

# **FREIGHT: FROM HEAVY TRUCKS TO RAIL**

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(Hungary)**

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## **A HEAVY TRUCK CAUSES AS MUCH DAMAGE TO THE ROADS AS HUNDREDS OF THOUSANDS OF CARS.**

### **IN 2004, IN EVERY SEVENTH SECOND A TRUCK CROSSED THE HUNGARIAN BORDER.**

„From heavy trucks to rail” – this is how we can summarize in a few words the essence of this publication.

Increasing truck traffic is already causing unmanageable economic, transport and environmental problems in Hungary. Ever more practical experience and scientific research findings prove that there are solutions which are favourable in every respect. With the brief presentation of these solutions, we aim to promote their introduction in Hungary.

Our study is primarily intended for decision-makers, but it may also offer useful reading for anyone interested in the subject.

\* \* \* \* \*

*Dear Clean Air Action Group,*

*I am a resident of Balatonföldvár; my house, built in 1985, stands in Szentgyörgyi Road (road No. 7). I can say with full responsibility that this section has become No. 7 national main road's most unbearable part going through an inhabited area. At least half of the traffic is made up of heavy vehicles, which are racing across the town, having lost any scruples by now. To make matters worse, in contrast to car traffic, they are pushing along even at night. It is clearly visible that while passenger car drivers mostly control themselves and slow down (going at 70 to 80 km/h instead of the compulsory 50 km/h), heavy trucks never reduce their speed to under 80 km/h – what is more, they are even overtaking cars in the fast lane. Civil organizations and local governments are helpless; and the police, which, three or four years ago still was more or less in charge of the situation, has become totally passive and is just looking on this horror with indifference. (...)*

*Therefore, the question is: what can I do, with other residents of the neighbourhood, to restore lawfulness, if there is still the slightest chance for lawfulness in this country. What can we do to enforce the daytime and night-time noise limits of 65 dB and 55 dB respectively, to enforce the 50 km/h speed limit, to enforce the weekend truck stop regulation and to enforce the rule prohibiting overtaking by trucks in inhabited areas?*

*As no interest enforcement is possible in an amicable way, what sort of legal remedies are available for us? Can we receive any advice or assistance somewhere to support us in our case?*

*Balatonföldvár, 19<sup>th</sup> November 2004*

*Péter Kárpáti*

„A modern transport system must be sustainable from an economic and social as well as an environmental viewpoint.”

*European Transport Policy for 2010 (EU White Paper),  
2001<sup>1</sup>*

„As compared to last year, the situation has worsened concerning complaints triggered by noise and vibration caused by transport. The root of the problem is that the motorized transport mode grows together with the accompanying environmental load, despite "cleaner" motor vehicles and better traffic organization. Similarly to previous years, complainants objected to the heavy vehicle traffic, to the intense traffic passing through towns and villages (and in front of residential buildings), to the resulting environmental load, as well as to the absence of the required noise protection investments. From the complaints it can be concluded that the quality of life of local residents is deteriorating as a consequence of the increased road traffic.”

*Report on the activities in 2004 of the Hungarian Parliamentary Commissioner for Civil Rights and the General Deputy Commissioner<sup>2</sup>*

„Apparently trying to force an open door at the ministry, with the introduction of road charges and taxes, Clean Air Action Group, as a national federation of environmental NGOs, could greatly contribute to the social acceptance of the introduction of MBI\* in Hungary, and to assert the interests of the civil sector. I thank them in advance for their efforts towards attaining these aims.”

*Dr. Ferenc Kovács  
Deputy Secretary of State,  
Ministry of Economy and Transport<sup>3</sup>*

\* MBI = Market Based Instruments (taxes, charges, etc.)

„Rail transport is literally the strategic sector, on which the success of the efforts to shift the balance will depend, particularly in the case of goods.”

*European Transport Policy for 2010,  
2001*

# **WHAT IS THE PROBLEM WITH TRUCK TRAFFIC?**

**Road freight transportation plays a key role in the economy. In many cases this transportation mode does not have any acceptable alternative. On the other hand, both the European Union and the Organization for Economic Cooperation and Development (OECD) have stated that the current form and processes of road transport are environmentally unsustainable.<sup>4</sup> In this manner the entire society has become unsustainable, since society is also a part of the environment. Now we are faced with the challenge of finding a way out of this acute crisis.**

## **Rapid growth**

A rapidly swelling fleet of heavy trucks is thundering along the roads of Hungary. The number of heavy trucks (with total permitted weight over 12 tonnes) tripled between 1990 and 2003. Similarly, the total number of foreign heavy trucks entering Hungary's territory more than tripled, coming close to 1.4 million trucks in 2003. And in 2004, as a consequence of the EU accession, international road freight traffic in Hungary jumped by 30 per cent. In 2004, on average, a truck was crossing the Hungarian border in every seventh second.

If we do not take effective measures, the traffic of heavy trucks will further increase. We can anticipate a particular surge in 2007, when Bulgaria and Romania will join the European Union. This will happen because truck operating companies try to make sure that they cross as few country borders outside the EU as possible, since they are not subject to customs control on the borders within the EU. Also, they are not restricted due to the lack of permits, as might occur with trucks coming from non-EU countries. Figure 1 demonstrates that for the above reason, as from 2007 Hungary will become the bottleneck through which formerly unseen masses of heavy trucks will seek to pass from the north and west towards the east and south (and back).

## **What is required for economic development?**

A modern economy is inconceivable without road freight transportation. However, this does not necessitate by any means that heavy truck traffic should be increased in all possible manners. Indeed, Professor Phil Goodwin, one of the chief transport advisors of the British Government, pointed out that unlimited growth of road transport is becoming a hindrance to economic development, for it is impossible to raise enough money to build the infrastructure which is needed for the ever-growing traffic. Therefore, traffic congestion and environmental damage reach unbearable levels.<sup>5</sup> Having recognized that, the European Union declared: „*Action is needed to bring about a significant decoupling of transport growth and GDP growth, in particular by a shift from road to rail, water and public passenger transport.*”<sup>6</sup>

As shown in Figure 2, the number of foreign trucks entering Hungary rose by 210 per cent between 1990 and 2003, and the number of Hungarian trucks leaving Hungary increased by 322 per cent. A 231 per cent growth was recorded in the number of trucks with Hungarian registration plates and of a load carrying capacity of 10 tonnes and above. In the same period, the GDP grew only by 19 per cent. Consequently, it is no use expecting that the rapid growth of truck

traffic<sup>7</sup> would considerably contribute to the rise of the GDP.

From among the 15 old member states of the European Union, in the five most competitive countries the growth rate of freight transportation was slower between 1995 and 2003 than the growth rate of economic performance. In the other countries, goods transportation generally increased in line with the GDP, or at a quicker rate.

## **It is bad for the roads of Hungary**

Each heavy truck causes enormous damage to the roads. A juggernaut of 30 to 40 tonnes destroys roads as much as hundreds of thousands of cars. In addition to ruining the asphalt cover, they also shatter the public utility tubes laid under the road, and the adjacent buildings. This is why roads of a length of thousands of kilometres should be renovated every 5 to 10 years in Hungary – from huge amounts of public money (hundreds of billions of HUF).

As regards the road-damaging impact of heavy motor vehicles, experts reached a clear consensus already several decades ago. University professor Dr. Ervin Nemesdy, Academic Doctor of Technical Sciences, published his book titled *Structure of Roads and Motorways* in Budapest in 1971, which, even today, is still used by transport specialists as a standard work. In this book he describes the findings of comprehensive investigations carried out in the United States, which concluded that the damage caused to roads is proportionate to the fifth power of the axle load. From this, Professor Nemesdy drew the following conclusion: *“...not only the interests of the road freight transportation companies should be taken into consideration, but also the state of the national road network and the unfavourable changes in the useful life of road surfaces, which may cause such amount of damage to the country’s road network that is by an order of magnitude larger than the annual profits realized by transportation companies. (...) An axle of 10 Mp (...) is equivalent to the passage and useful life reducing impact of seven times as many 8 Mp axle weights. (...) All these reasons make it indispensable that heavy trucks with large axle weights should bear very high additional road charges and extra transportation taxes.”*

„Ten years ago the wheel track troughs treaded mainly by heavy trucks endangered the condition of vehicles and the safety of transport on road sections of a length totalling 1300 kilometres on the entire territory of Hungary; this year, however, such dangers are already present on road sections of at least 3600 kilometres. It is also a telling signal that while in the period between 1996 and 1999 people only protested against the flood of trucks in a couple of Hungarian towns and villages, in the period between 2000 and 2005 already dozens of demonstrations were organized by civil organizations and local governments. In most places, the protests were triggered by complaints about cracking walls of buildings near the roads, and about growing risks of accident, air pollution and noise.”

Hungarian national daily "Népszabadság", 30<sup>th</sup> May 2005

„...the condition of the Hungarian national public road network, representing a value of HUF 6,700 billion, is deteriorating at an accelerating pace. The load-bearing capacity of 23 per cent of the road network is not adequate; the unevenness indicator of 25 per cent of the main roads and of 75 per cent of the lower category roads is not satisfactory; 33 per cent of the road surfaces are substandard; wheel track troughs pose danger of accident on road sections of a total length of 3600 kilometres; 13 per cent of Hungary's bridges are structurally unsatisfactory. (...) On the roads managed by local governments even more unfavourable conditions prevail...”

Declaration of the 33<sup>rd</sup> Road Days, an event of the Public Road Section of the Hungarian Scientific Association for Transport, held between 7<sup>th</sup> and 9<sup>th</sup> September 2005 with 700 participants

„The main street of K vágóörs is similar to a minefield; cars can only drive along it with the risk of a serious accident. (...) The huge trailer juggernauts of the Kékkút Nestlé-Theodora Company break up the

street, which was not built for such loads, and crack the residential buildings. It would be justified for the local government to institute an action for damages for the indemnification of home-owners and the costs of road repairs. The National Park could also intervene on account of the damage caused to the environment by mass transportations. Instead of that, the village is constructing a bypass road in order to protect itself; but it will be the company causing the damage that will come off well: as a reward for its acts it will receive a new, good and shorter road.”

“Káli Híradó”, September 2005

## **It is bad for our vehicles**

The damage that heavy trucks cause has a multiplying effect, and it will affect all car owners. According to a World Bank study, on a road with average traffic volume any damage that could be repaired for 1 dollar, will cause extra costs of 3.4 to 6.1 dollars annually to vehicle owners driving on that road!<sup>8</sup> In the case of roads which carry heavy traffic, this proportion is naturally much higher. Thus, because of the heavy trucks, transport participants have to pay both as taxpayers and as car-owners. The damage caused by heavy trucks to the roads of Hungary may be estimated at HUF 150 to 200 billion annually. This means that the damage incurred by other vehicles may total many hundreds of billions of HUF.<sup>9</sup>

## **It is bad for the health of Hungarian citizens**

Heavy trucks shake the ground, and also shake the air: their noise is many thousand times more than what humans can be permanently exposed to without impairing their health.

Trucks pollute the air with many different compounds. Exhaust gas from diesel engines is one of the most dangerous toxic substances that can be found! The World Health Organization has not set any air quality limit value for particles emitted by diesel vehicles because even with the tiniest amount in the air, no one can claim with responsibility that inhaling that air will not cause illness like cancer or allergy to people.

Year after year, many Hungarians are killed or made disabled for life in accidents caused by heavy trucks. In general, these accidents are much more serious than the ones caused by other vehicles.

## **Deadly particles**

Disintegration of particles resulting from the wear of solid matters generally ends at 1 micrometre. For instance the size of particles getting into the air from the wear of tyres and brakes or from stirred-up dust is larger than 1 micrometre. In contrast, unburnt hydrocarbons, which leave vehicle engines in the form of soot, have an average diameter of 0.1 micrometre.

Large particles (i.e. larger than 1 micrometre) have always been present in nature; therefore, in the course of evolution, living organisms have developed a system to filter out and remove such particles. Against the ultrafine particles of diesel soot, however, evolution has not deployed any effective removing mechanisms, since such particles practically did not exist in nature.

Unfortunately, this fact is not being taken into account in the type testing of motor vehicles, as only the **aggregate weight** of particles under a diameter of 10 micrometres is measured. Particles of the size around or larger than 10 micrometres are not emitted at all, or only in very small quantities, by modern engines. Thus, the weight of the emitted particles has diminished significantly. At the same time, however, such engines release into the environment large quantities (large quantities as regards their number and not their weight) of ultrafine diesel soot, the diameter of which is by two orders of magnitude smaller. If compared to the total weight of flying dust, the portion of ultrafine particles does not even come up to 2 per

cent of the weight; on the other hand, if we look at the number of particles, then 99.995 per cent of them are ultrafine particles!

Consequently, new engines are just emitting in the largest portion the particles that were declared by the World Health Organization (WHO) as particularly dangerous to health. Today we are already aware of the fact that the number of deaths caused by ultrafine particle emissions from transport exceeds several times the death toll of accidents. Medical investigations have also proved that the smallest soot particles will get into the blood circulation through the membrane of the pulmonary vesicles, or even into the brain through the olfactory nerve, and they will never be removed from there! In contrast to larger particles that will end up in our handkerchiefs.

As a matter of fact, even in the case of asbestos, what they look at is the number of the particles and not the weight of the particles getting into the air. The health damaging impact of asbestos had been precisely known since 1936; nevertheless, this information has been hushed up for a very long time, and now the industry is still paying out billions as damages to persons whose health was impaired by asbestos.

A solution does exist for the removal of particles: state-of-the-art diesel filters can filter out 99.9 per cent of the particles in every particle range! However, as it costs money to mount these filters on the vehicles, they are hardly used at all today – even though research studies have proved that thanks to the reduction of health problems much more funds could be saved than what the filters cost.<sup>10</sup>

## **It is bad for our rights**

Loose regulations and even looser controls also provide irrational and most unfair preferences to heavy trucks in Hungary. Lax controls allow the regular and serious violation of regulations, e.g. the non-observance of traffic safety requirements. Speed and weight limits are often disregarded, and the maintenance of vehicles is omitted.

Road freight transportation plays an important role in the Hungarian black economy. This can also be regarded as a significant subsidy, and the more so because in the case of the most important rival subsector (the railways), black economy only plays a negligible part. (At least that part is negligible which would bring railways into a more advantageous position. In contrast to road freight transportation, at the railways the committed illegal acts mostly cause substantial economic damage to the railways themselves.) In road freight transportation, among others the smuggling of “lucrative” goods (cigarettes, drugs, etc.) and even the smuggling of people have reached gigantic proportions. The situation is by no means better in the case of inland goods transportation either. According to surveys conducted by the Central Statistical Office of Hungary, 53 per cent of the value of road transportation of construction materials for households is made without issuing invoices.

Similarly, data of the Hungarian Tax and Financial Audit Office indicate that huge tax avoidance is being practised in road freight transportation. These data show that the average wage of employees working in road freight transportation only make up at most two third part (but often only just one third part) of the average wage of railway employees. It is unlikely that anyone would believe that the actual income of railway employees is that much higher (or that it is higher at all) than the income of employees working in the road transportation subsector, as everyday experience shows just the opposite.<sup>11</sup>

Illegal acts are of such extent that according to a study made by Austrian transport experts, in the old member states of the European Union, carriers would have to raise their prices by 50 per cent on average if they observed the regulations.<sup>12</sup> In the new member states, and among them in Hungary, the situation is considerably worse than that.

“István Kautz expressed its regrets for those working in the Hungarian road freight transportation business because their trade – owing to the prevailing conditions – is similar to the catering business: those who pursue such activities legally are bound to fail in their undertaking and go bankrupt.”

"During the three days we performed weighing in 39 cases, and we found 4 overweight vehicle sets (that represents 10 per cent – a large portion, considering that **when we arrive at the weighing site, drivers alert one another almost immediately over CB radio**). Overall, we experienced some sort of problem in 16.7 per cent of all controls." (*Our bold-face.*)

NiT Newsletter, paper of the Federation of International Private Transporters (NiT Hungary), November 2004

"Last year, 20 per cent of the trucks controlled on Austrian motorways so much did not comply with the applicable technical requirements that it was necessary to prohibit them from driving any further. Another 37 per cent of the vehicles were only permitted to continue their trip until the next service station."

Hungarian national daily "Népszabadság", Hungarian News Agency (MTI), 10<sup>th</sup> January 2005

## **EXCESSIVE PREFERENCES**

**It has already been demonstrated by numerous research studies that enterprises operating heavy trucks are not paying for the damage they cause in any European country. This fact has been confirmed by the European Commission, the Conference of European Ministers of Transport and the Organization for Economic Cooperation and Development (OECD) as well. Hereafter we will briefly summarize the preferences granted to the operators of heavy trucks in Hungary.** <sup>13</sup>

1. They only pay a small part of their share of the costs of road construction and road maintenance.
2. Owing to the road-destroying impact of heavy trucks, huge damage (amounting to many times the value of the road damage) is incurred by other motor vehicles using the roads; and this damage, once again, is not paid for by road carriers.
3. Heavy trucks cause considerable damage to the buildings along the roads and to the public utilities running under the roads; these costs are not borne by the carriers either.
4. They do not pay for the environmental and health damage they cause, including a large part of the accident costs.
5. For the most part, they do not pay the excise duty of fuels either, since they often refill their fuel tanks in countries where fuel taxes are much lower than in Hungary. This is evidently a case of avoiding the responsibility to undertake a proportionate share in the burden of taxation, stipulated by the Constitution of the Republic of Hungary. In recent years, refuelling abroad has even been encouraged by the Hungarian Government through the easing of several statutory requirements. For example, it gradually abolished the requirement – allowed even by EU regulations – that in the originally built-in fuel tanks of trucks at most 200 litres of fuels may be brought into Hungary from non-EU countries without the payment of taxes and customs duties.
6. As a consequence of loose controls and lenient statutory requirements, the black and grey economies represent a huge part within road freight transportation. Obviously, it means a highly preferred status for a subsector if it does not have to pay a considerable part of the applicable taxes and customs duties, in contrast to the rival subsectors (mostly the railways) which do have to pay all these public charges.
7. Road freight transportation is subject to much more lenient safety requirements than its

competitors. It constitutes a shockingly great preference that road transportation is allowed to cause hundreds of times as many deaths and injuries per one performance unit as its rival subsectors (primarily the railways).

8. It represents a further preference for road transportation that the profits realized by the goods transportation division of the Hungarian State Railways Co. (MÁV) have been siphoned off year after year in the past two decades, making it practically impossible for the company to implement any improvements or even the necessary maintenance and upkeep works. The Hungarian state ordered MÁV, a state-owned company, to perform its passenger transportation activities with a loss, and to try and cover the deficit so incurred by using the profits realized on rail freight transportation. (This is just as absurd as if the state took away the profits of all road freight transportation companies so as to use these funds to cover the losses of the Budapest Public Transport Company and the long-distance coach operating companies.) This practice is totally contrary not only to the principles of market economy but also to the regulations of the European Union. (Even the European Commission has started to make inquiries about this irregularity.<sup>14</sup>)
9. In the past decades, rail freight transportation has also suffered other substantial dispreferences as a consequence of political decisions made by successive Hungarian governments. For example, in the COMECON era, with a view to „promoting socialist integration”, railways had to transport goods at extremely low prices. The Yugoslav embargo caused losses amounting to tens of billions of HUF for the Hungarian State Railways Co. (MÁV). Introduction of the scheme of free travel for the elderly resulted in further losses of revenues for the railway company. It is not our task to take a stand in the question whether these decisions were right or wrong from a political viewpoint. Nevertheless, we believe that it is to be disapproved of that the costs of these measures were not covered by the Hungarian state, but rather they were shifted to a company operating on a competitive market, namely the Hungarian State Railways Co., without any set-off.
10. The goods transportation division of the Hungarian State Railways Co. comes under the scope of the Public Procurement Act, since it is part of a state-owned company. This happens so despite the fact that the division does not receive any subsidies from the state. In the keen market competition, where companies have to meet demands quickly and flexibly, this constitutes an almost irrecoverable disadvantage vis-à-vis road freight transportation where there is no such obligation.
11. It means a further significant preference that since the entry into force of Act CXXVIII of 2003 on the Public Interest Character and Development of the High-Speed Road Network of the Republic of Hungary (the so-called Motorway Act), the construction of expressways is subject to much more lenient statutory requirements than other investment projects. Value-added tax may be reclaimed upon state subsidies, the environmental protection and building licensing procedures have to be conducted at an accelerated pace, and civil organizations' commenting and intervening possibilities are very much limited – such and other similar preferences are being granted only to motorway constructions. Other investment projects, for example railway investments, are not eligible for such preferences.
12. All the above advantages make virtually insignificant those preferences worth a couple of billions of HUF annually which appear in the possibility of road carriers to account the daily allowance of official commissions abroad in a much more favourable manner than employees working in other sectors are allowed to do. (What is more, this daily allowance preference is only available if accommodation is not accounted, which induces truck drivers to have less proper rest. This practice, however, further increases the risk of accidents.)
13. It is an invaluable advantage for road freight transportation that leading Hungarian politicians,

day after day, keep referring to this subsector and to the subsidization of the requisite infrastructure as to the most important factor for the progress of Hungary, whereas railways are mostly only mentioned as a mere heap of loss. Motorway constructions are being advertised from millions of HUF of public funds, and the counter-arguments are being hushed up.

**The pecuniary value of all the above preferences totals HUF 1000 billion annually.** (It means that Hungarian citizens grant that much subsidy to heavy truck transport.) Furthermore, it is to be taken into account that these preferences keep accumulating year after year; if, for instance, we add up all the subsidies received by heavy truck operators in the past two decades, then the resulting total will be an amount exceeding HUF 10,000 billion. Obviously, the continuation of this practice is not only undesirable from an environmental protection viewpoint but it will also inevitably lead to ever growing economic difficulties.

„In Tompa we have an up-to-date border-crossing station with good controlling possibilities. In the nearby Röszke, however, in the absence of adequate technical and personnel conditions, we are practically unable to inspect the trucks. In Tompa, vehicles can usually cross the border within an hour; whereas in Röszke it is not rare that trucks have to wait as much as 36 hours before they can continue their trip. The overwhelming majority of truck-drivers rather choose the Röszke border-crossing station...”

Interview with Colonel Tibor Kaizinger, head of the Border-Crossing and Duty Service Division of the Hungarian National Board of Customs and Excise (Monthly "Lélegzet", 1998/11)

In the meantime, the border-crossing station of Röszke has also been modernized, but fraudulent practices continue.

## ***Illegal practices with state assistance***

A railway wagon's total weight may exceed by 50 kg (this means 12.5 kg per axle) the specified value, while in the case of road vehicles even an overload of 500 kg per axle is allowed. Consequently, there are differences of an order of magnitude here. At present, axle load is measured with mobile measuring equipment, and in some places the weight of the passing vehicles is also controlled by dynamic balance units built into the roadway. Controls could be performed with a much cheaper and much more efficient method. At the sites of goods delivery it is compulsory to weigh the loaded vehicles. However, the Hungarian Transport Inspectorates' scope of authority of controlling does not cover the vouchers prepared at goods delivery. With such a scope of authority, the Transport Inspectorates would be much more capable of enforcing the rules. Moreover, if the Inspectorates had the right to inspect the documents with retroactive effect, then – at a conservative estimate – it would be possible to impose fines of the order of hundreds of millions of HUF. Of course, imposing fines cannot be an aim. Fines are only a means to enforce the rules. It could provide additional incentive if fines could also be inflicted upon enterprises which load road vehicles improperly. All these methods are inexpensive and efficient. The proposals were sent to competent Hungarian ministries at the end of 1999 and at the beginning of 2000 by Gy z Czitó, managing director of PULTRANS, but effective changes have not taken place since then. A competent official of the Ministry of Transport, Communication and Water Management argued (in March 2000) against the intensification of controls by stating among others that it would violate the principle of competition under equal terms if they interfered in the freight transportation market by such means.

## **FALSE SOLUTIONS**

### **Reinforcement of road surfaces?**

With a view to reducing the road damage caused by heavy trucks, the reinforcement of the Hungarian road surfaces is being proposed. The renovation and modernization of Hungary's existing road network is indeed an important task; the implementation is necessary and beneficial both from an economic and an environmental viewpoint. Road surface reinforcement for the sake of heavy trucks, however, is another story. This would cost such huge sums that not even the richest countries are able to provide. (Thus, for instance, not even in Germany are there sufficient funds available for the purpose of at least stopping the process of obsolescence of the German road network.) Obviously, the rational and fair approach would be to charge these extra costs exclusively to the operators of the heavy motor vehicles. However, until this is not ensured, any road surface reinforcement for the sake of heavy trucks would be tantamount to pursuing an erroneous and wasteful transport policy – from public funds.

These problems are further aggravated by the EU regulation requiring that main transport roads should be rated to an axle-load bearing capacity of 11.5 tonnes, whereas the current Hungarian requirement is only 10 tonnes. However, there is no such EU directive in force which would say that taxpayers should pay for the costs of strengthening the roads to an axle-load bearing capacity of 11.5 tonnes – which would charge HUF 100 thousand to every Hungarian household. And yet, this is just what the Government of Hungary is doing. Instead of making the four million Hungarian households pay, fairness demands to charge these costs to the group representing just a few thousandths part of all participants of road traffic, whose interests are served by this “modernization” project: i.e. to the road freight carriers operating the trucks (and even among them only to carriers using the heaviest trucks).

## **Environmentally friendly trucks?**

Recently we can often hear that a steadily growing portion of the heavy trucks are „environmentally friendly”, and so they cause less and less pollution. It is true that trucks have undergone significant modernization in the past few years, and as a result of that the per truck emission of pollutants has indeed decreased. In this respect, however, recent developments are not only favourable owing to the following reasons:

- The aggregate weight of the particles emitted by new types of diesel-fuelled vehicles is in fact smaller than that emitted by older types of vehicles, but very small particles (of a diameter under 2.5 micrometre) are emitted in much larger numbers. And the most serious health damage is caused by just these types of particles.
- The cubic capacity of the fuel tanks originally built into the heavy trucks is growing all the time. Formerly, fuel tanks of 200 litres were typical even for larger trucks, whereas today more and more trucks have fuel tanks of 1000 litres. As a result, they cause more environmental load because of the extra weight, and they also represent much higher accident risks.
- There are ever more trucks carrying hazardous goods. In recent years the public has heard regularly about such serious accidents, and on numerous occasions these accidents have shocked even the public opinion. (An accident which may serve as a particularly strong warning signal happened in May 2004 on the fly-over bridge of Nagykörsi Road in Budapest, and its consequences affected entire districts of the Hungarian capital due to the damage of the city's electric system. In the same month, a truck carrying nitrogen fertilizer exploded in Romania, killing 16 persons.)
- As road traffic is becoming ever more intense, the damage caused by congestion grows

exponentially. Besides the resulting loss of time, air pollution is the most alarming consequence: motor vehicles going at a walking pace emit many times more contaminants than what they would emit when travelling unhindered.

- Owing to the poor state of Hungarian roads, various forms of environmental pollution grow at a highly increased rate (more rubber particles get into the air from the tyres, engine oil dripping becomes regular, etc.).
- Heavy trucks release very large quantities of harmful materials into the air due to the increased wear of their tyres, and they cause extremely severe damage to the roads. Thus, among others, an ever growing amount of asphalt dust is sent out into the environment. (The binding material of asphalt, bitumen, is a proven carcinogen.)
- Air-conditioners built into the vehicles damage the environment, but not only because of the increased specific energy consumption. The agent of the air-conditioners is a fluorine compound which is one of the causes of the “ozone hole” in the upper atmosphere and one of the accelerating factors of global warming. Replacement of these agents in the air-conditioners of motor vehicles by more environmentally friendly materials is only planned to be implemented gradually as from 2009.
- The engines of motor vehicles which are standing in jams or are waiting are often not stopped, and actually cannot be stopped, because of the air-conditioners (in order to ensure the continuity of cooling in the summer and the continuity of heating in the winter), which not only entails extra fuel consumption but also increases environment pollution – and to make matters worse, usually just in densely populated areas.
- The achieved technical improvements are largely neutralized by the steady growth in the number and running performance of motor vehicles.
- The situation is further aggravated by the fact that the quality of the environment and the health standard of Hungarian citizens is deteriorating in many respects (see for instance Figures 3, 4 and 5); therefore, even smaller pollution may have more serious consequences than in the case of a healthy population and unimpaired environment. (The effects are accumulating!)

## **Should we extend the Hungarian road network?**

When the problem is raised, we can frequently hear the answer that we should build new roads and that will solve all problems. Under certain conditions, road sections which bypass towns and villages may indeed relieve inhabited areas from the burden of truck traffic. On the other hand, new roads will destroy even more natural areas (road construction itself causes huge damage), and the truck traffic will continue to pollute the environment, while accident risks will not disappear but will actually rather increase. Moreover, in many places there is simply no practical possibility to construct bypass roads to avoid inhabited areas. (For instance, the Buda-side section of motorway M0 could only be traced immediately next to the houses of Békásmegyér, Üröm, Pilisborosjeny, Solymár and Pesthidegkút.)

In this case, too, the question may be raised: who should pay for the construction and maintenance of the new roads? If it is necessary to build these roads because of the heavy trucks, then it is clear that the costs should be borne by their operators. It would not be fair and reasonable if for that reason the tax rates applicable to every citizen were increased or if less funds were available e.g. for education and healthcare. However, as we have already mentioned above, even today the operators of heavy trucks pay only for a fragment of the costs they cause.

Western European countries usually have much more extended motorway networks than

Hungary. Nevertheless, there are regular civil protests against truck traffic in Switzerland, Austria and France, and in other Western countries. Consequently, not even countries much richer than Hungary are capable of solving this problem by means of road constructions.

„Because of the massive truck traffic going through our town, the road surface of the street became damaged and the manhole covers sank in. As a consequence, the heavy trucks, passing through the town day and night at high speeds on the uneven carriageway, are causing such vibrations which have cracked the walls of our homes; our lives and night-time rest have been disturbed by the resulting noises and vibrations.” – Residents of Tokaj wrote this to the mayor of their town in September 2005.

In the same month, the mayor wrote a letter to the Prime Minister of Hungary, asking for help. This letter reveals that „75 to 80 per cent of the total quantity of stone necessary for the construction of motorway M3 is being transported on heavy trucks through the town of Tokaj, across the World Heritage area. (...) The asphalt broke up, the pot-holes, which had already been repaired earlier, re-appeared, and wheel track troughs have been treaded on the road surfaces, posing danger of accident. (...) As a consequence of the extreme growth of traffic and the huge axle weights, walls of residential buildings have been cracked.”

Similar complaints have been arriving from several other Hungarian towns and villages. Clean Air Action Group estimates that recently the heavy trucks carrying building materials for the construction of motorways in Hungary have destroyed road sections that are longer than the new motorways being built.

## **TRUE SOLUTIONS**

With a view to improving the above outlined critical situation, on the basis of Hungarian and foreign experience, we recommend that the following measures should be taken.

1. Freight transportation companies operating heavy trucks should be required to fully pay for the damage and other costs they cause. (This would mean an adequate revenue source for putting into effect the steps described in the points that follow. However, independently from that, it is necessary to start without any delay the implementation of the below listed measures.)
2. Motorway tolls should be abolished because these tolls induce drivers to keep away from motorways and to use the roads which pass through towns and villages. Instead of the tolls, a kilometre charge should be imposed on all routes, similarly to the Swiss road charge scheme.
3. In general, such a system of taxes and charges should be introduced that provides increased stimulation for carriers to use as environmentally friendly solutions as possible, including the use of vehicles that emit less pollutants and are less noisy. Special attention should be paid to promoting the wider use of particle filters.
4. Appropriate measures should be taken in order to ensure that trucks purchase fuel at Hungarian fuel stations. (Such measures could include the following: environmental product charges could be imposed on all fuels brought into Hungary from countries where fuel standards do not meet the relevant Hungarian standards; a former statutory requirement could be re-introduced, pursuant to which in one specific motor vehicle at most 200 litres of fuels are allowed to be brought into the country without paying tax and customs duty on the fuel; on one specific day fuels should only be allowed to be brought into the country free of taxes and customs duties on a single occasion, even if drivers try to prove it with fuel invoices that they purchased the fuel in Hungary. However, as these measures are applicable only to countries, which are not members of the EU, their effect is limited, especially after the accession of Rumania and Bulgaria.)

5. The Hungarian state should pay back to the railways gradually, but in the shortest possible time frame, its debt accumulated vis-à-vis the railways in the past decades – this debt may be put at some HUF 1700 billion.
6. It is necessary to enact statutes that can ensure that the safety of road transportation comes gradually closer to the safety level of the railways.
7. It is also necessary to review and amend other applicable statutes (e.g. the public procurement procedures) that bring railway freight transportation into a disadvantageous position without any proper reason.
8. From the Hungarian state budget, adequate compensation should be allotted to the towns and villages affected by traffic of heavy trucks in order to remedy and mitigate the damage caused by these vehicles.
9. Traffic calming measures should be introduced on the roads of the towns and villages affected by truck traffic.
10. It is necessary to explore the possibility of introducing weight limits and temporary limitations of entry on the roads of the affected settlements; and, where practicable, such measures should be introduced. (There are already numerous successful examples for such measures throughout Hungary.)
11. Detailed traffic surveys should be conducted. On the basis of the results of such surveys, alternative transportation routes can be specified where feasible, and the use of such routes should be strictly enforced.
12. The police, transport authorities and other competent agencies should intensify their controls in order to prevent infractions and criminal acts. Severe punishment should be inflicted upon speeding, loads exceeding the permitted weight, non-observance of technical requirements, infringement of requirements concerning rest times, avoidance of payment of taxes and customs duties, as well as upon other illegal acts.
13. It is necessary to assess the possibility of constructing by-pass roads around the towns and villages affected by truck traffic. Concurrently with the construction of such roads, however, traffic calming measures should also be introduced in the inner main roads of the settlement concerned. At the same time, it should be prohibited that facilities attracting a lot of new traffic be located along the by-pass road.
14. In each case, it is necessary to explore the possibility that construction materials be transported by rail over the entire transportation distance or at least a part of it. If such possibility does exist, then it should be compulsory to use that possibility in the case of state orders, e.g. road constructions. (It cannot be a criterion for decision that the partial railway transportation is seemingly more expensive for the state because of the additional re-loading. Firstly, if the construction materials are transported by trucks, the residents of the affected settlements will sustain much more damage than the sums which may be saved by the state. Secondly, as was laid down by the Supreme Court of Hungary in its judgment No. Gf.IV.30.879/1998/17, passed on 13<sup>th</sup> May 1999, in the event of endangerment of the environment, economic interests may not be considered.) As regards the transportation of construction materials by rail, the construction of the section of motorway M7 along Lake Balaton is a good example to be followed.
15. An action plan should be elaborated in order to propagate the re-use of construction materials, reducing thereby also the need for transportation.
16. Purchase of local and domestic products should be encouraged.
17. The state should perform extensive public awareness raising activities concerning the social, economic and environmental problems of road freight transportation. Easy-to-understand guides should be prepared, primarily for local governments, carriers and those placing orders

with carriers, which provide suggestions and ideas for the ways to reduce the environmental load caused by freight transportation and to better organize the transportation. Such publications should be made widely available.

18. Non-governmental organizations should be invited to participate in the activities described in the previous point.

Hereafter we will discuss in greater detail some of the measures recommended above.

## **Road charge**

One of the most important measures to be taken is the introduction of a road charge for heavy trucks. This should be applied on all routes, since heavy trucks are causing substantial damage everywhere. As a matter of fact, the damage is usually much greater on the secondary roads and within settlements, than for instance on motorways. Moreover, if the road charge is only introduced on motorways, some of the trucks will rather use the old roads, as has been shown by both Hungarian and foreign experience.

For the introduction of the road charge system, it is advisable to take the Swiss model as a basis.<sup>16</sup> In the Alpine country, road charges were introduced for trucks in 2001. The rate of the charge depends on the following factors (Figure 6):

- the total number of driven kilometres, i.e. the charge does not depend on whether the vehicle goes on motorways, urban main roads or even on dirt roads (firstly, this is fairer so, and secondly, it encourages drivers to choose the quickest route possible and avoid towns and villages);
- the permitted total weight of the vehicle (this encourages the operators to use their vehicles at the highest possible utilization rate, and to ensure that there are for instance as few empty transports as possible);
- the motor vehicle's emission of air pollutants (this promotes the use of as modern vehicles as possible).

In 2001, the average road charge was 1 Eurocent per tonne-kilometre, and in 2005 already 1.7 Eurocents (HUF 4.25 per kilometre). Revenues from the road charge amounted to EUR 510 million in 2001 (nearly HUF 130 billion), and for 2005 revenues of EUR 1020 million (approximately HUF 250 billion) have been forecast. As a result of the road charge, the traffic volume decreased by around 5 per cent both in 2001 and 2002, whereas in 2003 a slight traffic growth was registered. Prior to the introduction of the road charge, however, traffic rose by 6 to 7 per cent annually.

Based on currently available data of the Central Statistical Office of Hungary, the performance of Hungarian motor vehicles with a total weight above 10 tonnes on Hungarian roads may be estimated at 14 billion freight tonne-kilometres in 2005. With unchanged traffic volumes and by assuming that the permitted total weight of the vehicles make up one and a half times the weight of the transported goods, it would be possible to realize annual revenues of  $(4.25 \times 1.5 \times 14 =)$  HUF 90 billion.

As regards the performance in Hungary of foreign trucks with a total weight above 10 tonnes, there are no data available. In 2003, 1 371 000 foreign trucks entered Hungary across the borders. Calculating on average with a permitted total weight of 30 tonnes and a driven distance of 440 kilometres, and furthermore by taking into account the surge in traffic volumes as a consequence of Hungary's EU accession, a performance of 20 billion tonne-kilometres may be anticipated in 2005. Hence, we may reckon with revenues amounting to  $(4.25 \times 20 =)$  HUF 85 billion.

Summing up the above, we may conclude that at the level of 2005, revenues totalling HUF 175 billion could be realized if a road charge of only 1.7 Euro cents per kilometre is imposed on trucks heavier than 10 tonnes. As shown by the Swiss example, road charges of such rates are only sufficient to stop the further growth of truck traffic or to bring about a slight drop in the traffic volume. Therefore, gradually, the road charge should be further raised.

The European Union and Hungary had already agreed in 1991 that as from 1992 Hungary may impose a charge of HUF 3 per tonne-kilometre upon heavy trucks. Taking account of the inflation rate, today this would correspond to a sum of HUF 7.35. Calculating with that data and with unchanged traffic volumes, we could anticipate revenues of  $(40.5 \times 7.35 =)$  nearly HUF 300 billion. Assuming a 20 to 30 per cent drop in traffic volumes, state revenues would still total HUF 210 to 240 billion annually.

Obviously, for political reasons, such charge could hardly be imposed from one day to the other; therefore, we recommend that this rate of the charge should be reached gradually, over a period of several years. However, we must call the attention to the fact that not even in that case will the operators of heavy trucks fully pay for the costs they cause.

Road charges have been imposed upon heavy trucks since January 2004 in Austria and since the beginning of 2005 in Germany (although at a rate much lower than the Swiss charge and for the time being only on expressways).

There are no technical obstacles hindering the introduction of road charges in Hungary. Every truck (with a few exceptions specified by relevant regulations) is equipped with a tachograph. This makes it possible to determine the number of kilometres driven. The vehicles' permitted total weight and pollutant-emitting characteristics are rated by the manufacturer. Thus, the payable amount can be easily calculated and controlled. Data of the trucks going abroad and arriving from abroad may be recorded at the Hungarian border, and the truck drivers could pay the charge on the spot. In the case of vehicles which only move around within Hungary, the road inspectorate anyway checks the tachogrammes of every truck yearly. Besides, there are random controls on the roads. If the applicable charge was not properly paid (say, monthly or semi-annually), very severe penalty should be inflicted. In the future, more up-to-date methods and electronic road charge payment may also be used.

## **Traffic calming: transiting vehicles are only guests**

„The essence of traffic calming is to appeal to the better self of drivers so that we can make them our partners. We have to persuade them that upon entering a town or village they should not drive too fast, they should not hoot and they should not stop and leave their vehicles haphazardly. They should be attentive of others, but not only because regulations compel them to do so or because a policeman stands there; rather because their conscience orders them to do so. The means to achieve this effect are primarily not the road signs, boards and lights, but the built-in obstacles and a pleasant environment. When, in contrast, a fourteen metres wide road goes through a village, then I, as a driver, feel that this was built for my sake, I am the boss here and no one can cross my way even if a traffic sign indicating a 50 km/h speed limit is posted there.

Visual impact is one of the most important elements. Drivers, upon entering a town or village, should feel that they have arrived into a separate small world and they should consider it an

honour to have the chance of passing through this settlement. In the „gate” of the town or village, some lane shifts should be placed, which will make it physically impossible for drivers to go at a high speed. For example, a traffic island located in the centre of the road, with warning signs placed out well in advance lest it should cause accidents, with flashing lights or illuminated, and road markings in front of it. This will shift inbound drivers with at least one or maybe two lanes’ width; this is like the labyrinth grid placed at railway crossings for pedestrians. Drivers will have to slow down, change back a gear and steer, which means that they have to pay attention. Drivers should be forced to think and to act after thinking.

Another useful method is to rearrange the junctions, for instance by creating roundabouts. England, France and the Netherlands are full of roundabouts. People have realized there that in the case of constructing traditional junctions, traffic safety requires large asphalt-covered areas, which are not aesthetic and also destroy large green areas. In the case of roundabouts, the sight of the elevated green island in the centre makes drivers feel as if the road was not leading to anywhere and so it makes them slow down and pay attention. In contrast to junctions equipped with traffic lights, traffic is able to move almost uninterrupted; there is no dead time at yellow light, there is no sudden acceleration when drivers think that „go on, I can still get across”, and there is no abrupt braking.

Special attention should be paid to the most frequented central zones within the settlements. These are the neighbourhood of the school, the church and the espresso bar. In these places, pedestrian crossings and bicycle passages should be constructed in a form to suggest to drivers that they should expect bicycle and pedestrian traffic there. If drivers are forced into a somewhat uncomfortable position by narrowing down the lanes, then they will be more disposed to become partners – because otherwise they are accustomed to have precedence. Of course, the vehicles will have enough room to pass, but if the customary lane width of four metres is narrowed down to less than three metres, then drivers will be concerned for the safety of their wheels, and they will reduce the speed.”

*Péter Polányi, transport construction civil engineer  
(Monthly “Lélegzet”, 1995/7)*

## **Better freight organization with state assistance**

Under the „Freight Best Practice”<sup>18</sup> Programme of the British Ministry of Transport, a survey covering 14 freight transportation companies assessed how much fuel is consumed for the transportation of one unit of freight over the same distance and under similar conditions. The survey produced quite a shocking finding: specific fuel consumption greatly varies among carriers, as the „worst” company used up twice as much fuel per unit freight as the „best” one. Having looked into the causes of this variance it was found that this is not in the least attributable to the truck fleet itself, since each of the companies surveyed used modern vehicles. The difference depended on the employees, namely on the energy-saving driving style of the truck-drivers; on the precise and conscientious work of the maintenance personnel; on the manner the dispatcher set the routes and times for the transportation (for instance to avoid traffic jams); and on the sales manager’s decision regarding the time and destination of the shipment, as well as the quantity and type of the goods to be transported. And the success first and foremost depended on the managing director who organized and harmonized the work of all these employees.

Within the framework of the programme, the British Ministry of Transport collected the best examples, and published them in a systematized and easy-to-understand manner on the ministry’s homepage. In

addition, it prepared publications, video films and CDs, and widely disseminated these materials among carriers. A sweets-distributor company saved GBP 44 thousand and reduced its carbon dioxide emission by 11 thousand tonnes in a single year by making use of the information contained in the ministry's educational materials.

It is indispensable that the state undertakes an active role here because such a comprehensive programme would hardly be implemented by the market players alone. That is why it is important that state agencies and local governments establish close cooperation with carriers and other stakeholders. For example in Ireland, in Cork (a town of 120 thousand inhabitants), a detailed assessment was carried out concerning the town's freight traffic, by making the widest possible circle of stakeholders (from truck-drivers to shop-owners) involved in the process and requesting them to make proposals for the necessary changes. It was thereafter that it was decided where and what sort of weight restrictions should be enforced, what routes and periods should be set for the truck traffic and what type of parking and other regulations should be introduced. In this manner they managed to establish a freight transportation practice based on a consensus of the concerned parties, which is capable of ensuring the most efficient and least disturbing delivery of the goods. Where they deemed it necessary, in agreement with the local shops they arranged a scheme under which the trucks will stop at a certain distance from the shop, and the goods will be carried on hand carts up to the shops."

Conference on urban freight transportation (Monthly "Lélegzet", 2005/11)<sup>19</sup>

## **Re-use of construction materials**

Transportation needs could be considerably reduced if instead of mining new raw materials and transporting them to remote destinations, construction materials from the demolition of buildings would be re-used locally in the largest possible part. In Germany the compulsory rate of recycling for used construction materials is already above 70 per cent, and builders are obliged to sort out the rubble on the building site. If they do not perform the sorting out, local governments will carry it out as a public work, at the expense of the real property owner concerned. The secondary use of raw materials in Hungary is primarily hindered by the very low mining costs. Re-use will not be remunerative until the applicable mining tax rate is so low. In 2003, the actually paid mining tax upon mined building raw materials (gravel, ballast, etc.) only amounted to a mere HUF 9.6 per tonne, whereas the selling price of these materials is many thousands of HUF. Since the mining costs are low, this business is a regular goldmine for the involved entrepreneurs – to the detriment of the environment and the Hungarian national economy.

## **The EU position on the issue**

One of the pivotal points stipulated in the Treaty on the European Union is that *subsidies distorting the market competition* must not be granted to anyone. The EU transport policy, adopted in 2001, clearly states that each participant of the transportation market has to pay for the damage it causes. This means – in line with another principle laid down in the Treaty, the "*polluter pays*" principle – that they also have to pay for the environmental and health damage caused.

At the end of 2005, the European Union adopted a new directive which allows a greater scope than earlier for the introduction of road charges for heavy trucks. Thus, for instance, road charges may be applied on the entire road network, and (within certain limits) their rates may also be specified on the basis of the vehicles' pollutant emission.

“... one of the important reasons why imbalances and inefficiencies have arisen is because transport users have not been adequately confronted with the full costs of their activities ... As prices do not reflect the full social cost of transport, demand has been artificially high.”

European transport policy for 2010: time to decide

"Motorway maintenance would cost six times less if cars were the only vehicles to use the motorways. This benefit is not offset by any corresponding differential between the charges paid by heavy goods vehicles and by private cars."

European transport policy for 2010: time to decide

„Contrary to popular thinking, such integration would not work against European competitiveness. It is not so much the overall level of taxes that needs to change significantly, but rather their structure, which needs to be altered radically to integrate external and infrastructure costs into the price of transport. If some Member States wanted to raise the overall level of transport taxes, this policy could be *designed in such a way as to avoid a net increase in taxation (including charges) in the economy as a whole*, for instance by offsetting any increase in infrastructure charges by lowering existing taxes, such as taxes on labour, or by allocating revenue to the financing of infrastructure.”

European transport policy for 2010: time to decide

## **A reasonable schedule**

We would like to caution everybody against starting a witch-hunt on account of the above-described serious problems against truck-drivers or the freight transportation companies operating the heavy trucks. It is not only their responsibility that the current critical situation has evolved. Each Hungarian government has been responsible, too, just like every Hungarian citizen – all of us – because we did not raise objections in due time (in Switzerland, for example, the required measures were forced out by a referendum). Therefore, the necessary steps should be introduced in a level-headed and gradual – but firm – manner, based on continuous discussions and conciliations with the interest representation bodies of the carriers.

In order to avoid inflicting a shock upon those concerned, it is advisable to use a phased approach to eliminating the preferences of road freight transportation, implementing it step by step over a period of several years. Gradual introduction allows time to provide retraining and aid for the employees (a relatively small number in total) who might lose their job as a consequence of these measures. Abundant resources would be available for this purpose, since at present each one of the 40 thousand Hungarian heavy trucks receives on average more than HUF 25 million of open and hidden subsidies annually from public funds.

The feasibility of the retraining programme is also supported by the expectation that the employment level would not drop at all in the sector. Freight transportation would be diverted partly to smaller trucks, and partly to railways, which have undisputable advantages just in transporting large volumes of goods over long distances. Furthermore, it would be extremely important to increase the added value in transportation, which could primarily be achieved by extending the quantity and improving the quality of various logistics services (including specialized counselling, data supply, weighing, customs administration, labelling and other activities).

## **FALSE COUNTER-ARGUMENTS**

## **Will it become impossible for carriers to sustain their activities?**

It is an often repeated lament that the abolition of existing preferences will make it impossible for road freight transportation companies to carry on their activities. However, in a market economy all economic activities must raise the revenue necessary to cover their expenses. If they are not capable of doing so, it means that the economy does not need the activity in question. (This only holds true of the economic sector. With today's calculation methods, it does not apply to public tasks and public services, e.g. to education, health care or public transport.)

We have already highlighted above the rapid growth that heavy truck traffic recorded in Hungary in the past 15 years. Now, it would be necessary first and foremost to stop this growth and then to cut back gradually on the heavy truck traffic.

We can definitely anticipate that if initial road charges much under the Swiss rate, and resulting in total annual revenues of HUF 30 to 40 billion, are introduced in Hungary, then this measure would not bring about any shock – at most it would cause heavy truck traffic to stay at today's level.

## **Distorted market economy?**

Another often heard argument is that if the state increases the taxes and charges applicable to heavy trucks, then the prices of all products will rise, the inflation rate will grow, and so everyone will come off badly. In reality, just the opposite is true.

In fact, all the costs that we recommend to build into the taxes and charges payable by heavy truck operators do exist already today. Roads destroyed by trucks are repaired and reinforced by using funds collected from all tax-paying citizens; the repair costs of cars that were damaged because of the poor state of Hungarian roads are paid by the car-owners; the costs arising from health damage are in part directly paid by the affected persons and are in part indirectly paid by all citizens through the social insurance system, and so on. Thus, all these costs are already today included in the prices. (Figure 7 shows the costs of the environmental and health damage caused by different transport modes in Western Europe. The figure is taken from a publication<sup>20</sup> the data of which were admitted to be trustworthy by the European Union's new transport policy. The survey, covering 15 member states of the European Union, as well as Norway and Switzerland, concluded that the environmental and health damage caused by trucks are enormous. From among the study's numerous shocking findings we would like to highlight the conclusion that the costs of the environmental and health damage caused by trucks increased by 43 per cent between 1995 and 2000! In the case of the other transport modes – with the exception of air transport – the relevant sums remained practically unchanged during that period.)

Consequently, the problem is not only that this practice unjustly puts some people into a disadvantageous position, while it favours others undeservedly. The main problem is that at present the prices do not reflect real costs, and therefore the overall efficiency of the economy is lower than what would otherwise be possible. Thus, the elimination of market distortions will enhance social wellbeing, will open up new resources for instance for cutting the rate of the payable social security contribution or the personal income tax, and will result in more funds being available for spending in key sectors that determine Hungary's future development. If we stop granting preferences to the operators of heavy trucks, the entire Hungarian transport system may become much more rational, economical and environment-friendly.

It is a well-known fact that road freight transportation often works with rather low efficiency

as a consequence of poor transport organization. There are many empty transports and transports going back and forth, which could otherwise be prevented. These inefficiencies may also be partly attributed to the prevailing false price conditions.

It is also an untrue argument that by abolishing the huge preferences granted to road freight carriers, we would cause difficulties to Hungarian exports. It can be proven by hard figures that the present situation in fact favours imports rather than exports, which impairs the economic competitiveness of Hungary.

Goods transportation expenses represent 5 to 10 per cent of the total costs of an average company. Thus, it is obvious that even a 50 per cent rise in the prices of road freight transportation would only mean additional costs of a few per cent for most companies in Hungary.

### ***Goods going round and round in Europe***

„Heavy trucks thundering along the roads of Europe into opposite directions are similar to one another, but not only in their look – often even the goods that they transport are the same. Some trucks carry bananas from Genoa, Italy to Frankfurt, Germany, while the trucks coming from the opposite direction transport into Milan the bananas that had been shipped to Rotterdam. Belgians are sending pigs to Italy so that subsequently the processed meat appears with “Parma ham” label on the shelves of the shops in Belgium. Bavarian potatoes are carried on trucks across the Alps into Bologna to have them washed and packed – only to return later on the same route and arrive back to the German consumers.

In the countries of Southern Europe the wages are lower, the labour law regulations are more lenient and the safety and environmental requirements are less stringent; therefore, the raw or semi-manufactured goods are sent from the Northern countries into Southern Europe for further processing. Thereafter most of the goods will be sold in the markets of Northern Europe.

It is an everyday occurrence that a Belgian has Scandinavian bread, Dutch butter, German milk, Italian cheese and French eggs for breakfast – even though all these foods can be produced locally in adequate quantities. The situation is similar in all other member states of the European Union.

Some 85 per cent of the hazardous goods transported across the Alps are oil industrial products most of which can be produced and sold in one and the same country.

A large part of all transports does not bring about any true result for the society – these transports only serve the purpose of circumventing controls and the law. Some of the EU agricultural products are only being exported so as to become eligible to the state subsidies granted upon exports, and then these products will be freely transported back into another member state of the European Union.

Trucks often operate with low rates of utilization. For instance, motorcar dealers usually do not stock spare parts because these are expensive and the parts are not identical for the different cars (and so dealers should stock many different types of spare parts simultaneously). Thus, if a buyer needs a specific spare part, the dealer orders it from the distant central warehouse. The required part will be immediately transported by road to the dealer, not caring about how few goods are on the transport vehicle. In addition, there are many trucks which drive along the roads without any load: surveys show that empty transports make up 30 per cent of the total road freight traffic in the European Union.”

(Monthly "Lélegzet", 1994/3<sup>21</sup> – the situation has not improved since then ... just on the contrary)

All over the world, there are lots of haphazard goods transports going to and fro, which are unnecessary and could be prevented. This, again, is mainly caused by the fact that carriers do not pay for the true costs of their activities. Another important reason is the lack of information. Individual citizens can also contribute to cutting back on transportation, if they choose local products, if they shop in the local market and not in the large shopping mall – if they purchase domestic products instead of vegetables and fruits transported from thousands of kilometres.

“Controllers of the Hungarian Consumer Protection Chief Inspectorate found eighty times the permitted micro-organism number in the DAX “spring water” bottled by the Thermes-Adour company, which comes from the French Pyrenees and the consumption of which – according to its label – is

“particularly recommended for infants”. The Inspectorate prohibited the sale of the product in the CORA department store that sold the water. This liquid, not even coming close to the quality of tap water, **was transported into Hungary on trucks, from a distance of one and a half thousand kilometres**, in disposable plastic bottles. Unfortunately, this unqualifiably rude waste export is more than just a single occurrence, as it can be regarded as an extreme form of appearance of a phenomenon which is becoming ever more prevalent.”

(“Kukabúvár”, 1998/autumn)

From other sources we have been informed that Hungarian heavy trucks carried Italian mineral water (i.e. in more than 99 per cent water) into Sweden on a regular basis, and from there they transported Swedish mineral water into Italy.

## **Why is it that no changes take place?**

The question may be asked that if changes are so much justified, then why is it that we cannot make any real progress in solving the above-described problems. The answer to that question was given by Dr. Ferenc Kovács, Deputy Secretary of State of Transport, tactfully but going straight to the point: „The road freight transportation sector has such a strong interest enforcement capability that they are able to prevent that their payable charges be raised above a certain limit.”<sup>22</sup>

One specific example of this phenomenon was when in the autumn of 2000 the Hungarian Government agreed to the postponement of the increase of excise duties on fuels (or, to be more precise: to the postponement of the valorization of the excise duties in line with the inflation rate) because it yielded to the pressure of road carriers. Carriers wanted to use blockades and roadblocks in order to force out the fulfilment of their demands, i.e. that the government should reduce fuel taxes. Thus, they threatened the Hungarian society with the same criminal acts that were characteristic of the so-called taxi-driver's blockade a few years earlier.<sup>23</sup> This was clearly laid down in the communication of the Board of the of Hungarian Road Transport Association issued on 13<sup>th</sup> September 2000: *“On the basis of the opinions and signals received by the Board of the Association, we can state that in the absence of acceptable solutions, our members are determined to use even radical means to express their protest.”* All this was also confirmed by the agreement of 2<sup>nd</sup> October 2000, signed by the Hungarian Government and the representatives of road carriers, which included, among others, the following understanding: *“The Hungarian Government will not submit to the Hungarian Parliament any proposal with the aim of increasing the currently effective rate of the excise duty until the quarterly average price of the Brent crude oil is above USD 25 per barrel. ... The most important interest representation bodies of road transport service providers, which bodies participated in the negotiations, in consideration of **the agreement concluded during the negotiations, will not initiate any actions that would jeopardize the results achieved in the negotiations.**”*<sup>24</sup> (Our bold-face.)

In democratic constitutional states, however, no governments should permit that any group blackmails them by using unlawful methods and threatens them by committing criminal acts that cause serious damage to the society. In this case, it was mainly the freight transportation companies operating the heavy trucks who intended to apply „radical means”, which constitutes abuse of the technical dominant position by a small group in order to shift the largest possible part of their own costs upon the society as a whole. This peculiar interest enforcement method of the carriers is in flat contradiction to the norms of the European Union, too. The UK Prime Minister, Tony Blair expressed this unmistakably when in the autumn of 2000 British road

carriers protested for similar reasons: „*It is inconceivable that in this country any government yields or surrenders to such sort of protests. The government is willing to listen to the demands of the protesters, but if it had given way now, then soon another interest group would have forced the country to its knees on account of their particular grievances – and this contradicts the rules of democracy.*”<sup>25</sup> (Re-translated from Hungarian – Note of the translator.)

## **TRUCKS OR RAILWAYS?**

The freight transports that can primarily be diverted to the railways are just the types of transports that are currently performed by heavy trucks, i.e. the transportation of large volumes of goods over relatively long distances. (Obviously, it is not possible to transport goods by rail to the grocer's shop on the street-corner.)

One freight tonne-kilometre performance on roads entails ten times as much energy consumption (see Figure 8) and air pollution, as well as considerably more noise than in the case of railway transportation. Calculated for the same performance, road freight transportation causes hundreds of times as many accidents with human injuries, than rail transportation. If we want to transport by road the same volume of goods as by rail, then we have to occupy at least six times as large an area – not counting with the strips of land along the roads which will become unfit for use owing to air pollution (Figure 9).

Moreover, if the subsidization of virtually astronomical value granted to road freight transportation was eliminated, then the railways would become much more competitive and that would result in more revenues for the Hungarian state budget, too. Thus, the irrational wasting of public funds would be replaced by the augmentation of state funds.

## **Combined transportation**

It is called combined transportation when two or more transport subsectors are involved in the performance of a specific transportation task. The long-distance transportation leg is usually carried out by rail or water, while the shorter-distance, local delivery is performed by road. At the connection points of the long-distance and the local transportation, it is not directly the goods that are re-loaded but only the closed containers carrying the goods, or the transportation means themselves, and/or the transportation vehicles will drive up on the other transport vehicle (e.g. on the railway wagon or the ship).

The transportation of trucks by rail is known by the name of RoLa (Rollande Landstrasse = rolling highway). This, the so-called accompanied traffic, is a less efficient method of freight transportation because the railways carry the goods together with the huge trucks (and their drivers). This is much less favourable both from an economic and an environmental protection viewpoint than the method when only the goods themselves are transported by rail. However, in the Eastern part of Europe, RoLa transportation could play an important role. It is because in Hungary and in the countries to the south and east of Hungary, from where many of the heavy trucks arrive, the means suited for unaccompanied transportation are mostly lacking. (It is called unaccompanied transportation when only the container, the interchangeable body or the semi-

trailer is transported, rather than the whole truck. The semi-trailer is the rear part of the truck; the interchangeable body means only the “body” on it. In the case of many older types of trucks, often the body may not be lifted off and carried separately, e.g. by rail.) Switching over to the use of these transportation means involves considerable additional expenses; therefore, this is only feasible in the long run. Moreover, there is quite a large quantity of unutilized RoLa wagons available in Europe, and so the number of RoLa trains going through Hungary could be increased significantly without the need to implement additional investments.

Consequently, RoLa transportation is still more favourable environmentally than the transportation mode when heavy trucks cover the entire distance on road. Nevertheless, it is necessary to make increased efforts in order to follow the practice pursued in Western Europe, where mostly only the containers, the interchangeable bodies or the semi-trailers are placed on the railway wagons.

„Last year our trucks travelled thousands of times to England. It is a deadly sin to thunder all across Europe with heavy trucks. But the Hungarian State Railways Co. (MÁV) does not even have a single railway wagon upon which the semi-trailers could be placed. Nor do private enterprises wish to invest funds into this activity because its payback period is 30 years and they are unable to undertake that.”

Conversation with György Wáberer, President-Director General of Waberer's Holding Logisztikai Rt. – Waberer's Company Group operates Europe's most up-to-date, and Central Europe's largest, fleet of heavy trucks  
(Monthly "Lélegzet", 2005/3<sup>26</sup>)

## **Legal remedies**

### **Claim for damages and for the elimination of endangerment**

People who are directly affected by the heavy truck traffic may also take legal steps.

Before a citizen goes to law because of the damage caused by truck traffic, it is advisable to write a letter similar to the sample below to the authority in charge of the management of public roads. In the case of national roads in Hungary, the competent agency is the State Road Administration Technical and Information Public Benefit Company (in abbreviated form: Hungarian Road Administration Public Benefit Co.); and in the case of local roads, the competent authority is the municipality of the town or village concerned. We must know, however, that Hungarian road administration authorities are in a very difficult position, and they cannot by any means be blamed for the current situation. On the one hand, it is not them who decide about the national transport policy, and so they are not responsible e.g. for that in recent years the heavy truck traffic swelled to such huge proportions in Hungary and that the railways virtually went bankrupt as a consequence of the continued practice of curtailments. On the other hand, the financial resources allotted by the state to the road administration authorities have not been sufficient for many years now even to enable them to carry out decent maintenance and renovation works on the roads under their management. Nevertheless, pursuant to the applicable law, the road administration authority concerned may be made responsible for the damage arising out of the use of public roads, and the amendment of the situation belongs to its scope of authority. Unfortunately, in this case the law and the reality do not correspond to each other – yet, the injured party cannot choose but go by the law. Since the public benefit company in charge of national public roads comes under the Hungarian Ministry of Economy and Transport, taking legal steps against the former will also exercise an influence on the government to initiate the necessary actions. Furthermore, it may also occur occasionally that the competent road administration authority itself can take certain measures locally.

The following page contains a sample letter. Under the provisions of the law, the addressee must answer that letter within 30 days. If the complainant is not satisfied with the answer, he/she may have recourse to the court. Several similar suits have already been brought to successful conclusion in Hungary!

\* \* \*

Attn: ...., ..... 2006  
Managing Director  
Hungarian Road Administration Public Benefit Co.  
1536 Budapest, Pf. 238

Subject: Claim for damages, request for the elimination of endangerment

Dear Mr. Managing Director,

I, the undersigned, **claim damages from the Hungarian Road Administration Public Benefit Co.**  
My reasons for the claim are as follows:

I have been living in my present home since ..... . Since that time, living conditions have gradually deteriorated here as a consequence of the increased road traffic. Air pollution, noise and other vibrations, the destruction of green areas and the growing risks of accidents cause damage to my health, make it impossible to have a rest and to lead a quiet life, and impair the value of my home.

By virtue of Art. 103 of Act LIII of 1995 on the protection of the environment: „The damage caused to others through activities or omission involving the use and/or load of the environment shall be regarded as damage caused by activities endangering the environment; to such damage the Hungarian Civil Code’s rules pertaining to activities involving increased risks (Art. 345 and 346 of the Hungarian Civil Code) shall be applied.” Furthermore, by virtue of Art. 345 of the Hungarian Civil Code: „Those who carry out activities involving increased risks shall pay for the damage arising from such activities.” Additionally, by virtue of Art. 339 of the Hungarian Civil Code: „Those who cause damage to others unlawfully shall pay for such damage.”

It is clear from the above that those causing the damage must pay for the damage I suffered.

By virtue of Art. 34 of Act I of 1988 on road transport: „Unless otherwise provided by the law, the traffic order of public roads shall be arranged by the entity managing the public road concerned.” Furthermore, by virtue of Art. 35: „The entity managing the road shall pay for the damage caused by the breach of its road management duty in accordance with the general rules of civil law.”

It clearly follows from the above that my damage must be paid for by the Hungarian Road Administration Public Benefit Co., as my damage is caused by the road (roads) ..... under the company’s management.

For my non-pecuniary damage (impairment of my health, disturbance of quiet living conditions, etc.) I request the payment of damages of HUF 1000 per day from ..... (date) to ..... (date).

My pecuniary damage partly arises from the loss of value of my home, which amounts to HUF ..... I sustained further pecuniary damage as a consequence of (to be listed, e.g. the walls of my home became cracked, I have to clean my home continually much more than without the heavy traffic, I have to paint the walls more frequently...).

As I have mentioned, I sustained substantial pecuniary damage because the value of my home has decreased as a consequence of the increased traffic. However, this damage will be removed **as soon as the environment pollution caused by transport is eliminated; to this end I request the Hungarian Road Administration Public Benefit Co. to take the necessary measures without any delay.**

In connection with the latter, I would like to call your attention to that by virtue of Art. 18 of the Constitution of the Republic of Hungary: „The Republic of Hungary shall recognize and enforce the right of every citizen to a healthy environment.” Furthermore, by virtue of Art. 70/D of the Constitution of the Republic of Hungary: „All people living in the territory of the Republic of Hungary shall have the right to enjoy physical and mental health at the highest possible standards. The Republic of Hungary shall enforce this right by organizing the system of labour safety, of healthcare institutions and of medical services, by ensuring possibilities for regular physical exercise and by protecting the built and natural environment.”

Consequently, **by paying the damages, those causing the damage will not have purchased the right to damage my health because the right to a healthy life and to an environment which does not damage health is a fundamental human right.** Furthermore, Art. 341 of the Hungarian Civil Code also provides that: „In the event of a danger of damage, those being endangered may request the court to prohibit those who pose the danger from performing their activities posing the danger, and/or to oblige them to take the measures that are necessary for preventing the damage...” I trust that the Hungarian Road Administration Public Benefit Co. will ensure my constitutional rights even without my recourse to the court, and/or my recourse to the state attorney's office pursuant to paragraph (2) b) of Art. 10 of Act V of 1972, requesting the enforcement of my rights. To this end, I request that **the permitted transit traffic of motor vehicles with a total weight above 7.5 tonnes be banned in the neighbourhood of my living area, and that on the above mentioned route(s) the speed of the two-way peak-period traffic be limited in 40 km/h.** In order to ensure that the motor vehicle traffic does not use the roads which, even now, carry only small traffic volumes, in these areas traffic calming measures should be introduced. Furthermore, ..... (other suggestions depending on the local conditions). Such would be the measures that comply with Art. 13 of Act I of 1988 on road transport, which provides that: „Inhabited areas, particularly historic town districts, areas protected as historic monuments and protected natural areas, as well as health and holiday resorts shall be protected in an increased degree from the damaging effects of road transport also by using traffic regulation measures and appropriate parking fees.”

I hope that you will recognize my claims stated above as well-founded and that you will take the necessary measures as soon as possible.

Yours sincerely:

Signature: .....

Name: .....

Home address: .....

## Caption of the figures and pictures in the Hungarian version

### Front internal cover

**Louis (37), truck driver                      HE CARRIES 16 TONNES**

**Géza (42), engine-driver                    HE CARRIES 1600 TONNES**

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### Table on p. 6 (from left to right)

#### **The number of heavy trucks crossing Hungary's borders and the number of heavy trucks with Hungarian registration plates**

Year

Number of foreign trucks entering Hungary across the borders\* (thousand)

Number of Hungarian trucks leaving Hungary across the borders (thousand)

Number of Hungarian trucks with a load carrying capacity of 10 tonnes and above\*\* (pcs)

\* Together with the transit traffic

\*\* For the years 1991 to 1999 we have not found any data in such breakdown.

Source: Yearbooks of the Central Statistical Office of Hungary

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### Page 7

#### **Figure No. 1: Member states of the European Union**

Member states

Countries acceding in 2007

Candidate countries

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### Page 8

#### **Figure 2: The number of trucks entering Hungary, the number of heavy trucks with Hungarian registration plates and the gross domestic product between 1990 and 2003 (1990=100)**

The number of foreign trucks entering Hungary across the borders

The number of Hungarian trucks leaving Hungary across the borders

The number of Hungarian trucks with a load carrying capacity of 10 tonnes and above

The gross domestic product

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Page 10

State-of-the-art particle filter

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Page 14

Illustration from the title-page of the journal "New Scientist"

**Figure 3: The carbon dioxide content of the atmosphere in the last one thousand years, on the basis of ice samples from the Antarctic and direct measurements performed in the atmosphere in the past nearly fifty years**

South Pole  
Mauna Loa

Source: "Magyar Tudomány", 2005/1, p. 104, [www.matud.iif.hu/05jan/13.html](http://www.matud.iif.hu/05jan/13.html)

The rise in the concentration of atmospheric carbon dioxide is regarded as the main cause of global warming, which threatens humankind with immeasurable consequences. Carbon dioxide emissions from transport are growing faster than from any other source.

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**Figure 4: The number of lung cancer cases in Hungary between 1980 and 2004 (per 100 thousand inhabitants)**

**Figure 5: The number of asthma patients in Hungary between 1980 and 2004 (per 100 thousand inhabitants)**

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Page 18

Weight restrictions of trucks in Budapest

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Page 19

Information booklet of the Swiss customs authorities about the road charge payable by heavy trucks

In Switzerland, the largest part of the revenues collected from road charges imposed on heavy trucks is devoted to the development of railways

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**Figure 6: Example for the calculation of the Swiss road charge in 2004<sup>17</sup>**

Base charge\* (in Swiss francs)

Distance covered in Switzerland (km)

Type and permitted total weight of the vehicle

- Truck
- Truck with trailer
- Truck with semi-trailer
- Truck with trailer 37 t

Payable charge (in Swiss francs)

\*Base charge per one tonne-kilometre, which depends on the vehicle's pollutant emission. Category 1 applies to engine types EURO 0 and I, Category 2 to engine type EURO II, and Category 3 to engine types EURO III to V.

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In Nyergesújfalu, which is cut by national main road No. 10 into two halves, the road was reshaped in such manner that the trucks must by all means observe the 40 km/h speed limit. Drivers' attention is already drawn at the town's boundary by road surface strips of disparate colour and roughness, as well as by a long traffic island and a road sign forewarning of the speed limit. Inside the town, there are traffic islands at the pedestrian crossings, too. Because of the need to change direction, these, again, make drivers slow down. A bicycle lane runs along the road on its entire length within the town, in most places separated by shrubs or a hedge from the road. The bicycle lane borders on the sidewalk, which is girded by many flowers and tastefully formed squares.

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Page 22

Several educational publications aiming at the improvement of freight transportation may be downloaded from the homepage of the British Ministry of Transport

A publication of the Municipality of Utrecht assists carriers with maps and useful practical advices

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**Figure 7:  
Costs of the environmental and health damage caused by transport in 2000 in 17 Western European countries (in billion EUR)**

cars  
buses  
motorcycles  
light trucks  
heavy trucks  
railway passenger transport  
railway freight transportation  
air passenger transport  
air freight transportation  
water freight transportation

accidents  
noise  
air pollution  
damage to nature and landscape  
urban impacts  
up- and downstream processes  
climate change (1)  
climate change (2)

The table does not include the costs of land occupation and traffic congestions.

In the case of the up- and downstream processes (manufacturing of motor vehicles, disposal of wrecks of motor vehicles, construction of infrastructures, etc.), only certain elements of the environmental damage have been taken into account.

As regards climate change, a more favourable (1) and a less favourable variant has been considered. (2) shows the difference between the two variants.

During the oil price explosion of 2000, Belgian truck-drivers paralyzed Brussels (see photograph on the top), and protests were also held in several locations in Great Britain (see photographs at the bottom), demanding a cut in fuel taxes. The European Union's finance ministers, however, issued a statement making it clear that for economic and environmental reasons, fuel taxes should by no means be decreased.

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**Figure 8: Specific energy use of freight transportation in the European Union (oil tonne-equivalent per million tonne-kilometres)**

Road  
Railway  
Water

Source: European Commission, 1999

The world's crude oil stocks are diminishing at a quick rate, while the demand for oil is steadily growing year after year. The only possible way to avoid a crisis is to reduce our use of oil.

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Page 29

**Figure 9: Land occupation of railways and motorways, calculated for equal transportation performance**

In the case of motorways, it is also necessary to take into account the strips of land of about 200 metres wide on both sides of the motorway. Because of the increased air pollution, it is not advisable for humans to stay here for longer periods of time or to use these lands for growing plants for food. Arable land is one of the most valuable assets of Hungary, and it is practically irreplaceable. In the case of railways, in general there is no need to occupy considerable additional lands in Hungary, since the primary task is to renovate the already existing railway tracks. Currently, the rate of utilization of the Hungarian railway tracks is extremely low.

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Container trains

RoLa

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Page 31

One-lane roadblock in Dabas to protest against heavy truck traffic. The civil demonstration was successful: pursuant to the Budapest Metropolitan Court's final judgment of 13th October 2005, on the Dabas-Sári section of national main road No. 5 the traffic of trucks with a total weight exceeding 7.5 tonnes must be permanently banned.<sup>27</sup>

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You can find further information and materials in connection with this issue at the [www.levego.hu/kamionstop](http://www.levego.hu/kamionstop) website.

We look forward to your recommendations and comments.

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## **TRANSPORT SUBSIDIES**

### *Transport-related state revenues and expenditures in Hungary*

by András Lukács and Lázár Pavics

Clean Air Action Group, Budapest, 2005

We are often confronted with the public belief that transport – and within that especially road transport – is the source of huge revenues for the Hungarian state. This study, with a work spanning several years, has investigated the issue by using a large database and by building upon international research results. It has arrived at the conclusion that in contrast to the above-mentioned belief, just the opposite is true: motorized road transport causes massive losses to the state. This loss greatly deteriorates Hungary's competitiveness and at the same time it is one of the main causes of the large state budget deficit and the country's serious indebtedness.

The first step towards finding a solution to this problem is to get acquainted with the facts. The study titled **Transport subsidies**, commissioned by the Hungarian Ministry of Environment and Water and prepared with support from the European Commission's Phare Access Programme, intends to contribute to this process.

Back internal cover

**1 truck = 100,000 cars**

The 10-second and 30-second TV-spots can be downloaded from the [www.levego.hu/kamionstop](http://www.levego.hu/kamionstop) website.

The film was produced by Flora Film ([www.florafilm.hu](http://www.florafilm.hu))

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Back cover

**„From heavy trucks to rail” – this is how we can summarize in a few words the essence of this publication. Here are some data which can give an idea of the problem's proportions:**

- In 2004, the Hungarian border was crossed by a truck in every seventh second.
- A heavy truck of 30 to 40 tonnes causes as much damage to the roads as hundreds of thousands of cars.
- Because of the roads destroyed by heavy trucks, damage worth hundreds of billions of HUF is incurred by other vehicles (primarily by cars) every year.
- Exhaust gas from the trucks' engines is one of the most dangerous toxic substances that can be found.
- Recently, the heavy trucks carrying building materials for the construction of motorways in Hungary have destroyed road sections that are longer than the newly built motorways.
- Each Hungarian heavy truck receives on average more than HUF 25 million of (mostly hidden) subsidies annually from public funds.

Ever more practical experience and scientific research findings prove that there are solutions which, in addition to being favourable from an environmental protection viewpoint, are also beneficial for the economy and transport.

Our study is primarily intended for decision-makers, but it may offer useful reading for anyone interested in the subject.

## Notes

<sup>1</sup> White Paper. European transport policy for 2010: time to decide. COM(2001)370. Commission of the European Communities, Brussels, 12<sup>th</sup> September 2001. Available in the languages of the European Union's 15 Member States on the [europa.eu.int/comm/energy\\_transport/en/lb\\_en.html](http://europa.eu.int/comm/energy_transport/en/lb_en.html) homepage. It can be downloaded in Hungarian language from the [rs1.sze.hu/KO/pages/kpol/eu.html](http://rs1.sze.hu/KO/pages/kpol/eu.html) website.

<sup>2</sup> J/14719. Office of the Hungarian Parliamentary Commissioner for Civil Rights, 2005 ([www.obh.hu/allam/beszma.htm](http://www.obh.hu/allam/beszma.htm))

<sup>3</sup> Letter of Dr. Ferenc Kovács Deputy Secretary of State to Clean Air Action Group, 25<sup>th</sup> September 2004 ([www.levego.hu/kiadvany/kozl\\_alt/kamionlev04.pdf](http://www.levego.hu/kiadvany/kozl_alt/kamionlev04.pdf))

<sup>4</sup> See: [www.lelegzet.hu/archivum/2004/04/3010.hpp](http://www.lelegzet.hu/archivum/2004/04/3010.hpp)

<sup>5</sup> Economic development and transport growth: Is „decoupling” possible? Monthly "Lélegzet", 2001/10 ([www.lelegzet.hu/archivum/2001/10/2439.hpp](http://www.lelegzet.hu/archivum/2001/10/2439.hpp))

<sup>6</sup> Resolution adopted at the Göteborg Summit Meeting of the European Union (Presidency Conclusions, Göteborg European Council), 15<sup>th</sup>-16<sup>th</sup> June 2001

<sup>7</sup> For the sake of simplicity, here and hereinafter we use the term "truck" for all types of trucks and heavy goods vehicles with a permitted total weight above 10 tonnes.

<sup>8</sup> Sustainable Transport. Priorities for Policy Reform. The International Bank for Reconstruction and Development / The World Bank, Washington 1996, p. 26

<sup>9</sup> For more details see: Transport subsidies – Transport-related state revenues and expenditures. Clean Air Action Group – "Lélegzet" Foundation, 2005 ([www.levego.hu/konyvtar/olvaso/kozl\\_tam.pdf](http://www.levego.hu/konyvtar/olvaso/kozl_tam.pdf))

<sup>10</sup> Sources:

Anmerkungen zum Thema „Feinstaub“ aus technischer Sicht. Kritik an den Argumenten der Automobilindustrie äußern Andreas Mayer (Technik Thermische Maschinen, Schweiz), Prof. Jan Czerwinski (Abgasprüfstelle der Fachhochschule Biel, Schweiz) und Dr. Friedrich Legerer (Wien). ([members.nextra.at/aegu/mitglied/a3/3\\_Legerer.pdf](http://members.nextra.at/aegu/mitglied/a3/3_Legerer.pdf))

Human lives could be saved by particle filters of diesel engines. Monthly "Lélegzet", 2003/4  
<http://www.lelegzet.hu/archivum/2003/04/2751.hpp>

Diesel filters will be compulsory. Monthly "Lélegzet", 2005/6 ([www.lelegzet.hu/archivum/2005/06/3275.hpp](http://www.lelegzet.hu/archivum/2005/06/3275.hpp))

<sup>11</sup> Transport subsidies (see Note 9)

<sup>12</sup> See: [www.t-e.nu/docs/presentations/2004/vienna\\_conference/2004-10\\_p19\\_vienna\\_conf\\_sens\\_areas\\_leodolter.pdf](http://www.t-e.nu/docs/presentations/2004/vienna_conference/2004-10_p19_vienna_conf_sens_areas_leodolter.pdf)

<sup>13</sup> For more details see: Transport subsidies (see Note 9)

<sup>14</sup> Hungarian State Railways Co. (MÁV): ominous schedule for 2006 – Instead of an investigation, for the time being the European Union is only sending letters to inquire about the Hungarian railways. Hungarian national daily "Népszabadság", 3<sup>rd</sup> December 2005 ([www.nol.hu/cikk/386271/](http://www.nol.hu/cikk/386271/))

<sup>15</sup> See: Who should pay for the reinforcement of road surfaces? Monthly "Lélegzet", 2002/3 ([www.lelegzet.hu/archivum/2002/03/0175.hpp](http://www.lelegzet.hu/archivum/2002/03/0175.hpp))

<sup>16</sup> See: Possibilities of a kilometre charge system in Europe. Monthly "Lélegzet", 2001/3

([www.lelegzet.hu/archivum/2001/03/2613.hpp](http://www.lelegzet.hu/archivum/2001/03/2613.hpp)),

Traffic-reducing road charge. Monthly "Lélegzet", 2002/1 ([www.lelegzet.hu/archivum/2002/01/0216.hpp](http://www.lelegzet.hu/archivum/2002/01/0216.hpp)),

Swiss story with a moral. Monthly "Lélegzet", 2002/3 ([www.lelegzet.hu/archivum/2005/03/3218.hpp](http://www.lelegzet.hu/archivum/2005/03/3218.hpp))

<sup>17</sup> Source: Fair and Efficient – The Distance-Related Heavy Vehicle Fee (HVF) in Switzerland. Federal Office for Spatial Development (ARE). Department of the Environment, Transport, Energy and Communications (DETEC), 2004 ([www.aren.admin.ch/imperia/md/content/are/are2/publikationen/englisch/1.pdf](http://www.aren.admin.ch/imperia/md/content/are/are2/publikationen/englisch/1.pdf))

<sup>18</sup> Freight Best Practice Program ([www.freightbestpractice.org.uk](http://www.freightbestpractice.org.uk))

<sup>19</sup> [www.lelegzet.hu/archivum/2005/11/3352.hpp](http://www.lelegzet.hu/archivum/2005/11/3352.hpp)

<sup>20</sup> External Costs of Transport, INFRAS/IWW, 2004

<sup>21</sup> [www.lelegzet.hu/archivum/1994/03/1334.hpp](http://www.lelegzet.hu/archivum/1994/03/1334.hpp)

<sup>22</sup> "Közlekedéstudományi Szemle" ("Transport Science Review"), 2004/5

<sup>23</sup> See: Act V of 1991 on amnesty

<sup>24</sup> Source: Homepage of the Association of Hungarian Road Carriers ([www.mkfe.hu](http://www.mkfe.hu))

<sup>25</sup> Hungarian national daily "Népszabadság", 12<sup>th</sup> September 2000

<sup>26</sup> [www.lelegzet.hu/archivum/2005/03/3217.hpp](http://www.lelegzet.hu/archivum/2005/03/3217.hpp)

<sup>27</sup> See: „A judgement that can create a precedent” – Heavy trucks have been banned from the Dabas-Sári section of national main road No. 5. Monthly "Lélegzet", 2005/12 ([www.lelegzet.hu/archivum/2005/12/3370.hpp](http://www.lelegzet.hu/archivum/2005/12/3370.hpp))