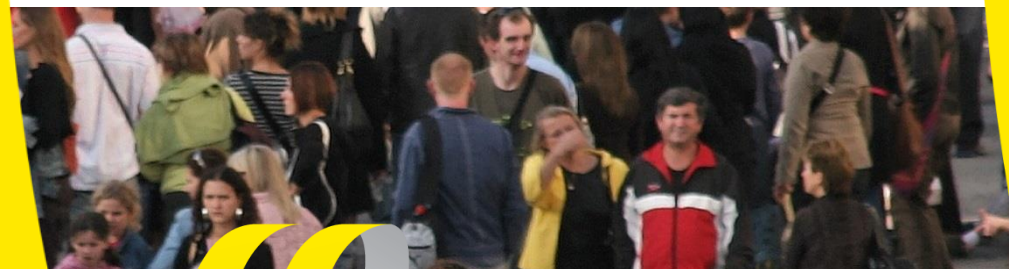




User pays, user compares

Huib van Essen, CE Delft, 13-9-2016



Outline

- CE Delft
- Brief overview of our main work on external and infrastructure costs estimation
- Developments in external and infrastructure costs
- Application of external and infrastructure costs
- Developments in pricing strategies
- Developments in (environmental) comparisons of transport modes

CE Delft

- Independent research and consultancy since 1978
- Transport, energy and resources
- Know-how on economics, technology and policy issues
- 50 Employees, based in Delft, the Netherlands
- Not-for-profit

Clients: European Commission and Parliament, national and regional governments, industries and NGO's

All our publications www.cedelft.eu or @CEDelft



Long track record on external & infrastructure costs

- Many studies for the Netherlands; latest handbook from 2014
- IMPACT handbook for DG MOVE, 2008
- Studies for VNF on external cost and internalisation (for co-financing Seine-Scheldt inland waterway connection), 2010-2011
- Handbook for UIC, 2011
- Many studies for other clients, e.g. IRU, FIA, CER, T&E (2004-2016)

⇒ *The 2014 update of the MPACT handbook was carried out by Ricardo-AEA; CE Delft was not involved!*

⇒ *Many data in that study was re-used from 2008 version*

Developments in external infrastructure costs

- Definition of ‘external’:
 - from perspective of individual transport user (efficient pricing)
 - from perspective of transport mode (fair pricing)
- Updates on impacts, e.g. lower accident rates and real world emissions
- Updates on valuation of impacts
- Recent data gathering and harmonisation on road infrastructure costs: long time series and harmonised scope and allocation methodology
- Cost levels vary significantly with:
 - vehicle size, technology and use (load factor)
 - country and location
 - time of the day

Application of external and infrastructure costs

Pricing strategies, based on internalisation of external costs, e.g.:

- IMPACT Deliverable 3 on extending Eurovignet Directive with external cost charging
- Kilometre charging for HDVs and LDVs

Other pricing strategies:

- Based on equity (user pays principle) and/or cost recovery (e.g. infrastructure charging in Eurovignet Directive)
- Aiming at specific objectives, e.g. incentivising low emission vehicles

Comparing transport options/modes, e.g. External cost calculator UIC/CER

Cost benefit analysis, e.g. of transport infrastructure

Developments in pricing strategies

- From ‘theoretically optimal pricing strategy’ towards more practical approaches, e.g.:
 - differentiation to CO₂ emissions in road pricing
 - incentives in vehicle taxes
- Taking account of other objectives (cost recovery, fairness)
- Taking account of market imperfections (e.g. consumer myopia) and for temporary stimulating of innovative technology
- It is not just about pricing, also harmful subsidies, investments, loans and guarantees, etc.
- EU policy on LDV road pricing?

Developments in comparing transport options/modes

- Most tools/methodologies focus on CO₂: carbon footprinting
- Can be used for self-assessment or benchmarking
- For freight transport the main challenges are:
 - Lack of harmonisation in scope, methodology and data
 - Diversity in the market, making benchmarking problematic
- For passenger modes, benchmarking is easier
- There exist a few methodologies that use external cost, but such figures are hard to understand for users