



INDEPENDENT TRANSPORT COMMISSION

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PAYING TO DRIVE

- **Fuel tax is ‘incredibly inefficient. It does the job of managing the roads badly’, the Independent Transport Commission said today.**
- **Pay-as-you-drive road charges combined with lower fuel duty could make driving more dependable, business more efficient and Britain more competitive.**
- **Faced by high costs at busy times, the first actions of drivers would be to save money by travelling earlier or later or sharing rides with family, friends or colleagues. Few would go by bus. Fewer would go by already crowded trains.**
- **Who should decide the level of road charges is the issue. ‘Should it be politicians or other bodies?’, the Commission asks. One model could be the electricity and water industries, where charges are determined by a regulator.**
- **This new research shows, for the first time, how road charging could affect families. But, as the ITC stresses, many questions remain to be answered.**

These findings appear in ‘Paying to Drive: Scenarios for 2010’ a policy report published today (18 April) by the Independent Transport Commission (ITC).* Professor Stephen Glaister at Imperial College was the lead researcher.

The report argues that road pricing should not be seen as an end in itself but adopted only if it would help to create a Britain in which business was more competitive, road haulage more precise, arriving on time by car less of a lottery, and driving more of a pleasure.

Assuming that the government introduced congestion charges but **did not cut** fuel taxes, the average British car-using household could see its weekly motoring costs rise by £4. In Lancashire and Cheshire (the NW) the average increase could be £2. In Northumberland and Durham it could be £6. In seriously congested Greater London motoring costs could rise by £20pw – but as so many London households do not have cars, nearly half could see better bus services and less traffic without paying more. **

Assuming that the government introduced road charges but **did cut** fuel taxes, drivers on ring roads and in suburbs and inner districts of Glasgow, Manchester, Birmingham, Leeds and London, in other big cities and on busy main roads and motorways would also see more dependable road travel and better m.p.g. Pollution in urban areas would decline. In rural districts, where the cost of motoring would fall, traffic would grow but low income drivers and the economy would benefit.

The research suggests that public transport would not be a first choice for drivers seeking to avoid the cost of using the busiest roads. They would first try to change the time of their journey or share rides with family, friends and colleagues.

The Commission

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Bus travel could increase by 9 to 12 per cent but that would represent a tiny percentage of car commuters. Drivers switching to trains would be even fewer.

Sir Patrick Brown, chairman of the ITC said today: ‘This research shows today’s fuel tax to be incredibly inefficient. It does the job of managing the roads badly. Without raising any additional revenue from drivers we could have a more efficient Britain and more comfortable driving.’

‘The key issues are,’ he added, “Who decides on the level of the charges? And what happens to the money?” As possible answers, the Commission suggests that the roads might become regulated utilities or franchised to independent operators.

The ITC policy analysis is based on ‘Road Pricing in Great Britain: Winners and Losers’, a technical report by Professor Stephen Glaister and Dr Daniel Graham, Imperial College London. Both reports can be found at www.trg.soton.ac.uk/itc/payingtodrive

Notes for Editors

* The Independent Transport Commission, set up under the aegis of the University of Southampton and financed by grant giving trusts, is composed of 13 leaders in business, transport, motoring, the environment and academic research. (See below)

** A table giving rates for Scotland, Wales and all regions of England is attached.

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Pay-as-you-drive charges, like road congestion itself, would vary greatly in different parts of Great Britain.



	Cost of road charges p.w. £	Spending on motor fuels p.w. £	Spending on fuel and road charges £	Total weekly expenditure £
Rest of South East	2	25	27	446
Greater London	20	21	41	424
East Anglia	2	25	27	390
UK	4	24	28	388
North West	2	21	23	376
South West	2	23	25	376
Humber & Yorks	2	22	24	372
Wales	3	26	29	368
East Midlands	3	23	26	368
West Midlands	3	25	28	363
Scotland	2	24	26	361
North East	6	23	29	342

The table sets out indicative family motoring costs if the government decided in 2010 to use pay-as-you-drive road charges to reduce congestion without making any reductions in fuel duty.

The left hand column of figures gives the weekly out-of-pocket cash cost for road charges for an average car-using family – region by region. The next column to the right is what that family could be paying in 2010 for petrol or diesel. The third column from the left shows, for the same average family, the combined cost, in 2010, of fuel and the new road charges. The right hand column shows the total weekly outgoings of the same average family rolled forward to 2010. The figures for household expenditure are cautious estimates.

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