

Background

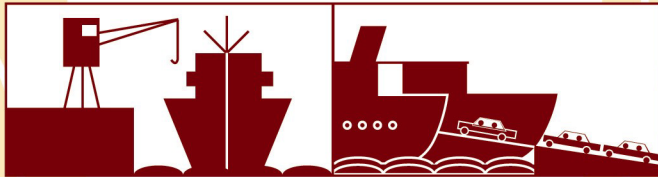
In the European Union, levels and structures of transport infrastructure charges vary strongly across transport modes and countries. In the presence of unsolved difficulties in funding transport investment and serious concerns about the envisaged application of marginal social cost pricing, any convergence is slow. Furthermore, existing charging regimes are often far from internalising external costs and rarely based on efficiency principles. In this situation, differentiation of existing charges appears to be a sensible intermediate step. The scope for price differentiation includes dimensions such as type and quality of infrastructure, type of user and type of goods, type of vehicle and axle loads, time and place.

DIFFERENT's Main Objectives

- To improve the understanding of user reactions to differentiated prices for all transport modes as well as modal chains;
- To determine efficient differentiation of infrastructure cost-based charging schemes and assess their impact on user behaviour;
- To analyse and demonstrate the benefits and effectiveness of differentiated charging schemes as a means of managing mobility, externalities, equity aspects, and obtaining revenues and recovering infrastructure costs;
- To provide policy recommendations in general and, in particular, for the Common European Transport Policy.

Project Approach

A key issue in putting differentiated charges into practice is the need to understand user reactions to differentiated prices, and this will be investigated in DIFFERENT through empirical as well as inter-related theoretical work. The main emphasis of the DIFFERENT project is on the empirical work, based on real-world case studies. However, use



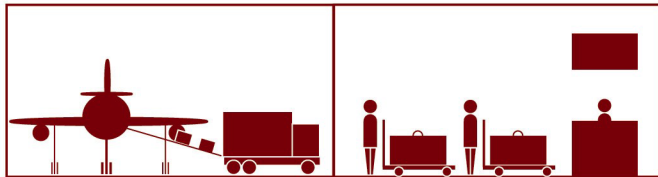
will also be made of Stated and Revealed Preference research, and models will be applied to further analyse the effects of price differentiation, in particular with regard to long-term consequences.

The theoretical side in DIFFERENT will have three main pillars:

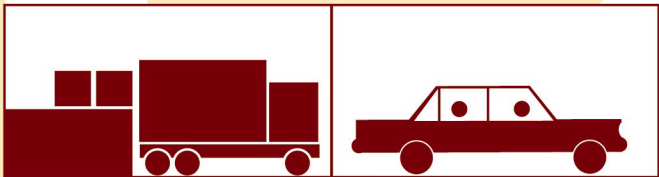
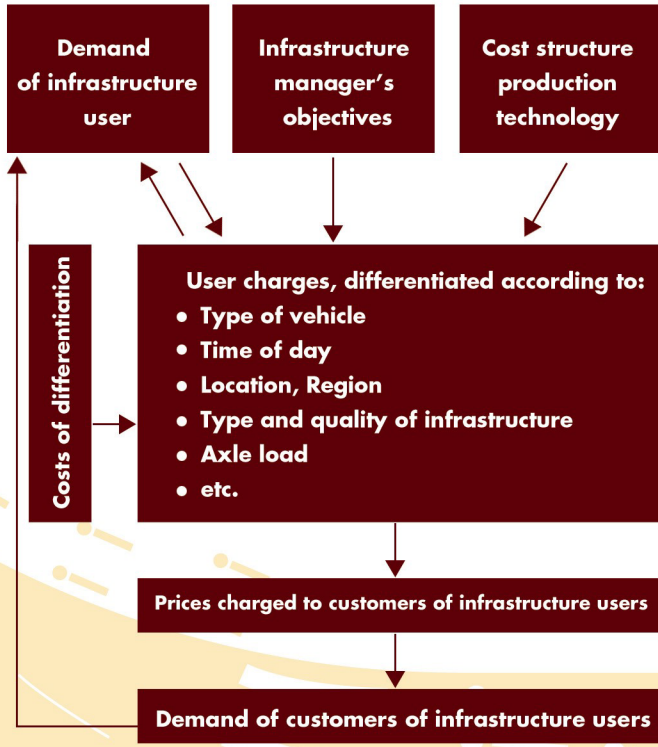
- Normative economic theory will tell which type of differentiated charging structures should be implemented to maximize welfare given real-world frictions, notably the costs of differentiation on the side of infrastructure operators, their clients and end-users.
- Positive economic theory will tell which differentiated pricing structures are the most likely to be implemented given political circumstances, selfish motives of decision makers and the influence of interest groups.
- Behavioural theory will take account of cognitive factors, which may lead travellers, and in some cases also freight operators, to make sub-optimal decisions, either because of their inability to process complex pricing information or because of 'irrational' patterns of behaviour.

Expected Impact

The principal impact of this project will be the encouragement of the design and implementation of new differentiated infrastructure charging schemes in the real world. Therefore, the results of DIFFERENT will be of high interest to policy makers on all levels from local to European. Furthermore, since the results could also impact on ordinary people's everyday lives, the project's conclusions will be presented in a way that makes them accessible to both politicians and the general public.



Analytical Framework for User Charge Differentiation and User Response



List of Participants

Participant name	Country
Transport Research Institute, Napier University	UK
Universidad De Las Palmas De Gran Canaria	ES
Stichting Economisch en Sociaal Instituut van de Vrije Universiteit	NL
Instytut Logistyki i Magazynowania	PL
Institute of Transport Studies, University of Leeds	UK
ISIS - Istituto di Studi per l'Integrazione dei Sistemi	IT
TRT Trasporti e Territorio	IT
Technische Universität Dresden	D
Ecole nationale des ponts et chaussees	F
Department "Idraulica Trasporti e Strade" - University of Rome " La Sapienza"	IT
Ecoplan - Müller, Neuenschwander, Sommer, Suter, Walter; Economic Research and Policy Consultancy	CH
SINTEF - Stiftelsen for Industriell Teknisk Forskning ved Norges Tekniske Hogskole	N
Univerza v Mariboru, Fakulteta za Gradbenstvo	SL

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Project Website

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DIFFERENT

User Reaction and Efficient DIFFERENTIation of Charges and Tolls

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The DIFFERENT Project Co-ordinator

