

## Scenarios for road charging markets. ITS Finland's futures study 2007

### Name of the publication

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### Abstract

The aim of ITS Finland's futures study year 2007 was to sketch scenarios of possible development concerning pay-as-you-drive and road charging markets in Finland. Pay-as-you-drive systems are possible both in vehicle insurance and leasing markets. The value of car benefit in taxation can also be determined by the actual driving performance, in this case the amount of kilometres travelled. The futures study gathered experts' views using a two-round Internet survey. Both rounds had 25 respondents representing 29 different organisations in Finland.

The experts expected a road charging scheme to be introduced in Finland either in form of a charge for heavy vehicles or as a congestion charge. It was also believed that these two ways can progress together. An experiment for a charge for heavy vehicles could take place in 2009-2011 where after this could be a permanent procedure. The most probable location for implementing a congestion charge was considered to be the Helsinki metropolitan area and year 2013 was seen possible for introduction.

Vehicle insurances were considered the most potential market area for the pay-as-you-drive system. Foreign experiences have been promising and the market launch in Finland could be fast. Young adults were believed to be first user group. It was also considered that these new insurance models could be introduced by a foreign insurance company. Pay-as-you-drive applications in car leasing markets could also be adopted quickly although the market potential was seen smaller than in the insurance markets. The experts thought that a new car benefit's taxation scheme could be realised through a demonstration project, where the tax authorities would accept an electronic driver's log for determining the taxation value of a vehicle.

Paying for car use more on kilometre basis can be introduced in two ways. Firstly, authorities and politicians can decide on the road charging. Secondly, relevant companies can introduce pay-as-you-drive systems in insurance and car leasing business. Applications of these two areas can be used in a single multifunctional device, which could also contain other services and applications. The multifunctional device could be a mobile phone or navigator including an open platform for ITS services. Open platforms for paying applications can also be introduced by car manufacturers. In that case these devices would become more common at the same rate as the vehicle population renews.