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### **French Eco-tax on HGVs**

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Aims
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Charging rules
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Calendar



# GENESIS

- Evaluations of road usage costs coverage pointing out a deficit on national non tolled network (1997, 1999) and important infrastructure funding needs led to a first attempt to set up a new toll which was rejected by Parliament in october 2003.
- An important heavy goods vehicles traffic shift in Alsace due to the start of LKW-Maut in Germany (01/01/2005) led to the vote of a law in december 2005 setting up an experimental tax in Alsace
- A national debate over environnemental issues in automn 2007, with all stakeholders, put forward the principle of a nationwide road tolling for heavy goods vehicles.







- Reducing road freight traffic, occasionnally through modal shift, but mainly by reducing demand for road transport
- Balancing heavy goods vehicle road usage costs by a correctly sized tax on non conceded network (user – pay principle)
- Funding transport intermodal development policy

These through : (1) passing on tax to shippers in order to send a price signal to general economy and (2) dedicating tax revenues to the Agence de Financement des Infrastructures de Transport de France (AFITF), in charge of infrastructures funding.

#### **NETWORK COVERED (1)**

• Eco-tax to apply to about **15,000 km** of roads:

✓Most of non-conceded <u>State</u> Road Network (except toll motorways), approx 10 000 km long;

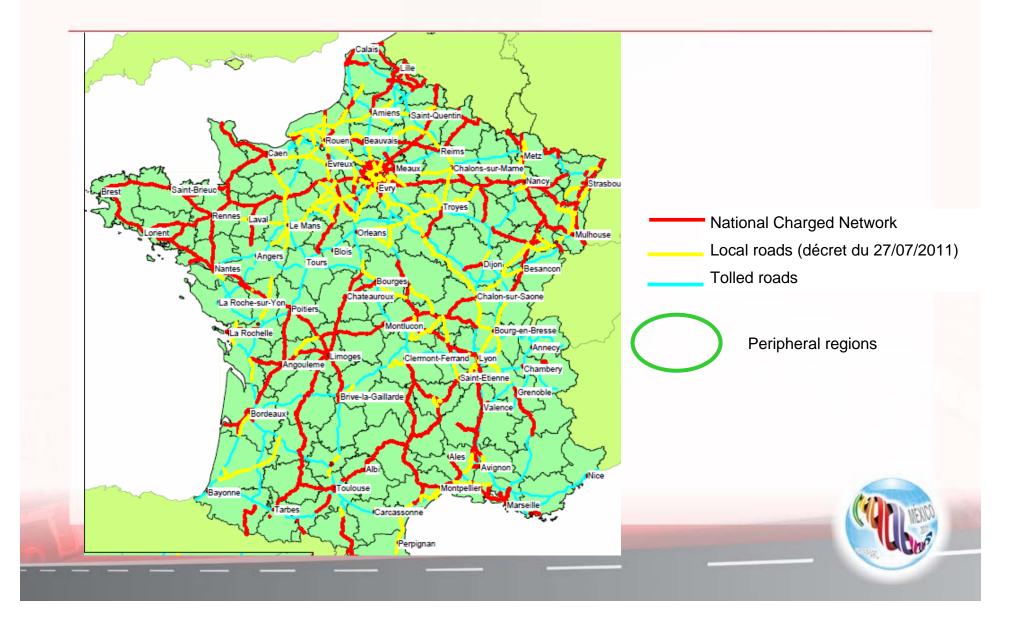
Some routes with too low truck traffic are <u>exempted</u>.

✓Plus around 5 000 km of <u>local governments</u>' roads, so as to prevent serious traffic shifts.

...after due consultation of concerned local authorities. Revenue collected on these local roads to be <u>retroceded</u> to them.

 All trucks over 3,5 t (as permissible maximum weight - PMW) will be subjected, i.e. 600,000 domestic vehicles and about 200,000 foreign vehicles that use French taxable roads.

#### **NETWORK COVERED (2)**



#### **CHARGING RULES (1)**

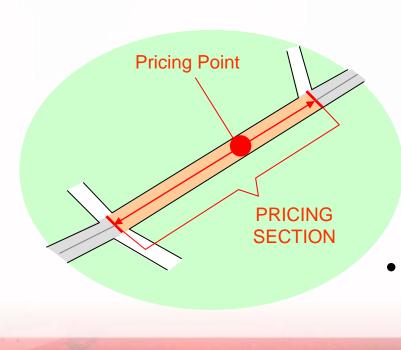
- Kilometric rate to depend on trucks' categories (derived from axles' number and PMW). Average rate for each category to be proportional to infrastructure costs ascribed to this category.
- Moreover, kilometric rate will adjust in relation to the EURO emission class of the trucks (and possibly to the congestion level of the different routes).

This congestion adjustment to come into effect <u>later</u>, and in a very simple way (blue/red weeks calendar or similar). No intention to control traffic in real time.



#### **CHARGING RULES (2)**

 Free-flow ETC technics will be used: data required for trucks identification and tax computation will be captured on the move, without stopping nor slowing down the traffic-flow



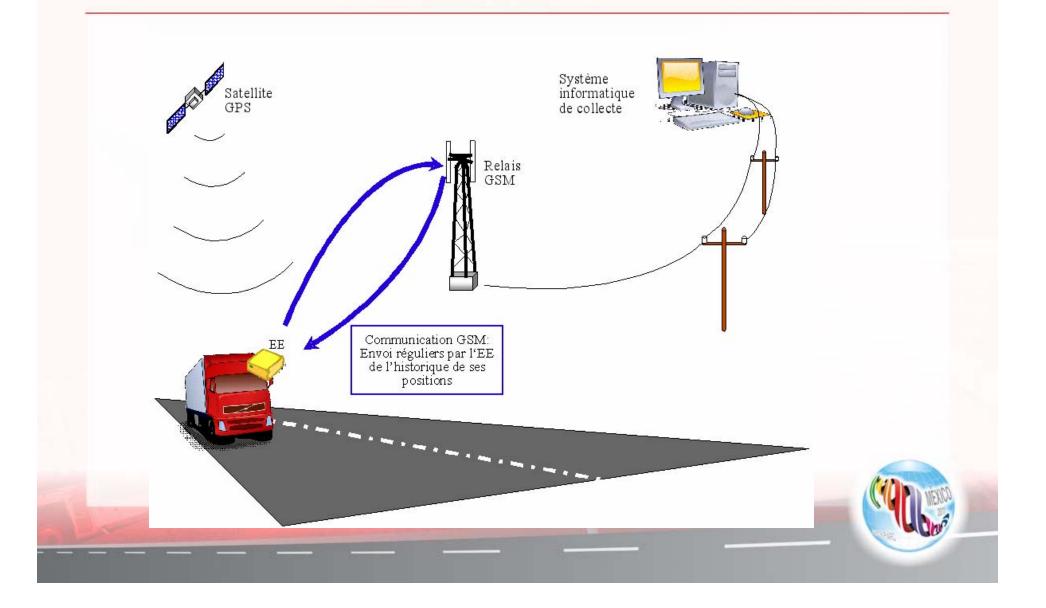
- Every route will be split into **pricing sections** (basically, from junctions to junctions) controlled by **as many pricing points** (about 4000 in total). Just by passing a pricing point, you incur by law the eco-tax for the full length of the corresponding pricing section.
- Law allows to merge a succession of too short sections.

#### **CHARGING RULES (3)**

 So to assure detection along the roads, <u>every domestic truck</u>, as well as each foreign truck entering the taxable network, will be required by law to equip with a special electronic box (the "On-Board Equipment" or OBE)...

- ...whether they have suscribed or not with an ETS Provider.
- Government open regarding technology (DSRC vs Satellite) but candidates came with satellite technology

#### **CHARGING RULES (4)**



#### ENFORCEMENT

- Any offence or violation exposes the tax-payer to:
  - ✓ Invoicing of "evaded" tax;

... as a lumpsum equivalent to 500-km taxation, if post-computation data are not available.

✓ and imposition of a customs fine, up to 750 €.

• Enforcement is ensured:

 ✓ through <u>mass</u> controls, using heavy MP-operated <u>automated tools</u> (special field facilities, some fixed and others removable);

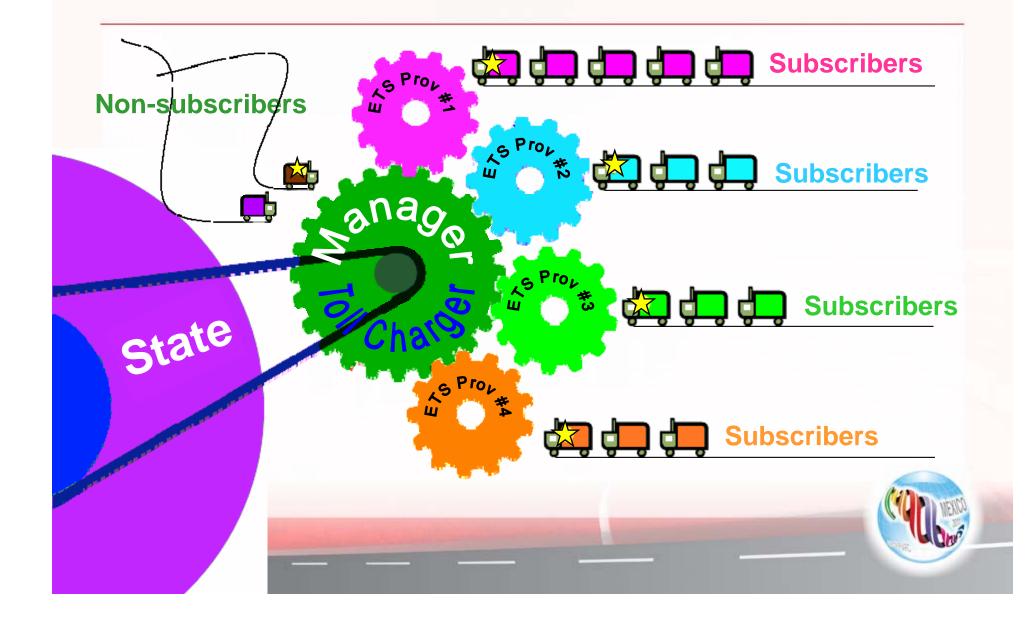
✓ on roadside (with interception and possible immobilization of trucks at fault) and in transport firms' premises, by officers of Customs Services, Gendarmerie and Police Forces and Land Transport Control Units...

#### **OUTSOURCING (1)**

- The toll collection system must comply with EU Directives « Eurovignette » (1999/62, 2006/38) and Interoperability (2004/52) :
  - (1) TARIFF: a tariff **ceiling**, up to the construction & operation costs of the taxable network (with evolutions to integrate external costs);
  - (2) TECHNOLOGY: interoperability with the **two acknowledged ETC solutions**;
  - (3) OUTSOURCING: adoption of a multi-provider scheme, compatible with the future appearance of the **EETS**, fully interoperable.



#### **OUTSOURCING (2)**



#### CALENDAR

- eco-tax was established by the Finance Act for 2009 promulgated on December 28, 2008.
- Prior call for tenders was put on March 31, 2009
- Candidates were selected and documents for tender were released on August 28th 2009
- Competitive dialogue was closed and documents for final offers were released on July 12th 2010
- Final offers were received end of september and the contract is expected to come into force before october 2011.
- Date of **coming into effect** is expected **mid 2013**

# Merci pour votre attention !

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#### **COLLECTED TAX BY REGION**

Montant d'éco-redevance collectée sur le réseau régi( (M€)

76 - 250 (3) 59 - 76 (4) 45 - 59 (5) 38 - 45 (4) 0 19 - 38 (5)

Part d'éco-redevance collectée sur le réseau régional (% du total collecté)

de 6% à 20%	(3)
de 4,5% à 6%	(4)
de 3,5% à 4,5%	(5)
de 2,5% à 3,5%	(6)
moins de 2,5%	(3)



#### **IMPACT ASSESSMENT ON TRANSPORT COSTS**

