

EXPLANATORY MEMORANDUM TO

THE HEAVY GOODS VEHICLES (CHARGING FOR THE USE OF CERTAIN INFRASTRUCTURE ON THE TRANS-EUROPEAN ROAD NETWORK) REGULATIONS 2009

2009 No. 1914

1. This explanatory memorandum has been prepared by Department for Transport and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 This instrument implements a European Directive relating to tolls and charges for lorries using parts of the Trans-European Road Network in the UK (this is mainly motorways and some trunk roads). The Directive does not require member states to levy tolls and charges for lorries, but where member states choose to do this they must respect the rules in the Directive. The Directive is intended to address distortions of competition between transport undertakings in the Member States, by at least partial harmonisation of the way that infrastructure costs are charged to hauliers.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

- 4.1 This instrument implements Directive 1999/62/EC as amended, and the most important amendment is Directive 2006/38/EC. A Transposition Note is annexed to this memorandum, and this sets out how the 1999 Directive as amended has been implemented by this instrument.
- 4.2 Prior to Directive 2006/38/EC, the Government had taken the view that no legislative action was required as regards transposition of Directive 1999/62/EC. However, following the amendments introduced by Directive 2006/38/EC, the Government decided that legislative action was required.
- 4.3 Broadly, the approach taken in this instrument has been to ensure that there are requirements in place with regard to the calculation of tolls and user charges and to the levying and collection of them. There are also requirements about sending information to the European Commission, and about conditions to be fulfilled if UK authorities wish to set up a common system of user charges with other EEA States.
- 4.4 Although there are a couple of existing tolling arrangements in the UK to which the European regime will apply, no changes are needed to these, and therefore no transitional provisions are considered to be required.

Scrutiny history

4.5 The proposal for what became Directive 2006/38/EC was the subject of EM 11944/03. The Commons Committee recommended that it was legally and politically important and cleared it on 11 June 2003. The Lords Committee cleared it on 8 June 2003.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- *What is being done and why*

7.1 The Directive applies only to tolling schemes on the trans-European Road Network. In the UK there are only two private tolled undertakings that operate tolling schemes for lorries that must comply with the provisions of the Directive: Midland Expressway Limited (for M6 Toll) and Severn River Crossings Plc (for Severn River Crossings). The Dartford-Thurrock Crossing benefits from a provision in the Directive that allows congestion charging schemes not to be subject to its detailed rules.

7.2 The Government's view is that we are obliged to transpose the Directive but there are some choices about how we do this. The Government considers that the two undertakings in the UK which are currently affected by the Directive are already fully compliant with it. The instrument therefore introduces a relatively light regulatory regime. For example, the instrument imposes some obligations for undertakings to provide information so that the appropriate national authorities can in turn provide this as required to the Commission, but in the event of non-compliance the instrument has a procedure for issuing a non-compliance notice to the undertaking concerned.

7.3 The instrument also contains provision that, were a UK undertaking to raise their lorry charges above the permitted level, they could be prevented by an appropriate national authority from levying the charges until the problem is rectified. In practice we do not expect an authority to have to take this course of action.

7.4 The Government considers it inappropriate here to create new criminal offences and penalties by way of enforcement. It was considered that this would be unnecessarily bureaucratic. The lighter touch approach where the tolling arrangements can be suspended pending being brought into compliance seemed more appropriate.

7.5 There is a requirement on the UK Government to provide information to the European Commission to enable the latter to produce a report on the impact on the internal market and its contribution towards the objectives of a sustainable transport policy. In order to fulfil this, the Secretary of State needs to collect a minimal amount of information from the two undertakings currently affected. Much of this information is already routinely provided by the affected tolled undertakings.

7.6 The Department's conclusion is that the impact of this instrument will be minimal. But the instrument will allow action to be taken against a UK tolled undertaking that introduces arrangements that do not comply with the Directive.

8. Consultation outcome

8.1 The Department carried out a 12 week public consultation, beginning in August 2008 on proposals for introducing Regulations covering the charging of heavy goods vehicles for the use of certain infrastructures.

8.2 The Consultation Document was published on the DfT website and views were sought from any interested parties. The two undertakings directly affected by the Directive (M6 Toll and Severn River Crossings) were specifically consulted and the main road freight stakeholders were also consulted.

8.3 Three responses were received:

- Severn River Crossings Plc: Did not make specific comments but noted that the Concession Agreement was prescriptive in determining toll prices and discounts.
- Road Haulage Association: Agreed with the Government's proposed approach and that the approach to non-compliance was satisfactory.
- Department for Regional Development of Northern Ireland: Offered minor drafting comments on the Statutory Instrument.

8.4 The Department concluded that no substantive objections were raised to the proposed approach and therefore no formal responses were issued.

9. Guidance

9.1 No formal guidance is to be produced, but a document will be added to the DfT website for the benefit of Hauliers and other interested parties, setting out the new Regulations.

10. Impact

10.1 The impact on business, charities or voluntary bodies is estimated to be negligible.

10.2 The impact on the public sector is estimated to be negligible.

10.3 An Impact Assessment is attached to this memorandum.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 No specific review is planned as the impacts are estimated to be negligible. This was borne out in evidence obtained from the consultation.

13. Contact

Neil Grant at the Department for Transport Tel: 020 7944 3211 or email: neil.grant@dft.gsi.gov.uk who can answer any queries regarding the instrument.

Summary: Intervention & Options

Department /Agency: Department for Transport	Title: Impact Assessment of Transposition of Directive 2006/38/EC	
Stage: Final	Version: 1	Date: 9 July 2009
Related Publications: Charging of Heavy Goods Vehicles for the Use of Certain Infrastructure - Regulations - Final Stage Document		

Available to view or download at:

<http://www.>

Contact for enquiries: Neil Grant

Telephone: 020 7944 3211

What is the problem under consideration? Why is government intervention necessary?

In the 1990s some EU member states decided to introduce charges for all lorries, including those in transit, for use of major roads while cutting vehicle taxes for their own lorries. The EU saw a need to set some bounds for such arrangements to constrain distortion of competition. A 1999 Directive capped user charges and set a floor on vehicle taxes. A 2006 amendment elaborated principles for distance-based tolling when applied to lorries. The Government must now transpose these measures.

What are the policy objectives and the intended effects?

Directive 1999/62 (the "Eurovignette" Directive) , as amended by Directive 2006/38/EC aims to limit discriminatory effects of any HGV charging or tolling regimes that member states may choose to introduce. There are only two tolling arrangements in the UK that are affected by the detailed rules. We do not expect that the regulations will have any noticeable affect on these arrangements as their current arrangements would appear to comply with the requirements of the Directive.

What policy options have been considered? Please justify any preferred option.

The Government's view is that we are obliged to transpose but there are some choices about how we do this. The preferred option which has been selected following consultation, imposes some minor obligations for undertakings to provide information so that the Government can in turn provide this as required to the Commision, but these have been kept as light as possible. We are also providing that, were a UK tolled undertaking to raise their lorry charges above the permitted level, we could suspend their regime until the problem is rectified. In practice we do not expect to have to take this course of action.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? No specific review is planned as the impacts are estimated to be negligible. No responses to the consultation indicated that this is not the case.

Ministerial Sign-off For final proposal/implementation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

Sadiq Khan

.....Date: 15th July 2009

Summary: Analysis & Evidence

Policy Option:	Description:
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups'
	One-off (Transition) Yrs	
	£	
	Average Annual Cost (excluding one-off)	
£	Total Cost (PV)	£
Other key non-monetised costs by 'main affected groups' There are some limited information requirements on existing or future tolled undertakings. The Government will require certain information from tolled undertakings in order to meet obligations to pass this to the Commission. Our requirements of undertakings should be minimal.		

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups'
	One-off Yrs	
	£	
	Average Annual Benefit (excluding one-off)	
£	Total Benefit (PV)	£
Other key non-monetised benefits by 'main affected groups'		

Key Assumptions/Sensitivities/Risks We expect that that tolled undertakings already have the information that they need to provide. Our view is that neither of the two tolled undertakings affected will need to change their tolling arrangements, and any future tolling arrangement for lorries could be delivered effectively.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	UK
On what date will the policy be implemented?	
Which organisation(s) will enforce the policy?	National Authorities
What is the total annual cost of enforcement for these organisations?	£
Does enforcement comply with Hampton principles?	Yes
Will implementation go beyond minimum EU requirements?	No
What is the value of the proposed offsetting measure per year?	£
What is the value of changes in greenhouse gas emissions?	£
Will the proposal have a significant impact on competition?	No
Annual cost (£-£) per organisation (excluding one-off)	Micro Small Medium Large
Are any of these organisations exempt?	No No N/A N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	Net Impact £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

1. This Impact Assessment considers the impact of transposition of Directive 2006/38/EC. Background to the Directive is included in the consultation document of which this impact assessment forms a part, but is summarised briefly below.

Background

2. In 1999 a Directive was adopted establishing EU rules on tolls, user charges and taxes for lorries. The Directive responded to concerns at proposals by a number of member states to levy user charges on any lorries using their motorways, whilst cutting vehicle taxes for their own lorries. The Directive set a cap on user charges, a floor for vehicle taxes (VED in the UK) and some principles for distance based tolls. An amending Directive in 2006 elaborated in more detail the rules governing distance based tolls. The Directive does not require Member States to levy tolls and charges for lorries, but where they choose to do this they must respect the rules in the Directive. The Directive is intended to address distortions of competition between transport undertakings in the Member States, by at least partial harmonisation of the way that infrastructure costs are charged to hauliers and preventing discrimination in charges.
3. The Government has decided that the most appropriate way to meet our obligations relating to the Directive is to transpose it into national law.
4. The key provisions reflected in the draft Regulations are that tolls and user charges shall be transparent and non-discriminatory; tolls for existing tolling schemes must be related to infrastructure costs and for new schemes tolls must be calculated in accordance with detailed rules; frequent user discounts must be limited to 13% and variation of charges must be within specified bounds.

Scope

5. The Directive applies only to tolling schemes on the trans-European Network. There are two private tolled undertakings that operate tolling schemes for lorries that must comply with the provisions of the Directive: Midland Expressway Limited (for M6 Toll) and Severn River Crossings Plc (for Severn River Crossings). The Dartford Crossing benefits from a provision in the Directive that allows congestion charging schemes not to be subject to its detailed rules.
6. There are some more detailed provisions in the Directive that cover new tolling schemes, setting out in more detail how the cost of infrastructure should be calculated and translated into tolls.
7. The Directive excludes regulatory charges from the scope of restrictions. Regulatory charges are defined as charges which are specifically designed to combat time and place related congestion and environmental impacts, such as the Dartford Thurrock crossing.

Provisions

8. The provisions in the Directive relating to existing tolling schemes are less specific. The most important ones are that toll arrangements for lorries must be:
 - transparent
 - non-discriminatory
 - related to the cost of the infrastructure
9. The two operators caught by the Directive, namely the M6 Toll (Midland Expressway Ltd) and Severn River Crossing (Severn River Crossings Plc), will need to comply with these provisions. Their current tolling arrangements appear to comply.
10. There are also some rules limiting frequent user discounts to 13%.
11. Restrictions on the UK's application of lorry road user charging may have impacts in future in that they could constrain policies that are designed primarily to reduce congestion and environmental impacts being introduced. However, the 2006 Directive does allow infrastructure charges to be varied to reflect pollution and congestion, provided the total revenues collected reflect infrastructure costs.
12. In order to meet obligations in the Directive requiring the UK to provide information to the Commission, the Government is taking some minimal information seeking powers. We already have, routinely receive, or can access most of the information we need. We expect to make very limited and infrequent further demands of the undertakings.
13. We have specifically chosen not to define further how tolls should be "related to" infrastructure costs in order to avoid burdensome assessment procedures. Rather we have stuck to the letter of the Directive. Action would only be triggered where we consider that the tolling regime clearly does not comply with the provision.

Options

14. Since the objective is to transpose EU legislation rather than to achieve a specific policy objective, we have not analysed general options.
15. There are places where the text might bear more than one interpretation. We could attempt to clarify, but this might have the effect of tightening the obligations. We have sought to avoid this by staying as close as possible to the existing text.
16. The one place where choices were available was for enforcement. Here there was a choice to create offences and penalties. We considered that this would be unnecessarily bureaucratic, and we are therefore proposing a lighter touch approach where the tolling arrangements can be suspended pending being brought into compliance. A similar approach has been taken to the transposition of Directive 2004/55 on Interoperability.
17. There is a requirement on the UK Government to provide information to the European Commission to enable the latter to produce a report on the impact on the internal market and its contribution towards the objectives of a sustainable transport policy. In order to fulfil this, the Department for Transport needs to collect a minimal amount of information from the two undertakings affected. Much of this information is already routinely provided by the affected Tolloed Undertakings. It is not considered that this requirement would be a significant administrative burden.

Conclusion

18. The Department's conclusion is that the impact of these regulations will be minimal. But they will allow action to be taken against a UK tolled undertaking that introduces arrangements that do not comply with the Directive.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes/No	Yes/No
Small Firms Impact Test	Yes/No	Yes/No
Legal Aid	Yes/No	Yes/No
Sustainable Development	Yes/No	Yes/No
Carbon Assessment	Yes/No	Yes/No
Other Environment	Yes/No	Yes/No
Health Impact Assessment	Yes/No	Yes/No
Race Equality	Yes/No	Yes/No
Disability Equality	Yes/No	Yes/No
Gender Equality	Yes/No	Yes/No
Human Rights	Yes/No	Yes/No
Rural Proofing	Yes/No	Yes/No

Annexes

**THE HEAVY GOODS VEHICLES (CHARGING FOR THE USE OF CERTAIN
INFRASTRUCTURE ON THE TRANS-EUROPEAN ROAD NETWORK) REGULATIONS
2009
("THE 2009 REGULATIONS")**

**TRANSPPOSITION NOTE FOR THE 'EUROVIGNETTE' DIRECTIVE 1999/62/EC ON THE
CHARGING OF HEAVY GOODS VEHICLES FOR THE USE OF CERTAIN
INFRASTRUCTURES, AS AMENDED BY DIRECTIVE 2006/38/EC, COUNCIL DIRECTIVE
2006/103/EC, AND THE ACT OF ACCESSION OF 2003**

These Regulations do what is necessary to implement the Directive, including making consequential amendments to domestic legislation to ensure its coherence in the area to which they apply.

With the agreement of the devolved administrations, the Secretary of State has taken on the responsibility of implementing the Directive for the whole of the UK via the 2009 Regulations.

Article	Objective	Implementation
CHAPTER ONE GENERAL PROVISIONS ARTICLE 1	Paragraph 1 – Sets out what the Directive applies to, and what it does and does not affect.	No specific provision required for this Article.
ARTICLE 2	Definitions	Regulation 2
CHAPTER TWO VEHICLE TAXATION	Deals with vehicle taxes in the UK and other Member States	Not dealt with in these Regulations as these are finance matters and are dealt with under Finance legislation where necessary.
CHAPTER THREE TOLLS AND USER CHARGES ARTICLE 7, 7a & 7b	<p>ARTICLE 7</p> <p><u>Paragraph 1</u> – sets out the conditions under which Member States may maintain or introduce tolls or user charges on the trans-European road network.</p> <p><u>Paragraph 1a</u> - provides that where toll or user charge are introduced on only part of the TERN, the exemptions for the other parts must not be discriminatory.</p> <p><u>Paragraph 2</u></p> <p>(a) - gives Members States a temporary option of maintaining</p>	<p>Regulation 3(1)</p> <p>No specific provision required.</p> <p>Regulation 10</p>

	<p>or introducing tolls or user charges only for HGVs of at least 12 tonnes.</p> <p>(b) and (c) - but from 2012, the tolls or user charges must be applied to all HGVs (i.e. goods vehicles over 3.5 tonnes). This is subject to derogations in some cases.</p> <p><u>Paragraph 3</u> – states that tolls and user charges may not be both imposed at the same time on a single road section. However tolls may be imposed on networks where user charges are levied for the use of bridges, tunnels and mountain passes.</p> <p><u>Paragraph 4</u> – states that tolls and user charges must not discriminate on the grounds of nationality or location of the haulier, registration of the vehicle or destination of the transport operation.</p> <p><u>Paragraphs 4a, 4b and 4c</u></p> <p>4a – sets out exemptions and reductions.</p> <p>4b – sets out conditions for providing discounts and reductions in tolls for frequent users, which lead to reduced administrative costs for the infrastructure operator.</p> <p>4c – requires all discount and reduction schemes to be communicated to the Commission for verification and approval.</p> <p><u>Paragraph 5</u> – covers the collection of tolls and user charges, including causing as little hindrance as possible, enabling hauliers to pay user charges 24 hours per day, using all common means of payment and providing adequate facilities.</p> <p><u>Paragraph 6</u> – requirement to ensure that arrangements for collection of tolls and user charges do not place non-regular users at</p>	<p>Regulation 11</p> <p>In so far as such discrimination is not already rendered unlawful under the Race Discrimination Act 1976: regulation 12</p> <p>Regulation 13</p> <p>Regulation 14</p> <p>Regulation 20</p> <p>Regulation 15(1) – (3)</p> <p>Regulation 15(4) and (5)</p>
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	<p>an unjustified disadvantage.</p> <p><u>Paragraph 7</u> – user charges, including administrative costs, for all vehicle categories must be set at a level which is no higher than the maximum rates laid down in Annex II.</p> <p><u>Paragraph 8</u> – user charge rates must be in proportion to the duration of the use made of the infrastructure, and Member States may only apply annual rates for vehicles registered in that State.</p> <p><u>Paragraph 9</u> – sets out the basis for tolls being the recovery of infrastructure costs only, and weighted average tolls related to the construction costs and the costs of operating, maintaining and developing the infrastructure network. It may also include a return on capital or profit margin based on market conditions.</p> <p><u>Paragraph 10</u></p> <p>(a) – sets out the conditions for the variation of rates of tolls for purposes such as environmental damage, tackling congestion, minimising infrastructure damage, optimising the use of the infrastructure concerned or promoting road safety.</p> <p>(b) – sets out the ways in which toll rates may or must be varied (e.g. according to the emissions produced by the HGV, or the time of day), and the scope for derogation.</p> <p>(c) – covers variation in the case of projects of high European interest.</p> <p><u>Paragraph 11</u> – covers the addition of mark-ups in exceptional cases for infrastructure in mountainous regions.</p> <p><u>Paragraph 12</u> - states that where drivers of vehicles are unable to produce the documents necessary to ascertain the information contained within paragraph 10(b) a toll up to the highest level</p>	<p>Regulation 9(1) and (2)</p> <p>Regulation 9(3) and (4)</p> <p>Regulation 4</p> <p>Regulation 5(1) – (4)</p> <p>Regulations 5(5) – (7), 6 and 7</p> <p>Regulation 8</p> <p>No provision required. No “mountainous regions” in UK.</p> <p>Regulation 16</p>
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	<p>chargeable may be levied.</p> <p><u>ARTICLE 7a</u></p> <p><u>Paragraph 1</u> – in determining the levels of weighted average tolls, Member States are to take into account costs set out in Article 7(9). Member States may choose not to recover costs through toll revenue, or to recover only a percentage of the costs.</p> <p><u>Paragraph 2</u> – tolls must be determined in accordance with Article 7 and paragraph 1 of Article 7a.</p> <p><u>Paragraph 3</u> – for new tolling arrangements (other than those involving concession tolls) put in place after 10 June 2008, costs are to be calculated using methodology based on the core calculation principles set out in Annex III.</p> <p>For new tolling arrangements put in place after this date and which involve concession tolls, the maximum level of tolls must be equivalent to, or less than the level that would have resulted from the use of this calculation.</p> <p>Tolling arrangements already in place (or those for which tenders have been received) are not subject to the obligations set out for as long as they remain in force and provided they are not substantially modified.</p> <p><u>Paragraph 4</u> – requires Member States to communicate to the Commission at least 4 months before the implementation of a new tolling arrangement:</p> <p>(a) - tolling arrangements not involving concession tolls</p> <p>(b) - tolling arrangements involving concession tolls</p> <p><u>Paragraph 5</u> – requires the notification to the Commission of new tolling arrangements applicable to parallel roads to which traffic may be diverted from</p>	<p>Regulation 4</p> <p>Regulation 4</p> <p>Regulation 4</p> <p>Regulation 17</p> <p>Regulation 18</p> <p>Regulation 19</p>
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	<p>the trans-European road network or which may be in direct competition with parts of the network on which tolls are levied.</p> <p><u>Paragraph 6</u> – requires the Commission, within 4 months of receiving information in accordance with paragraph 4, to give an opinion as to whether the obligations appear to have been fulfilled.</p> <p><u>Paragraph 7</u> – if a Member State wants to apply the provisions about mark-ups to arrangements already in place on 10 June 2008, the Member State must provide information that demonstrates the weighted average toll being applied complies with Articles 2(aa) and 7 (9) and (10).</p> <p>ARTICLE 7b</p> <p>States that the Directive does not affect the freedom of Member States which introduce systems of tolls and/or user charges for infrastructure to provide appropriate compensation for these charges.</p>	<p>No specific provision required.</p> <p>No specific provision required (as there were no mark-ups for mountainous regions in place on 10 June 2008 in the UK)</p> <p>No specific provision required.</p>
ARTICLE 8 & 8a	<p>ARTICLE 8</p> <p><u>Paragraph 1</u> – provides that where two or more Member States wish to cooperate in introducing a common system applicable to their territories, they may do so provided certain conditions are met.</p> <p><u>Paragraph 2</u> – sets out what conditions a common system shall be subject to.</p> <p>ARTICLE 8a</p> <p>Requires Member States to monitor the system of tolls and user charges to ensure they function in a transparent and non-discriminatory manner.</p>	<p>Regulation 21</p> <p>Regulation 21</p> <p>Regulation 22</p>
CHAPTER FOUR FINAL PROVISIONS	<p>ARTICLE 9</p> <p><u>Paragraph 1</u> – provides that the Directive does not prevent the application by Member States of</p>	<p>Regulation 3(2) as regards tolls or user</p>

ARTICLE 9. 9a & 9b & 9c	<p>certain taxes or charges (specific taxes or charges, parking fees and other traffic charges, regulatory charges).</p> <p><u>Paragraph 2</u> – allows Member States to determine the use to be made of revenue from charges.</p> <p>ARTICLE 9a</p> <p>Requires Member States to establish appropriate controls and determine the system of penalties applicable to infringements of the national provisions adopted under this Directive.</p> <p>ARTICLE 9b</p> <p>Requires the Commission to facilitate dialogue and exchange of technical know-how between Member States in relation to the implementation of the Directive.</p> <p>ARTICLE 9c</p> <p>Requires the Commission to be assisted by a Committee and adopt its rules of procedure.</p>	<p>charges.</p> <p>Vehicle taxes are not dealt with by the 2009 Regulations but by Finance legislation where appropriate.</p> <p>No specific provision required.</p> <p>Regulation 23</p> <p>No specific provision required.</p> <p>No specific provision required.</p>
ARTICLE 10	<p><u>Paragraphs 1 and 2</u> - sets out the rates of exchange between the euro and national currencies of the Member States to be those in force on the first working day of October and have effect from 1st January the following year.</p>	<p>No specific provision required.</p>
ARTICLE 11	<p><u>Paragraph 1</u> – requires the Commission to present a report to the European Parliament by 10th June 2011 on the implementation and effects of the Directive.</p> <p><u>Paragraph 2</u> – requires Member States to forward the necessary information for the report no later than 10th December 2010.</p> <p><u>Paragraph 3</u> – requires the Commission to present, no later</p>	<p>No specific provision required.</p>

	<p>than 10th June 2008, a model for the assessment of all external costs to serve as the basis for future calculations of infrastructure charges. To be accompanied by an impact analysis.</p> <p><u>Paragraph 4</u> – requires the report to be accompanied by proposals to the European Parliament for further revisions of the Directive, if appropriate.</p>	
ARTICLE 12	<p><u>Paragraph 1</u> – requires the Member States to bring into force the laws, regulations and administrative provisions necessary to comply with this Directive not later than 10th June 2008.</p> <p>Also requires Member States to contain reference to the Directive when adopting such measures.</p> <p><u>Paragraph 2</u> – requires Member States to communicate to the Commission the text of the provisions of domestic law which they adopt in the field covered by this Directive.</p>	No specific provision required (except for reference to Directive in regulation 2).
ANNEXES 0: EMISSION LIMITS I: MINIMUM RATES OF TAX TO BE APPLIED TO VEHICLES II: MAXIMUM RATES IN EUROS OF USER CHARGES III: CORE PRINCIPLES FOR THE ALLOCATION OF COSTS AND CALCULATION OF TOLLS IV: INDICATIVE VEHICLE CLASS DETERMINATION		<p>Annex 0, II, III and IV are incorporated by reference, see regulation 2(2)(a).</p> <p>Regulation 5(6) contains a ref to Annex 0.</p> <p>Regulation 9(2) contains a ref to Annex II.</p> <p>Regulation 4(4) and (6) contains a ref to Annex III.</p> <p>The definition of “type of vehicle”, which is referred to in the definition of “type of HGV” in regulation 2(1), contains a ref to Annex IV.</p> <p>Annex I is not dealt with in these draft Regulations as this is a finance matter, and dealt with under finance legislation where necessary.</p>