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5 Road pricing in The Netherlands

G. P. VAN WEE [1]

Abstract

This chapter presents an overview of policy intentions in the Netherlands related to road pricing since 1988/1990 and will discuss dominant factors for not implementing any road pricing policy so far. The contribution is limited to the payment of road use, excluding taxes on fuel and parking policies. The main conclusion is that, although the Netherlands was the first to support a national road pricing system, real world implementation failed about three decades ago, mainly due to a lack of political, social and actor support. The most important factor was that Dutch political parties were afraid to lose this vote. Uncertainty about ICT (costs, reliability) also played a role. What does this imply for the future of road pricing policies in the Netherlands? The fact that the system is going to be revolutionary change, a big bang implementation, makes implementation difficult. A more evolutionary 'step by step' implementation would have more chance of survival. If Germany and/or Belgium (and perhaps Luxemburg) were to impose a kilometre charge, this would increase the likeliness that the Netherlands would also do this.

1 Introduction

As Chapter 4 explains, the welfare effects of road pricing have been recognized for about a century, but real world implementation has so far been limited, such as London, Stockholm, Singapore, and Malta. Most real world implementations are at the urban scale, the German Maut system for Lorries on a selection of motorways and a comparable system later implemented in Belgium being the exceptions. To the best of my knowledge, the Netherlands has been the first country to propose a national system of road pricing for all motorized vehicles, the first proposal being launched in 1988/1990 (Second Transport Structure Plan). But the Netherlands has hardly implemented any policy on road pricing so far. This section will give an overview of policy intentions related to road pricing since 1988/1990 (for a longer term overview (see Smaal, 2012), and will discuss dominant factors for not implementing any road pricing policies in the Netherlands so far. The methodology is a hybrid one, combining reading (policy) documents, engaging in multiple discussions, conducting research and supervising PhD students doing research in this area. The section is limited to paying for the road use, excluding taxes on fuel and parking policies.

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2 An overview of policies since 1988

As explained above, the first national wide road pricing scheme was announced in the Second Transport Structure Plan (policy intentions: 1988, decision of the government: 1990), but implementation failed (see next section). In the following decade, follow-up proposals include: a toll system for major urban areas, a rush hour permit, and road pricing again but in a 'reduced form' compared to the proposal of 1998/1990. All proposals were initiated by policy. At the turn of the century, the debate shifted towards an 'advanced ICT bases' system of paying per kilometre: the Mobimiles proposal, initiated by Roel Pieper, an ICT entrepreneur, but adopted by the Minister of Transport and Public works.

Not all of these proposals have been implemented. The new Minister of Transport and Public Works in 2003, Karla Peijs, realized that she would not be able to implement any policies unless she organized support early. She asked the former director of The Royal Dutch Touring Club (ANWB), often seen as the Dutch motorist union, which in the past strongly opposed road pricing policies, to chair a committee to explore the topic of mobility payment:: the so-called Platform Anders Betalen voor Mobiliteit ('Platform Paying Differently for Mobility'). The committee included, amongst others, the dominant interest groups, such as the ANWB, Natuur en Milieu (environmental interest group), TLN (transport companies interest group), and the Ministry of Finance and the Ministry of Transport and Public Works, and a scientist. The committee recommended converting taxes on new cars and annual taxes (at least partly) into a payment system per kilometer. The proposal survived relatively long in the debates: also the next government supported the policy, and even announced the implementation of the first version in 2011 for lorries only, followed by cars in 2012. Charges for kilometres would depend on vehicles ' environmental characteristics, time of day and location. The Christian Democrats (CDA) and the Right Wing Liberals (VVD) stopped supporting the policy shortly before the upcoming elections in 2010, and the next governments did not propose a comparable policy. The only real world implementation of any form of road pricing was some local experiments of awarding people to not use their car during the rush hours. Registration bases in specific periods cars were taken place and the owners were invited to participate in experiments to not travel during the rush hours, and receive financial compensation. The first experiment started from 2008. A review of the first five experiments reveals that rush hour avoidances vary between 16-58%, time of day being the most important response (Meurs *et al.*, 2015).

3 Success and failure factors

How did the Netherlands not implement any of the proposals? Without a doubt, a lack of political and (related) societal support played a major role. At least until 2003, the Ministry of Transport and Public Works ' top-down approach was not helpful for real-world implementation. Support has increased since 2004 due to the involvement of many actors. But the decision to stop supporting the policy of paying per kilometre in 2010 was partly the result of a lack of support from the actors involved, in addition to a lack of political support (Vonk Noordegraaf, 2015). This lack of support was partly fuelled by – in some cases – negative media attention (Ardic, 2015).

Besides a general lack in political support, there are also two more specific factors. First, the system costs will very likely be high (CPB and PBL, 2015) but also– to my opinion - also quite uncertain. Secondly, welfare effects could be positive if prices depend on time and places, but not in case of a flat rating replaces annual taxes, because then marginal costs of driving can easily exceed marginal benefits (CPB and PBL, 2015).

4 Conclusion

The main conclusion is that, although the Netherlands was the first to support a national road pricing system, real world implementation failed about three decades ago, mainly due to the lack of political, social and actor support.

My personal impression is that the most important factor was that CDA and VVD were afraid of losing votes if they continued to support the implementation of the kilometre charge. I also have the impression based on personal communication with policy makers, that uncertainty about ICT (costs, reliability) also played a role.

What does this imply for the future of road pricing policies in the Netherlands? I think the fact that the system would be a revolutionary change, a big bang implementation, makes implementation difficult. I think that a more evolutionary 'step by step' implementation would have more chance to survive. For example, convert annual taxes to a flat rate per km for the first time. This step should be motivated because many people will consider it "fair": who drives more, pays more, and who drives less pays less. Then, as explained above, fairness comes at the welfare cost. A next step, perhaps combined with the first step, can be to differentiate by vehicle characteristics (e.g. CO_2 emission). The following step could be to convert part of the new car taxes to a kilometre charge, and the final step could be to differentiate by between place and time of day.

I also think that if Germany and/or Belgium (and perhaps Luxembourg) were to impose a kilometre charge, it would increase the likeliness of the Netherlands to do that as well.

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PART V: INTERNATIONAL COOPERATION

Chapter 6. Benelux cooperation and mobility management
B. M. J. HENNEKAM AND L. D. VAN DEN BERG

Chapter 7. The approach to road pricing of the European Union
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Chapter 8. International cooperation on freight transport pricing and investment
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