

Road user charging in Oslo – Oslo Packages 1 and 2

The Oslo metropolitan region is the smallest of the Scandinavian metropolitan regions. Just over 1 million people currently live in the two counties of Oslo and Akershus, which cover a total of 5,400 square kilometers. The region is the national centre of administration and distribution, and the hub of Eastern Norway. Eastern Norway has two million inhabitants, almost half of Norway's total population, and geographically makes up one quarter of the country. Population densities vary within the region, the highest densities found along the four railway lines out of Oslo.

Both Oslo and Akershus experienced strong population growth during the 1990s. Efficient, safe and environmentally friendly transport is considered to be essential to growth and development in the Oslo-region.

Since 1990 road and public transport investments in the Oslo region have been partly financed by a toll ring (Oslo Package 1, in 2001 supplemented by Oslo Package 2 dedicated to investments in public transport). The Government is to finance 45 per cent of the investments in Oslo Package 1. About 40 per cent of the revenue from road user charging should be spent on public transport investments. From 1990-2001 Oslo Package 1 (funding from user charging and the state budget) financed investments for a total of 11 billion NOK (about 1,4 billion Euro). From November 2001 the charges were increased to finance Oslo Package 2.

It is a prerequisite in the agreement on Oslo Packages 1 & 2 between the two counties and the government that user payment shall be terminated by the end of 2007. But to finance a road tunnel and a new system of local roads to facilitate urban development around the new Opera in Bjørvika it is decided to prolong the cordon toll for five more years. Revenue will be allocated between the two counties and different purposes in the same way as today.

In 2004 the Norwegian Institute of Transport Economics evaluated the results of the investments financed by Oslo Package 1 and 2. The “bullets” below are from the summary in their report:

- A fully connected metro system and road lanes reserved for buses have been important and effective measures for public transport.
- During the period 1990-2002 traffic growth has been slightly lower than the national average, in spite of strong growth in traditional drivers of mobility like population, employment and income. Thus, it is hard to claim that major road investments have induced new traffic in general in the region.
- Traffic growth has occurred on major roads, while local roads have experienced unchanged traffic volumes. This is in line with the aims of the investment package. The toll ring itself led only to a small reduction in car travel crossing the toll cordon (3-5 %).
- There is a slight reduction in travel times during morning rush hours, but no significant change in the afternoon. Increased road capacity has thus counterbalanced the growth in traffic with a small positive margin.
- Delays vary by corridor, western and southern corridor being the worst. Road sections 10-15 km from the city centre have the largest delays. Freighters regard road accessibility to be improved.

- Air pollution levels do not seem to be negatively affected by road investments. Noise nuisance is reduced where new roads are built as tunnels. Measures to improve local environment, like traffic management, reinforce environmental effects.
- Traffic accident risks are reduced, but to a smaller extent than on national level. However, the county of Oslo has experienced a larger reduction in killed persons and severe injuries due to traffic accidents than the national average.
- The population was rather negative to the toll ring before it opened, but the opposition is reduced over the years. Two thirds of the population is in favour of a new toll ring where a substantial part of generated income is dedicated to public transport. Car travellers passing the toll ring are fairly representative for the population as a whole, but have slightly higher income.
- The toll ring has succeeded in putting forward extra effort in infrastructure investments in the Oslo region. The investment plans were not fully developed at the time of decision, giving need for revision and a certain room for flexibility on the way.
- In the future, if the toll ring is continued, subsidies to public transport should also be included in the scheme. Parking and land use policies and possibilities given by a time differentiated toll should also be evaluated. Less a priori guidance on the use of means should be given. Measures should be chosen according to their cost effectiveness and achievement of specified goals.

Oslo Packages 1 and 2 are generally considered to be success stories (see “bullets” above), but many important transport projects will not be financed by 2008. Furthermore dismantling the Oslo Toll Ring is in the short term calculated to increase road traffic by 8-10 %. Expected traffic growth from 2001 to 2025 without the toll ring is around 30 %. Critical parts of the trunk road system (mainly some tunnels) may be overloaded by 2015. The Inner city is already considered to receive traffic flows near its capacity, in terms of road space and environmental conditions. This development may undermine the benefits of Oslo Package 1 and 2 resulting in increased and more unpredictable travel times and more traffic in residential areas and shopping streets.

On this background the politicians in the county councils of Oslo and Akershus have initiated work on a scheme for prolonged user payment beyond 2007, a possible Oslo Package 3. The project is led by a steering committee with politicians representing Oslo and Akershus with the Norwegian Public Roads Administration as secretariat. Continued road user charging requires an application from the two county councils and approval in the Parliament. The steering committee presented its proposal for an Oslo Package 3 in June 2006.