

**1<sup>st</sup> March 2005**

**Tim Smith  
HM Customs and Excise  
Environmental Taxation Development Division  
1 Parliament Street  
LONDON  
SW1 2BQ**

Dear Tim

**Hydrocarbon Oil Duty: Consultation on Changes to Excepted Vehicle Schedule**

We would like to comment on the above. Whilst not approached directly by your department we were advised of the consultation by industry sources.

The British Aggregates Association (BAA) represents the interests of some 70 members of which 50 are independent and privately-owned SME quarry companies throughout the UK with some 10% of national output and who operate from over 100 sites. We are part of the consultation and lobbying process both in the UK and Europe – and are also represented through the CBI (Confederation of British Industry) and CPA (Construction Products Association).

We understand that the consultation was announced in the Chancellor's pre-budget report on 2<sup>nd</sup> December 2004 and refers to whether changes to the list of vehicles entitled to use rebated gas oil (red diesel) were needed. We would comment as follows:

1. We note the statement under item 1.2 of your document that vehicles that do not contribute to road damage or require road-related public services should not be subject to the duties paid by road vehicles. This policy is strongly endorsed by BAA.
2. We support your efforts to reduce oil fraud and to ensure that vehicles which are being used inappropriately, eg transporting aggregates commercially from operating site to customer (item 2.21 first bullet point), should be subject to the full fuel duties.
3. Our members operate quarries and use excavators, wheel and tracked loaders, drilling machines and dumper trucks and lorries transporting material from pit/quarry to processing plant and for stockpiling products and loading wagons for dispatch to customers. These machines along with other site mobile equipment eg forklifts, bowsers etc clearly continue to fall under item (1) above and we should continue to use rebated fuel oils as no change has occurred to affect their status as off-highway.
4. We would also note that these vehicles on some sites require brief on-road journeys for travelling to and from workshops for maintenance and/or fuelling,

or occasional short-distance movements between company operating sites, for which continued relief is required for obvious practical purposes.

Would you please ensure that we are placed directly on your consultee list for similar exercises in the future.

If either you or members of your department require any further information or would like to discuss in more detail please do not hesitate to contact me.

We look forward to your response.

Yours Sincerely

**Peter Huxtable**  
Secretary  
British Aggregates Association