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**TRANSPORT TRENDS AND POLICY AND TRANSPORT ECONOMICS**

Studies on transport economics and track costs  
undertaken by other organizations

Addendum 1

Transmitted by the Organization for Economic  
Cooperation and Development (OECD)

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Please note that the distribution of documents for the Inland Transport Committee (ITC) is no longer "restricted". Accordingly, the secretariat has adopted a new numbering system whereby all working documents will be numbered as follows: TRANS/year/serial number. Reports, provisional agendas, resolutions and major publications will continue to follow the previous numbering system (i.e. ECE/TRANS/126).

OECE Programme of cooperation in the field of road transport  
and intermodal linkages research

Activities related to infrastructure costs and transport economic

**Current working groups**

Effects of Transport Infrastructure Investment on Regional and/or Peripheral Development

It is well recognized that investments in transport infrastructure can have a significant effect on regional economies in terms of employment, industrial and commercial development. Many countries make large investments on the basis that these will contribute to the integration of the regional economy or will lead to a higher standard of living for peripheral regions. Often the evaluation of infrastructure projects appears to be insufficient to justify the socio-economic interest of the public or private sectors, because it does not take adequate account of the likely regional impacts arising from the investment. Moreover, such evaluations are often carried out on a modal basis, thereby, not necessarily considering the cost-effectiveness of transport options. The development of comprehensive evaluation methodologies is a key requirement to ensuring that the considerable investment in transport infrastructure in all Member countries is justifiable and efficient.

The objective of the study is to obtain a better understanding of the impact of transport development and infrastructure investments on regional economies and finally to increase the effectiveness of investment in transport infrastructure through an improved determination of priorities.

The project started in 1999 under the form of a working group and is expected to be finalized in December 2000.

Asset Management

In most OECD countries, roads constitute one of the largest government-owned assets. The government agencies that are responsible for the transport infrastructure must maintain, improve, replace and preserve these assets. At the same time, they must optimise the use of scarce financial and human resources to achieve the aims of the road network (i.e. performance). All of this is accomplished under the close scrutiny of the public who pay for the transport systems, are regular users of the assets and expect a certain level of quality - in terms of safety, rideability, etc. - in the roads they use. It is for these reasons that many governments are considering how they can take the concepts of asset management systems from the corporate world and introduce

it in the management of public assets.

The project will document the state of implementation of asset management systems (AMS) and programmes in OECD Member countries, identify the benefits of such systems, review road network requirements and examine the challenges faced in implementing such systems. The focus is to demonstrate the usefulness of such systems for key budgetary decision-makers, rather than for day-to-day management of the asset. The project started in 1998 and a final report will be issued in end 2000.

#### Field test of performance indicators for the road sector

The OECD issued in 1997 a report on the "Performance Indicators for the Road Sector". One of the main recommendations of this report was to undertake a field test of selected indicators in order to assess their applicability and usefulness in road administrations. A field test of 15 selected performance indicators have therefore been conducted over the past two years in a dozen of road administrations in OECD countries.

The 15 indicators were: Average Road User Costs, Level of Satisfaction regarding Travel Time and its Reliability and Quality of Road User Information; Protected Road User Risk; Unprotected Road User Risk; Environmental Policy/Programs; Processes in Place of Market Research and Customer Feedback; Long-Term Programmes; Allocation of Resources to Road Infrastructure; Quality Management/Audit Programme; Forecast Values of Road Costs vs. Actual Costs; Overhead Percentage; Value of Assets; Roughness; State of the Engineering Structures; Satisfaction with the Road System.

The OECD task force will finalize its work by end 1999 and a report summarising the results of the field-test will be issued in early 2000.

#### Multimodal Freight Transport

Intermodal/multimodal transport solutions have the potential to improve efficiency and promote environmentally friendly transport means. Despite policy willingness to promote intermodal transport in most OECD countries, there are still a number of barriers to integrated transport solutions and the growth in transport is still taking place mostly on roads. An Advisory Group was established to identify areas for future research on Intermodal Transport without overlapping activities done by other international organizations. The following four areas have been identified for research: Institutional Aspects, Benchmarking, Economic Instruments, and Freight Transport Corridors. Work has already started on the first two projects.

The first two activities have started.

The objective of the sub-group on Institutional aspects is to compare and assess the effectiveness of organizational structures for government institutions in developing integrated transport policies. Transport policy and organizations have mainly proceeded along modal lines, which can hinder a coordinated multimodal approach. The project will compare transport organizations and regulatory reforms in member countries and set recommendations on the most effective structures. A final report will be available in 2000.

The sub-group on Benchmarking is aiming at developing benchmarks for assessing the relative efficiency of modes/modal combinations and intermodal transfers, and to identify sources of inefficiency that could contribute to modal choice. A final report will be available in the end of the year 2000.

The other activities will be undertaken in the next triennial programme of RTR - 2001-2003 (if approved by the OECD Council).

#### Influencing road traffic Demand

The demand for transport has been growing rapidly in all OECD countries over the past decades and if policies are not changing the growth are expected to continue. In many OECD the growth of traffic are causing congestion and delays especially on the road network. Increasing congestion generates significant costs for industry and for society through added pollution. For every minute that an automobile or truck is delayed there are associated costs related to, among other things, the value of the driver's time, inefficient use of capital, the use of fuel, and the costs associated with not getting a product to its destination as quickly as possible. By influencing the overall level of road traffic demand, it would become possible to reduce delays and their associated costs. The performance of the transport sector affects all sectors of the economy (industry, trade, agriculture, etc.). A more efficient transport system has the potential to contribute positively to an economy's GDP, as well as reducing the environmental cost of transport.

The objective of the OECD study on influencing road traffic demand is to identify policies and practices that could help member countries promote the development of sustainable transport systems by enhancing the use of alternative modes of transport and managing road traffic volumes. The main focus of the study will be on strategies and measures that have Proven successful in reducing road traffic demand and increasing the efficient use of existing road infrastructure among various OECD countries. Final report expected at the end of year 2000.

**Recently published**

Dynamic interaction between Vehicle and Infrastructure (DIVINE) Project

DIVINE was an international collaborative research project instigated by the OECD in 1993 following earlier work by an OECD Scientific Expert Group on the Dynamic Loading of Pavements (OECD, 1992). It involved national road agencies, national road research organizations, and the private sector and included active participation from over 17 OECD member countries. DIVINE aimed to provide scientific evidence of the effects of the dynamic forces of heavy vehicles on pavements and bridges.

The project comprised six research elements: Accelerated Pavement Testing; Pavement Response Testing; Road Simulator Testing and Road-friendliness Assessment; Computer Simulation; Spatial Repeatability; Bridge Dynamic Loud Testing.

The reports have been published: a technical report, which describes in detail the various experiments undertaken and their results; and a policy report, which builds on the technical findings to highlight the policy implications of DIVINE. DIVINE results have indeed generated key policy implications for the management of the considerable investment by OECD Member countries in road infrastructure. A range of regulatory and economic measures is possible in response to the findings of DIVINE. These options are concentrated on the vehicle and/or operation. All are designed to encourage greater use of road-friendly suspensions.

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