

CONTROVERSIAL QUESTIONS OF TRANSPORT POLICY

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The report deals with the current situation in the sphere of transportation and the connection between transportation and the economic sector. There is an array of problems related to transportation, many of them, however, come more under the political sphere. On one hand we are forced to solve traffic jams, the ecological aspects of transportation, etc., on the other hand these activities usually mean additional costs for the users. Transportation also generates substantial funds for public finance which would fall should transportation be limited. There is of course the effort to balance the potential fall by funds that are obtained in other ways. Therefore, the question is whether the accountable authorities will be able to inform the users that they will pay more but get less.

Key words: transport, transport policy, payment, transport infrastructure, financing, CO₂, electronic tool

1 The economic aspects of Transportation in relation to the External Environment

Transportation represents one of the fundamental pillars of the economic growth in the present-day conception of society and industry as well as perception of mobility as a means of personal freedom. From the point of view of transportation policy considerable mutual linkage between transportation and economics [4] is pointed out: apart from the transportation performance itself there are other consequences generated by transportation, e.g. in the form of employment in other related branches as well as the field of motor, aerial and railway industry, but also in the building industry.

The connection shows itself in the countries across the continents without any significant dependency on the absolute economic productivity. So, through loose interpretation of the monitored indicators we get a conclusion which says that the economic growth is in fact conditioned by increase in transportation performances, and vice versa.

According to the report of the European Environmental Agency (EEA) „Climate for Transport Change“ [1] there is constant growth in both passenger transport and freight which even exceeds the economic growth. The goals as set in the White Book and supplemented in its review, have not been achieved and the established trend has not even been reversed. Therefore, paradoxically, despite all the efforts to reduce the dependence of the economic growth on transportation and the effort to reduce transportation quite an opposite situation occurs.

It is logical that apart from positive impacts transportation also brings along negative effects, which is, however, natural consequence of every activity which is in certain ways multidisciplinary. Transportation cannot be a priori forbidden or eliminated, as with current level of knowledge there is no alternative to substitute the transport services.

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Negative impacts may be reduced by an effective use of transportation, effective management of transport flows, by use of vehicles which would be less energetically demanding, etc. Nevertheless, to cancel transport restrictively is probably not a possibility. This supposition is demonstrated by the fact that many measures which have been implemented within the bounds of transport policy have failed and yet the goals have not been achieved.

Last but not least, it is necessary to point out that transportation is a substantial source of finance. With respect to all that has been mentioned above, it is clear that the efforts to reduce volume of transportation clash with fiscal interests of public budgets! Simply said, whenever transportation is limited, less funds flow into the public budgets, which, however, is not often easily accepted by the public hand. Ways of additional charges are therefore sought which however affect the user in end result.

2 Problems of relationship between Transportation and the Environment

It has already been mentioned that transportation also causes considerable negative effects which are often generalized as „externalities“. From the general point of view, as the external impact of an activity (transportation) we term any consequence which affects another subject rather than the subject which has primarily brought the activity along.

Therefore, if we want to speak about externalities objectively, it is necessary to judge both negative and positive effects including their economic impact, or the financial impact. Unfortunately, transportation is in most cases censured and only its negative impacts, or its financial impact, are stressed and its positive external effects (including the economic ones) are omitted.

The aspects related to transportation are therefore necessary to look for on the following spheres:

- economic,
- political,
- environmental.

All of the mentioned spheres are involved in formation of the transportation system. If the consequences of separate interventions upon both the system and the user are left aside and the problems are considered in a complex way, it is possible to say that often the spheres are closely interconnected. A primary goal in one sphere is usually accounted for by the effect of transportation in another sphere, and the like.

2.1 CO₂

Although there are some disputes whether or not CO₂ emissions are harmful to the environment, the CO₂ exhalations are perceived as negative substances which are damaging to the environment. For several years the effort has been prevailing to reduce them, the results are however not satisfactory.

The emissions are reduced through pressure that is imposed on car producers. Also, entry into some parts of cities has been restricted (e.g. in London where taxis are differentiated according to size of the vehicle), biofuels are used, etc.

The European Union has the leading role in given area from the global point of view. Unlike other regions, it passes the most radical designs in relation to the reduction of greenhouse gases. The problem, however, is to get ratification of other countries (see the Kyoto Protocol).

In January 2008 the EU Commission has passed a plan for reduction of CO₂ emissions till 2020. In the commentary presented by the chairman of the committee (J. M. Barroso) there was a passage in which he specified the impact the suggested measures will have on the inhabitants. It should comprise a weekly fee of 3 €, which, given the exchange rate 26 CZK/€ constitutes an annual sum of 4,056 CZK. This

means that a four member family budget will be burdened by a total sum of 16,224 CZK. Unfortunately, the presented text does not state any exact advantages which are to be expected for the costs expended. It has not even been clearly specified how the resources will be used. Therefore, from the point of view of the fiscal connections to the environment and economics the text gives the impression of a description with insufficiently supported data.

Lastly, we can mention the increase in the cost of vehicles as announced by the producers in case the newly set demands will be put into effect, which should be $(3,500 \div 7,000)$ € per vehicle.

2.2 Biofuels

Apart from the declared decrease in the consumption of nonrenewable resources there are also technical aspects to the use of biofuels that are related to their use in motor vehicles. Although it is often pointed out that the engine of the vehicle cannot be damaged, technical and constructional design of the group is often not prepared for the use of biofuels. Even some of the newly launched models of vehicles are not recommended by the producers for the use of biofuels and the organic component should form 5% at the most. But what does that mean for the consumer?

According to the relevant EU directive, to which a proposal in the preparation of our legislation had been referred, it is not mandatory to admix organic components into all propellants that are sold and only the percentage share from the total volume of the propellants sold in the relevant market has been defined. The Czech consumers, however, have no other choice than draw fuels with organic components. Thus they involuntarily provide funds to other subjects. Another risk for the consumer may lie in the potential emergence of a technical defect related to the use of the given type of fuel. How will the claims be settled in this case? In other words, who will cover the detriments accruing there from? The whole situation could be solved for example in form of separate stands with high-percentage biofuels, in which case there could even be a tax advantage and the directive would be accomplished as well.

Another consequence of the use of biofuels from the global point of view is the necessity to use farmland in order to grow relevant commodities that are used for the production of colza oil methylester and bioalcohol. In consequence, food prices are increased. The increase is harmful for the consumer but on the other hand means an increase in public finance through value added tax. It is here that we see the connection with the fiscal and political sphere.

When we consider the whole cycle of production (and growing) of biofuels it is disputable whether or not the conception of biofuels as it is contributes to the decrease in the emission of greenhouse gases. Therefore, when the deputy of Ministry of Environment said that „more ecological means more economical“, it was by far not an objective description of the situation!

The situation related to biofuels has to be taken seriously but not only from the standpoint of the negative impacts of transportation on the environment but mainly from the point of view of the overall conception of the changes. Because of the biofuels the negative impacts in the area of the environment have been transferred to a different geographical place. Further, from the fiscal point of view the inhabitants have been burdened more in general also outside the area of transportation.

Negative impacts of biofuels have been registered also by the EU Commission which claims that first of all it is necessary to create a system through which the biofuel greenhouse gas emissions could be calculated. The emissions in question are those produced in the overall cycle of production and consumption of biofuels. Furthermore, reasonable subsidy system should be set so that those biofuels which increase negative impacts on the environment would not be supported! These conclusions in itself in fact mean that through the efforts so far the pollution has only been moved to other geographical areas without any significant positive fulfillment of the primary goal, which is decrease in emissions.

2.3 Suggestions for consideration

Financial flows going from the field of transportation into the public budgets have been repeatedly mentioned. Their substantial part consists mainly of the excise taxes on propellants and the value added tax. The suggestion is to consider a hypothetical situation arising in case that new technology were introduced which would completely substitute petroleum products and which would, for example, require only a usual electric power source. What could happen and, what is more important, how would the stoppage in tax sources be covered?

3 Charge of infrastructure (road)

3.1 Replacing stick by an electronic device

Lately, it has been proposed to replace the stick, through which it is established that the motorway fee has been paid, with an electronic device (OBU). The system is used in case of trucks but its use for passenger cars would be completely new. From the point of view of the overall conception of the system it is in fact another way to establish that the fee has been paid. As an advantage we can see the possibility to take the OBU out and use in another vehicle. When we consider the amount of the charged sections of the land roads for passenger cars and trucks (for which the extent of charged sections is greater), this fact is necessary to point out.

It has not yet been settled whether the new system will apply only to current communications which require the motorway stick for passenger cars or it will include also other roads charged so far only for trucks. If so, such step would mean temporary price increase in individual transportation. As an example of a road that is not charged we can mention the primary state highway no. 33 from Hradec Králové to Jaroměř.

From the point of view of the users, the question would arise whether they will get corresponding added value in case of additional taxation or it will only be another fiscal burdening which will affect the consumer of transport services.

4 Conclusion

To criticize is often easy, the presented opinion should however not be taken as an open critique. It rather stresses the problematic areas related to transportation and its influences on external environs.

The connection of transportation to the performance of the economic system is indisputable. At the same time we have to take into account the negative impacts on the external environs while not omitting the positive externalities. Further, it is apparent that it is necessary to look for solutions related to transportation. The solutions, nevertheless, cannot be achieved simply through the elimination of transportation but through its effective management and use. Unfortunately, in case of transportation even well-intentioned designs often have negative consequences. As an example we can mention the use of biofuels or the effort to decrease the greenhouse gases emissions.

The biofuels themselves are becoming an article of trade which is supposed to make money, as it does. In consequence, however, common consumers are further financially burdened whether buying the fuels or other commodities. In result, the whole system presents in fact an additional taxation of inhabitants. The primary goal, which is to reduce the dependence on petroleum products and to decrease the CO₂ emissions, in this way becomes subsidiary.

Political aspects relating to the fiscal impacts of transportation upon public finance which are linked to its environmental effects have been pointed out several times in the text. But most of the mentioned

suggestions mean an increase in prices for the users. So, the question remains who, of the responsible officials, will have the courage to say “you will pay more but get substantially less“ to the users of the transport services!

Last but not least, it is necessary to point out the risk that emerges from the position which the EU has taken on itself, that is the position of the leader in the problem of decreasing the CO₂ emissions. The indifference to the trends within the bounds of separate regions and their economic systems can lead to a point when Europe becomes a “green“ enclave without global competitiveness.

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