

Overview of Contents

Executive Summary	S-1
I General Methodology	1
1. Introduction.....	3
2. Social versus External Effects.....	5
3. Methods for Evaluating External Effects.....	30
II Evaluation Concepts by Type of Effect	45
4. General Procedure	47
5. Costs of Traffic Accidents	50
6. Noise	53
7. Air Pollution	54
8. Climate Change	60
9. Other Effects.....	66
10. Infrastructure Costs.....	67
11. Extrapolation and International Comparison.....	73
III Empirical Evaluation.....	77
12. Introduction.....	79
13. Transport Volume Data.....	80
14. Accidents.....	89
15. Noise	102
16. Air Pollution.....	111
17. Climate Change	155
18. Other Types of Environmental Effect.....	168
19. Infrastructure	177
20. Overview of Total External Environmental Costs.....	183
IV Internalisation Strategies	203
21. Overview of Instruments.....	205
22. Assessment of Past and Newly-Evolving Strategies	217
23. Internalisation Strategies	225
24. Toward Sustainable Transport Development	255
25. Synthesis.....	276
References	285
Annexes	311

Table of Contents

Foreword	i
Preface by the Authors	iv
List of Abbreviations	xiii
Executive Summary	S-1
1. Problem Perception and Objectives of the Study.....	S-3
2. Methodology	S-5
3. Empirical Results	S-7
4. Policy Conclusions	S-12
I General Methodology.....	1
1. Introduction.....	3
2. Social versus External Effects.....	5
2.1 Social Costs and Benefits	5
2.2 External Costs and Benefits.....	9
2.2.1 General Characterisation.....	9
2.2.2 Technological and Pecuniary Externalities	11
2.2.3 Levels of Interaction between the Transport Sector and other Sectors.....	13
2.2.4 Externalities Stemming from the Provision of Infrastructure versus Externalities from Use of Infrastructure.....	15
2.2.5 “External“ versus “Extra Social Benefits“	21
2.2.6 Market Principle of Individual and Direct Compensations	23
2.2.7 Congestion Costs.....	25
2.3 Average or Incremental Costs.....	28
3. Methods for Evaluating External Effects.....	30
3.1 Welfare Maximisation Approach	30
3.1.1 Resource Approach	31
3.1.2 Utility Approach.....	33
3.1.3 Prevention Approach.....	35
3.2 Risk Approach.....	37
3.3 Assessment.....	40
3.3.1 General Synopsis and Evaluation	40
3.3.2 Economically-Optimal Level of Resource Depletion	41
3.3.3 Minimum Cost Envelope	42
II Evaluation Concepts by Type of Effect.....	45
4. General Procedure	47
5. Costs of Traffic Accidents	50

6.	Noise.....	53
7.	Air Pollution	54
7.1	Scope, Definition	54
7.2	Methodology	54
7.3	Cost Estimation	55
8.	Climate Change.....	60
9.	Other Effects	66
10.	Infrastructure Costs	67
10.1	Cost Estimation	67
10.2	Revenues.....	72
11.	Extrapolation and International Comparison	73
III	Empirical Evaluation	77
12.	Introduction	79
13.	Transport Volume Data	80
13.1	Data Base	80
13.2	Criteria for Data Selection.....	81
13.3	Traffic Data	82
13.3.1	Rail Traffic.....	82
13.3.2	Road Traffic	83
13.3.3	Aviation.....	86
13.3.4	Shipping	88
14.	Accidents	89
14.1	Number of Casualties	89
14.2	Costs per Fatality	91
14.3	Costs of Injuries	95
14.4	Total Costs of Transport Accidents.....	98
15.	Noise.....	102
15.1	Noise Data	102
15.2	Evaluation of Studies on Noise Costs.....	104
15.3	Calculation of National Values for Noise Costs.....	106
15.4	Relative External Costs of Transport Noise	108
16.	Air Pollution	111
16.1	Emissions.....	111
16.1.1	Relevant Pollutants	111
16.1.2	Air Pollution by Transport Mode and Traffic Segments (Passengers, Freight).....	113
16.2	Prevention Costs of Air Pollution.....	126
16.2.1	Available Cost Estimates.....	126
16.2.2	Empirical Estimates.....	131
16.3	Damage Costs of Air Pollution.....	137
16.3.1	Available Cost Estimates.....	137
16.3.2	Empirical Estimates.....	139
16.4	Air Pollution: Summary of the Estimates	147

23.2	Accidents.....	232
23.2.1.	Review of External Cost Coefficients.....	232
23.2.2.	Selection of Instruments	234
23.3	Noise.....	236
23.3.1.	Review of External Costs of Noise.....	236
23.3.2.	Selection of Instruments and Internalisation Strategy	237
23.4	Air Pollution.....	240
23.4.1.	Review of External Costs.....	240
23.4.2.	Selection of Instruments	242
23.5	Climate Change	247
23.5.1.	Review of External Costs of Climate Change.....	247
23.5.2.	Selection of Instruments and Internalisation Strategy	248
23.6	Infrastructure Costs.....	250
23.6.1.	Review of External Cost Data.....	250
23.6.2.	Orientation toward Marginal Cost Pricing	250
23.6.3.	Selection of Instruments	251
23.7	Other Effects.....	254
24.	Toward Sustainable Transport Development.....	255
24.1	Intersectoral Policy Frameworks.....	255
24.2	Cost Internalisation and Sustainability	260
24.3	Ecological Tax Reform: Toward Sustainable Transportation.....	264
24.4	Implementation: Issues and Constraints.....	270
25.	Synthesis	276
25.1	Beyond Pigou-Internalisation	276
25.2	Modal and Intermodal Review	278
25.3	Priority Action: "Top 10 Instruments"	283
	References.....	285
	Annexes	311
	Annex 1: Formal Description	313
	Annex 2: Economic Data	317
	Annex 3: Estimate of External Costs.....	318
	Annex 4: Absolute External Costs of Air Pollution and Climate Change.....	321
	Annex 5: External Costs: Detailed Results	324
	Annex 6: Geographic Data	326
	Annex 7: Absolute and Relative External Costs of Transport, Country Data 1991.....	327
	Annex 8: Steering Committee and Working Group.....	344