

NEW RELEASE

**PRICING AS A TOOL FOR FUNDING
AND REGULATION IN AN EQUITY'S PERSPECTIVE**

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Traditionally, instruments such as taxes, charges and tolls have been used for funding infrastructure construction and maintenance. In recent years, pricing has been used for regulatory purposes as a measure against congestion, for mitigating environmental impacts and for improving safety.

The question of whether road pricing could be a useful instrument and in which way it should be applied can only be sufficiently answered after clearly defining the objectives. Does the priority lie in improving the environmental situation? In creating more financial sources for infrastructure projects in the transport sector? Or is the main purpose to reach a better usage of existing infrastructure capacities and/or a general reduction in road traffic? Possible tools for different objectives are discussed in this report. This report, prepared by World Road Association (PIARC) Technical Committee C1.1 *Road System Economics* focuses on the discussion of equity issues associated with road pricing.

Road pricing concepts are discussed with differentiation between funding of road activities and regulation of road use. Possible objectives and particular road pricing instruments are discussed.

The core of the report is the discussion of the impacts of road pricing and distribution and equity issues that arise from these impacts. Resolution of these issues is the key to the public and political acceptability of road pricing. Any theoretical benefits of road pricing are irrelevant if public and political opposition prevents successful application.

The report concludes with a set of case studies, drawing lessons and recommendations from them. The case studies included are:

- Preparation of Electronic Toll Collection in Slovakia
- Finland – A Country of Fiscal Taxation
- Sweden – A country of Congestion Charging
- Norway – The Land of Toll Rings
- Tolling in Hungary – History and Future
- Czech Republic – Tolling on Selected Roads
- The Netherlands – Pricing Initiatives Over 15 Years

Heavy vehicle charges in central European counties and charging technologies are also examined.

If a charging system is not accepted by the majority it will in general not be possible to implement or keep in operation. Successfully introduced schemes are advantageous for most, if not all parties. The intended use of revenue will strongly influence the perception of equity regarding pricing schemes and projects.

This report can be accessed through PIARC's Virtual Library at:
http://publications.piarc.org/ressources/publications_files/5/3524,2009R05_WEB.pdf