

**Deliverable 8.1 Interim Report on Urban Case Studies****Executive Summary**

The objective of this deliverable is to report on interviews completed with key stakeholders in Poland, Italy, UK and Norway. The work is part of WP8: Effects of Differentiated Road Charges on Road Haulage, more exactly on urban charges (Task 8.2).

Outline results from the survey are presented, and the chapters follow the sequence of questions in the questionnaire. Firstly, the respondents are described with respect to company characteristics and their current practice. Then, general responses to the pricing scenario, and specific behavioural adaptations in the short, medium and long are presented. Finally, perceptions of local traffic problems are presented as well as opinions on effectiveness, acceptability and fairness of price differentiation measures.

The key stakeholders included in the survey sample were 18 transport operators of various kind; five from Poland, five from Norway, three from the UK and five from Italy. Most respondents were fairly large transport firms, with more than 500 k EUR annual turnover on their transport operations. Poland and Norway had one operator each with less than 100 k EUR annual turnover. Distribution traffic was stated as the main type of business by respondents from all participating countries. Otherwise, fixed scheduled routes, ad hoc based routes or single trips accounted for most of the turnover. With respect to the tolled scenario area, local distribution was slightly more common than regional distribution. One company was involved in long distance freight transport as well as local and regional distribution. Not all companies had actual experience with having to calculate road toll expenditures, or tolls were just included in the all-in price. The remaining either used special staff or software to evaluate toll expenditures.

The presented pricing scenario seems to have been well understood by the respondents. Only two companies stated that their level of understanding was less than perfect, and no one indicated that they did not understand it. The companies were in general very confident about their ability to calculate the cost implications of the tolls for their operations, 60 % absolutely precisely and 40 % to within about 10 %. Companies from all participating countries thought that the pricing scheme would have strong, or at least some, effect on achieving the objectives of the scheme. Two companies believed that the scheme would have no effect at all. A majority thought that they either immediately or for the next year would be able to increase their rates to allow for the tolls.

The companies were asked about the likeliness of making seven different types of adjustment in their transport operations or business organization as a response to the pricing scenario. Long term responses were in general more likely than medium term responses and medium term responses were more likely than short term responses. Long term fleet renewal (according to EURO standards) was the most likely response. Even fleet renewal in the medium term ranked third overall. Other options that ranked high were changes in delivery times and change of frequency of services, both in the long run. Alliances, change of vehicles and use of intermodal services, all in the short run, were the most unlikely adaptations.

Reactions to each one of seven options for adaptation are analyzed in detail with respect to fleet size as a background variable, in order to investigate if company size may act as a constraint for rational behaviour.

When asked about the seriousness of traffic problems to the companies in the charged area, traffic congestion got the highest overall score, followed by delivery problems and poor quality roads.

Respondents were asked to rank each of six different types of toll differentiation measures on a four-point scale with respect to effectiveness. Overall, differentiation based on emission standards or peak/off-peak hours were perceived to be the most effective on affecting hauliers' actions. Measures believed to be the least effective were differentiation based on vehicle class or type of road.

The same six measures that were ranked with respect to effectiveness were then assessed with respect to how acceptable they were to the company. Differentiation based on emission standards was felt to be the most acceptable measure, followed by differentiation based on type of road. Least acceptable was differentiation based on peak/off-peak hours, followed by differentiation by period of the year, day or week.

It is interesting to note that of the two measures perceived to be the most effective, one was perceived to be the most unacceptable (peak/off-peak based pricing) and the other was perceived to be the most acceptable (emissions based pricing).

Finally, the measures were ranked with respect to how fair they were felt to be, if introduced in the respondents' area. Again, price differentiation based on emission standards came top on the list as the measure felt to be most fair. Differentiation based on type of traffic was felt to be the least fair. There were in general significant positive correlations between responses to the questions about acceptability and fairness of measures.

The present deliverable is an intermediate report on urban pricing (Task T8.2). The full results from WP8: Effects of Differentiated Road Charges on Road Haulage will be presented in D8.3, including interurban pricing, integrated charges and interrelation between freight and passengers.