

# Road pricing

Business



As a sign of traffic congestion in Central London, a recent survey shows that the average speed of vehicles on the main road in Central London has dropped from 14 mph to around 9 mph. This clearly indicates that there has been a hindrance in traffic flow due to traffic congestion and these cases present externalities that must be avoided by using road pricing to reduce the number of cars on road by charging them a flat-fee in the form of road pricing. According to a source that major traffic jams occur in Central London at around 7: 30 am in the morning and then 6: 30 pm in the evening. Those eligible to pay were around 150, 000 people who used the road every day. These charges were only levied on private vehicles. Public vehicles were exempted from these charges so as various other kinds of groups.

However, many organizations in the UK have argued over the price that is being charged. They claim that it is not the appropriate charge and is much higher than the social costs that a vehicle inflicts. They also support the reduction of this charge. Similarly, many people have argued that there are errors in database technology which often leads to double charging and overcharging. So, in both cases, if this carelessness persist it would not solve the problem of congestion but would deter people from driving even if they can afford to pay these costs. The economics behind this will that due to double charging and overcharging, demand would go down to zero.