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World Carfree Network response to the European Commission
Communication *A sustainable future for transport: Towards an
integrated, technology-led and user friendly system* (COM(2009) 279/4)

The World Carfree Network welcomes this opportunity to inform the future of European transport policy. Our response is outlined below.

Referring to points (1) **Infrastructure**, (3) **Technology** and (5) **Behaviour**.

The essential objective for urban- and transport-development is to sustain accessibility. This may be achieved by two approaches:

- 1) starting from urban development, designing urban patterns appropriate for sustainable modes including the infrastructures for these modes (walking, cycling, public transport), thus modifying transport needs and enabling change of behaviour. The long life span of built structures results in a dilemma – there is a **short-term need for action** to achieve long-term benefits: create liveable environments, avoid car dependence (increase safety, reduce congestion and dependence on oil) etc.
- 2) starting from transport development, increasing vehicle efficiencies and transition towards sustainable energy sources. This offers short-term solutions in particular fields, but fewer long-term benefits.

Increasing the efficiency and using sustainable energy sources are necessary to achieve short-term results, but a long-term vision for the sustainable mobility of people and goods needs to be based on an appropriate urban development. The implementation of carfree areas can be a step towards this vision.

Suggestion:

The EU should shift more emphasis to the support of the (surely more challenging) structural and behavioural approach to create structures promoting sustainable behaviour as well as to achieve more benefits and to sustain accessibility.

Priority should be given to the implementation of demonstration projects on urban patterns appropriate for sustainable transport to assess their feasibility, economic viability and demonstrate their benefits.

Referring to points: (2) **Funding and pricing** and (4) **Legislative framework**.

It is essential to create a framework via appropriate funding and pricing as well as legislation to promote the suggested development.

What can the EU do to ensure that prices in transport correctly reflect costs to society? What actions should be considered for implementing the 'polluter-pays' and 'user-pays' principles in transport?

The 1995 Commission Communication *Towards Fair and Efficient Pricing in Transport* stated that, "Although the precise estimates of external costs are uncertain this should not be taken as a reason for inaction: the direction and the order of magnitude of the required changes is often known. A policy of gradually phasing in instruments and raising the internalisation charges over time as more information becomes available is to be preferred to inaction." As we entirely agree with this approach, it is sad that the last decade has been characterised by such slow progress. Implementation has generally been limited to heavy goods vehicles and incorporation into rail track access charges; the latter is ironic in that the rail sector's externalities (with the exception of noise) are considerably lower than those of the most environmentally and socially damaging modes i.e. private car use and aviation.

The 'user pays' principle should be extended to aviation and the wider use of roads. There are a number of ways in which the Commission can take action in this regard:

Develop policies that seek to make car use more difficult and public transport use easier. The **nature** rather than the **magnitude** of road access costs is critical: high sunk costs and low marginal trip costs encourage the use of private cars that are already owned. The transfer of vehicle licensing/registration and circulation costs into the 'pump price', as advocated by the Royal Commission on Environmental Pollution in *Transport and the Environment* (2004), should be investigated. This has the following advantages:

- It is fairer: the amount paid varies by fuel consumption, as a proxy for distance travelled;
- Marginal trip costs increase, encouraging the use of alternative modes;
- Fuel taxation increases are simple and cheap to implement;

- Fuel taxation also serves as a carbon tax, consistent with the ‘polluter pays’ principle, encouraging the purchase of more fuel efficient models, higher load factors, reduced trip distances, trip chaining and other responses that conserve fuel’;
- The mandatory components of motor vehicle insurance could also be incorporated into the pump price, helping to reduce illegal car use as well as the evasion of circulation taxes;

In addition, Council Directive 2003/96/EC should be amended to raise minimum levels of fuel taxation, as a precursor to gradual harmonisation across the EU. This should apply to fuel sold for use by all classes of road vehicle, with either derogations or mechanisms for rebates for public transport providers (ideally designed to encourage high load factors e.g. rebates/subsidy per passenger carried, not vehicle km operated or fuel burned). This aids development of the single market and is a pure ‘polluter pays’ tax if based on carbon content. The acceptability of such policies among private car users and road hauliers can be increased by abolishing fixed circulation taxes.

The efficacy of emissions trading schemes is dependent on their design, cap size, the proportion of auctioned allowances and the independent assessment of ‘offsetting’ mechanisms that assume an unlimited supply of credits from developing countries. We urge the Commission to monitor the effects of the inclusion of aviation in the third phase of the EU ETS closely, especially with regard to *actual* reductions in CO₂ emissions. We do not support the use of trading schemes for reducing emissions from car use, other than those that apply to the electricity generation sector and consequently on the energy used to manufacture, maintain and dispose of the private automobile fleet. Care should be taken to ensure that the least damaging motorised mode – railways – is not put at a competitive disadvantage over air and road by applying both direct taxation and emissions trading costs on rail’s use of electricity, at least not until all modes are similarly treated.

The promotion of smart ticketing should continue, in terms of interoperability and the provision of capital funding for implementation. ‘Pay as you go’ systems effectively make public transport use appear to be low cost at the point of use, in the same way as car and mobile phone use.

The Commission should promote the implementation of trial road pricing schemes, not necessarily based solely on congestion. Again, increasing the marginal cost of motoring is the outcome of charging based on a variety of infrastructure and external costs. Directives prohibiting the application of ‘user pays’ and ‘polluter pays’ charges to private cars should be

amended to encourage or legislate for the opposite. Only then will Member States' and city leaders' competitiveness concerns be allayed (where strong political support for demand management is lacking). It is clear that perceived trip costs must increase significantly if the 25% of car trips under approximately 3 km are to be tackled: the Singapore Electronic Road Pricing scheme is a model for which the Commission could incentivise adoption, learning from the British 'Transport Innovation Fund' experience.

A note on carbon pricing: use of the 'social cost of carbon' may have the perverse effect of reducing costs as emissions are reduced (especially in other sectors) and climate change adaptation strategies are implemented. Instead, we recommend the adoption of carbon pricing based on emissions reduction targets i.e. based on empirically-determined price elasticities (the effect of price changes on demand). The desired outcome is thus more likely to be achieved, and it avoids the intractable problem of placing a 'social cost' or 'marginal abatement cost' on the gram of CO₂ that triggers irreversible climate change.

What should be done with the revenues thus obtained?

Research has shown that the acceptability of transport price increases is higher if:

- Other related charges are reduced e.g. vehicle ownership taxes

or

- Revenues are hypothecated for walking, cycling and public transport improvement projects

A further possibility is a fundamental overhaul of taxation: green taxation usually refers to the transfer of taxation on economic 'goods', such as production, to the 'bads' of carbon-intensive consumption. However, at the present time it is difficult to imagine a role for the EC in the promotion of this paradigm shift, given the subsidiarity principle.

Finally, we would like to stress that economic instruments are not a magic bullet to be used in isolation, nor are they the most effective tools by any means. Infrastructure measures such as the introduction of filtered permeability (easier access for pedestrians and cyclists) are rarely used systematically outside the Netherlands. Switzerland has demonstrated that a combination of parking management, strict planning rules governing the promotion of compact mixed-use urban development and a sustained commitment to largely rail-based integrated public transport networks can result in car modal share falling below 25% of all trips. The Commission's CIVITAS Initiative and ELTIS database should include the cities of Basel and Zurich as exemplars from which to learn. Alternatively, benchmarking exercises

should include data from these cities and analyse the results of nation-wide integrated public transport ticketing (e.g. the General Abonnement card) and 'Taktfahrplan' timetabling. Switzerland's non-EU status should not be used as an excuse for ignoring best practice.

Referring to point (5) **Behaviour**.

The Commission is correct in assigning high priority to this aspect of transport policy. Use of the motor car in particular is often habitual, and ownership is the primary determinant of usage. The following approach is required:

1. create the conditions in which a car is not 'needed' – through efficient urban planning and high quality transport alternatives that provide at least the same level of accessibility;
2. the use of innovative social marketing techniques that promote alternatives to the car as fashionable/environmentally sustainable/cheaper/healthier, as appropriate for the market segment being targeted. This should start at a young age;
3. the greater use of 'travel planning', especially that which is personalised for the individual (PTP). 'Travel champions' are used to help people maintain car-free or car-reduced lifestyles as part of PTP in Britain;
4. car 'de-marketing' through the use of artwork (e.g. CIVITAS postcards already in circulation), car CO₂ and health warning labelling on advertising and at points of sale (through amendment of Parliament and Council Directive 1999/94/EC) and celebrity/role model ridicule of 'anti-social' behaviour including excessive car use.

Clearly the Commission should not support policies that undermine the above, including the provision of new road capacity without commensurate measures to 'lock in' the benefits or reallocate space away from single occupancy private cars, the construction of new roads that are free at the point of use, poorly designed and targeted car scrappage schemes and public transport fares that increase faster than the cost of car use.

All of the above may be promoted at the EU level through the expansion of CIVITAS, the reform of out-dated transport appraisal techniques and capacity building through the provision of financial and technical support for organisations dedicated to promoting alternatives to the motor car.

Referring to point (6) **Coordinated action**.

For coordinated action the identification of the actors and the appropriate spatial dimension for decisions on transport and land-use is necessary, with special consideration of the subsidiarity principle.

Concerning the actors for the coordination process the participation of the Committee of the Regions (CoR) is important. Additionally a Committee of Civil Society, to be established, could support the efforts of the EC towards sustainable development.

Regarding the spatial dimension appropriate regions should be identified, in accordance with the subsidiarity principle. This implies defining the smallest regions, in which effective decisions on spatial and transport system development can be made. Such a basic spatial unit should include a town or city and its hinterland.

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