



**The Cheapest Cost Avoider Principle
and Regulatory Impact Assessment:
Towards better regulation of European transport**

Seminar, 6 March 2008, 12h-17h,
Press release

As requested by the Eurovignette Directive (2006/38/EC), the Commission is currently examining ways to identify, assess and internalise external costs for all modes of transport. It recently published a [handbook](#) in preparation of its final position, due on 10 June 2008.

As a follow-up to the Lisbon statement for sustainable growth, jobs and competitiveness of the economy, the European Council concluded during its meeting in Göteborg (2001) that a sustainable transport policy should tackle rising volumes of traffic and levels of congestion, noise and pollution, and encourage the use of environment-friendly modes of transport as well as the internalisation of social and environmental costs.

The seminar brings together policy-makers, scientists and stakeholders to discuss the best ways of handling the problem of externalities in view of implementing an efficient European transportation system. The focus of the seminar is on the methodology identifying *who should pay* for the internalisation of external costs.

Policy-makers have long considered the Polluter Pays Principle (PPP) as an appropriate tool to internalise external costs. However, this methodology has been criticised for lacking an in-depth cost-benefit analysis, for being economically outdated and simplistic, and for risking regulatory failure.

Given that avoiding pollution and thus improving the pollutee's situation inflicts harm on the polluter, economic theory states that the real question that has to be decided is how to avoid the most serious harm. A [study](#) by the Center for Law and Economics in Saarbrücken shows that the solution is provided by the cheapest cost avoider principle (CCAP). The CCAP requires that the party which can prevent or reduce the external cost at the lowest cost for the overall economy take action

The objective of the seminar is to determine which approach should guide the European Commission's policy on the internalisation of external costs for all modes of transport.

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Program

Time	Presenter	Subject
12h - 13h	Light Lunch, Registration	
13h - 17h	Prof. Schmidtchen	Introduction
	Prof. Schmidtchen/ Dr. Koboldt/ Dr. Monheim	Presentation of the findings of the study "The Internalisation of External Costs in Transport: From the Polluter Pays to the Cheapest Cost Avoider Principle"
	Mathieu Grosch, MEP	The internalisation of external costs in transport and Regulatory Impact Assessment: The position of the European Parliament
	Sandro Santamato	The internalisation of external costs in transport and Regulatory Impact Assessment: The position of the European Commission
	Craig Robertson	Regulatory Impact Assessment in the European Union
	Prof. Anthony Ogus	Regulatory Impact Assessment and the Cheapest Cost Avoider Principle
17h	Cocktails	

Venue: Renaissance Brussels Hotel, 19, Rue du Parnasse, Brussels,
<http://www.marriott.com/hotels/travel/brubr-renaissance-brussels-hotel/>

Presenters:

Professor Dr. Dieter Schmidtchen is Professor for Economics and Public Policy at Saarland University. He is also Head of the Center for the Study of Law and Economics (CSLE).

Dr. Christian Koboldt, Consultant (DotEcon), is affiliated to the Center for the Study of Law and Economics.

Dr. Jenny Monheim is Assistant Professor for Economics and Public Policy at Saarland University and is affiliated to the Center for the Study of Law and Economics.

Mathieu Grosch, MEP, is member of the Committee on Regional Policy, Transport and Tourism of the European Parliament.

Sandro Santamato is Head of the Unit concerned with economic analysis, impact assessment, evaluation and climate change at the Directorate-General for Energy and Transport of the European Commission.

Craig Robertson is Senior Lecturer in the Unit on European Decision-Making of the European Institute of Public Administration in Maastricht. Prior to joining EIPA, he worked for almost four years as a National Expert (seconded by the UK Cabinet Office/Department of Trade and Industry) in the Secretariat-General of the European Commission, initially as part of the Strategic Planning and Programming Unit, but for most of that period in the Better Regulation Unit.

Professor Anthony Ogus is Professor of Law at the Manchester School of Law, Manchester University. He specialises in law and economics and regulation.

The **Center for the Study of Law and Economics** is the organiser of the conference. Founded in 1993 and based the Saarland University, it is a forum for the cooperation of scientists studying the economic analysis of law (<http://www.uni-saarland.de/fak1/fr12/csle/>).