

● DELHI EV POLICY ON CONGESTION FEE

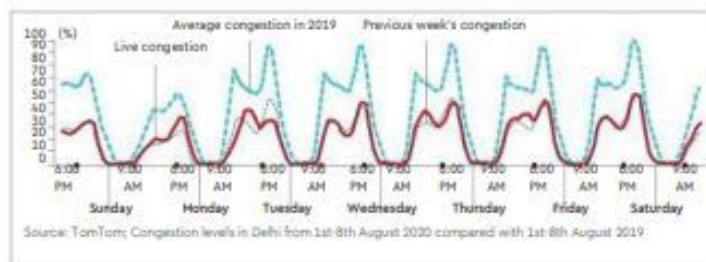
Not fair and equitable

Delhi should consider an equitable congestion fee based on evidence and not penalise an industry that uses a clean fuel like CNG and can hugely reduce congestion in the capital

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THE DELHI ELECTRIC Vehicles Policy 2020 aims to boost EV production, create jobs and combat air pollution. Its implementation is expected to be funded through 'feebate' concept, i.e. levying additional charges on inefficient and polluting vehicles to fund EVs. It proposes a 'congestion fee' on trips completed on aggregator platforms only. Congestion pricing in the NCR was first proposed in 2018 on vehicles entering select roads during specific time periods that see heavy congestion.

As Delhi moves towards full unlock, congestion is returning to pre-lockdown levels; many roads have witnessed huge traffic jams. This provides lessons on the strategies being adopted to reduce congestion. The EV policy seems to penalise and attribute congestion to aggregator platforms alone through congestion fee; it



is important to understand the concept of congestion fee and the contribution of various vehicle segments to congestion.

Congestion fee or congestion pricing is a tool used to discourage people from using certain roads at specific times of the day to manage traffic. Milan, London, Singapore, Hong Kong, Stockholm, etc. have implemented congestion pricing to manage traffic in specific areas. These cities impose congestion pricing on all categories of vehicles with the exception of shared ones (like public transport buses). It is calculated basis duration of travel in the identified area, time of the day, vehicle category, etc. supported by a tech-enabled system for monitoring and fare collection.

According to Delhi's Economic Survey 2018-19 report, the number of vehicles in the NCR stood at 1.09 crore (71 lakh two-wheelers and 32 lakh cars). There are 2.4 lakh commercial PVs (three- and four-wheelers) which constitute 2.28% of

vehicular population. A fraction of these operate on aggregator platforms. Hence there is little logic to support imposition of congestion fee on aggregators.

TomTom traffic data from August 2020 indicates that the current peak congestion levels are down by only 30% compared to congestion levels in August 2019 (see table). Congestion levels exist despite the absence of a majority of commercial PVs and personal vehicles on the road. It points towards a larger problem of lack of public transportation, high ownership of private vehicles, and infrastructural and planning issues leading to congestion.

Contribution to congestion can be determined by average occupancy, for example shared mobility modes have higher occupancy rates compared to personal vehicles. NITI Aayog's report 'Moving Forward Together, Enabling Shared Mobility in India' presents with evidence for the role of shared mobility in reducing

congestion in cities through efficient travel. Global studies also suggest every shared mobility vehicle has the potential to replace 9-13 private vehicles on the road. As travel demand in India is expected to grow by 14 times during 2014-2030, congestion control measures should include encouraging shared mobility.

Global experience suggests equitable congestion pricing and a tech-enabled ecosystem are key to achieving the objectives of congestion pricing. The EV policy adopted to fund EVs through a congestion fee on trips originating or terminating on aggregator platforms in the entire state of Delhi would not be able to control congestion unless imposed on congestion-causing vehicles in high congestion areas. This must be coupled with a sound tech-enabled system to manage congestion.

At a time when the commercial transport sector is worst hit due to the pandemic, additional fee on aggregator platforms could be reconsidered. Commercial PVs already pay multiple taxes to the government for permits, MV tax, fitness certificates, PUC, and for trips on aggregator platforms GST is imposed on every transaction. The proposed congestion fee not only impacts ease of doing business through additional compliance burden, but would also dampen the recovery of the sector which provides livelihoods to millions. Delhi government should consider an equitable congestion pricing policy based on evidence and not penalise an industry that already uses a clean fuel like CNG and has the potential to significantly reduce congestion in the capital.

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