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HOW DO WE SELL ROAD PRICING?

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ABSTRACT

The pricing of road use as a means of actively influencing the demand for road-space and for raising revenue for new investment in transport systems, has long been a policy. The technical, social and economic case for what could be achieved have been made and demonstrated. However, the missing piece of the jigsaw is getting both the decision makers and the general public to accept road user charging as part of a balanced and integrated transport package. In this paper we discuss how we can overcome public concern and gain their support for road pricing.

KEYWORDS

road user charging, road pricing, public acceptability, integrated transport system

INTRODUCTION

In December 2008, the residents and business community in Manchester voted overwhelming 'No' to the introduction of congestion charging as part of a £3billion package of transport measures proposed for greater Manchester. We have to ask ourselves: why, if congestion, pollution and delays in journey times are clearly getting worse will the public not accept in principle the idea of pay as you drive; and if we have failed so badly in getting the case across – what are we doing wrong?

In order to overcome the resistance, we believe that we first have to understand the reasons why the public resists road user charging. There are several reasons that are commonly quoted when voting or lobbying against road user charging:

1. Charges on road users, which include vehicle exercise duty (VED), fuel duty, tolls for tunnels and bridges and London congestion charges are already high and include externalities. Road pricing will be an additional charge without clear defined benefits for the road user. Little of the revenue from road users has been invested in road maintenance and adding capacity.
2. Road travel is essential. People do not drive because they want to, but because they have to. If there was an alternative, people would use it.
3. Road user charging (RUC) only hits the most vulnerable people who cannot afford to travel at other times or with a different mode.
4. If there is a local pocket of road pricing, then the businesses there are disadvantaged. People will go to other areas to do business or to shop. Costs of a RUC will be reflected in higher prices within this zone.

5. The current levels of congestion are not so bad. One can find ways around it heavily congested areas and people commonly adapt their routes and travel times to compensate for road works.
6. The public does not trust Government to implement a fair scheme. In London the height of the congestion charge was quickly increased despite reassurances prior to the implementation of the scheme that prices would be kept the constant.
7. The public does not trust Government to be able to implement its promises of better public transport. This seems to be outside their remit with privatised companies running public transport. Even busy commuter routes are already overcrowded and prices of public transport are amongst the highest in Europe and little seems to be done by companies to ease those pressures on regular commuters.
8. The public does not trust Government to not use data generated for road user charging otherwise.

This papers argues against those myths and discusses ways to gain public support for road user charging.

PUBLIC MISTRUST IN GOVERNMENT'S ABILITY TO DELIVER ROAD PRICING

A recent report from the UK House of Commons Transport Select Committee [1] commented that the UK Government has been inconsistent in the way that it has justified motoring taxes. The fuel duty has been either justified on environmental grounds or to raise revenue or to generate funds for transport investment. This inconsistent message has alienated drivers and it has to be a priority to make the use and distribution of revenues from road users more transparent.

On top of that, the public does not trust Government to deliver a fair road pricing strategy. This is confirmed when studying comments posted by the public to the question 'Do you trust government road tax policy?' on the BBC website [2]. The two most popular comments with 167 and 142 recommendations respectively were 'Does anyone trust this Government on any tax issues?' and 'Do I trust Government's road tax policy? Do you honestly need to ask this question?. I wouldn't trust this shower with looking after the church poor box. They have no credibilty whatsoever.'

Over the course of the Manchester referendum it was repeatedly reported that the citizens of Manchester did not trust Government to deliver on their promises despite having agreed that 80% of the public transport measures had to be in place before the start of the road charging scheme [3]. Currently there is a perception amongst the public that there are no alternatives to road use. One example for this sentiment is the following statement from the BBC discussion forum: 'I have a 25 minute drive to work, public transport would take 2 and a half hours for the exact same journey.....I have no choice, the government know I have no choice and so they tax me (and you) like the proverbial cash cow.'

Recommendation 1: The public mistrust needs to be overcome by politicians and the transport community by action rather than words. Before any referendum on the introduction of RUC will be successful, the public has to see that there are alternatives to road use. The Stockholm RUC scheme is an example for a successful referendum [4]. The Swedish authorities first implemented all the measures of the

RUC scheme for a trial period of several months. Those measures were removed before the public were invited to take part in a referendum. This way people could see the impact RUC makes on their lives, allowing a more informed debate in the run-up to the referendum.

PRIVACY AND USE OF PERSONAL DATA

Recent scandals revealed the loss of personal data [5] by Government departments. As a result, a survey revealed that only 1 in 10 adults trust the Government with their personal information [6].

As revealed in a parliamentary round table which was organised by the IET in March 2009, members of the public are reluctant to trust Government with their personal data, but are happy to trust private companies with a high level of personal detail. Mobile phone companies can split their phone bills according to time, number that was called, length of the phone call, area where the phone call was made from.

More and more people use satellite navigation systems which communicate where they are and which guide them to their destination. Both technologies are frequently used by the majority of UK citizens without thinking about the safety of their personal data and safety.

Recommendation 2: Governments should harness the public trust in technology such as satellite navigation systems, GPS devices or mobile phone services for road user charging technology. Road user charging should be part of an add-on which can be purchased with the mobile phone or GPS device to help the driver avoid traffic. One of the most popular features of the new generation of satellite navigation systems is a tool which connects to traffic reports and helps the driver avoid congested roads. The same tool should be a feature of road pricing technology.

Recommendation 3: Allow people to voluntarily opt-in to road pricing by making some of the features of the technology a desirable tool for route planning and time management. Accounts from members of the public reporting how they cut down on travel times or avoided congested areas could be a valuable tool to convince others to adopt road pricing.

ACCURACY

Technical accuracy underpins the charging accuracy based on road segment identification. Although the technical accuracy is important to ensure operational integrity, the scheme operator and road user are more interested in the billing accuracy, which depends on all road segments being correctly reported.

The public mistrusts technology and its accuracy. Statements such as 'the accuracy is virtually 100%' leaves doubts with the consumer. Everybody has experienced how fool-proof technology fails in everyday life.

Recommendation 4: Inaccuracies should be reported and explained to the public. The public needs to be treated as an intelligent consumer and should not be patronised with off-the-cuff remarks. If there is a chance for failure, the public needs to know what the consequences are and how can they be mitigated. Debates around nanoparticles, genetic modification of foods and cloning have taught us that a

proactive approach in communicating errors leads to a more balanced and informed debate in the media and public.

COST OF PUBLIC TRANSPORT

Whilst the use of private cars has become cheaper over the years, the cost of public transport has increased. This imbalance makes a modal shift unlikely. The public has shifted from perceiving public transport as a transport means for the disadvantaged to perceiving public transport as a luxury way of travel, which allows people to make use of their time spent travelling.

Mode	%change 1979-97	% change 1997 – 2007
Private car	-10	-8
Bus	+49	+13
Rail	+44	+5

Table 1: This table shows the cost of motoring and public transport over the period from 1979 to 2007 [7].

In order to get the buy-in for RUC from the general public we need to make sure that the net prices for travel do not increase. There is a feeling that RUC will adjust the prices for road transport upwards until it is cheaper to use public transport. The opposite has to happen. Public transport prices have to adjusted downwards until the match road use and people would want to use public transport because it is more reliable and one doesn't have unexpected costs like a repair or MOT etc.

When calculating the cost of a trip, most people calculate the cost of petrol and add a small amount on top of that for car use, insurance and tax. By doing that, the cost of car use is chronically underestimated which means that most people believe public transport to be more expensive than car use.

Recommendation 5: Prices for road use should reflect the true cost of a trip, including externalities, tax, insurance, running cost of the car. This information could help people make better informed decisions on whether the car is really the cheapest option for a particular trip or whether public transport is cheaper. A national road charging scheme which incorporates the charges for VED and car tax in a “pay as you drive” charge would help people estimate the amount of money they spend on a trip.

Recommendation 7: Better information on public transport is key for modal shift. Government has to accept that it is often not feasible to make a whole trip by public transport, particularly when starting in rural areas. However, information on where the nearest park and ride is as well as time tables and prices of public transport have to be easily accessible.

SOCIAL EXCLUSION

Expenditure on transport averages 8% of gross income and vies only marginally across income groups [1]. People with a lower disposable income tend to use busses more and those in higher incomes will use the car more. An additional charge on road use should therefore not impact to a great extend on people with lower income. However, it would mean an additional barrier to those people wanting to own a car if

there are no appropriate rebates for those who cannot avoid travelling through local areas where road user charging is implemented.

Currently the ownership of a car is taxed regardless of the use. Some people only drive on weekends or at times of little congestion. Pensioners and shift workers should be amongst those benefiting from a national scheme where car tax and VED are scrapped in favour of a road user charge.

Recommendation 8: A rebate for those drivers who live in the area and cannot avoid driving through charged areas. This could be in form of rebates for council tax, reduced rates for public transport or vouchers for one-off use of the congestion charge. Explain exclusion factors carefully and design exceptions in a way that takes low income groups into account.

Recommendation 9: A national scheme would allow drivers who drive little to benefit from low payments. A scheme like this would charge for car use rather than car ownership. Explain the advantages and disadvantages of the scheme. There is no point pretending that road user charging will be cheaper for everybody, but be transparent and open about it.

IMPACT ON LOCAL BUSINESSES

The CBI has found in a recent study [8] that road user charging can have a net benefit to local businesses. While there will be winners and losers, if charging schemes are well designed and implemented, they can deliver substantial net benefits to business of as much as £80m per annum for the theoretical conurbation used in the model. The study points out however, that charges levied on the road user should closely reflect the cost of congestion and must be aimed at shaping behaviour and cutting congestion, rather than simply raising extra tax revenue.

Recommendation 10: Conduct a detailed impact assessment by sections of the public, business type and location and raising awareness of the benefits of a road user charging scheme amongst the public and business community. This should be done with help of the business community and those representing businesses in order to lend gravitas to those studies.

Recommendation 11: Gathering data is key to being able to convince people from the benefits. In order to get buy-in for a road user charging scheme people have to understand what they vote for and what their benefits would be. Partial success from the no-campaign seems to stem from their ability to provide the public with numbers and figures.

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