



**Friends of  
the Earth**

## **HOUSE OF COMMONS TRANSPORT COMMITTEE INQUIRY 'ROAD PRICING: SHOULD ALL ROADS BE TOLL ROADS?'**

### **Evidence from Friends of the Earth**

Friends of the Earth welcomes the Committee's inquiry into road pricing and the opportunity to submit evidence. The debate about road user charging: whether it should be introduced and, if so, on what basis, will be one of the key transport debates in the next few years. We therefore also welcome the Government's commitment to lead this debate.

Road-user charging is not an end in itself, but a means to the end of reducing traffic levels through managing demand for car travel. Nor is it a magic wand: reducing traffic levels needs more than just road-user charging. Measures like providing better alternatives to the car, using land-use planning to reduce the need to travel and measures to improve safety and tackle transport-related social exclusion are also essential. These will all help reduce traffic levels without the introduction of road-user charging and must all be pursued actively in coming years, rather than waiting for road user charging to solve all our problems.

The Prime Minister has said that *"climate change is the biggest problem facing the world"*<sup>1</sup>. We agree with this view and believe that tackling climate change must be a priority for every part of Government. Forecasts show that carbon dioxide emissions from transport are set to carry on rising for many years yet, which is why the Department for Transport has a critical role in helping meet our targets to reduce emissions of carbon dioxide. This is shown by it now having joint responsibility for the Government's Public Service Agreement target on climate emissions. Tackling climate change should be a priority for all transport policies, although clearly the contribution of policies to tackling congestion and reducing transport-related social exclusion is also vitally important.

This means that any road-user charging scheme should not be assessed just in terms of its effect on congestion, but also tackling climate change and reducing transport-related social exclusion.

Road-user charging could have a significant impact on carbon dioxide emissions from road transport. We note the comment in the Feasibility Study report that *"the impact on carbon is not entirely clear-cut. While vehicles emit less carbon when they are running in smooth conditions than in congestion, in pricing terms it is the overall level of the cost of driving which affects carbon emissions rather than the differentiation in price according to time and place that road pricing*

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<sup>1</sup> Evidence to House of Commons Liaison Committee July 6<sup>th</sup> 2004

*makes possible*<sup>2</sup>. Modelling for IPPR has shown that a revenue-neutral charging scheme under which charges are offset by cuts in fuel duty would lead to a 5% increase in emissions of carbon dioxide from road transport (because the cut in fuel duty would make driving cheaper on less congested roads); whereas a revenue-raising scheme under which charges are added to existing motoring costs would lead to a fall of over 8%<sup>3</sup>. This indicates that any road-user charging scheme must involve raising the overall cost of motoring.

Before deciding on any nationwide road-user charging scheme, the Government should decide whether or not this is the best way of achieving its transport aims. For example, it should look at whether increasing fuel tax, accompanied by congestion charging in towns and cities, would have a similar or greater impact at less administrative cost.

### **Should road pricing be introduced for certain sections of the road network in the short term?**

Following the success of congestion charging in central London, Friends of the Earth believes that this scheme should be extended, provided that there is support from local communities. However tackling traffic congestion in central London should not detract from tackling rising traffic levels in outer London, which is arguably a much greater and more intractable problem.

Congestion charging should also be considered for other metropolitan areas. Such schemes would:

- Tackle congestion problems in these areas by encouraging people to change their mode of transport
- Pave the way for a more widespread scheme if this is the course taken; and
- Help gain acceptance from motorists for road-user charging

The second round of Local Transport Plans provides the opportunity for the Government to encourage local authorities to introduce congestion charging and for authorities to at least signal their intentions.

However schemes could have to be accompanied by tougher land-use policies to ensure that they do not lead to traffic-generating developments being diverted out of city centres to less appropriate greenfield sites so that people travelling to these developments avoid paying congestion charges. This is not really a factor in the central London scheme but could be in areas such as the West Midlands.

### **If road pricing is introduced, what factors should determine which roads are priced and what technology should be used?**

As we have said above, decisions on any road-user charging system, including what roads should be charged, should be based on the need to tackle climate change rather than just congestion.

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<sup>2</sup> Department for Transport 'Feasibility Study of road pricing in the UK – Report' (July 2004) paragraph 4.30

<sup>3</sup> IPPR 'In the fast lane: fair and effective road user charging in Britain' (July 2004)

However we believe that the Government should rule out now:

- Further private toll roads or motorways  
If road-user charging is introduced, this should be on the basis that additional revenue is used for investment in policies to reduce traffic levels rather than going to the shareholders of private companies, as is the case with the M6 Toll. Ring-fencing revenue for investment in transport has been shown to be essential in increasing support for road-user charging among motorists, a critical factor in making a scheme acceptable.
- Charging only for motorways or 'A' roads  
This could lead to diversion of traffic onto less appropriate untolled roads, working against the overall aim of reducing traffic.
- Charging only for new capacity  
Friends of the Earth believes that road-building is not the solution to the UK's transport problems, and that large-scale additional road capacity is not needed. Charging, if it is introduced, should be for existing roads.

The appropriate technology to be used will depend partly on what roads are charged. If schemes are to be limited to towns and cities, then some form of number plate recognition, as used in London, could be enough, whereas a nationwide road-user charging scheme would probably need satellite-based tracking technology robust enough to not cause problems for example through wrongly locating vehicles. In either case, the technology should be capable of potentially dealing with different charging rates for different types of vehicles, such as exempting low-carbon vehicles. Set-up and administration costs should also be an important consideration. A scheme where a large portion of the revenue generated is sucked up by running costs is not desirable.

**How easy will it be to move from individual toll roads and local urban congestion charging schemes in the short term, to national road pricing in the longer term, and what needs to be done to ensure that transition is a success?**

We believe that if the Government decides to move to a nationwide scheme, with potentially any road being charged, this will throw up many challenges:

- Deciding the purpose of the scheme  
As we have made clear above, we believe that any nationwide road-user charging scheme should be designed not just to tackle congestion, but also to reduce emissions of climate change gases.
- Deciding whether or not the scheme will increase overall motoring costs  
Friends of the Earth believes that any charging scheme should increase overall motoring costs so that drivers pay more like the full cost of their motoring which, according to the most authoritative study on the subject<sup>4</sup>,

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<sup>4</sup> University of Leeds Institute for Transport Studies 'Surface Transport Costs and Charges' (2002)

they currently do not. Again, the Government's track record on standing up to the motoring lobby makes us highly concerned that this will not be the case

- Deciding on the best package of measures  
Given the high costs associated with road-user charging technology, the Government should consider whether it may be more effective to rely on increased use of existing fiscal measures, alongside other measures to cut congestion.
- Getting public acceptance  
If the Government decides to introduce a nationwide road-user charging scheme, it will have to take a strong lead and proactively make the case for it, quite possibly in the face of strong public opposition. The Government has shown itself in recent years to be unwilling to 'take on' perceived public opinion on motoring, as shown by the fuel tax protests of autumn 2000 and the on-going debate about speed and safety cameras.
- Deciding the level of charging  
Decisions about who sets the overall charge, at what level, and how and by whom this can be varied at the local level are sure to be difficult and could well be controversial.
- Deciding who controls the revenue and what it is used for  
For urban congestion charging, it is clear that revenue raised should go to the local highway authority which can spend this on improving public transport alternatives and making streets safer for cycling and walking. It is less clear who will control revenue from a nationwide scheme, how this will be portioned out, and what it will be used for. Also, given the need to increase investment in transport, it is also essential that any revenue from road-user charging is an addition to current levels of funding, rather than an alternative source.

One essential factor to the success of a nationwide road-user charging scheme, will be the availability of much higher quality alternatives to car use than currently exist, and of measures that help reduce the need to travel, for instance through the use of new information and communications technology. These will have to be in place when the scheme starts rather than the revenue from the first years of road-user charging being used to fund them. Investment in these measures must start now, not least because any nationwide road-user charging scheme will not be in place for a decade, and these measures are needed to tackle the transport problems we face today.

### **How will the Lorry Road User Charge fit into any national road pricing and motorway tolling developments?**

Lorry Road User Charging provides a basis for testing possible technology and for assessing reactions to charging. However Lorry Road User Charging has a different purpose to a possible wider road-user charge. Its aim is not to tackle the level of lorry use, but *"to ensure that all lorries using UK roads contribute on*

*a fair and equal basis towards the costs that they impose*<sup>5</sup>. Lorry Road User Charging is being introduced on a cost-neutral basis for UK operators, with a fuel duty rebate to be introduced for all lorries that buy fuel in the UK. As we have said above, this should not be the case if nationwide road-user charging is introduced.

### **Are there other measures which could reduce congestion more effectively?**

There is considerable pressure from the business, freight and motoring lobbies for the Government to tackle congestion by building roads and widening motorways. We believe that the Government should ignore these siren voices which will only take transport policy further onto the rocks. Road-building is extremely expensive and there are better ways of spending the limited funds available to the Department for Transport which will have a greater impact on congestion. For example, it has been calculated that providing a basic safe route to school for every child in England would take capital expenditure of £750 – 850 million and revenue expenditure of around £26 million per year for the rest of this decade<sup>6</sup>. This compares to the cost of widening Junctions 21 – 30 of the M1 to four lanes, which was estimated at £700 million in the final report of the 'North – South movements in the East Midlands' Multi Modal Study in December 2001, but which had risen to £1.9 billion when it was added to the Targeted Programme of Improvements in April 2004, a cost increase of 171%<sup>7</sup>. Given that up to 18% of traffic in some urban areas at 8.50am are on school runs<sup>8</sup>, tackling this problem would seem to be a better way of addressing congestion where it is worst – in our towns and cities.

Friends of the Earth believes that congestion – and other environmental, economic and social problems associated with the way we travel – can best be tackled through traffic reduction, soft measures and demand management measures. Research has shown that local transport measures such as bus improvements, cycling facilities, travel plans and individual travel marketing could reduce travel demand by 10% nationally, by 26% in peak hours and by 33% in a large urban area<sup>9</sup>. This would have a major effect on congestion. However we do not see this as an alternative to road-user charging. Rather, charging should be seen as a possible part of demand management and as a way of achieving traffic reduction, and its value analysed as such.

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<sup>5</sup> HM Treasury 'Modernising the taxation of the haulage industry: lorry road-user charge Progress Report 3' (March 2004) paragraph 1.2

<sup>6</sup> Way to Go campaign 'Paying for Better Transport' (May 2004) section 2.3

<sup>7</sup> Way to Go campaign 'Paying for Better Transport' (May 2004) section 5.3

<sup>8</sup> Department for Transport 'National Travel Survey: 2003 Final Results' (October 2004) table 12

<sup>9</sup> Transport for Quality of Life 'Less Traffic Where People Live: how local transport schemes can help cut traffic' (April 2003)