Economic sciences

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NEW CHALLENGE FOR LOGISTICS IN RUSSIA: PLATON ELECTRONIC TOLL COLLECTION SYSTEM

Summary: The Russian Platon Electronic Toll Collection system was observed.

Key words: toll collection system, Platon, logistics, roads, trucks.

Platon Electronic Toll Collection (ETC) system is Russian tolling system for vehicles exceeding 12 tons of gross vehicle weight (HGV N3 sub-category) based on the distance driven in kilometers [2].

The government spends on the road about 1 trillion rubles annually in Russia, but the damage caused by trucks is about 2.6 trillion rubles. Despite fact that trucks are the main reason of destroyed roads, proportion of taxes paid by their owners is much lower than owners of standard vehicles.

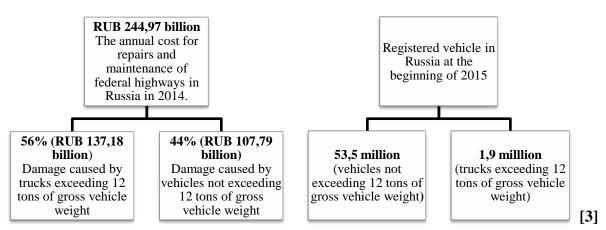


Figure 1 Official statistics: repairs and maintenance of federal highways in Russia, 2014

ETC system was introduced at the beginning of 2015 year; the launch of the Platon was on 15 November 2015. In accordance with official site the main aim of the project is: "Platon ETC System will collect toll charges from HGV Owners with the aim to offset the damage that such vehicles cause to road surfaces. This money will go to the Russian Federal Budget and will be used to fund road maintenance and repairs as well as general road network improvements" [2]. Thus, received money will be divided between the federal and regional projects, and will be spent on new roads, road interchanges, detours of major cities, bridges and overpasses.

Implementation stages:

August 2015 - the system operator (RT-Invest Transport System LLC) opened pre-registration of large carriers;

September 1, 2015 – official website (www.platon.ru) has opened;

September 15, 2015 – 24/7 Russian/English call center has opened;

October 5, 2015 - the beginning of an independent pre-registration of users in the system, the opening of a personal account on the site www.platon.ru;

October 15, 2015 - Toll Service Offices have opened (in the administrative centers or major cities);

November 15, 2015 – official launch date of Platon Electronic Toll Collection (ETC) system on federal highways [3].

The charge is supposed to be 3,73 rubles per kilometer, but due to the large number of complaints decision was made to use the coefficient (0,41), thus the charge is 1,5293 rubles per kilometer [2].

Basically the Platon ETC System is payable in advance, there are two options: to buy a toll ticket via a mobile application or at a Toll Service Office directly or through on-board unit, which calculate charge automatically. But there is an exception, if carrier meets several criteria (registered for more than 2 months, have on-board unit and have no debts and unpaid fines), there will have opportunity to pay after delivery.

There is a penalty system: «First time violation will result in a fine of RUB 5 000 (EUR 64,5), increasing to RUB 10 000 (EUR 129) thereafter. It is important to note that a fine can only be imposed once per day for each vehicle» [1].

The decision of charge reduction was made to prevent market chaos, because many transport companies will not have profit at all if original charge is used. According to Andrei Popov, transportation procurement director FM Logistic, transportation costs increased by 4-6% [7].

It is obvious that ratio of logistic costs in total costs depends on type of company, but usually the big part of such costs is transportation, because it is necessary on each stage: production, distribution and etc. For instance, milk production is supposed delivery of:

- 1. Animal feed to farms;
- 2. Collected product to dairy processing plant (which could require technical equipment which means additional deliveries)
- 3. Finished goods to storage or distribution center.

The National Union of milk producers predicts increasing of milk price by RUB 3-3,5 for 1 L. (average price for 1 L. of milk is RUB 56 in Russia, September 2016 [5]). Experts evaluate sugar price increasing by 2,5% and bakery products by 2,3% for 1 kg [7]. It was estimated by Coca-Cola Hellenic Bottling in the end of 2015 that 20% of vehicles exceeding 12 tons of gross vehicle weight would leave market [6].

Despite objective cost related problems there were several organizational concerns which were identified:

- Official site was not always working and it contains incomplete information.
 For example, companies have opportunity to pay after delivery under certain conditions. Moreover system will impose federal highways even if there is opportunity to avoid them;
- 2. There were some problems with routes, system is not always correctly displays the route, therefore there is a risk to get penalty for not declared route;
- 3. The lack of on-board unit [4] and their reliability;
- 4. The fee does not depend on emissions standard of vehicles.

The last point could be considered as a way for improvement, by the way, Department of Transport and Road Infrastructure Development (Moscow) already introduced limitations (from 1st January 2017) for road freight vehicles, which are below Euro-3 standard, to cross The Third Ring [8].

As example of implementation toll collection system which takes into account the emissions class (ecological aspect) could be German system. In accordance with official website: "The partial toll rate for air pollution costs is determined according to the emission class, which is used as the basis for assigning each vehicle to one of the six categories: A, B, C, D, E or F. No costs for modern trucks of emission class Euro 6 (category A) will be charged for causing air

pollution. Only the infrastructure costs are calculated for the partial toll rate for this type of truck [9]".

In accordance with this information, I conclude that despite the fact that the reasons for the implementation of such toll collection system are clear and comprehensible; the system needs time to be improved.

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