

# Weight tax and taxes on HGV traffic in Europe

According to the CITEPA<sup>184</sup>, in 2017, HGVs accounted for 5.7% of total CO<sub>2</sub> emissions in France and roughly 20% of annual CO<sub>2</sub> equivalent emissions in the transport sector<sup>185</sup>. In addition, a significant share of negative externalities related to the road (pollution, congestion, noise, etc.) is due to HGVs which damage roads more than passenger cars. However, goods carriers do not contribute to road network maintenance proportionately to their effect on it. This inconsistency further complicates the funding of mobility<sup>186</sup>.

## → THE "POLLUTER PAYS" APPROACH

In view of this inconsistency, effective solutions have been implemented for several decades. This is particularly the case in Switzerland<sup>187</sup>, where the performance-related HGV fee (RPLP), in force since 2001, applies to Swiss and foreign HGVs weighing over 3.5 metric tons. This tax is indexed on vehicle weight, the number of kilometres travelled and emissions. It aims to foster a shift in goods transport from road to rail. The success of this type of tax instrument is dependent on two factors: reaching an optimum tax price and the existence of an efficient rail infrastructure network.

The results are significant: a drop in the number of HGVs driving with empty loads achieved through optimised loading, a renewed fleet through a shift from HGVs to lighter (and therefore less polluting) vehicles and a 6.4% reduction in the distance covered by heavy traffic between 2001 and 2005, according to a report published by the Swiss Federal Office for Spatial Development (ARE) in 2011. The Swiss RPLP tax has also constituted a means of reducing CO<sub>2</sub> emissions by 105,000 metric tons since its entry into force. It has also represented revenues of €1.2 billion intended to maintain the road network and develop rail infrastructure. The Swiss success is coveted by others: six countries have already followed suit, introducing taxes of this kind with a view to departing from the highly competitive fuel tax model.

## → REVIEWING THE SHARE OF HGVS IN INFRASTRUCTURE FUNDING

Following the first failure of the *écotaxe*, the collapse of the Morandi motorway bridge in Genoa in August 2018 re-opened debate on the HGV tax in France, as Italy was among the European nations which had not introduced such a tax. In France, no fewer than 4,000 bridges on the non-concession road network require repair<sup>188</sup>, according to a study commissioned by the French Transport Infrastructure Department in July 2018. Unlike the concession network, the public road network suffers from "chronic under-investment in road maintenance"<sup>189</sup>. The introduction of a mileage charge applicable to lorries weighing over 3.5 metric tons on France's non-concession road network would reduce pollution and, to a lesser extent, congestion and would finance network maintenance, with HGVs bearing the real costs of road haulage.

Over the last decade, the modal share of rail freight plummeted to the benefit of road haulage. Besides the funding of maintenance works on the French road network, the development of rail and river transportation was also at stake with the introduction of this *écotaxe*. Its revenues were to be allocated to the AFIT, the funding agency for French transport infrastructure, to finance infrastructure projects, most of which were rail-based.

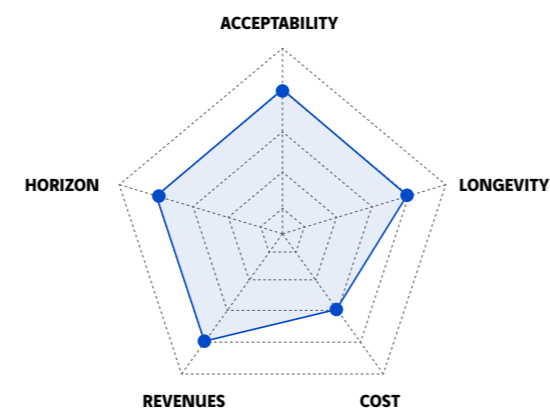
## → THE QUESTION OF ACCEPTABILITY

The liberalisation of the road haulage industry heightened sector-based competition which is now played out on national and European levels<sup>190</sup>. The year 2013, in which the *écotaxe* went live, was marked by several protests by road hauliers. These professionals rejected the measure, stating that it created distortions of competition between areas, thereby affecting attractiveness for some of them. In addition, they believed that reinforced taxation on road haulage would put a strain on companies' competitiveness<sup>191</sup>.

Three years after this failure and given the success of its European counterparts<sup>192</sup>, the *écotaxe* resurfaced in the French political arena<sup>193</sup>. This option remains disputed by the FNTR, the national road transport union, for the aforementioned reasons. Road hauliers demand a prior audit of all that is collected under road usage and that the revenues related to the 4-cent increase in the domestic consumption tax on energy products (TICPE), agreed when the *écotaxe* was shelved in 2016, are allocated to road network maintenance.



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## Who pays?



STATE



COMPANIES



TAXPAYER

## What scale of implementation?



LOCAL



NATIONAL