

# Acceptance of road pricing: Lessons from past experience

**Professor Stephen Ison**

Transport Studies Group

School of Civil & Building Engineering

Loughborough University

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## Aim

- To explore issues relating to the acceptance of road pricing and the lessons from past experience

## Structure of presentation

- Background
- Road pricing schemes
- Acceptability issues
- Conclusions

## Background

- Road user charging has a long history.
- History littered with proposals for schemes which have not been implemented following trials or have advanced little beyond the drawing board.
- Only a small number of schemes have been implemented world-wide.

## Shifting Ground

- Growing concern with the level of congestion.
- Growing concern about the implications of road transport on the environment.
- Development of new technology.
- Financial constraints under which authorities are operating.

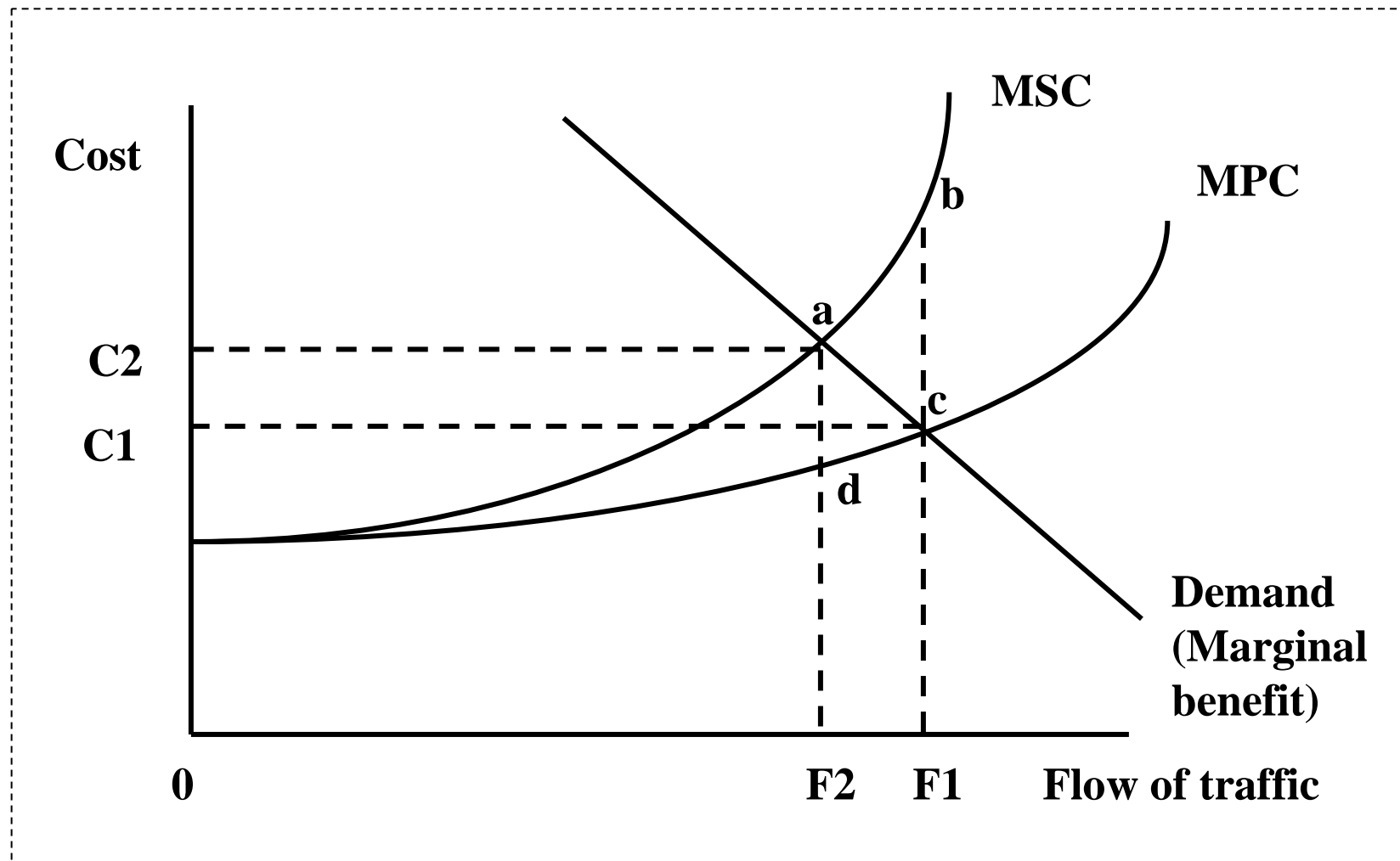
## Road pricing

- The term is well established in the field of transport economics where it usually refers to setting a price equal to marginal social cost.
- The basic concept is deceptively easy – apply the price mechanism in the same way as it applies elsewhere.

## Road pricing

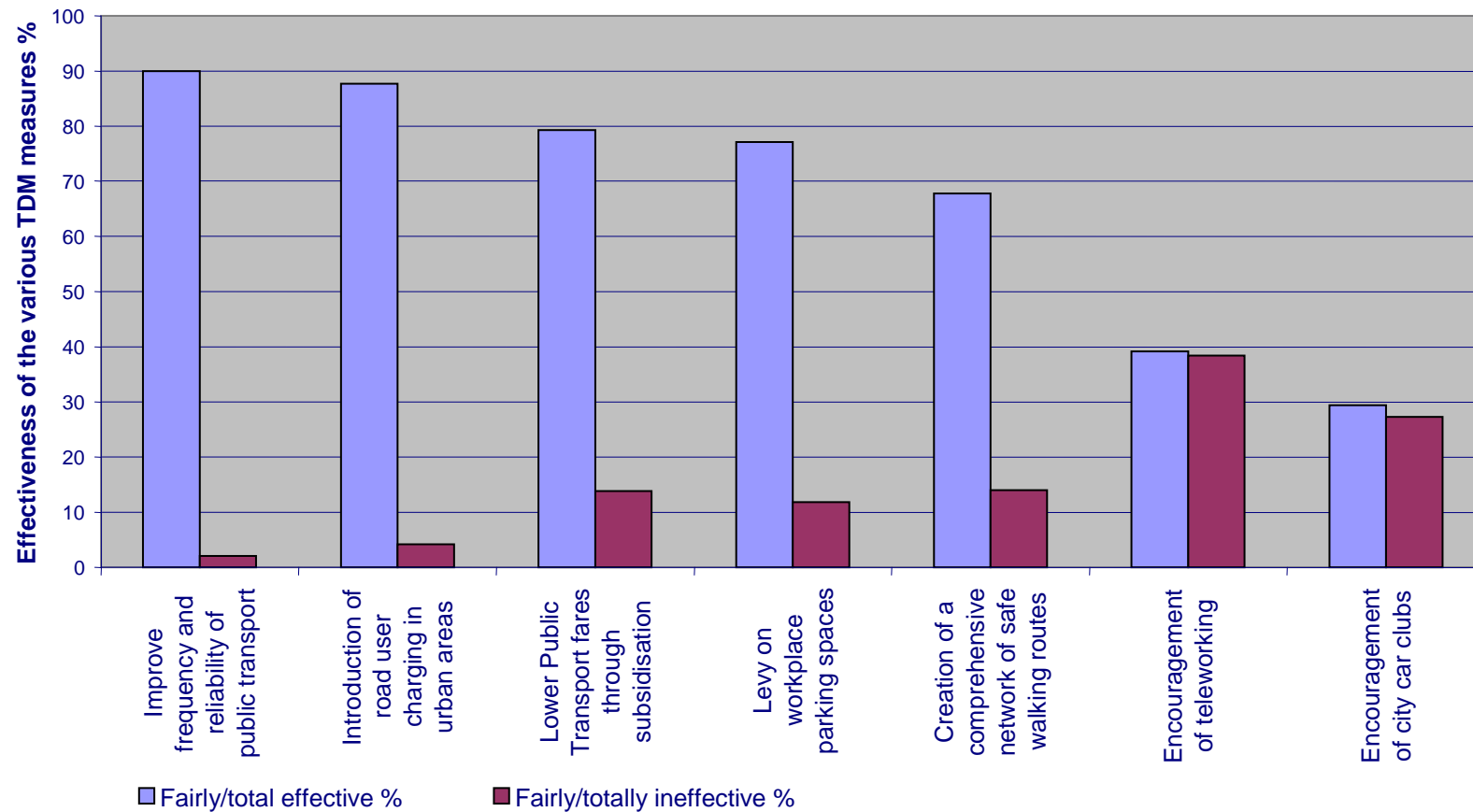
- “Road users should pay the marginal social cost of using the road network if they are to make the right decisions about whether (and by which means) to take a particular journey, and, more generally, to ensure that they make the correct allocative decisions between transport and other activities” (Newbery 1990)

## Economic underpinning of road pricing

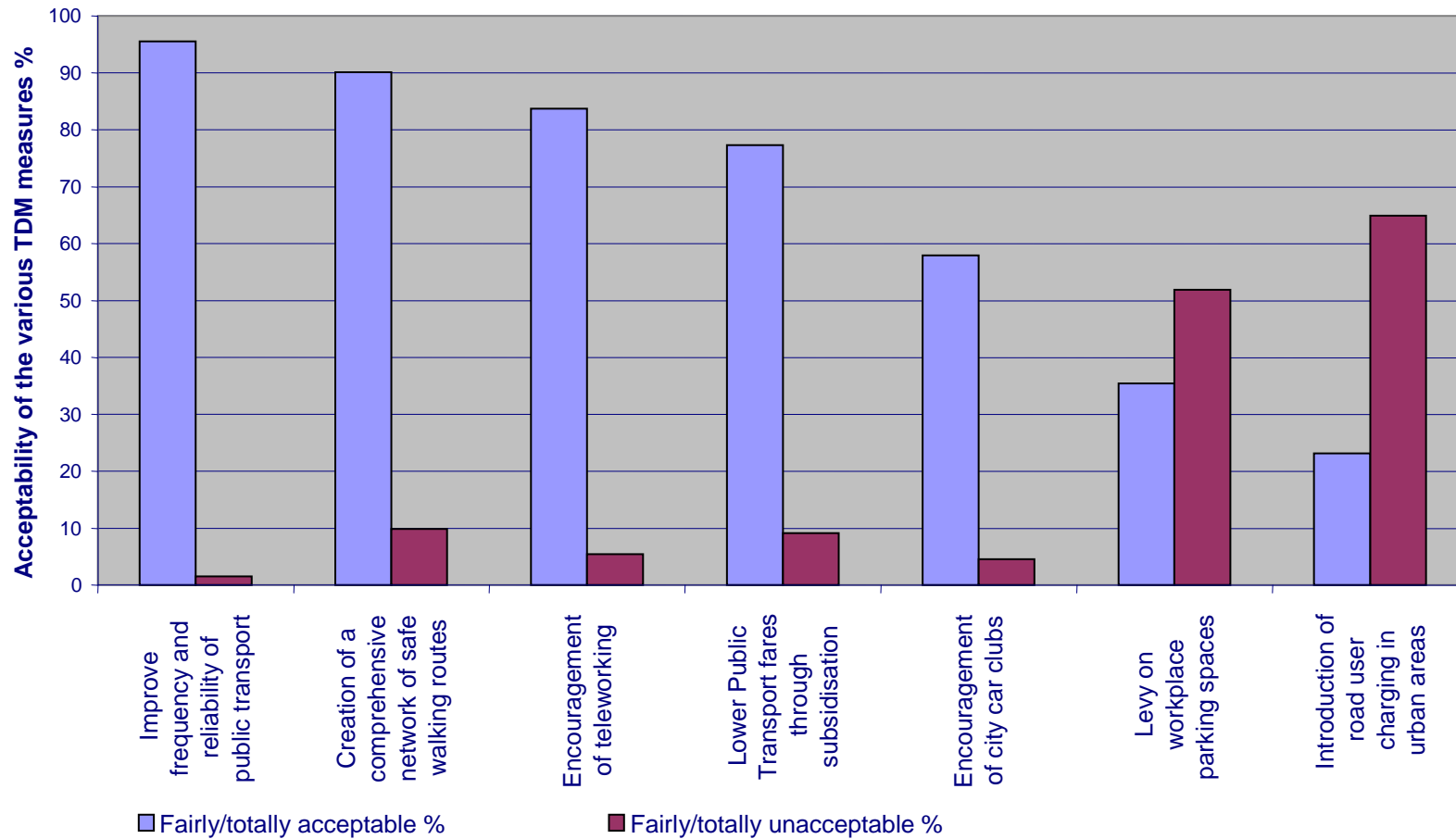




# The effectiveness of various transport measures



# The acceptability of various transport measures



## Road pricing schemes

**Certain schemes have been considered but have failed to be implemented:**

- Electronic Road Pricing (Hong Kong)
- Congestion Metering (Cambridge)
- Congestion Charging (Edinburgh)
- Congestion Charge (Manchester)

**Others have been implemented:**

- Area Licensing Scheme (Singapore)
- Road user charge (Durham)
- Congestion Charging (Central London)
- Road pricing (Stockholm)
- Controlled Vehicular Access (Valletta)

## Cambridge 1990-1993

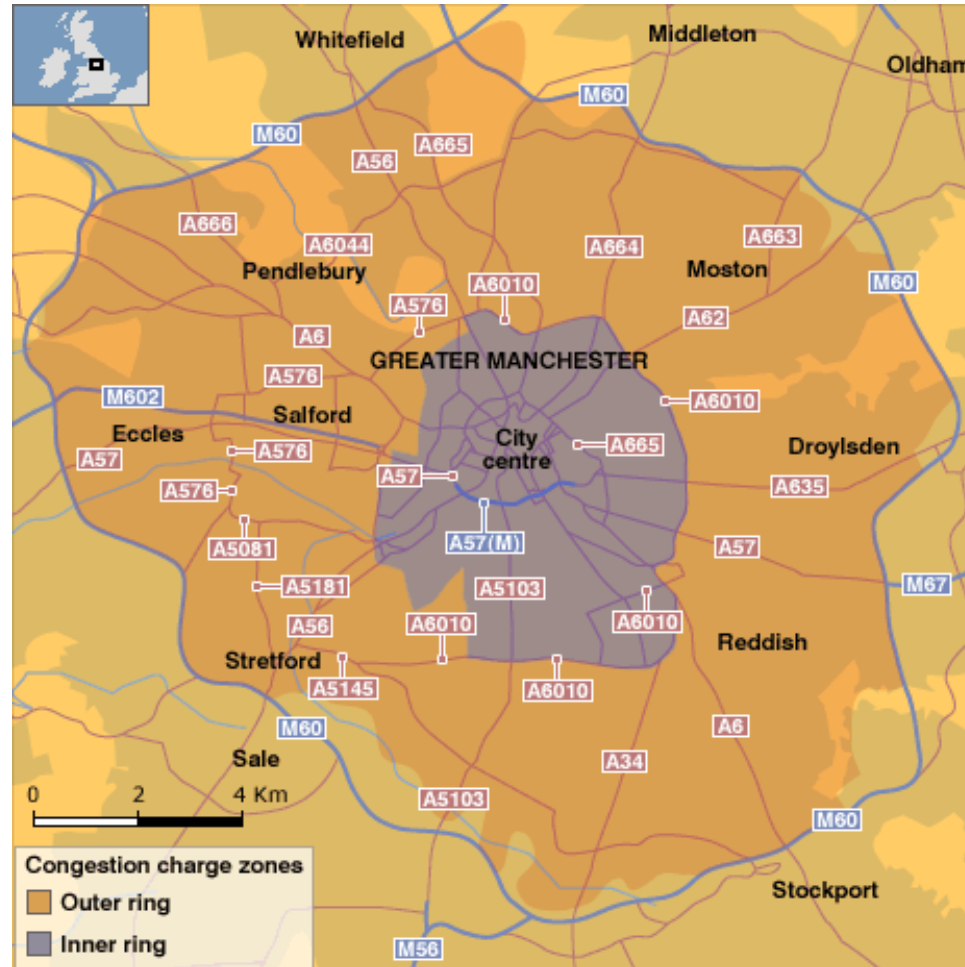




## Edinburgh 'No Vote 2005'



# Manchester 'No Vote 2008'



## Singapore 1998-



Source: Singapore Land Transport Authority



# Durham 2002-





## Central London Congestion Charging 2003-



## Stockholm 2007-



## Valletta 2007-



## Acceptability issues

- Level of opposition
- Severity of congestion
- Clear and well understood objectives
- Use of revenue
- Exemptions
- Simplicity
- Single implementing agency
- Policy champion
- Timing
- Presentation

## Acceptability issues

- **Level of opposition**
  - Groups that opposed congestion charge did not possess sufficient power to halt the schemes introduction.
  - Londoners felt a radical measure was required since traffic levels had reached unacceptable levels.
- **Severity of congestion**
  - In Hong Kong the view was that the situation had been exaggerated.
  - View in Cambridge was that congestion was not severe enough.
  - Radical proposals can fail because congestion is not bad enough.

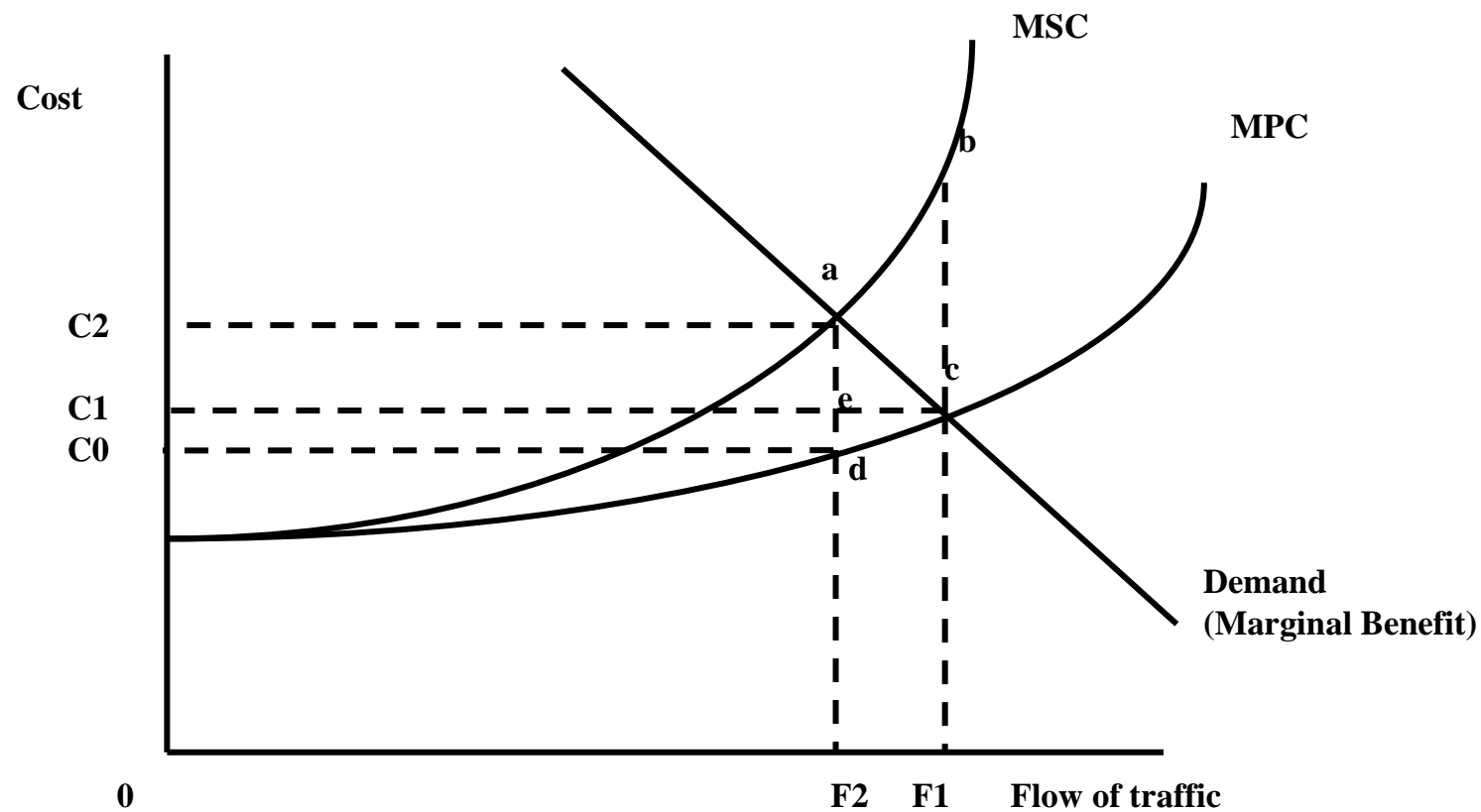
## Acceptability issues

- **Clarity of objectives**
  - Key area for decision-makers.
  - In terms of congestion metering lack of clearly stated objectives was a reason for the schemes failure.
  - Congestion charging objectives:
    - A reduction in total traffic within the zone;
    - An increase in traffic speeds;
    - A reduction in the level of congestion.
  - Clear and unambiguous, which the communication and marketing strategy extensively promoted.



# Acceptability issues

## Use of revenue



## Acceptability issues

- **Use of Revenue**
  - In terms of congestion metering objective was to use surplus revenue to fund public transport improvements.
  - View was expressed that if congestion metering could have been introduced simultaneously with a vastly improved public transport system it would have proved more acceptable.



## Acceptability issues

### ■ Exemptions

- In terms of congestion charging there was flexibility.
- The scheme operates a number of exemptions and discounts, including:
  - All alternative fuel vehicles.
  - Vehicles driven by or carrying disabled people.
  - Emergency vehicles.
  - Vehicles with nine or more seats.
  - Residents within the charging zone (they get a 90 per cent discount).

## Acceptability issues

- **Exemptions**
  - Which motorists, if any, should be exempt requires careful consideration.
  - In Hong Kong view was that well organised groups such as taxi drivers would exert political pressure to be exempt.
  - This would increase the burden on other road users with private car drivers feeling singled out and discriminated against.

## Acceptability issues

- **Simplicity**
  - There is an argument that the acceptability of road pricing is most likely if the starting point is a simple system.
  - One which can be developed and refined with time.
  - This was clearly a weakness in terms of congestion metering in Cambridge.
  - Congestion charging is a relatively simple scheme.

## Acceptability issues

- **Single implementing agency**
  - The policy decision to adopt congestion charging in London rested with the Mayor, as the key decision-maker of the Greater London Authority (GLA).
  - In Cambridge - County, City and District politicians had an interest in congestion metering.
  - Transport Officials were responsible for implementation and were the driving force but it was politicians who had the ultimate authority.

## Acceptability issues

- **A catalyst for change**
  - Proposals for a congestion charging scheme was included in Ken Livingstone's election manifesto before he became the Mayor of London.
  - In Hong Kong Transport Secretary had reputation of being promoter of unpopular policies.
  - In Cambridge role of Director of Transport seen as all important and his retirement was perceived as a significant reason for lack of continuation of the scheme.
  - A policy champion or protagonist dedicated to the task of implementation is important in terms of road pricing.
  - The implementation of road pricing will involve a diverse range of stakeholders in a fragile alliance and as such a policy champion able to provide leadership and direction is required.

## Acceptability issues

- **Timing**
  - London experienced political stability during the introduction of congestion charging.
  - The scheme was introduced early enough in the Mayors term of office to avoid political instability.
  - In Hong Kong opening of Mass Transit Rail and decline in rate of economic growth meant level of congestion had improved.
  - Political elections in Cambridge did not help congestion metering.

## Acceptability issues

- **Presentation**

- A communications strategy was vital to the success of congestion charging in London.
- TfL had clear objectives and it launched a public information campaign in all main radio stations, TV channels and most newspapers, together with a web site.
- The objectives were clearly stated throughout this campaign, which raised awareness of the scheme to 97% of the target market.

## Conclusions

- Number of challenges.
- Road pricing can be seen as an effective instrument for managing transport demand.
- One of the major issues however is acceptance.
- It is not possible to attribute acceptance of road pricing to one factor.



## Conclusions

- Identified a range of factors but not exhaustive.
- Need to be overcome given the projected growth in traffic and implications for the environment.
- Lessons learnt from schemes that have not been implemented.
- Provides important lessons for authorities world wide considering the introduction of a road pricing scheme.

## Contact

Further details:

[s.g.ison@lboro.ac.uk](mailto:s.g.ison@lboro.ac.uk)