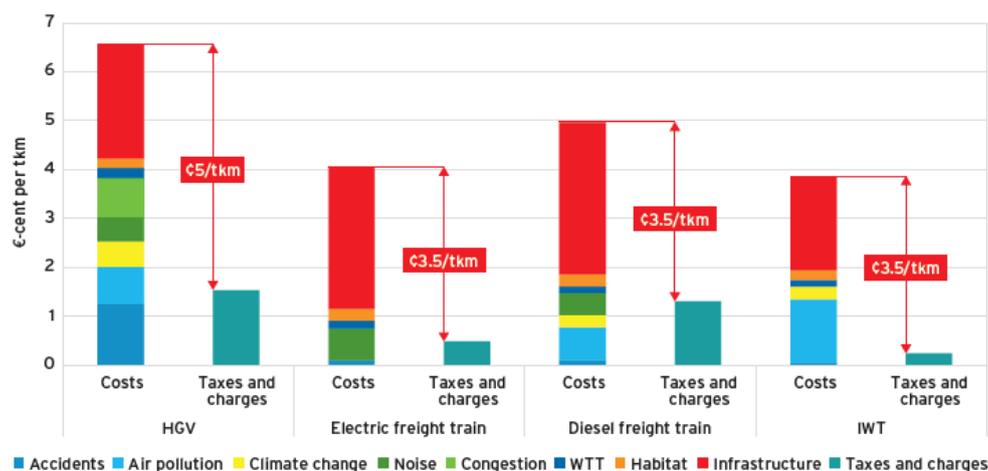


## No more distortion to the land freight transport market!

The Bundestag Transport Committee made a fundamentally flawed decision last Wednesday, 6 May, when it recommended to extend until 2023 the experimental road toll exemption of natural gas (LNG) powered trucks<sup>1</sup>. The evidence found since the approval of the experimental decision to favour LNG trucks by the Bundestag in 2018 means that the LNG propulsion technology is not worthy of promotion. The European intermodal sector including, but not limited to, its German members hereby calls on the Bundestag not to extend the market-distorting experimental road toll exemption granted to LNG-powered trucks that has been in force since 1 January 2019.

The land freight transport market is a segment of the common EU transport market open to free competition. According to the latest update of the European Commission's Handbook on the External Costs of Transport published in June 2019<sup>2</sup>, road hauliers – operating in this marketplace – already enjoy a competition-distorting public subsidy advantage of €1,5/tkm over their competitors: rail freight and inland navigation.

COVERAGE OF AVERAGE COST - FREIGHT TRANSPORT MODES (PER TKM)



UIRR has calculated that this advantage equals to €0,40 per vehicle-kilometre for a fully laden truck and is worth €22 billion annually on the level of the European Union<sup>3</sup>.

At the time in 2018, when the experimental HGV toll exemption currently in force was authorised by the Bundestag, neither the above fact nor the study that identifies the flaws of natural gas (LNG) propulsion have been known, as the results of the comprehensive comparison study of diesel- and LNG-powered trucks was published on 18 September 2019<sup>4</sup>. The findings, based on measurements by TNO, an independent laboratory, indicate that all three currently available LNG-powered trucks emit between 2 to 3 times more nitrogen oxide than diesel trucks, while their particulate emissions are just as great as that of their diesel counterparts.



Ralf-Charley Schultze

*"Promotion of a particular technology through means of state aid in a competitive marketplace should always be justifiable with the needs to the greater social good. The experimental toll exemption for LNG trucks applied in Germany has been proven wrong, therefore it should be suspended immediately."* - highlighted UIRR President Ralf-Charley Schultze.

### Who is UIRR?

Founded in 1970, the **International Union for Road-Rail Combined Transport (UIRR)** represents the interests of European road-rail Combined Transport Operators and Transhipment Terminal Managers.

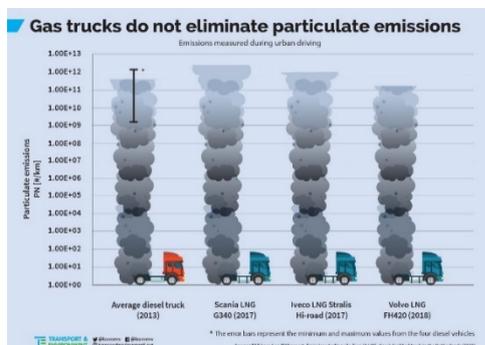
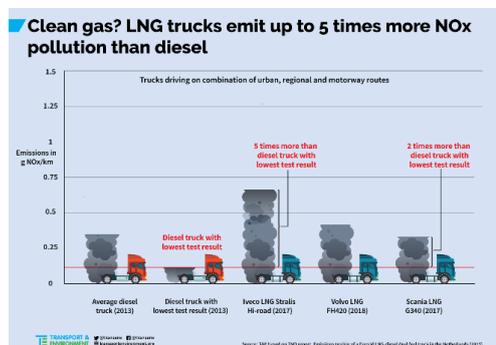
Road-Rail Combined Transport (CT) is a system of freight forwarding which is based on efficiently and economically inserting electric rail into long-distance (road) transport-chains through the use of intermodal loading units (ILU).

<sup>1</sup> [https://www.dvz.de/login.html?redirect\\_url=/rubriken/politik/detail/news/gas-lkw-rollen-bis-ende-2023-ohne-maut.html](https://www.dvz.de/login.html?redirect_url=/rubriken/politik/detail/news/gas-lkw-rollen-bis-ende-2023-ohne-maut.html)

<sup>2</sup> <https://ec.europa.eu/transport/sites/transport/files/studies/internalisation-handbook-isbn-978-92-79-96917-1.pdf>

<sup>3</sup> <http://www.uirr.com/en/component/downloads/downloads/1442.html>

<sup>4</sup> <https://www.transportenvironment.org/press/road-tests-show-gas-trucks-5-times-worse-air-pollution>



Any sort of state-aid promoting a particular technology that competes with other technologies in a open marketplace, in this case LNG, is wrong, unless the spread of the technology is proven to be in society's interest. Politicians should not choose technologies, even if they are advocated for by seemingly powerful lobbies<sup>5</sup>. Besides, LNG is already supported by the German taxpayer to the tune of €61,59 million annually as it was found in the same report (see table on the right).

## Tax breaks for fossil gas in road transport

Member State	Diesel duty rate per unit of energy € (nat currency)	Gas duty rate per unit of energy € (nat currency)	Potential tax revenue gain if diesel rate is applied to gas (in € million)
 Austria	11.42	1.66	7.80
 Belgium	16.74	0.00	6.75
 France	16.56	1.53	50.37
 Germany	13.12	3.86	61.59
 Italy	17.22	0.09	674.92
 Netherlands	14.05	4.68	20.00
 Portugal	13.54	1.86	7.98
 Spain	10.57	1.15	142.95
 Sweden	12.73 (SEK 131.52)	6.09 (SEK 62.9)	5.69 (SEK 58.8)
 United Kingdom	18.14 (GBP 16.16)	6.37 (GBP 5.67)	data not available
 Poland	9.57 (PLN 40.96)	4.53 (PLN 19.38)	2.61 (PLN 11.17)
 Romania	11.34 (RON 52.87)	2.73 (RON 12.71)	data not available

Sources: CE Delft (2017), European Commission Excise Duty Tables (2019), Eurostat (2019)  
 Notes: Calculated revenues are based on 2017 final gas consumption in road transport (excl. VAT)

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Germany already subsidizes the purchasing of LNG trucks by €12,000<sup>6</sup>. The exemption of an LNG truck from the road toll in Germany, assuming a 100.000 km annual circulation, effectively adds another €18,700 worth of state aid per year per vehicle<sup>7</sup>. The experimental toll exemption granted to LNG trucks in Germany further increases the €40 per vehicle kilometre price advantage already enjoyed by trucks over other modes of land transport by an additional 47%. These three subsidy schemes altogether cause an intolerable distortion within the competitive longer distance land freight transport marketplace.

Intermodal transport, which competes directly with long-distance trucks in the truckload market, has been especially harmed by the current experimental state-aid measure. Voting through the extension to 2023, as recommended by the Transport Committee to the Bundestag, would force the intermodal sector to file an anti-competition complaint with the European Commission, as well as the relevant German authorities.

\* \* \*

UIRR

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<sup>5</sup> <https://www.dvgw.de/medien/dvgw/gas/mobilitaet/positionspapier-lng-taskforce-mautbefreiung-lkw-erdgas-biomethan.pdf>

<sup>6</sup> <https://www.erdgas.info/artikel/detail/2018/10-millionen-foerderung-fuer-energieeffiziente-und-co2-arme-lkw/>

<sup>7</sup> The toll today amounts to €18,7/km: [https://www.toll-collect.de/de/toll\\_collect/bezahlen/maut\\_tarife/maut\\_tarife.html](https://www.toll-collect.de/de/toll_collect/bezahlen/maut_tarife/maut_tarife.html)