

Berne, 12/13 September | Markus Maibach

Alpnet Pricing Workshop

NATIONAL PRICING STRATEGIES

Needs and possible strategies
for harmonisation

Contents

- 1. Alpine pricing policy: A definition**
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Pricing is part of a historically grown policy design

- Initial pricing policy was financially motivated, accompanied by institutional designs (France, Italy, Austria)
- Awareness of Alpine problems raised after the opening of road corridors. The discussion is very much freight oriented.
- A first step towards disharmonisation was the increase of the weight limit for lorries (EU 1984).
- Non-discriminatory access from EU versus protection aims in sensitive Alpine regions was the basis for market oriented solutions.

Pricing between steering and financing

- The development in Austria and Switzerland was not coordinated -> further disharmonisation due to ecopoints and weight limits.
- A unique policy window made the Swiss step towards a market oriented solution possible.
- All countries seek for instruments
 - to limit transport nuisances,
 - to finance Alpine infrastructure.
- Contradictions between EU and Alpine countries.
- Ongoing safety discussions after the tunnel accidents.

Aims and strategies are similar, but different instruments

➤ **France:**

Highway and tunnel pricing for financing reasons.
Railway infrastructure extension is planned.

➤ **Switzerland:**

Only freight transport policy exists.
Cross-financing approach with a modern externality fee.
Additional night ban as noise protection.

➤ **Austria:**

Passage charging and Ecopoint system,
environmental design.

Today's performance

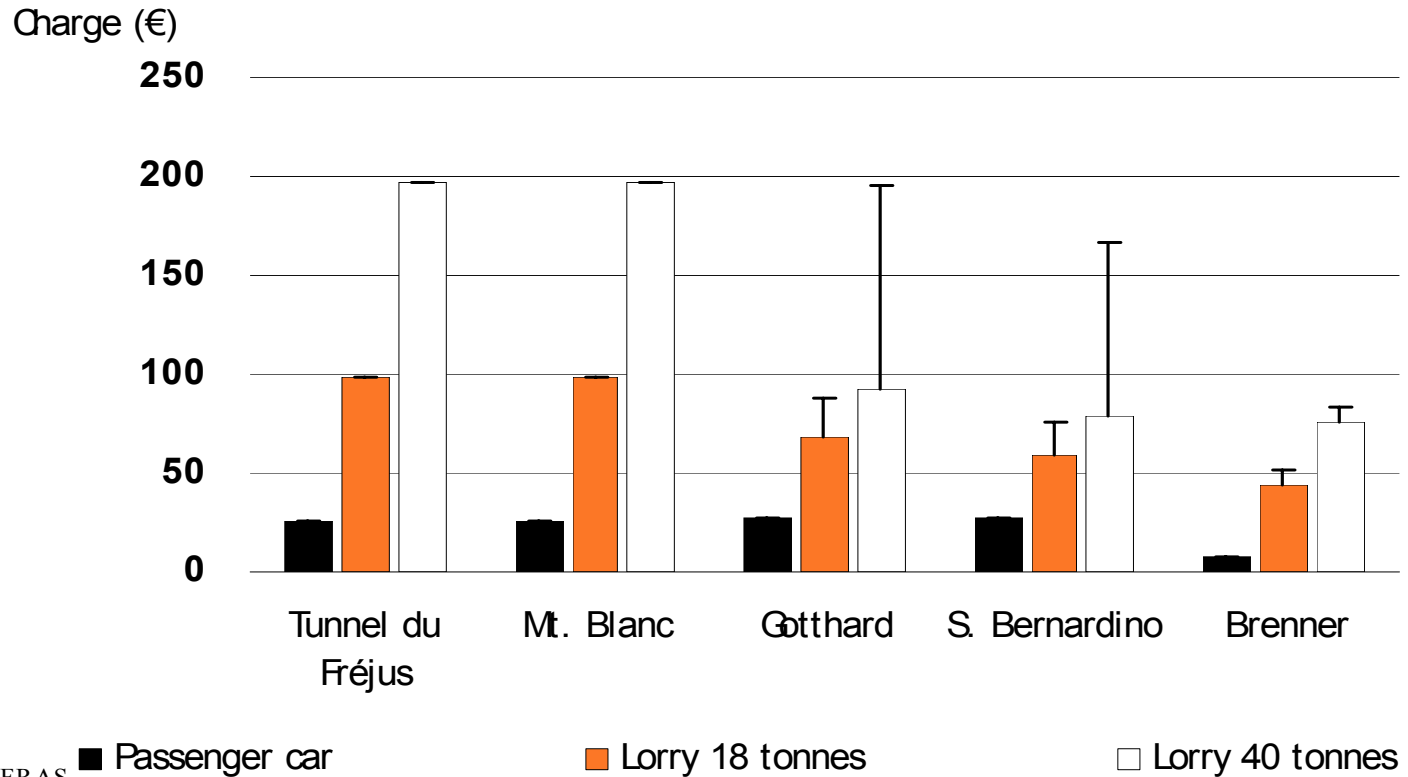
Pricing instruments differ

	F	CH	A
Pricing Focus	Road P and F	Road F Rail subsidies	Road P and F
Pricing Principles	Ramsey Pricing	Externality charging	Partly Ramsey Pricing
Pricing Structure	Distance Veh. category Frequency	Distance, weight EURO-classes	Veh. category Frequency Env. criteria

Future developments: More coherence in road freight transport

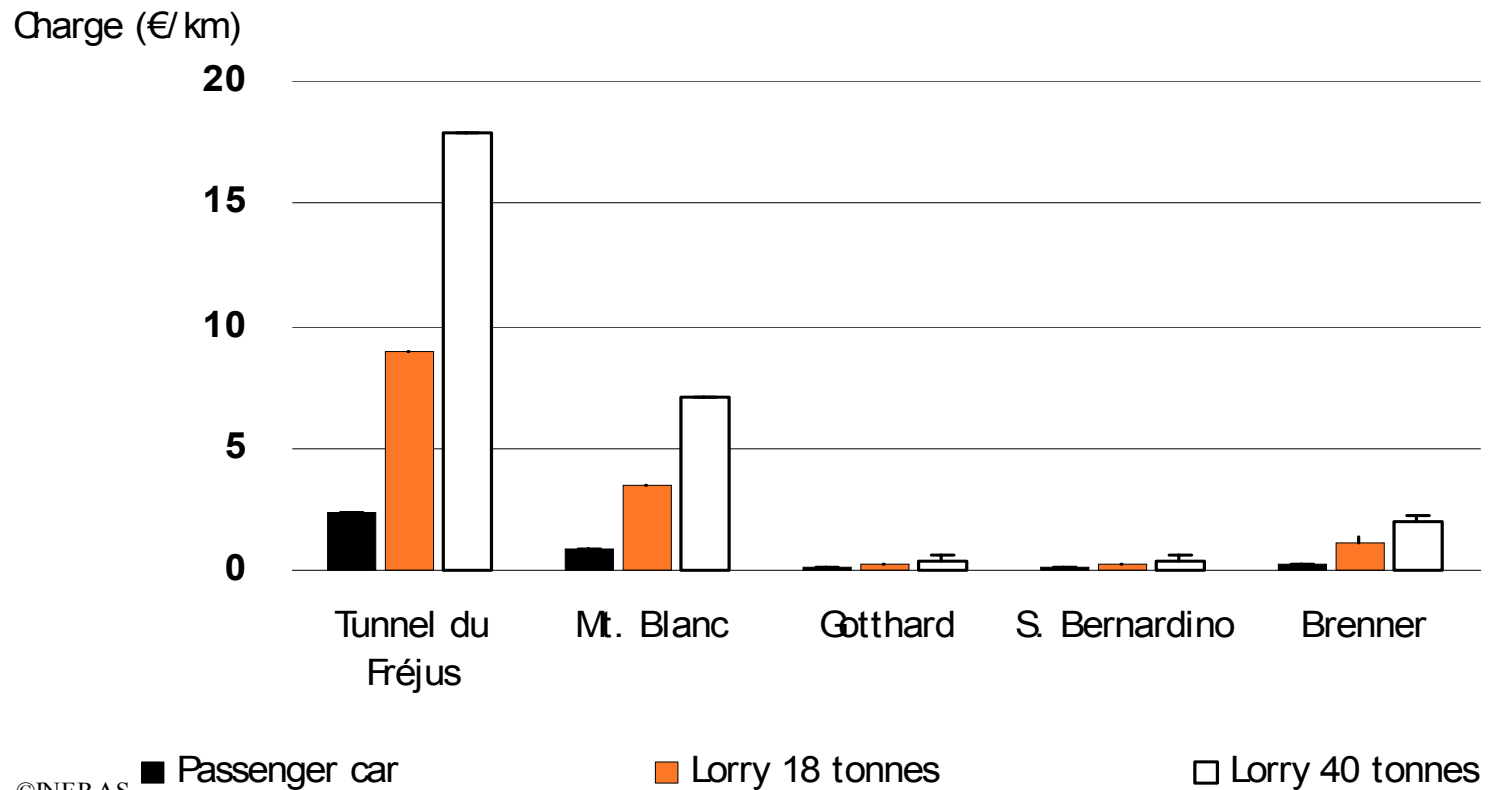
- **France and Italy:**
Tariff adjustments of highway charges
- **Switzerland:**
Increase of weight limit (34-> 40 tonnes) and increase of HGV fee by 56%
- **Austria:**
Introduction of a highway charge 22 Eurocents for lorries.
- **Germany:**
Replacement of the Eurovignette by a km-charge 15 Eurocents.

Alpine passages are similar in F and CH



Comparison of price levels road

Severe differences per km



French corridors are most expensive



Charge (€/km)

1.00

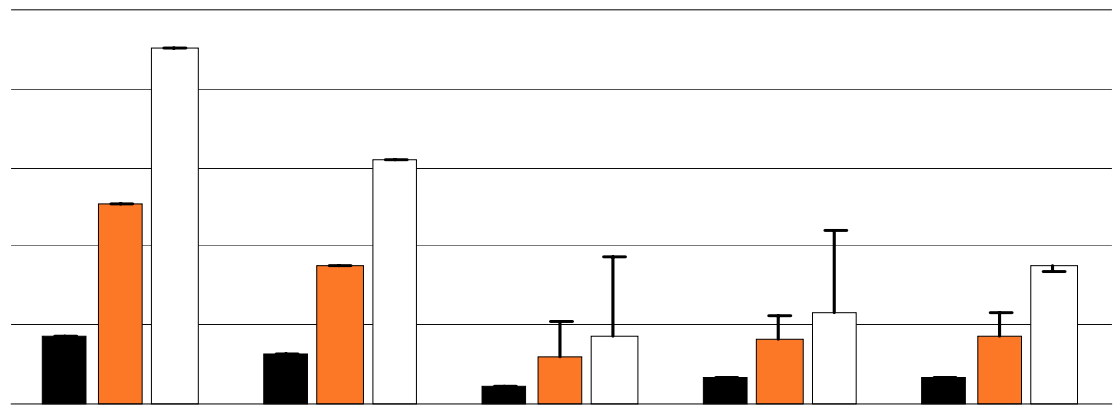
0.80

0.60

0.40

0.20

0.00



Lyon-Torino (Fréjus)

Dijon-Torino (Mt. Blanc)

Frankfurt-Milano (Gotthard)

Um-Milano (S. Bernardino)

München-Verona (Brenner)

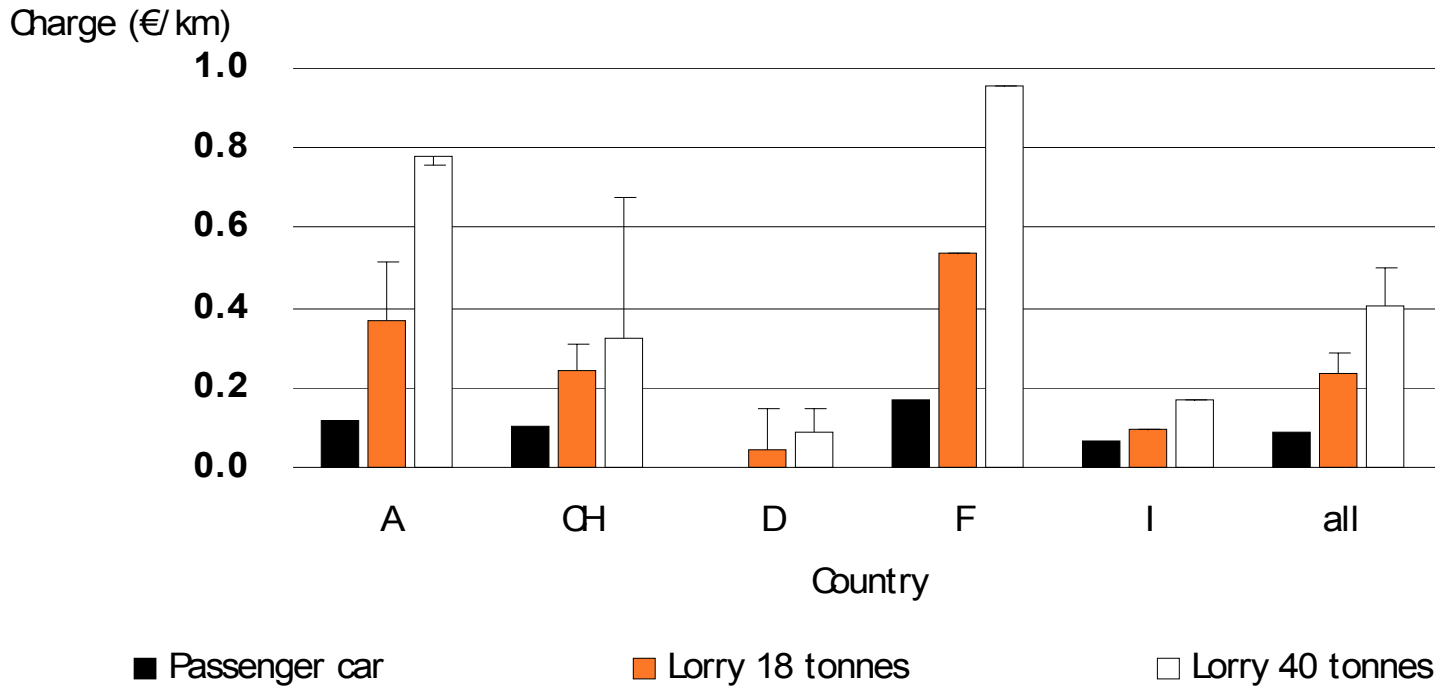
■ Passenger car

■ Lorry 18 tonnes

□ Lorry 40 tonnes

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Coherence of price levels is increasing



Commons and differences

➤ **Commons:**

- Road Pricing in road freight transport
- Railways as an important alternative
- Institutional frameworks in A, F, I

➤ **Differences:**

- Pricing Principles: Demand and cost oriented
- Price structure: Importance of environmental criteria
- Treatment of passenger cars
- Other measures as possible reasons for detours

Five criteria for coherence

- **Efficiency:** No detours
- **Optimal modal split:** Acc. to strengths of the railways
- **Interoperability and non-discrimination:**
Low transaction costs
- **Effective protection of the Alps:**
Environmental targets and add. cost-effective measures.
- **Fair distribution of transport nuisances**

Today's coherence: Strengths and weaknesses

- **Detours declined between Austria and Switzerland.**
- **Cannibalisation of rail transport possible.**
- **Modal split only in Switzerland high.**
- **No harmonised pricing technologies, low transparency.**
- **Effective measures are strongly discussed, but very different.**
- **Fair distribution is purely a political criteria.**

Harmonisation strategies

- **Social Marginal Cost Pricing along the corridors, the efficient way.**
- **Full cost pricing for road, marginal cost pricing for rail, the Swiss way.**
- **New institutionalism: Road corridor companies or corridor companies within a transparent framework, a further development of the Austrian and the French way.**
- **Harmonised Policy mix: Pricing and cost effective additional measures.**

A coherent path (I)

- **A differentiated pricing scheme considering external costs, based on a km-dependent scheme. The differentiation should include environmental criteria and incentives to have high loading factors,**
- **A technical collecting scheme which is compatible through all countries, mainly based on a GPS-basis in the longer run,**
- **A cross-financing scheme road-environmental protection measures and road-rail, being able to define and justify price levels above social marginal costs,**

A coherent path (II)

- **An institutional body being able to allocate money between road and rail in an efficient way. An important precondition is the availability of transparent evaluation and appraisal instruments,**
- **Additional flanking elements (not pricing) which allows to guarantee protection aims in sensitive Alpine regions,**
- **A path from road freight transport towards road passenger transport going along similar pricing principles and clearing techniques.**

Policy conclusions

- **Leadership in pricing technology is necessary.**
- **Common pricing principles:**
 - **Social marginal cost for differentiation**
 - **Infrastructure costs road for level**
 - **Infrastructure costs rail as add on.**
- **Additional cost effective measures for environmental protection should be accepted.**
- **Rail track prices to support interoperability and quality**