"Financing Framework for Sustainable Transport"

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Demand for transport is mainly derived

More time in transit does not lead to more satisfaction. Urban travelers seek *access*, **not** more time in transit.

Access is a complex public good. It only has value when it is shared

A good urban transport system is one that supports improved access

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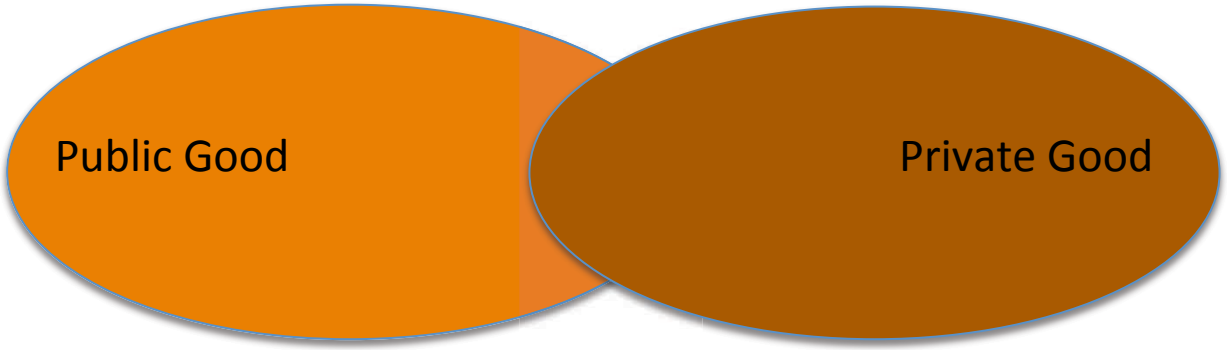
The finance problem: urban transport is simultaneously a public (i.e. access) and a private (i.e. mobility) good.



Urban transportation, even more than most collective goods is powerfully and simultaneously public & private

Where we draw the line policy line designing our finance models is critical in determining how well urban transport meets our goals for equity, efficiency and sustainability

Sources of support

Users

Beneficiaries

Everyone

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Issues of Equity

User pay and beneficiary pay finance beg questions of equity

Those able to pay the most get the access.
The travel volumes needed to support public transport would fade
Congested living would increase
Do congestion charges just clear the roads of less well off drivers to make life better for the better off?
PPPs are too often more about financial engineering than about financial efficiency.

Issues of Adequacy

History shows that user pays + beneficiary pays never covers the full costs

There are practical problems:
Uncertainty is the only certainty
(Economies are subject cyclical and secular events)
Technology is constantly changing options for access

We need a 3 legged financial stool

User pays for mobility, beneficiaries pay for advantaged access, and society pays for larger public goods.

The financial model must have the following characteristics:

Social equity
Fiscal transparency
Incentivize co-location over mobility
Walking > Nonmotorized transport > Low carbon public transport > Autos

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