

Ground-Level Ozone

A Negotiated Rule-Making Process on Varara's Air Pollution Crisis

Instructions for the MTC Negotiator

From the MTC Commissioner's Office

As you know, the Metropolitan Transport Commission (MTC) is a metropolitan transportation coordination body organized in 1985. It is comprised of the three transport authorities from the federal, Varara, and Mola governments. The office of commissioner is rotated between the Varara and Mola governments; currently, it is held by the representative from Varara. Unlike the Metropolitan Environmental Commission (MEC), the MTC does not have access to independent financial resources and is highly dependant on the Ministry of Finance.

We at the MTC see ourselves as advocates of big infrastructure projects and of methods to reduce congestion on the roads we oversee. These projects create a more efficient and livable city, and provide jobs to hundreds of contractors and construction workers who rely on government work. In addition, a city's image in the eyes of the world is defined largely by what it has built.

Position on the Reduction of Ground-Level Ozone

Sandoa's rapid urbanization is closely linked to unsustainably high population densities in Varara. Density creates congestion – a byproduct we see as primarily responsible for the current ozone crisis. As a transportation planning organization, we propose to focus on reducing congestion by encouraging public transportation such as Metro system and building new roads that will alleviate high traffic concentrations downtown. People in Sandoa take minibuses not because they want to, but because there are no other modes available. Allowing traffic to move more freely leads to less pollution and more mobility for efficient economic activities.

Primary Concerns

We are primarily concerned with reducing congestion, and feel there are multiple ways to achieve this end, including an expansion of the Metro, building ring roads to bypass congested urban areas, and implementing a program of congestion pricing. Fuel quality and emissions standards are of secondary importance.

Negotiating Strategies

We are prepared to compromise on other issues so long as at least one of our anti-congestion options (Metro expansion, ring road construction, or congestion pricing) is passed. We should seek to support the Ministry of Finance (MOF) in exchange for financial support for these costly projects, while reminding them of the economic importance of our projects. Our studies suggest that Metro expansion and ring road construction will each generate 100,000 new jobs.

We also have gathered information on congestion pricing, a plan we feel has enormous potential to help reduce the burden placed on our roads. Under the program, automobile owners would pay tolls tied to the time of day, thereby encouraging the use of public transportation during peak hours. Other cities around the world have seen rush hour traffic drop by as much as 30% under similar plans. Congestion pricing has the added benefit of being self-financing. We propose that part of the tolls collected go to the Metropolitan Environmental Commission, and part go to the additional costs for implementation, including staff and capital investments. Our independent estimates suggest that we will collect an additional US\$1.5 billion in tolls, of which US\$500 million will be required for upkeep.

Our ultimate goal is congestion reduction, which we feel is the most important way to reduce pollution. Well-known scientific data shows that cars have better emissions profile when operated at speeds of approximately 45 kph. The current average speed in the metropolitan area is 25 kph.

With good traffic management to minimize delays, our approach can be politically popular as well as environmentally beneficial.

The regulated competition of minibuses is another option we are willing to consider. Our current system of public transportation is chaotic and inefficient, often causing more congestion than it alleviates. Under a system of regulated competition, similar to programs in place for utilities, a single entity would be given control of a large portion of the market in exchange for limits on its ability to set prices. We recognize that, if implemented, this option will incite fierce competition among groups for the commission, and we may be able to use that competition to our advantage in the negotiation.

We recognize the flexibility of our proposed options, and therefore are willing to compromise with environmental groups or the MicroBus Transport Association (MBTA) to advocate at least one of the options outlined above. The ring road proposal may be supported by the Camitia Auto Industry Association (CAIA). Our goal is to find the most politically viable option and support it by compromise with the correct group(s). This may mean leveraging support by contributing money for a microbus subsidy in exchange for support on the ring road option.

Although we are financially dependent on the MOF, we have a small amount of money – US\$2 billion – to distribute as we see fit. It is important that this money not be wasted on negotiators who do not support our projects.

Decision Options

Guidance is provided regarding our top priorities only. Unacceptable policy options are also highlighted. You are to strive for these outcomes. If our first or second choice is impossible to achieve, we leave it to you to use your judgment as to what best meets the MTC's needs.

Decision 1: Sulfur Content in Regular Unleaded Gasoline

We are willing to compromise on the issue of sulfur content if we can generate support for other agenda items in exchange for our backing.

Decision 2: Emission Standards for New Vehicles

We are also willing to compromise on the issue of emissions standards if we can generate support for other agenda items in exchange for our backing.

Decision 3: Enhanced Inspection and Maintenance Program

We are in favor of integrating the inspection and registration databases (Option 3). We are also willing to consider the other options offered. We feel that these programs best serve to keep older vehicles (which frequently break down and stall traffic) off the road. However, we can be flexible on this issue to generate support for public works projects.

Decision 4: Public Transportation

This is by far our most important decision. We support ring road construction (Option 2), Metro expansion (Option 1), and congestion pricing (Option 4), for the reasons outlined above.

The total road system measures approximately 7,000 km with 3% of those roads having controlled access. Average speeds have been reduced by 10-16% in the last few years. This is due to factors such as the lack of ring roads to bypass congested main arteries.

The ring road issue is particularly controversial, but our internal cost-benefit analysis has found a cost/benefit ratio of approximately 2 to 1. Other cities have recently

embarked on similar projects, and the results are encouraging: in every case, the new road has lowered residential densities, decreased congestion downtown, and increased average vehicle speed throughout the system.

We are opposed to bicycle lanes (Option 3). Our roads are already too narrow – bicycle lanes would be disastrous. They would undoubtedly result in more bicycle accidents, because cars parked on road shoulders would open their doors directly into the bicycle lane. Other cities that have implemented similar programs have seen the number of bicycle-related fatalities actually increase.

For political leverage, we are willing to consider regulated competition (Option 5) as an option. We are nominally opposed to a microbus subsidy (Option 6) because it will take money away from other, more important projects. Again, we are willing to be swayed by arguments to the contrary.

Decision 5: Assigning Enforcement Responsibility and Financing

If cars are stuck in traffic, improved emissions profiles due to better fuel quality or emissions standards will have little effect. We therefore believe that money needs to be spent on infrastructure investment and traffic management. In terms of financial resources for transportation sector, the Mola budget is approximately 30% of the Varara budget. Therefore, the Mola state needs money to have Metro system extended to their jurisdiction.

Summary of the MTC's Positions

Priorities

- (1) Support Metro extension
- (2) Support ring road construction
- (3) Support congestion pricing

Constraints

- (1) Need MOF financing for public works projects

Decision 1: Sulfur Content in Regular Unleaded Gasoline

Little interest; support the most politically favorable option

Decision 2: Emission Standards for New Vehicles

Little interest; support the most politically favorable option

Decision 3: Enhanced Inspection and Maintenance Program

1st Choice: Integration of the Inspection and Registration Databases (Option 3)

2nd Choice: Public Audits (Option 2)

3rd Choice: Harmonization of the I & M Programs (Option 1)

Decision 4: Public Transportation

1st Choice: Ring Road Construction (Option 2)

2nd Choice: Metro Expansion to Sandoa (Option 1)

3rd Choice: Congestion Pricing (Option 4)

4th Choice: Regulated Competition for Microbuses (Option 5)

Oppose: Bicycle Lanes (Option 3)

Decision 5: Assigning Enforcement Responsibility and Financing

Priority should be given to Metro expansion and road construction and maintenance, as well as traffic operations.