

Hidden Subsidies for Urban Car Transportation

Public Funds for Private Transport



Jennifer Ewing Thiel

ICLEI-Local Governments for Sustainability

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ICLEI: Leading local governments to sustainability

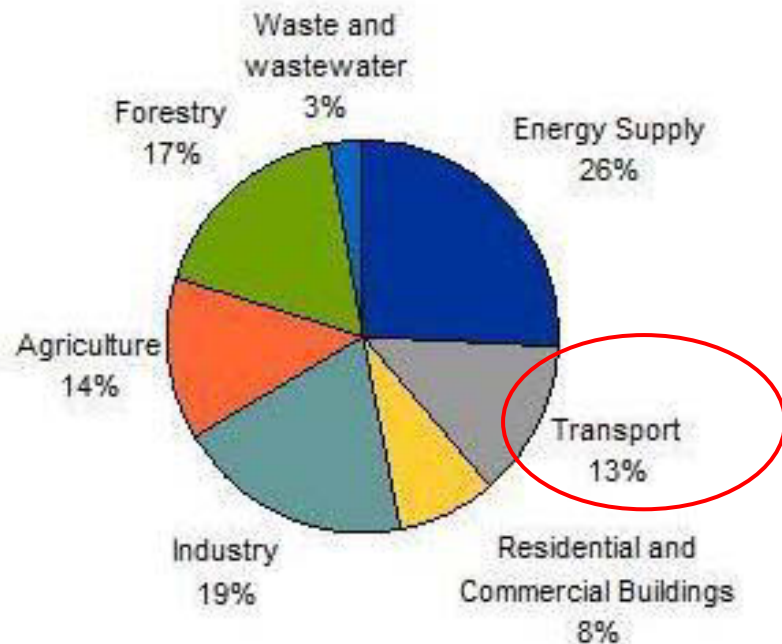
- **Key Facts:**

- **75% of Global Emissions come from urban areas**
- **Global population is now over 50% urban**
- **Automobile use in developing countries on the rise**

ICLEI's mission is to build, serve, and drive a movement of local governments to advance **deep reductions** in greenhouse gas emissions and achieve **tangible improvements** in local sustainability.

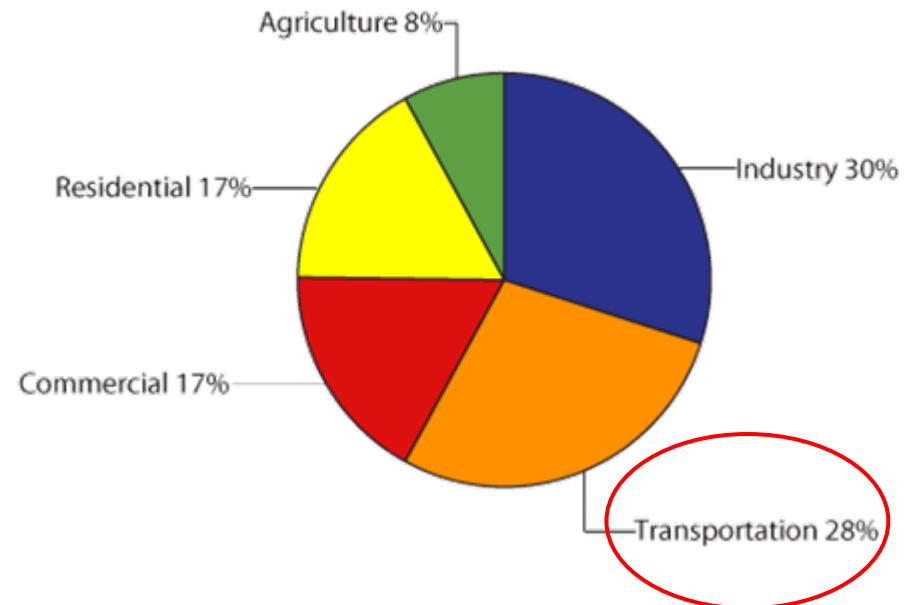
Transportation is one of the largest sources of GHG emissions

Global GHG emissions by Sector (2004)



Source: IPCC Assessment Report 4 (2007)

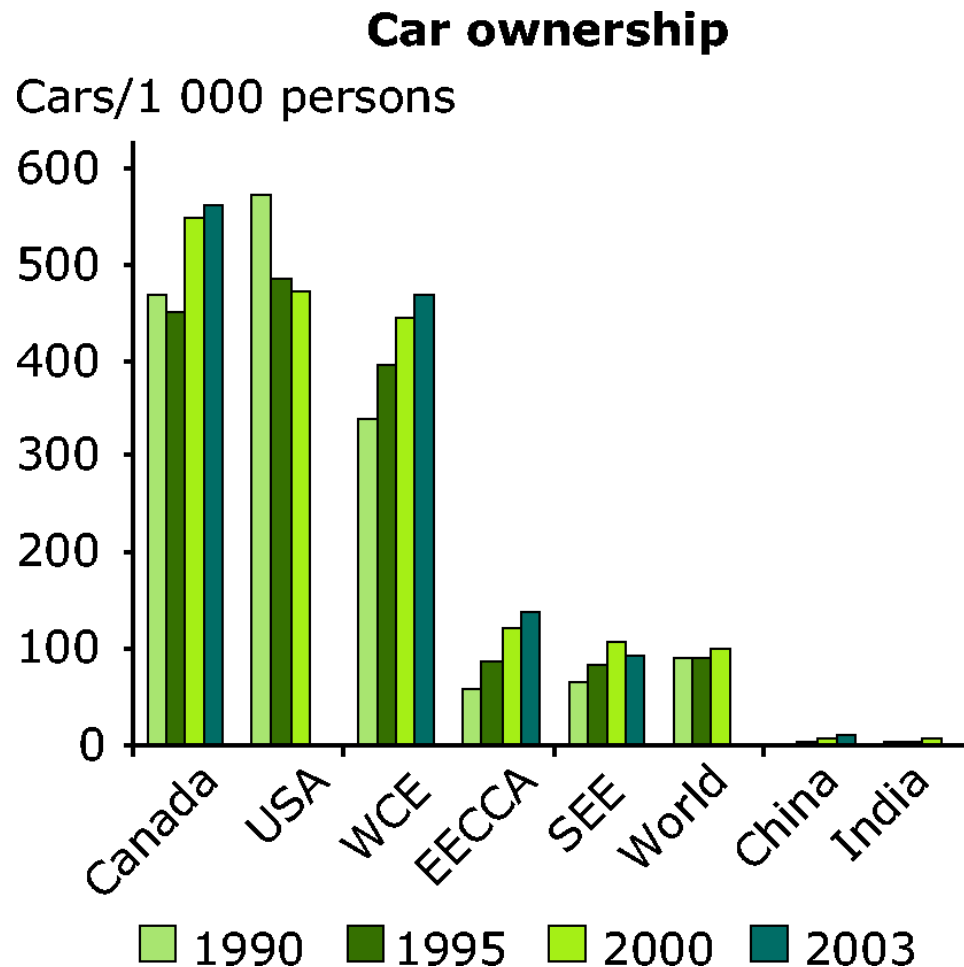
U.S. Emissions by Sector (2006)



Source: US EPA Inventory of Greenhouse Gas Emissions and Sinks, 2006



Car ownership and Transportation GHG emissions are on the rise



Legend:

- **WCE:** Western and Central Europe
- **EECCA:** Eastern Europe, Caucasus and Central Asia
- **SEE:** South East Europe



Sustainability in the Public Urban Transport Market project

Goals of Project:

Research hidden public subsidies for private transport in European cities

- Assess local costs for private transport:
- Assess local revenue from private transport (parking fees, taxes)

Develop recommendations for reducing subsidies and balancing subsidies between public and private transport

Revenue:

- Parking Fees
- Taxes
- Tolls

Costs:

- Maintenance of roads
- Traffic signals and lighting
- Traffic police
- Parking

Total = Cost Recovery



Results:

Cost Recovery Ranges from 14% - 47%

15 Cities Studies in Germany, Austria, Switzerland, and Italy

	Budget year	Inhabitants	Income from car transportation	Expenditure for car transportation	Difference	Subsidy per inhabitant	Cost-Recovery
Heidelberg	2004	142.500	13.137.822	30.634.581	17.496.759	122,8	42,9%
Rotenburg	2003	22.500	693.380	3.094.252	2.400.872	106,7	22,4%
Ludwigsburg	2000	86.936	9.090.874	19.293.557	10.202.683	117,4	47,1%
Düsseldorf	2002	569.046	24.699.867	167.106.878	142.407.011	250,3	14,8%
Lüneburg	2000	70.000	3.411.848	9.194.623	5.782.775	82,6	37,1%
Augsburg	2000	254.867	21.046.353	47.766.056	26.719.703	104,8	44,1%
Aschaffenburg	2002	67.788	3.041.045	11.366.940	8.325.895	122,8	26,8%
Freiburg	2000	201.000	17.163.087	37.983.383	20.830.296	103,6	45,2%
Ingelheim	2003	26.000	1.264.617	6.985.282	5.720.665	220,0	18,1%
Bremen	2000	547.000	12.551.020	72.959.184	60.408.163	110,4	17,2%
Dresden	2000	459.000	9.132.653	65.306.122	56.173.469	122,4	14,0%
Stuttgart	2000	581.000	20.663.265	104.591.837	83.928.571	144,5	19,6%
Average Germany (based on inhabitant numbers)						145,5	29,1%
Graz	2003	238.000	20.832.664	60.959.484	40.126.820	169,0	34,0%
Geneve	2002	182.560	13.944.143	40.038.362	26.094.219	142,0	34,8%
Ferrara	2002	130.000	3.553.267	9.310.289	5.757.022	440	38,2%



Example: Graz, Austria

238,000 inhabitants

Private Transport Cost Recovery

Revenue –Parking fees –Local taxes –Regional/national government	€ 21 million
Costs –Construction/maintenance of streets –Traffic and street lights –Parking management –Municipal car fleet	€60 million
Cost Recovery	$\frac{\text{€ 21 million}}{\text{€ 60 million}} = 35\%$
Subsidy per inhabitant	€ 169

Private Transport
€169 / inhabitant

Public Transport
€84 / Inhabitant



Key Issues

Increasing use of automobiles in cities in the developing world has a number of effects:

- Increased congestion
- Poor air quality
- Increased GHG emissions

Hidden subsidies in most cities not known

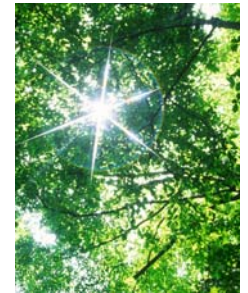
Public Transport lacks sufficient funding

Public Transport requires large upfront capital expenditures



Recommendations for Sustainable Transport

- Analyze hidden subsidies in cities in developing countries
- Increase public transport in urban areas, focus on multi-modal transport: buses, subways, bicycles, walking, and cars
- Increase cost coverage for private transport – users pay for a greater share of costs, e.g. tolls, parking fees etc.



Thanks!

Contact Info:

Jennifer Ewing Thiel

(w) +1-212-788-1629

(c) +1-917-318-4241

jennifer.ewing-thiel@iclei.org

www.icleiusa.org

