

Table 31. Road pricing/incentives.

| Initiative 29: Road Pricing/Incentives | |
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| <p>Description: A demand management tool in urban areas to reduce traffic, promote a better use of transportation capacity, and reduce environmental impacts. Pricing revenues often are used to finance the construction and maintenance costs of urban infrastructure, and often are implemented using (electronic) cordon tolls located at the fringe of the cities in tunnels and/or bridges.</p> | |
| <p>Targeted mode: All traffic, large trucks</p> | <p>Geographic scope: City, area</p> |
| <p>Type of initiative: Pricing, incentives, and taxation: road pricing/incentives</p> | <p>Primary objective: Reduce congestion</p> |
| <p>Expected costs and level of effort to implement: The planning process should involve thorough stakeholder engagement to analyze impacts both in and outside the impacted area. The differences between truck types should be considered to avoid overpricing large trucks. Pricing strategies are effective when implemented as part of a group of strategies (e.g., to finance freight-related programs, to foster the use of environmentally friendly vehicles). The costs are mainly those associated with the construction and operation of toll facilities.</p> | |
| <p>Advantages:</p> <ul style="list-style-type: none"> • Revenue generation • If implemented as part of a broader program involving incentives for receivers: <ul style="list-style-type: none"> – Reduce congestion – Environmental sustainability – Increase efficiency – Improve reliability | <p>Disadvantages:</p> <ul style="list-style-type: none"> • Limited effectiveness as a freight demand management tool: most truckers have to travel when customers demand it • Politically unfeasible: effective time-distance pricing would be extremely high • Difficult to define the optimal charge • Probability for unintended consequences: <ul style="list-style-type: none"> – Operators to relocate their economic activities – Decrease operational costs – Increase vehicle-miles-traveled (use of smaller vehicles) |
| <p>Examples:</p> <ul style="list-style-type: none"> • London, England, congestion charging • New York City, New York, United States • Ports of Los Angeles and Long Beach, California, United States • SR 91 express lanes in Orange County, California, United States • Stockholm, Sweden, congestion charging | |
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| <p>Source: http://ops.fhwa.dot.gov/publications/fhwahop08039/images/ch5_1.jpg</p> | <p>Source: Rensselaer Polytechnic Institute – CITE</p> |
| <p>Related alternatives: 1. Low Emission Zones; 2. Load Factor Restrictions; 3. Taxation</p> | |
| <p>References: Ogden 1992; City Ports 2005; Holguín-Veras 2006; BESTUFS 2007; PierPASS 2007; Holguín-Veras 2008; Allen and Browne 2010; C-LIEGE 2010; Holguín-Veras 2011; PIARC 2011</p> | |