

DIFFERENT

User Reaction and Efficient DIFFERENTIation of Charges and Tolls

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Deliverable 10.1 Hypotheses on Effect of Differentiated Charging on Intermodal Chains and Modal Split

Executive Summary

The aim of this deliverable is to create hypotheses as to the effect that differentiated charging might have on intermodal chains and mode use. The hypotheses will be analyzed more in details in deliverable 10.2.

The report has an Introduction and five further chapters. Chapter Two reviews the current modal split for Europe. This chapter includes statistics which reveal that road transportation still plays the dominant role in the transport of goods and people throughout the European Union – despite the fact that the European Commission has been strongly promoting alternative modes of transport.

Chapter Three presents an analysis of the factors which influence modal split and the use of intermodal chains. This part of the deliverable tries to identify what caused the situation described in the previous chapter. The authors conclude that although end-user prices exert a strong influence on behaviour, users' response to prices is heavily constrained by other considerations.

Chapter Four includes examples of how differentiated pricing may influence mode use and the use of multimodal chains. A number of case studies are presented to illustrate this.

Chapter Five presents a discussion of the available evidence and again concludes that non-price factors are extremely important in mode choice decisions.

Finally, chapter Six presents eight hypotheses as to the impact of differentiated prices on mode use. Namely:

- 1) Greater differentiation of infrastructure charges (in the ways, and to the extents, currently being contemplated) will have no significant impact on overall mode splits.
- 2) Greater differentiation of infrastructure charges (in the ways, and to the extents, currently being contemplated) will have no significant impact on the usage of intermodal chains.
- 3) Greater differentiation of infrastructure charges (in the ways, and to the extents, currently being contemplated) will tend to increase the average end user prices for the affected modes and any change in overall mode shares will be attributable to this alone.
- 4) Greater differentiation of infrastructure charges (in the ways, and to the extents, currently being contemplated) will increase the perceived complexity of end user prices and this will result in reductions in the market share achieved by the affected modes (after allowance is made for any change in average end user prices).
- 5) Greater differentiation of infrastructure charges (in the ways, and to the extents, currently being contemplated) will tend to encourage the use of intermodal chains and will achieve a modal split which is more economically sustainable than the status quo ante.
- 6) Greater differentiation of infrastructure charges in the ways, and to the extents, currently being contemplated) will tend to encourage the use of intermodal chains and will achieve a modal split which is more environmentally sustainable than the status quo ante.
- 7) The use of environmentally desirable modes can be encouraged by means of commercially sustainable pricing regimes which discriminate in favour of users of those modes.
- 8) The use of intermodal chains can be encouraged by means of commercially sustainable pricing regimes which discriminate in favour of users of intermodal chains.