Road Pricing Development

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My messages today….

1. Something has to be done about road usage in many of our major cities

2. Pricing can be used to tackle many issues, but its initial success has been where it has been focused on congestion

3. Authorities are using a wide range of means of tackling congestion and demand management via pricing is one of few major levers to be deployed

4. Pricing strategies will evolve to include other factors and (eventually) be fully integrated

The Case for Considering Road Charging is growing

Economic

In the OECD countries as a whole the cost of time lost due to congestion is estimated at about 2 percent of Gross Domestic Product.

The economic benefit from London Congestion Charging is around $200million per year.

Transport

Travel speeds in almost all major cities are at historic lows with frequent gridlock.

In London, prior to charging daytime travel speeds were less than half of night time speeds and slower than in Victorian times.

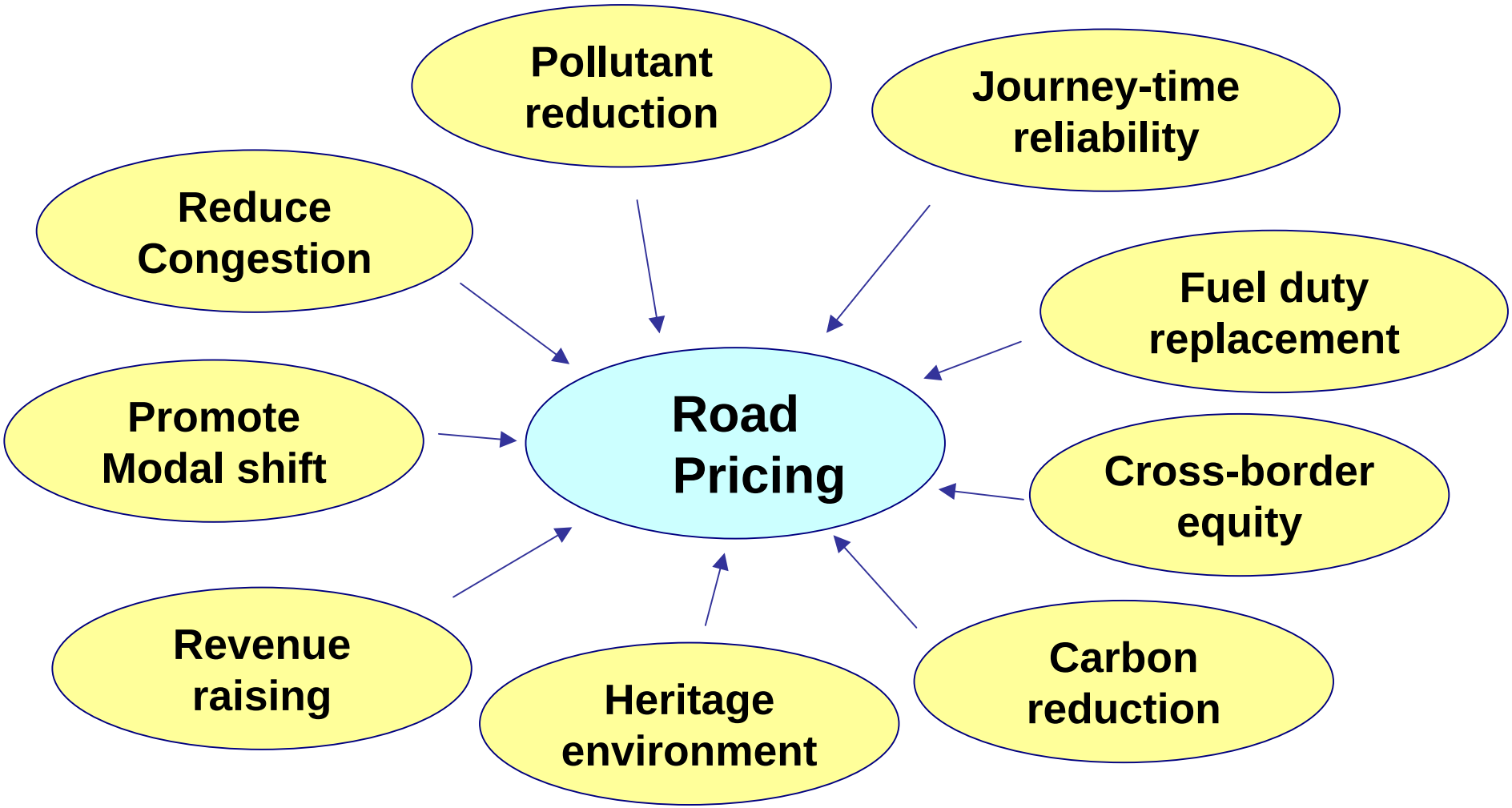
Environmental

Greenhouse gases from transport account for around 25% of total emissions.

In London, pollutants from vehicles are associated with over 1000 premature deaths per annum.

Dramatic action is called for to maintain competitiveness and prevent gridlock becoming the norm

Various objectives are put forward for Road Pricing



Road pricing has been successful when clearly and consistently targeted at Congestion relief but may evolve further

Road Pricing Models

Model	Corridors	Areas/Cordons	Networks	Integrated
Examples	Melbourne City Link Toronto 407	Singapore London Stockholm	Swiss / Austrian / German Truck Charging	None to date
Focus	Repay infrastructure costs	Primarily congestion	Transit traffic use of infrastructure	Multiple including environmental
Revenue Application	Repayment	Public Transport and road network improvements	General fund (truck schemes)	To be determined
Public Acceptance	Well understood	Growing but still challenging	Accepted for Trucks	To be determined
Complexity	Relatively low	Medium depending on design	Low for DSRC, higher for GPS	Currently high
Risk	Relatively low	Low/Medium (technology risk) Medium/High (political risk)	Low for DSRC, higher for GPS	Currently high (technology & political risks)

Road pricing models will continue to develop in the next few years

Road pricing sits with other developments in road management

	Historically	More recently	In future?
Urban	Traffic signals (UTC) On-street parking controls "Red routes" Bus/cycling lanes Car pooling Light rail/tram	Street works management Advanced Urban Traffic Control Bus rapid transit Urban traffic control centres Incident response units Limited traveller information	Urban / inter urban traffic management integration Personalised traveller information Advanced ITS Integrated road pricing
Urban approaches	HOV lanes Control centres Incident management Variable message signs Park and ride	Ramp metering Active Traffic Management Controlled motorways Active diversion management Traveller information Travel to work plans	
Road Pricing	HOT Lanes Toll Roads (with plazas) Singapore ERP	Area Charging (London) Free flow toll roads National truck charging	

Road (Congestion) pricing will become part of an integrated solution

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Ian Simpson is a Partner in the UK public sector consultancy practice and has, for the last 5 years, led the Deloitte public transport consultancy team. Ian has over 17 years of consultancy experience, mainly in the public sector and transport areas. He specialises in the management of large, complex transformation projects and technology programmes. Ian is the Lead Client Service Partner for Transport for London and has worked on a range of programmes with them over the last 6 years.

Ian's current and previous transport clients also include Transport for London, the UK Department for Transportation, the Highways Agency, ATOC, Centro, Stockholm City Council and Transit New Zealand. Prior to working in management consultancy, he was a chartered civil engineer in one of the UK's largest engineering contracting organisations. He has a BSc and an MSc (Engineering) from Imperial College, an MBA from Manchester Business School and is a Fellow of the Chartered Institute of Management Accountants (FCMA).

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