



Department  
for Transport

# REFORMING THE HGV ROAD USER LEVY: CALL FOR EVIDENCE

**Moving Britain Ahead**

**November 2017**

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# Department for Transport

## 1) Introduction

**At March Budget 2017 the Government announced the launch of a call for evidence on reforming the existing HGV Road User Levy. We committed to reviewing the scheme once operational when the original Levy was announced in 2013. We are now seeking views and want to work with industry to reform the Levy in a way that rewards hauliers that plan their routes efficiently, incentivises efficient use of roads, and improves environmental performance, including air quality and carbon emissions.**

In reforming the Levy our overarching approach is that it should **represent a fair, user-friendly charge which works for industry.** We are seeking evidence on how to reform the existing Levy to make it fairer and to better support wider Government objectives - our intention is not to raise more money from hauliers. We are mindful of the costs faced by hauliers and at Autumn Budget 2017 the Chancellor announced a freeze on fuel duty, saving the average haulier £3,600 per year compared to the pre-2010 escalator. Fuel duty has been frozen for eight successive years, which has meant an average cumulative saving of around £19,500 for hauliers.

Government will engage closely with industry as we develop these proposals, and we encourage everyone with an interest to respond to this call for evidence.

### **Why reform the Levy?**

Since 1 April 2014 all operators of HGVs at or above 12 tonnes gross weight using UK roads have been required to pay the HGV Road User Levy. The Levy has been a significant first step towards ensuring that operators of HGVs – both UK and foreign – pay an appropriate charge for their usage of the road network.

While the operation of the current Levy has been a success, there are limitations in what its current structure can achieve. We believe there is scope to improve the Levy so that it works better for industry, as well as delivering wider Government objectives. The current Levy is based on weight and number of axles, and it does not vary according to actual use and impact on the road network, nor does it reward operators that adopt best practice in route operation.

It is therefore timely to consider whether there is more we can do to create a system that is fairer to industry, incentivises more efficient use of our roads and better meets our environmental ambitions.

**In this call for evidence we are seeking views on whether the existing HGV Road User Levy could be developed to incentivise efficient use of our roads and improve environmental performance, especially air quality and carbon emissions. We are interested in views on how international models could work in a UK context, for example whether a charge based on the amount of distance travelled by HGVs and by the emissions class of vehicle, could help to meet these objectives, or a differentiated time-based charge. We are seeking evidence to shape early considerations of what an update to the scope, function and operation of the Levy may look like.**



## 2) Objectives in reforming the Levy

In reforming the Levy, we will be seeking to achieve the following objectives:

### 1. Encouraging individual HGV operators to plan more efficient route operation and use the most modern equipment.

We are keen to explore the role of incentives in encouraging operators to reduce vehicle miles, for example by planning efficient routing and investing in the most efficient engines. Progress in this area has been limited, partially as a result of commercial practices and operational constraints, and the relatively low levels of take-up of telematics and IT-enabled routing, particularly among smaller operators. In recent years manufacturers have made less significant progress in improved HGV fuel efficiency compared to cars and Light Goods Vehicles. We also believe that the tax system, through the current Vehicle Excise Duty (VED), Fuel Duty and HGV Levy regimes, could do more to reward operators that adopt best practice or operate more effectively.

### 2. Helping to drive more efficient use of our roads.

The Government is committed to helping drivers make better use of our limited road space, particularly on our main inter-urban networks. As part of our wide-ranging plans to improve the Strategic Road Network, we intend that fewer road users will be caught up in congestion, and that we will achieve increasingly reliable, free-flow journeys with minimal delays.

In order to achieve this, the Government will invest significantly in the improvement of the network. We have committed £15 billion to deliver the first Roads Investment Strategy (2015 – 2020). All VED revenues in England from 2020 onwards will be used to fund the National Roads Fund for investment in the roads network and later this year, we will consult on proposals for creating a 'Major Road Network' (MRN) with a proportion of the National Roads Fund allocated to it. This would form a middle tier of our busiest and most economically important local authority A roads, sitting between the national strategic road network and the rest of the local road network. If we reform the existing HGV Road User Levy to encourage operators to drive more efficiently, this could help to ease congestion and lead to more effective use of our roads.

The road freight sector itself would benefit from both more efficient routing and vehicles. It is estimated that industry could save £160 million<sup>1</sup> a year in fuel if it reduced empty running to its lowest levels (recorded at 27% for rigid and 26% for articulated trucks), though we appreciate industry does not have full control over this. Three quarters of freight in the UK is transported by road, and the sector represents £11.9bn GVA to the UK economy - a significant contribution. A freight sector which operates efficiently and optimises road use will be better positioned to grow sustainably and deliver wider economic benefits, such as reduced congestion.

<sup>1</sup> [http://www.csrf.ac.uk/wp-content/uploads/2015/11/CUED-C-SRF\\_TR\\_108-Greening.pdf](http://www.csrf.ac.uk/wp-content/uploads/2015/11/CUED-C-SRF_TR_108-Greening.pdf)



### **3. Reducing emissions which contribute to poor air quality and climate change.**

The UK Government is determined to be at the forefront of vehicle innovation by making motoring cleaner.

There is a growing body of evidence on the harm caused by nitrogen dioxide and other pollutants from road transport and the Government published the 'UK plan for tackling roadside nitrogen dioxide concentrations' on 26 July 2017.

We also have ambitious carbon reduction targets which take us through the 2020s and beyond. Freight carbon emissions have remained relatively static in recent years, but absolute reductions will be necessary over the coming decade in order for freight to help us to meet legally binding targets in the Climate Change Act.

The link between improving air quality and reducing carbon emission is particularly important and the Government will continue to develop solutions which reduce carbon and air quality emissions. Central to doing this is the UK Government's aim is for almost every car and van to be a zero emission vehicle by 2050 and to end the sale of all new conventional petrol and diesel cars and vans by 2040.

Government plans to publish our long-term strategy for zero emission road transport by March 2018, which will cover all road transport modes including freight, and will set out our long term vision for eradicating emissions whilst also discussing the changes that will be necessary to transition to mass uptake of zero emission vehicles becomes a reality.



### 3) Context: Growth of road freight activity

Roads are fundamental to modern living. They make it possible for people to travel for work and leisure, and for businesses to move goods and materials. As the backbone of our transport system, carrying 90% of passenger journeys and almost 75% of freight, roads keep the population connected and the economy flowing.

The road freight sector is a hugely important and growing part of the UK economy, contributing £11.9 billion in 2015 and employing around 248,000 people. Many of the more than 44,500 businesses in this sector are small or medium enterprises.

The UK has one of the most advanced logistics sectors in the world. With its high quality domestic and international connections, the sector remains central in driving growth across the UK and has a very important role to play in the Government's new industrial strategy – delivering on our commitment to become a great, global trading nation.

HGV traffic has grown on average by 2.3% per year since 2008, making it the **second fastest growing traffic type** in this period. This has resulted in an increase of HGV traffic on motorways and rural 'A' roads in particular to an overall total of 17.1 billion vehicle miles.

**However, this growth, so essential to a thriving economy, comes at a cost:**

**Environment:** HGVs account for around 17% of UK greenhouse gas (GHG) emissions from road transport and around 21% of road transport NO<sub>x</sub> emissions, while making up just 5% of vehicle miles.<sup>2</sup> The UK has stringent carbon targets, and by 2050 we need to make significant strides towards reducing emissions from the transport sector. There are a number of areas across the UK where high levels of air quality pollutants are leading to health impacts on local residents, and the primary cause of these pollutants are diesel road vehicles.

**Congestion:** Congestion in the UK is worse than in many other major economies, and the problem is growing. Some independent research predicts that congestion will cost over £20 billion per year by 2030<sup>3</sup> (or 1.5% of GDP), and 96% of businesses are concerned that congestion is too high<sup>4</sup>. While HGV traffic represents only part of the problem, there is evidence to suggest that HGV use has become less efficient. For example, there has been an upward trend in empty running of vehicles, with the proportion of HGV km running empty increasing from 27% in 2004 to 29% in 2013<sup>5</sup>.

**Damage to infrastructure:** It is widely accepted that a HGV causes more wear to road surfaces than cars. An aim of the existing Levy is to reduce the impact of these vehicles on the wear and tear of the road network.

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<sup>2</sup> This statistic applies to all tonnage levels of HGV vehicles (3.5 tonnes+), to give a broad picture of HGV emissions.

<sup>3</sup> [https://www.cebr.com/wp-content/uploads/2015/08/INRIX\\_costs-of-congestion\\_Cebr-report\\_v5\\_FINAL.pdf](https://www.cebr.com/wp-content/uploads/2015/08/INRIX_costs-of-congestion_Cebr-report_v5_FINAL.pdf)

<sup>4</sup> <http://www.cbi.org.uk/news/speed-up-pace-of-infrastructure-action-say-two-thirds-of-businesses-cbi-aecom/2015-cbi-aecom-infrastructure-survey/>

<sup>5</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590922/freight-carbon-review-2017.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590922/freight-carbon-review-2017.pdf)



## 4) Other Considerations

### **Interaction with other taxes and charges**

This call for evidence is focused on an approach to reforming the HGV Road User Levy. Nevertheless, we would welcome views on users' preferred approaches to reforming the Levy and also whether these could be made compatible with current taxes, both at national level and also for charges for passing specific points (e.g. tolling crossings on the network). However, our objective is not to increase overall revenues raised by the levy.

### **Ensuring a positive user experience**

Depending on how we take forward a development of the current HGV Levy, we would seek to ensure that the user experience is as seamless and efficient as possible. A new charging system could also seek to integrate with existing road tolls (e.g. the Dartford Crossing), and any local charging schemes necessary to bring air pollution levels within legal limits as quickly as possible. There are possibilities to simplify the charging and billing structure for road tolls, which the government intends to explore further in light of stakeholder views.

### **Timing**

We are keen to reform the Levy as soon as possible, but also want to ensure that we get the new system right and that it works for users.

We are therefore seeking views on how to best achieve the objectives set out above in a way which works for industry. Responses will be used to shape detailed proposals for a revised scheme. Following this Call for Evidence, we will publish a consultation document setting out our preferred option, along with more detailed timings for implementation.

### **Devolution Issues**

The current Levy covers all roads in the UK to avoid introducing distortions into the haulage market. It is legally classified as a tax, meaning that it is for the UK Government to set throughout the UK. The UK Government would work with the Devolved Administrations to determine the best approach for a reformed Levy.





## 5) Existing evidence & data

Our work in reforming the Levy is evidence based and will take into account previous research and data. Material identified so far is listed below:

### HGV Levy Data

In its first year of operation the Levy raised a total £192.5 million in receipts, with £46.5 million from foreign-registered vehicles and £146 million from UK-registered vehicles.

### Freight Carbon Review

In 2014 HGVs were estimated to account for 17% of greenhouse gas (GHG) and 21% of NOx emissions from road transport while making up just 5% of vehicle miles<sup>6</sup>. Since the publication of this data cleaner Euro VI HGVs have been deployed by fleet operators, which we would expect to reduce average NOx emissions per HGV.

The Freight Carbon Review was published in February 2017 and brings together evidence on the opportunities and barriers associated with reducing emissions from the road freight sector. It recognises that there are a number of challenges with reducing emissions from (particularly the heaviest) HGVs and that a number of near and longer term measures will be needed. The Review can be found here:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590922/freight-carbon-review-2017.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590922/freight-carbon-review-2017.pdf)

The 2017 Freight Carbon Review recognised that reducing emissions from HGVs is challenging because there is currently limited scope for electrification, and low emission technologies for larger HGVs are less developed than for other vehicle types. It is clear that alternative approaches are needed in the near term, and efficiency improvements within the road freight sector could make a significant contribution to reducing emissions: for example, reducing empty running to its lowest levels (as set out above) could save 426,000 tonnes<sup>7</sup> of GHG emissions per year.

The Freight Carbon Review identified improving fuel economy and optimising fleet design as key areas for further consideration, and developing the Levy provides an opportunity to build on the Review's recommendations to enable the freight sector to play its part in meeting our climate change and air quality targets.

To this end we have committed more than £2bn since 2011 in measures to clean up transport and at Budget 2017 the Chancellor announced this call for evidence on how to improve the HGV Road User Levy as part of our ongoing commitment to reduce emissions and help drivers use to the road network more efficiently.

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<sup>6</sup> This statistic applies to all tonnage levels of HGV vehicles (3.5 tonnes+), to give a broad picture of HGV emissions.



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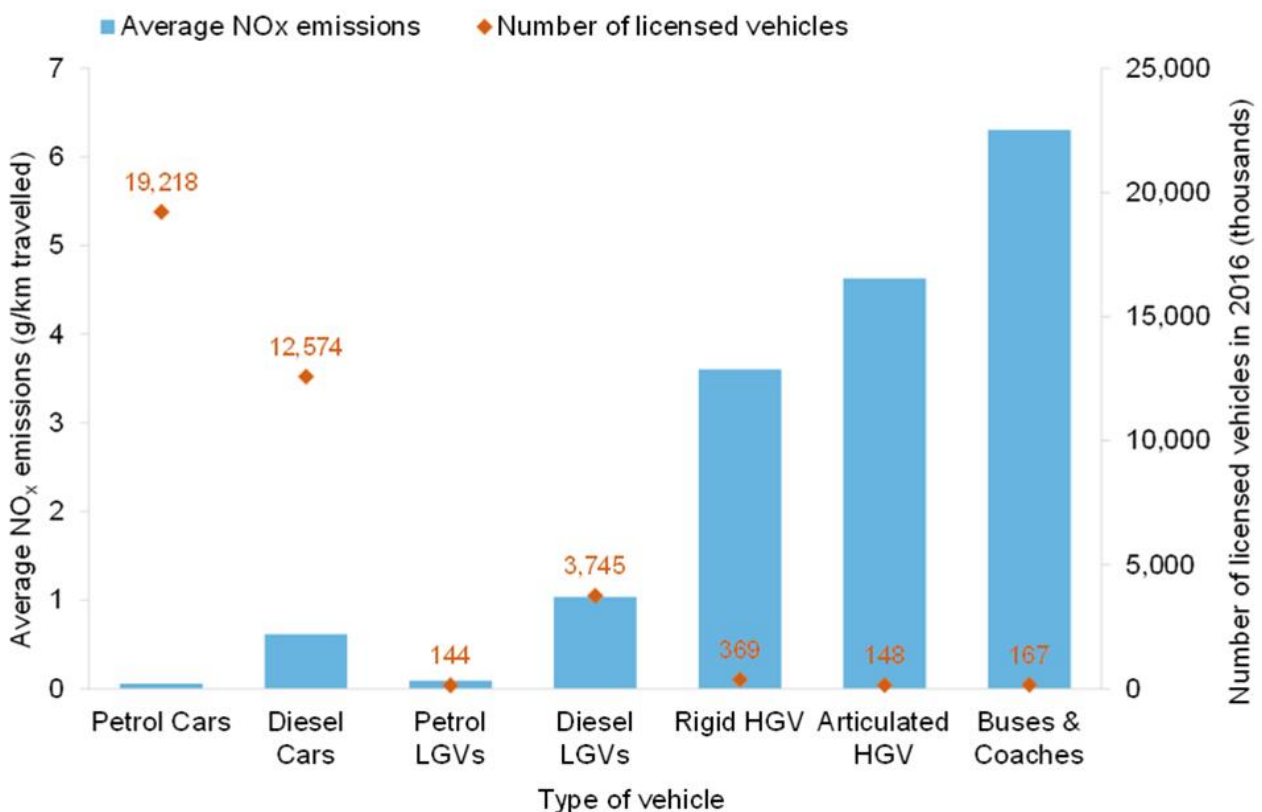
To inform the Freight Carbon Review's evidence base, the Department for Transport (DfT) commissioned Transport Research Laboratory (TRL) to undertake a Freight Industry Collaboration study which explored the opportunities for and barriers to wider industry collaboration, to improve operational efficiency and reduce empty running. A report of this work can be found at: <https://trl.co.uk/reports/freight-industry-collaboration-study>. In addition, an Eco-driving for HGVs study was commissioned from AECOM. The study considers opportunities and barriers for increasing eco-driving uptake rates, particularly among SMEs. A report of this study is available at: <https://www.fors-online.org.uk/cms/wp-content/uploads/2017/02/Eco-driving-for-HGVs.pdf>.

### Air Quality Plan

The revised UK plan for tackling roadside nitrogen dioxide concentrations was published in July 2017 following a consultation: <https://www.gov.uk/government/publications/air-quality-plan-for-nitrogen-dioxide-no2-in-uk-2017>.

We will continue to factor in recent data updates on emissions and air quality and will consider the revised air quality plan for tackling roadside nitrogen dioxide alongside plans to reform the HGV Levy. As part of this we will factor in evidence on air quality gathered as part of the consultation process and finalised in the published revised UK plan for tackling roadside nitrogen dioxide concentrations.

### Average nitrogen oxides emissions by vehicle type (grams/kilometre) and number of licensed vehicles in 2016





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**DfT statistics** on road freight, HGV traffic and fuel efficiency, the latest DfT Road Freight statistics can be found here:

<https://www.gov.uk/government/collections/road-freight-domestic-and-international-statistics>

**Road freight statistics: 2016** were published on 13 July 2017. This showed that domestic road freight activity in the UK by GB-registered HGVs increased in 2016 compared to 2015. There were increases of:

- 15% in the amount of goods lifted to 1.89 billion tonnes; a record high since recording began in 1990
- 12% in the amount of goods moved to 170 billion tonne kilometres; also a record high since recording began in 1990
- 5% in the amount of vehicle kilometres driven to 19.2 billion vehicle kilometres.

International road freight activity to or from the UK carried by UK-registered HGVs decreased in 2016 compared to 2015. There were decreases of:

- 6% in the amount of goods lifted to 7.8 million tonnes
- 8% in the amount of goods moved to 5.1 billion tonne kilometres

Department for Transport vehicle statistics published in April stated that the number of licensed HGVs on the road in 2016 were 2% higher compared to the number in 2015.

More details can be found here: <https://www.gov.uk/government/statistical-data-sets/veh05-licensed-heavy-goods-vehicles>.

We are also drawing on the overseas experience as described in Annex A.

### Other studies include:

- **The DfT Freight Data Feasibility Study, 2008, considered the practicality of a vignette scheme.**

The study concluded that the case for introducing a vignette (time based) scheme / distance based charging was not compelling at the time of writing the report, as there were a number of key risks that it would offer poor value for money. The 2008 Budget announced that a vignette scheme should not be progressed. The study did however conclude that a vignette scheme could help enforcement agencies enforce vehicle condition standards, weight and driver hours' legislation more effectively.

- **DfT published a Modal Shift Benefit Values study in 2009**, which derived values for environmental and other social benefits of removing one lorry mile of freight from road and transferring it to rail or water. The study used a variety of economic and transport modelling techniques in combination with the Department's appraisal guidance to derive the new figures, as well as developing a methodology to enable update of these values in 2015 and onwards. The study was carried out in order to inform grant schemes whose objective is to facilitate the purchase of the environmental and social benefits that result from using rail or water transport instead of road. More info can be found in the technical report linked below:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/51148/m\\_sb-user-guide.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/51148/m_sb-user-guide.pdf)



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- The **Lorry Road User Charge project (LRUC)**, a report by **Campaign for Better Transport**, completed in 2010, concluded that the simplest scheme would charge for the time spent on any road in the UK (or GB if Northern Ireland were excluded). This could use a displayable windscreen ticket (vignette). However, the report raised concerns that this would be relatively ineffective in relation to any objectives, raise enforcement issues, could run into EU limits on charging, and be costly to implement and run.
- The **Low Carbon Truck Trial**, co-funded by DfT, the **Office for Low Emission Vehicles (OLEV)** and **Innovate UK** (formerly the Technology Strategy Board), ran between 2012 and 2016 and provided over £11m to part-fund around 370 alternatively-fuelled commercial vehicles - with most using a gas or dual fuel system (diesel and gas), plus gas refuelling sites. The trial gathered a body of data on the economic, environmental and operational performance of alternatively-fuelled trucks. However, the project was dominated by Euro V dual fuel retrofit conversions and the GHG savings delivered by some of the systems on trial were limited. A report of the trial is available at: <https://www.gov.uk/government/publications/low-carbon-truck-and-refuelling-infrastructure-demonstration-trial-final-report>.
- To supplement data from the Low Carbon Truck Trial, DfT commissioned an **HGV Emissions Testing** project, which developed a protocol to measure methane and air pollutant emissions from a variety of gas and dual-fuelled (diesel/gas and diesel/LPG) HGVs against conventional diesel equivalents. Further work was commissioned from the Low Carbon Vehicle Partnership in 2015 -16 to use this protocol to test a representative sample of Euro V and Euro VI trucks. Further details are available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/581859/emissions-testing-of-gas-powered-commercial-vehicles.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/581859/emissions-testing-of-gas-powered-commercial-vehicles.pdf).
- The **£20m Low Emission Freight and Logistics Trial** will enable industry led trials of innovative vehicles or vehicle systems that can deliver real world emissions savings for the freight industry. The funding will support a range of alternative fuels and technologies, including trials of hydrogen, electricity, and biomethane. Winners of the Trial competition were announced in January 2017. Further information is available at: <https://www.gov.uk/government/news/low-emission-freight-and-logistics-trial-competition-winners-announced>.
- DfT's ongoing **Longer Semi-Trailer (LST) Trial** was launched in 2012 and is enabling the use of longer vehicles, up to an extra 2.05m in length, to be trialled in Great Britain. Results from the trial to date suggest major benefits by way of improved operational efficiency and potential CO<sub>2</sub> savings. In light of these positive results, DfT has recently announced a five year extension to the trial and an increase in the number of permitted LSTs by an additional 1,000, which will take the number of LSTs from 1,800 to approximately 2,800 over the next 12 months, and extend the trial to 2027, subject to review. The latest report of the trial is available at: <https://www.gov.uk/government/publications/longer-semi-trailer-trial-evaluation-annual-report-2015>.



## 6) Questions

### Objectives of Levy Reform

#### Scope

The current UK HGV Road User Levy is based on the time spent on the entire UK road network. Other methods of charging HGVs are implemented across Europe, based on a range of factors (see Annex). This includes, but is not exclusive to:

- Vehicle weight (ranging from 3.5 tonnes to 12 tonnes and above),
- Euro emission class
- Distance travelled
- The number of axles

#### Questions

1. What changes could be applied to the existing Levy to deliver the UK's objectives in:
  - Rewarding individual HGV operators that plan for more efficient route operation and to use the most modern equipment.
  - Helping to drive more efficient use of our roads.
  - Reducing emissions which contribute to poor air quality and climate change

Please provide evidence to support your views.

#### Questions

2. The current Levy already takes weight and axles into account. In reforming the HGV Road User Levy, should the Government consider a charge based on:
  - The Euro emission class?
  - Distance travelled?
  - Any other factors?
3. The current HGV Levy applying to the entire UK road network. Should changes should be made to the coverage of the scheme?
4. What would the impact of these changes be on:
  - The freight industry?
  - The UK economy?
  - Reducing emissions and improving air quality?
  - The road network?

Please provide evidence to support your views.



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### **Technology**

The existing HGV Levy has made use of the advances in digital technology, and now 97% of transactions are made through an on-line portal using registered accounts. We want to build on this and also learn from other forms of HGV charging implemented across Europe to ensure that people's privacy and data remain protected. We are eager to learn what works, and are keen to hear views through this call for evidence.

### **Questions**

5. If location and/or distance travelled forms the basis for a reformed HGV Levy, technology may be required to ensure users are charged only for what they use. Do you have any views on the merits of the following technologies:

- Automatic Number Plate Recognition?
- Tag and beacon?
- An on-board unit determining the vehicle's location by tracking satellites (GPS, GNSS)?

Are there any other formats which should be considered? E.g. should we be looking at plug in telematics technology such as that currently used to for fleet management or 'black box' insurance?

6. Using the technology options mentioned earlier, how could we best ensure that individual personal data and privacy remains protected?
7. Do you have any views on effective enforcement for the various different technology options to apply to both UK and foreign vehicles?"

Please provide evidence to support your views.



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### **User experience and reducing regulatory burden**

We want to work with the industry to make the new scheme as user-friendly as possible. Government is mindful of the other charges in this space which affect HGVs operating in the UK, and we want to use this opportunity to reduce regulatory burden.

#### **Questions**

8. How can we ensure that the ways of paying best reflects user needs?
9. How could the charge help to level the playing field for small and medium sized enterprises?
10. What changes should be made to the Levy to reduce the administrative burden currently faced by haulage firms?
11. Should the users of the reformed HGV Levy be integrated with:
  - Existing UK vehicle charging regimes, such as toll crossings?
  - Future regimes, such as Clean Air Zones?
  - Other UK vehicle taxes, e.g. Vehicle Excise Duty?

Please provide evidence to support your views.

### **Wider economic evidence**

The Government will aim to identify suitable options for improving the way the Levy is charged and managed, and so welcomes a wide range of evidence to support us in this task.

#### **Questions**

12. In light of the above, please provide references to any evidence you might be aware of, on the potential impacts of different types of HGV charging scheme. In particular, any data on:
  - Current commercial routes and travel patterns of freight operators.
  - Impact of HGV traffic on the Road Network (local and strategic).
  - The extent to which a change in the HGV Road User Levy could impact logistics decisions and route choices of freight operators.
  - Any further data on costs incurred by freight operators as a result of different modalities of road charging and use of different technologies.
  - Price elasticity of freight operators, or particular sectors of the road haulage industry, including how and to what extent charges are passed on to customers.
  - Any further data on costs involved with setting up the new technical infrastructure required for certain modalities of HGV road charging.

Please provide evidence to support your views.



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## 7) How to respond

Submissions of evidence should be no longer than 10 pages and should be emailed to: HGV Levy Call for Evidence Inbox: [HGVLevyCallforEvidence@dft.gsi.gov.uk](mailto:HGVLevyCallforEvidence@dft.gsi.gov.uk) There is also an online form, which is available here: <http://www.smartsurvey.co.uk/s/HGVLEVY/>

The call to evidence began on **22<sup>nd</sup> November 2017** and will run until **26<sup>th</sup> January 2018**. Please ensure that your response and evidence reaches us before the closing date.

In exceptional circumstances we will accept submissions in hard copy. If you need to submit a hard copy, please send your responses to:

**HGV Levy: Call for Evidence, Department for Transport, Zone 3/27, Great Minster House, 33 Horseferry Road, London, SW1P 4DR**

When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

If you would like further copies of this document, it can be found at web address [www.gov.uk/dft](http://www.gov.uk/dft) or you can contact the Department using the details below if you need alternative formats (Braille, audio CD, etc.).

### Next steps

A summary of responses to this call for evidence will be published on our website after the call for evidence has closed.

### Freedom of Information

Information provided in response to this call for evidence, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the Data Protection Act (DPA) and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.





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8) ANNEX A: International experience

Country	Scheme overview	Mechanism for revenue collection
Germany	<p>Introduced in 2005. A distance-based charging scheme which applies to HGVs of 7.5 tonnes and over. Covers the entire motorway network and some other principal roads.</p> <p>Charge levels between €0.08 and €0.29 per km, dependent on axle configuration and Euro standard.</p>	<p>Users can either enter into a contract with Toll Collect, who provide in-vehicle equipment, or pay manually at motorway service areas.</p> <p>Uses satellite charging to locate vehicles on charged segment of road.</p>
Austria	<p>Introduced in 2004. A distance-based charging scheme for HGVs over 3.5 tonnes and covers the entire motorway network. Additional tolls are also in place at certain motorway sections.</p> <p>Charge levels are set between €0.16 and €0.33 per km, dependent on axle configuration and Euro standard and is subject to VAT.</p>	<p>An electronic distance-based highway-toll GO-Boxes was introduced in 2004.</p> <p>Payments can be made either in advance or in arrears.</p> <p>A €240 fine is issued with the risk of this being increased to penalties of up to €3000, or the vehicle being confiscated to guarantee payment.</p>
Czech Republic	<p>Introduced in 2007. A distance-based toll collection. The scheme covers the entire motorway network and some first class roads – 1200km.</p> <p>Initially for HGVs over 12 tonnes but extended to 3.5 tonnes.</p>	<p>Scheme is administered by Kapsch, on behalf of Czech Government.</p> <p>Charge based on use of motorway segments.</p> <p>Users require an On Board Unit with a refundable deposit. Pre and post-pay options are available.</p>
Benelux & others	<p>The scheme covers mainly motorways in Belgium, Denmark, Luxemburg, the Netherlands and Sweden.</p> <p>However, Belgium moved to a distance-based charging system earlier in 2016.</p>	<p>Scheme is administered by AGES. Domestic users buy annual permits.</p> <p>Foreign users purchase vignette according to validity required. Pre-pay only.</p> <p>Estimated total turnover in 1st year:</p>



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Country	Scheme overview	Mechanism for revenue collection
	The charge is €8 per day. Longer permits (weekly, monthly or annual) vary according to axle numbers and emissions class.	€460m (of which foreign: €130m or 29%).
Slovakia	<p>Introduced in 2010. Distance-based charging for HGVs &gt; 3.5 tonnes.</p> <p>The charge applies on some motorways and other parts of the network – approx. 2,600km in total.</p> <p>Charge levels are set between €0.9 and €0.25 per km, dependent on axle configuration, Euro standard and road type.</p>	<p>Scheme is administered by SkyToll on behalf of the 'NDS' (the Slovak Motorway)</p> <p>Users require a self-installable On Board Unit – refundable deposit €50 – which uses satellite technology.</p> <p>Since 2014, a variable discount of up to 11% can be applied to HGVs on tolls for distances travelled over 5,000km during a calendar year.</p>
Switzerland <sup>8</sup>	<p>The scheme covers all Swiss and Liechtenstein roads.</p> <p>Charge is based on distance travelled differentiated by size, axle configuration and Euro standard of vehicle.</p>	<p>The scheme is administered by the Swiss Federal Customs Administration (FCA).</p> <p>The in-vehicle equipment is connected to vehicles tachograph, the user provides monthly data to the FCA (by post or internet), and the user is then sent a bill.</p>
US (Oregon - HGVs)	HGVs over 12 tonnes are subject to a weight-mile tax. The charge is determined by the weight of the vehicle (at the heaviest weight it will operate), purpose and goods being transported and distance travelled and can range from 5 – 25 cents per mile.	All HGV users are required to provide a bond (\$100 – \$10,000) with the Department of Transportation as a guarantee of payment of fees and taxes.
US (Oregon – new trial)	A new trial system was launched in 2015 for all road users where volunteers pay a distance-based charge, instead of the fuel tax. There is a limit of no more than 5,000 cars and LGVs allowed to	Pre and post-pay options are available.

<sup>8</sup> The Swiss system is unconstrained by EU legislation relating to the stopping of vehicles at borders. All costs for Switzerland converted from Swiss Francs to Euros for ease of comparison



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Country	Scheme overview	Mechanism for revenue collection
	<p>participate. The road usage charge is set at 1.5 cents per mile. Users then receive credits on their bill for the fuel tax they pay at the pump.</p>	
US (California)	<p>A trial was launched in July 2016 seeking volunteers for a charging scheme to replace fuel duty. Five different methods are being proposed for the pilot of which the preferred method could form the basis of future legislation.</p> <ul style="list-style-type: none"><li>• Time-based – unlimited road use is purchased for a specified period of time (similar to a vehicle registration fee/VED).</li><li>• Mileage permit – user pre-pays to drive a certain number of miles</li><li>• Odometer charge – user pays a fee per mile based on a periodic odometer reading.</li><li>• Automated mileage without general location data – using an OBU, mileage is automatically measured with an periodic invoice generated.</li><li>• Automated mileage with general location data – using an OBU, the mileage is reported and invoiced to users, in addition to general location data which ensures the user is credited for travel out-of-state or on private roads.</li></ul>	<p>Volunteers are not required to pay any fees as part of the trial but have the option of submitting a mock payment for testing purposes.</p>