

# **An offer you can't refuse.....**

## **On the establishment and development of Norwegian toll cordons**

**Oddgeir Osland and Jon-Terje Bekken  
Institute of transport Economics, Norway**

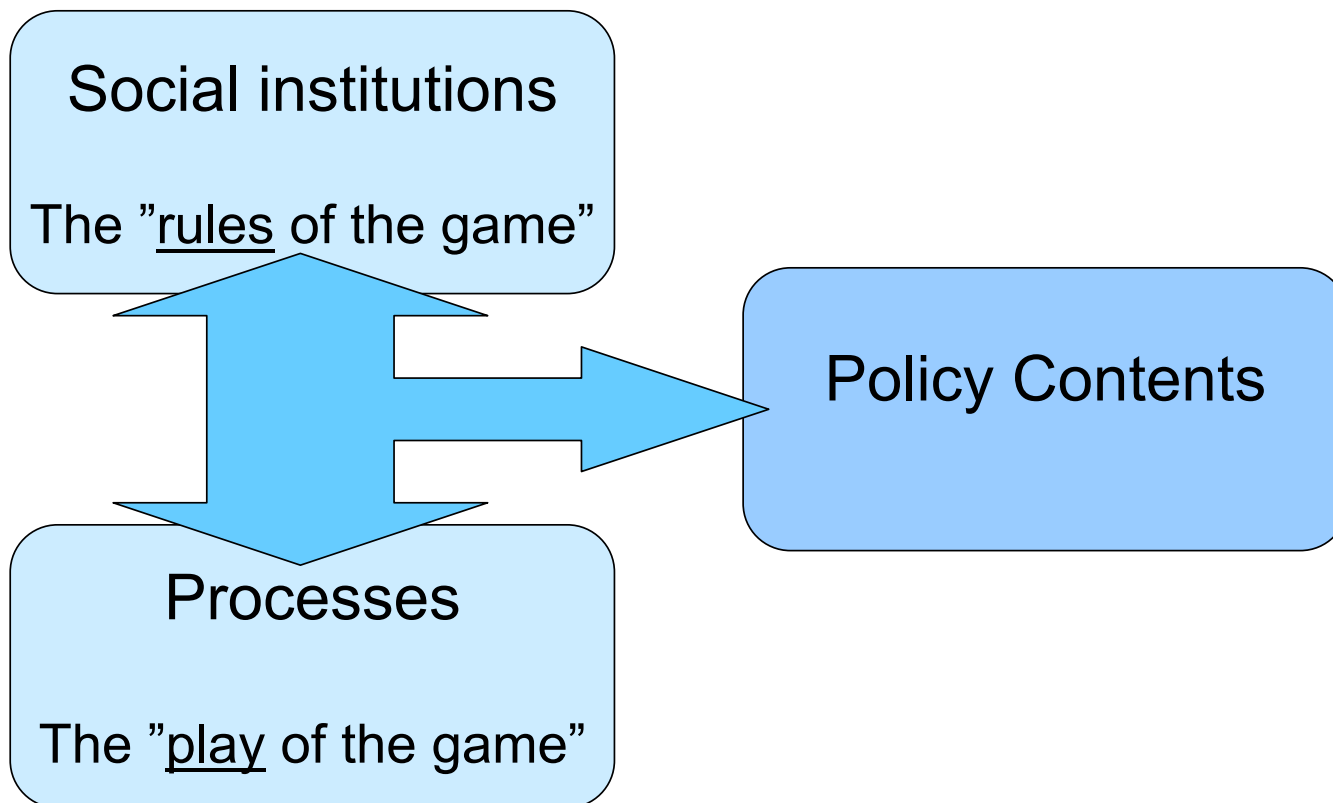
**PIARC Conference April 2005, Cancun**



# Questions addressed:

- **Why have these toll cordons/transport packages been established and spread from Bergen to all the major urban areas in Norway?**
- **What are their characteristics in terms of the financing scheme and the use of revenue? This is what we later will refer to as the content of the packages.**
- **What similarities and differences can be observed between the packages, and how can these be explained?**

# Perspective for the paper and presentation



# Institutional conditions

Juridical

Economical

Procedural

## Juridical:

- Road Act §27 defining toll roads
- Road pricing: New law in place, detailed regulations missing
- Alternative use of Public Roads' investment funds
- Distinction between investment and operation

## Economic:

- Toll financing as "fresh" money
- "Extraordinary" funds as bait
- Competition over State funds

## Procedural:

- Toll roads require local consensus
- Toll Roads must pass Parliament as a separate act

# Contents of the packages -Financing schemes

		Greater Oslo	Bergen area	Trondheim area	Nord-Jæren area	Norway – all toll roads
Single fare rush hour private car, EURO	Pr 31.12.2002	1,8	1,2			
	Pr 01.11.2004	2,4	1,8	1,8	1,2	
Reduced fare outside rush hours		No	No	Yes	Yes	
Trips through the toll cordon in 2002 (mill.)		89	20	20,5	20,4	228
Revenue in 2002, EURO (mill)		127,6	19,1	20,5	9,9	389,3
Average fare per trip, EURO	2002	1,4	0,9			1,7
	2003	1,5	1	1	0,5	N/A
Maximum yearly payload per private car in 2002, EURO (maximum trips per month to pay for)		500 (yearly pass)	550 ( 50 )	780 ( 60 )	550 ( 75 )	

# Contents of the packages

	Bergen toll cordon	Oslo package 1	Trondheim toll cordon	Oslo package 2	Nord-Jæren package	Bergen programme
Share road vs public transport	Road package	Road package (20% for PT)	Road package (20% for PT and env.)	Public transport package	Public transport package (65%)	Combined package (50/50)
Regional earmarking	No	Yes (60/40 Oslo/Akershus)	No	Unspecified	Yes	No
Fare level (relatively)	Medium	High	Medium	High	Low	Medium
Elements of congestion charging	No	No	Weak	No	Weak	No

# Summary of the packages –Important changes over time

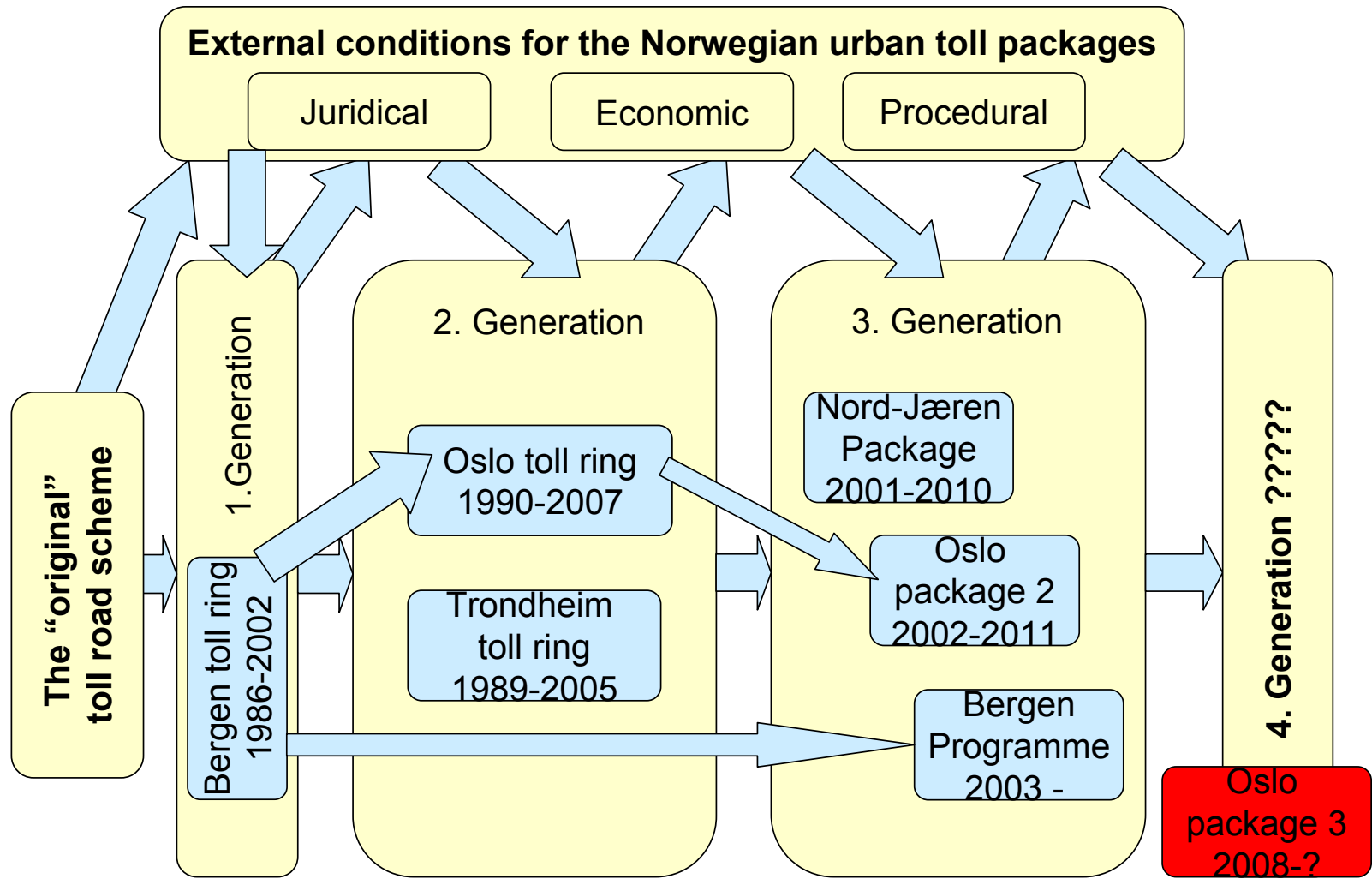
- There is a general tendency towards increased investments in public transport
- There is a tendency that these packages have been prolonged and enhanced to new generations, while initially set up for a 15 to 20 years period.
- There is a weak tendency towards elements of congestion charging, most clearly developed in Trondheim.

# Summary of the packages –

## Dimensions of continuity

- The revenue is solely used for infrastructure, not operation
- In most packages, there has been an emphasis on large project with strong symbolic power
- Although addressed in the initial phase, such elements as restrictions on car use, parking policy etc are not included in the packages when these have passed the political process





# Thank you!

**Oddgeir Osland**

Institute of Transport Economics

PO Box 6110 Etterstad

N-602 Oslo

[oos@toi.no](mailto:oos@toi.no)

(+47) 22 57 38 00

**Jon-Terje Bekken**

Institute of Transport Economics

PO Box 6110 Etterstad

N-602 Oslo

[jbe@toi.no](mailto:jbe@toi.no)

(+47) 22 57 38 55

