

PROJECT

PATS

Pricing Acceptability in the Transport Sector

Funding: European (4th RTD Framework Programme)

Duration: Jan 1999 - Nov 2000

Status: Complete with results



Background & policy context:

The re-alignment of transport prices to reflect real social costs is seen as an economically efficient way of combating congestion and pollution and promoting an appropriate split between the transport modes. However, this may involve higher charges for some users. Also, current charging systems vary across Member States, which complicates the impact of any transition to a new pricing regime. As a result, public and political acceptance has emerged as a key barrier to the implementation of new principles for transport pricing. There is concern over effects on disadvantaged social groups, and on competition between modes and between Member States. In addition, recent protests over increases in oil prices have illustrated the sheer difficulty of implementing price changes in the transport sector.

Objectives:

The goal of PATS was to identify the reasons for acceptance/non-acceptance of new forms of transport pricing, to find ways of increasing their acceptability, and to identify the legal and political barriers to the implementation of new pricing schemes.

Related Projects:

- AFFORD - Acceptability of fiscal and financial measures and organisational requirements for demand management.
- CAPRI - Concerted action for transport pricing integration.
- CONCERT-P - Co-operation for novel city electronic regulating tools.
- EUROTOLL - European project for toll effects and pricing strategies.
- PETS - Pricing European transport systems.
- PRIMA - Pricing measures acceptance.
- TRANSPRICE - Trans modal integrated urban transport pricing for optimum modal split.

Parent Programmes:

[FP4-TRANSPORT - Specific research, technological development and demonstration programme in the field of transport, 1994-1998](#)

Institute type: Public institution

Institute name: European Commission; Directorate-General for Energy and Transport (DG TREN; formerly DG VII)

Funding type: Public (EU)

Partners:

NA

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Key Results:

A variety of survey techniques were used to study the perspectives of around 1500 people across six Member States, covering policy-makers, citizens, transport operators and other stakeholders. Important conclusions from these surveys were as follows:

- The objectives behind pricing measures must be clear and reasonable to those affected by the measures. For this reason, new types of measures should be preceded by awareness raising campaigns on the targeted problem and the effectiveness of the proposed measures.
- In order to make new or higher charges acceptable, the price should be seen to relate to the real (e.g. environmental) costs of transport. For example, users favour differentiating charges with respect to time and pollution. (However, it is not universally true that this will benefit collective modes of transport).
- Pricing measures need to be perceived as effective in solving transport-related problems - for instance based on evidence from pilot applications.
- The transparent use of revenues raised by pricing measures is essential in securing acceptability. In general, the paying users want to see that revenues are used in the transport sector, especially to cross-subsidise public transport (although this may not be appropriate from an economic viewpoint). There is strong opposition to using the revenues outside transport.
- Protection of privacy is a necessary precondition for an acceptable pricing scheme.
- Pricing measures should be introduced in a stepwise way, avoiding price shocks. Compensation measures should be considered for disadvantaged groups.
- There are widespread suspicions of governments' motives for increasing prices, and a widespread belief that transport is already too heavily taxed.
- The authority chosen to run a pricing scheme should be seen as capable, trustworthy and accountable, with the power to integrate pricing with other policies to tackle transport problems.

Policy implications

PATS made a series of policy recommendations:

- Ideally, the introduction of new or higher prices should be preceded by or done in parallel with measures that will provide a better service, preferably with some guarantee of the higher levels of service.
- Even with an increase in quality, the introduction of pricing may be perceived as contributing to the exclusion of less affluent members of society. A possible non-distorting method of compensation is the allocation of a free ration of consumption (although this requires a more complex system of control).
- If there is no direct added value to users from higher prices, acceptability is harder, but may be improved by a transfer from fixed to variable components of price.
- Pricing should discriminate between vehicles according to the costs they impose, with the same principles being applied to all regions but taking account of variations in e.g. traffic and population density.
- Stakeholder involvement is needed in the policy decision-making process, varying according to the local political and cultural context.
- Transparency in handling the revenues is vital for public acceptability.

The variations between Member States in methods for evaluating costs and prices were noted as raising problems for acceptability, owing to the effects on market competition - harmonisation of methods across Europe would be valuable in this respect.

Sophisticated technical systems are expected to play an important role in the application of new pricing principles, for instance in road pricing. However, concerns over privacy are often raised in opposition. The evidence from PATS suggests that, provided conditions are set to guarantee privacy, this issue does not appear to be a show-stopping obstacle for users.

Documents:

 [pats.pdf \(Final report\)](#)

STRIA Roadmaps: Other specified

Transport mode: Multimodal transport

Transport policies: Societal/Economic issues,
Decarbonisation