Paying to use roads
what motorists around the world say

Results of the survey of world motoring organisations
At the beginning of the 20th century, governments across the world began to levy special taxes on motoring to help fund the infrastructure needed for the motor car. Motoring quickly grew to become one of the most powerful social and economic forces of the century. The automobile moved from being a plaything of the rich to a basic necessity for most families in the developed world.

As the growth in motoring exploded, so did tax revenues. Then, governments began to raid the funds put in trust for motorists and spend them on other programmes, or used the money to offset budget deficits. Eventually, many governments not only took most of the motoring tax revenues but also failed to fund spending on the development of proper road networks — and even on the basic repair and maintenance of roads.

Tolling has continued as a way to fund some major roads and bridges in some countries. By and large, the operating companies and corporations spend most or all of the tolls paid by motorists on providing service. As a result, tolled projects have recently been reborn internationally as a way of getting key infrastructure delivered.

But overall — despite record tax revenues from the motorist — road congestion is widespread as a result of inadequate road and transport investment. The basic road infrastructure of many major developed economies is in a poor state of repair.

Poor stewardship of the road network carries a high safety, economic, social, and environmental price. Many countries rightly see an urgent need to modernise their infrastructure. But in order to pay for it, many look to motorists for even higher road taxation or to extend pay-as-you-drive. For example, by proposing new tolls on old highways or setting new tolls to enter cities, based on the argument that pay-as-you-drive is a better way of metering road space more efficiently at busy places and times.

There are innovations in tolling, too. Free-flowing toll roads, tunnels, or reserved premium lanes are now offered around the world, with the toll varying depending on the congestion on alternative routes.

This report gives the results of a unique global survey* of the world’s motoring organisations, who between them represent more than 100 million motorists.

How motorists pay

- 17 of the 22 countries currently have some form of charging for motorways, either by tolls or vignette (a permit displayed on the windscreen for which a charge, normally annual, is levied) and most of the money raised is used to improve the infrastructure

- the five countries that do not currently have motorway tolling are the UK, Ireland, Netherlands, Finland, and New Zealand (although Germany only tolls large goods vehicles, not private cars)

- Norway and Singapore currently have charges to enter cities

- 11 of the countries that currently have motorway/city tolling are debating further road pricing measures

- four of the five countries without motorway tolling are debating the introduction of paying directly to use roads

- motoring organisations in Austria and Germany opposed their governments plans to introduce tolls on motorways for private vehicles and the proposals were withdrawn

*The survey was conducted between the third quarter 1999 and the first quarter 2000. The major motoring organisations in 22 countries took part: Australia, Austria, Canada, Croatia, Czech Republic, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, South Africa, Switzerland, UK and USA.
Paying to use roads — the response of two European motoring organisations

“Road Pricing — No thanks!” A campaign by the ÖAMTC in Austria

Late 1996 – vignettes were introduced as an interim measure.

End of January 1997 – the ÖAMTC started a “Road Pricing – Nein Danke!” campaign. It developed a catalogue of simple, reasoned arguments against ERP.

Electronic Road Pricing means:
■ significant extra costs per month for the individual driver, without a proportionate benefit
■ large investments in equipment and bureaucracy, leaving only two-thirds of the revenue actually available for investment in roads
■ problems with data protection, incorrect bookings and enforcement
■ diversion from toll roads to the minor road network, which would adversely impact on road safety and the environment
■ higher transport costs in Austria with disadvantages for the economy and individual motorists
■ incompatibility with other European toll systems

Within weeks the ÖAMTC had collected 750,000 signatures of protest. The story grew steadily in the media and became a major national issue.

June 1999 – the Austrian government announced the introduction of ERP for large goods vehicles (but without a firm date) and ERP for passenger vehicles was deleted from legislation.

“Stop Rekeningrijden!”
A campaign by the ANWB in the Netherlands

1997 – the Rekeningrijden scheme was proposed by the Dutch government. The plan was to introduce electronic tolling around the four largest cities in 2001. There would be a tolling fee for all inbound vehicles between 06:00 and 10:00 hours with the aim of reducing congestion.

January 1999 – ANWB launched its “STOP Rekeningrijden!” campaign when it became clear that the intended tolling would not reduce congestion and that the revenue would not be returned to the road and transport system. The story grew steadily in the media and became a major national issue.

February 1999 – a survey showed that 84 per cent of ANWB members were opposed to the scheme.

September 1999 – the government announced that the original plans for Rekeningrijden would be changed. Instead, there would be small scale trials (but where is unresolved). The government now says revenue can be used to fund additional infrastructure and transport services. Tolling will not be introduced before 2004 at the earliest.

“The ANWB strongly opposes additional taxation through road pricing when generations of motorists have already paid for existing infrastructure. Road pricing can only be acceptable if motorists receive more or better infrastructure in return and the road pricing system contributes to a better managed transport system with greater choice.”
Paying to use roads – in cities

Singapore
A new ERP (Electronic Road Pricing) system was launched on 1 September 1999 to replace a paper-based system that had been in operation since 1975. The new electronic system enables variable pricing so that charges are kept at a level that keeps the roads congestion free. Prices are increased where and when traffic levels are high and reduced when traffic levels are low.

Crowded Singapore has sky-high motoring costs matched by high transport investment levels. The Singapore AA supports the ERP system because car ownership taxes were reduced to more than compensate motorists when ERP was introduced. Congestion has been contained while the number of cars licensed to use the roads in the crowded Republic was increased.

Norway
Toll rings around cities are used to collect revenue to speed up the financing of major road projects. In Oslo, revenue is used to fund road schemes with some money spent on traffic management projects such as additional segregated bus lanes. The flat rate 24-hour tolls are designed to raise revenue, not meter traffic flow. The Norwegian motoring organisation, NAF has reluctantly accepted these schemes where they mean faster road development and where there is local support for the projects.

Pledges are given that tolls will cease when projects are completed – but this is not always done. The government is now proposing to change the existing toll rings around Oslo and three other cities so that charges vary by time of day. But the money raised will no longer be used to finance transport projects. The government is seeking to use the controversial arguments of “transport externalities” which have not been sustained in debate in other countries.

NAF has objected to these proposals:
“We call it a rush-hour-fee and a punishment for going to work on time. This will reintroduce class distinction on the roads and take us back to the bad old days when the car was a toy for the rich people.”

Ireland
“The AA does not accept road pricing here and now in Dublin. It has no place even in debate until public transport has improved in quantum leaps from its current position.”

“One good example to illustrate this point concerns the city of Drammen, a town neighbouring Oslo. Here the entire recovery period for a project became 26 years, exceeding the Parliament’s initial decision by 18 years.”
Paying to use roads – in general

UK

“The UK already has road pricing – some 10 pence per mile in fuel tax and £40 per quarter in standing charges paid as road tax. If there is to be debate about new ways to pay, we must start from there. All AA members want is rational investment in the roads system and a fair deal in return for the huge sums they already pay.”

March 1999

Sir Brian Shaw
Chairman
AA Motoring Policy Committee

Japan

“Japan’s toll roads were put in place to accelerate funding of national expressways, urban motorways and other roads. As toll fees have come forward for revision, the Japan Automobile Federation (JAF) has argued that each vehicle class should pay its fair share of toll fees. The greater size, and therefore road damage, of larger vehicles must be reflected in tolls. Authorities in Japan are now studying congestion charging in major cities. JAF views these developments with great concern and is carrying out opinion research amongst its members.”

Masatoshi Matsunami
Executive Director
Japan Automobile Federation

USA

“AAA believes the public’s continuing scepticism about the equity and effectiveness of congestion pricing precludes adoption of transportation planning policies that focus on such methods of reducing congestion. AAA may, on a case-by-case basis, support so-called variable pricing projects if they do not result in toll increases and utilise existing capacity better.”

Robert L. Darbelnet, President
and CEO, American Automobile Association

Germany

“German road funding comes mainly from special taxes paid exclusively by road-users. This kind of taxation amounts to an annual total of some 90 billion DEM, of which only 32 billion is spent on roads. In this situation, ADAC takes the view that more of the money should be invested in road construction, rather than considering new sources of revenue for the government or new tax burdens for the motorist. The enduring nature of new taxation can be illustrated by the German Champagne Tax: it was introduced by Bismarck at the beginning of the 20th century to finance the German fleet. The fleet was sunk twice but we are still paying the Champagne Tax. Basically in Germany there is no need for road pricing; nor does it make sense as the existing system of tax-funded road construction has proved to be sufficient. For this reason ADAC fundamentally opposes road pricing in Germany, both now and in the future.”

Otto Fliem
President,
Allgemeiner Deutscher Automobil-Club
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Conclusions

- Governments across the world have a long track record of introducing taxes and charges on motorists with the pledge that the proceeds will be used to pay for roads. These pledges are then forgotten. The result is that trust in governments to use new revenue streams from motorists to improve the infrastructure is now a fundamental barrier for motorists.

- 15 of the 22 motoring organisations surveyed said that motorists could accept road pricing if their government promised that all the money raised would be used for additional investment...

- ...but 12 of the 15 said that they would not trust their government to keep its promise.

- Most motoring organisations are opposed to tolling in principle.

- Most motoring organisations accept tolls paid to an independent authority or company as a funding method of last resort. The projects need to be large, out of the ordinary, and bring exceptional benefits. An alternative toll-free route improves the chance of acceptance.

- Motorists around the world do not accept paying new charges to use old roads.

- Charges to enter cities have been introduced only in Norway and Singapore. Initial acceptance by the Norwegian motoring organisation has changed to opposition. In Singapore, many motorists have become better off as old taxes have more than fallen to compensate new charges.

- Major campaigns by motoring organisations against increased motoring taxation and new charging proposals have a high success rate if such taxes and changes are not seen by their members as fair.

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