



Competitive and Sustainable Growth Programme

PRoGR_SS Project 2000-CM.10390

PRICING ROAD USE FOR GREATER RESPONSIBILITY, EFFICIENCY AND SUSTAINABILITY IN CITIES

Bristol • Copenhagen • Edinburgh • Genoa • Gothenburg • Helsinki • Rome • Trondheim



Deliverable D4.1

DRAFT SOCIAL, ECONOMIC AND LEGAL FRAMEWORKS REPORT

**Version 2.0
November 2001**

EXECUTIVE SUMMARY

PRoGRESS addresses one of the key challenges of European transport policy by using pricing schemes to manage demand in congested urban areas while at the same time raising revenue that will enable the substantial improvements to the public transport infrastructure that are necessary to get people out of their private cars. This will improve:

- The urban economy by reducing travel costs;
- The environment, human health and the quality of urban life by reducing pollution and noise; and
- European social objectives by creating new jobs.

The project centres on eight sites developing and demonstrating road pricing schemes: Bristol, Copenhagen, Edinburgh, Genoa, Gothenburg, Helsinki, Rome, and Trondheim. Across these sites, a number of road pricing concepts and technologies are being developed and demonstrated. In addition, to support the marginal cost pricing concept, a number of sites will be looking to integrate road pricing tariff structures and payment methods with those of public transport and parking.

The PRoGRESS WP4 (Social, economic and political issues) objective is:

“To develop and assess the political, economic and social framework required for the implementation of road pricing considering social and political acceptance, legal and organisational issues and financing, in the real urban situations of the cities of Bristol, Copenhagen, Edinburgh, Genoa, Gothenburg, Helsinki, Rome, Trondheim.”

WP4 will produce two deliverables: D4.1 and D4.2. Although D4.1 is officially listed as “draft report” while D4.2 is the “final report”, D4.1 is intended to be not just a draft, but more a snapshot of the current status and knowledge concerning the relevant issues at this time.

D4.1 includes the descriptions of the four main aspects for each of the eight demonstration sites, as far as this information is available at the time of the production of this report. These descriptions are firstly consultation and political awareness, which will describe the degree and type of consultation carried out whether with the general public, special interest groups or politicians. The second aspect to be covered is the legal and organisational framework, which will describe the national and local legal framework and the particular organisational framework for delivery of each scheme covering the main influencing factors in the development of each. The third aspect of each demonstration covered in this deliverable will be how the scheme is financed and how the proceeds will be invested and finally, as the fourth aspect, a section covering marketing of each scheme should be included. The deliverable also includes, for each of the 8 demonstration sites, details of local press and media coverage given to the project and other related transportation issues.

Key Findings

All of the eight demonstrators are currently at different stages of development:

- Trondheim is working on the further development of a scheme that is already long established;
- Rome will introduce a scheme that replaces existing access control and thereby uses road pricing for a limited range of users;
- Bristol and Edinburgh are on the way to introducing full road pricing schemes, which would affect any users wanting to access the relevant area of the city;
- Genoa will probably use volunteers instead of all citizens, as initially programmed, although a final decision will only be taken when the new City Council is established in spring 2002;
- Copenhagen and Gothenburg carry out technology demonstration and studies of user behaviour through field trials with volunteers; and finally
- Helsinki is only carrying out a study with only a very limited technology demonstration at this phase.

These differences are reflected very clearly in the contributions that the sites provided for Deliverable 4.1, with some sites being very advanced in carrying out consultation, having legal frameworks and organisational structures in place, having full finance plans and having gone through various marketing exercises, while other sites still only have preliminary thoughts about many of these issues.

Consultation

All sites are clear about the importance of consultation, and the list of the key stakeholders is similar in all sites. Main consultees are:

- General public;
- Retail, employers, financial institutions, manufacturing industry, Chambers of Commerce, educational establishments, health services;
- Motoring organisations, cycling and pedestrian organisations, public transport operators, taxi operators, vehicle rental and leasing organisations, parking operators;
- Police, emergency services and public utilities;
- Road safety agencies, environmental organisations, leisure/tourist organisations;
- Ministries of transport and finance, neighbouring local authorities.

The main consultation methods used are leaflet and newsletter distribution, posters and websites, public meetings, questionnaires for the wider public and individual businesses, the use of representative groups for surveys and workshops, and face-to-face interviews and in-depth discussions with key stakeholders. The consultation should be supported through press releases and briefing sessions with newspaper editors and other media.

Several sites are still so early in the consultation process that they cannot assess any impact of their consultation. Other sites used the results of the consultation so far to help develop a pricing scheme that will meet the widest possible acceptance. So far, all sites that have any results report, not surprisingly, a mixed response to their road pricing

proposals, ranging from strong support to outright rejection. An assessment of the impact of consultation on changes in stakeholders' attitudes over time will be a major issue to be described in Deliverable 4.2.

Again, due to the diversity of the envisaged schemes and their different development stages, key issues and concerns vary between sites. Some themes are recurrent though:

- Emphasis on the need for social equity and concern for car-dependent families are most widely spread;
- The request for a “just” system, that spreads the pain by charging less money to more people, emerges as an issue that would make road pricing more acceptable;
- Relationship with public transport fares for those who choose alternative transport and parking charges for those who keep using their cars need to be considered;
- The ways in which the money raised is spent is probably the single most important key issue: the general public want to see improvements in public transport as well as means to compensate those who do pay the charge by improving their driving conditions, while retailers are particularly keen to see measures that make the city centre more attractive in order to maintain their customer base.

Legal Issues

A legal framework for urban road user charging is in place in Norway (here referred to as road tolling), Italy and the UK, while it does not yet exist in Denmark, Finland and Sweden. Details within the existing legislation vary between countries and, similarly, it will be necessary to tailor future legislation in other countries to their current legislative frameworks and general political contexts.

Organisational Frameworks

Copenhagen, Gothenburg and Helsinki have no clear plans for possible organisational framework yet, although Helsinki plans to develop a draft framework in later stages of the PROGRESS project. Bristol is currently in the process of developing their organisational structure, which is dependent on the procurement method adopted.

In Norway, special companies have been established for each tolling project with the sole purpose to collect the money from the users and to pay down the loans on the project that has been financed through this scheme; these companies are owned by the municipalities or counties concerned.

Edinburgh, in a similar approach to Norway, will establish in the coming months a company (named “ENTICO”) for the procurement, project management and finance management of the charging system. ENTICO will be wholly owned by the local authority and the local authority would therefore retain strategic directions on matters such as levels of charge and hours of operation, but ENTICO will co-operate with the private sector to deliver the investment projects.

In Italy, it is the Municipality itself or, in the case of Rome, their already established organisational arm (STA), who organise the pricing scheme. They co-operate closely

with the local transport operators to ensure a coherent approach for road pricing and public transport provision.

Financing

For Copenhagen, Gothenburg and Helsinki, no clear concepts exist yet for the schemes or for any investment packages, and therefore also not for their costs and financing. Existing PRESS calculations for Helsinki for revenue that could be raised will be updated later in the PROGRESS project.

For all other sites, details have been provided in individual sections of this deliverable, but since the schemes are so different, it is not possible to make direct comparisons between them.

Marketing

All cities have carried out some market research, although this was fairly limited so far in some sites:

- Helsinki has organised a seminar and discussions with various stakeholder groups to initiate the awareness raising process;
- Genoa has carried out a stated preference survey with 900 interviewees to explore their attitude to the need for action and to road pricing as a possible solution;
- Gothenburg has made a “base level” survey by post and Internet with 500 respondents concerning current traffic problems and possible solutions, but wider awareness raising was deliberately avoided at this early stage;
- Copenhagen has interviewed stakeholders and carried out a public survey with 1,000 citizens in August 2001, but analysis of this survey is not yet available.

In Trondheim, extensive phone-based public opinion polls were used over the years, many public meetings were held and direct contact was made with specific interest groups. The strategy for awareness raising was based on five key messages:

- a) Conveying an image of crisis,
- b) Claiming that an investment package for infrastructure is the right solution,
- c) Contending that the road pricing scheme will improve the environment,
- d) Appealing to solidarity in the community, and
- e) Emphasising the “modernity” of the system.

It is also interesting to note that no attempt had been made in Trondheim to sell tolling as an improvement for the road users. Instead, the main message in the marketing programme was how drivers could “minimise the pain” through becoming subscribers to the system and, therefore, being able to pay without stopping at tollbooths and to receive discounts.

In Rome, a first panel survey in 2000 showed the preference of residents for the current permit system, while shopkeepers supported road pricing. Further surveys have been carried out in the meantime, but no results from them are available yet. Until August 2001, the road pricing project was deliberately given a low profile for political reasons.

Wider awareness raising activities (through leaflets, Internet and media coverage) were only initiated in the last months to inform citizens how to request and obtain access permits, both for entitled categories of passengers and for freight deliveries.

In contrast to Rome, “winning hearts and minds” has been a major issue in both Bristol and Edinburgh over recent years, and much effort has been invested in marketing and awareness raising already in both sites. Bristol has undertaken a number of studies, starting from the ELGAR project in 1998, all of which showed that congestion is regarded as a major problem in Bristol and that road pricing could find majority support if designed well. Marketing and consultation are now going closely hand in hand and are used to design a socially accepted scheme.

In Edinburgh, most of the market research has so far been used to assist in the design of a programme for consultation with the public and with stakeholders. Specialised market research consultants have been appointed recently to carry out most of the future market research and consultation. All road user charging marketing and awareness raising exercises will be branded under the Council’s “On Route” slogan to highlight the interrelation between road pricing and transportation investment projects. A specialised PR and media services consultant has been appointed to ensure that the project is promoted in a pro-active way and that regular positive progress bulletins are issued to politicians, public and special stakeholders.

Press Coverage

In all sites, there is a mixture of supportive and, more often, critical comments on the potential introduction of road pricing to be found. So far, there are no clear trends recognisable, except in Trondheim where public and media support has increased over years. It will therefore be very interesting to watch in the other sites in which direction the press comments will develop over the remaining two and a half years of the PRoGRESS project.