THE WINDOW OF OPPORTUNITY: HOW THE OBSTACLES TO THE INTRODUCTION OF THE SWISS HEAVY GOODS VEHICLE FEE HAVE BEEN OVERCOME

EXECUTIVE SUMMARY

Origins of the fee

The history of the distance-related fee for heavy goods vehicles started in the 1970s. More than 20 years later, the fee was successfully implemented. In-between lies an eventful history with many steps forward and back.

A first step was made in 1985 with the introduction of a flat fee for heavy goods vehicles. The main characteristics of this fee were very similar to the Eurovignette, introduced in several member countries of the EU later on. From the outset, the flat fee was to be an intermediary solution, to be replaced by a distance-related fee in the years to come. An important step in this direction was made in 1994, when a large majority of the Swiss people accepted the constitutional bases for a distance-related fee in a referendum. Two years later however, the realisation of the project seemed beyond hope: the outcome of the consultation about the proposal for a law that was necessary to implement a distance-related fee was negative and tactical manoeuvres against the envisaged change had stopped the technical work essential for a successful implementation. A change in the political environment, utilised successfully by the promoters of the fee, brought a change in trend: on the 27th September 1998 the proposal for the law, redrafted according to the critique in the consultation, was accepted by 57% of the Swiss people. Due to strenuous efforts by the Swiss Customs Authority, the authority in charge of the technical implementation, the fee could be introduced as planned on 1 January 2001.

Reasons for acceptance of the fee

Probably the most important step which was made towards gaining acceptance for the new fee was the use of the special political situation in the mid-1990s: In order to make up for the disadvantages that resulted from being neither a member of the European Union nor of the European Economic Area, Switzerland wanted to conclude bilateral treaties with the EU. One of the conditions of the EU for concluding such treaties was the raising of the Swiss weight limit for heavy goods vehicles from 28 to 40 tonnes. Due to the fear that Switzerland might be invaded by an avalanche of 40-tonne trucks when raising the weight limit, Switzerland had so far explicitly refused to make such a change. The change from a flat fee with a low rate to a distance-related fee with a much higher rate showed a way out of this impasse: the introduction of such a fee was considered a suitable means to make up for the raising of the weight limit and therefore met the needs of Switzerland as well as those of the EU.

To seize the favourable political situation - the window of opportunity - was not the only decisive step on the way to gaining acceptance for the new fee. The following factors proved to be essential as well:

- **Part of a policy**: the fee was (and still is) an essential part of a policy, aiming at transferring goods from road to rail. This policy has been accepted by Swiss people in several referenda;
- **Use of revenue**: the revenue is reinvested in the transport sector, mainly for projects in public transport, thus supporting the policy of transferring goods from road to rail;
- **Practical technical solution**: The technical solution is simple, reliable and suited to solving the problems resulting from the political guidelines;
- **Polluter-pays principle**: The calculation of the fee takes the external costs of heavy goods road transport into account. According to opinion polls, this was well accepted by the Swiss population.
Design of the fee

The fee depends on three factors:

- the distance driven on the Swiss road network (all roads)
- the maximum permitted laden weight of vehicle and trailer
- the emissions of the vehicle (there are three emission classes)

The fee was introduced on 1 January 2001 at a rate of 1.0 Ct/tkm (medium environmental class). In parallel, the weight limit was raised from 28 to 34 tonnes.

On 1 January 2005 the rate will be increased to 1.6 ct/tkm and the weight limit to 40 tonnes.

Impacts of the fee

As the fee was not introduced as an isolated measure, but simultaneously with a change of the weight limit, the results observed since its introduction have to be seen as a result of the interaction between these two factors. The main effect of the new regime with the new fee on the one hand and a higher weight limit on the other was that heavy goods transport on the road has become much more efficient. This increase of efficiency was mainly due to the following developments

- **Strong renovation of the truck fleet** In order to save fees, the hauler business bought cleaner vehicles belonging to the cheapest emission category and adjusted the size of their vehicles to the actual needs of the market. Previously, oversized vehicles were very common in the business.
- **Concentration in the hauler industry** Due to better capacities, bigger companies are able to operate their lorries in a more efficient way. This allows especially to avoid empty trips.
- **Less heavy goods vehicles on the road:** With the introduction of the new regime, the prior annual increases in vkm of about 7% were replaced by declines of about 4% in 2001 and 3% in 2002. In 2003, the traffic volume of lorries remained stable. Although it has to be admitted that the slow-down of economy has contributed to this change in trend, the new regime has obviously left its traces.

As to the envisaged shift of goods transport from road to rail, no remarkable shift could be noticed so far. Considering the fact that the competitive advantage gained by rail due to the introduction of the fee was more or less balanced out by the productivity gain of the road sector as result of the higher weight limit, this is not astonishing. A transfer of freight from road to rail will not be possible without strong additional efforts in the rail sector.

Conclusions

Though the development of the Swiss heavy goods vehicle fee was also influenced by some peculiarities of the political system of Switzerland, the conclusions drawn out of this case for a successful implementation of road tolling projects can be considered as being of general value. They can be summarised as follows:

1. The traffic (or transport) problem which is to be solved with the help of a road tolling project has to be acknowledged as such in public.
2. The authority in charge has to offer a solution that is understood as suitable to solve the recognised problem. Normally, the road tolling project is one part of a package of measures foreseen to solve the problem.
3. The acceptance of a road-pricing project can be increased decisively if the revenue is earmarked for transport matters. The use should, of course, also be in line with the policy developed.
4. It is decisive to start with the technical solution in time and it is an advantage to begin with a simple design and to shift to more sophisticated solutions later on.

5. The best project will fail, if it is launched in an unsuitable political environment. So seize the window of opportunity and good luck.

For more information about THE WINDOW OF OPPORTUNITY: HOW THE OBSTACLES TO THE INTRODUCTION OF THE SWISS HEAVY GOODS VEHICLE FEE HAVE BEEN OVERCOME, contact: Nils Axel Braathen, National Policies Division, Environment Directorate, OECD. Email: Nils-Axel.Braathen@oecd.org; Fax: +33 1 44 30 63 99.

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