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Cash strategy for city transport

From Mr Tim Pharoah

Sir, Robert Adley and Michael Welbank (December 6) quite rightly argue for a strategy to shape the multi-billion pound investment now required for London's groaning transport system. A financial strategy, as well as a development strategy, is required. This should include, for example, taxation of company cars and their company-subsidised parking places in central London, charges for the use of costly infrastructure (yes, road pricing!), and grants criteria that properly reflect the safety and environmental advantages of public transport compared to road investment.

More rail capacity could be paid for, partly by those who create the demand for it – namely, the office developers and employers who reap the benefits of a central London location.

In San Francisco developers of down-town offices pay a set of one-off fees to help meet the consequent costs of city growth. These include, for each square foot of new office space, $5.34 towards public housing; $5 for public transport; $2 for open space; and $1 to support child care.

In Paris, employers of 10 or more people contribute to the cost of providing the *carte orange* (the equivalent of London's Capitalcard). Centrally-located firms pay 2 per cent of their salary bill: those in the suburbs pay 1 per cent.

A sound financial strategy would encourage balanced development and highlight those investment projects which will make the best economic and social contribution to the city.

Yours faithfully,

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