

Arguments for and against a distance-based fee for trucks

Experiences of CAAG's campaign in Hungary

András Lukács

President

Clean Air Action Group, Hungary

GreenBudgetEurope

ANNUAL CONFERENCE

London, 17 July 2009

**The Clean Air Action Group (CAAG)
was founded in 1988.**

**It is today a national federation of
127 Hungarian environmental NGOs.**

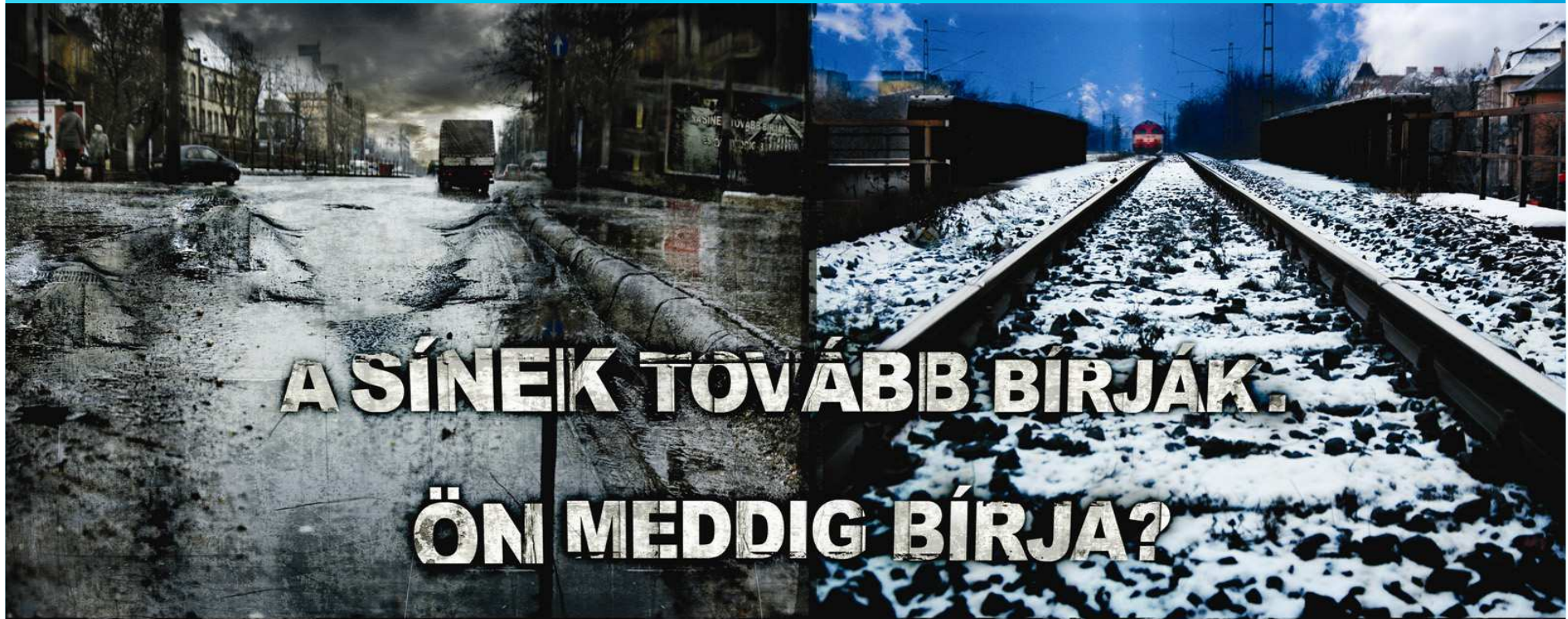
Full-time employees: 17 persons

Experts' Committee: more than 100 persons

Revenues in 2008: about 250,000 EUR + in kind

Campaign

FREIGHT: FROM ROAD TO RAIL



A SÍNEK TÖVÁBB BÍRJÁK.

ÖN MEDDIG BÍRJA?

Készült az Oak Foundation támogatásával.



www.levego.hu/kamionstop

 Levegő Munkacsoport

Funded mostly by the Oak Foundation

During our campaign we concentrated on trucks with maximum permitted weight more than 12 tonnes.

The goods carried by these trucks are most suitable for rail transport.

Kick-off press conference of the campaign (inside a container) in January 2006



Advertisements:

- **Television (30 second spot)**
- Newspapers
- Giant posters
- Small posters in metro

Letters to

- all mayors in Hungary (3200)
- all members of the Parliament
- ministers

30-minute film

Wide press coverage

300 billboards on the roads in Hungary



Conference on truck traffic organised by CAAG in the House of the Members of Parliament





Demonstration of local residents with CAAG's help against heavy truck traffic in Hungary

An opinion poll showed that the majority of the population thinks road freight transport does not pay its full costs, and that high road fees should be introduced for trucks.



Mennyire ért Ön egyet a következő állításokkal?
(átlagértékek, 0-100)



LEVEGŐ MUNKACSOPORT - KAMIONRÓL VASÚTRA - Mozilla

Ejml Szerkesztés Nézet Ugrás Könyvjelzők Feladatok Ablak Súgó

Vissza Előre Frissítés Leállítás

http://www.levego.hu/kamionstop/ Keresés Nyomtatás

WWW.LEVEGO.HU **A SÍNEK TOVÁBB BÍRJÁK** ENGLISH KAPCSOLA VISSZA A FÖLDALR

Mit tehet Ön? **www.levego.hu/kamionstop** 10 mp-es tévésztot

Kamionról vasútra 30 mp-es tévésztot

Rohamosan növekszik a kamionforgalom, aminek egyre súlyosabb kárait tapasztalhatjuk:

- Egy 30–40 tonnás kamion annyi kárt okoz az úttestben, mint több százezer személyautó.
- A kamionok által tönkretett utak miatt évente több száz milliárd forint kár keletkezik a járművekben (főleg a személyautókban).
- A kamionok kipufogógáza a legmérgezőbb anyagok közé tartozik.
- A kamionok zaja sokszorosan meghaladja azt az értéket, amelyet egy ember egészségkárosodás nélkül tartósan el tud viselni.

32 perces film

Közvélemény-kutatás

A Levegő Munkacsoport kiadványai

Egyéb anyagok

Rövid tájékoztató

http://www.levego.hu/kamionstop/30mptv.html

In 2007 the Hungarian Government decided to introduce a distance-based fee for trucks in 2009.



Distance-based fee for trucks in Hungary

Implementation is constantly delayed.

Main counterarguments:

- **Negative effect on competitiveness**
- **High cost of implementation and control**

Besides, now there is a minority government which has great difficulties in getting anything new accepted in the Parliament.

National elections in April 2010

Protests by road transport organisations in the spring of 2008 because of the „high fuel prices”

Agreement with the government in June 2008:

- **Reduction of the annual vehicle tax for trucks and some other measures, costing the taxpayers about EUR 40 million per year**
- **The road transport organisations agree that a distance-based fee will be introduced, but they must be consulted beforehand on the details...**

Press Campaign by CAAG

2008. augusztus 27. Gazdasági Rádió. Oktalan a kamionos kedvezménye

<http://www.gazdasagiradio.hu/cikk/3777/>

2008. augusztus 26. Borsodi Online. Fuvarozóknak nem jár a támogatás

<http://www.boon.hu/hirek/Auto/cikk/visszavonatnak-a-fuvarozok-kedvezmenyeit/cn/news-20080826-11304432>

2008. augusztus 26. Műszaki Fórum. Fuvarozóknak nem jár a támogatás

<http://www.muszakiforum.hu/cikk/52972/levegő-munkacsoport-a-kormány-vonja-vissza-a-fuvarozok-kedvezmenyeit?area=158>

2008. augusztus 26. Magyar Nemzet. Fuvarozók támogatásának visszavonása

<http://www.mno.hu/portal/580925>

2008. augusztus 25. Népszabadság. A kormány vonja vissza a kamionkedvezményt

<http://www.nol.hu/cikk/504572/>

2008. augusztus 25. Stop.hu. Vissza kell vonni a fuvarozók támogatását

<http://www.stop.hu/articles/article.php?id=373383>

2008. augusztus 25. Friss Hírek. Tisztességtelen a fuvarozók támogatása

<http://www.frisshirek.hu/story/97627.html>

2008. augusztus 25. Napi Online Tisztességtelen a fuvarozók támogatása

<http://www.napigazdasag.hu/default.asp?cCenter=article.asp&nID=378972&place=cikkkapcsolodo>

2008. augusztus 25. Webrádió. Tisztességtelen a fuvarozók támogatása

<http://www.webradio.hu/index.php?option=content&task=view&id=127465>

2008. augusztus 25. HVG. Tisztességtelen a fuvarozók támogatása

http://hvg.hu/itthon/20080825_fuvarozok_tamogatasa_levegő_munkacsoport.aspx

2008. augusztus 25. Origó. Tisztességtelen a fuvarozók támogatása

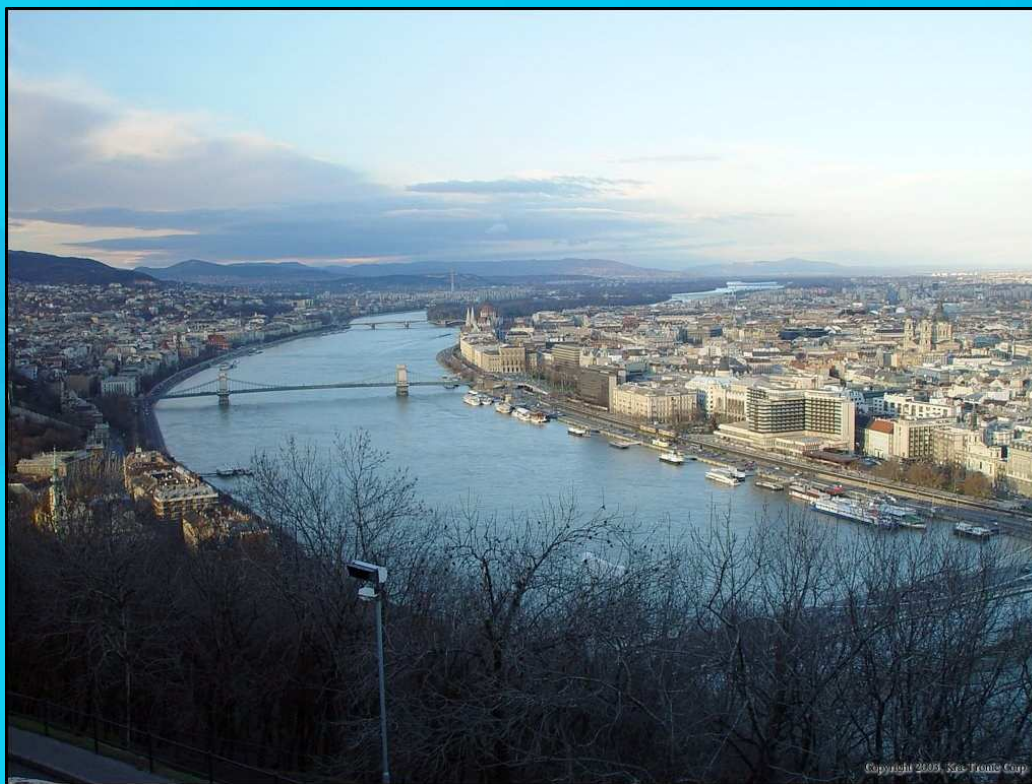
<http://www.origo.hu/uzletinegyed/magyargazdasag/20080825-visszavonnak-a-fuvarozok-kedvezmenyeit-levegő-munkacsoport-gazolajar-lukacs-andras.html>

2008. augusztus 25. ATV. Tisztességtelen a fuvarozók támogatása

http://atv.hu/hircentrum/2008_aug_olcsobb_az_uzemanyag_vonjak_vissza_a_kedvezmenyeket_.html

Another result of our campaign

Introduction of a time-based fee for trucks in Budapest from 1st January 2008



Dispelling the myths

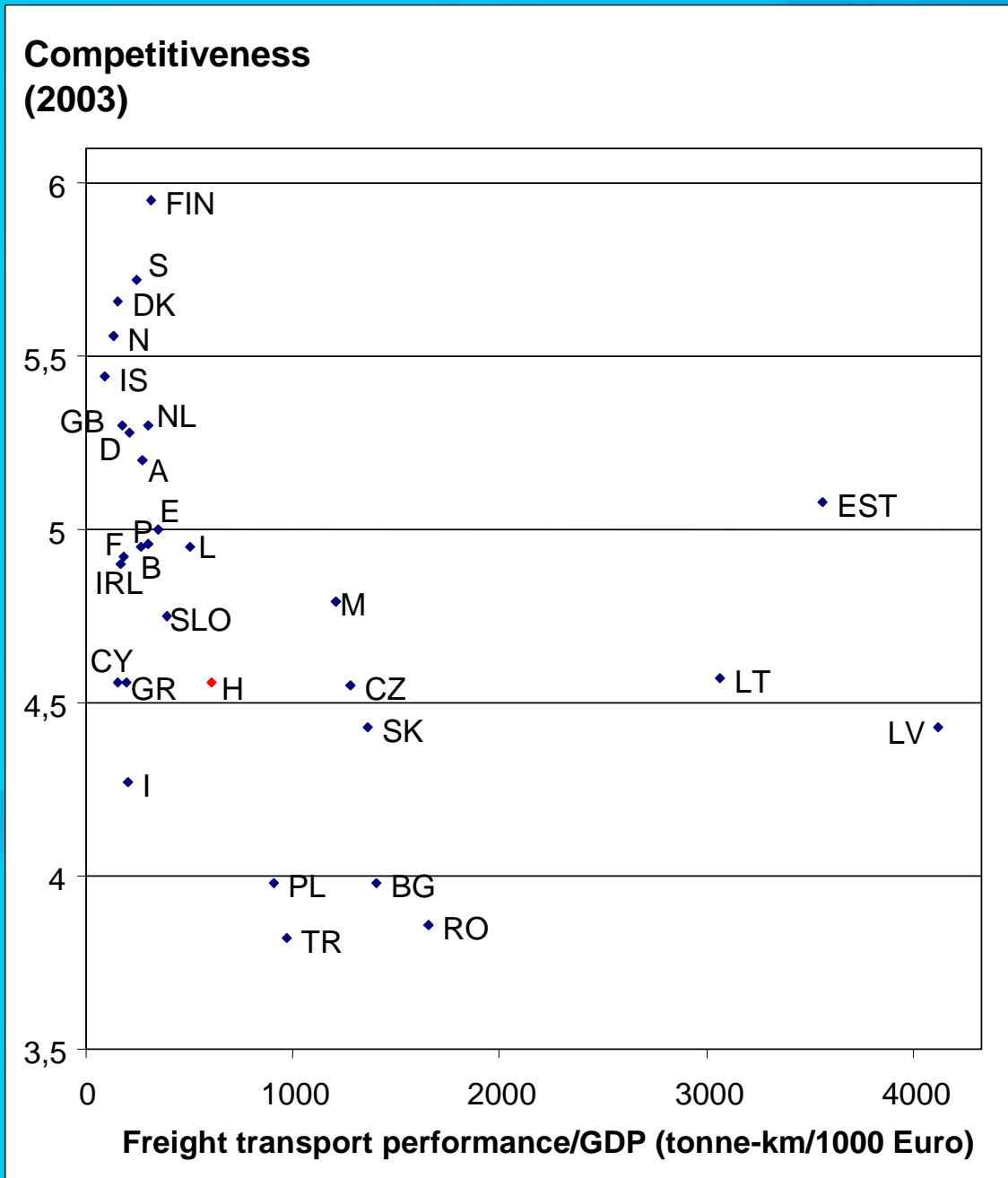
Dispelling the myths

Myth 1:

*„More freight transport =
= more economic growth,
improved competitiveness”*

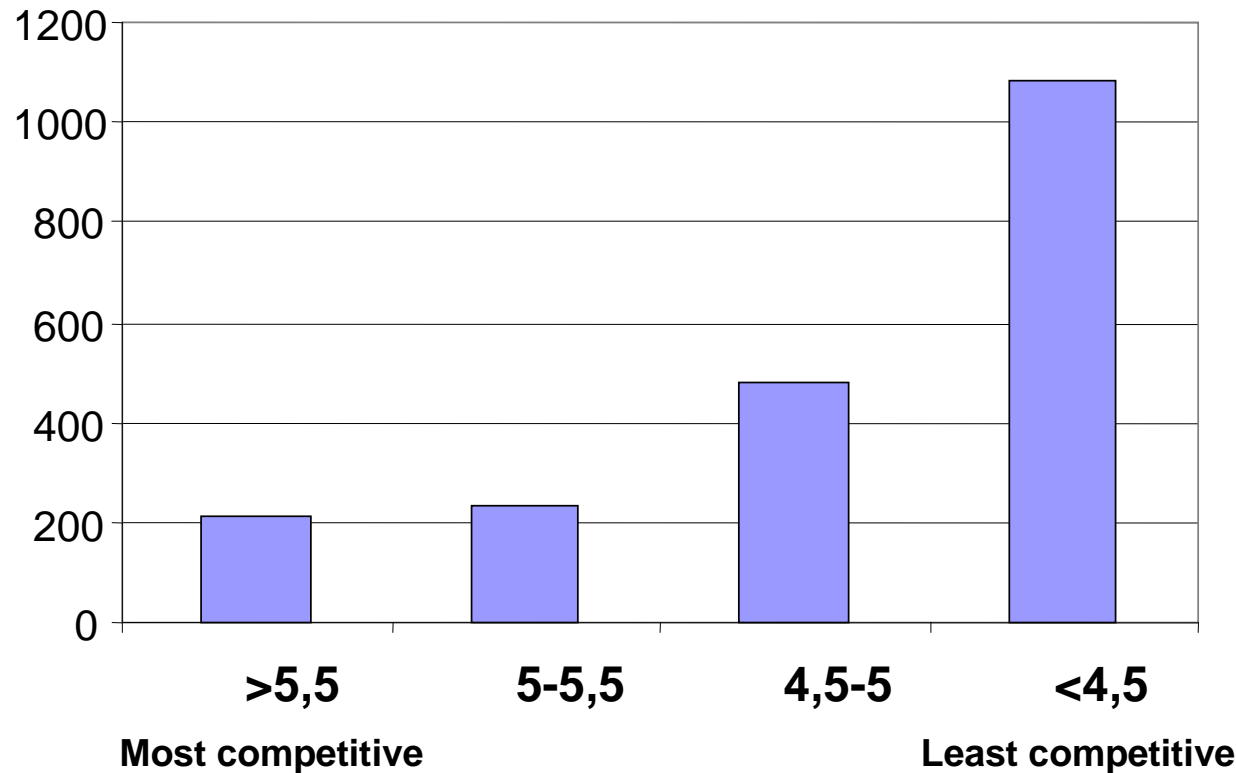
The relation between freight transport intensity and competitiveness in 30 European countries

Sources:
Eurostat,
Global Competitiveness Report



Freight transport intensity of 27 European countries* grouped according to competitiveness

Freight transport intensity
(tonne-km/1000 Euro)



Groups of countries with different competitiveness

Trucks transport Italian mineral water to Sweden and Swedish mineral water to Italy.

In Hungary one can buy Dutch tomatoes and Belgian carrots...

There are many similar examples.

Does this improve the competitiveness of the European Union?

Liebig's Law is more or less valid also for the economy: economical growth will be the greatest, if the scarcest resource will be increased. Freight transport is generally not the scarcest resource.

Liebig's Law of the Minimum states that growth is controlled not by the total of resources available, but by the scarcest resource. This concept was originally applied to plant or crop growth, where it was found that increasing the amount of plentiful nutrients did not increase plant growth. Only by increasing the amount of the limiting nutrient (the one most scarce in relation to "need") was the growth of a plant or crop improved.

(Wikipedia)

Switzerland introduced a high fee for trucks in 2001.

Global Competitiveness Index

Country/Economy	GCI 2008–2009	
	Rank	Score
United States	1	5.74
Switzerland	2	5.61
Denmark	3	5.58
Sweden	4	5.53
Singapore	5	5.53
Finland	6	5.50
Germany	7	5.46
Netherlands	8	5.41
Japan	9	5.38
Canada	10	5.37
Hong Kong SAR	11	5.33
United Kingdom	12	5.30
Korea, Rep.	13	5.28
Austria	14	5.23
Norway	15	5.22

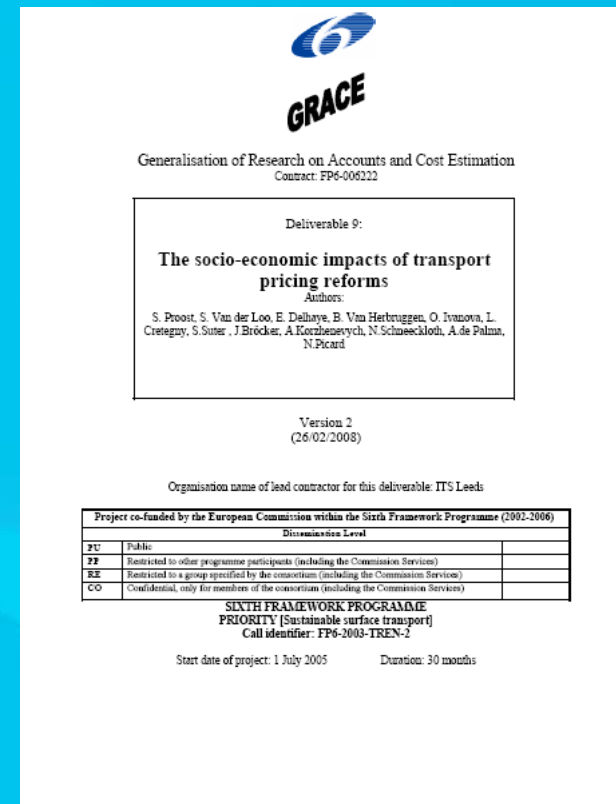
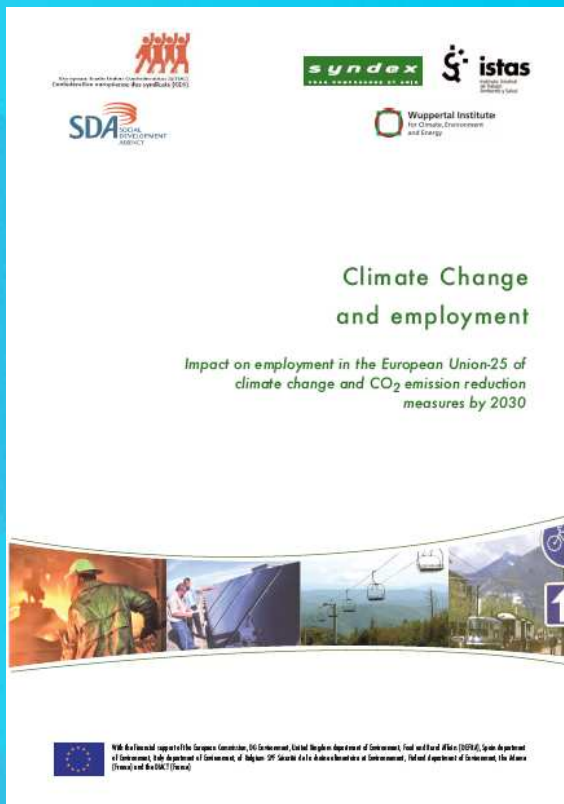
Source: The Global Competitiveness Report 2008-2009

Dispelling the myths

Myth 2:

*„More freight transport =
= more jobs”*

Freight transport is a very energy- and material-intensive activity. With the same amount of money a lot more jobs can be created in other sectors of the economy.



Dispelling the myths

Myth 3:

„Taxation of road transport will make goods for the consumers more expensive”

Did you know...?

That high fuel prices make your goods more expensive?

Increasing fuel costs affect all transport operators and customers. If fuel costs amount to a realistic 26% of the total cost of operating a vehicle and fuel prices increase by 16%, overall costs will increase by 3.92%. Considering that profit margins of transport operations are very low it becomes clear that any fuel cost increase will be passed on to the final consumer.

Influence of fuel cost in operating costs:

Fuel price increase	Fuel cost's share of the total operating costs of a vehicle					
	20%	22%	24%	26%	28%	30%
1%	0.20%	0.22%	0.24%	0.26%	0.28%	0.30%
5%	1.00%	1.12%	1.19%	1.31%	1.42%	1.50%
10%	2.00%	2.23%	2.38%	2.62%	2.85%	3.00%
15%	3.00%	3.35%	3.58%	3.92%	4.27%	4.50%

Source: IRU

Any penalty on road transport is an even greater penalty on economy, leading companies to relocate and to cut jobs.

IRU: „Any penalty on road transport is an even greater penalty on economy, leading companies to relocate and to cut jobs.”

(http://www.iru.org/index/cms-filesystem-action?file=webnews/en_Didya2007.pdf)

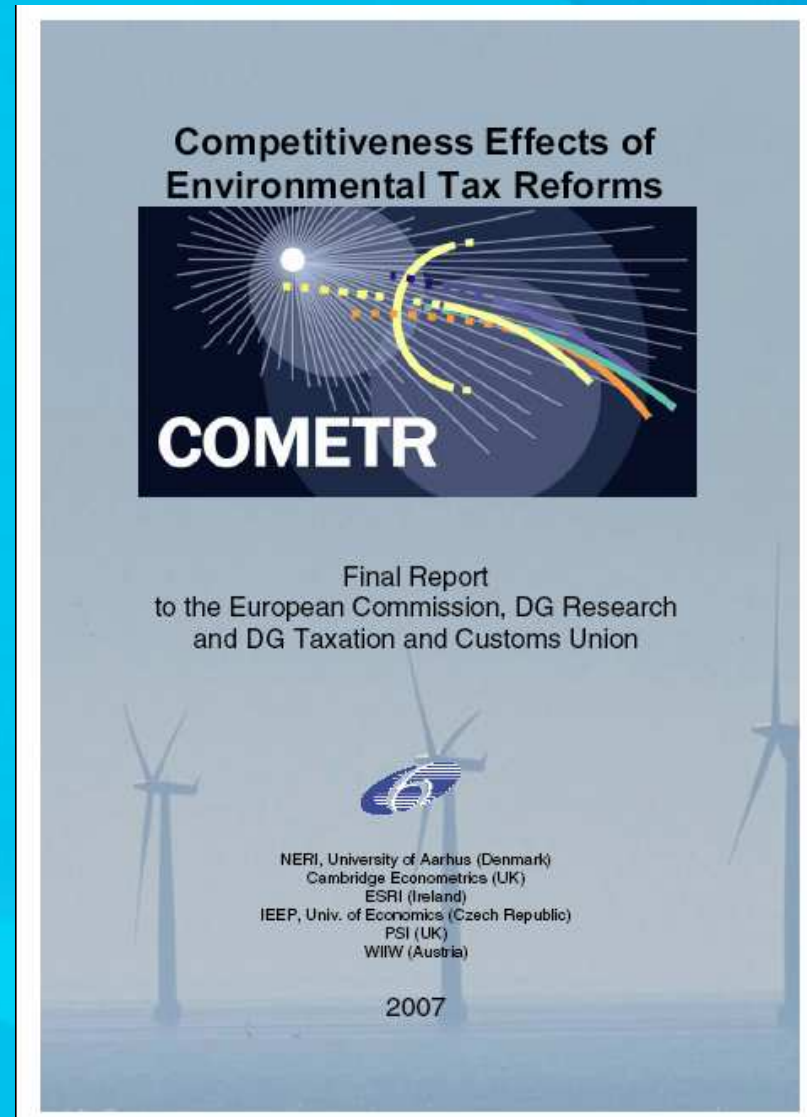
- The external costs of road transport already exist. By internalising them no new costs will arise, but the costs will be paid by those who cause them.
- If taxes on road transport are increased, other taxes can be decreased, thereby reducing costs for companies and consumers.

Carbon-energy taxation contributed to economic growth

By Mikael Skou Andersen

When taxes are introduced on energy and CO2 emissions, and the income is used to reduce other taxes, a positive effect is achieved both for the environment and for the economy. Economists from Cambridge Econometrics have, in an EU research project coordinated by the National Environmental Research Institute, University of Aarhus, shown that the 'double dividend' theory can no longer be rejected in practice. In five EU countries, CO2 and energy taxation over the last 17 years has made a small but positive contribution to economic growth of up to 0.5 per cent, at the same time as CO2 emissions have been reduced.

<http://www.dmu.dk/International/News/Archive/2007/CO2tax.htm>



Dispelling the myths

Myth 4:
***„Price does not influence
demand”***

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Source: IRU

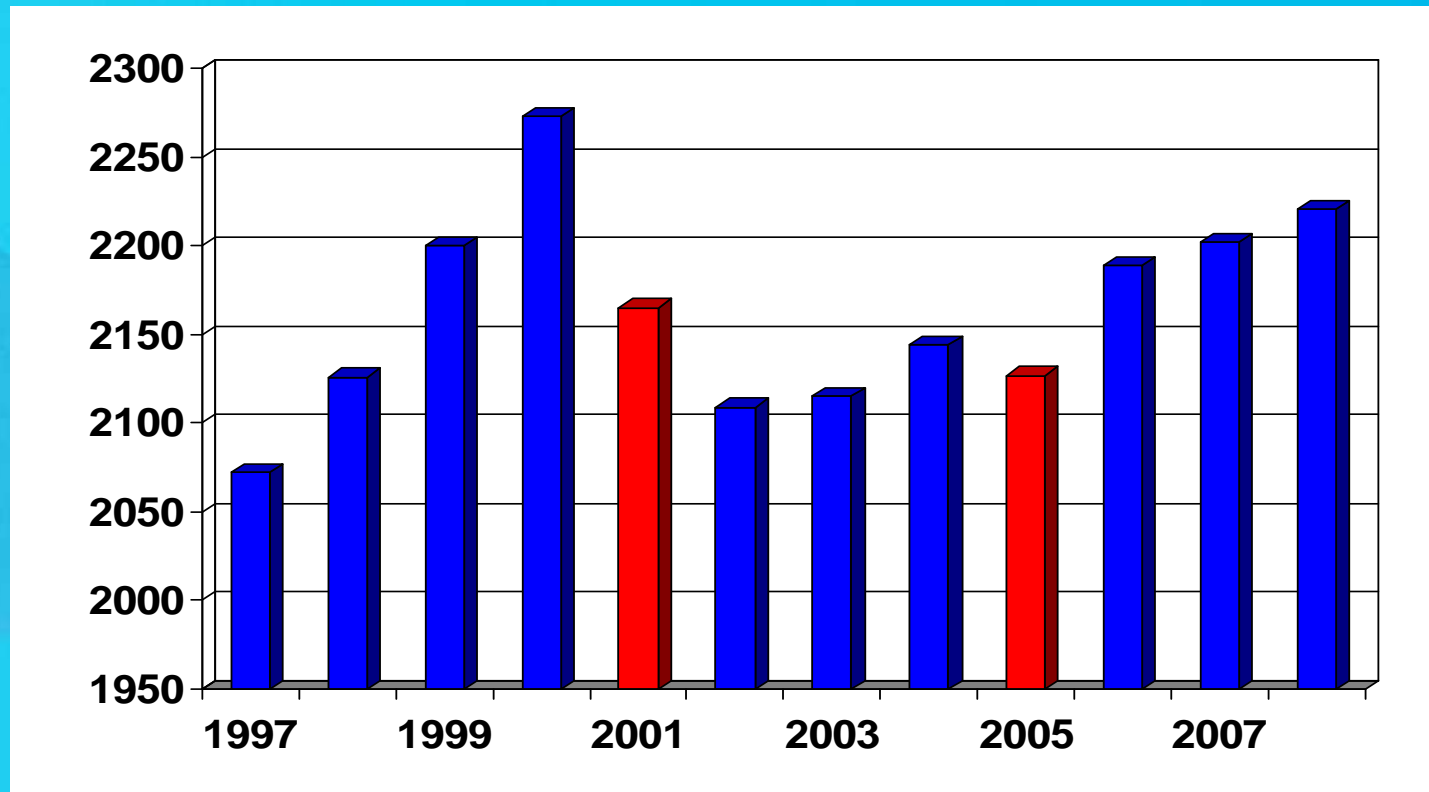
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IRU: „Considering that profit margins of transport operations are very low it becomes clear that any fuel cost increase will be passed on to the final consumer.”

If the costs can be passed on to the customer, what is the hauliers' problem with tax increases?

Effect of the Swiss kilometer-fee on vehicle-kilometers (trucks)

Million vkm



The fee was introduced in 2001 and raised in 2008.

Dispelling the myths

Myth 5:
„Technology will solve everything”

Technological progress is essential, but not omnipotent

1. New technologies often create new problems

2. Time factor

In Europe every year 300,000 persons die prematurely

because of PM pollution (Source: M. Amann, I. et. Al.: Scope for further emission reductions: The range between Current Legislation and Maximum Technically Feasible Reductions, International Institute for Applied Systems Analysis (IIASA) Laxenburg, Austria, 2004, http://www.iiasa.ac.at/rains/CAFE_files/baseline3v2.pdf)

3. Cost factor

4. ICT, ITS might lead to more transport and hence more pollution

Dispelling the myths

Myth 6:

***„Cars are the real problem,
not trucks”***



Trucks : Only a Small Fraction of Vehicles on the Road

One in ten !



Source: EU Transport in Figures, 2007

© International Road Transport Union (IRU) 2007

Effect	1 heavy truck = = ? cars
Land occupation	3
Air pollution	4-1000
Noise	100
Damage to roads, buildings and utilities due to vibrations	100,000

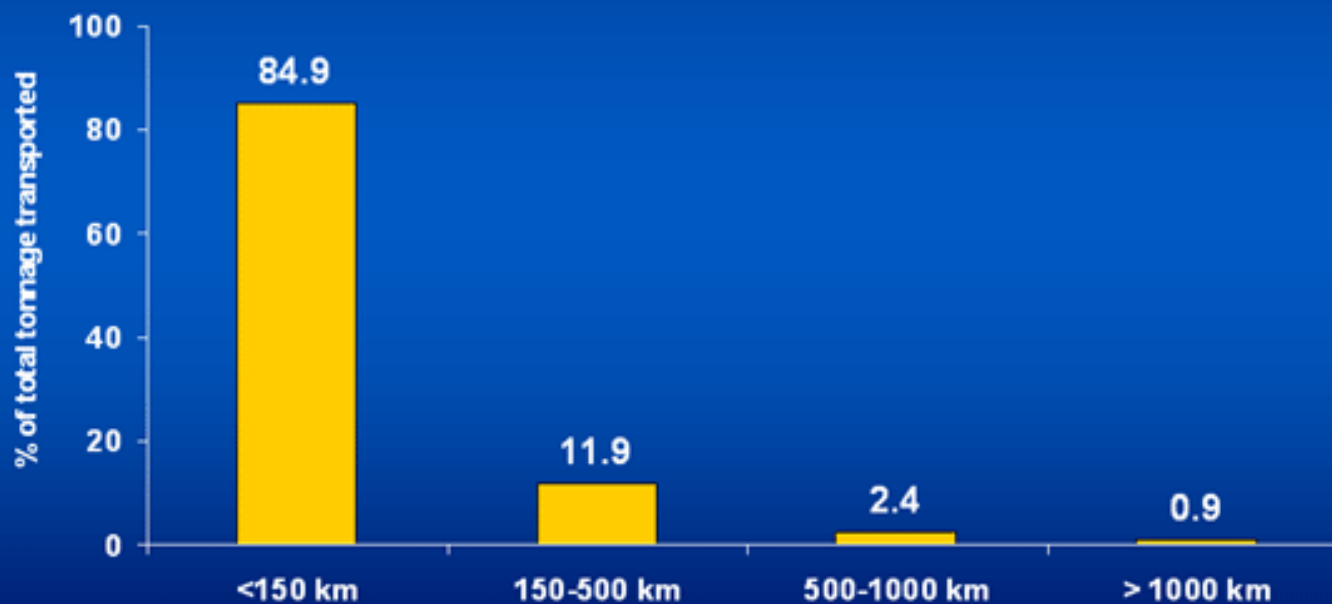
Dispelling the myths

Myth 7:

„Railways are not a feasible alternative”



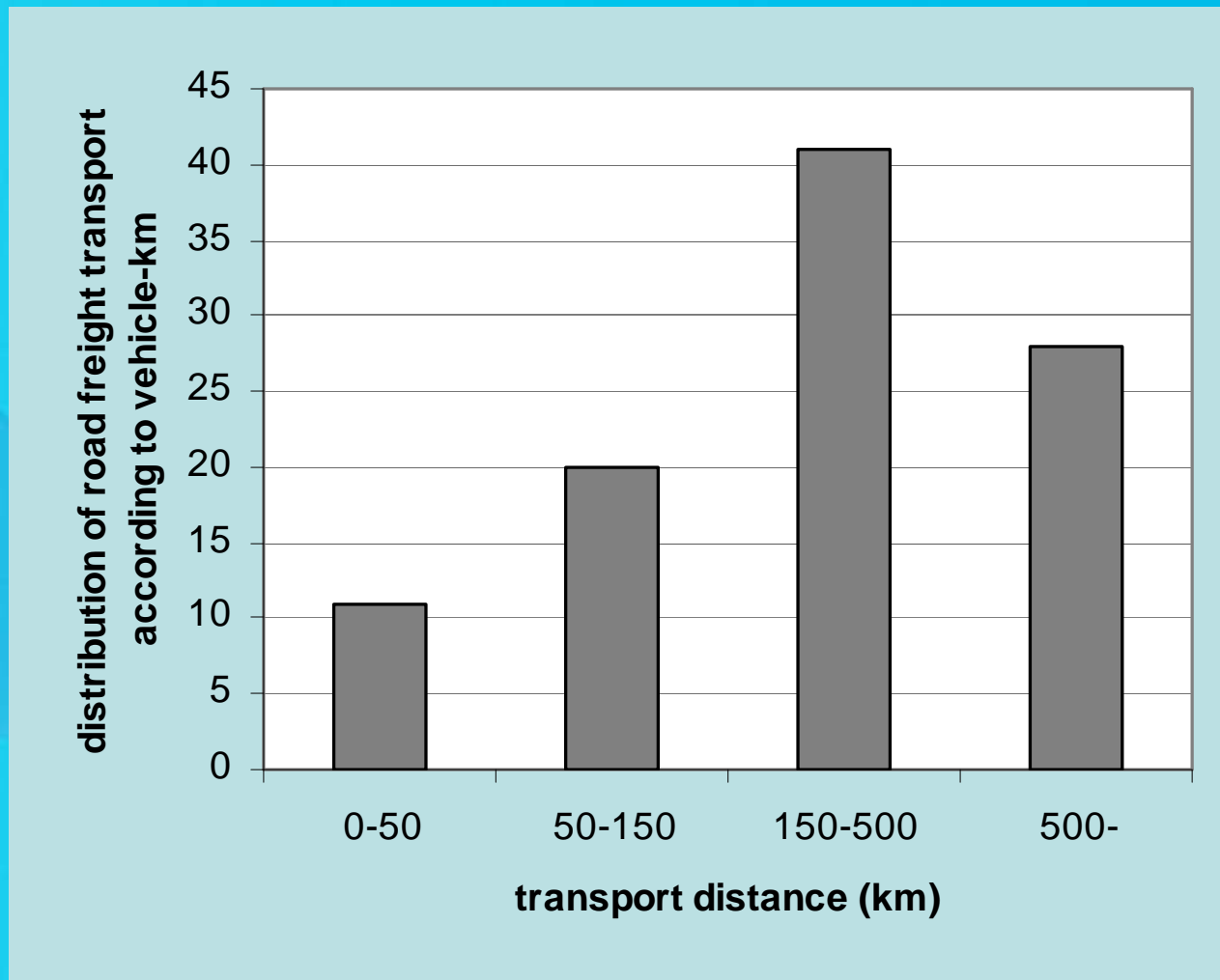
Goods Transport Distances in Europe – Road Transport



Source: NEA, Eurostat, 2004

© International Road Transport Union (IRU) 2007

Distribution of road freight transport according to the transport distance (vehicle-km)

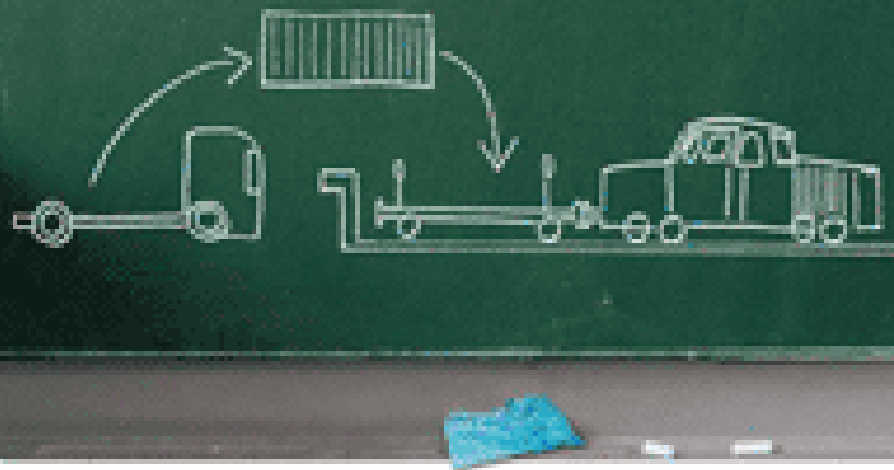


Source: European Commission, DG TREN, 2006

A distance-based fee for trucks was introduced in Germany in 2005. Even as the plans for the fee have been announced, the share of railways in goods transport started to increase...



Examples of companies shifting their goods transport from road to rail



Mehr Bahn wagen

13 erfolgreiche Verlagerungsbeispiele aus dem Güterverkehr

**It became profitable to reconstruct even
a completely disused line!**



The Raubach–Selters line before and after the reconstruction

Dispelling the myths

Myth 7:
***„Road freight transport
is overtaxed”***

CE Delft
Solutions for
environment,
economy and
technology

Cruik Delft 100
2011 161 Delft
The Netherlands
tel: +31 15 2 190 100
fax: +31 15 2 190 101
e-mail: ce@dce.nl
website: www.ce.nl
KvK 27251005

Are trucks taking their toll?

The environmental, safety and
congestion impacts of lorries
in the EU

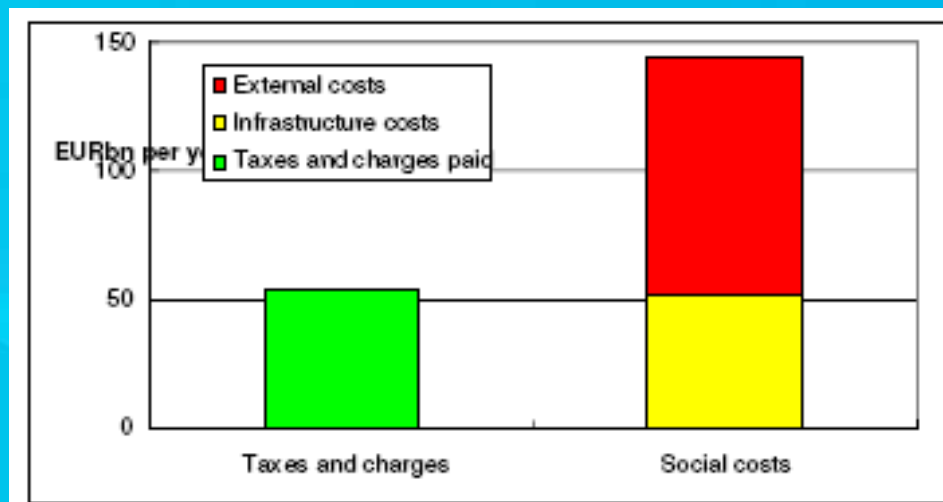
Report:

Delft, January 2005

Authors: Eelco den Boer
Femke Brouwer
Arno Schroten
Huib van Essen



Road freight transport in the EU currently only pays for its €50bn annual infrastructure costs. The remaining €90bn bill resulting from so-called external costs (environmental, congestion and accident costs) is not paid by the sector but by the rest of society.



Dispelling the myths

Myth 8:

„More subsidies are useful for road freight transport”

1. Subsidies lead to more transport and hence to more pollution.

2. Subsidies (including the non-internalisation of external costs) seriously distort the market.

This is economically and financially unsustainable for the society as a whole, and therefore in the long run for freight transport, too.

3. Subsidies are an obstacle to innovation and to the creation of higher added value.

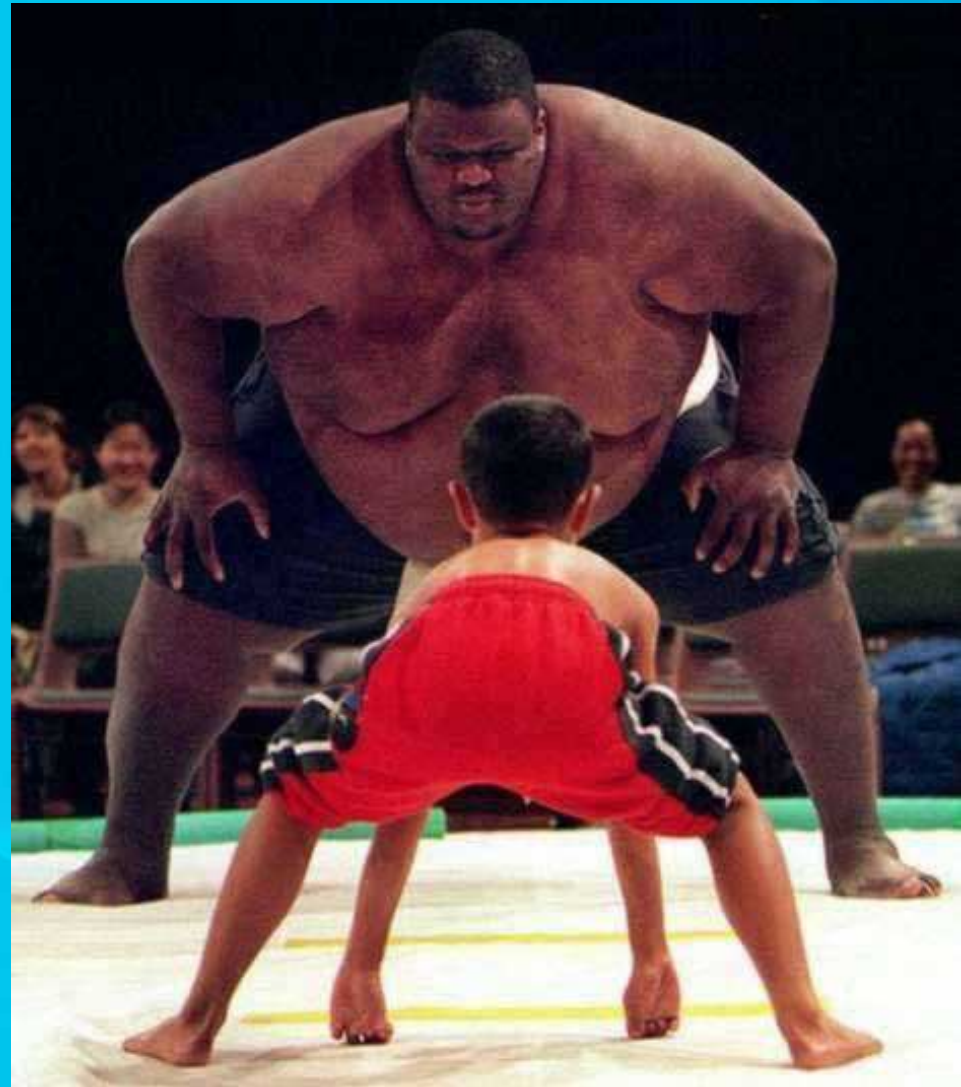
Subsidies lead to the illusion that there is no need to change.

4. Corporate social responsibility is becoming a key element of competitiveness. If the representatives of a certain economic sector receive unmerited subsidies, this is socially irresponsible.

It is even more so if these subsidies are a result of irresponsible lobbying and misinformation.

Today the opportunities for communication are very different for the trucking industry and environmental NGO's.

Equal chances must be given for communication of the different viewpoints!



Proposals for GBE Europe:

1.

CAAG will prepare an easily readable brochure in English for NGOs with arguments for the distance-based fee for HGV's.

After comments and approval by the GBE Steering Committee CAAG will finalise it, and it can be distributed through Internet.

2.

Together with T&E and other organisations GBE should lobby for a strong Eurovignette Directive.

Thank you for your attention!

András Lukács
Clean Air Action Group
Hungary
www.levego.hu
lukacs@levego.hu

