

We Need A Serious Discussion About Congestion Pricing

Jock Finlayson and Christopher Ragan
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In the past year, public debate in Metro Vancouver has focused heavily on how to pay for new transportation capacity. But there is a critical missing piece in this mobility puzzle. Improved transit services and more investment in roads are needed but they aren't enough. Experience shows that we can't just build our way out of gridlock. We won't solve the problem of traffic congestion without also changing the underlying incentives. That's why we need a serious discussion about congestion pricing.

This summer's transit referendum was about how to pay for new transit investments. Its failure doesn't signal that people are happy being stuck in traffic; nor does it signal that we are using our current infrastructure efficiently. There are several things that pretty much everyone agrees with regarding transportation in Metro Vancouver. First, traffic congestion is extremely costly: time lost in traffic costs people and businesses in the region at least \$1.4 billion per year. Second, more and expanded public-transit options are necessary, as are maintenance, repairs and upgrading of existing roads and bridges. Third, those transportation investments somehow will have to be made, for neither businesses nor residents can afford to live without them indefinitely.

Another point of agreement is that traffic congestion is getting worse. Given that Metro Vancouver's population is projected to grow by about million people over the next 25 years, one can easily imagine how bad things could get. As population and port activities increase, container truck traffic will also grow. Who pays for the time that trucks spend idling on backed-up highways and arterial roads? These time delays raise costs for businesses and increase prices for consumers. We all pay for traffic congestion.

How to find a less-congested path forward? As decision-makers across the region regroup, there is a critical opportunity to introduce the idea of incentives into the conversation — the piece that's been missing all along.

Choices and incentives are inseparable pieces of any realistic solution to traffic congestion, a fact that may not be obvious, especially when it seems like the simplest solution is to build bigger roads and more public transport. But experience from cities around the world shows that this simply doesn't work. More and bigger highways reduce congestion for a while. But then more drivers are encouraged onto the roads, and before long the traffic congestion returns with a vengeance.

More public transit can create a similar effect. Even cities with large and highly efficient public transit systems — New York and London, for example — find that this does not alleviate serious congestion problems. This is not to say that better roads and transit systems aren't valuable: in fact, they're critical. But we won't get the greatest possible value

from new investments in transit services and road improvements unless we also address everyone's incentives regarding which roads to drive on and when.

Congestion is not just about the number of drivers on the road. It is really about which road they're on and when they want to be there. Reducing traffic congestion requires not only providing people with alternatives to driving, but giving them tangible incentives to shift their road-use patterns. Congestion pricing, when it is designed well, works precisely because it creates these incentives.

By charging more to drive in traffic hot spots at peak times, congestion pricing encourages individuals who have flexibility to use it — to adjust how they commute, and when and where they drive. Some people who can avoid driving in hot spots at peak times will do so. People with less flexibility use the road and pay the fee, but in return they get a faster, easier, and more bearable commute or business journey. The ultimate profit of a congestion charge is in people's time, arguably the scarcest resource. In practice, they may save money too. The funds generated from the policy can provide additional benefits — for example, by investing in public transit, road repairs, or reducing taxes, such as the fuel tax.

A more mobile Metro Vancouver will not be a carless one. Rather, it will be a place where people have better transportation options and also make more informed decisions about how, when, and where to use them. That is the not-so-secret formula for beating traffic congestion.

How do we start moving this solution forward? We need to observe how congestion pricing can work in conjunction with expanding transportation options. That research needs to go beyond theory and into gathering on-the-ground evidence. Simple and temporary pilot projects would give decision-makers — and commuters — the real evidence needed to determine if a pricing approach makes sense for this region and how best it might be designed.

B.C. and Metro Vancouver have never been afraid to lead Canada in innovative solutions to 21st century challenges. Urban traffic congestion is a symptom of our time and it's not going away. We have everything to gain, and little to lose, by putting pricing to the test.

Jock Finlayson is Executive VP at the Business Council of BC (the views expressed here may not represent those of the Business Council of BC). Christopher Ragan is an associate professor of economics at McGill University and the chair of Canada's Ecofiscal Commission.