception of climate change, most of the external costs are borne by the population and the local or national governments of the territory where transport takes place and not where the vehicle is registered, nor where the vehicle is refuelled. In order to move towards a sustainable transport policy, transport prices should better reflect the costs related to traffic-based air pollution, traffic-based noise pollution, climate change and congestion caused by the actual use of vehicles, trains, planes or ships as a means of optimising the use of infrastructure, reducing local pollution, managing congestion and fighting against climate change at least cost for the economy. In the road transport sector, tolls being distance based charges for the use of infrastructure constitute a fair and efficient economic instrument to achieve this objective.

In 2006, the European Parliament and the Council called on the Commission to draw up a report on a generally applicable, transparent and comprehensible model for assessing the external costs of transport, such as pollution and congestion, to serve as the basis for calculating infrastructure user charges. The Commission was asked to propose a strategy for stepwise implementation of the model for all transport modes, accompanied if appropriate by a proposal for revising Directive 1999/62/EC on the charging of heavy goods vehicles for the use of infrastructure. More recently, in its [resolution](#) of 11 March 2008 on sustainable European transport policy, Parliament urged the Commission to come up with such a model, a strategy for implementing it in all modes, and legislative proposals starting with a review of the Directive.

CONTENT: this proposal is part of an overall package which also comprises a strategy on the internalisation of external costs of transport as well as a communication on the reduction of noise from railways. Its objectives are to encourage Member States to implement differentiated charging to improve the efficiency and environmental performance of road freight transport. The main elements of the proposal are as follows:

- the proposed Directive enables Member States to integrate in tolls levied on heavy goods vehicles an amount which reflects the cost of air pollution and noise pollution caused by traffic. During peak periods, it also allows tolls to be calculated on the basis of the cost of congestion imposed upon other vehicles. The amounts will vary with the travelled distance, location and time of use of roads to better reflect these external costs. The proceeds will have to be used by Member States for making transport more sustainable through projects such as research and development on cleaner and more energy efficient vehicles, mitigating the effect of road transport pollution or providing alternative infrastructure capacity for users;
- Member States which opt for it must respect common charging principles together with mechanisms for notifying and reporting tolling schemes to the Commission. Member States must designate independent authorities to set the chargeable costs by using a common method which can be easily monitored and adapted to scientific progress. This will ensure that charging schemes are transparent, proportional to the objective pursued and do not discriminate against the nationality of hauliers;
- the charge must be collected through electronic systems which does not create hindrance to the free flow of traffic and local nuisance at tollbooths, and which can be extended to other part of the network at a later stage without significant additional investments. A transition period for the current systems with barriers is planned. To avoid undue charging of users, other conditions must be met when a charge based on the costs of congestion and pollution is combined with a charge to recover the cost of infrastructure;
- the proposal extends the scope of the current Directive beyond the trans-European network to avoid inconsistent pricing schemes between major corridors and other interurban roads. It makes more practicable the provisions in the current Directive on the mark-up levied in mountainous areas to co-finance EU labelled priority projects;
- lastly, it does not prevent Member States from applying on urban roads regulatory charges specifically designed to reduce traffic congestion or combat environmental impacts in built up areas.

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

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In public deliberation, the Council took note of a Presidency progress report on a proposal for a Directive amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures.

Work on the proposal will continue under the Czech Presidency. The Council's preparatory bodies will focus in particular on the legal basis of the proposal, scope, external costs (especially road congestion), earmarking of charges and the methods for calculating external costs.

The Commission submitted its proposal in July 2008.

The European Parliament should adopt its opinion at first reading in March 2009.

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

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The Committee on Transport and Tourism adopted the report drafted by Saïd El KHANDRAOUI (PES, BE) amending the proposal for a directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures.

The main amendments adopted in committee ? under the first reading of the codecision procedure ? are as follows:

Extension of rules to all major roads and 3.5 tonne vehicles: according to MEPs, the directive should permit the free movement of goods in the Union while guaranteeing equal treatment of carriers. It is therefore appropriate to apply it throughout the trans-European transport network and on all the roads customarily used for international goods transport. In addition, the Directive should apply to 3.5 tonne vehicles from 1 January 2012.

Congestion: the Directive should allow Member States to apply a congestion charge on lorries on the condition that they apply a similar charge to "all other road users". Before the implementation of a congestion charge, the Member State concerned should set out an action plan which identifies, on the basis of a cost/benefit analysis, the possible measures to enhance the capacity of the road sections concerned by reducing the traffic volume or by building new infrastructure. The action plan should cover all road users causing congestion.

The proposal stipulates that in exceptional cases concerning infrastructure in mountainous regions and conurbations, and after informing the

Commission, a toll mark-up may be added to the infrastructure charge levied on specific road sections which are subject to acute congestion, or the use of which by vehicles is the cause of significant environmental damage. MEPs felt that conurbations could also be affected by congestion, and this could justify a toll mark-up. They proposed that the Member States should be able to use the revenues for the improvement of transport infrastructure in general according to their own priorities.

Cost of use: charges should not apply to vehicles complying in advance with future EURO emissions standards as regards the dates laid down in the relevant rules.

Earmarking of revenues: MEPs said that the concept of earmarking should be reinforced. A Member State in which an external cost charge is levied should ensure that the revenue generated by the charge is earmarked as a priority to reduce and where possible eliminate the external costs arising from road transport. The revenue could also be used for measures aimed at facilitating efficient pricing, reducing road transport pollution at source, mitigating its effects, improving CO<sub>2</sub> and energy performance of road transport vehicles, and developing and improving existing road infrastructure or developing alternative infrastructure for transport users.

As from 2011, at least 15% of the revenues generated by external costs and infrastructure charges in each Member State should be dedicated to financially supporting TEN-T projects in order to increase transport sustainability. This percentage should gradually increase over time.

Galileo: as soon as the operability of toll collecting services based on the Galileo satellite positioning system is technically worked out, external cost charges should be levied and collected by an interoperable European electronic toll collecting system as specified in Directive 2004/52/EC.

Reporting on tolls: no later than 31 December 2010, the Commission should present a report to the European Parliament and the Council on the availability of safe and secured parking places on the Trans-European Road Network (TEN). After involving the relevant social partners, this report should be accompanied by proposals on:

- a) earmarking of infrastructure charges for a sufficient number of safe and secured parking areas on the TEN to be complied with by infrastructure operators or by public authorities responsible for the TEN;
- b) guidelines for the European Investment Bank, the European Cohesion Fund and the European Structural Fund for due consideration of safe and secure parking areas within the design and co-financing of TEN-projects.

Report on the results of the Directive: the report on the application of the Directive, to be drawn up by the Commission in 2013, should focus inter alia on:

- a) the technical and economic feasibility of gradually abolishing time-based charging systems and introducing distance-based systems and the need to maintain a derogation for Member States with external borders with third countries to continue to apply time-based charging systems to heavy goods vehicles queuing at border-crossing points;
- b) the need for a proposal for a scheme to ensure the consistent and simultaneous internalisation of external costs for all other modes of transport.

The report should be accompanied by an assessment of the progress of the internalisation of external costs for all modes of transport and by a proposal to the European Parliament and the Council for further revision of this Directive.

Calculation of external costs: in order to ensure that European road hauliers receive clear price signals, which act as an incentive to optimise their behaviour, efforts should be made in the medium term to bring about convergence in the methods which all European charging systems use to calculate external costs.

Internalisation of external costs: the report stressed that the principle of internalising external costs was the equivalent of a management instrument and should encourage road users and the related industrial sectors to exploit and expand their respective capabilities in the area of environmentally-friendly transport, for example by means of changes in driving behaviour or further technological development.

Interoperability of toll systems: MEPs said that the interoperability of the toll systems in the Community should be achieved as quickly as possible. Efforts should be made to limit the number of devices in the vehicle to one, making it possible to apply the various rates which are in force in the various Member States. The Commission should take all necessary measures to ensure the rapid introduction of a truly interoperable system by the end of 2010.

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

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The European Parliament adopted by 359 votes to 256, with 86 abstentions, a legislative resolution amending, under the first reading of the codecision procedure, the proposal for a directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures.

The main amendments are as follows:

Extension of the rules to all main axes: according to the Parliament, the directive should permit the free movement of goods in the Union while guaranteeing equal treatment of carriers. It is therefore appropriate to apply it throughout the trans-European transport network and on all the roads customarily used for international goods transport.

Congestion charging: the text as adopted by Parliament in plenary left unchanged the provisions of the Commission proposal which allowed for the external cost charge for lorries to include the cost of congestion on busy roads during peak periods. However, Parliament did decide to delete from Annex IIIa the specific methods for calculating the cost of congestion, thereby leaving it up to the Member States to decide which methods to use. In confirming the Commission proposal on the congestion charge for lorries, therefore, the plenary did not follow the position set out in the report tabled by the Committee on Transport, which, in a bid to avoid penalising lorries, would have allowed Member States to apply a congestion charge to lorries provided they applied a similar charge to "all other road users". Lastly, an amendment tabled by the Greens/EFA Group seeking to add CO<sub>2</sub> to the list of chargeable costs was also rejected in plenary.

User charges: the proposed directive provides that user charges shall be in proportion to the duration of the use made of the infrastructure and shall be available for the duration of a day, week, month and a year. MEPs consider that the monthly rate shall be no more than 10% of the

annual rate and the weekly rate shall be no more than 2.7% of the annual rate. In order to avoid discrimination within the EU, MEPs also deleted a proposal that provided that a Member State may only apply annual rates for vehicles registered in that Member State.

Conurbations: the proposal provides that, in exceptional cases concerning infrastructure in mountainous regions, a mark-up may be added to the infrastructure charge levied on specific road sections which are subject to acute congestion. MEPs consider that conurbations may also be concerned by congestion, which may justify a mark-up to the charge. In general, MEPs propose that Member States should be able to use the revenues for the improvement of transport infrastructure in general, according to their own priorities.

Charges for use: charges for use shall not apply to vehicles complying in advance with future EURO emissions standards as regards the dates laid down in the relevant rules.

Informing the European Parliament: since the purpose of the proposed directive is to introduce the internalisation of external costs, the information provided to the Commission by Member States of where and how these are calculated should be made available to the European Parliament.

Non-regular users: the arrangements for collecting tolls and user charges shall not, financially or otherwise, place non-regular users of the road network at an unjustified disadvantage compared to those who use alternative forms of payment.

Earmarking revenues: the Parliament intends to reinforce the concept of earmarking. Therefore, a Member State in which an external cost charge is levied shall ensure that the revenue generated by the charge is earmarked as a priority to reduce and, where possible, eliminate the external costs arising from road transport. The revenue may also be used for measures aimed at improving CO<sub>2</sub> and energy performance of road transport vehicles, and developing and improving existing road infrastructure or developing alternative infrastructure for transport users.

As from 2011, at least 15% of the revenues generated by external costs and infrastructure charges in each Member State shall be dedicated to financially supporting TEN-T projects in order to increase transport sustainability. This percentage shall gradually increase over time.

Galileo: as soon as the operability of toll collecting services based on the Galileo satellite positioning system is technically worked out, external cost charges shall be levied and collected by an interoperable European electronic toll collecting system as specified in Directive 2004/52/EC.

Report on tolls collected by Member States: the Parliament calls on the Commission to present, no later than 31 December 2010, the Commission a report on the availability of safe and secured parking places on the Trans-European Road Network (TERN). After involving the relevant social partners, this report shall be accompanied by proposals on:

- earmarking of infrastructure charges for a sufficient number of safe and secured parking areas on the TERN;
- guidelines for the European Investment Bank, the Cohesion Fund and the Structural Funds for due consideration of safe and secure parking areas within the design and co-financing of TERN-projects.

Report on the results of the directive: the report to be presented by the Commission by 31 December 2013 should also examine:

- the technical and economic feasibility of gradually abolishing time-based charging systems and introducing distance-based systems and the need to maintain a derogation for Member States with external borders with third countries to continue to apply time-based charging systems to heavy goods vehicles queuing at border-crossing points;
- the need for a proposal for a scheme to ensure the consistent and simultaneous internalisation of external costs for all other modes of transport.

The report shall be accompanied by an assessment of the progress of the internalisation of external costs for all modes of transport and by a proposal to the European Parliament and the Council for further revision of the directive.

Internalisation of external costs: the resolution stresses that the principle of internalising external costs is the equivalent of a management instrument and should encourage road users and the related industrial sectors to exploit and expand their respective capabilities in the area of environmentally-friendly transport, for example by means of changes in driving behaviour or further technological development.

Calculating external costs: in order to ensure that European road hauliers receive clear price signals, which act as an incentive to optimise their behaviour, MEPs stress that efforts should be made in the medium term to bring about convergence in the methods which all European charging systems use to calculate external costs.

Interoperability of toll systems: MEPs stress that interoperability of the toll systems in the Community should be achieved as quickly as possible. Efforts should be made to limit the number of devices in the vehicle to one, which makes it possible to apply the various rates which are in force in the various Member States. The Commission should take all necessary measures to ensure the rapid introduction of a truly interoperable system by the end of 2010.

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

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During a public deliberation, the Council took note of a Presidency progress report on a proposal for a Directive amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures.

The Council also held a policy debate, focusing in particular on the congestion issue, and invited the Council's preparatory bodies to continue examining this proposal.

The Council's preparatory bodies will address, in particular, the following outstanding issues: scope of the Directive, congestion charging including maximum chargeable amounts, action plan, earmarking and peripheral areas.

Diverging opinions regarding congestion charging remain the major obstacle to finding an agreement. Even though the Czech Presidency presented compromise proposals, such as the postponement of the introduction of congestion charges, Member States positions continue to differ.

Before a final decision on the draft Directive can be taken, further reflection is needed on the best ways and means to address its complexity

by also taking into account the current economic and financial situation.

The Commission submitted its proposal in July 2008.

The European Parliament adopted its first-reading opinion in March 2009.

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

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The Council adopted its position at first reading by qualified majority on a proposal for a Directive on the charging of Heavy Goods Vehicles for the use of certain infrastructures, the "Eurovignette" Directive.

The Italian and Spanish delegations voted against and the Irish, Dutch and Portuguese delegations abstained.

Although the Council agrees with the Commission as regards the objective of the proposal, the Council's approach involved some adaptations of the original proposal. The Council's Position modifies, to a certain extent, the original Commission proposal by redrafting it and deleting some provisions of the text. This implies that all amendments introduced in the European Parliament's first-reading opinion related to these deleted provisions were not accepted by the Council.

With respect to the amendments proposed by the European Parliament, the Council observes that a certain number of amendments have ? in spirit, partially or fully ? already been included in its Position.

Geographical scope: the Commission proposed to extend the scope of the Directive outside of the trans-European network (TEN) to all roads. The Council considers that the Commission proposal needs to be modified in this respect, in order to limit the extension of the scope to the non TEN motorways.

Vehicle scope: in its original text, the Commission proposes to maintain the provision adopted in 2006 according to which a Member State may choose to apply tolls and/or user charges only to vehicles of 12 tonnes and more, until 31 December 2011. After that period, charges shall be applied to all heavy duty vehicles, unless a Member State considers that charging vehicles of less than 12 tonnes would affect the traffic flow, the environment, noise levels, congestion or health, or represents an administrative burden of more than 30% of the additional revenue which would have been generated by the extension to those vehicles.

The Council considers that this provision should give more discretion to Member States. In order to make the text clearer, the reference to the transition period was deleted. Moreover, the list of conditions available to Member States to justify the non charge of vehicles of less than 12 tonnes was made open, with the insertion of the expression "inter alia". Member States may decide to exempt vehicles between 3.5 and 12 tonnes for other reasons other than environment, congestion and administrative costs.

The European Parliament followed the Commission approach in principle but proposed the deletion of the two justifications offered to Member States not to charge vehicles of less than 12 tonnes and wants to postpone the decision on the justifications to a later stage of the legislative procedure. In this context, the Council could not take into consideration the EP amendments.

Choice of external costs: the Commission included in its proposal the costs of air pollution, noise and congestion. The Council agrees with the principle, but decided to only include in the external cost charge air pollution and noise.

The Council's position states that Member States should be allowed to charge higher infrastructure charges during peak hours ? a peak period should not exceed 5 hours per day ? in such a way that no infrastructure charge is more than 175% above the maximum level of the weighted average infrastructure charge.

To this, the Council has deleted any references to congestion in the context of an external cost charge and, doing so, took on board the European Parliament amendments. However, the amendment on a congestion charge was not taken into consideration by the Council. The amendment on toll variation was however accepted in spirit by the Council.

Derogations for less polluting EURO classes: the Commission proposal contained a detailed table with different values in euro cents per vehicle and per kilometre for each Euro class vehicle. The Council, building on a European Parliament amendment, introduces a temporary derogation for the less polluting vehicle, i.e., Euro V and Euro VI classes. This means that EURO V is exempted until 31 December 2013 and EURO VI is exempted until 31 December 2017. Less polluting vehicles than EURO VI, namely hybrid and electrical heavy goods vehicles, are exempted.

Delegated acts and adaptation to inflation: the Council decided to limit the delegation of powers to the Commission to Annexes 0, where the Commission can adapt it to the Union acquis, and to the formulas of Annex IIIa, where the Commission may adapt it to scientific and technical progress. Moreover, new Articles on the exercise of delegation, revocation of the delegation and objections to the delegated acts were added.

To cover the need to adapt the amounts in euros included in Annexes II and IIIb, the Council's Position added a new article on adaptation to inflation. This article introduces a review of these amounts every 2 years, starting on 1 January of the second year following the date of entry into force of the Directive.

The Council's Position also includes a new provision stating that the Council and the European Parliament will determine, through the ordinary legislative procedure, the maximum values in Annex IIIb for more stringent emission standards, one year after the adoption of the corresponding regulations.

Other policy issues: the Council: (i) confirms the use of the transport legal basis, i.e., Article 91(1) of the Treaty on the Functioning of the European Union; (ii) clarify the provision referring to the establishment of user charges in relation to the duration of the use made of the infrastructure; (iii) decides to make each Member State responsible for setting the amount of the external cost charge.

Further EP amendments not included in the Council's Position concern:

- the definition of "infrastructure charge" and the inclusion of projects jointly undertaken by more than one Member State;
- the deletion of the possibility for Member States to only apply annual rates for vehicles registered in that Member State;
- the possibility for users that did not have the necessary documentation in the vehicle to recover any additional cost paid as a consequence;
- the invitation to the European Commission to make available to the European Parliament its opinions on the compliance of Member

- States with the requirements concerning the calculation of the infrastructure charge;
- the consequent Commission decisions requiring member States to adapt the proposed external cost charge;
- the cooperation of Member States to ensure the development of interoperable electronic systems;
- the need to promote an efficient European interoperable toll system;
- the invitation to the Commission to monitor the gradual abolition of time-based charging systems.

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

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The Commission recalls that the primary objectives for the Commission proposal are to allow Member States to internalise the most relevant external costs in the charging of heavy goods vehicles, and to extend the scope of the Directive outside of the trans-European network (TEN). It considers that these objectives have largely been achieved in the Council's position at first reading and can therefore endorse it.

The key provisions in the Council's position, and the Commission's opinion of these provisions, are as follows:

**Geographical scope:** the Commission considers that the Council's position falls short of the Commission's original proposal to extend scope to all roads but still represents significant progress.

**Vehicle scope:** the Council's position states that Member States may decide to exempt vehicles between 3.5 and 12 tonnes for other reasons other than environment, congestion and administrative costs. The Commission's preference would have been for those derogations to be justified by objective and clearly identified reasons.

**Choice of external costs:** the Commission's preference would have been to include congestion as an external cost like air and noise pollution. However, the wider differentiation of infrastructure charges represents an acceptable and practicable second best solution to reduce congestion.

**Derogations for less polluting EURO classes:** in principle the Commission supports exempting less polluting vehicles from these charges but only for a fixed and limited period.

**Earmarking of revenues:** the Council proposes that funds raised by internalising external costs should be earmarked for programmes that improve the sustainability of the transport system, but Member States retain ultimate discretion on how to spend these funds. The Commission would have preferred that 'should' be replaced with 'shall', or at the very minimum that there be a requirement that Member States report on how such funds raised are being spent and express a firmer political intention to do it in the transport sector, notably on the trans-European network.

**Amending the annexes:** the ability to amend most of the Annexes in the current Directive by means of delegated acts (ex-old comitology regulatory procedure) was removed from the proposal. The Commission would prefer to retain the ability to amend these Annexes by means of delegated acts, in particular Annex III and the value for future Euro standards of the new Annex IIIb (of the Council's position).

It should be noted that the Council's position at first reading includes, in total or in part, 11 amendments adopted by the European Parliament at first reading. In particular, the Council's position focuses on the amendment concerning the variation in tolls allowed between peak and off-peak times from 100% above the minimum rate to 175% above the maximum permissible average rate.

The amendment which introduced a new Article which exempts vehicles complying with future EURO standards has been partly accepted by Council. The latter has however granted a longer exemption period for EURO VI vehicles and added an exemption period for EURO V vehicles.

The following European Parliament substantive amendments which were acceptable to the Commission were not integrated in the Council's position:

- deleting language which authorises Member States to apply only annual rates to vehicles registered in that Member State;
- authorising Member States to levy a congestion charge which reflects the cost of congestion and requires them to draft action plans to combat congestion;
- allowing, in cases where drivers are not able to produce documentation in order to verify Euro class, that any additional cost as a result of this will be reimbursed if a driver can, at a later date, provide such proof;
- requiring the Commission to inform the Parliament, and not only the Committee, as to whether a tolling arrangement is complying with the requirements of the Directive and requiring the Commission to transmit to the European Parliament the decisions which are made available to the Committee mentioned in the Article;
- requiring Member States to detail how they intend to earmark funds raised from the internalisation of external costs;
- using the Galileo system as an efficient means of collecting charges;
- introducing different language on the earmarking of external cost funds raised and on the use to which Member States put funds raised from infrastructure charges;
- requiring that at least 15% of funds raised from internalising of external costs be ring fenced for expenditure of TEN-T projects;
- requesting the Commission to monitor the gradual abolition of time-based charging systems;
- requiring the Commission to make a legislative proposal for further revising the Directive.

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

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The Committee on Transport and Tourism adopted the recommendation for second reading contained in the report by Saïd EL KHADRAOUI (S&D, BE) on the Council position at first reading with a view to the adoption of a directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (Eurovignette).

It recommends that the European Parliament's position adopted at second reading, under the ordinary legislative procedure, amends the Council position at first reading as follows:

**Tolls and user charges:** Member State may choose to apply tolls and/or user charges only to vehicles having a maximum permissible laden weight of not less than 12 tonnes if it considers that an extension to vehicles of less than 12 tonnes would:

(a) create significant adverse effects on the free flow of traffic, the environment, noise levels, congestion, health, or road safety due to traffic diversion; or

(b) involve administrative costs of more than 30 % of the additional revenue which would have been generated by that extension.

Moreover, Member States choosing to apply tolls and/or user charges only to vehicles having a maximum permissible laden weight of not less than 12 tonnes shall inform the Commission of their decision and on the reasons therefore.

Members consider that the weighted average infrastructure charge may also include a return on capital and/or on a profit margin based on market conditions.

Derogations: the external-cost charge related to traffic-based air pollution shall not apply to vehicles which comply with the most stringent EURO emission standards until three years after the dates of application laid down in the rules which introduced.

Fleet renewal incentives: Members consider it necessary to provide full incentives to renew the fleet, together with positive financial incentives for cleaner vehicles which must be accompanied by financial penalties for the most polluting trucks. At the same time it shall not be disregarded that, according to Directive, the revenues deriving from mark-up are earmarked for financing priority projects belonging to the TEN-T network.

Infrastructure charge: the infrastructure charge may also be varied for the purpose of reducing congestion, minimising infrastructure damage and optimising the use of the infrastructure concerned or promoting road safety, on condition that:

- no infrastructure charge is more than 200% above (as opposed to 175%) the maximum level of the weighted average infrastructure charge;
- the peak periods during which the higher infrastructure charges are levied for the purpose of reducing congestion do not exceed eight hours per day (as opposed to five hours per day);
- the variation is devised and applied on a road section affected by congestion in a way which offers reduced toll rates to hauliers who choose to travel during off-peak periods and applies increased toll rates to those who choose to travel during peak hours on the same road section;
- a Member State wishing to introduce such a variation informs the Commission thereof and provides it with the information necessary to ensure that the conditions are fulfilled.

User guide: the Commission shall arrange for a user guide on the implementation of the Directive to be drafted in the languages of those Member States that apply it, with a special focus on modulating congestion, so as to enable public bodies and private firms to draw up business plans that take into account the possible effects of such modulation.

Information to the Commission: before the implementation of a new external-cost charge tolling arrangement, Member States shall send the Commission a specific plan indicating how additional revenue from external cost charges is to be used.

Interoperable toll collection systems: the Commission shall promote any cooperation between Member States that may prove necessary to ensure interoperable toll collection systems that can be used on one another's territory.

Use of revenues generated by this Directive: the report states that the revenues generated from external-cost charges, or the equivalent in financial value of these revenues, shall be used to benefit the transport sector, to make transport more sustainable and optimise the entire transport system, including providing secure parking places.

Members call for at least 15% of the revenues generated by the external cost charge and infrastructure charge in each Member State to be dedicated to financially supporting TEN-T projects in order to increase transport sustainability. This percentage shall gradually increase over time.

Delegated acts: the Commission shall adopt delegated acts as regards the calculation methods of sections 2 and 3 in Annex III.

Report: at the latest 4 years (instead of 5 years) after the entry into force of this Directive, the Commission's report on the implementation and effects of this Directive, shall assess, amongst others:

- the technical and economic feasibility of introducing minimum distance-based charges on the main inter-urban roads. The report shall identify the possible types of road sections to be charged, the possible ways of levying and enforcing in a cost-effective way such charges and a common simple method for setting the minimum rates;
- the degree of interoperability between different toll systems in the Member States as required by Directive 2004/52/EC;
- the technical and economic feasibility of gradually abolishing time-based charging systems and introducing distance-based systems.

The report shall be accompanied by a proposal to the European Parliament and the Council for further revision of this Directive.

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

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The European Parliament adopted by 505 votes to 141, with 17 abstentions, a legislative resolution on the Council position at first reading with a view to the adoption of a directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (Eurovignette).

It adopted its position at second reading, under the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise negotiated between the European Parliament and the Council. They amend the Council position as follows:

Tolls and user charges: according to the compromise text, a Member State may choose to apply tolls and/or user charges only to vehicles having a maximum permissible laden weight of not less than 12 tonnes if it considers that an extension to vehicles of less than 12 tonnes would, amongst others:

(a) create significant adverse effects on the free flow of traffic, the environment, noise levels, congestion, health, or road safety due to traffic diversion;

(b) involve administrative costs of more than 30 % of the additional revenue which would have been generated by that extension.

Member States choosing to apply tolls and/or user charges only to vehicles having a maximum permissible laden weight of not less than 12 tonnes shall inform the Commission of their decision and on the reasons therefore.

Infrastructure charge levied on specific road sections: the text provides that in exceptional cases concerning infrastructure in mountainous regions, and after informing the Commission, a mark-up may be added to the infrastructure charge levied on specific road sections which are subject to acute congestion, or the use of which by vehicles is the cause of significant environmental damage, under certain conditions.

The text also stipulates that the amount of the mark-up shall be deducted from the amount of the external-cost charge, except for vehicles of EURO emission classes 0, I and II from the date of the entry into force of the Directive, and III from 2015 onwards. All these revenues generated by the simultaneous application of the mark-up and the external cost charges shall be invested in financing the construction of priority projects of European interest identified in Annex III to Decision No 661/2010/EU.

Infrastructure charge: the infrastructure charge may also be varied for the purpose of reducing congestion, minimising infrastructure damage and optimising the use of the infrastructure concerned or promoting road safety, on condition that:

- the variation is transparent, made public and available to all users on equal terms;
- the variation is applied according to the time of day, type of day or season;
- no infrastructure charge is more than 175 % above the maximum level of the weighted average infrastructure charge;
- the peak periods during which the higher infrastructure charges are levied for the purpose of reducing congestion do not exceed five hours per day;
- the variation is devised and applied in a transparent and revenue neutral way on a road section affected by congestion by offering reduced toll rates for hauliers who travel during off-peak periods and increased toll rates for hauliers who travel during peak hours on the same road section; and
- a Member State wishing to introduce such variation or changing an existing one informs the Commission thereof and provides it with the information necessary to ensure that the conditions are fulfilled. Based on the information provided, the Commission shall make public and regularly update a list containing the periods and corresponding rates during which the variation is applied.

Interoperable toll collection systems: the Commission shall promote cooperation between Member States that may prove necessary to ensure the interoperability of electronic toll collection systems at European level.

Use of revenues generated by this Directive: to enable the transport network to be developed as a whole, revenues generated from infrastructure and external costs charges, or the equivalent in financial value of these revenues, should be used to benefit the transport sector, and optimise the entire transport system. In particular, revenues generated from external cost charges, or the equivalent in financial value of these revenues, should be used to make transport more sustainable. Amongst other objectives, it is necessary to support the trans-European transport network and provide secure parking places.

This measure shall be deemed to be applied by Member States, if they have in place and implement fiscal and financial support policies which leverage financial support to the trans-European network and which have an equivalent value of at least 15% of the revenues generated from infrastructure and external cost charges in each Member State.

Implementing measures: in order to ensure uniform conditions for the implementation of this Directive, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers.

Report: at the latest 4 years after the entry into force of this Directive, the Commission's report on the implementation and effects of this Directive, shall assess, amongst others:

- the implementation and effect of the variation of infrastructure charges as referred to in the Directive on the reduction of local air pollution and congestion. The report shall also evaluate whether the maximum variation and peak period are sufficient to enable a proper functioning of the variation mechanism;
- scientific progress in estimating external costs of transport for the purpose of internalising them; and
- progress towards applying charges to road users and ways of gradually harmonising the charging systems that are applied to commercial vehicles.
- the use of electronic systems to levy and collect infrastructure and external-cost charges and their degree of interoperability pursuant to Directive 2004/52/EC.

The report shall be accompanied, if appropriate, by a proposal to the European Parliament and the Council for further revision of this Directive.

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

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The Commission amended its position by incorporating the amendments of the European Parliament to the Council's position. They aim to:

- clarify the Council's mechanism to vary infrastructure charges at peak periods by adding provisions to guarantee the revenue neutrality and improve the transparency;
- insert a provision on the use of revenues in the transport sector. The provision encourages Member States to invest the revenues of tolls in projects to make transport more sustainable. It shall be deemed applied if 15% of the revenues are used on the trans-European network. Member States will be obliged to report on the revenue raised and on the investments made in transport;
- authorise in mountain areas the simultaneous application of the existing mark-up and the new external cost charges for Euro 0, I and II vehicles and for Euro III vehicles as from 2015. A compulsory "mini-earmarking" of the revenues generated by this combination of charges is also foreseen;
- insert a "rendez-vous clause" based on Commission's reports due respectively 12 and 48 months after the entry into force of the Directive and where appropriate on a Commission's legislative proposal. The content of the reports has been aligned to the recent [White Paper on transport](#).

The Council's position did not foresee any obligation for Member States to transmit to the Commission a correlation table, in spite of the general line usually taken by the European Parliament on the matter.

However, the Hungarian Presidency with the support of the forthcoming Polish, Danish and Cypriot Presidencies issued a statement confirming that the adoption of this directive does not prejudice the outcome of interinstitutional negotiations on correlation tables.

The European Parliament could thus agree with the Council but with a statement according to which the Commission should inform it within twelve months after adoption of this agreement in plenary and make a report at the end of the transposition period on the practice of Member States in drawing up their own tables illustrating, as far as possible, the correlation between this Directive and the transposition measures.

During the plenary of 7 June 2011, the Commission issued a statement which among others confirms the commitment of the Commission towards ensuring that Member States establish correlation tables linking the transposition measures they adopt with the directive, confirms its agreement to produce the information requested by the European Parliament and stresses that its position followed in this file shall not be considered as a precedent.

## Charging of heavy goods vehicles for the use of infrastructure: differentiated charging

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**PURPOSE:** to encourage differentiated charging based on external costs as a means towards sustainable transport.

**LEGISLATIVE ACT:** Directive 2011/76/EU of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (Eurovignette Directive).

**CONTENT:** the Council adopted, on the basis of a text agreed with the European Parliament in second reading, a directive revising the so-called Eurovignette directive of 1999 on road use charges for heavy goods vehicles. Italy and Spain voted against, and Ireland, the Netherlands and Portugal abstained.

The new European framework law, which is a revision of the "Eurovignette" directive of 1999, aims at reducing pollution from road freight transport and making traffic flow smoother by levying tolls that factor in the cost of air and noise pollution due to traffic (so-called external costs) and help avoid road congestion.

**External cost charge:** Member States may apply an "external cost charge" on lorries, complementing the already existing infrastructure charge designed to recover the costs of construction, operation, maintenance and development of road infrastructure. They may also modulate the infrastructure charge to take account of road congestion, with a maximum variation rate of 175% during peak periods limited to five hours per day.

**Tolls and user charges:** the level of tolls will vary depending on the emissions of the vehicle, the distance travelled, and the location and the time of road use. Such differentiated charging is intended to encourage the move to transport patterns which are more respectful of the environment.

Whereas under the current directive application of tolls has basically been limited to the trans-European road network, it may now be extended to cover all motorways.

Vehicles complying with the most stringent emission standards will be exempted from the air pollution charge for four years after those standards have become applicable; that means that vehicles of the EURO VI emission class will be exempted until 31 December 2017. In addition, EURO V vehicles will be exempted until the date of application of the EURO VI standards, that is, until 31 December 2013. Less polluting vehicles than EURO VI, namely hybrid and electrical heavy goods vehicles, are exempted.

Moreover, Member States may exempt vehicles under 12 tonnes from the tolls if they consider this necessary, for example if application of tolls would create significant adverse effects or excessive administrative costs. However, they must inform the Commission about the reasons for such a decision.

**Mark-up added to the infrastructure charge:** while a mark-up may be added to the infrastructure charge in mountainous regions under certain conditions, the amount of this mark-up will be deducted from the external cost charge. This deduction, though, will not apply to the most polluting vehicles, that is, the EURO emission classes 0, I, II and from 2015 onwards also III.

**Use of revenues generated by this Directive:** Member States shall determine the use of revenues generated by this Directive. To enable the transport network to be developed as a whole, revenues generated from infrastructure and external costs charges, or the equivalent in financial value of these revenues, should be used to benefit the transport sector, and optimise the entire transport system. In particular, revenues generated from external cost charges, or the equivalent in financial value of these revenues, should be used to make transport more sustainable, including one or more of the following:

(a) facilitating efficient pricing; (b) reducing road transport pollution at source; (c) mitigating the effects of road transport pollution at source; (d) improving the CO<sub>2</sub> and energy performance of vehicles; (e) developing alternative infrastructure for transport users and/or expanding current capacity; (f) supporting the trans-European transport network; (g) optimising logistics; (h) improving road safety; and (i) providing secure parking places.

The amount of the mark-up shall be deducted from the amount of the external-cost charge, except for vehicles of EURO emission classes 0, I and II from 15 October 2011, and III from 2015 onwards. All these revenues generated by the simultaneous application of the mark-up and the external cost charges shall be invested in financing the construction of priority projects of European interest identified in Annex III to Decision No 661/2010/EU.

**Reports:** by 16 October 2015, the Commission shall present a report to the European Parliament and the Council on the implementation and effects of this Directive, in particular as regards the effectiveness of the provisions on the recovery of the costs related to traffic-based pollution, and on the inclusion of vehicles of more than 3.5 and less than 12 tonnes. The report shall also evaluate the use of electronic systems to levy and collect infrastructure and external-cost charges and their degree of interoperability. The report shall be accompanied, if appropriate, by a proposal to the European Parliament and the Council for further revision of this Directive.

By 16 October 2012, the Commission shall present a report that summarises the other measures, such as regulatory policies, taken to internalise or reduce the external costs related to environment, noise and health from all transport modes, including the legal basis and

maximum values used.

ENTRY INTO FORCE: 15/10/2011.

TRANSPOSITION: 16/10/2013.

DELEGATED ACTS: the Commission should be empowered to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union in respect of certain adaptations of the Annexes. The delegation of power may be revoked by the European Parliament or by the Council. The European Parliament or the Council may object to a delegated act within a period of two months from the date of notification. If the European Parliament or the Council objects to a delegated act, it shall not enter into force. The institution which objects shall state the reasons for objecting to the delegated act.