

Road pricing : a new perspective

Acceptability, tolling strategies, communication

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We all agree : scarcity of resources (space and public finance), environmental damages, congestion : “a new age” is needed for managing the transport system toward a long term better efficiency : ROAD PRICING is one way.

WE ALL AGREE HERE... But on the street , in your neighborhood ?

Experiences of « misunderstandings » : Lyon TEO (Urban), Toulouse Roques (Urban) or Bahnhof 21 (on something different right: large infra. project)

Key LET-Univ. Lyon papers on this issue :

- ✓ RAUX, C, SOUCHE, S, CROISSANT, Y., 2009, [How fair is pricing to be? An empirical study](#), Public Choice, vol. 139, 1, pp.227-240.
- ✓ RAUX, C., SOUCHE, S., 2004, [The acceptability of urban road pricing : a theoretical analysis applied to experience in Lyon](#), Journal of Transport Economics and Policy, (38), Part 2, pp.191-216, may
- ✓ PATS Project, DG TREN, European Commission
- ✓ A. Bonnafous, “Public Economics for Infrastructures in PPP’s”, WCTR, 2010

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Acceptability of tolling system is linked with equity issues / redistribution issues to be taken into account (Baumol, Oates, 1988 ; Rietveld and Verhoef, 1998 ; Souche, Raux, 2001 Litman (1997)) :

- Territorial equity or “liberty principles” (access right ; « droit au transport » in French Law)
- Horizontal equity (“equality of chances” / polluting-paying ; *pigouvian* taxation) : very important in road pricing
 - One result (Souche, Raux, 2011, p. 6) : **road pricing and quality of services : seems to increase acceptability**
- Vertical equity (“difference principle” ; incomes inequalities to be taken into account : « maximim » (J. Rawls) : gasoline taxation can be regressive in rural areas / progressive in rich urban areas ; Public transport spending /alternatives in low incomes regions are important

ACCEPTABILITY of ROAD PRICING : a balance between these three types of equity and efficiency criteria



Strategy recommendation for tolling strategies

- **Maybe starting with a tolling strategy based on both horizontal equity (increase in quality of services then maybe polluting-paying logic) and efficiency !**
- Always conflict between efficiency and vertical equity and territorial Equity : fine tuning needed !
- Think maybe efficiency and equity together : reinforcement in positive way but also in a negative way : be careful : think more (micro-payment, packages, bundle, ...) !
- Think maybe transport club group with a “Transport Funds” : not mode by mode but for the Transport club good in a whole (spillover of the Transport Funds) and with improvement of the quality of service !

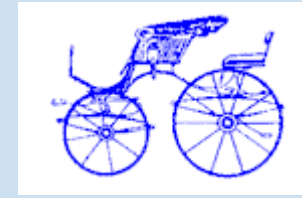
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CONCLUSION : acceptability can change in time !

- ❑ **Increase in acceptability observed for limited environmental “pricing” (CO² emission display on products in France)**
- ❑ **Decrease in acceptability : can be observed too ! France : very interesting example : how to reduce acceptability of motorway tolling !**
- ⇒ **Privatization in 2006 of French motorways (14,8 billion Euros) ; Before : quite good acceptance of motorway pricing**
- ⇒ **Since this time : pricing increase in prices : +2,24% in February 2011 ; + 0,5% in 2010 ; + 3 % in 2009 ; 23,40 € for 300 km in car (Lyon-Montpellier) ; No public enforcement on where this Toll increase will apply on the network ; Competition between O-D links (expensive for “captives” !)**
- ⇒ **« Misunderstandings » State - Motorway Cies : they will reduce investment if « tax on use of public domain (State wants to triple it) » is increased. Increase in Land use Tax paid by motorways Cies for financing InterCitys SNCF trains !**

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- ⇒ **Decline in traffic (in 2008-2009) ; poor people, students self-exclusion; Trucks: -8,5% below its 2007 level) : transfer of traffic to more unsecure roads, people are in a bad mood : rest areas expensive (« lock in » !) : 5% of rest areas turnover to Motorway Cies ; 75 cents for 50 liters full tanks.**
- ⇒ **Automatic tolling barrier (costs : ~ 11 000 € / year) versus ~ 240 000 € if 24h/24h managed by employees = automatization in progress : Since 2006 : - 11,6 % employees in Motorways Cies !**

DECLINE in ACCEPTABILITY CAN BE EXPERIENCED ; -)

