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Implications of the UK HGV road user charge for Irish maritime freight transport stakeholders

Road user charging in the European Union has evolved from a mechanism of financing the construction and maintenance of motorways to an instrument for internalising road user costs in line with the polluter pays principle (PPP). The UK introduced a HGV (Heavy Goods Vehicles) Road User Levy Act 2013, which became effective from 1 April 2014. Given Ireland's geographical location as a peripheral European nation, it has been historically dependent on the use of the British road network (UK land bridge) for exporting and importing goods to and from Europe. The potential impact of this charge on Irish maritime freight transport stakeholders has raised a debate among industry organisations, exporters, policy makers and academia on the extent to which future economic growth may be challenged.

This research thus explores the potential implications of the UK HGV road user charge for maritime freight transport stakeholders operating in the Republic of Ireland. Semi-structured, in-depth interviews were conducted with key stakeholders with the aim of understanding the extent to which they are affected by the road charge and the perceived feasibility of alternatives currently available for exporters and transport providers. The advantage of this type of analysis is that it provides a deep understanding of the nature and diverse perspectives of key stakeholders in the Irish transport sector and its users, the exporters.

Research Findings

The economic application of the PPP has been challenged in this study. The research strongly indicates that Irish-registered road hauliers would be most exposed to the charge. Results suggest that if this charge was going to be passed on to the exporter, it is likely to have no effect in freight traffic demand management as the exporter would not be aware of it and it would be seen as another increase in transport costs equivalent to those in fuel. From this, it is concluded that as much as the ultimate aim of the UK HGV road user charge is to adhere to EU policy i.e. implement the 'polluter pays principle', its aims are undermined by the idiosyncratic nature of UK-Republic of Ireland trade geography.

Policy Implications

The findings from this study are relevant and timely following the EU report titled 'Evaluation of the Implementation and Effects of EU Infrastructure Charging Policy since 1995' (European Commission – DG Mobility and Transport, 2014). This EU report confirmed that there was no significant evidence of modal shift in EU freight transport. It further pointed out that there was 'potential for cost increases in peripheral regions to be higher compared to those in central regions'.

Consequently, a key conclusion of this study is that national road charging policy and legislative mechanisms adopted by individual member states can somewhat compromise the effective implementation of EU sustainable transport policy. Awareness and acceptability of road user charges from the Irish exporter's perspective constitute a key barrier to transport policy implementation, as well as aggravating the impact of the charge on one single stakeholder group, the haulier.