Developing public transport to minimise external costs of transport in urban areas

UITP (Union Internationale des Transports Publics) is the international organisation of public transport, it is based in Brussels and covers all urban, suburban and regional public transport modes (bus, metro, light rail, regional rail and waterborne public transport). It gathers over 3,100 members worldwide, public transport operators, their authorities and suppliers.

In the European Union, the UITP EU Committee (EUC) represents the views of public transport undertakings of the 27 member countries. It is closely following and participating in the elaboration of the different European policies and initiatives that have an impact on urban, suburban and regional public passenger transport.

The UITP EU Committee (EUC) has been following with interest the activities of the Commission on the principle of the internalisation of external costs. In its response to the Green Paper on Urban Transport the EUC stressed, in a broader sense, how important it is to internalise external costs.

This position paper expresses the views of public transport undertakings (rail, road and waterborne) and exclusively addresses the situation of urban, suburban and regional passenger transport on the principle of internalisation of external costs.

The general objective of the Commission’s initiative to propose a strategy to internalise external costs generated by transport on the principle of “polluter pays” is welcomed by the EUC. Fair transport costs would encourage transport users to choose the most sustainable transport mode, it would improve the efficiency of infrastructure use and it would reduce negative externalities. The EUC supports the Commission’s view that other tools such as regulation, infrastructure development policy or research support may be used to mitigate such externalities. It will remain important to recognise the development of public transport as a way of minimising external costs.

**Principles**

The EUC is convinced that the internalisation of external costs should lead to a modal shift from the private car to public transport, bringing better accessibility to urban activities for all and creating a better environment with more travellers on public transport. Applying such an internalisation in urban areas would reduce public transport operating costs, and increase the economic and effective operation of public transport services.

¹ UITP’s views on the draft Eurovignette directive proposal (COM(2008) 436 final) are reflected in the box on next page.
In order to achieve these results in a practical and feasible way the following principles should be fulfilled:

• Internalisation of external costs has to be suitable for achieving sustainable urban mobility by
  o promoting modal shift from private car to public transport and
  o creating a level playing field through fair pricing of external costs for all transport modes

• Sustainable financial streams should be created from the less to the more sustainable modes of transport, such as public transport. Collected funds should therefore be primarily earmarked for the development of public transport.

• Such a system/methodology of internalisation of external costs should also recognise the unique characteristics of urban areas and propose a sufficiently flexible approach within the framework of local decision making.

• A wide range of externalities should be taken into account. They should be calculated on the basis of objective data (e.g. data derived from monitoring processes, where available, European norms should be used). Externalities to be considered should encompass accidents, congestion, pollution, noise, greenhouse gas emissions, land use, others, ...

Recommendations

1. The EUC supports in general the concept of internalising external costs in an urban context, based on the principles outlined in this paper.

2. The Commission’s Strategy for the Internalisation of External Costs (COM(2008) 435 final), including the technical annex, proposes methods that seem far too detailed and unworkable for an urban environment. Based on agreed European standards we suggest instead that the Commission support best practice exchange for cities in this area.

3. The EUC believes that in the context of urban areas there should be the freedom of using the wide range of externalities as mentioned above taking into account specific characteristics and local needs, especially land-use.

4. Income from the internalisation process should be re-invested in sustainable transport modes, particularly public transport (modernising existing systems, creating new capacity, upgrading operations, etc.) and used to promote land-use development in a sustainable way.

5. In order to create a fair and true starting point for comparison, there should be a clear differentiation within the “road transport” category with the use of passenger km instead of vehicle km as the basis for analysis. The aim of passenger transport is not to move vehicles but to move passengers. In urban areas passenger km is the more relevant method of calculation.