

ROAD PRICING

A rip off

A tax on the rich

A tax on the poor

An assault on liberty

A subsidy for public transport



The Case of the Netherlands (we are getting there)

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Some reasons to manage travel demand



- 3.7 billion lost hours + 2.3 billion unnecessary litres of fuel = \$ 78 billion cost
- Pollution, poor air quality, climate change
- Unliveable cities and road rage are some of the downsides of standing still in traffic

But, ...



- The police never looked so friendly
- Increased demand for anti-pollution masks
- Sport club memberships are booming
- . . .



Tolls:

Fixed fee for driving on a road

Objective is to raise revenues



Congestion charging:

Variable fee based on congestion

Raise revenues and reduce congestion



Cordon pricing:

Fixed fee based for driving in a given area

Raise revenues and reduce congestion (in urban areas)



High Occupancy Toll (HOT) lanes:

Fixed fee to allow a lower occupant vehicle to use a HOV lane
Increase vehicle occupancy, raise revenues



Distance based fees:

Fixed (per km) distance based charge

Raise revenue, reduce congestion, enhance environmental performance

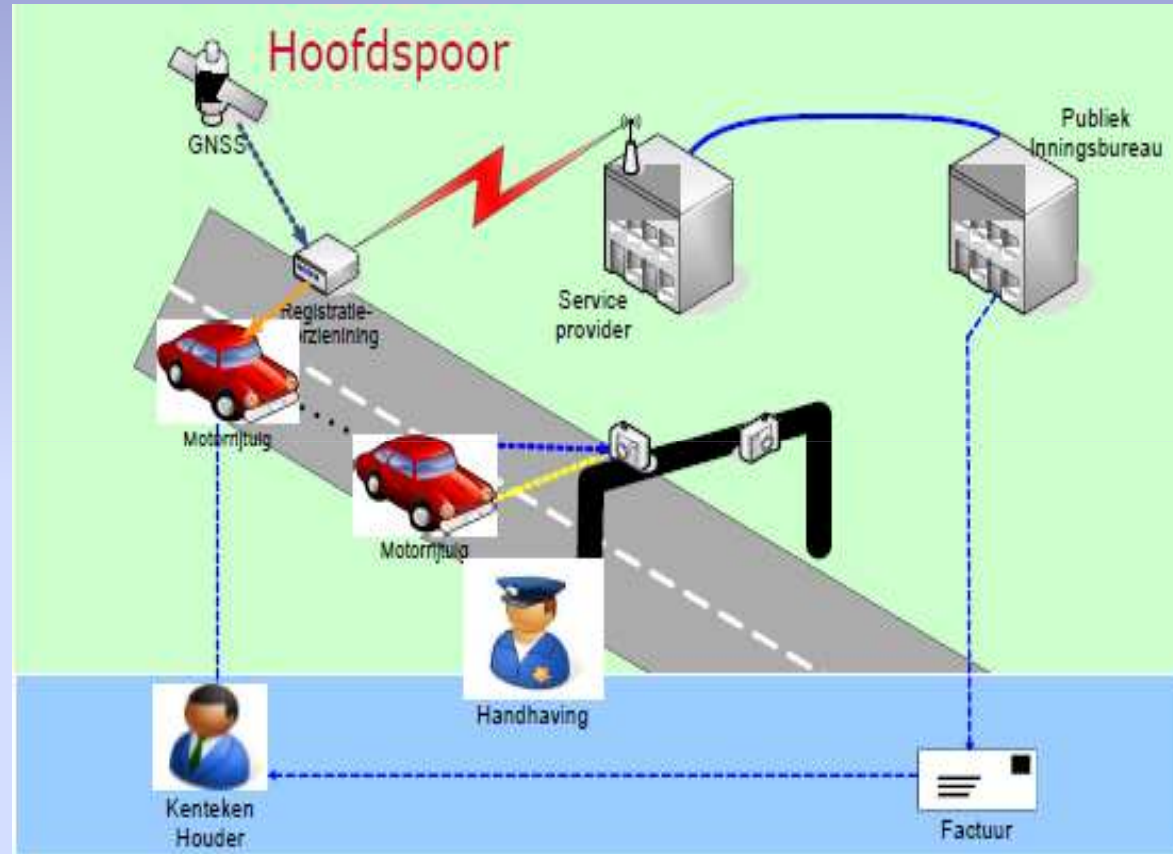
A long history!

- 1988: Rekening Rijden I
- 1992: Spitsvignet
- 1994: Rekening rijden II
- 1999: Spitsstarief + investments package
- 2001: Kilometer Charge
- 2005: Anders Betalen voor Mobiliteit (ABvM. Commission advises implementing road pricing scheme based on time, location and environmental characteristics
- 2006: joint fact finding, research, market consultation
- 2007: Cabinet decides to implement road pricing
- 2008: Start tendering and certification, start experiments, legal proposal to the Raad van State
- 2009: Mobility experiments, communication, legal process starts
- 2010: Declared controversial!!

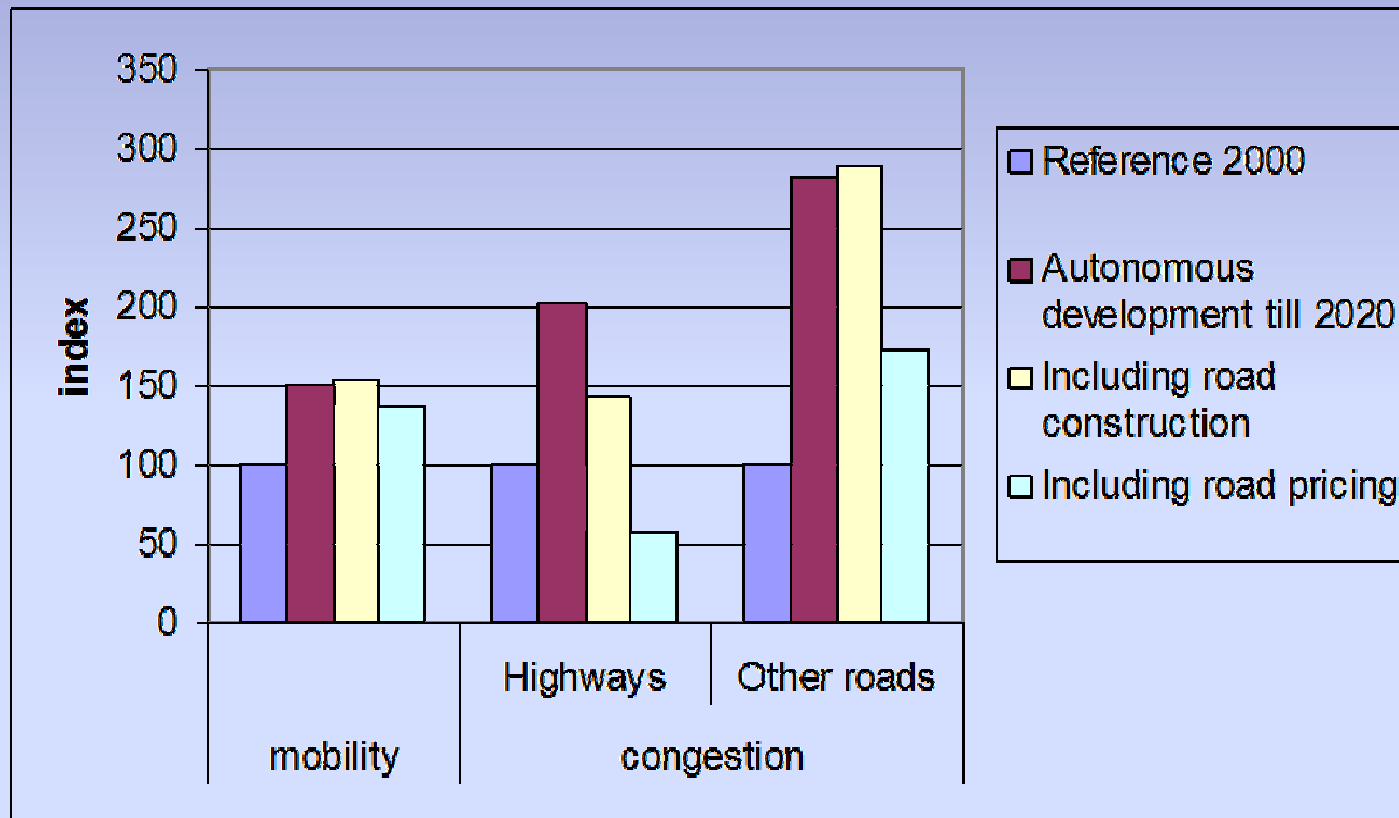


The Dutch road pricing proposal

- Pay for distance driven (usage) instead of car ownership
- Covers both freight and passenger vehicles
- All roads in the Netherlands (not just highways)
- Tarrif based on time of day, location, and vehicle characteristics
- KM registration system uses satellite technology
- All other taxes on cars (purchase, operating, & provincial taxes) are to be scrapped (fuel taxes remain)
- Revenues go to an infrastructure funds
- Infrastructure fund to finance expenditures on traffic and transport (maintenance, new infrastructure, public transport, etc.)



Expected impact on congestion



Large net benefits

	Reduced travel time	Environment road safety	Investment costs	Introduction	Prosperity
KMP, Differentiated on the basis of time, place and environmental performance	± 60%	upto 10%	± 3 billion	2012-2016	± 1 billion

**BUT, DUTCH CABINET HAS DECLARED
ROAD PRICING “CONTROVERSIAL”
(AND IT HAS FALLEN) AND PUT THE
SCHEME ON HOLD ONCE AGAIN**

Road pricing - An idea whose time has come?

- Travel demand management has become a necessity – only building new infrastructure is not enough
- Road pricing is a sensible idea
 - Cost benefit analysis is positive
 - Can deliver real benefits

But ...

- There is little political support in the Netherlands (or elsewhere) for a comprehensive road pricing regime
- And, road users are not enthusiastic supporters

Road pricing is a great idea!

Note: On a visit to England, Gandhi was asked by a journalist what he thought of western civilisation, he responded – “I think it would be a great idea”

THANK YOU