

# 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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World Road Conference – Lisbon

May, 2010

## 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







## High Occupancy Toll (HOT) lanes:

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



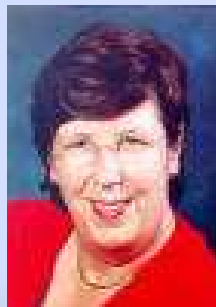
## Distance based fees:

Fixed (per km) distance based charge

Raise revenue, reduce congestion, enhance environmental performance

# A long history!

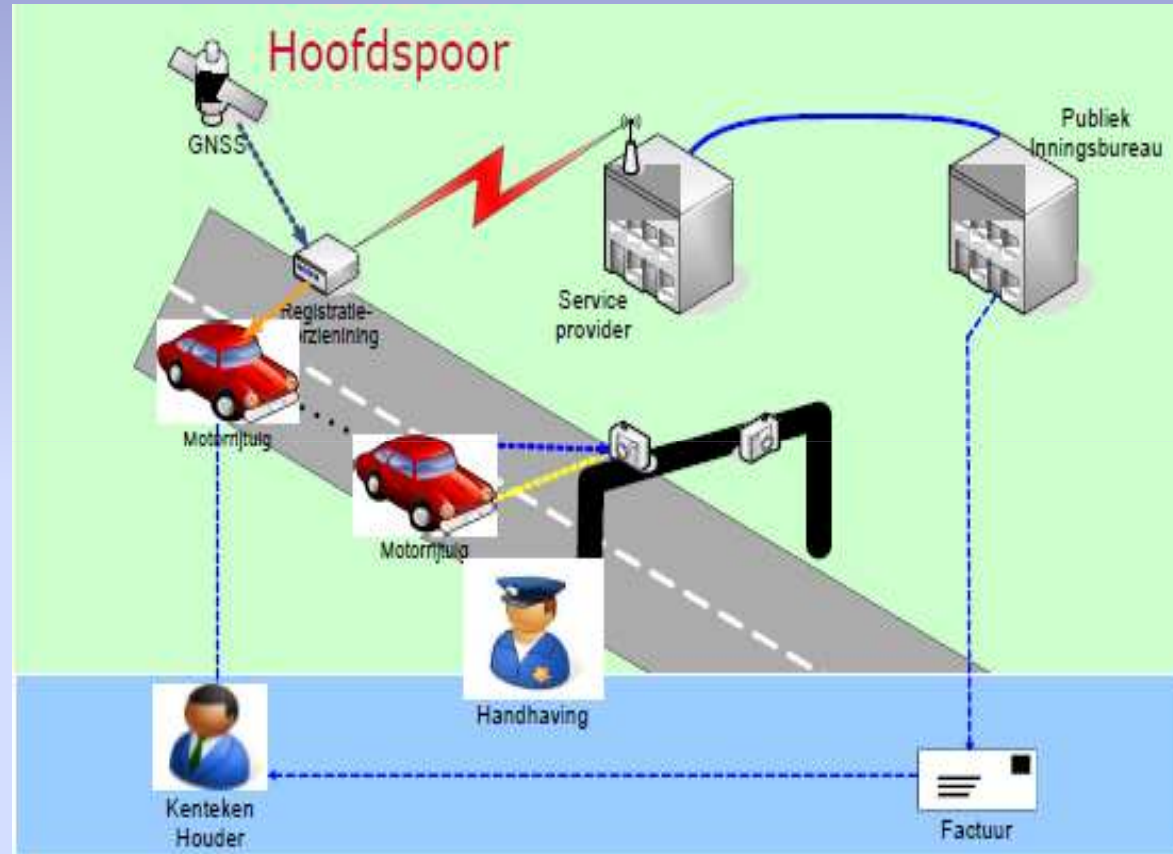
- 1988: Rekening Rijden I
- 1992: Spitsvignet
- 1994: Rekening rijden II
- 1999: Spitstarief + investments package
- 2001: Kilometer Charge
- 2005: Anders Betalen voor Mobiliteit (ABvM. Commission advises implementing road pricing scheme based on time, location and environmental characteristics
- 2006: 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!!



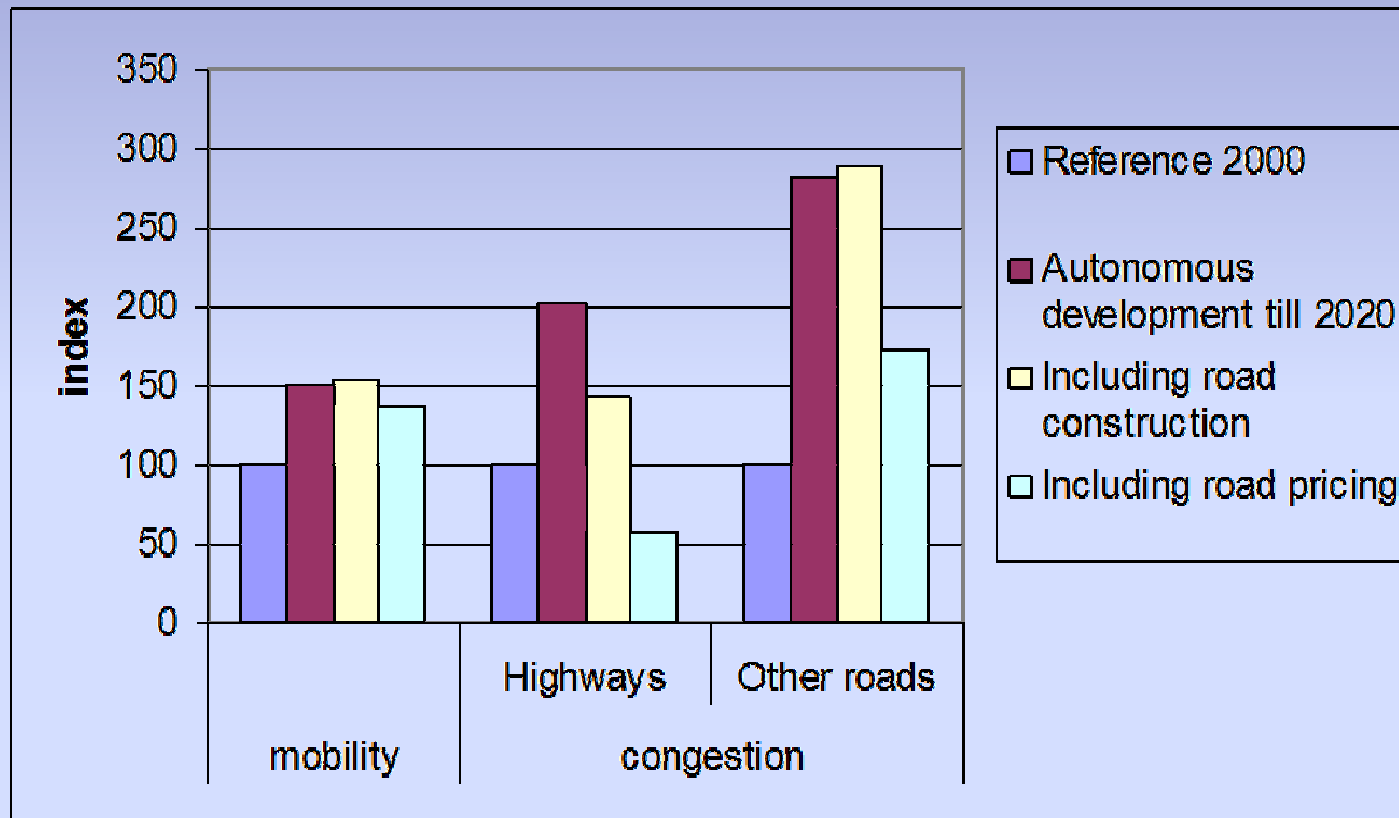


# The Dutch road pricing proposal

- 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
<b>KMP, Differentiated on the basis of time, place and environmental performance</b>	± 60%	upto 10%	± 3 billion	<b>2012-2016</b>	± 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**