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Summary:

Facts and myths about congestion charging

Congestion charging is an effective means of reducing traffic queues during rush hour, as shown by the experience of cities such as Stockholm, London and Singapore. The scheme can also yield significant environmental benefits, and any negative impacts caused by the unequal distribution of the burden on various groups can largely be compensated for.

When congestion charging was introduced as a trial scheme in Stockholm in 2006, the car traffic passing through the toll ring during rush hour declined by 22 percent. Traffic flow improved significantly, and delays during rush hour were reduced 30-50 percent. The measure had a positive impact on the environment as well. CO_2 emissions in the inner city were reduced by 14 percent, and emissions in the local area were reduced by 8-14 percent. Following the trial scheme, a referendum was held in which a majority in Stockholm voted in favour of the scheme. The scheme was introduced on a permanent basis beginning in summer 2007.

In London, traffic into the city centre continues to be about 20 percent less than before congestion charging was introduced in 2003. In 2007, the charge zone was expanded westward, resulting in a decrease of 14 percent in the number of cars driving into the zone. Singapore was the first city to introduce congestion charging in 1975. Here the fees are adjusted on a regular basis to achieve optimal traffic curtailment.

An argument against congestion charging is that it may have an unfair social impact. Families with children that must cross the toll ring during rush hour to deliver their children to day care are often held up as an example of this. Analyses performed by Urbanet Analyse, as well as surveys of residents of Oslo and Akershus county, show that this is a relatively small group. This does not prevent congestion charging from putting a substantial burden on individuals who cannot adapt to the scheme. People with low incomes may be hit harder than those with high incomes, who more often have flexible working hours and thus a greater potential to adapt to the scheme.

However, unfavourable effects such as these can largely be compensated for when the scheme is designed. One possibility is to improve public transportation, especially in areas with jobs that have few flexitime schemes. Another is to increase the number of day care centres so that parents do not have to cross into the charge zone to deliver their children to day care.

In Norway, the law requires that the fees be used to improve the local transportation system. If some of this money is used to improve public transportation, this will favour people with low incomes. If the money is invested

in the road system, analyses from Stockholm show that the various income groups will benefit about equally.

Analyses from Stockholm and other cities show that men with high incomes are overrepresented among those who use their cars during rush hour. Consequently, it is this group that will pay the most in congestion charges. By the same token, they will benefit the most due to less traffic on the roads. But experience from Stockholm shows that many people with high incomes also chose to take public transportation when congestion charging was introduced. Freight transporters, who have high hourly costs, is another group that will benefit from congestion charging.

When congestion charging is introduced, it is essential to keep the cost of fee collection as low as possible. A major complaint levelled at the scheme in London has been its high administrative costs. Overall, however, analyses show that congestion charging is a profitable measure from a business perspective since fewer drivers waste time in traffic queues. Added to this are the positive impacts on the environment and on the health of those who are exposed to fewer local emissions. The need for investments in infrastructure is reduced as well.