

# Tolling the freight industry

Malcolm Bingham, the Freight Transport Association's head of road network management policy, discusses road tolling



Whenever road tolls are mentioned in the circles of freight distributors and logistics companies, they're always viewed as a 'rip-off' to an industry which pays for the use of road space through high levels of taxation in vehicle excise duty and fuel tax.

However, when you start to look at 'distance-based' road charging, the industry can see that there may well be beneficial options to freight operators if they can be identified as essential users, and a scaled set of taxation can be developed that deters the non-essential user from using congested road space.

Faced with all of these dilemmas, the Freight Transport Association (FTA) has canvassed its members' opinions on the possibility of more toll roads across the nation. Yes we know in the case of the Dartford Crossing that the Government prefers to call it a 'charge' rather than a 'toll' - quoting their desire to curb the crossing's use with charges rather than tolls which were set up originally to pay for the construction costs of the QEII Bridge which were recouped over 10 years ago. But whatever you call it - a charge or a toll - it makes no difference to FTA members and is viewed as an extra cost to operators who already pay high taxation for the use of UK roads.

Our members have a realistic view on the lack of forward funding for road infrastructure and can see that there will be a tendency to move to tolling as an option to attract the necessary finance. However, there are concerns that a free-for-all on tolling systems will create the situation where drivers will seek to avoid using tolled roads. We have recently seen this situation in Ireland where the Government announced a toll-free month to encourage freight operators to use the roads that they are meant to use.

We now believe that our members are open to ideas about how new road infrastructure should be charged for in the future. However, there are a series of conditions that FTA would need to be met to secure support. The Association has summarised these expectations in the 'Commercial Vehicle Operators' Road Toll Charter' which is set out opposite. ➔



FREIGHT TRANSPORT ASSOCIATION

## 1. Visibility of charging elements

There needs to be transparency about the basis of the charge, how is it calculated and what costs it seeks to recover. There must be no discriminatory pricing against commercial vehicles.

## 2. Compensatory reduction in fuel duty

Road users already pay over £40 billion in taxes and commercial vehicle operators about £25 billion in fuel duty alone. Any new tolls or charges must be offset by an equivalent reduction in fuel duty and other taxes.

## 3. Availability of alternative non-tolled route

The Government cannot grant a monopoly to a road operator on routes where no suitable alternative exists to the tolled route.

## 4. Minimum service levels

Any contract to manage and charge for a new road must be accompanied by minimum standards of service, including route availability in severe weather, breakdown recovery and assistance times, minimum transit times and parking and rest facilities. Freight companies will expect value for money and compensation when service falls short of promised standards.

## 5. Lower rates for less polluting and less road-wearing vehicles

Vehicles meeting the latest low emission standards should be offered discounts to incentivise their use and recognise the contribution they make to improved environmental standards. As with vehicle excise duty, charges should be lower for vehicles with fewer axles or lower weights that cause less impact to the road surface.

## 6. Harmonisation of charging systems

There should be a common national basis for the charge and any payment technology such as a tag to avoid the current problem of having a cab full of tags for different bridges and tunnels. Ideally FTA would like to see a move away from toll plazas which cause congestion, towards Automatic Number Plate Recognition (ANPR) which is to be implemented at the Dartford Crossing in the Autumn of 2014.

## 7. Toll revenue to be invested in the roads to which they apply

Revenue from tolls and charges should be invested in the route to which they apply to guarantee a high standard of road condition and level of service.

## 8. Declaration of new building programme

The Government should publish a long-term plan for investment in the road network and identify proposed new routes on which tolling would be expected to be applied.